



REPUBLIC OF RWANDA
Ministry of Finance and Economic Planning

BUILDING AN INCLUSIVE FINANCIAL SECTOR IN RWANDA

Support Programme the Implementation of the National Microfinance Strategy

BIFSIR



United Nations Capital Development Fund
United Nations Development Programme

Country: Rwanda

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

UNDAF Effect: Rwandan populations benefit from economic growth and are less vulnerable to social and economic shocks.

Expected Outcomes: *Outcome COD 4:* Productivity is improved and the access of small producers and small- and medium-scale and micro-enterprises (SMSMs) to markets is enhanced.
Expected Outcome COD 4.5: The National Strategy and its Plan of Action are adopted and implemented to promote sustainable access of small producers small- and medium- scale enterprises and micro-enterprises (SMSMs) to financial services.

Duration of the Programme: 2009-2012

Planned dates for inception and end of the programme:
 1 January, 2009 – 31 December, 2012

Fund Management option: Parallel funding

Total budget estimate*: \$US 5,000,000

Including:

1. **Budget funded:** \$US 4,000,000

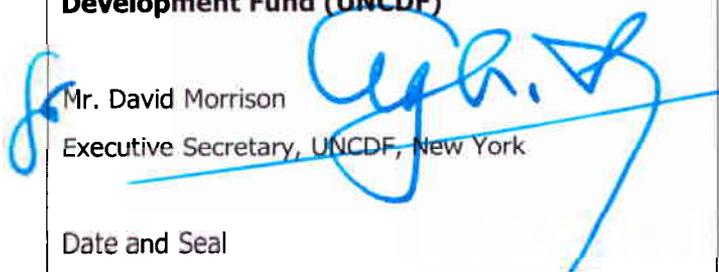
2. **To be mobilized:** \$US 1,000,000

* The total estimated budget includes expenses under the Programme and indirect support costs

Sources of funded budget:

- Government \$US in kind
- UNDP \$US 2,000,000
- UNCDF \$US 2,000,000

Names and signatures of national counterpart and of participating UN agencies

UN Agencies	National Authority
<p>On behalf of the United Nations Development Programme (UNDP)</p> <p>Mr. Aurelien AGBENONCI, Resident Representative, UNDP, Kigali</p> <p>Date and Seal</p> 	<p>On behalf of the Government</p> <p>Mr. John Rwangombwa, Minister of Finance and Economic Planning</p> <p>Date and Seal 18 DEC. 2009</p> 
<p>On behalf of the United Nations Capital Development Fund (UNCDF)</p> <p>Mr. David Morrison Executive Secretary, UNCDF, New York</p> <p>Date and Seal</p> 	

Abbreviation and acronyms

AMIR	Rwanda National Association of Microfinance Professionals
AP	Action Plan
BIFSA	Building Inclusive Financial Sectors in Africa /PNUD-FENU
BIFSIR	Building Inclusive Financial Sector in Rwanda
BNR	Rwandan National Bank
CAPAF	Programme de renforcement des Capacités des institutions de Microfinance en Afrique francophone et Haïti
CAPMER	Support Center for SME in Rwanda
CCNMF	National Microfinance Consultative Committee
CGAP	Consultative Group to Assist the Poor
COD	Common Operational Document (for the UN in Rwanda)
EDPRS	Economic Development and Poverty Reduction Strategy
FRIF	Institutional Building and Financial Innovation Facility
FSDP	Financial Sector Development Programme
FOREDEM	Microfinance Refinancing and Development Facility at the Rwandan Development
GDP	Gross Domestic Product
IC	Investment Committee
LDC	Least Developed Countries
MFI	Microfinance Institutions
MINECOFIN	Ministry of Finance and Economic Planning
MIS	Management Information System
MSMEs	Micro, Small and Medium Enterprises
MDGs	Millennium Development Goals
NSM	National Microfinance Strategy
PCU	Project Coordination Unit
PSF	Private Sector Federation
RWF	Rwandan Francs
SC	Steering Committee
UNDAF	United Nations Development Assistance Framework
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme

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. The main objective of this document, which was approved by the Government of Rwanda, is to support “sustained economic growth and social development” in Rwanda.
2. The NMS aims to promote a vibrant microfinance sector offering inclusive, diversified, efficient and sustainable financial services. The vision for the next five years is to encourage the creation and development of a microfinance sector integrated into the overall financial sector.
3. The vision of 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 populations to social and economic shocks.
4. Known as BIFSIR (Building an Inclusive Financial Sector in Rwanda), this Programme is set 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. Its specific objective is to contribute to capacity building of the various stakeholders at the macro, meso and micro 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.
5. 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.
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 are the IMF and Savings and Credit Cooperatives (SCCs) serving poor and low-income populations, especially women, micro-entrepreneurs and small family farms; environmental stakeholders (AMIR, BNR, CCNMF, FOREDEM, MINECOFIN); and the management bodies of the Programme (Steering and Investment Committees).
8. With a budget of \$US 5 million over 4 years, the Support Programme for the NMS (BIFSR) is jointly funded by UNDP (\$US 2,000,000), UNCDF (\$US 2,000,000), and \$US 1,000,000 to be mobilized. Funding for the Programme remains open to other donors interested in developing an inclusive financial sector in Rwanda to broaden access to financial services. With nearly 700,000 active customers in late 2008, microfinance providers can serve more than 200,000 additional customers by the end of 2012, bringing the number of beneficiaries at the end of the Programme to about one million.

I. Situation Analysis

I.1. Socio-economic Background

1. Rwanda has an area of 26,338 km² and a population estimated at 9.7 million in 2007, with a growth rate of 3%, and an urban population representing 31.5% of the total population. The population density is 321 inhabitants per km², with women and youth representing respectively 54% and 68% of the total population. The literacy rate is estimated at 48% and life expectancy is 49 years.
2. Despite a fertile ecosystem, food production is not keeping pace with population growth, necessitating the importation of food. Over 90% of Rwandan households live in rural areas and depend on subsistence farming. Because of population pressure, rural conditions are characterized by a shortage of cropland. Cash crops (coffee and tea) occupy about 13% of the land and constitute 80% of exports.
3. GDP at current prices was at RWF1.839 billion (\$US3.34 billion) in 2007, with the agricultural and services sectors accounting each for 40%. GDP per capita was \$US354 in 2007. About 60% of the population lives in poverty, 87% of whom are in rural areas.
4. Between 2001 and 2007, average inflation rate hovered around 8%. In 2008, it was above 13%, because of higher oil prices and the effects of the financial crisis. The exchange rate of the RWF against the US dollar has stabilized at about 550 over the last two years.
5. The Government has adopted an expansionary fiscal policy to reduce poverty by improving education, infrastructure and foreign and domestic investment. Microfinance is seen as a tool that can contribute effectively to poverty reduction.
6. In 2006, the Government adopted a National Microfinance Policy, which sets guidelines for the microfinance sector and whose ultimate goal is to contribute to the economic and social development of poor and low-income populations in Rwanda.
7. In 2007, following a participatory process involving key stakeholders in the sector, the document National Strategy for Microfinance (NSM) was adopted, together with its Plan Action. It defines the roles and responsibilities of each stakeholder group and priority activities to support the sector over five years.
8. In May 2008, the Ministry of Finance and Economic Planning expressed the interest of the Government of Rwanda to cooperate with UNDP and UNCDF for the implementation of the Policy and the NSM in Rwanda.

I.2. The Microfinance Sector

I.2.1. Legal and Regulatory Framework

Legal and Regulatory framework

9. Pending the promulgation of the law dealing specifically with the sector, microfinance institutions (MFIs) operate under Law No. 08/99 of June 18, 1999 on the regulation of banks and other financial institutions. To this end, two instructions have been implemented:
 - Rwandan National Bank (BNR) Instruction No. 06/2002 of 09 July 2002 on the regulation of microfinance activities, which deals with MFIs other than credit and savings unions;
 - BNR Instruction No. 5 / 2003 of June 26, 2003 on the regulation of credit and savings unions.
10. The law on the organization of microfinance activities in Rwanda classifies MFIs into four categories. It introduces provisions for greater security within the sector and calls for more professionalism on the part of actors. It puts particular emphasis on security of deposits, IMF governance and management. The draft guidelines for enforcing the law reinforce the provisioning rules, management prudential ratios as well as criteria for good governance.

Institutional framework

Ministry of Finance and Economic Planning (MINECOFIN)

11. In September 2006 the Ministry of Finance and Economic Planning (MINECOFIN) elaborated a policy framework setting out the microfinance sector's strategic vision. This framework specifies the role of the State, viz.: creating an enabling environment for the development, growth and progress of MFIs towards self-sufficiency, with a view to incorporating the microfinance sector into the financial sector.

The mission of MINECOFIN, which is responsible for promoting and developing the sector, is to develop policies and strategies aimed at promoting savings, developing credit and mobilising resources for MFIs. In addition, MINECOFIN is responsible for coordinating the successful implementation of the NMS. It has a Unit in charge of the promotion and development of the sector.

Rwandan National Bank (BNR)

12. Responsible for the regulation and supervision of the microfinance sector by virtue of its Statutes, the National Bank of Rwanda has within its Department of Banking Regulations and Supervisory Services a Unit in charge of the supervision of MFIs, which had 13 inspectors as at 31 December 2007.
13. In 2007, nine supervisory missions in the field concerning 21 institutions were carried out. Over the last nine months of 2008, 15 site inspections involving 18 funds were carried out.
14. As at June 2008, there were 116 MFIs approved by the BNR, all of which are under the direct supervision of the BNR. The latter, however, can sign an agreement with any union for the delegated supervision of member credit unions.
15. The sector is controlled by the BNR which, beyond legal and regulatory provisions, seeks to strengthen the institutional control framework. An initiative aimed at establishing control and supervision units in the country's main regions has already been launched, thus reflecting the Bank's commitment to monitor MFIs closely across the country.

Rwanda National Association of Microfinance Professionals (AMIR)

16. The Rwanda National Association of Microfinance Professionals (AMIR), which was established in June 2007, comprises 89 of the sector's 116 institutions. Since its establishment, the Association has organised for its members several training sessions dealing with such issues as the drafting of financial statements, the conduct of financial analyses, and the establishment of interests rates.
17. The goal of AMIR is to pursue training and to follow up on participants to these various training sessions, to ensure that the knowledge gained is applied for maximum benefit.

I.2.2. Supply and Demand for Financial Products and Services

18. As at 31 December 2007, the banking sector comprised 7 commercial banks, with total assets of RWF384.3 billion, savings outstanding of RWF 363 billion, and a portfolio outstanding of RWF 162.5 billion. There were also 2 other financial institutions, with total assets of RWF 31.74 billion, and 116 MFIs divided into four categories: 90 savings and credit cooperatives; 12 public limited companies, 3 limited companies and 1 microfinance bank.
19. Banks offer all kinds of services: credit, savings, transfers, payment of invoices, exchange services, etc. MFIs offer credit and savings services only, although they may request authorization from the BNR to carry out certain financial transactions.
20. There are 758,411 adults holding an account in commercial banks, and 617,311 in MFIs. Overall, this represents 30.5% of the working population.
21. As at June 30, 2008, there were 116 MFIs divided into four categories: (i) 90 credit and savings unions; (ii) 12 public limited companies; (iii) 3 limited liability companies; and (iv) 1

microfinance bank. MFIs offer mainly short-term credit. They also collect savings. The various forms of rotating credit and savings associations (ROSCAs) are now an excellent means of collecting savings. Medium-term credit and special credit (credit to MSMEs and for housing, rural credit and agriculture, micro-insurance, mutual health insurance associations, international transfers, etc.) are not developed and demand remains unmet.

