

QUARTERLY NEWSLETTER



Strategic goal

To contribute to a deeper and more inclusive financial sector that supports the livelihoods and well-being of low income people in Rwanda



Main objective

Low-income Rwandans, especially women and youth, benefit from use of a variety of appropriate financial services.

About AFR

AFR began its operations in 2010 with the core objective of stimulating the development of the financial sector in Rwanda. AFR's intention is to remove the systemic barriers that hinder access to financial services by putting the low income people particularly the rural poor and women at the centre of its interventions. AFR supports the development and provision of financial services including savings, credit, insurance, payments and remittances. AFR is funded by DFID, Sweden, USAID, the MasterCard Foundation and KfW.

To ensure long-term sustainability and consistency of its achievements, AFR supports the Government of Rwanda's development objectives and aligns all her interventions to the national policy frameworks such as the Financial Sector Development Programme (FSDP) II and the Economic Development and Poverty Reduction Strategy (EDPRS).

NEWS

AFR's support to the National Agriculture Exhibition recognised



AFR has been awarded as one of the outstanding sponsors for the 2017 edition of Agriculture Trade Fair held in Kigali in the month of June 2017. Every year, the event attracts Rwandan and International exhibitors to showcase their products and services, network and share ideas and improved practices.

AFR has in the past years provided support to the Rwanda agricultural sector in various developmental aspects. These include developing and promoting agriculture insurance schemes, linking Financial Institutions (FIs) with business opportunities that are viable for increased and more appropriate lending instruments, introducing and bettering digital financial services designed for the agriculture value chain in Rwanda. Agricultural financing remains at the core of AFR's mandate to support better financial sector performance and increased financial inclusion.

Fintechs tipped on opportunities to improve remittance transfers

According to a June 2017 report by Financial Sector Deepening Africa (FSDA) <http://bit.ly/2svGgLf> it is more expensive to send money to Africa than anywhere else in the world. This gap reveals opportunities for the emerging Africa financial technology firms to develop digital solutions that would increase efficiencies in service provision and reduce the cost of cross-border money transfers.

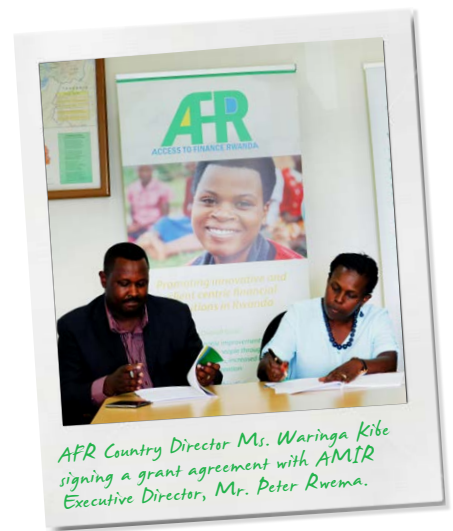
According to Financial Sector Deepening (FSD) Africa, Rwanda receives 9.7 billion Rwandan francs sent each year by the 4,781 Rwandans living in the United Kingdom. It is indicated, however, that the average cost of sending 129,000 Rwandan francs from the UK to Rwanda is 13%, one of the highest average cost in the region, and almost twice as much as sending money to Kenya, where it costs just 7%. In general, sending money to Africa is more expensive than anywhere else in the world, according to new research published at this week's Global Remittance Conference in New York. The report argues that existing technology – like regional automated clearing houses, remittance payment processing hubs and aggregators - could all make sending money from the UK to Africa much, much cheaper.

"The findings also draw attention from all stakeholders such as policymakers, regulators and private financial sector players to put in place and accelerate mechanisms that will facilitate the flow of money transfers to the Rwandan economy," said AFR Country Director, Waringa Kibe.

AFR is now collaborating with FSDA to address the issue of remittance within the forcibly displaced communities in Africa. An indepth study on Rwanda is being carried out in July 2017.



Rwanda receives 9.7 billion Rwandan francs sent each year by 4,781 Rwandans living in the United Kingdom.



AFR Country Director Ms. Waringa Kibe signing a grant agreement with AMIR Executive Director, Mr. Peter Rwema.

