

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, and the MasterCard Foundation.

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

Financial service providers encouraged to share banking agency infrastructure



Mr. Kimanathi Githachuri, Digital Financial Services Consultant of Seven Delta Consulting, sharing information on the project progress.

AFR is very keen on spearheading a range of turn-key initiatives designed to improve the technical and strategic operational capacity of Rwanda's financial sector to improve financial inclusion efforts and to ensure products and services reach and are utilised by low- and middle-income earners in Rwanda.

In collaboration with [Rwanda Bankers' Association](#) and the [Association of Microfinance Institutions in Rwanda \(AMIR\)](#), AFR organised a breakfast meeting on 31st August, 2018 at Kigali Marriott Hotel to share with the industry information on the progress of the Shared Agency Banking Service.



Financial Sector Players Validated the Rwanda National Digital Payment System

Industry pledges commitment to Rwandan National Digital Payment System (R-NDPS)

On 24th September 2018, financial sector players honored invitation from AFR and the National Bank of Rwanda to convene at Park Inn Radisson Hotel in Kigali, and validated the Rwandan National Digital Payment System. (R-NDPS).

The financial sector including private sector, government agencies, and regulators, have prioritised the interoperability of retail payments to support national objectives of implementing interoperability to develop a safe, reliable, and efficient payment system. In addition, the Rwandan government is keen on helping accelerate the shift to a digital driven economy, and contribute to a robust and inclusive financial sector for all.

The key design features of the interoperable retail payment system have been agreed and industry stakeholders have agreed that further discussions regarding financials and the commercial model of the R-NDPS will be held during the implementation phase to complete end of year 2020.

By signing the statement of industry consensus and acceptance of the Rwanda National Digital Payment System, the captains of industry confirmed acceptance of the business plan and pledged their commitment to contribute to the efforts needed to implement the R-NDPS.

Financial service providers encouraged to share banking agency infrastructure (continued)

The overall goal of the Shared Agency Banking Services is to make financial services equitably accessible throughout the country, through an efficient and effective agency banking channel.



The implementation is designed to cover a period of two years.

On completion of the SABs project, the shared agency banking infrastructure will effectively enable service providers to cost-effectively reach out and serve their customers through shared agent locations across the country, especially rural Rwanda. The primary rationale of this strategic intervention is to contribute towards creating a financial sector that delivers inclusive services and resources that reach low income Rwandans such as cash-in and cash-out.

In a nutshell, this meeting clarified the need to work together to ensure the focus is shifted from competing to developing value proposition. We need to be continually ensuring that products, services and tools in the financial sector are developed with the client in mind and over the next ten years, that innovative product development is utilised by the desired customers base – low to middle income earner. The project continues to garner a lot of interest from stakeholders who wish to be part of the project that will enable customers to benefit from optimised, high quality and uniformed services.

AFR Joins 140 Other Financial Institutions to Promote SME Finance

AFR has become the newest member of the SME FINANCE FORUM, a global membership network that brings together financial institutions, technology companies and development finance institutions to share knowledge, spur innovation, and promote the growth of SMEs.

"200 million businesses worldwide need financing to invest, grow and create new jobs. We are proud to have AFR join our network of 140 members who work to expand access to finance for small and medium businesses."

Matthew Gamser,

CEO of the SME Finance Forum

"We are thrilled to be included in this wide-reaching network. This will allow us the opportunity to learn from other members on SME finance best practices across the globe and share our lessons to date. We have implemented interventions that enable close to one million Rwandans to access and use financial services and want this number to continue to grow."

Waringa Kibe,

Country Director of AFR



Rwanda promotes financial inclusion of refugees

With over 68.5 million forcibly displaced people in the world and approximately 15 million of those people being in Africa; refugees represent a huge financial inclusion opportunity.

AFR is proud to have recently (Oct 2018) launched a project to implement the letter of understanding between AFR, the **Ministry of Emergency Management** and **UNHCR** to support Rwanda's national financial inclusion strategy to promote financial inclusion of refugees in Rwanda.

