



AMIR NEWSLETTER

Association of Microfinance Institutions in Rwanda

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.

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.

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.

The Saving Game achievement in Rwanda!

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 took 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. The main purpose of these trainings was to introduce and create awareness of the new training Methodology in 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 and 25 people were trained.

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 to achieve the Family goals

Microfinance institutions in Rwanda on the consumer protection smart certification journey

Some Microfinance institutions in Rwanda are stepping up to improve practices in their financial services and work for consumer protection Smart certification (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.

Institutions that were visited:

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

Strengthening Industry through sector professionalization

Microfinance institutions in Rwanda supported by SEEP Network and MasterCard foundation are working hard to enhance the Rwanda microfinance market for client protection professional services. 2016 is a remarkable year when AMIR entered into a partnership with the SEEP Network with support of MasterCard foundation for four years, the main goal of this four-year partnership was, to scale-up the application of consumer protection practices in Rwanda microfinance sector.



The Responsible Finance through Local Leadership and Learning Program has been in existence for almost three years. Part of the AMIR's role is sector professionalizing and coordination, thus, in 2017 and 2018, AMIR organized two sessions of training on Smart Assessment. The main goal of the training was to equip local consultants with consumer protection assessment and technical assistance skills but also preparing local experts to be accredited by Smart Campaign. From a big pool of around 50 consultants, employees of our member MFIs, and sector stakeholders who were trained, 10 consultants have managed to continue the process of Smart certification. The accreditation process is also being supported by two international consultants, Rose MWANIKI the Smart Campaign lead assessor and lead trainer from Kenya and the GUEYE Aida the Social performance Management expert and smart campaign lead assessor. It is planned that by 2020, Rwanda will have local consultants accredited by Smart Campaign

For the consultants to continue training (theory and practice) on CP provision, each consultant has been given one financial institution to accompany so that they can support the FSPs to align their policies and practices with the industry-accepted CPPs standards. 7 MFIs that are participating in the technical assistance program are; RIM, GOSHEN Finance, DUTERIMBERE IMF, UMUTANGUHA Finance Company, CPF INEZA, UMWALIMU SACCO, and INKUNGA FINANCE In line with Smart certification of our member MFIs, On 6th September 2019, just after the study tour of the CEOs to Lagos Nigeria (<http://www.amir.org.rw/wp-content/uploads/2019/09/August-2019-Bulletin.pdf>), AMIR organized a meeting with all consultants who are accompanying these MFIs in the TA program to assist them come up with concrete technics that would speed up the process of consultants accreditation, MFIs improving practices as well as certification.