

FACILITATING VSLAs MEMBERS TO ACCESS & USE MFI's & SACCO's APPROPREATE FIANCIAL SERVICES

For more than 13 years, Association of Microfinance Institutions in Rwanda and CARE Internationa have been good patiners in the promotion of financial inclusion and contibuting to the national financial sector strategy. This patinership has made a tramendeous progress toward access to finance by serving Village Savings and Loan Associations (VSLA) while suporting financial service providers to deliver responsible and inclusive financial services to the group members of VSLAs.



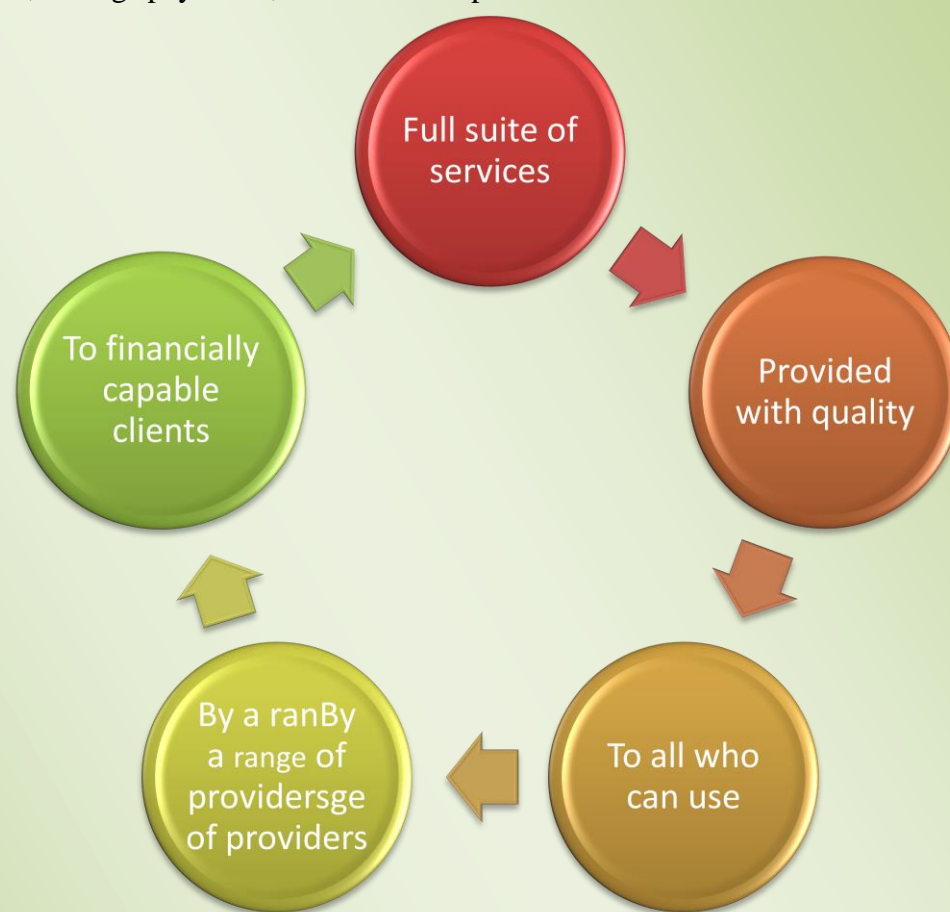
Under this collaboration, from April 2022, 138 SACCOs and VSLA village agents at District level have been trained on VSLA methodology and approach to better serve the members of VSLA groups. AMIR and CARE are expecting to conduct more training sessions to all the 416 SACCOs in the country. This is to equip all the SACCOs with full skills so that, they are able to serve all the VSLAs as trained by CARE around the country. This will make a great difference to the low-income families in Rwanda.

The stark reality is that, most poor people in the world still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector...Together, we can and must build inclusive financial sectors that help people improve their lives."

Source: Blue Book/ UN Secretary-General Kofi Annan, 29 December 2003, following the adoption of 2005 as the International Year of Microcredit

AMIR IT SHARED SERVICES

Financial inclusion is the state in which all working adults have effective access to credit, savings payments, and insurance products from formal institutions.



Digital Financial Services is the provision of financial services through electronic channels in a cost-effective, efficient and affordable manner to maximize outreach and increase revenues (DFS).

AMIR and AFR have invested efforts in supporting 11 Non-USACCOs to have access to, a shared core banking system that will contribute to more transparent financial systems and innovative financial products. For more than 2 years of partnership, 5 Non-U SACCOs have been supported to improve efficiencies of financial services to low income people through automation of financial services and products.

As of now, ICB is live from April 2021, it is being tested in 3 SACCOs. Another amazing story is that, SMS Gateway is live from February 2022, USSD and Mobile banking (push/pool) are fully tested for their functionality and now live, and finally, IT and Network including licenses for new infrastructure have been delivered and installed.

The process of automation is also being tested in other 2 none U-SACCOs. This is an amazing initiative and it is expected to bringing a tangible impact in the world of financial inclusion, usage and access to financial services by the low income clients of these SACCOs, this is in all areas of credit & saving at an affordable cost in a sustainable manner.

Why inclusive financial sector development matters?

We all know that access to a well-functioning financial system can economically and socially empower individuals, in particular poor people, allowing them to better integrate into the economy of their countries, actively contribute to their development and protect themselves against economic shocks.

For AMIR, the Association of Microfinance Institutions in Rwanda to contribute to the Government strategy of building an inclusive financial sector in Rwanda, a partnership with Rwanda Orora Wihaze a USAID project has been developed from April 2022. This partnership focuses on constraints excluding/ hindering Micro, Small and Medium Enterprises (MSMEs) access to finance with specific attention to livestock.

Most problem that limits MSMEs from access to financial services are linked to lack of appropriate financial products and services. AMIR and Rwanda Orora Wihaze are so much focused on Animal Sourced Foods (ASF) sector needs, low understanding of risks related to ASF production, aggregation and distribution and lack of familiarity with market dynamics through the development of an inclusive profitable market by applying **market system development approach**.

The two institutions have started by assessing market constraints and needs, from there, capacity building activities have started to 8 SACCOs in 8 Orora wihaze districts (Rwamagana, Kayonza, Ngoma, Gakanke, Burera, Ngororero, Rutsiro, Nyasheke, Nyamagabe including Vision Fund Rwanda and Rim). All the 10 financial institutions, technical support have been provided in terms of training on livestock value chain financing (Pig, Poultry and Fish), provision of training materials, and we are in the last phase of products development.

It is expected that, after the piloting and testing of these products, this approach will be extended to more AMIR Members including SACCOs, PLCs and microfinance Banks.

Poor women and men have shown the world that they are bankable, attractive customers of financial services."

Source: Women's World Banking, 2005, p. 6

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