

REPUBLIC OF RWANDA

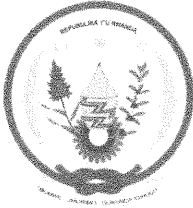
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**Country Director  
United Nations Development Programme  
Kigali-Rwanda**

Dear Auke,

**RE: Submission of 2013 BIFSIR Annual Report**

In accordance with the National implementation guidelines, the Ministry of Finance and Economic Planning is pleased to submit to you the 2013 Annual Report for Building and Inclusive Financial Sector in Rwanda Project (BIFSIR).

We thank you for your sustained cooperation and partnership.

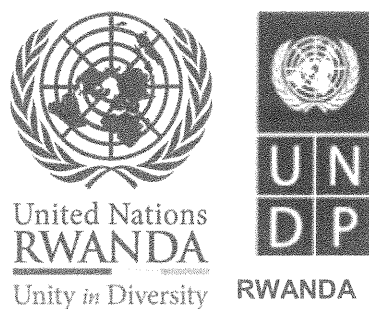
Sincerely,

**Kampeta Sayinzoga**  
Permanent Secretary and Secretary to the Treasury

**Cc:**

- Head, UNCDF – Southern and East Africa





BIFSIR ANNUAL REPORT [2013]

United Nations Development Programme

The Republic of Rwanda

**Project Title:** Building an Inclusive Financial Sector in Rwanda (BIFSIR): Support Programme to the implementation of the National Microfinance Strategy

Award ID	00059183
Project Start Date:	January 2010
Project End Date:	December 2014
Total resources (2010 – 2014)	<ul style="list-style-type: none"> <li>• UNDP US\$ 2,000,000</li> <li>• One UN Fund (UNDP) (UNCDF) US\$ 354,856</li> <li>• UNCDF (BIFSA) US\$ 18,750</li> <li>• UNCDF (BIFSA) US\$ 2,400,000</li> <li>• UNCDF (BIFSA) US\$ 25,000</li> <li>• KOICA US\$ 2,239,758</li> <li><b>Total Budget: US\$ 7,038,365</b></li> </ul>
Reporting Period	January – December 2013
2013 Project Budget	US\$ 2,261,000
IP	MINECOFIN

## I. PROJECT DESCRIPTION

1. The Agreement for the Establishment of the Korea-UNDP Millennium Development Goal (MDG) Trust Fund was signed in November 2009 between the Minister of Foreign Affairs and Trade of Korea and the Administrator of UNDP.
2. While the overall substantive focus of the Trust Fund is on innovative, catalytic and scaled-up support for sustainable MDG achievement, the priority focus areas are updated each year to ensure the relevance of the Trust Fund in responding to the current needs of the developing world as well as the international community. Priority considerations will be given to Least Developed Countries which are in need of greater assistance to reach the MDGs, with possibility of including Low Income Countries and others.
3. In 2011, the BIFSIR programme was invited by UNDP Rwanda to apply for the Korea MDG Trust Fund. Based on financial service sector opportunities, programme experience since 2010 when BIFSIR launched, BIFSIR management designed an innovative programme which would increase BIFSIR's programming reach to the client level, and contribute further results to MDG 1 and GoR policies (MINECOFIN, MINICOM). This additional funding serves to increase BIFSIR's scope, as such the program is renamed BIFSIR Expansion. Designed as a pilot, the scale up will provide entrepreneurial capacity building, financial education and financial linkages to target groups (women and youth), including vocational training graduates (see Annex 12: Korea MDG Trust Fund Programme Diagram). In December 2011 the Korea MDG Trust Fund Steering Committee awarded \$2,239,758 USD to scale up the BIFSIR programme. Consequently the BIFSIR project document was substantively revised to accommodate the new funding and corresponding activities. This document, updated in February 2013, is the revised BIFSIR project document and supersedes the original.
4. The BIFSIR programme is set within the strategic framework of the National Microfinance Strategy and aims to contribute to poverty reduction and to achievement of the MDGs by promoting inclusive finance. Its specific objective is to contribute to capacity building of the various stakeholders at the macro, meso, micro and client levels, with a view to supporting the development of sustainable, quality and diversified financial services that are accessible to the less advantaged Rwandans, both in rural and in urban areas, and to improving their economic and social status. The BIFSIR programme focuses its support towards vulnerable women and youth.