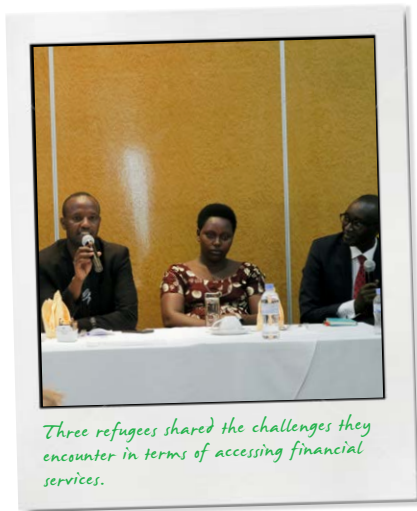
The Non-Umurenge SACCOs and MFIs to be automated



AFR, with funds from UK's Development Fund for International Development (DFID), United States Agency for International Development (USAID), Swedish government, and MasterCard Foundation, has earmarked 560 million Rwandan francs for the automation of non-Umurenge SACCOs and Micro Finance Institutions (MFIs) in the country. This initiative, which is aimed at improving efficiencies in the provision of financial services to the low income people, will be implemented in partnership with the Association of Micro Finance Institutions in Rwanda (AMIR). As part of the project implementation, a total grant worth 160 million Rwandan francs was on Monday, June 5, 2017 officially extended to five tea growers SACCOs across the country. According to the Director of Programs at AFR, Mr. Jean Bosco Iyacu, the systems automation of the Tea SACCOs in particular will significantly contribute towards deepening the usage and adoption of financial services because the sector employs a significant number of people.

Mr. Iyacu noted that digital initiatives would greatly improve the tea growers' experience in usage of financial services. An automated systems would improve the speed and efficiency in the SACCO's management and customer service delivery. *"With the current situation, tea growers experience delay in receiving payments (10-20 days after the payment), because SACCO's use manual system and it is very difficult for it to handle the volume of transactions manually",* he explained.

Mr. Peter Rwema, the Executive Director at the Association of Micro Finance Institutions in Rwanda (AMIR), noted that the numbers attached to the tea sector present enormous opportunity to heighten financial inclusion of the low income earners in underserved areas. He therefore lauded AFR's initiatives aimed at increasing access to financial services for poor individuals and small and medium enterprises through provision of financial technology solutions and other innovations.



Rwanda to host the Regional Micro Insurance Conference

Rwanda continues to position itself as a conference tourism hub, with a good number of international and regional conferences heading to the Rwandan capital, Kigali due to its sound Meetings, Incentives, Conference and Exhibition (MICE) program.

AFR in collaboration with the National Bank of Rwanda and the Association of Insurers of Rwanda (ASSAR), will host the fourth Eastern and Southern Regional Micro-Insurance Conference at Kigali Marriot on the 28th-30th August, 2017. The event is a combination of high quality training and plenary sessions aimed at sharing insights on inclusive insurance business models that are making access to low-income market segments in Africa possible.



[CLICK HERE TO READ MORE ABOUT THE CONFERENCE](#)

Refugees Financial Inclusion Project launched in Rwanda

On Monday 19th June this year, AFR in partnership with FSD Africa launched an initiative to promote financial inclusion for refugees and other forcibly displaced populations and host communities in Rwanda. The initiative undertaken in collaboration with MIDIMAR and UNHCR was launched at a breakfast meeting at the Hotel des Mille Collines in the Rwandan capital, Kigali. The event attracted senior representatives for the Rwandan government, United Nations High Commission for Refugees, banks, Micro Finance Institutions (MFIs), and development agencies as well as a panel including three refugees from Gihembe Camp, North Rwanda.

The project is designed to leverage the skills and the innovation of the private sector to develop market-led, sustainable financial services for forcibly displaced populations and their host communities in Rwanda. It is a key objective of the project to bring financial service providers and refugees in Rwanda closer together. Under this initiative, the 'Design Sprint' competition is planned for the private Financial Institutions and mobile network operators (MNOs) to design and develop refugee financial inclusion products. Three winners in round one will receive a 10,000 pound sterling each, two winners in round two will each receive up to 300,000 pounds sterling subject to Financial Sector Deepening Africa Investment Committee approval. This partnership with FSDA, MIDIMAR and UNHCR is an important engagement in helping to fulfill AFR's commitment to supporting financial inclusion for refugees in Rwanda as indicated in the National Financial Inclusion Strategy.



Long Term Saving Scheme (LTSS) aims at promoting financial inclusion

About 96% of Rwandans are excluded from formal pension arrangements, an element that calls for financial inclusion intervention as a matter of urgency. In collaboration with the Ministry of Finance and Economic Planning, AFR is supporting the development of the Rwanda Long term Saving Scheme (LTSS) which will be linked to the National ID database. The scheme is anticipated to support Rwandans accumulate enough savings in their younger years that can support their old age.

In the interest of creating awareness about the upcoming platform and getting feedback from the relevant stakeholders, AFR has presented project features to the Quarterly Savings Group Practitioners Forum. The forum attracted local and international Non-Governmental Organisations and government institutions at the World Vision offices in Kigali.

To minimize the capital cost of the LTSS, the Government will harness existing institutional capacity for regulation and services delivery. It will launch a coordinated national campaign and provide short-term fiscal incentives to motivate early, mass-scale voluntary coverage and sustained savings discipline.



KG 5 Avenue, House #15- Kacyiru
The road behind the Netherland Embassy
P.O. Box 1599
Kigali – Rwanda

