

MICROFINANCE INVESTMENT TRUST FUND (MITF) in Rwanda

After its establishment and registration in Rwanda, the MITF will become a solution to many challenges facing the financial institutions in Rwanda. In an endeavor to implement the recommendation by the general assembly in December 2015, the association organized a workshop held on August, 7th 2019 to discuss more the MITF and how the initiative can be implemented to benefit all AMIR members.

It was revealed in the meeting that, the core objectives are to provide two interrelated services to the Member SACCOs/MFIs:

1. The Refinancing Facility ("RF"): The RF shall serve as the Refinancing/Liquidity Facility for Member SACCOs and MFI.
2. The Technical Assistance Facility ("TAF"): The TAF shall provide Technical Assistance and Capacity Building ("Shared Services") to enhance the effectiveness of the Refinancing Facility services.

In this meeting, all members were happy with the initiative and confirmed that the fund is coming as a solution to re-financing issues and TA gaps to which the community will benefit as well.

As way forward, the following are considered as the next move;

- ✓ AMIR is working hard in collaboration with, BNR, and Capital Market Authority (CMA) to put in place the oversight mechanism, including a license as deemed necessary, for the MITF in order to comply with Rwandan Financial Sector regulations and public protection standards towards the Licensing Framework of the MITF
- ✓ The management of AMIR and MITF is organizing a visit to all members to explain more about the fund and increase the ownership and buy-in. The visit is planned to start on 16th -20th September 2019.

All partners presented agreed to mobilize and to identify opportunities in a way of supporting the implementation of the MITF. BNR has committed to providing all possible guidance toward to this new initiative.

VSLAs SPEED UP AND REORGANIZE IN RWANDA

As a result of reorganizing VSLAs and to speed it up in Rwanda, AMIR and CARE international Rwanda have entered into a strong partnership to contribute to the National Financial Inclusion strategy through an effective support to Financial Service Providers and financial management capacity building to saving groups and members covered by CARE which currently has mandate to promotes savings and loan schemes among the community precisely women and girls' majority by using the VSLA methodology.

AMIR aims to contribute to the development of the microfinance industry through the promotion of transparent management systems in Financial Services providers' members.

In this partnership, AMIR is working closely with CARE Rwanda to alert on issues that may negatively affect the performance and image of its member MFIs, and the microfinance sector in general in services to saving groups and members. It assists its members in appropriate and affordable product development, application of technological and technical innovations, social performance management and client protection to better serve their clients including saving groups., the objective of this partnership is to put in place innovation and speed up the implementation of an effective mechanism for saving groups and members' access and use of formal financial services that AMIR and CARE defined a joint action plan with mains activities that include :

1. The revision and adaptation of financial inclusion training tools;
2. Facilitate the development and implementation of effective formal financial services delivery mechanism to saving groups
3. Advocate for women and youth saving groups member appropriate and affordable Formal financial services access.

NATIONAL AGRICULTURE INSURANCE SCHEME (NAIS)

The Government of Rwanda has approved the National Agriculture Insurance Scheme (NAIS) on 19th November 2018 and it has been launched on 23rd April 2019 through MINAGRI. July 23rd, 2019 MINAGRI conducted a one-day workshop to explain and give more guidance to the Insurance companies and financial institutions including AMIR on how NAIS will be implemented.



This scheme will provide insurance coverage to the farmers and in collaboration with insurers where the Government will subsidize 40% of the premium rate while the farmer will contribute 60%. The implementation will be done through a multi-agency framework by the selected insurance companies and Banks under the overall guidance and control of the Rwandan Government with MINAGRI as a is primarily responsible to promote insurance through a consultative and participatory approach that establishes an enabling legal and regulatory environment. By highlighting this, the Banks have started focus on agribusiness (processing and trading) rather than agricultural production and the average Loans have increased from 30.1 Billion in 2016 to 40 Billion up to date. The NAIS came as a solution that would facilitate in de-risking the agriculture sector by increasing the affordability of agriculture insurance to the small holder's farmer as well as agriculture credits.

AMIR as a partner of Government in planning and implementation of different national strategies, it has a mandate of;

- Creating awareness of the NAIS to member MFIs and SACCO and clients.
- Coordinate the application of the scheme in collaboration with MFI/SACCOs and insurance companies.
- Engage Stakeholders in the sector to value and create awareness over the scheme along with the implementation.

Expected benefits of the partnership

- ✓ Avail user-friendly VSLAs members including youth and adapted financial education materials, who will be linked to AMIR members
- ✓ To define roles; responsibilities and targets toward VSLAs.
- ✓ Advocacy for youth on VSLAs and the financial inclusion plan agenda to be implemented.

The implementation has been planned from August to September 2019 where both parties will be working closely to achieve this goal.

Kindly read our bulletin for the month of April, May and June 2019 through the link below:

<http://www.amir.org.rw/media-center/news/>