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### III. EXECUTIVE SUMMARY

1. In 2007 the main actors of the microfinance sector in Rwanda validated the National Microfinance Strategy (NMS) for a five-year period (2008-2012) and it was reviewed in 2012. As a result of the review exercise the government developed a new Microfinance strategy for 2013-2017. The main objective of the new Microfinance Strategy is to achieve substantial progress towards the formal financial inclusion of 80% of the population by 2020. This has to be achieved through the efficient and responsible provision of a broad variety of microfinance services by sustainable financial institutions to a wide range of clients, including the economically active poor, urban and rural micro-enterprises and other groups in a dynamic microfinance market. Below are the goal drivers of the NMS:
  - Financial inclusion: No one should be excluded from the possibility to access financial services because of her/his social or economic status. Financial services should be accessible throughout the country. Loan amounts and minimum balances for savings accounts should take into account the financial needs and income levels of the poor.
  - Efficient service provision: Efficient operations by microfinance institutions are a prerequisite of deeper and wider access to financial services at reasonable costs. Applying modern communication and information technology can contribute to efficiency. *Branchless banking will become increasingly common.*
  - Responsible provision: Microfinance institutions must avoid selling financial products that do not fit clients' needs and must fully disclose their characteristics. They can play an important role in financial education.
  - Broad variety of services: Microfinance is more than micro credit and there is no "one loan size fits all". As the microfinance industry develops it will be able to expand and diversify its offer whereby providers can specialize and/or serve different market segments. As competition increases the delivery mechanism and a range of products that are available to clients will become more diversified. Special attention will be given to the introduction of financial products for the agricultural sector.
  - Sustainability: In order for the financial inclusion to prevail financial institutions should be financially and socially sustainable. The financial service providers should be able to make profits while at the same time respecting the principles of responsible finance.
  - Economically active poor: The clients are the women and men who have some income and skills and can use financial services to improve their economic and social situations. Their rational use of financial services should be promoted by increasing their level of financial literacy.
  - A dynamic microfinance market: This refers to the providers of microfinance who continuously improve and make innovate products, processes and delivery channels to offer the best possible financial products in a competitive environment.
2. The vision of the NMS and its development objective are well articulated with the programme's Plan of Action of the UNDP Country Programme which aims to contribute to economic growth and reduce the vulnerability of the populations to social and economic shocks.
3. Known as BIFSIR- Expansion (Building an Inclusive Financial Sector in Rwanda), this Programme was developed within the strategic framework of the NMS and aims to contribute to poverty reduction and to achievement of the Millennium Development Goals (MDGs) by promoting inclusive finance and entrepreneurship promotion. Its specific objective is to contribute to

capacity building of the various stakeholders at the macro, meso, micro and client levels, with a view to supporting the development of sustainable, quality and diversified financial and entrepreneurship skills services that are accessible to the less advantaged Rwandans, both in rural and in urban areas, and to improving their economic and social status.

4. The specific objectives of the Programme are as follows:
  - Macro level: Support the coordination and the regulatory framework of the sector, with a view to promoting financial inclusion in Rwanda;
  - Meso level: Contribute to capacity building and to the consolidation of the sector, and develop the financial infrastructure in order to support the sustainability of inclusive financial services;
  - Micro level: Support the professionalization of MFIs and innovations to promote sustainable access to financial services.
  - Client level: The capacity of women and youth to manage MSEs and access to finance is built.
5. During 2013, the programme continued to support the improvement of the regulatory and institutional framework, the strengthening of the National Association of Microfinance, and the professionalization of MFIs, including aspects related to the consolidation and institutional capacity building of small FSPs, financial transparency, risk management, as well as the strategic partnerships between FSPs and informal financial groups (VS&LAs).
6. Programme funding: Under the initial budget commitment of \$US 7,038,365 over 5 years from 2010 to 2014 BIFSIR has been jointly funded by UNDP (\$US 2,000,000), UNCDF (\$US 2,425,000), One UN Fund (\$373,606) and KOICA MDG Trust Fund (\$2,239,758). Funding for the Programme remains open to other donors interested in developing an inclusive financial sector in Rwanda to broaden access to financial services.

#### IV. CONTEXTUAL ALIGNMENT WITH THE UN AND GOVERNMENT STRATEGIES

7. In line with government development plans during the implementation period of January - December 2013 the results of BIFSIR feed into the Economic Development and Poverty Reduction Strategy (EDPRS 2), Financial Sector Development Program (FSDP II) and the National Microfinance Strategy 2013-2017.
8. The project was intended to be implemented in line with the realization of the UNDAP 2013-2018 which is an integrated in and a coherent response to EDPRS 2 and Vision 2020. The project is implemented through close partnerships with MINECOFIN, BNR, AMIR, Financial Service Providers, International and Local Technical Service Providers.
9. The main results areas of UNDAP are: 1) Inclusive Economic Transformation 2) Accountable Governance and 3) Human Development. BIFSIR is represented under the result area 1) through Outcome 4 that aims that sustainable urbanization process transforms the quality of livelihoods and promotes skills development and decent employment opportunities in both urban and rural areas, especially for youth and women.

