

REPUBLIC OF RWANDA



Revised 2014 ANNUAL WORK PLAN

Building an Inclusive Financial Sector in Rwanda Program (BIFSIR) - Expansion

INTRODUCTION

1. In 2007, a five year National Microfinance Policy Implementation Strategy (NMPIS) was validated by the main stakeholders in the sector. After completing the evaluation of the Strategy in 2013 the NMPIS II was developed for the period 2013 – 2017 based on the findings and lessons learned from the implementation of the previous NMPIS.
2. NMPIS II aims to 1) further reduce financial exclusion, by including substantial parts of the 1.3 million Rwandan adults not yet having access to financial services and 2) deepen and diversify the service provision to the families and individuals already included.
3. In line with international best practices, the NMPIS II takes into account the country context and is aligned with the overall government strategies for social and economic development as outlined in the EDPRS 2 (Second Economic Development and Poverty Reduction Strategy) and with the FSDP 2 (Second Financial Sector Development Program) which provides the background for the Microfinance Strategy in the Country.
4. Building an Inclusive Financial Sector in Rwanda (BIFSIR) programme is set within the strategic framework of the UNDAF, EDPRS II, FSDP II and NMPIS II. It aims to contribute to poverty reduction and to the achievement of the Millennium Development Goals (MDGs) by promoting inclusive finance and entrepreneurship programs.
5. The specific objectives of the Programme are as follows:
 - a. **Macro level:** Support the coordination and the regulatory framework of the sector, with a view to promoting financial inclusion in Rwanda;

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- b. **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;
 - c. **Micro level:** Support the professionalization of MFIs and innovations to promote sustainable access to financial services;
 - d. **Client level:** The capacity of women and youth to manage MSEs and access to finance is built.
6. Thus, the programme strategy will be 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 of small MFIs, financial transparency, risk management, as well as the strategic partnerships between banks and MFIs.
7. Programme beneficiaries include (1) MFIs and Savings and Credit Cooperatives (SACCOs) serving poor and low-income populations, especially women, micro-entrepreneurs and small family farms, (2) macro and meso stakeholders including MINECOFIN, MINICOM, BNR, AMIR, BDF, RCA, SMGF, (3) and the management bodies of the Programme (Steering and Investment Committees).
8. Below is the action plan for the period of **January 2014 - December 2014** developed based on consultations with all stakeholders with the facilitation of project technical team that is housed within the Ministry of Finance and Economic Planning. The action plan is indicative, the budget figures are either based on the initial budget as appears in the Programme document, or revised based on consultation with stakeholders and Authorized Spending Limits (ASL) provided by the funders (UNCDF/UNDP) on annual basis.

PROGRAMME SPECIFIC DETAILS

Country: Rwanda

Programme Title: Building an Inclusive Financial Sector in Rwanda (BIFSIR) – Expansion

UNDAP Results Area: Inclusive Economic Transformation

Expected Outcome: Outcome 4: 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.

Expected Outputs:

- Output 1.4.2 Women and youth with enhanced entrepreneurship skills
- Output 1.4.3 Increased access to and utilization of financial services especially for women and youth
- Output 1.4.4 Strengthened national capacities for mainstreaming employment

Implementing Partners: The Ministry of Finance and Economic Planning (MINECOFIN)

Other Partners: AMIR, BNR, BRD, RCA, RIM, UCU, SMGF, BDF, MINICOM, RICEM, PAJER, MFIs/SACCOs

<p>Duration of the Programme: 2010-2014 January, 2010 – 31 December, 2014 Fund Management option: Parallel funding</p>	<p>Total program budget estimate: 7,038,365 USD Including:</p> <ol style="list-style-type: none"> 1. Total expenditure 2010-2013: 4,497,162 USD 2. Budget estimate for 2014-2015: 2,374,060 USD 3. Balance est. for 2015-2016 167,143 USD
<p>Sources of funded budget:</p> <ul style="list-style-type: none"> • Government in kind • UNDP 2,000,000 USD • One UN Fund 354,856 USD (UNDP) 18,750 USD (UNCDF) • UNCDF 2,400,000 USD • BIFSA 25,000 USD (BIFSA) • KOICA 2,239,758 USD 	<p>Total Budget for 2014:</p> <ul style="list-style-type: none"> • Government in kind • UNDP 526,463 USD • UNCDF 290,000 USD • UNDP/KOICA 1,557,597 USD <p>TOTAL BUDGET 2,374,060 USD</p>

