



THE UNITED NATIONS DEVELOPMENT PROGRAMME-RWANDA



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**Minutes of Local Project Appraisal Committee (LPAC) Meeting on “Rwanda Financial Inclusion Programme and approval of the proposed interventions”**

**UNDP Conference room, 19<sup>th</sup> January 2016**

The Local Project Appraisal Committee meeting for ROK/UNDP funded interventions and validation of support to the Rwanda Financial Inclusion Programme concept note was held on 19<sup>th</sup> January 2016 at the OCHA conference room. The meeting was aimed at reviewing and approving the intermediate/initial phase of the project along with the concept note for the period of 2016-2020. The following members participated in the PLAC meeting:

1. Mr. Steven Rodrigues, Country Director UNDP
2. Mr. Eric Rwigamba, Director General, Financial Sector Development/MINECOFIN
3. Mathieu Soglonou, Regional Technical Advisor, UNCDF
4. Mr. Kevin Kavugizo, Director of Microfinance Supervision, BNR
5. Ms. Gera Voorrips, Consultant
6. Mr. Rwema John Peter, AMIR
7. Ms. Salma El Haq Yousif, Chief MSU, UNDP
8. Ms. Deodata Mukazayire, Programme officer, UN Women
9. Mr. Janvier Ntalindwa, Programme Analyst, UNDP
10. Ms. Sophie Nyirabakwiye, Programme Specialist, UNDP
11. Mr. Arthur K. Sabiti, NTA, UNCDF
12. Mr. Charles Rutagyengwa, Programme Coordinator, ITC



### 13. Ms. Lucie Masudi, Programme Associate, UNDP

#### DISCUSSIONS

The meeting started with the welcome address by UNDP Country Director Mr. Steven Rodrigues. He stated that the key objective was to get the perspective and views of all stakeholders while also pointing out the importance of R-FIP to Rwanda. Mr. Rodrigues was keen to point out that R-FIP concept note needs to show that it is a government programme supported by the UN not vice versa. His remarks were followed by a thank you note from the Director General of Financial Sector Development/MINECOFIN for the continued relationship and support from UNCDF and UNDP. According to DG, people's lives in Rwanda have continued to change and improve because of Financial Inclusion programmes implemented in Rwanda. He also encouraged the continued partnership between UN and the Government of Rwanda (GoR) whose main objective should continue to impact people's lives through financial institutions.

The opening remarks were followed by a presentation by Ms. Gera, a consultant working on Rwanda Financial Inclusion Programme(R-FIP). She stated that in Q2 of 2015, UNCDF/UNDP in consultation with MINECOFIN and financial sector partners agreed to develop "R-FIP in line with EDPRS2 and UNDAP. Some development outcomes in line with EDPRS II include the transformation of the private sector by increasing investment in priority sectors especially credit to SMEs and enhancing women and youth employment through enhanced entrepreneurship programmes. The presentation also stated some of the agreed outputs for R-FIP as follows:

1. National policy dialogue on Financial Inclusion in Rwanda supported
2. National financial education strategy in Rwanda implemented
3. Access to finance and credit for MSMEs is growing
4. Strengthened FSPs capacities to effectively deliver customer centric products to enhance formal inclusion and rural finance
5. Consolidation and automation of U-Sacco structure supported
6. Sustainable agriculture-value chain financial (VCF) products introduced on the market
7. Support the development of long term saving product for the informal sector
8. Targeted support to the central bank for development and dissemination of selected regulations and improving quality of supervision of U-SACCOs.

Gera also presented some of the constraints for financial inclusion and economic development such as off-farm job creation being insufficient and access to financial services being problematic for enterprise creation.





Mr Arthur Sabiti then made a presentation on the UNDP/RoK proposal He stated that the UNDP proposal for funding for 1year period was submitted in Nov 2015 for USD 800,000. It was approved by the RoK MDG Trust Fund on 16<sup>th</sup> November 2015. The proposal is an initiation to the bigger R-FIP concept note and aligned with R-FIP output on SACCOs. The outputs were presented as follows:

Develop U-SACCO Apex: USD 45,000 to help in recruitment of technical consultant to support MINECOFIN on development of U-SACCO Apex

1. Automation of U-SACCOs: USD 471,000 to expand the number of U-SACCO automated under MINECOFIN
2. National financial education. USD 128,000 for formation of saving clubs with secondary schools (78 SACCOs ,22 schools so far)
3. M&E of R-FIP is strengthened. USD 100,000 to help in the recruitment of an M&E officer for tracking results and report on R-FIP funding.

Mr. Sabiti also stated that the above outputs are to run from Jan-Dec 2016 as there won't be extension on these funds. MINECOFIN will take responsibility of reporting the funds' utilisation to the UNDP. The project is to follow a national implementation modality whereby funds will be disbursed in advances for implementation and/direct payment to the service providers.

## **RECOMMENDATIONS**

### **A. On R-FIP Concept note**

- R-FIP prodoc is a government programme supported by UN, not UN programme
- The technical team should clarify the management arrangement which include MINECOFIN
- As the document is aiming a big fund which is not currently available, a section on resource mobilization strategy in the programme document has to be developed and clarified.
- Replace APEX with Coop bank
- To clarify coordination modalities of UN supported programme with WB and DFID ongoing initiatives to avoid overlaps and duplications
- Revise the figures in the concept note for instance mention USD 800,000 for UNDP and add One fund across all agencies not only UNDP and UNCDF
- UNDP will have further discussions with UNCDF on the best delivery mechanisms/partnership for this programme to maximize synergies, and based on its mandate and comparative advantage



- LPAC recommended that the long term savings scheme for the informal sector being developed, to be incorporated in the R-FIP outputs


Proposed interventions of R-FIP Concept Note were approved by the meeting subject to the incorporation of comments and inputs from the meeting. Regarding the management of SACCOs, the GoR may reform the management of SACCOs into one centralized COOPERATIVE Bank, on this point DG provided update. DG agreed to reformulate Outputs to match the current needs. Consultation with SACCOs line Ministry which is MINICOM and RCA has to be considered as a priority. In details, the comments will be addressed during the development of the R-FIP Programme Document.

## **B. UNDP ROK Proposal**

- UNDP/ROK-proposal was approved by the LPAC meeting, but subject to budget reallocation on approved outputs
- UNDP/RoK is not a standalone project, it is under R-FIP as its initial phase. The identification of this project in UNDP atlas should remain the same once more resources mobilised
- Management arrangement during the implementation will have to refer on existing arrangements (see UNDP/ROK supported interventions ending in April 2016), and move to new arrangements that will be proposed under the R-FIP project document in formulation
- UNDP will have further discussions with UNCDF on the best delivery mechanisms/partnership for this proposal, to avoid an overlap on activities and maximize synergies, and based on its mandate and comparative advantage,
- As it is a 12 months interventions, the detailed AWP (with SPIU support) should be attached to the document before agreement signature

### Minutes drafted by:

Denis Kalamba



**Mr Stephen Rodriques (Chair)**

**UNDP Country Director**

### **Approved by:**



**Eric RWIGAMBA (Co-Chair)**

**Director General FSD-MINECOFIN**