## **BIFSIR ALIGNEMENT WITH UNDAP 2013-2018 and EDPRS 2**

10. UNDAP is a strategic and results oriented development assistance plan. It reflects the UN's increased focus on delivering upstream support in the national planning and implementation processes, capacity development, high quality policy advice and technical expertise based on best practices. It enhances national ownership and UN accountability by articulating precise UN contributions to the national priorities outlined in the EDPRS 2 at the level of programme outcomes, outputs and specific actions.

Therefore BIFSIR project is aligned with both UNDAP 2013-2018 and EDPRS 2 as follows;

- **UNDAP Key Result Area 1: INCLUSIVE ECONOMIC TRANSFORMATION**
  - UNDAP Output 1.4.2: Women and youth with enhanced entrepreneurship skills
  - UNDAP Output 1.4.3: Increased access to and utilization of financial services especially for women and youth
  - UNDAP Output 1.4.4: Strengthened national capacities for mainstreaming employment
- **EDPRS Thematic Areas: Economic Transformation; Rural development; Productivity and Youth Employment**



## V. PROGRESS MADE AGAINST RESULTS

Outcome 1- At Macro level: Coordination of the sector, and the microfinance regulatory and supervisory framework are strengthened	
Output 1.1	1. Effective coordination of and communication on the implementation of the NMS by MINECOFIN
Main Activities	<ol style="list-style-type: none"> <li>2. Organise 2 steering committee and 2 Investment committee</li> <li>3. Hold 2 National Microfinance Coordination committee meetings</li> <li>4. Conduct study tours , trainings and conferences</li> <li>5. Organize microfinance events and sensitize the population about financial services</li> </ol>
Implementation Details	<p>Following the findings of FinScope Rwanda 2008 which showed that formal financial inclusion rates were still low in Rwanda, in 2009, the GoR initiated a program called Umurenge SACCO in order to increase access to financial services by unbanked/under-banked Rwandan especially the rural population through establishment of a saving and credit cooperative at every 416 sector. BIFSIR supported this initiative right from the beginning for two reasons; The U-SACCO program was fitting into the UNCDF agenda of supporting LDCs to foster universal financial inclusion programs. It also fits into MDGs and EDPRS pillars of Inclusive Economic growth. Initially, BIFSIR supported the National Bank of Rwanda (BNR) in 2011-2013 to establish a specific supervision unit for these U-SACCOs.</p> <p>Later, UNCDF/MicroLead program contracted WOCCU to initiate the automation of SACCOs so that their cost of doing business can increase their efficiencies. In 2013, it was realized that, it is required for SACCOs to be automated to have some basic equipment including computers. A gap analysis exercise was conducted by MINECOFIN to find out that each SACCO had four employees (manager, loan officer, accountant and cashier) that would need a computer/laptop if the software is to be used. This would require a total of 1,664 computers/laptops.</p> <p>Whereas each SACCO had a computer (416 computers) and 317 SACCOs had a laptop, there was a need for at least 931 computers/laptops for SACCOs to have sufficient number of computers. It is against the above urgent need that MINECOFIN as the IP of BIFSIR recommended to reallocate 123,500 USD that was initially allocated to various activities under BIFSIR 2013 budget to purchasing computers for SACCOs. In 2013, BIFSIR provided support of to purchase about 88 lap tops for U-SACCOs as its major intervention at the macro level. Since this activity had been budget for in 2013, a number of activities were recommended to be allocated towards funding this new activity( computers for SACCOs)</p>
Impact	<ol style="list-style-type: none"> <li>1. Continued improved capacities of SACCOs to deliver financial services and improved efficiencies of SACCOs which has driven financial inclusion rate from 21% in 2008 to 42% in 2012.</li> <li>2. Also, BIFSIR support together with government and other donors</li> </ol>