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Summary Budget by donor and outcome

Level	Total	UNDP CORE	UNCDF CORE	UNDP/KO ICA
At the Macro level: <i>Coordination, regulation and supervision framework of the sector strengthened with a view to promoting financial inclusion in Rwanda.</i>	196,020	85,000	65,000	46,020
At the Meso level: <i>Consolidation of the sector, capacity building and financial infrastructure are supported, with a view of professionalizing MFIs in the provision of inclusive financial services.</i>	1,203,145	266,463	63,092	873,590
At the Micro level: <i>The capacity of leader MFIs, FSPs and entrepreneurial training providers to develop innovative services accessible to low-income populations is enhanced</i>	547,397	115,000	60,601	371,796
At the Client level: <i>The capacity of women and youth to manage MSEs and access financial services is built.</i>	231,191	-	-	231,191
Program Management, Supervision and M&E	196,307	60,000	101,307	35,000
Total	2,374,060	526,463	290,000	1,557,597

2014 AWP and Budget approved by:

Mrs. Kampeta Sayinzoga,
Permanent Secretary and Secretary to the Treasury/MINECOFIN

Mr. Auke Lootsma, P/O Amata Habet
UNDP Country Director, Kigali – Rwanda

Mr. Makarimi Adechoubou,
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19/02/2014

Annual Work Plan & Budget: January 2014 – December 2014

Building an Inclusive Financial Sector in Rwanda – BIFSIR Expansion- UNCDF Fund: 00072114 | UNDP Fund: 00073948 |

Outcome 1 – At the Macro level: Coordination, regulation and supervision framework of the sector strengthened with a view to promoting financial inclusion in Rwanda. (11%)											
Expected output	Baseline, Indicators, Targets	Activities	Planned Actions	SCHEDULE				IP	BUDGET ESTIMATES		
				Q1	Q2	Q3	Q4		Source of funds	Budget description	Amount (US\$)
1.1. Improved capacity of the MINECOFIN on implementation of the NMPIS.	Indicators: 1) Availability of a Financial Inclusion Monitoring database Baseline: 0 Target: 1 2) The international study report produced Baseline: N/A Target: Yes	1.1.1. Provide operational support to the Financial Sector Development Unit (FSDD).	Purchase of computer equipments for 2 FSDD new staff, NTA.	X				MINEC OFIN/SP IU	UNDP CORE	GRANT	5,000
		1.1.2. Provide TA and FA for conducting the international study visits.	One technical study tour related to consolidation of U-SACCOS		X			MINEC OFIN/FS DD	UNDP CORE	GRANT	20,000
		1.1.3. Provide FA to FSDD Microfinance team to increase capacity building related to microfinance areas.	Trainings			X	X	MINEC OFIN/FS DD	UNDP CORE	GRANT	35,000
1.2. The supervisory capacity of the regulatory body in charge of SACCOS is strengthened and its legal and regulatory framework is disseminated.	Indicators: 1) # of inspectors trained. Baseline: 60 Target: 109 2) Microfinance law updated. Baseline: N/A Targets: An updated Microfinance law is disseminated.	1.2.1. Provide FA for conducting series of technical trainings and workshops.	Training Inspectors in PEARLS (Existing PBA with UNCDF)			X		BNR	UNCDF CORE	GRANT	10,000
		1.2.2. Provide FA and TA for conducting supervision missions related to U-SACCOS.	Conducting supervision missions (Existing PBA with UNCDF)			X		BNR	UNCDF CORE		15,000
		1.2.3. Review of microfinance law and the implementation of the regulation.	Consultancy to a review (Existing PBA with UNCDF)			X		BNR	UNCDF CORE		40,000

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2.2. The institutional capacity of AMIR is strengthened.	Indicator: 1) # of FSPs supported by AMIR on the Code of Conduct Baseline: 0 Targets: 60 FSPs	2.2.1. Provide FA for AMIR to support MFI to implement the sector Code of Conduct.	Providing grant to AMIR	X			AMIR	UNDP CORE	30,000
	Indicator: Operational Self Sufficiency (OSS) rate Baseline: 20% Target: 50%	2.2.2. Provide FA to contribute to AMIR's operating budget.	Providing a grant to AMIR	X			AMIR	UNDP CORE	30,000
2.3. Refinancing is improved in the sector through the development of partnerships with banking system. ¹	Indicators: # of MFIs and SACCOs refinanced through the BIFSIR. Baseline: 25 SACCOs (12+13) Targets: 45 MFIs and SACCOs (cumulative)	2.3.1. Provide FA to the existing refinancing related PBAs.	PBAs for BDF and SMGF			X	BDF & SMGF	UNCDF CORE	63,092
	2) # of MSEs accessing to credit through BIFSIR refinancing Baseline: 10,719 (4,451 + 6,268) Target: 11,519 (10,719+600+200)	2.3.2. Provide FA to implement refinancing for MSEs through SACCOs/MFIs.	CFP Refinancing			X	FSP/CFPs	UNDP/KOI CA	314,537
Total 2						X	FSP/CFPs	UNDP Core	145,463
									1,203,145