22. The results of the FINSCOPE study carried out in 2008 show that the demand for financial services is real, based on the following findings: a large majority of the population (52%) is ruled out, of which 56% are women; banks and MFIs serve 14% and 7% of the population respectively.

I.2.3. Microfinance Sector Performance

23. The table below shows the sector's key indicators between 2006 and 2008. Deposits represent 65% of total assets and have rose by 23.7% from December 2007 to June 2008. Equity capital increased by 52.9%, and earnings grew fourfold in six months.

Table 1 : Evolution of the Sector's Key Indicators

Indicators	31/12/2007	30 /06/ 2008
Number of beneficiaries	617,311	693,245
Total assets (in millions)	46,223.44	54,482.15
Savings outstanding (in millions)	28,533.13	35,292.92
Loans outstanding (in millions)	27,533.7	32,259.99
Equity capital (in millions)	10,353.16	15,834.17
Earnings (in millions)	187.15	738.29

Source: BNR

I.2.4. Strengths, weaknesses, opportunities and constraints

24. Despite the sector's sound performance, the development of microfinance is still hindered by the following dysfunctions:
- Small cap, with the equity of more than 59% of MFIs lower than RWF10 million;
 - Relatively young sector: more than 66 % of MFIs have less than five years of existence;
 - Poor quality portfolio: only 13.7% of MFIs have a portfolio at the risk (PAR) beyond 30 days lower than 5%;
 - Inadequate information management system (MIS): 77% of MFIs operate with a manual MIS and wires, and 90% have no management tools;
 - Poor governance, more often than not;
 - Concentration of MFIs in the southern of and western provinces (50%).
25. In view of the major constraints noted in the NMS and the three levels of an inclusive financial sector, the table below summarises the strengths and weaknesses of the sector in Rwanda.

Table 2: Overview of the sector's strengths and weaknesses

Level	Strengths and opportunities	Weaknesses and threats
Micro	<ul style="list-style-type: none"> ▪ Diversity of institutions and approaches; ▪ Dynamism of the sector ; ▪ Banking sector liquidity; ▪ Institutions open to innovation. 	<ul style="list-style-type: none"> ▪ Inaccurate data; ▪ Poor quality of the portfolio, in particular of small-scale institutions; ▪ Inadequate equity capital; ▪ Great majority of small-scale and isolated institutions; ▪ Lack of financial innovations and of products tailored needs of rural populations and women; ▪ Failure in terms of MIS; ▪ Weak capacity of MFIs as regards operation and staff; ▪ Inadequate savings and credit safeguards; ▪ Poor governance; ▪ Poor mobilisation of long-term resources.
Meso	<ul style="list-style-type: none"> ▪ Impetus given by AMIR; ▪ Emerging support infrastructure (audit offices, consulting firms, etc.); ▪ Dissemination of best practices; ▪ Training and capacity-building initiatives. 	<ul style="list-style-type: none"> ▪ Lack of material, human and financial resources for the implementation of AMIR's activities; ▪ Weak capacities of support structures; ▪ Lack of credit information bureau.
Macro	<ul style="list-style-type: none"> ▪ Adoption of new regulations; ▪ Existence of a control and supervision body within the BNR; ▪ Launching of a cooperation framework with the National Consultative Committee for Microfinance (CCNMF); ▪ Existence of a NMS, along with its Action Plan; ▪ Creation of a Stabilization Fund. 	<ul style="list-style-type: none"> ▪ Inadequacy of the material, financial and human resources of the supervision body of the Microfinance Unit; ▪ Need to review and harmonize the chart accounts; • Capacity-building (staff, training) ▪ Need to adapt the MIS used in the sector; ▪ Harmonization of State intervention and coordination of support; ▪ Lack of effectiveness of the CCNMF.

26. This assessment has been validated in the framework of the NMS participatory process. It helped define strategic interventions with a view to easing the constraints identified and building a Plan of action for the next 5 years, based on the priorities of each category of stakeholders. The excerpt below describes the purpose and outcomes of the NMS.

Box 1: Rwandan National Microfinance Strategy

Adopted in 2007, the National Microfinance Strategy (NMS) aims to support "sustainable economic growth and social development". Specifically, it aims to promote a vibrant microfinance industry offering inclusive, diversified, efficient and sustainable financial services

The strategic development of the industry in the next few years will take into account the major constraints facing the sector: (i) inadequate mechanisms for refinancing MFIs; (ii) weak capacity to manage MFIs in a professional and sustainable manner; (iii) weakness of partnerships at all levels; (iv) weak capacity to support the development and diversification of products and to expand access to microfinance services; (v) need to improve the policy and regulatory framework; and (vi) limited access of women and youth to financial services.

The vision for the next five years is to encourage the creation and development of a more inclusive microfinance sector that operates on multiple levels, bearing in mind that the primary objective is to expand access, using a holistic approach.

The expected outcomes of the NMS are as follows:

- Outcome 1: The MFIs receive support in order to develop mechanisms for effective and diversified funding;
- Outcome 2: The IMF is professionally managed and financially viable;
- Outcome 3: Coordination at all levels is developed and strengthened;
- Outcome 4: A support infrastructure is properly established to enable MFIs to provide diversified products to expand the range of services and outreach;
- Outcome 5: A policy framework and appropriate rules are adopted so as to encourage the growth and strengthening of the microfinance sector;
- Outcome 6: A more appropriate approach is established to promote access of women and youth to microfinance services (this is also considered as a cross-cutting issue).

The estimated budget for the plan of action of this Strategy over a period of 5 years is RWF4 billion (about \$US 7 million).

II. Strategies and objectives of the Support Programme to the NMS (BIFSIR)

27. This Programme is consistent with the implementation of the Plan of action of the NMS and is part of the "UNDP's Country Programme Action Plan" (CPAP) for 2008-2012, the main objective of which is to contribute to economic growth and reduce the vulnerability of populations to social and economic shocks.

II.1 Programme Objectives and Strategy

28. The Support Programme for the NMS and the promotion of an inclusive financial sector in Rwanda (BIFSIR) is part of the second phase of the regional programme entitled "Building Inclusive Financial Sectors in Africa", known as BIFSA. The main objective of this joint UNDP-RBA/UNCDF initiative is to assist African LDCs in achieving the MDGs, in particular in reducing poverty by half by 2015. The BIFSA II Programme (2008-2011) is pursuing efforts to create an enabling environment to the sustainable access of poor and low-income populations to financial services. Box 2 outlines the vision of UNDP and UNCDF for building inclusive financial sectors.
29. The strategic objective of the Programme is aligned with Outcome 5 of the Common Operational Document (COD), namely the Rwandan populations benefit from economic growth and are less vulnerable to social and economic shocks. Annex 8 presents the results chain of the programme, which is consistent with national priorities and with the United Nations Development Assistance Framework (UNDAF) for Rwanda.
30. The development objective is to contribute to poverty reduction and to the economic and social development of the most vulnerable in Rwanda, in rural as well as in urban areas, by promoting an inclusive financial sector.

31. Based on the strategic directions of the NMS, whose relevance is acknowledged by all stakeholders, the Programme will provide support at the three levels of the sector:
- **Macro level:** support the coordination and the regulatory and supervisory framework of the sector to promote financial inclusion in Rwanda;
 - **Meso level:** contribute to capacity building and to the consolidation of the sector and develop the financial infrastructure to support the sustainability of inclusive financial services;
 - **Micro level:** support the professionalization of MFIs and innovations to promote broader and sustainable access financial services.
32. The strategy of UNDP and UNCDF aims mainly to support the plans of action of the respective entities. Its focus is on the support to the regulatory and institutional framework, the strengthening of financial infrastructure and the professionalization of MFIs, including aspects related to financial transparency and risk control as well as to the strengthening of strategic partnerships between banks and MFIs.
33. The current support to the microfinance sector in Rwanda covers the following areas:
- Technical backstopping to the Central Bank by CIDA, USAID and CGAP in terms of training and MIS.
 - Contributions to the Fund for the Refinancing and Development of Microfinance (FOREDEM) by the Government, the Belgian Cooperation, the Netherlands, and IFAD. The Fund is managed by the Rwanda Development Bank and is designed to meet the needs of eligible MFIs for external resources.
 - Support to AMIR, in particular from the Government, Terrafina, Trocaire, the World Bank and World Relief, for capacity-building activities for the sector.
34. Support to the Programme is based on the needs expressed by the BNR at the macro level, and AMIR at the meso level, under their respective plans of action. The Programme fits in logic of funding gap to meet the needs that are not covered with respect to the comparative advantages and distinctive competencies of development partners in the sector.
35. Through its Investment Committee (see Terms of Reference in Annex 4), the Programme will ensure the implementation of a harmonized approach and coordination mechanism with other initiatives supporting the sector. This will be the case with the programme initiated by DfID, which will focus on providing technical assistance to the financial sector to expand access (Access to Finance in Rwanda). In addition, KfW is in the exploration stage to discuss possible support based on priorities and needs unmet with respect to the consolidation and modernization of the microfinance sector.

II.2 Programme Beneficiaries

36. Programme beneficiaries are the MFIs and Savings and Credit Cooperatives, which serve poor and low-income populations, especially women, micro-entrepreneurs and small family farms, the environmental stakeholders (AMIR, BNR CCNMF, FOREDEM, MINECOFIN), and the management bodies of the Programme (the Programme's Steering and Investment Committees).

Box 2: From microfinance to inclusive finance: the approach of UNDP and UNCDF

Microfinance is the provision of financial services to the unbanked or to those do not have sufficient collaterals for access to banking services. Such financial services, which target the lower segments of the market, include savings, credit, transfers, insurance, etc. Microfinance institutions (MFIs) are financial services providers (FSPs) specialising in microfinance. An inclusive financial sector is a financial sector that offers a range of financial services to the entire population of a country. It's a sector open to all. The main features of an inclusive financial sector are as follows: (i) competition among FSPs; (ii) a diverse range of FSPs; (iii), sustainable access to financial services; and (iv) a legal and regulatory framework that ensures the financial sector's integrity.

Even though the impact of microfinance remains somewhat limited, studies and research have shown that it represents an important tool for poverty reduction and that it should be considered as one of the strategies enabling to achieve the Millennium Development Goals (MDGs), especially reducing by half the incidence of poverty by 2015. The Consultative Group to Assist the Poor (CGAP) has provided evidence that through its sustainable financial services to the poor, microfinance can contribute to achieving these goals. Indeed, access to financial services constitutes a precondition for meeting other needs, such as health education, nutritional counselling, and women's empowerment.

The idea of integrating microfinance into the overall financial sector is gaining ground among donors and is a precondition to its effective contribution to development. The main objective of the "sector-based approach" to the development of microfinance is to strengthen the overall financial sector through its integration, with a view to providing sustainable access to financial services for poor and low-income households. Integration of all sub-segments of the financial market is a necessary but not sufficient condition, hence the need for the overall financial system to be constituted by sustainable institutions providing services to people from all walks of life.

This approach is based on the formulation of a national policy and strategy reflecting a common vision of all stakeholders involved in the integration of microfinance into the financial sector. It takes into account the socioeconomic and political situation. It is focused on capacity building at the local level as regards the environment, including the legal and regulatory framework, institutions, financing mechanisms, financial infrastructure the sector such as accounting and audit structures, credit information bureau, training and capacity building opportunities, and the structuration of the sector.