	<p>support to SACCOs has brought the following impact:</p> <ul style="list-style-type: none"> <li>• The number of SACCOs making profits grew by 17% between 2012 and 2013.</li> <li>• According BNR rating of SACCOs using CAMEL overall rating; SACCOs in class 1 ( strong) has increased from 11 in 2012 to 23 in 2013</li> </ul>
Budget	123,500 USD
Output 1.2& 3	Ownership of the legal and regulatory framework by the actors; The supervisory and monitoring capacity of BNR is enhanced
Main Activities	<ol style="list-style-type: none"> <li>1. Disseminate the law and guidelines on microfinance sector ( for 110 approved MFIs and CUs)</li> <li>2. Organize outreach workshops and technical seminars</li> <li>3. Conduct study tours and trainings</li> <li>4. Equip and support MFI Inspection Unit</li> <li>5. Identify MIS platform for MFIs</li> </ol>
Implementation Details	Due to the delays and structural changes that took place at the project level which resulted into not having project staff up to September 2013, BNR did not receive funds in 2013. As a result, this budget was moved to 2014 budget.
Impact	Not impact at BNR because there was no implementation.
Budget	90,000
	Outcome 2-At Meso level: Capacity-building, sector consolidation and financial infrastructure are supported
Output 2.1	Small MFIs and SACCOs Unaffiliated with network are consolidated and strengthened
Main Activities	<ol style="list-style-type: none"> <li>1. Sensitization and communication on networking</li> <li>2. Regressive financing of consolidation costs</li> <li>3. TA and follow up of performance contracts with the network</li> </ol>
Implementation Details	All these activities were not implemented. Instead, the budget was reallocated to the purchase of U-SACCOs computers discussed in outcome 1
Impact	No results
Budget	77,500 USD
Output 2	Mobile financial services provided to the target group.
Main Activities	<ol style="list-style-type: none"> <li>1. Setting up mobile banking infrastructure for entrepreneurs.</li> </ol>
Implementation Details	<ol style="list-style-type: none"> <li>1- BIFSIR technical team developed and published a request for application for the financial Institutions to apply for funds.</li> <li>2- Due diligence missions were conducted and a report was presented to the steering committee</li> <li>3- The steering committee recommended that the proposal be revised and presented in another steering committee.</li> <li>4- Therefore, the budget was moved to 2014</li> </ol>
Impact	<ul style="list-style-type: none"> <li>• BIFSIR team has supported the applicant based on the guideline received from UNCDF/MM4P team. A better proposal is expected</li> </ul>

	to be presented to the SC in May 2014				
Budget	118,105				
Outcome 3- at the Micro level: capacity of MFIs strengthened to offer innovative inclusive financial services					
<b>Summary of Outcome 3 results</b>					
KPI (consolidated for all grantees)	Total BIFSIR outcome 3 achievements for 2013				
	Q1	Q2	Q3	Q4	Total
New total clients served	31,454	19,508	20,255	24,022	95,239
Number of women clients	13,867	9,954	10,904	12,502	47,226
Number of youth clients	1,669	1,548	2,300	3,202	8,719
New VSLA linked	58	127	129	104	418
Number of MFIs/SACCOs supported	16	18	22	22	78
Output 3.1	The response capacity of MFIs is strengthened (MFIs, Innovations)				
Main Activities	<ol style="list-style-type: none"> <li>1. Innovation Fund: Tranche payment to RIM and UCU</li> <li>2. Innovation Fund: 2<sup>nd</sup> tranche payment Support to Linkages of VSLAs with Financial Service Providers (PAJER)</li> <li>3. Innovation fund: Market Innovation, Expanding Financial Access in rural Areas</li> </ol>				
Implementation details- RIM	<p>In 2012, RIM signed a multi years funding agreement with BIFSIR donors (UNDP/UNCDF). In these agreements BIFSIR's commitment was to provide 259,434 USD to RIM so that it can reach to 23,600 new clients, computerize its operations and provide capacity building to its staff by 31<sup>st</sup> december2014.</p> <p>In September 2013, UNDP and UNCDF disbursed ..... USD to RIM to the implementation of its activities.</p>				
Impact: As of December 2013 RIM reported to have served:	<ul style="list-style-type: none"> <li>• 23,359 new clients with financial products especially loans and savings while the annual target was 9,000 clients and</li> <li>• Computerized 23 rural branches.</li> <li>• At the institutional level, Operating Self Sufficiency improved to 105%</li> <li>• However, the percentage of woman was still 36% while the annul target was 60%</li> </ul>				
Implementation details	<p>UCU had signed a multi-years funding agreement with UNCDF and UNDP as donors of BIFSIR. In this agreement the BIFSIR commitment was to provide 276,232 USD and UCU to reach 35,000 new unbanked clients comprised of women and youth with focus on the southern province by 31<sup>st</sup> december2014. Other details of the agreement were for UCU to increase number of women served</p>				

