



MINUTES OF THE STEERING COMMITTEE MEETING
5th December 2013, UNDP BOARD ROOM



Building Inclusive Financial Services in Rwanda

Annex: Presentations on "Sharing Progress on BIFSIR Project" and "MINICOM Proposal"

1. The Steering Committee Meeting was held at UNDP Board Room at 09:00 am, on 5th December 2013. The meeting was chaired by the Director General of Financial Services Directorate in the Ministry of Finance and Economic Planning Mr Eric Rwigamba representing PS/ST. The proposed agenda was presented and adopted with no amendments as below.

2. **Agenda:**

- I. Welcome Remarks
- II. Sharing Progress on BIFSIR
- III. Presentation on MINICOM Proposal
- IV. A.O.B

3. **Steering Committee Members Present:**

1. Eric Rwigamba: DG FSDD, MINECOFIN (Chairperson)
2. Janvier Ntalindwa: UNDP
3. Kevin Kavugizo: Director of Microfinance Supervision Department/ BNR
4. Gilbert Habyarimana: Deputy Director General RCA
5. Erick Sile: Regional Technical Advisor-UNCDF
6. Rwema J. Peter: AMIR

4. **ABSENT**

1. KOICA
2. BRD

6. **Technical team :**

1. Francis NSENGIYUMVA: Coordinator- SPIU, MINECOFIN
2. Arthur Sabiti: National Technical Advisor – BIFSIR, UNCDF
3. Frank Bahizi: Finance Manager, SPIU-MINECOFIN
4. Desiderate Kayitaba: Programme Associate- UNCDF
5. Crispus AYEBARE: M&E Specialist- SPIU, MINECOFIN

I. Welcome and Opening Remarks:

5. The Chairperson, Mr Eric Rwigamba, the Director General of Financial Development Sector in MINECOFIN welcomed all members to the meeting. In his brief remarks, he highlighted the Government Vision for Financial Inclusion programs and the role they play as stipulated in FSDP II and how they are aligned to EDPRS II 2 thematic strategic areas.
6. He pointed out that due to challenges that are at large such as financial illiteracy, the issue of financial inclusion is high on Government agenda and strategies to address this issue have been developed specifically targeting Youth and Women. He cited some of the strategies to include financial education and promoting entrepreneurship aimed at empowering these groups. To achieve this, he highlighted the role of different stakeholders such as the Private sector which has a significant role and should be well equipped to be an economic contributor.
7. As for the Donor Community, the chairperson emphasized that they are expected to support Government/ Sectors to attain its strategic goals. He reminded the meeting that as per division of labour, UNCDF was assigned to be among the active donors for the Financial Sector Development and therefore a key stakeholder in the sector technical, financial and coordination support.
8. The chairperson clarified that the role of the SC is to ensure that there is strong coordination mechanism and oversight on BIFSIR program and to the wider financial sector. He called upon the SC members to strengthen the coordination mechanism and continue providing strategic guidance and direction to implementers and thereby called for strengthened coordination mechanisms to ensure that governance principles are respected. After his introductory remarks, the chairperson invited the presentation to be made in line with the agenda items.

II. Sharing Progress on BIFSIR Project

9. The presentation on progress of BIFSIR was made by Mr Francis Nsengiyumva; SPIU Coordinator-MINECOFIN. In terms of progress, the SPIU coordinator informed the meeting that since the recruitment of the NTA three months ago, the performance and accountability reports of various institutions that benefited from project support under the PBA arrangements have been analysed.
10. This update was followed by the presentation of the Financial Overview of the project where the Coordinator informed the meeting that a budget of US\$ 1,782,834 was approved thereby paving way for the implementation of the 2013/14 AWP as detailed below.

i)	KOICA	US\$ 746,586
ii)	UNDP (Core Resources)	US\$ 500,000

iii)	UNDP One Fund	US\$ 68,810
iv)	UNCDF	US\$ 450,000
v)	UNCDF One Fund	US\$ 17,438

11. He went on to present the indicative expenditure as of December 2013 as US\$ 647,210. He expressed optimism that performance is going to increase as requests for advance and funding of Umurenge SACCOs have been made and that after the delivery of computers to Umurenge SACCO. This will also enable for the accountability for the use of the advance funds. In addition, the awaited CFP will also increase budget disbursements as the deadline for accepting CFP is 9th December 2013, which will be swiftly followed by institutional due diligence within 2 weeks of receiving proposals.
12. He informed the SC that already, the criteria and scoring methodology is under development and will be shared with the key members who will participate in the evaluation exercise. He informed the SC members that about US\$ 575,000 is expected to be committed before the end of 2013.
13. He ended his presentation by thanking the Directorate of FSD in MINECOFIN and NTA for the efforts that have led to this laudable performance in the short time despite a sluggish start and reiterated SPIU commitment to support project management and implementation.

III. Discussions on the Presentation

14. Mr. Erick Sile, Regional Technical Advisor-UNCDF who attended the meeting via telephone link thanked the presenter for the elaborate presentation. He however wanted some clarification on the reporting arrangements of the NTA and the mechanisms to ensure that access to loans by the intended beneficiaries under the apprenticeship program seemed to be slow.
15. In response to this, Mr Francis responded that the issue of low loan applicants could be a result of other factors besides having undertaken the apprenticeship program. He however stressed that continued sensitization and helping low income earners to make bankable projects was going to be a priority.
16. While responding to an earlier question about the funding of SACCOs despite not being part of the AWP, Mr. Francis responded that as it was identified as very urgent, the NTA consulted with key stakeholders on re-allocation thereby paving way for its funding request. SC members supported this re-allocation.
17. The representative of the National Bank of Rwanda appreciated the initiatives under BIFSIR but wanted to know who the targeted group for CFP are and how they intended to fast track the process.