Source: UNCDF/FIPA Policy and Strategy and UN Blue Book, Building Inclusive Financial Sectors for Development

II.3 Expected Outcomes and Programme Intermediate Outputs

II.3.1 Expected Outcome 1: at the Macro Level

37. Coordination and the regulation and supervision framework of the sector strengthened with a view to promoting financial inclusion in Rwanda

38. Intermediate outputs are as follows:

- **Intermediate output 1.1:** coordination of and communication on the implementation of the NMS are efficiently ensured by MINECOFIN;
- **Intermediate output 1.2:** dissemination and ownership of the legal and regulatory framework by the sector;
- **Intermediate output 1.3:** BNR's capacities are strengthened for effective supervision and surveillance of the sector.

39. Support to the establishment of the Secretariat responsible for the implementation of the NMS within MINECOFIN and its strengthening contribute to the efficient coordination of the sector, in close cooperation with the National Microfinance Consultative Committee (CCNMF), and

development partners. Strengthening MINECOFIN for a consistent and effective implementation of the NMS, along with the coordination of interventions are necessary if the sector is to develop harmoniously.

40. The NMS Secretariat would be responsible for the communication strategy of the project, and for the knowledge management, with a view to documenting programme achievements and challenges in its implementation. The preparation of communication materials and organisation of events on microfinance, in collaboration with the CCNMF will be part of the strategy.
41. There is a need to strengthen the surveillance of the sector, quantitatively as well as qualitatively, in view of its rapid growth in terms of assets and the number of MFIs, with all the risks it entails. As for regulation and supervision, the activities planned will ensure ownership of the content of regulations and its implications for modalities of operation and management. These activities will be supported through the setting-up of an MIS specially designed for microfinance, and the strengthening of supervision. These provisions will be complemented by those regarding the review of procedures, possible institutional changes (networking) planned under the other main thrusts of the Programme. Lastly, the Programme will also support the establishment of and communication on the Central Microfinance Database within the BNR.

II.3.2 Expected Outcome 2: at the Meso Level

42. Consolidation of the sector, capacity building and financial infrastructure are supported, with a view to professionalising MFIs in the provision of inclusive financial services

43. **Intermediate output 2.1:** a strengthened AMIR plays its role fully in the representation of the profession and the enforcement of a code of ethics;
44. **Intermediate output 2.2:** support to training in the various microfinance works and dissemination of best practices, as well as in the areas of auditing of MFIs, the implementation of MIS, and rating;
45. **Intermediate output 2.3:** small-scale MFIs and Saccos that are not affiliated to a network are brought together and strengthened.
46. AMIR's main responsibility should consist in guiding the microfinance sector, through consensus-building among the various actors, in close cooperation with the CCNMF. This association will promote dialogue with decision-makers, advocate for policy reforms, support MFIs in the provision of microfinance services and promote cooperation among MFIs. AMIR should be managed so as to be in a position to promote the microfinance sector in the context of a long-term commitment. To this end, it should be endowed with the means to provide quality services to its members.
47. Furthermore, AMIR will be supported in this mission, given that it is positioning itself and that it has been identified by MINECOFIN and the BNR as a link in capacity-building, and in the dissemination of best practices. Capacity-building for AMIR itself, together with training through the CGAP methodology, will result in the enhancement of local skills and in the provision of the technical support that the Rwandan MFIs need. This should be done through training and certification processes, in collaboration with international experts. Also to be supported are the identification of MIS and the rating of MFIs, in cooperation with other audit offices in the sub-region.
48. Lastly, AMIR will facilitate networking, and the consolidation of weak institutions, with a view to stabilising and professionalising the sector.

II.3.3 Expected Outcome 3: at the Micro Level

49. The capacity of leader MFIs to develop innovative financial services accessible to low-income populations is enhanced, especially in rural areas.

50. **Intermediate output 3.1. :** The response capacity of the MFIs identified is enhanced in terms of financial resources; methodological tools, MIS, training, human resources, and logistics;

51. **Intermediate output 3.2.** : New appropriate products are developed, especially for populations in rural areas and for financial services targeting women;
52. **Intermediate output 3.3.** : Refinancing is improved in the sector through the development of partnerships with banking system such as FOREDEM.
53. The lack of capacity of MFIs to develop financial innovations to provide a diversified range of products using new technologies is one of the weaknesses identified. The Programme will establish a facility to finance the development of new products, new service delivery mechanisms, and the computerization of management procedures.

III. Results and Resources Framework

54. Based on the analysis of support needs presented in Annex 1, the Programme will support the three levels of the sector in accordance with the results and resources framework in Annexes 6, 7, and 8.

IV. Institutional Arrangements

IV.1.1 Programme Management

55. The BIFSIR Programme will have three management bodies: the Steering Committee (SC), the Investment Committee (IC) and the Project Management Unit (PMU).
56. The SC will be established by ministerial decree and will bring together representatives of key stakeholders in the Programme: MINECOFIN, BNR, CEPEX, AMIR, CCONMF, the Private Sector Federation (FSP), UNDP, UNCDF and the PMU, which will serve as its Secretariat. It has the following responsibilities:
 - Approve the PMU annual work plans;
 - Monitor implementation by reviewing reports and submit recommendations ;
57. The SC may select persons whose expertise is recognized in the field of microfinance whenever appropriate. The SC acts through one annual meeting at least of the parties concerned for approval of the work plans and annual budget (WPAB) submitted by the PMU as appropriate. This meeting is a formal mechanism for making joint decisions on the design and implementation of the Programme. The Committee will be chaired by the representative of MINECOFIN. Its Secretariat, however, will be ensured permanently by the PMU. The role of the SC will be to provide strategic directions and monitor the implementation of the Programme.
58. The IC is made up of SC delegated members. Members entitled to vote are: the Programme donors and one Government representative (MINECOFIN). The NBR will sit in the IC in an advisory capacity. The IC will be responsible for reviewing applications for funding prepared by PMU and will meet periodically to review the funding requests submitted by the PMU on the basis of WPAB. The limits of its powers will be defined, however, in the Programme's Manual of Procedures.
59. The PMU will be hosted by MINECOFIN. Its main roles and responsibilities will be to:
 - Prepare annual work plan and submit them to the SC;
 - Review funding requests from MFI and submit them to the IC;
 - Ensure contracting for implementation of activities: preparing terms of reference for studies to be carried out, proposals from consultants, supervision of studies, proposals from technical service providers;
 - Ensure the technical and financial management of the Programme;
 - Prepare progress reports and transmit them to the SC;
 - Submit to the SC any recommendation it deems appropriate for improving implementation of the Programme.

IV.1.2 Programme implementation

60. The PMU will develop or adapt at Programme inception, an Operations Manual on administrative, financial and investment procedures. Modalities for the management of NEX and DEX funds should be clearly formulated. The Operations Manual will also clarify the process and rules for the provision of support and funding to Programme beneficiaries. It must be approved by the SC.
61. The PMU will produce annual work plans and budget, to be approved by the SC, along with quarterly and annual reports to be transmitted to UNDP/UNCDF through UNCDF's Regional Inclusive Finance Unit for Southern and East Africa in Johannesburg. These reports will be reviewed by the SC. Reports of the PMU will include the results achieved in relation to work plans, investments, as well as performance indicators of MFIs under contract with the Programme.
62. For MFIs, indicators (see **Annex 2**) will include performance criteria such as the number of active clients and percentage of women, outstanding credit portfolio quality, adjusted return on assets, the number of savers and percentage of women, savings outstanding and, for the sector, the rate of penetration, the capacity of MFIs, the effectiveness of supervision/compliance with norms, the number of inspections conducted and the results applied, the quality of the sector, the percentage of assets controlled relative to total assets, the quality of consultations and partnerships, leverage effects, and the quality of technical support. Impact assessments will make it possible to measure the real contribution to poverty reduction. In addition, the MFIs under contract will also be required to submit their reporting to Mix Market.
63. For beneficiary institutions other than MFIs, the indicators will be identified during the preparation of performance base agreement.
64. The PMU will be led by an International Expert in Inclusive Finance (see Terms of Reference in **Annex 3**). He will be assisted by a National Expert, and an Administrative and Financial Assistant (see Terms of Reference in **Annexes 4 and 5**). The PMU will also have a driver and the equipment needed for its functioning (vehicle, computer equipment and office furniture).
65. The Government, together with UNDP and UNCDF, will ensure the establishment of a sector support and coordination structure and the transfer of technology to national expertise in a time limit not to exceed three years. In addition, at Programme completion, the Programme Team will be incorporated into MINECOFIN, with a view to capitalizing on the activities financed under the Programme and to providing continued support to microfinance.

IV.2 Programme Support Modalities

66. The Programme will provide support through a fund dedicated to institutional support and financial innovations (FRIF). It will have an Investment Committee (see paragraph 42 above).
67. The FRIF plans the provision of regressive grants or micro-capital to MFIs and other Programme partners, on the basis of performance contracts aimed at institutional-building and the development of new products.
68. Furthermore, the FRIF provides credit lines to MFIs at rates close to those of the market, to fund innovations in technology and scale up access to financial services.
69. Eligibility criteria for MFIs to access financial support of the BIFSIR Programme will be specified in a FRIF Policy and Procedures Manual and in the Terms of Reference of the Programme IC. The following performance criteria, however, are critical in assessing applications for funding by IMFs:
 - Vision and leadership;
 - Good prospects for operational and financial sustainability;
 - Availability and quality of information, including financial information;
 - Quality of the loan portfolio;

- Large customer base and willingness to reach a significant number of customers;
 - Work environment;
 - Weaknesses identified and measures taken or to be taken to improve performance.
70. The resources of the FRIF are made up of initial contributions by UNDP and UNCDF, and all future contributions from donors and investors willing to support the sector through the IC.
71. Advice and technical support may be provided directly by the Technical Advisor/International Expert, with support from the National Expert and UNCDF's Regional Inclusive Finance Unit for Southern and East Africa, or by contracting structures selected after a tender.
72. The equipment acquired in the context of Programme support remain the property of UNDP and UNCDF, which will decide on their allocation at the end of the Programme, according to specific performance criteria regarding the beneficiary structure.

IV.3 Contribution and Role of the Various Stakeholders

The National Counterpart

73. MINECOFIN will contribute to the Programme, especially through hosting the PMU and participating in the activities of the two management bodies (SC and IC). Furthermore, MINECOFIN will eventually ensure the institutionalization of the PMU through the establishment of a Secretariat or National Directorate of Microfinance, which will provide continuing support to the sector.
- MINECOFIN senior managers involved in Programme support will benefit from capacity-building in microfinance.
74. The program will be exempt from customs taxes and duties for all services, and for goods and equipment to be purchased under the Programme.
75. The structures under contract with the Programme (BNR, AMIR and IMF) and other recipients will meet contractual commitments and ensure that performance contract targets are achieved and reliable reporting performed within time limits.

Technical and Financial Partners

76. UNDP will contribute to the financing of the Programme to the tune of \$US2 million. The UNDP/UNCDF Programme Officer, Microfinance Focal Point, will be responsible for the administrative monitoring of the Programme on behalf of UNDP/UNCDF, while technical aspects will be monitored by the UNCDF Regional Inclusive Finance Unit for Southern and East Africa. The Microfinance Focal Point will receive the training needed in the field of microfinance. The contribution of UNDP will be earmarked for the operation and equipment of the PMU and for the Institutional Support Fund, which consists primarily of grants for capacity-building of stakeholders at the three levels (macro, meso and micro).
77. UNCDF will also participate in the Programme to the tune of \$US2 million. It will be the implementing agency for its own resources. The funds of UNCDF will be used also at the three levels (macro, meso and micro) and dedicated to the three modes of financial implementation above (FRIF, endowments and lines of credit). UNCDF will be responsible for the recruitment of the International Expert in inclusive finance, who will work under the technical supervision of the UNCDF Regional Inclusive Finance Unit for Southern and East Africa.
78. The current level of funds to mobilize is \$US1 million. This represents only the additional funding that could come from partnership with FOREDEM or from the PADG-GR support programme at the micro level. This programme is a contribution to the NMS Action Plan, with an indicative budget of \$US7 million, to be increased in view of technical assistance needs to modernize the sector.