	<p>to 50% at least, have self-sufficiency not less than 100%, and operational self-sufficiency above 90%. BIFSIR funds were also meant to support UCU acquire some equipment that include 2 motorcycles, purchase of computers and to develop one financial product. In 2013, UCU was supported to acquire its tranche of payment from both UNDP and UNCDF and the key results for 2013 are discussed below:</p>
Impact: As of December 2013, UCU reported:	<ul style="list-style-type: none"> <li>• To have reached 13,312 new clients</li> <li>• Has served 4,786 women clients which represents 36%, this is below the target of 50%.</li> <li>• UCU Financial Self-sufficiency grew to 110%, which is 10% above the target,</li> <li>• Operational self-sufficiency was at 112% which is 22% above the target,</li> <li>• While the portfolio at risk was at 4.5% which 0.5% above the target.</li> </ul>
Impact & Results- PAJER	PAJER PBA expired in June 2013 before the NTA joined so there was no disbursement made to PAJER. The budget was moved to 2014
Budget	<ol style="list-style-type: none"> <li>1. UCU: 110,486 USD</li> <li>2. RIM: 132,472 USD</li> <li>3. CFP ( 3.1.2): 206,641 USD</li> <li>4. PAJER: The 2013 budget was 25,000. This budget was moved to 2014</li> </ol>
Output 3.2	MFIs refinancing is improved
Main Activities	1. Investment for strengthening the refinancing of the MF Sector ( BDF and SMGF)
Implementation Details	<p>1. BIFSIR, among its activities, supported the refinancing of institutions engaged in the microfinance sector via investment towards top quality organizations. The objective of these investments is to increase refinancing operations directed towards quality FSPs, with a specific focus on MFIs and SACCOs.</p> <p>BIFSIR partners for this output were BDF and SMGF and their main interventions to FSPs included:</p> <ul style="list-style-type: none"> <li>• <i>Capacity Building:</i> Along with equity finance, complimentary services provided by refinancing institutions need to include capacity building to FSPs to improve their governance structure, management information system (MIS), performance indicators, accounting procedures, portfolio management, transparency norms and risk management practices.</li> </ul>

	<ul style="list-style-type: none"> <li>• <i>Operational Capability:</i> The selected organizations are also required to have qualified staff and consolidated experience in identification, appraisal, monitoring and evaluation of FSPs.</li> <li>• During 2013, both partners (SMGF and BDF) had existing active PBAs with UNCDF and UNDP where both BDF/SMGF proposed to invest BIFSIR funds by directly refinancing MFIs/SACCOs and to provide trainings to FSPs. The proposed outreach from BDF activities is 23,636 new unbanked clients whereas for SMGF is 30,000 by December 2014</li> </ul>
Impact – BDF/SMGF	<p>As of 31<sup>st</sup> December 2013:</p> <ul style="list-style-type: none"> <li>• 78 MFIs and SACCOs had obtained support from both BDF and SMGF</li> <li>• 35,746 new clients were reached the FSPs supported by BDF and SMGF</li> </ul>
Budget	<ol style="list-style-type: none"> <li>1. The 2013 budget for SMGF was 131,892 USD</li> <li>2. The 2013 budget for BDF was 128,694 USD</li> </ol>
Output 3 &4	<ul style="list-style-type: none"> <li>• Targeted MSEs businesses receive equity financing</li> <li>• MSEs entrepreneurial capacities improved to access markets</li> </ul>
Main Activities	<ol style="list-style-type: none"> <li>1. Develop risk mitigation capacity building for FSPs providing MSEs financing</li> <li>2. MSEs product development</li> <li>3. Entrepreneurship training services to MSEs</li> <li>4. Support the establishment of business incubators</li> </ol>
Implementation Details	<p>The above activities were implemented through Hanga Umurimo and RICEM programs that were initiated by Ministry of Trade and Industry (MINICOM) with a purpose to nurture an entrepreneurial culture among Rwandans by supporting. In 2013 BIFSIR Steering Committee approved to fund HU activities that are related to BIFSIR ones. These activities are:</p> <ol style="list-style-type: none"> <li>1. SACCOs to develop skills in MSE lending and risk management</li> <li>2. Develop new MSEs products</li> <li>3. Provision of apprenticeship trainings</li> <li>4. Provision of advanced training to PROBAs who provide business support/incubation services to MSEs in rural areas.</li> </ol>
Impact	<p>There was no impact attributed to BIFSIR in 2013. The impact will be viewed in 2014.</p>
Budget	<p>- 435,600 USD</p>



