



Microfinance institutions in Rwanda on the consumer protection smart certification journey

Manage your family budget, accumulate your savings, improve the quality of your life, and achieve your family goal



Some Microfinance institutions in Rwanda are stepping up to improve practices in their financial services and work for consumer protection Smart certification. The Association of Microfinance Institutions in Rwanda (AMIR) is leading this exercise in collaboration with SEEP Network and the MasterCard Foundation, through Responsible Finance through Local Leadership and Learning Program (RFL3). The objective is to support the institutions to improve their products and services, and to protect their clients from harm. It requires putting in place mechanisms that facilitate the delivery of responsible financial services.

It is in this context, 7 microfinance institutions were selected and provided with technical assistance to become models in responsible finance in Rwanda. Among those, some have the potential to embark on the process of Smart certification while others are still striving to improve their practices. In an endeavor to achieve smart certification and improve practices among our member microfinance institutions, AMIR organized a learning exchange visit in Lagos, Nigeria from August 26th to 30th, 2019. Participants were Chief Executive Officers/Director Generals of the 7 MFIs that have been receiving technical assistance under RFL3. Those are UMWALIMU SACCO, DUTERIMBERE IMF, UMUTANGUHA FINANCE, INKUNGA FINANCE LTD, CPF-INEZA, GOSHEN FINANCE, RIM LTD; accompanied by AMIR Secretariat.

The main purpose of this tour was to strengthen their understanding of the implementation of consumer protection principles and the Smart Certification process, and providing them with an opportunity to learn from peers about successes and challenges in this process.

According to the smart campaign, over 115 financial institutions, collectively serving more than 46 million people, have been certified for adhering to the Campaign's industry-accepted consumer protection standards¹. Given that in Africa we have only 9 MFIs that are certified by Smart Campaign, AMIR together with partners selected Grooming center and LAPO microfinance banks in Nigeria, that are also certified, to be the ones to share the best practices opportunities, and challenges encountered in the smart certification journey.

¹ www.smartcampaign.org

Institutions that were visited:

- ✚ Rating Agency – Micro Rate
- ✚ Grooming Centre Microfinance Bank
- ✚ LAPO Microfinance Bank
- ✚ Association of Microfinance Banks in Nigeria

In this learning exchange, the team had face to face meetings with those Nigerian stakeholders; and interacted with others through Conference calls. Rwandan CEOs exchanges with peers from Nigeria visited different departments in each institution and consulted staff on a number of practices.

The team from Rwanda also visited clients of both banks including savings groups. The team wanted to learn and see what is happening from the field point of view and learn from clients experience in, and satisfaction with responsible financial services they receive.

Key lessons learned

1. Commitment: It was learned that, for microfinance institutions to improve its practices, there is a need for strong buy-in and commitment by everyone, including staff, management and Board of Directors.
2. All staff should understand the process, and be guided by their organizational culture and staff Code of Conduct
3. FIs should frequently interact with clients and put in place enough communication channels/ mechanisms.
4. Disclosure mechanisms and improved transparency contribute to building trust between the MFI and its clients.
5. Put in place mechanisms that could allow the organization to deliver responsible financial services.
6. Invest in capacity building of management, staff, clients, and agents
7. Involve regulators and policymakers

A competitive Financial Institution it the one that trains its Clients to gain valuable customer feedback to improve product and customer experience, and contribute to his and institutional general performance. SBFIC in collaboration with AMIR offered six different pieces of training to Managers of microfinance Institutions and SACCOs to demonstrate the new saving Mobilization methodology known as “The Savings Game”. The training takes two days only. The goal of the training is teaching how to manage family budget successfully and to accumulate savings as a family thus improve the quality of life and achieve the family goal as a family.

In each training, an average of 25 people is trained and the training is conducted by 2 Certified Trainers. The purpose of these trainings is to introduce and create awareness of this new training Methodology in the Microfinance sector and at the same time enable Microfinance Institutions to test and evaluate if it's the right solution to address the challenges of their clients related to Savings. It helps clients of MFIs and SACCOs to know-how and practice the proper management of their resources and to increase their savings which helps again to strengthen their bank records for future partnerships with the Financial Institutions.

The implementation of this new client training methodology is in line with AMIR support to its members and towards supporting the commitment of having best practices and affordable products and services in the Sector that will help to reach to the Commitment of 1.500.000 Job Created by 2024.

The objective of Savings Game is to support participants to learn how to manage a household budget and to accumulate savings effectively by applying an experience-based approach so as to achieve the Family goals.

Upcoming Events

❖ TRAINING OF TRAINERS ON CORPORATE GOVERNANCE 09TH -11THOCT, 2019

AMIR in collaboration with the International Finance Corporation (IFC) is organizing a Corporate Governance Board Leadership Training of Trainers (ToT) and this is the first ToT to be organized in Rwanda for MFIs.

This training will take 3 **full days**; participants will gain knowledge on the Corporate Governance Board Leadership Training Resources Kit (the Tool Kit) and expose learners to modalities of:

- ✓ Engaging adult learners
- ✓ How to Provide maximum flexibility
- ✓ Minimizing Trainers time and resources for curriculum development
- ✓ Advancing corporate governance by instilling in participants' leadership values,
- ✓ Foster long-term relationships,
- ✓ Engage participants to be “change agents” of corporate governance,

To register, please email to Mr. Jackson Kwikiriza at jkwikiriza@amir.org.rw or praisek2014@gmail.com or call on Tel: +250 788889292 for any further clarifications that you may require.

❖ MITF Awareness campaign in Rwanda

With the fund already registered, a series of meetings conducted with development partners and government institutions (Ministry of finance and economic planning and the Central bank of Rwanda), AMIR has planned a campaign to all members in 30 Districts. This is aimed at updating them on the status of the fund and getting their buy-in for proper implementation.

The campaign will start on 16th – 20th September 2019, and it will bring together managers of SACCOs and MFIs, chairpersons of the board of directors as well as local leaders in charge of the promotion of financial institutions and cooperatives.

❖ Making Digital Credit Truly Responsible ((September 25 at 9 AMEST (English))

MSC—in partnership with SPTF and the Smart Campaign—will host a series of webinars (in English, French, and Spanish). For more details, kindly visit the link below;

Webinar: <https://register.gotowebinar.com/rt/4280903844116369677>