Establishment of Partnerships and Coordination of Support to the Sector

79. The Programme will ensure the implementation of a harmonized approach and coordination mechanism with other initiatives supporting the sector. Thus, the Programme will work in close coordination with existing and future initiatives, including the DfID "Access to Finance in

Rwanda” programme, and seek partnerships to raise additional funds to increase opportunities for direct support to MFIs in terms of professional development and innovation. A coordination mechanism will be facilitated through a Joint Investment Committee to ensure transparency and harmonization of support tools for technical analysis applications regarding funding and performance monitoring of the MFIs supported.

IV.4 Fund Management Arrangements

80. On signing the Programme Document, the contributions of UNDP and UNCDF are the only resources available to the Programme. Each donor will be responsible for its own resources following a parallel funding mechanism. Thus direct implementation (DEX) will be the budget management method of UNCDF, while the UNDP budget will be implemented nationally (NEX).

V. Quality Control, Monitoring and Evaluation

81. In accordance with the microfinance policy of UNDP, UNCDF will ensure the technical backstopping, supervision and quality control of microfinance programmes. For the BIFSIR programme, the UNCDF Regional Inclusive Finance Unit for Southern and East Africa in Johannesburg is mandated by the UNDP Resident Representative in Rwanda.
82. A monitoring and evaluation mechanism will be implemented under the Programme. Its aim is to measure and improve performance, and to achieve the expected outcomes. To this end, specific indicators will be identified in the early stages of the Programme and will serve as triggers for continuing the Programme from one year to the next.
83. Monitoring and evaluation will focus on:
 - Improving decision-making in relation to strategic directions;
 - Supporting the adjustment of interventions;
 - Capacity-building of various technical partners;
 - Transfer of skills and continuous learning under the Programme.
84. Monitoring will be ensured on an ongoing basis, using specific indicators of progress in achieving results. These indicators will be included in the Manual of Operations of the Programme (MOP).
85. A system of reporting will be established as part of the Programme. It will provide systematically and at regular intervals all the information and details on the implementation of the Programme in relation to achievements, including recommendations and lessons drawn over time from the experience.
86. The PMU will produce progress reports (quarterly and annually) to be submitted to Programme donors (UNDP, UNCDF) and to MINECOFIN. These reports will be forwarded to the SC for discussion and validation.
87. The reports will analyse the status of the support provided, investments made and performance indicators on the MFIs under contract with the Programme. The annual report will include analysis of the level of achievement regarding the NMS and recommendations on the overall sector.
88. The UNCDF Regional Unit based in Johannesburg will ensure technical monitoring of the Programme through periodical missions.
89. The Programme will undergo annual audits mandated by UNDP under NEX execution, and UNCDF under funds for direct execution.
90. In accordance with the policy and requirements of UNDP and UNCDF on mandatory assessment, the Programme will be subjected to two in-depth external evaluations: a mid-term review in 2011, and a final evaluation in 2012. The objective of the mid-term review is to assess the overall performance of the Programme, efficiency and effectiveness of its management and implementation over the cycle. The final evaluation is to measure the

effectiveness, efficiency, relevance and sustainability of interventions, and lessons learned at the end of the Support Programme.

91. To achieve the objectives of the evaluation, collaboration and involvement of UNDP, the National Counterpart and other development partners will be sought. In this context, sharing the costs of evaluation among stakeholders will be considered, including through co-financing from UNDP and UNCDF.
92. The evaluation will be conducted under the general supervision of the Evaluation Unit of UNCDF. The resources needed to finance each of these evaluations are included in the budget of the Programme regarding the contribution of UNCDF.

VI. Legal Framework

93. This Programme Document is aligned with the UNDAF 2008-2012 and the COD of the UN system in Rwanda. Implementation of BIFSIR Programme will be governed by procedures and regulations of UNDP.
94. The project document conforms to the provisions of the Standard Basic Assistance Agreement (SBAA) between the Government of Rwanda and the United Nations Development Programme signed by the parties on 2 February, 1977. The host country-implementing agency shall, for the purpose of the SBAA, be referred to as the Government co-operating agency, described in that agreement.
95. The standard procedures for accounting and financial reporting for national execution, as provided for in Financial Regulation of the UNDP Financial Manual, will apply to this Project.
96. Changes to the Programme Document in respect of the participation of or funding from other donors will be reviewed by the parties concerned.
97. The following types of revisions may be made to this Project Document, with the signature of the UNDP Management; provided management is assured that the other signatories of the Project Document have no objections to the proposed changes:
 - Revision in, or addition of, any of the annexes of the project document;
 - Revision which does not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangements of inputs already agreed to or by cost increases due to inflation, and;
 - Mandatory revisions that re-phase the delivery of project inputs or increased experts or other costs due to inflation or take into account expenditure flexibility.

VII. Risks and the means to mitigate

98. This is a non-exhaustive list of risk factors:
 - Delays in the establishment and operationalization of the Programme;
 - Lack of ownership of actors;
 - Failure to control the rapid growth of credit supply induced by the arrival on the market of several MFIs with risks of over-indebtedness of clients and pressure on interest rates;
 - Lack of coordination among development partners involved in the microfinance sector and, more generally, in the formulation of poverty reduction policies.
99. The following factors will contribute to mitigating risks:
 - Willingness of the Government to implement the Programme and of stakeholders to actually play a leadership role;
 - Phasing-out and work on self-financing strategies for recipient structures of the Programme will promote ownership and the sustainability of actions;
100. Creating a climate of confidence among MFIs through BIFSIR Programme will make it possible to develop an information exchange system on customers, increase the number of member MFIs and limit the risk of client over-indebtedness.

ANNEXES

Annex 1: Needs Analysis

Level	Constraints	Identified support needs	Existing or potential support	Programme support
Micro	<ul style="list-style-type: none"> ▪ Poor quality of portfolio, especially of smaller institutions ▪ Weak operational capacity and of staff of MFIs ▪ Institutions mostly of small size and isolated ▪ Weakness or lack of IMSs ▪ Lack of financial innovation and product diversification ▪ Unsecured savings and credit ▪ Inadequate capital ▪ Clearinghouse and risk-sharing not suited to the operations of MFIs ▪ Low mobilization of long-term resources 	<ul style="list-style-type: none"> ▪ Capacity-building of managers and leaders of MFIs ▪ Development of new products ▪ Support to the consolidation process ▪ Support for the improvement of IMSs (especially computerization needs of MFIs) ▪ Articulation of MFIs with formal financial institutions, especially banks ▪ Securing savings (including establishment of a National Stabilization Fund) ▪ Establishment of a clearinghouse and of a risk-sharing mechanism, and of a forum for exchange of information at the local level, especially for small MFIs ▪ Partnerships and Resource Mobilization 	<p>State support to capacity-building of MFIs through AMIR (support exists, but can be strengthened)</p> <p>New Program DfID/follow-up of Finscope study;</p> <p>Raising awareness among traditional financial institutions of the need to coordinate with MFISs for the promotion of an inclusive financial sector in Rwanda</p>	Expected outcomes # 5,6
Meso	<ul style="list-style-type: none"> ▪ Lack of material, human and financial resources to implement AMIR activities ▪ Weak capacity of support organizations ▪ Clearinghouse and risk-sharing not suited to the operations of MFIs. 	<ul style="list-style-type: none"> ▪ Institutional Support to the professional association ▪ Support for improving MIS ▪ Support to the consolidation process ▪ Capacity-building for developing the financial infrastructure 	Support under the new WB/CEDP programme	Expected outcomes # 3,4
Macro	<ul style="list-style-type: none"> ▪ Lack of material, financial and human resources of the supervisory structure and of the for Microfinance Unit ▪ Need to review and harmonize the Chart of accounts ▪ Capacity-building (staff, training) ▪ Need to adapt the MISs used in the sector ▪ Harmonization of state intervention and coordination of support ▪ (Low commitment of local government authorities in the supervision of the microfinance sector, especially in sensitizing populations on the need to mobilize savings and on the role of credit and its repayment) ▪ Lack of effectiveness of CCNMF ▪ Low level of integration of populations into the banking system and of savings mobilization 	<ul style="list-style-type: none"> ▪ Strengthening of the BNR, to enable it to play its supervisory role ▪ (Support to the establishment of a specific accounting frame work for microfinance) ▪ Continuation of the implementation of a regulatory framework suited to the sector's operations ▪ (Mobilization of local authorities for the supervision of the microfinance sector) ▪ Support to the establishment of a consultative mechanism and to the operationalization of CCNMF ▪ Creation of one CSU at least in each administrative area (Umurenge) 	<p>Support under the new WB/CEDP programme</p> <p>CIDA support until the end of 2009</p> <p>Need to support the establishment of SACCOs in administrative areas (Umurenge)</p>	Expected outcomes # 1,2

Annex 2: BIFSIR Results Framework

Expected impact of the joint programme - COD 4: Productivity is improved and access of small producers and SMSMs to markets is promoted								
Expected Outcome COD 4.5: The National Strategy and Plan of Action are adopted and implemented to promote sustainable access of small producers and SMSMs to financial services								
Expected outcomes	Intermediate products	Implementing partners	Planned activities for each output	Resource allocation and tentative schedule				Total \$US
				Y1	Y2	Y3	Y4	
R. 1: At the MACRO Level Coordination and the regulatory and supervisory framework of the sector are strengthened to promote financial inclusion in Rwanda: <i>- The Secretariat responsible for the implementation of the NMS is operational within MINECOFIN</i> <i>- Simplified media on the MF law available to 70% of licensed MFIs at least</i> <i>- A central database of MFIs is functional within the BNR</i> <i>- A critical mass of BNR inspectors is trained to monitor the sector</i>	1.1. Coordination and communication on the implementation of the NMS are effectively ensured by MINECOFIN	MINECOFIN CCNMF	<ul style="list-style-type: none"> - Support to the Secretariat responsible for the implementation of the NMS, the coordination of support and resource mobilization - Contribution to capacity-building and study tours (MINECOFIN, CCNMF) 	59,500	63,500	54,500	97,500	275,000
	1.2. Ownership of the legal and regulatory framework by actors, which allows to secure the sector	BNR	<ul style="list-style-type: none"> - Support to Information, Education and Communication on regulation and supervision - Workshops and technical seminars with the sector, and with accounting and audit firms 	12,500	22,000	25,000	15,000	74,500
	1.3. The capacity of the BNR for effective supervision and monitoring of the sector is strengthened	BNR	<ul style="list-style-type: none"> - Support to the identification of and sensitization on a central database and of an MIS for reporting by MFIs - Contribution to capacity-building and exposure visits (BNR supervising the MF sector) 	49,000	80,000	57,225	55,000	241,725