<b>VI. Outcome 4 –The capacity of women and youth to manage MSEs and access financial services in built</b>	
Output 4.1 &2	<ul style="list-style-type: none"> <li>- Research, Development, and learning strategy results in programme model for scale up</li> <li>- MSEs access business development services ( BDS)</li> </ul>
Main Activities	<ul style="list-style-type: none"> <li>• Monitoring and evaluation system is developed and operational</li> <li>• Curriculum development</li> <li>• Entrepreneurship training to TVET</li> <li>• Entrepreneurship training to CMSLGs</li> <li>• Promotion of entrepreneurial mentorship program for women and youth</li> </ul>
Implementation Details	<p>The above activities were funded through Hanga Umurimo and RICEM programs that were initiated by Ministry of Trade and Industry (MINICOM) with a purpose to nurture an entrepreneurial culture among Rwandans by supporting. In 2013 BIFSIR Steering Committee approved to fund HU activities that are related to BIFSIR ones. These activities are:</p> <ul style="list-style-type: none"> <li>• Supporting the development MINICOM data base on PROBAs</li> <li>• Development entrepreneurship curriculum for TVET graduates and PROBAs</li> <li>• Provision of entrepreneurship training to TVET</li> <li>• Entrepreneurship training to CMSLGs</li> </ul>
Impact	There was no impact attributed to BIFSIR in 2013. The impact will be viewed in 2014.
Budget	199,902 USD
<b>VII. Outcome 5 –Effective Management, Monitoring and Evaluation of the program</b>	
Output 5.1, 2, &3	<ol style="list-style-type: none"> <li>1- Strengthen SPIU capacity to Monitor, Evaluate, and Communicate results</li> <li>2- Program management structures are operational</li> <li>3- Program monitoring and evaluation are performed according to the rules and procedures</li> </ol>
Main Activities	<ol style="list-style-type: none"> <li>1- Implementation of the project is supported by the national expertise</li> <li>2- Program management support is provided to SPIU</li> <li>3- Program technical supervision (UNCDF)</li> <li>4- Midterm evaluation of the program</li> <li>5- Communication of the progress of the program</li> <li>6- Project audit</li> </ol>
Implementation details	<ol style="list-style-type: none"> <li>1. BIFSIR is supported by the National Technical Advisor (NTA) and the Monitoring and Evaluation Officer. The NTA was hired in September 2013 while the M&amp;E Officer joined the program in January 2014 under Korean Multi</li> </ol>

	<p>lateral Cooperation and UNDP arrangement. The team is hosted in the Ministry of Finance and Economic Planning and supports the Financial Sector Development Directorate with financial management support provided by the Single Project Implementation Unit team. The team has a mix of development finance and M&amp;E experience. The NTA has worked for various MFIs institutions, NGOs and Government in areas of inclusive finance, banking and household economic resilience building programs. Whereas, the M&amp;E Officer has diverse experience related to the result based management and program M&amp;E.</p> <p>2. In 2013 SPIU received the program management support from BIFSIR worth 25,000 USD. As such, the SPIU administered 2 steering committee and investment committee meetings in December 2013 and January 2014 respectively. In addition, SPIU has continually supported the project technical team on logistical matters.</p> <p>3. UNCDF regional office has provided technical support to the project team. The Regional Technical advisor participated in 2 steering committee meetings in 2013. He also provided online support to the NTA that included, initial orientation, preparation of disbursements to the project implementing partners that had active PBAs, resource mobilisation and preparation of 2014 annual work plan.</p>																	
Impact	<p>1. <b>Project staffing:</b> UNDP hired project technical staff to support the project and these staff have supported the implementation partners to received their disbursements as follows:</p> <table border="1" data-bbox="842 1350 1353 1581"> <thead> <tr> <th rowspan="2">Institution</th> <th colspan="2">Amount disbursed in 2013</th> </tr> <tr> <th>UNDP</th> <th>UNCDF</th> </tr> </thead> <tbody> <tr> <td>UCU</td> <td>64,376</td> <td>46,210</td> </tr> <tr> <td>RIM</td> <td>71,687</td> <td>52,446</td> </tr> <tr> <td>SMGF</td> <td>55,943</td> <td>53,048</td> </tr> <tr> <td>BDF</td> <td>53,943</td> <td>53,048</td> </tr> </tbody> </table> <p>2. <b>Project steering committee meetings:</b> Since the technical team came on board 1<sup>st</sup> September 2013, two steering committees have taken place. The first steering committee took place in December 2013 and it approved funding for Hanga Umurimo and RICEM proposal. Hanga Umurimo and RICEM targeted are initiatives that aim at scaling up entrepreneurship</p>	Institution	Amount disbursed in 2013		UNDP	UNCDF	UCU	64,376	46,210	RIM	71,687	52,446	SMGF	55,943	53,048	BDF	53,943	53,048
Institution	Amount disbursed in 2013																	
	UNDP	UNCDF																
UCU	64,376	46,210																
RIM	71,687	52,446																
SMGF	55,943	53,048																
BDF	53,943	53,048																

