



MINUTES OF THE STEERING COMMITTEE MEETING
30th January 2014, PS/ST BOARD ROOM



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

The Steering Committee Meeting was held at MINECOFIN in PS/ST's Board Room starting at 09:30am, on 30th January 2014. The meeting was chaired by the Director General of Financial Sector 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.

1. Agenda:

- I. Welcome and opening remarks.
- II. Presentation of BIFSIR AWP&B 2014 and approval.
- III. A.O.B

2. Steering Committee Members Present:

1. Eric Rwigamba: Director General- FSD, MINECOFIN (Chairperson)
2. Erick Sile: UNCDF Regional Office
3. Gilbert Habyarimana: DDG- Rwanda Cooperative Agency
4. Sophie Nyirabakwiye: Head Poverty Analyst- UNDP
5. Janvier Ntalindwa: UNDP
6. Rita Ngarambe: AMIR
7. Dongrib KIM: KOICA-Rwanda
8. Kevin Kavugizo: National Bank of Rwanda

3. Technical Team members Present:

9. Frank Bahizi: Finance Manager SPIU, MINECOFIN
10. Crispus Ayebare: M&E specialist SPIU, MINECOFIN
11. Eddy Grace Ndamukunda: Account, MINECOFIN
12. Yoon Kyung Lee: M&E Officer, BIFSIR-UNCDF
13. Arthur Sabiti: National Technical Advisor-BIFSIR-UNCDF

I. Welcome Remarks:

4. The Chairperson, Mr. Eric Rwigamba- the Director General of Financial Sector Directorate (FSD) in MINECOFIN welcomed all members to the meeting after the quorum was in place. In his remarks, he underscored the importance of Financial Inclusion in Rwanda and the deliberate Government commitment to set targets 80% and 90% to be achieved by 2017/18 and 2020 respectively as set out in the Financial Sector Development plan and EDPRS II. He pointed out that for the Government to achieve these targets; the role of all stakeholders was very critical and

expressed gratitude to the development partners especially UNCDF and UNDP for their support towards financial inclusion through BIFSIR. He reiterated Government's commitment towards financial inclusion and called for strong coordination mechanisms and support so that the targets in the BIFSIR program document which implements the National Micro Finance Strategy.

5. After the remarks, the Chairperson requested the National Technical Advisor to BIFSIR to proceed with presentation of the project annual work plan and budget.

II. Presentation on the Annual Work Plan and Budget (US\$ 1,752,753)

6. In his presentation, the National Technical Advisor to BIFSIR, Mr Arthur Sabiti thanked the team that supported him in the finalization and fine tuning of the 2014 AWP&B (January-December 2014). He indicated that there are five key outcome areas under which the outputs and relevant activities for the BIFSIR annual work plan fall which formed the basis for the indicative costing and budget.
7. The presentation focused on the activities and budgets as spelt out in the Annual Work Plan and Budget. The NTA assured members of the SC that the AWP and budget has been costed indicatively to ensure alignment with the total resource envelope. He presented the total resource envelope (budget) required to implement the work plan as **US\$1,752,753** of which Government contribution is realized through provision of office space, materials, facilitation and other management related costs; UNDP-US\$351,000; UNCDF-US\$293,693 and KOICA-US\$1,108,060 respectively.
8. Of the total budget for 2014, the NTA disclosed that US\$ 180,000 (10% of total budget) is allocated to activities at the Macro level; US\$ 206,000 (12% of total budget) to activities at Meso level; US\$ 1,065,087 (61% of total budget) to activities at the Micro level and US\$ 101,666 (6% of total budget) for activities at client level and US\$ 200,000 (11% of Total Budget) for project management and monitoring and evaluation activities respectively.
9. After his presentation, the National Technical Advisor requested the Steering Committee members to endorse the plan to facilitate the implementation process and thereby concluded by requesting for observations and clarifications on the work plan and budget.

Discussions on the 2014 annual work plan and budget.