UNDAF outcome 5: Rwandan populations benefits from economic growth and are less vulnerable to social and economic shocks								
Expected Outcome COD 4.5: The National Strategy and Plan of Action are adopted and implemented to promote sustainable access of small producers and SMSMs to financial services								
Expected outcomes	Intermediate products	Implementing partners	Planned activities for each output	Resource allocation and tentative schedule				Total \$US
				Y1	Y2	Y3	Y4	
R.2: At the Meso Level Consolidation of the sector, capacity-building and the financial infrastructure are supported, with a view to professionalising the delivery of inclusive financial services. <i>- AMIR is operational and provides quality services to its members including for rating and MIS</i> <i>- 5 managers/MFs/year are trained</i> <i>- 7 CGAP course modules are disseminated and replicated each year</i> <i>- 110 SACCOs in 30 districts are strengthened and adopt best practices</i> <i>- A critical mass of audit firms are trained in MFI auditing</i>	2.1. The professional association (AMIR) is strengthened and fully plays its role in the representation and ethics of the profession	AMIR	<ul style="list-style-type: none"> - Regressive financing for operating costs of AMIR - Capacity-building and study tours - Support to the establishment of an MIS for data collection and reporting 	54,500	55,000	52,000	32,000	193,500
	2.2. Support is provided to training, dissemination of best practices, audit, establishment of MIS and rating of MFIs	AMIR, BNR MFIs Audit firms	<ul style="list-style-type: none"> - Development of basic training for SACCOs - TOTs and replication of CGAP course - Identifying MIS for MFIs and co-financing of rating 	54,000	51,000	69,500	61,500	232,400
	2.3. Small SACCOs unaffiliated with a network are consolidated and strengthened	AMIR, BNR MFIs, SACCOs	<ul style="list-style-type: none"> - Awareness raising and communication on networking - In-house development of training modules - Regressive financing of consolidation - TA and monitoring of performance contracts with the networks and affiliated SACCOs - Dissemination of best practices 	32,500	96,500	77,500	57,500	264,000

UNDAF outcome 5: Rwandan populations benefit from economic growth and are less vulnerable to social and economic shocks								
Expected impact of the joint program - COD 4: Productivity is improved and the access of small producers and MSMEs to markets is promoted								
Expected Result COD 4.5: The National Strategy and Plan of Action are adopted and implemented to promote sustainable access of small producers and SMSMs to financial services								
Expected outcomes	Intermediate products	Implementing partners	Planned activities for each output	Resource allocation and tentative schedule				Total \$US
				Y1	Y2	Y3	Y4	
R.3. : At the micro level The capacity of MFIs and SACCOs is strengthened to develop innovative financial services accessible to low-income people, particularly in rural areas: <i>- Each year 2 high-potential MFIs at least are financed</i> <i>- The total number of clients of MFIs rises by an average of 5% annually to reach 200,000 additional customers, 50% of whom are women.</i>	3.1. The response capacity of MFIs is strengthened	MFIs SACCOs	<ul style="list-style-type: none"> - Preparation of manuals of procedures and validation of eligibility criteria for Programme support - Disbursement of grants or loans - - Analysis and Performance Monitoring - - Development of new products in rural targeting women and youth 	205,000	536,200	454,625	558,850	1,754,675
	3.2. The refinancing of the sector is improved	MFIs FOREDEM	<ul style="list-style-type: none"> - Development of partnerships with FOREDEM and commercial banks 		230,000	350,000	350,000	930,000

UNDAF outcome 5: Rwandan populations benefits from economic growth and are less vulnerable to social and economic shocks								
Expected impact of the joint program - COD 4: Productivity is improved and the access of small producers and MSMEs to markets is promoted								
Expected Result COD 4.5: The National Strategy and Plan of Action are adopted and implemented to promote sustainable access of small producers and SMSMs to financial services								
Expected outcomes	Intermediate products	Implementing partners	Planned activities for each output	Resource allocation and tentative schedule				Total \$US
				Y1	Y2	Y3	Y4	
R.4: Programme Management Programme Management, monitoring and evaluation are conducted efficiently: <i>- 3 meetings of CCNMF SC and IC per year at least</i> <i>- The Secretariat of the NMS equipped</i> <i>- Programme Manual of Operation available and updated</i> <i>- At least 2 UNCDF technical review missions/year</i> <i>- Technical assistance and the conduct of Programme operations are performed efficiently</i> <i>- Mid-term and final evaluations</i>	4.1. The management unit and Programme bodies (SC, IC) are operational	- SC - IC - NMS/MINECO-FIN Secretariat - PPMU and International Expert	- Recruitment of national experts and support staff - Purchase of vehicles and equipment - Development of the Programme Procedures and Management Manual - Processing of financing	27,400	67,000	47,000	42,300	193,700
	4.2. Implementation of the NMS is supported by international expertise	- SC - IC - NMS/MINECO-FIN Secretariat - PPMU and International Expert	- TA and conduct operations - Support to MINECOFIN for coordination of support and resource mobilization - Support for regular operation of the SC, CCNMF and the IC - Leadership and capacity-building of the PMU - Support and advisory services to MF Plan Action of the BNR - Support to the business plan of AMIR - Development of analytical and performance monitoring tools with FOREDEM	48,000	150,000	150,000	50,000	398,000
			- Programme monitoring missions	6,500	7,000	7,000	7,000	27,500
	4.2. Programme rating (mid-term and final)	Government Donors Private sector	Programme evaluation	-	-	75,000	75,000	150,000

UNDAF outcome 5: Rwandan populations benefits from economic growth and are less vulnerable to social and economic shocks						
Expected impact of the joint program - COD 4: Productivity is improved and the access of small producers and MSMEs to markets is promoted						
Expected Result COD 4.5: National Strategy and Plan of Action are adopted and implemented to promote sustainable access of small producers and SMSMs to financial services						
Source of funds	Type of expenditure	Y1	Y2	Y3	Y4	Total \$US
UNDP	Programme expenditures	267,400	560,875,	502,750	568,975	1,900,000
	Support for indirect expenditures (5%)	100,000				100,000
UNCDF	Programme expenditures	281,500	567,325	558,500	492,675	1,900,000
	Support for indirect expenditures (5%)	100,000				100,000
To be mobilised	Programme expenditures		230,000	350,000	350,000	930,000
	Support for indirect expenditures (7%)					70,000
Total	Programme expenditures	548,900	1,358,200	1,411,250	1,411,650	4, 730,000
	Support for indirect expenditures	200,000	70,000			270,000
TOTAL BUDGET						5,000,000

Annex 3 : BIFSIR Indicative work plans (2009-2012)

Impact of the joint Programme: National Strategy for Financial Inclusion and Plan of Action adopted and implemented to promote universal access to financial services

Tentative work programme- 2009											
Impact of the joint Programme: National Strategy for Financial Inclusion and Plan of Action adopted and implemented to promote universal access to financial services											
Annual objectives of the UN Body	UN Body	Activities	SCHEDULE				Implementing partner	BUDGET ESTIMATES			
			Q1	Q2	Q3	Q4		Source of funds	Budget description	Amount	
Outcome 1 – At the macro level: Coordination of the sector, and the microfinance regulatory and supervisory framework are strengthened											
1.1. Effective coordination of and communication on the implementation of the NMS MINECOFIN	UNDP	Establishment of the NMS Secretariat, equipment			x	x	MINECOFIN CCNMF PMU UNDP	MINECOFIN UNDP	GRANT	30,000	
		Meetings SC and CCNMF (at least twice a year)			x	x			GRANT	4,000	
		Assessment–updating of the NMS				x			EXPERT CTRINT	9,500	
		Study tours and training, Secretariat NMS				x			TRVINT	16,000	
1.2. Ownership of the legal and regulatory framework by actors	UNCDF	Preparation of simplified media and dissemination of the law and guidelines dealing with the MF sector (for 110 approved MFIs and SACCOs)			x	x	BNR	UNCDF	GRANT	12,500	
1.3. The supervision and monitoring capacity of the BNR is enhanced	UNCDF	Awareness raising on the need to establish a central database and an IMS for regular reporting by MFIS's			x	x	BNR	UNCDF	GRANT	30,000	
		Development of an Approval Manual				x	BNR	UNCDF	GRANT	3,500	
		Equipment and support to the inspection posts of MFIs			x	x	BNR	UNCDF	TRVINT	15,500	
		Study tours and training									
Outcome 2 – At the meso level: Capacity-building, sector consolidation and financial infrastructure are supported											
2.1 The Professional Association (AMIR) is strengthened	UNDP UNCDF	Regressive financing of operating costs of AMIR			x	x	AMIR BNR UNDP UNCDF	MINECOFI UNDP	GRANT	30,000	
		Capacity-building and study tours				x			TRVINT	5,000	
		Support to the establishment of an IMS for AMIR and data collection in MFIs				x			UNCDF	EXPERT	12,000
		Institutional diagnosis-evaluation of AMIR			x				UNCDF	EXPERT CTRINT	7,500
2.2. Support to training, dissemination of best practices, audit of MFIs, IMSs and rating	UNDP UNCDF	Development of basic training for SACCOs			x	x	AMIR BNR UNDP UNCDF	UNCDF	GRANT	4,000	
		Trainer training and replication of CGAP course			x	x		UNCDF	GRANT	15,000	
		Identification of IMS platform for MFIs				x		UNCDF	EXPERT CTRLOC	20,000	
		Joint financing of the rating of MFIs				x		UNDP	GRANT	15,000	
		Organisation national microfinance events						UNDP	GRANT		
2.3. Small MFIs and SACCOs unaffiliated with a network are consolidated and strengthened (networking)	UNDP UNCDF	Sensitisation and communication on networking			x	x	UNDP	UNCDF	GRANT	5,000	
		Regressive financing of consolidation costs				x		UNCDF	GRANT	12,500	
		TA and monitoring of performance contracts with affiliated networks and SACCOs			x	x		UNCDF	GRANT	15,000	
			SCHEDULE					BUDGET ESTIMATES			

			Q1	Q2	Q3	Q4		Source of funds	Budget description	Amount
Outcome 3- at the Micro level: capacity of MFIs strengthened to offer innovative inclusive financial services										
3.1. The response capacity of MFIs strengthened (IMS innovations)	UNDP UNCDF	Institutional diagnosis of MFIs Support to the development of a business plan Preparation of support documentation Preparation of performance contracts Disbursement of grants or loans			x	x	MFIs SACCOs FOREDEM PMU	UNDP	MCGRA	102,500
					x	x		UNCDF		102,500
3.2. The sector is further strengthened	UNCDF	Performance monitoring and capacity-building, in collaboration with AMIR Support to refinancing, in collaboration with FOREDEM						TO BE MOBILISED		
Outcome 4 – Effective management, monitoring and evaluation of the Programme										
4.1. Programme management structures (PMU, SC, IC) are operational	UNDP	Recruitment of the National expert, and program support staff			x	x	MINECOFIN UNDP PMU	UNDP	PERLOC	18,900
		Development of a Management Procedures Manual for the Programme			x	x	PMU Expert IF	UNDP	EXPERT CTRINT CTRLOC	8,500
4.2. Implementation of the NMS is supported by international expertise	UNCDF	Setting-up of an international expertise in Inclusive Finance Development of eligibility and performance criteria for a support applications Technical and financial analysis of support applications Support-advisory services to the plans of action of BNR, AMIR, FOREDEM and for the implementation of the NMS			x	x	UNCDF UNDP PMU	UNCDF	CTRINT	48,000
4.3. Monitoring and evaluation of the Programme according to rules and procedures	UNDP UNCDF	Technical supervision of the Programme (UNCDF) Performance monitoring of the Programme (SC)				x	PMU SC	UNDP	TRVINT	6,500
Total, Budget estimates 2009										548,900
Including : UNDP Total										267,400
UNCDF Total										281,500
To be mobilised										0