	<p>program and institutional capacity building in Rwanda. The same SC meeting approved also the publication of refinancing and mobile banking CFPs. These CFPs were published in subsequent months. However, the process was not completed and they were referred to be implemented in 2014. The second steering committee convened in January 2014 especially to approve the annual work plan and budget for 2014.</p> <p>3. Annual work plan development: BIFSIR team has coordinated the development of AWPB 2014 that was approved by the steering committee on 30<sup>th</sup> January 2014. The AWP has a total budget of 1,778,753 USD to be invested into the supporting access to finance for micro and small enterprises, refinancing of MSEs and development of technology based banking facilities for MSEs. The beneficiary of 2014 AWP will remain to be MINECOFIN, BNR, AMIR and other private entities including SACCOs.</p>
Additional Notes	This outcome was over budgeted as the NTA salary is far below the CTA
Budget	233,100 USD

#### VIII. USE OF UNDP DEVELOPMENT DRIVERS

Capacity Development	SACCOs: BIFSIR has provided capacity building support to 88 U-SACCOs. This support covered the provision of computers but in the next quarter the project will continue provide more systemic support to SACCOs as they are key drivers of financial inclusion in Rwanda.
Policy Advisory services	None for 2013
South to South Cooperation	None for 2013
<b>IX. ADDRESSING CROSS CUTTING ISSUES</b>	
Gender Mainstreaming	<p>BIFSIR targets vulnerable, low-income and unbanked women as target groups the inclusion of unbanked women in the financial system contributes to not only their empowerment and self-reliance, but studies having predominantly female clients stabilize and improve client portfolio performance.</p> <p>BIFSIR's gender mainstreaming is highlighted in its project document: [BIFSIR is linked to MDG 3 "Promote gender equality and empower</p>



	<p>women”, since the primary program beneficiaries are women. The opportunity for women to benefit from financial services and entrepreneurial capacity building increases their self-reliance, family’s welfare and employment opportunities. Considering the relevance of MDG 3 to achieve successful program delivery, current implementation strategies address gender issues from varying perspectives.</p> <p>In 2013, BIFSIR mainstreamed gender in the process of selecting new implementing partners and via gender-oriented initiatives with existing ones. In the first case the main results translate in the signing of PBAs establishing the funding conditionality of at least equal but more often than not greater outreach towards women.</p> <p>In addition to minimum targets, the reporting requirements for all new implementing partners have explicit measures to track the disaggregate numbers for new active clients, borrowers and female depositors. Additionally, the programme management consistently worked with new partners to ensure women benefit from customized financial and non-financial services and entrepreneurial capacity building opportunities.</p>
<p>Human rights mainstreaming</p>	<p>Financial inclusion is a basic human right. BIFSIR project has worked through government, NGO, financial institutions to advancing financial inclusion which in the end help families to grow their incomes, send their children to school, pay for health care, buy food and also elevate out of poverty. Generally, the project interventions contribute to human self-confidence and household ability to access basic needs. One of the main objectives for BIFSIR is to enable low-income groups, with specific reference to women and youth, to have the right financial and non-financial support for entrepreneurial activities. BIFSIR investments towards the promotion of an entrepreneurial culture and financial literacy are a substantial contribution to the fulfillment of the Right to Work for vulnerable groups. As Article 23 of the Universal Declaration of Human Rights states:</p> <p>Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment.</p> <p>Everyone, without any discrimination, has the right to equal pay for equal work.</p> <p>Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.</p>