10. Ms Sophie Nyirabakwiye, Head Poverty Analyst from UNDP appreciated the presentation and requested to know if the funds from KOICA would be fully utilized or if there was likelihood that there will be balance left at the end of the implementation period.

11. In response to this, Mr Arthur explained that some KOICA funds (about US \$ 500,000) would be unutilized after the implementation cycle (end of project December 2014) but was optimistic that all the commitments made in the annual work plan and budget would be implemented 100%.
12. In his comments, Mr. Erik Sile from UNCDF Regional Office commended the work and asked for clarification on whether there are any arrangements in place to extend the project in case there were unutilized funds or else a process that would facilitate the mobilization of funds by the DPs.
13. The Director General concurred that past experience has shown unutilized funds at the end of implementation cycle but pointed out that moving forward; this practice is unacceptable. The Chair assured the members that there are already some projects in the pipeline which should consume funds and asked the NTA in consultation with the FSD team to identify those activities and the resources available so that they can be implemented in this financial year.
14. The Director General reiterated Governments' willingness to extend the program beyond the current period of the project (December 2014) because the Financial Inclusion strategic plan extends beyond this period. He requested the DPs to communicate how much funds are available and emphasized that MINECOFIN and stakeholders will find activities that are in line with program objectives.
15. The representative of AMIR, Ms Rita Ngarambe asked the SC members to consider their request for the project to support AMIR operational costs as they currently are not able to meet all the costs. She informed the meeting that as of end 2013, AMIR was meeting at least 20% of the operational costs and they have put in place mechanisms that will make it self-sustainable in the near future.
16. After members deliberated on this issue, it was found out that according to BIFSIR project document AMIR can receive financing for operational costs on a regressive basis. Therefore the SC agreed in principle to contribute towards AMIR's operational cost. And NTA was recommended to work with AMIR on their sustainability trend and present it to the next SC meeting.
17. Another issue raised was the unutilized budget of the existing PBAs by the National Bank of Rwanda and if these funds would be consumed in this financial year 2014.
18. In response to this, Mr Kevin Kavugizo assured the members that these funds will be used to train inspectors of the micro finance supervision department after the department was restructured and as well as spend this money on the consultancy to review the micro finance law. He affirmed that these funds will be spent in this financial year despite some activities being outside their control such as the adoption of the micro finance law. This was further echoed by the Chair of the meeting who emphasized that together with NBR, they will make sure that these funds are utilized

within this financial year and asked the technical team to work out the detailed timelines to ensure that all budgeted activities are implemented.

19. After the deliberations, the SC members approved the Annual Work Plan and Budget with an amendment to contribute towards AMIR's operational cost.

20. **Key Resolutions of the SC meeting:**

Annual Work Plan & Budget 2014

- The SC meeting approved the 2014 annual work plan and budget with an amendment to contribute towards AMIRs operational cost.

Budget utilization

- The SC agreed to identify activities in line with BIFSIR program objectives such that full utilization of the budget is ensured and present them in March review of the AWP&B for consideration.

Program extension

- MINECOFIN and stakeholders expressed willingness to extend the program as financial inclusion is at the heart of Government's vision for the duration of EDPRS II. Therefore MINECOFIN was recommended to formally express interests to the donors regarding program extension, whereas UNCDF was recommended to fast track the development of an indicative plan to prepare for the program extension.

Confirmation on availability of funds by DPs

- The SC agreed that the AWPB 2014 would be revised based on the available funds confirmed by the DPs and additional activities proposed by the IPs

21. There being no other matters to discuss, the meeting closed at 10:45am.

Signed by:



Crispus Ayebare

SPIU M&E Specialist/MINECOFIN

(On behalf of the SPIU Coordinator/MINECOFIN- Secretary)



Eric Kwigamba

DG- FSD/MINECOFIN

(Chairperson)



Arthur Saliti

National Technical Advisor -BIFSIR/UNCDF