18. The Chairperson responded that the target group for CFP are big financial institutions that lend or re-finance small and medium financial institutions and as for the evaluation of the proposals, the chairperson assured the SC meeting that due diligence will be attached to this evaluation process and as a priority, the selection criteria and scoring methodology are under elaboration and will be shared with key persons who will participate in the evaluation of CFP and as soon as the deadline for receiving the CFP is over, the evaluation process will start while at the same time respecting the legal and procurement principles.

IV. Presentation on MINICOM Proposal

19. The MINICOM proposal was presented by Mr. Arthur Sabiti, the National Technical Advisor (NTA) to BIFSIR. The presentation was about scaling up SME development in Rwanda under which are Hanga Umurimo and RICEM. He specifically pointed out that Hanga Umurimo and RICEM were the entry points for the MINICOM funding request from BIFSIR.
20. He informed the SC meeting that the request under Hanga Umurimo (HU) will target 9 Districts which are not currently covered under the ongoing support from other donors to MINICOM. The proposed activities under HU and RICEM include:
- Strengthening M&E of PROBAs and MSEs
 - Support the development of RICEM Website
 - Capacity building of SACCOs
 - Provision of Entrepreneurship trainings
21. He highlighted that the available budget is in line with proposed activities and amounts to US\$ 385,502 to implement the said activities in quarter 3 and recommended to the SC that the requested budget be spent from BIFSIR 2013 AWPB under KOICA funds. He concluded his presentation by thanking the SC members and requesting them to endorse the proposal.

V. Discussion

22. Mr. Erick Sile thanked the presenter and requested clarification on the contracting mechanisms that will be used to manage the transfer of funds up to SACCOs.
23. In response to this, the chairperson replied that the issue of fund transfer between MINECOFIN, MINICOM and SACCOs was operational and technical in nature and thereby tasked SPIU/FSDD/NTA to explore the feasible

options to be proposed during contracting period. It was recommended that a performance based agreement highlighting key deliverables be signed with MINICOM.

24. In response to the question raised on the low conversion rate, Mr. Arthur explained that though the low conversion rate of PROBAs was registered, there are possibilities that PROBAs could have done a good job but that financial institutions which could ultimately disqualify loan applicants even having received trainings. The NTA went on to explain to the SC that the current proposal recommends 60:40 ratio between MINICOM and SACCO and in return, SACCOs will be expected to provide loans to the intended beneficiaries/clients at a favorable interest rate, but market related.
25. The chairperson requested Mr. Arthur to consult with Vision 2020 Umurenge program (VUP) and assess how the practices under the financial services component while ensuring that there are no market distortions.

VI. AOB

- Update on KOICA

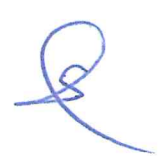
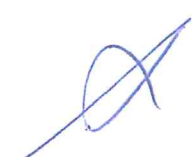
26. The NTA informed the meeting that the recruitment for the M&E as additional KOICA support was concluded and is likely to commence work in January 2014. He informed the meeting that the M&E person will be fully supported by KOICA except for field allowances. He explained that the M&E person will work with grantees of BIFSIR to strengthen their M&E and reporting. He however informed the SC that he needs to be facilitated to acquire office space and equipment. For the recruitment of the Communication expert, the NTA informed the meeting that the recruitment was deferred possibly due to budget constraints.
27. The chairperson requested SPIU Coordinator to locate office space and other logistical facilities for the M&E Officer. He requested that ToRs for the M&E Officer to be shared to ensure she/he supports and strengthens the M&E framework of BIFSIR.

- Roadmap for the development of 2014 AWP and Budget

28. The Chairperson Mr. Eric Rwigamba informed the SC meeting that all Financial Sector strategic documents like FSDP II, financial education strategy, National Microfinance strategy, etc... are already in place and therefore the NTA in collaboration with SPIU should ensure that the AWP and indicative budget is ready and available by 15th January 2014 for approval.

- Online approval by SC

29. The Chairperson requested the online approval processes for in-year emerging priorities or needs that couldn't wait for the SC meeting. The online approval options can include e-mails, VCs or etc. He clarified that this does not replace the usual face-face SC meetings envisaged under the BIFSIR expansion document.
30. The UNDP representative Mr. Janvier Ntalindwa thanked the SC members for effective coordination but also inquired to know if an option of harmonizing the other UNDP SC meetings under MINECOFIN could be assessed to save on time.



31. In reaction to this, Mr. Francis Nsengiyumva responded that this is a good idea which must be explored further as alignment on strategic projects is under way thus meetings could also be merged where possible.

VII. Resolutions of the SC meeting:

- The SC meeting approved MINICOM proposal and the available funds for AWP 2013 will fund the requested budget.
- BIFSIR was also recommended to consider the same HU and RICEM proposal for 2014 budget.
- The SC urged the SPIU and NTA to fast track the evaluation of Refinancing and Mobile Money CFP within a limit of two weeks.
- The SC directed NTA to consult with RLDSF specifically VUP on how the Financial Services component transfers funds to the beneficiaries and assess if that can be replicated by this program.
- The SC Members agreed to the online approvals in exceptional circumstances on strategic matters of importance. However, this arrangement will not replace the usual structured annual SC meetings.
- The SC agreed to the timeline set for the presentation of 2014 AWP and Budget being 15th January 2014. By the same date, the Annual performance report will be availed.

32. There being no other matters to discuss, the meeting closed at 12:00pm

Signed by:

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Francis Nsengiyumva
SPIU Coordinator MINECOFIN
(Secretary)

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Eric Rwigamba
DG-FDS/MINECOFIN
(Chairperson)

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Arthur Sabiti
National Technical Advisor - BIFSIR / UNCDF