	<p>Everyone has the right to form and to join trade unions for the protection of his interests.</p> <p>BIFSIR activities are not only addressing article 23 but they are also ensuring that such right is guaranteed to the most disadvantaged groups in Rwanda as per MDG 1 and MDG 3. Project objectives promote the right to work by providing support to implementing partners oriented to create effective platforms where target groups can gain enough capacity to undertake productive employment and overcome extreme poverty. More in-depth, the right to work in BIFSIR also relates to the right for transparent financial services without discrimination based on gender or age. For this end, BIFSIR attempts to align FSPs practices to international benchmarks (MIX Market, CGAP) to improve the interaction between vulnerable groups and financial services, further guaranteeing the right to work in terms of low-income groups having better access to finance and business development services.</p> <p>The current project impact on human rights mainstreaming remains implicit within the project design and adopted best international practices</p>
Environment	N/A

## X. OTHER PROJECT ACHIEVEMENTS

This section assesses the quality of the implementation strategy looking at the quality of the consultative process, the quality of partnerships, and the extent to which the project has endeavored to ensure national ownership and sustainability.

### Participatory/consultative processes

In 2013, BIFSIR has conducted activities via consultative processes, especially through its quarterly investment and steering committees meetings. SC and IC events engaged most implementing partners, government representatives and external observers. The degree of discussions has been oriented to include different point of views in reaching consensus about project decisions. The following table briefly describes the main topics discussed during these consultative processes.

	Topics Discussed	Participants
SC/IC December 2013	<ul style="list-style-type: none"> <li>• Presentation of BIFSIR 2013 Progress report</li> <li>• Presentation of Hanga Umurimo Proposal</li> </ul>	BNR, RCA, AMIR, UNCDF, UNDP, KOICA MINECOFIN

In addition, during the selection process of new implementing partners, BIFSIR performed field visits to the applicant organizations in order to better understand and discuss the proposed strategies on how to invest BIFSIR funding. Considering the size of the project team, it was a successful attempt to

offer the selection process as participative as possible in terms of jointly deciding project objectives and investment strategies.

#### Quality of partnerships

Partner	Degree of Partnership in 2013
UNDP	UNDP actively engaged in project implementation support through resource allocation and active participation SC and IC
KOICA	KOICA has become a member of BIFSIR SC/IC and actively participates in the development of the project and resource mobilization
MINECOFIN	MINECOFIN has provided active leadership to the project by chairing the SC and IC and also provides timely strategic orientation.
BNR	BNR has participated in the SC meeting of the project and provided advisory remarks when investment decisions were to be made.
AMIR	AMIR has not be in active relationship BIFSIR
UoB	UoB investments has transformed the sector and UOB has continued to share its experience with UNCDF network
BDF	BDF has organized field visits for BIFSIR team to visit and they have also continued to express interests to working with BIFSIR through CFPs.
AFR	BIFSIR has built a strong relationship with AFR based on collaborations during sector investments, meetings and funding proposal joint reviews.
PAJER	PAJER has shown strong interests in working with BIFSIR by requesting to renew its PBA with UNCDF
SMGF	SMGF is an active partner of BIFSIR; it continues to implement its PBA with BIFSIR.
UCU	UCU is an active partner of BIFSIR; it continues to implement its PBA with BIFSIR. BIFSIR appreciates the commitment of UCU on quality reporting and innovations
RIM	SMGF is an active partner of BIFSIR, it continues to implement its PBA with BIFSIR
MINICOM	Ministry of trade and Industry is actively implementing various activities related to entrepreneurship promotion. BIFSIR has provided support in 2013 to MINICOM through MINECOFIN
RICEM	RICEM is a new partner for BIFSIR. The funding to RICEM was approved in 2013 to foster capacity building for sector.
Legend	
New Partnership Created	
Partnership remained the same	
Partnership deepened/changed	

## XI. 2013 DELIVERY OUTLOOK

The table below presents a recap of total project expenditure during the period of 2013. However, the readers should be aware that the project implementation kicked off its implementation only from September 2013 hence affecting the delivery rate for the whole year.

Recipients	Amount ( USD)	Status of reporting
Total advances to MINECOFIN	785,002	Reported
Total disbursements to Refinancing agencies	215,982	Reported
Total disbursements to FSPs	234,720	Reported
Total Expenditures ( 2013)	1,235,704	Reported
2013 Approved budget ( AWPB)	2,261,000	
<b>Over all delivery rate</b>	<b>55%</b>	<b>October- December 2013 only</b>

## XII. RECOMMENDATIONS

As mentioned earlier, BIFSIR ends in 2014. Following the recommendation made by the steering committee on 30<sup>th</sup> January 2014, that there is a need for developing BIFSIR phase two, donors of BIFSIR are recommended to start planning ahead of time and come up with a roadmap.