This joint initiative will see a local financial service provider, Umutanguha Finance Company (UFC) Ltd, and a mobile operator Airtel/Tigo develop and provide digital financial services aimed at increasing access to financial services for refugees in the country. This project will be implemented through providing technical assistance to the financial institution (UFC) and the telecommunication company (Airtel/Tigo) to allow them to develop and offer digital financial service to the refugees in the most convenient and cost-effective way.

"There is concern about offering loan products to this market, with the assumption that all refugees are low earners however we are designing two types of loan products that are low risk for this sector. We also will be working closely with loan officers to carry out assessments on those refugees applying for loans to ensure their credit worthiness."

Ms. Roselyne Uwamahoro,

Head of Savings and Credit Cooperatives (SACCOs) and Savings Groups, AFR

The project comes as a response to the joint strategy signed with the United Nations High Commissioner for Refugees to further Economic Development in Host Communities through Refugee Self-Reliance (2016-2020) and will contribute to their vision of having all refugees and neighboring communities fulfil their productive potential as self-reliant members of Rwandan society.

"At Airtel we are always driven by the desire for innovation and inclusiveness. We are proud to be part of this project that will serve a unique segment of society. We are going to provide an infrastructure to facilitate 'pull and push of cash between the mobile wallet and bank accounts' functionality for refugee clients, and we will support marketing activities as well."

Mr. Amit Chawla,

Chief Executive Officer, Airtel/Tigo



AFR has entered partnership with Umutanguha Finance Company and Airtel-Togo to provide digital financial services to refugees in Rwanda

"This project is of major importance; we will have the potential to reach this untapped market with a new range of services and resources from direct debit banking accounts to mobile money, loans and saving schemes. All essential to boost our economy."

Ms. Waringa Kibe

Country Director, AFR

Mr. Jules Theoneste Ndahayo, the UFC Chief Executive Officer expressed gratitude towards extending financial services and products to refugees in Rwanda. He noted that – in addition to administering the saving and lending programme for refugees – UFC will provide financial education and an entrepreneurship programme that will be key for success in offering financial services to this market.

The UNHCR Livelihoods Officer, Mr. Arifur Rahman, applauded the initiative and pointed out that it has come at an opportune time when UNHCR is promoting livelihood initiatives among refugee communities in Rwanda.

"We can therefore promote livelihoods of refugees through such solutions leveraging on the demand from the shift to cash instead of food and non-food items, to empower their refugees' economic lives."

Mr. Arifur Rahman

Livelihoods Officer, UNHCR

Ejo Heza - a better tomorrow - for self-reliance and dignified old age

The most important long-term financial goal for almost everyone is to save for retirement and therefore its essential people have a disciplined approach to saving and investing for the future.

At AFR, we believe saving for old age should be the number one priority for all Rwandans however, this will require a major cultural shift that will take time to implement. Not only does lack of savings affect the individual and their families but it also has a huge burden on society and the economy as a whole.

The good news for Rwanda is that the government (with support from donor funding through AFR), has designed a long-term savings scheme named Ejo Heza meaning a better tomorrow.

This scheme is expected to provide every Rwandan citizen an equal right and opportunity to achieve a financially secure and dignified retirement package and the Ejo Heza pension scheme differs and is unique from other saving schemes because it targets everyone from those that are self-employed, non-salaried workers, as well as public and private sector salaried employees.

"I am very excited about the Ejo Heza saving scheme because it offers a unique opportunity to save for retirement and a better future for my family. There have been such limited saving options for someone like myself working within the informal sector that I think this initiative will do really well."

Ms. Marie Liou Mutuyimana

a 37-year old mother of three who supports her family through selling agricultural produce in a marketplace in Gakenke District

One of the targeted beneficiaries in rural Rwanda posing a question during a sensitive drive for the scheme



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