Tentative work plan- 2010											
Impact of the joint Programme: National Strategy for Financial Inclusion and Plan of Action adopted and implemented to promote universal access to financial services											
Annual objectives of the UN Body	UN Body	Activities	SCHEDULE				Implementing partner	BUDGET ESTIMATES			
			Q1	Q2	Q3	Q4		Source of funds	Budget description	Amount	
Outcome 1 – At the Macro level: Coordination of the sector, and the microfinance regulatory and supervisory framework are strengthened											
1.1. Effective coordination of and communication on the implementation of the NMS by MINECOFIN	UNDP	Support to the operation of the NMS Secretariat	x	x	x	x	MINECOFIN CCNMF PMU UNDP	MINECOFI UNDP	GRANT	31,000	
		SC and CCNMF meetings	x	x	x	x			GRANT	3,000	
		Monitoring of the sector's database		x		x			TRVINT	15,000	
		Study tours, training, conferences	x		x				GRANT	5,000	
		Communication/Organisation of microfinance events		x					CTRINT	9,500	
1.2. Ownership of the legal and regulatory framework by the actors	UNCDF	Preparation of simplified media and dissemination of texts	x				MINECOFIN BNR	BNR UNCDF	GRANT	5,000	
		Study on the adaptation of the Chart of accounts	x						CTRINT	17,000	
1.3. The supervisory and monitoring capacity of the BNR is enhanced	UNCDF	Organisation of outreach workshops and seminars	x	x				UNCDF UNCDF UNDP	GRANT		
		Equipment and support for MFIs inspection costs	x	x	x	x			TRVINT	25,000	
		Study tours and training		x		x				30,000	
										25,000	
Outcome 2 – At the meso level: Capacity-building, sector consolidation and financial infrastructure are supported											
2.1 The Professional Association (AMIR) is strengthened	UNDP UNCDF	Regressive financing of AMIR operating costs	x	x	x	x	AMIR BNR UNDP UNCDF	UNDP UNCDF	GRANT	30,000	
		Conferences, seminars, training	x		x				TRVINT	15,000	
		Exchange visits							UNCDF	TRVINT	10,000
2.2. Support to training, dissemination of best practices, audit of MFIs, MIS and rating	UNDP UNCDF	Development of basic training for SACCOs	x				AMIR BNR UNDP UNCDF	UNCDF	GRANT	4,000	
		Trainer training and replication of CGAP courses	x	x					UNCDF	GRANT	10,000
		Support to the MIS platform for MFIs	x	x	x				UNCDF	GRANT	15,000
		Joint financing of MFIs rating		x		x			UNDP	GRANT	15,000
		Organisation of national microfinance events	x			x			UNDP	GRANT	7,000
2.3. Small MFIs and SACCOs unaffiliated with a network are consolidated and strengthened (networking)	UNDP, UNCDF	Sensitisation and communication on networking	x	x				UNDP	GRANT	9,000	
		Regressive financing of consolidation costs	x	x	x	x			UNDP	GRANT	60,000
		TA and follow-up of performance contracts with affiliated networks and SACCOs		x	x	x			UNDP	GRANT	27,500

Impact of the joint Programme: National Strategy for Financial Inclusion and Plan of Action adopted and implemented to promote universal access to financial services										
Annual objectives of the UN Body	UN Body	Activities	SCHEDULE				Implementing partner	BUDGET ESTIMATES		
			Q1	Q2	Q3	Q4		Source of funds	Budget description	Amount
Outcome 3- at the Micro level: capacity of MFIs strengthened to offer innovative inclusive financial services										
3.1. The response capacity of MFIs is strengthened (IMS, Innovations)	UNDP UNCDF	Institutional diagnosis of MFIs			x	x	MFIS SACCOS FOREDEM PMU	UNDP	MCGRA	264,875
		Support to the development of business plan						UNCDF		271,325
		Preparation of support documentation Preparation of performance contracts Disbursement of grants or loans						To be mobilised		130,000
3.2. Sector refinancing is improved	UNCDF	Performance monitoring and capacity-building, in collaboration with AMIR Support to refinancing, in collaboration with FOREDEM								
Outcome 4 – Effective management, monitoring and evaluation of the Programme										
4.1. Programme management structures (PMU, SC, IC) are operational	UNDP	Acceptance of the National Expert and Programme support staff			x	x	MINECOFIN UNDP	UNDP	PERLOC	37,000
		Capacity-building of the PMU team, exchange visits					MINECOFIN PMU	UNDP	GRANT	30,000
4.2. Implementation of the NMS is supported by international expertise	UNCDF	Acceptance of the international expertise in Inclusive Finance Technical and financial analysis of support applications support and advisory services to the plans of action of BNR, AMIR, FOREDEM, in the implementation of the NMS			x	x	UNCDF UNDP PMU	UNCDF	CTRINT	150,000
4.3. Programme monitoring and evaluation are performed according to rules and procedures	UNDP UNCDF	Programme technical supervision (UNCDF) Programme performance monitoring (SC)				x	UNDP UNCDF MINECOFIN	UNDP	TRVINT	7,000
Total, Budget estimates 2010									1,258,200	
Including : UNDP Total									560,875	
UNCDF Total									567,325	
To be mobilised									130,000	

Tentative work plan- 2011											
Impact of the joint Programme: National Strategy for Financial Inclusion and Plan of Action adopted and implemented to promote universal access to financial services											
Annual objectives of the UN Body	UN Body	Activities	SCHEDULE				Implementing partner	BUDGET ESTIMATES			
			Q1	Q2	Q3	Q4		Source of funds	Budget description	Amount	
Outcome 1 – At the Macro level: Coordination of the sector, and the microfinance regulatory and supervisory framework are strengthened											
1.1. Effective coordination of and communication on the implementation of the NMS MINECOFIN	UNDP	Support to the operation of the NMS Secretariat	x	x	x	x	MINECOFIN CCNMF PMU UNDP	MINECOFI UNDP	GRANT	35,000	
		SC and CCNMF meetings	x	x	x	x			CTRLOC	2,000	
		Monitoring of the sector's database		x		x				TRVINT	9,000
		Study tours, training, conferences	x		x					GRANT	8,500
		Communication/Organisation of microfinance events		x							
1.2. Ownership of the legal and regulatory framework by the actors	UNCDF	Preparation of simplified media and dissemination of texts	x	x			BNR UNCDF	BNR UNCDF	GRANT	25,000	
		Organisation of outreach workshops and seminars									
1.3. The supervision and monitoring capacity of the BNR is enhanced	UNCDF	Support for MFIs audit and inspection costs	x	x	x	x		UNDP	TRVINT	25,000	
		Study tours and training		x		x					
Outcome 2 – At the meso level: Capacity-building, sector consolidation and financial infrastructure are supported											
2.1 The Professional Association (AMIR) is strengthened	UNDP UNCDF	Regressive financing of AMIR operating costs	x	x	x	x	AMIR BNR UNDP UNCDF	UNDP UNCDF	GRANT	25,000	
		Conferences, seminars, training	x		x				TRVINT	15,000	
		Exchange visits							UNCDF	TRVINT	12,000
2.2. Support to training, dissemination of best practices, audit of MFIs, IMS and rating	UNDP UNCDF	Development of basic training for SACCOs	x				AMIR BNR UNDP UNCDF	UNCDF	GRANT	4,000	
		Trainer training and replication of CGAP courses	x	x					UNCDF	GRANT	14,900
		Support to the MIS platform for MFIs	x	x	x				UNCDF	GRANT	25,000
		Joint financing of MFIs rating		x		x			UNDP	GRANT	15,000
		Organisation of national microfinance events	x			x			UNDP	GRANT	7,000
2.3. Small MFIs and SACCOs unaffiliated with a network are consolidated and strengthened (networking)	UNDP, UNCDF	Sensitisation and communication on networking	x	x				UNDP	GRANT	12,500	
		Regressive financing of consolidation costs	x	x	x	x			UNDP	GRANT	50,000
		TA and follow-up of performance contracts with affiliated networks and SACCOs		x	x	x			UNDP	GRANT	15,000

Tentative work plan - 2011											
Impact of the joint Programme: National Strategy for Financial Inclusion and Plan of Action adopted and implemented to promote universal access to financial services											
Annual objectives of the UN Body	UN Body	Activities	SCHEDULE				Implementing partner	BUDGET ESTIMATES			
			Q1	Q2	Q3	Q4		Source of funds	Budget description	Amount	
Outcome 3- at the Micro level: capacity of MFIs strengthened to offer innovative inclusive financial services											
3.1. The response capacity of MFIs is strengthened (IMS, Innovations)	UNDP UNCDF	Institutional diagnosis of MFIs			x	x	MFIS SACCOS FOREDEM PMU	UNDP	MCGRA	254,750	
		Support to the development of business plan									
		Preparation of support documentation			x	x				UNCDF	189,875
3.2. Sector refinancing is improved	UNCDF	Preparation of performance contracts						To be mobilised		130,000	
		Disbursement of grants or loans									
Outcome 4 – Effective management, monitoring and evaluation of the Programme											
4.1. Programme management structures (PMU, SC, IC) are operational	UNDP	Acceptance of the National Expert and Programme support staff			x	x	MINECOFIN	UNDP	PERLOC	37,000	
		Capacity-building of the PMU team, exchange visits					UNDP PMU		GRANT	15,000	
4.2. Implementation of the NMS is supported by international expertise	UNCDF	Acceptance of the international expertise in Inclusive Finance Technical and financial analysis of support applications support and advisory services to the plans of action of BNR, AMIR, FOREDEM, in the implementation of the NMS			x	x	UNCDF UNDP PMU	UNCDF	CTRINT	150,000	
4.3. Programme monitoring and evaluation are performed according to rules and procedures	UNDP UNCDF	Programme technical supervision (UNCDF)				x	UNDP UNCDF MINECOFIN	UNDP	TRVINT	7,000	
		Programme performance monitoring (SC)					UNDP UNCDF Government Other donors	UNCDF	PROFSERV TRVINT	60,000 15,000	
Total, Budget estimates 2011									1,421,250		
Including : UNDP Total									502,750		
UNCDF Total									558,500		
To be mobilised									350,000		

Tentative work plan 2012										
Impact of the joint Programme: National Strategy for Financial Inclusion and Plan of Action adopted and implemented to promote universal access to financial services										
Annual objectives of the UN Body	UN Body	Activities	SCHEDULE				Implementing partner	BUDGET ESTIMATES		
			Q1	Q2	Q3	Q4		Source of funds	Budget description	Amount
Outcome 1 – At the Macro level: Coordination of the sector, and the microfinance regulatory and supervisory framework are strengthened										
1.1. Effective coordination of and communication on the implementation of the NMS MINECOFIN	UNDP	Support to the operation of the NMS Secretariat	x	x	x	x	MINECOFIN PMU	MINECOFI UNDP	GRANT	47,000
		SC and CCNMF meetings	x	x	x	x	PMU	UNDP	GRANT	3,000
		Monitoring of the sector's database		x		x	PMU	UNDP	GRANT	3,000
		Study tours, training, conferences	x		x		PMU		GRANT	14,500
		Communication/Organisation of microfinance events		x		x			GRANT	18,000
1.2. Ownership of the legal and regulatory framework by the actors	UNDP	Preparation of simplified media and dissemination of texts				x	CCNMF UNCDF	MINECOFI UNDP	CTRINT	15,000
		Organisation of outreach workshops and seminars	x	x			BNR	UNCDF	GRANT	5,000
1.3. The supervision and monitoring capacity of the BNR is enhanced	UNCDF	Support for MFIs audit and inspection costs	x	x	x	x	BNR	UNCDF	GRANT	30,000
		Study tours and training		x		x	BNR	UNDP	TRVINT	25,000
Outcome 2 – At the meso level: Capacity-building, sector consolidation and financial infrastructure are supported										
2.1 The Professional Association (AMIR) is strengthened	UNDP UNCDF	Regressive financing of AMIR operating costs	x	x	x	x	AMIR BNR UNDP UNCDF	UNDP UNCDF	GRANT	20,000
		Exchange visits					UNDP UNCDF	UNCDF	TRVINT	12,000
		Trainer training and replication of CGAP courses	x	x			AMIR BNR UNDP UNCDF	UNCDF	GRANT	15,000
		Studies and research	x	x	x		UNDP UNCDF	UNCDF	GRANT	9,500
		Support to the MIS platform for MFIs		x		x	UNDP UNCDF	UNCDF	GRANT	15,000
		Organisation of national microfinance events		x		x	UNDP UNCDF	UNDP	GRANT	22,000
		Regressive financing of consolidation costs	x	x	x	x	UNDP UNCDF	UNDP	GRANT	40,000
TA and follow-up of performance based agreement with affiliated Coopec		x	x	x		UNDP	GRANT	17,500		