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¹ According to the project document, Refinancing is under outcome 3. Under this AWPB it was put under outcome 2

Outcome 3- At the Micro level: The capacity of leader MFIs, FSPs and entrepreneurial training providers to develop innovative services accessible to low-income populations is enhanced. (41%)

<p>3.1. The response capacity of the MFIs identified is enhanced in terms of financial resources; methodological tools, MIS, training, HR, and logistics.</p>	<p>Indicators: 1) # of new clients served Baseline: 33,565 Targets: 58,600 2) Indicator: # of VSLA linked members to FSPs Baseline: 6,200 VSLA members Targets: 7,500</p>	<p>3.1.1. Provide FA to the VSLA linkage program with existing PAJER- UNCDF PBA. 3.1.2 Provide FA to FSPs towards development of MSEs products and increased outreach</p>	<p>PAJER PBA PBAs for RIM and UCU</p>	<p>X</p>	<p>X</p>	<p>UNCDF CORE</p>	<p>GRANT</p>	<p>25,000</p>
<p>3.2. Mobile Financial Services are provided to the target groups</p>	<p>Indicator: # of FSPs supported by BIFSIR providing technology based financial service to MSEs Baseline: 1(UOB) Target: 2</p>	<p>3.2.1. Procure a Mobile Banking CFP and monitor the PBA implementation.</p>	<p>PBA with the mobile banking recipient.</p>	<p>X</p>	<p>X</p>	<p>UNDP CORE</p>	<p>GRANT</p>	<p>115,000</p>
<p>3.3 Targeted MSEs businesses receive equity financing.</p>	<p>Indicator: # of U-SACCOs staff trained Baseline: 0 Targets: 416</p>	<p>3.3.1 Provide FA to ensure provision of FA and TA to SACCOs in line with MSEs lending</p>	<p>MINICOM PBA support capacity building of SACCOs</p>	<p>X</p>	<p>X</p>	<p>UNDP/KOI CA</p>	<p>GRANT</p>	<p>135,000</p>
						<p>MINICOM/RICE M</p>	<p>GRANT</p>	<p>149,618</p>

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	Indicators: Number of apprentices and TVET graduates acquired through SACCOS loans Baseline: 0 Targets: 1,440 apprentices, 200 TVET	3.3.2 Provide FA to SACCOS for start-up kits loans (50% loan and 50% grant)	MINICOM PBA Provide loan fund support to SACCOS and support TVET graduates to get kits			X	MINICO M/SACC Os	UNDP/KOI CA	GRANT	87,178
Total 3	547,397									
Outcome 4 – At the Client level: The capacity of women and youth to manage MSEs and access financial services is built. (13%)										
4.1. MSEs entrepreneurial capacities to access markets is improved.	Indicator: # of TVET graduates and VSLAs trained Baseline: 0 Targets: 200 TVET (30% female) 120 VS&LAS (60% female)	4.1.1. Provide FA for conducting Entrepreneurship Training for TVET graduates and VS&LA members.	MINICOM PBA: Procurement of TSPs to provide skills development training regarding entrepreneurship and access to finance	X		X	MINICO M	UNDP/K OICA	GRANT	44,057
	Indicator: # of apprentices trained Baseline: 14,507 Targets: 15,947 (60% female)	4.1.2. Provide FA and TA for provision of apprenticeship trainings in carpentry, tailoring, welding, and mechanic, hairdressing.	MINICOM PBA: Training of apprentices in different trades' i.e carpentry, tailoring, welding, and mechanic, hairdressing.	X		X	MINICO M	UNDP/K OICA	GRANT	38,529

4.2. MSEs access to financial education and business development services is enhanced.	Indicator: # of TVET graduates and CMSLG members participated in the financial education training. Baseline:0 Targets: 500	4.2.1. Recruit a TSP to provide financial education and business development to TVET graduates and CMSLG members.	CFP. TSP for the development of training modules in line with financial literacy for MSEs			X			TSPs	UNDP/K OICA	GRANT	115,271
4.3 Research, Development and Learning Strategy results in programme model for scale-up	Indicator: # of publication materials Baseline: 0 Target: 6 (refinancing, capacity building, VSLA, MSEs, TVET, apprenticeship)	4.3.1. Recruit a TSP to conduct publication on Hanga Umurimo and other entrepreneurial mentorship programs for women and youth.	Publication on Hanga Umurimo and other entrepreneurial mentorship programs for women and youth				X		TSPs	UNDP/K OICA	GRANT	33,334
Total 4												231,191
Outcome 5 – Effective management, monitoring and evaluation of the Programme (11%)												
5.1. The BIFSIR programme's capacity in Results Based Management is strengthened.	Indicator: 1) # of institutional due diligence reports Baseline: 0 Targets: 5 (UCU,BDF, PAJER, SMGF, RIM) 2) # of CFPs implemented Baseline: 0 Targets: 3 3) # of quality reports received from IPs Baseline: 0 Targets: 35 (4x7IPs +	5.1.1. Provide national and international expertise on the implementation of the BIFSIR programme. 5.1.2. Programme evaluation	Technical missions, evaluations, monitoring, local and international official travels Internal evaluations field monitoring, local and international travels The timeframe will depend on the phasing out of the programme			X	X	X	UNCDF	UNCDF CORE F		80,000
						X	X	X	UNDP	UNDP CORE		20,000
							X		UNCDF/ UNDP	UNCDF CORE		11,307
										UNDP CORE		10,000
										UNDP/ KOICA		35,000

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<p>7 annual reports)</p> <p>4) # of Key Performance Indicators developed Baseline: 0 Targets: 10 KPIs</p> <p>5) # of publication, presentation, project reports, work plans, and budgets Baseline: 0, 0, 0, 0, 0, 0 Targets: 5, 2, 5, 1, 1,</p>	<p>5.1.3. Communications of the progress of the programme</p>	<p>Publication of impact report, booklets on selected themes, and workshops.</p>	<p>X</p>	<p>UNCDF CORE</p>	<p>10,000</p>
<p>5.2. SPIU's project management capacity is improved.</p>	<p>5.2.1. Provide a project management contribution to SPIU.</p>	<p>Contribution to SPIU operational budget under the cost-sharing arrangement</p>	<p>X</p>	<p>UNDP CORE</p>	<p>25,000</p>
<p>N/A</p>	<p>5.2.2. Provide logistical support to the project technical team and expenses related to SC/IC meetings</p>	<p>Project related admin supplies</p>	<p>X</p>	<p>UNDP CORE</p>	<p>5,000</p>
<p>Total 5</p>					<p>196,307</p>
<p>Grand Total</p>					<p>2,374,060</p>

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List of Abbreviations

AMIR	Association of Microfinance Institutions in Rwanda
ASL	Approved Spending Limit
AWP	Annual Work Plan
BDF	Business Development Fund
BDR	Rwanda Development Bank
BIFSIR	Building an Inclusive Financial Sector
BNR	Banque Nationale du Rwanda
CFPs	Call for applications
EDPRS	Economic Development and Poverty Reduction Strategy
FA	Financial Assistance
FSDD	Financial Sector Development Directorate
FSPs	Financial Service Providers
KOICA	Korean International Cooperation Agency
MFIs	Microfinance Institutions
MINECOFIN	Ministry of Finance and Economic Planning
MINICOM	Ministry of Trade and Industry
MSEs	Micro and Small Enterprises
NMPIS	National Microfinance Policy Implementation Strategy
PAJER	Parlement des Jeunes Rwandais
PBA	Performance Based Agreements
PROBA	Proximity Business Advisors
RCA	Rwanda Cooperative Agency
RICEM	Rwanda Institute of Cooperatives, Entrepreneurship and Microfinance
RIM	Reseau Interdiocesain de Microfinance
SACCOS	Saving and Credit Cooperatives
SMGF	Societe Mutuelle de Garantie et Refinancement
SPIU	Single Project Implementation Unit
TA	Technical Assistance
UCU	Umutanguha Cooperative Union
UNCDF	UN Capital Development Fund

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UN Development Assistance Plan
UN Development Programme

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