Tentative work plan 2012										
Impact of the joint Programme: National Strategy for Financial Inclusion and Plan of Action adopted and implemented to promote universal access to financial services										
Annual objectives of the UN Body	UN Body	Activities	SCHEDULE				Implementing partner	BUDGET ESTIMATES		
			Q1	Q2	Q3	Q4		Source of funds	Budget description	Amount
Outcome 3- at the Micro level: capacity of MFIs strengthened to offer innovative inclusive financial services										
3.1. Les capacités d'intervention des MFIS sont renforcées (SIG, Innovations)	UNDP UNCDF	Institutional diagnosis of MFIs Support to the development of business plan Preparation of support documentation Preparation of performance contracts			x	x	MFIS SACCOS FOREDEM PMU	UNDP	MCGRA	282,675
					x	x		UNCDF		276,175
								To be mobilised		350,000
3.2. Le refinancement du secteur est amélioré	UNCDF	Disbursement of grants or loans Performance monitoring and capacity-building, in collaboration with AMIR Support to refinancing, in collaboration with FOREDEM								
Outcome 4 – Effective management, monitoring and evaluation of the Programme										
4.1. Les organes de gestion du programme (PMU, CPP, CI) sont opérationnels	UNDP	Acceptance of the National Expert and Programme support staff Capacity-building of the PMU team, exchange visits			x	x	MINECOFIN UNDP PMU	UNDP	PERLOC	44,800
									GRANT	12,500
4.2. La mise en œuvre de la SNMF est soutenue par une expertise internationale	UNCDF	Acceptance of the international expertise in Inclusive Finance Technical and financial analysis of support applications support and advisory services to the plans of action of BNR, AMIR, FOREDEM, in the implementation of the NMS			x	x	UNCDF UNDP PMU	UNCDF	CTRINT	55,000
4.3. Le suivi et l'évaluation du Programme sont réalisés suivant les règles et procédures	UNDP UNCDF	Programme technical supervision (UNCDF) Programme performance monitoring (SC)		x		x	UNDP UNCDF MINECOFIN	UNDP	TRVINT	7,000
		Independent evaluation of the Programme		x	x		UNDP UNCDF GVT Bailleurs	UNCDF	PROFSERV TRVINT	60,000 15,000
Total, Budget estimates 2012										1,421,650
Including : UNDP Total										568,975
UNCDF Total										492,675
To be mobilised										350,000

Annex 4 : BIFSIR Monitoring Framework

R.3. : At the micro level The capacity of MFIs and SACCOS is strengthened to develop innovative financial services accessible to all	Indicators	Means of verification	Collection methods	AS ABOVE Responsibilities	Assumptions and risks
<p>R.3. : At the micro level The capacity of MFIs and SACCOS is strengthened to develop innovative financial services accessible to all</p> <p>Government and the financial framework of the sector are strengthened to promote financial inclusion in Rwanda:</p>	<ul style="list-style-type: none"> - Each year 2 high-potential MFIs at least are financed (N2-N4) - The total number of clients of MFIs rises by an average of 5% annually to reach 200,000 - Additional customers, 50% of whom are women, on MF law available to 70% of licensed MFIs at least (N2, N3) - A central database of MFIs is functional within the BNR (N2, N3) - A critical mass of BNR inspectors is trained to monitor sector (N2, N3) 	<ul style="list-style-type: none"> - Technical analysis and needs assessment of MFIs - Regular operation of the IC and quality of investments. - Work on performance contracts signed - Budget for 2009, 2010, 2011, and number of MFIs that have developed new products - Smooth operation of the SC and CCNMF - Availability of quarterly reports on key indicators - Number of extension materials disseminated - Number of awareness and training workshops - Number of requests for sector data 	<ul style="list-style-type: none"> -- Review of quarterly performance monitoring of MFIs - Verification of the ministerial decree establishing the NMS/MINECOFIN Secretariat - Review of the business plans of MFIs - Operations Manual - Review of quarterly and annual progress reports, and of minutes of meetings - Periodic meetings and dialogue with the BNR and MFIs - Certificates of participation 	<ul style="list-style-type: none"> - UNDP to facilitate consultation and institutional relations - UNCDF for the provision of technical expertise in inclusive finance and the identification of strategic partnerships - UNCDF and UNDP for the provision of funds and the mobilization of additional resources 	<ul style="list-style-type: none"> - Delays in the formalization of disbursements of funds and operationalization of the programme - Lack of ownership by actors - Lack of financing
<p>R.4: Management Programme</p> <p>Management, monitoring and evaluation program is conducted efficiently</p>	<ul style="list-style-type: none"> - 3 meetings of CCNMF, SC and IC per year at least (N2-N4) - The Secretariat of the NMS equipped (N1-N2) - Programme Manual of Operation available and updated (N1-N3) - At least 2 UNCDF technical review missions/year (N1-N4) 	<ul style="list-style-type: none"> - Provision of premises by MINECOFIN - MFIs and SACCOS equipped - Training plan for the MF staff - Existence of a Programme Manual - PNP Operations - Annual supervision plan - Regular functioning of oversight Programme bodies 	<ul style="list-style-type: none"> - In workshops and seminars - Review of Programme management and implementation records: prodoc, AWP, budget revisions if necessary, quarterly and annual progress reports 	<p>AS ABOVE</p>	<ul style="list-style-type: none"> - Delays in the establishment and operationalization of the Programme - Lack of ownership by actors - Possible difficulties for the integration of CTA - Challenges in creating synergies between existing activities with other programmes supporting the sector
<p>R.2: At the Meso Level</p> <p>Consolidation of the sector, capacity-building and the financial infrastructure are supported, with a view to professionalising the delivery of inclusive financial services.</p>	<ul style="list-style-type: none"> - AMIR is operational and provides technical assistance and the conduct of programme operations and reports for MFIs (N1-N3) - Mid-term and final evaluations (N3, N4) - Managers/MFs/year are trained (N1-N4) - 7 CGAP course modules are disseminated and replicated each year (N2-N4) - 110 SACCOS in 30 districts are strengthened and adopt best practices (N2-N4) - A critical mass of audit firms are trained in MFI auditing (N2-N3) 	<ul style="list-style-type: none"> - Operational quarterly and annual reports of the MIS - Number of training missions and agencies evaluated - Number of missions to identify and raise awareness of entities not affiliated with a network. - Number of business plans developed for new consolidated networks - Number of elected leaders and senior technicians trained - Number of performance contracts with local technology providers - Quality of financial statements submitted to the BNR 	<ul style="list-style-type: none"> - Review of quarterly and annual progress reports - Review of the business plan and biannual Plan of action of AMIR - Technical dialogue with Amir and other partners on the monitoring of network development 	<p>AS ABOVE</p>	<ul style="list-style-type: none"> - Delays in the establishment and operationalization of the Programme - Lack of technical capacity and human resources within AMIR - Possible resistance to change in the MFIS and SACCOS
<p>R.3. : At the micro level The capacity of MFIs and SACCOS is strengthened to develop innovative financial services accessible to all</p>	<ul style="list-style-type: none"> - Each year 2 high-potential MFIs at least are financed (N2-N4) - The total number of clients of MFIs rises by an average of 5% annually to reach 200,000 	<ul style="list-style-type: none"> - Technical analysis and needs assessment of MFIs - Regular operation of the IC and quality of investments. - Number of performance 	<ul style="list-style-type: none"> -- Review of quarterly progress reports on performance monitoring of MFIs - Review of the business plans 	<p>AS ABOVE</p>	<ul style="list-style-type: none"> - Delays in the formalization of performance contracts and disbursements of funds - A low absorption capacity of MFIs and SACCOS in terms of

Annex 5: ToR of the Investment Committee (IC)

Institutional capacity-building and Financial Innovation Facility (FRIF)

1. Background/Rationale for the FRIF

Established as part of the contribution of the BIFSIR Programme, a joint UNDP/UNCDF programme for the implementation of the National Microfinance Strategy (NMS) of Rwanda, the FRIF aims to strengthen and professionalize the microfinance sector in Rwanda. It is a mechanism for consultation and coordination of support bringing together various stakeholders: microfinance institutions (MFIs), the Association of Microfinance Institutions in Rwanda (AMIR), organizations supporting the sector, the Government, the National Bank of Rwanda (BNR), donors, and the private sector. The establishment of the Facility is the Outcome No. 3 of the BIFSIR Programme, the aim of which is to strengthen the capacity of various stakeholders at the macro, meso and micro levels, with a view to supporting the development of sustainable, quality and diversified financial services that are accessible to the most disenfranchised Rwandans, both in rural and in urban areas, and to improving their economic and social status.

To support the development of an inclusive financial sector contribute to poverty reduction in Rwanda, donors/investors involved in the establishment of the FRIF agree that their partnership will be based on the following principles:

1. Transparency
2. Independence
3. Responsibility
4. Objectivity
5. Adherence to best practices in microfinance

The Investment Committee

Role of the Investment Committee

The FRIF has an Investment Committee (IC), which provides an appropriate framework for donors to:

1. Define the strategy of the FRIF and approve the work plan of the Management Unit supported by an international expert in Inclusive Finance;
2. Make investment decisions (financial support) for selected MFIs, decide on the investment strategy and direction of the FRIF, including the entry of new donors/investors in the IC;
3. Monitor and supervise the activities of the Management Unit for support at the micro level.

All members undertake to respect the basic documents of the FRIF (Manual of Procedures and ToRs)

2.2 IC Membership

The IC is the governing body of the FRIF. It is composed of voting members and observers:

- a) MINECOFIN and representatives of donors or investors of the FRIF are the voting members;
- b) Observers sitting in an advisory capacity are:
 1. The BNR;
 2. the Private Sector Federation (Financial Sector Board)
 3. the Management Unit (PMU), which will serve as a secretariat; and,
 4. any other donor/investor willing to participate in the coordination mechanism established at the level of the IC of the FRIF

On the proposal of a member, and after approval by all other members, the IC may invite resource persons as observers.

2.3. Meetings of the IC

The IC shall meet at least twice a year in plenary sessions in Kigali, to make investment decisions and ensure their monitoring, to monitor the work plan of the PMU or any other business on the agenda. On the proposal of a voting member or of the PMU, and if necessary, the IC may also meet via conference calls or video conferences.

Any member of the IC who cannot attend a committee meeting may appoint a representative of his/her choice. The member shall inform the IC of his/her decision to be represented at least two weeks prior to the meeting.

The agenda of the meeting is proposed by the PMU to donors. The PMU shall forward the necessary documentation to members of the IC before the meeting.

2. The Management Unit of the FRIF

Professionals at the PMU of the BIFSIR Programme are the international expert and the national expert. These experts shall be recruited based on a widely published vacancy announcement, including on the portal microfinance and on UN Job Shop). Donors of the FRIF are responsible for recruitment. They PMUst ensure that all measures have been taken to recruit the best candidates meeting the profile of the position.

The PMU is accountable to the IC, including for the following activities:

- Identification and diagnosis for the selection of MFIs;
- Secretariat of the IC and focal point for donors interested;
- Technical assistance to MFIs and to their network, in close collaboration with AMIR;

If the volume of work justifies it, the PMU will enlist the expertise of local consultants to assist in the assessment of MFIs and in the financial analysis of funding applications.

3. Selection Criteria

The MFIS and SACCOs approved by the BNR and international MFIs wishing to operate in Rwanda shall submit requests for financial support to the FRIF. The basic criteria for selecting investments will take into account the following aspects:

- Licensed by the BNR
- Vision and leadership:
 - a structure with governance style suited to the institutional nature of MFIs and free from any political or governmental interference;
 - Transparency: opportunity for donors, the Government, customers and the general public to have information on the status of operations of MFIs;
- Quality:
 - management with all due rigour and skills;
 - management and risk control: the ability to manage appropriately a grant and/or loan and repay the loans fully and in due time;
 - appropriate operational techniques;
 - proper design of products;
 - reporting and accountability: regular reports on operations and the financial situation, and audit reports.
- Opportunities for growth and financial independence:
 - realistic prospect of financial independence within the 5 to 7 years to come for MFIs participating in the Programme;
 - Ability to reach out a significant number of customers.

The specific criteria for different categories of local and international MFIs are defined in the Handbook of Policies and Procedures of the FRIF.

4. Decision-making

Proceedings of the IC shall be valid only with a majority of voting members present. Each voting member of the IC has one vote and decisions shall be validly adopted by consensus. Where applicable, majority voting is applied.

Decisions on investments shall be taken:

1. forthwith in Rwanda, or through teleconference; or,
2. Electronically, by e-mail exchanges between voting members of the IC. Each donor decides on issues as they are transmitted by the PMU.

Donors shall have two weeks upon receipt of a complete electronic application to determine the compliance of the application with the requirements of the FRIF Manual. They shall also decide within that period on which donor(s) are to participate in funding.

Donors who do not respond within this period shall be deemed supportive of the decisions of other voting members. Members shall take all the measures necessary to ensure actual receipt of documents sent by the PMU.

Decisions made at meetings shall be recorded in writing and signed by all members of the IC and the PMU, specifying, among others, the amount of funding and the donor to enter into an agreement with selected MFIs. Joint-financing of a grant by two donors is possible.

Any donor with a loan contract outside the FRIF with selected MFIs shall inform the other members of the IC upon receipt of the application file.

Modalities and details for the implementation of funding agreements are specified in the FRIF Handbook of Policies and Procedures.

5. Implementation Modalities:

Based on the minutes of the meetings of the IC, the donor(s) interested in funding shall formalize the financial support agreement with the beneficiary MFIs through the PMU.

The PMU shall be responsible for the preparation of all documentation, including the loan contract, to ensure the completion of financing in due time as described in the FRIF Handbook of Policies and Procedures. The PMU shall also be responsible for informing the MFIs on the terms of disbursements, any preconditions to be met by them, deadlines and the documentation required, in accordance with regulations and procedures of the donors, to enter into a contract with them.

Donors shall commence disbursements within six weeks of acceptance by the IC (except in cases of force majeure). Donors failing to meet this deadline or to disburse the amounts payable (except in cases of force majeure) shall have their voting rights suspended until their obligations are met.

Donors shall disburse, in accordance with the terms of the loan contract, directly into the bank accounts of beneficiary MFIs, and inform the PMU within 24 hours of disbursement.

The use of these funds shall be subject to annual external audits conducted by an independent audit office accountable to the IC.

7. Rules governing the Entry of New Donors/Investors in the IC

To create synergies, and avoid duplication of efforts and overestimation of contributions to the financial sector, donors and private investors wishing to support the MFIs in Rwanda will be encouraged to participate in the FRIF. By becoming members of the IC, the new entrants shall undertake to comply with the guidelines of the ToRs of the IC and the terms of the FRIF Policies and Procedures Manual. Any investor/donor who contributes \$US 1,000,000 at least shall have a voting right in the IC. New entrants are approved by the voting members of the IC, in line with the criteria specified in the FRIF Policies and Procedures Manual.

A collaborative agreement shall be formalised by a protocol binding upon parties. The protocol shall set out their respective commitments to strengthening FRIF and specify details of the implementation modalities of investments.

Annex 6: Performance Indicators for MFIs

Indicators in the table above relate to the MFIs that are Programme partners. For institutions other than MFIs specific performance indicators will be developed by the FRIF.

Output Information		2010				2009
From:		Quarterly Indicators				Annual
Standard code	Name of Indicator	Q4	Q3	Q2	Q1	Year Ended
		31-Dec	30-Sep	30-Jun	31-Mar	31-Dec
Outreach						
O1	Number of Active Borrowers					
O2	Number of Voluntary Depositors					
O3	Value of Loans Outstanding					
O4	Voluntary Savings					
O5	Total Savings					
O6	Percent Women Active Borrowers					
O7	Percent of Women Voluntary Depositors					
Client Poverty Level						
CPL1	Average Outstanding Loan Balance per Borrower					
CPL2	Average Outstanding Savings Balance per Saver					
CPL3	Average Loan Balance per Borrower/ GNI per Capita					
CPL4	Average Savings Balance per Saver/ GNI per capita					
Collection Performance						
CP1	Portfolio at Risk (PAR) Ratio > 30 days					
CP2	Write Off Ratio					
Sustainability						
S1	Operational Self-Sufficiency (OSS) (annualized)					
Efficiency						
E1	Operating Expense Ratio (annualized)					
E2	Cost per Active Client (annualized)					
Overall Financial Performance						
OF1	Adjusted Return on Assets (AROA)	Only Need Last Fiscal Annual Indicator				
OF2	Financial Self Sufficiency (FSS)	Only Need Last Fiscal Annual Indicator				
Targets						
	Target Indicators	2006	2007	2008	2009	2010
T1	Number of Active Borrowers					
T2	Number of Voluntary Depositors					
T3	Portfolio At Risk					
T4	Financial Self-Sufficiency					
T5	Cost Per Active Client					

Annex 7: ToR - International Expert in Inclusive Finance

I. Post Information	
Post Title: International Expert in Inclusive Finance Country: Rwanda Organizational Unit: UNCDF Supervisor: UNCD Regional Technical Director Source of Funding: BIFSIR Project	Current Grade: Proposed Grade: L 5 Approved Grade: Post Classified by: Classification Approved by:
II. Organizational Context	
<p>Under the administrative supervision of the UNDP Rwanda Country Director and the Technical Director of the UNCDF Regional Inclusive Finance Unit based in Johannesburg, the International Expert:</p> <ul style="list-style-type: none"> ▪ provides technical assistance to the BIFSIR Programme and conducts related operations; ▪ provides further support/advice to various structures, such as the contracting MFIs, the Secretariat in charge of the NMS/MINECOFIN, the National Bank of Rwanda (BNR), the Professional Association of MFIs (AMIR), FOREDEM, and the UNDP Office; ▪ develops partnerships with donors and other investors and contributes to resource mobilization. <p>At the country level, the International Expert supervises the management team and provides technical support to the UNDP Microfinance Focal Point. S/he receives technical and policy guidance from the Regional Technical Director and the Technical Portfolio Manager for Rwanda.</p> <p>S/he shall inform the Regional Office on opportunities to launch programmes and to develop relationships with key partners. S/he also receives support and guidance from the Regional Portfolio Management Office, including on disbursements, financial and performance management, organizational issues, business development, resource mobilization strategies and related tools. The International Expert acts as a technical advisor to UNDP in the field of inclusive finance and works in partnership with other organizations of the UN System for policy advice and knowledge management and sharing.</p> <p>The International Expert shall work in close collaboration with UNDP and ensure that inclusive finance activities are reflected in annual work plans according to the objectives of the Support Programme to the National Microfinance Strategy (BIFSIR). S/he develops strong partnerships with other development partners (including the World Bank, DFID, KfW, the Belgian Cooperation) through promoting the comparative advantages of UNCDF and UNDP, especially in the field of financial inclusion, with a view to enhancing opportunities for mobilizing resources for non-core activities.</p>	
III. Functions/Key Results Expected	
<p>The International Expert:</p> <ul style="list-style-type: none"> ▪ Provides technical assistance to the Programme, conducts related operations, and plays the role of a technical assistant; ▪ provides further support/advice to various structures, such as the contracting MFIs, the Secretariat in charge of the NMS/MINECOFIN, the National Bank of Rwanda (BNR), the Professional Association of MFIs (AMIR), FOREDEM, and the UNDP Office; ▪ Develops partnerships with donors and other investors and contributes to resource mobilization. ▪ Provides support in the development and use of business development strategies and tools, and in 	

the collection of information to build and develop strategic partnerships, enhance business opportunities and resource mobilization for inclusive finance in Rwanda;

- Provides support in the acquisition and management of knowledge for the development of financial inclusion;
- Provides support to the efforts of the UNCDF Regional Unit for Southern and Eastern Africa regarding the development of the Organization and its initiatives in general.

Impact of Results

The work of the International Expert on Financial Inclusion has an important impact on the effectiveness, efficiency and scaling-up of programmes, at the national and regional levels, as emphasized in the Results-Oriented Annual Report (ROAR), as well as on aspects of service delivery and financial achievements, business development and resources mobilization, including for non-core activities. It has a direct impact on the success of the National Microfinance Strategy and on the achievement of the objectives of the UNCDF Regional Unit, and ultimately, of the MDGs. The results of the International Expert in Inclusive Finance have an important impact on UNCDF's reputation as the preferred partner in Inclusive Finance, a centre of excellence in the country and the region, and in light of its successes in developing strategic partnerships with main actors and implementing joint programmes for inclusive finance in the country and the sub-region. Finally, the work of the International Expert has a significant impact on resource mobilization (for non-core activities) and the ability of UNCDF to contribute to the successful development of inclusive financial sectors in the country and the region.

Competencies

Corporate

- Demonstrates integrity and fairness by modelling UN values and ethical standards;
- Displays cultural and gender sensitivity and adaptability;
- Treats all people fairly and without favouritism;
- Shows strong corporate commitment;
- Promotes the vision, mission and strategic goals of UNCDF and UNDP.

Functional

- Demonstrates strong technical knowledge in field of Inclusive Finance;
- Proven practical knowledge of Inclusive Finance especially as applied in the context of LDCs, in Africa and Madagascar in particular ;
- Familiarity with UNDP and UN system and role of key institutions in the field of Inclusive Finance. Knowledge of UNDP field level organization;
- Comprehensive understanding of the project management cycle and managing for results;
- Knowledge of programme framework ;
- Knowledge of Atlas at the required level for this position.

Managerial/Behavioural

- Leadership
 - Focuses on impact and results for client;
 - Takes initiative and calculated risks;
 - Builds trust in interactions with others;
 - Leads team creatively and effectively, and resolves conflicts;
 - Displays positive attitude;
 - Takes decisions.
- Managing Relationships
 - Builds strong client relationships;

- Builds strong relationships with partners;
- Communicates clearly and convincingly.
 - Task Management
- Provides quality outputs in a timely manner; Analyses problems carefully and logically, leading to fact-based and practical recommendations.
 - Managing Complexity
- Manages projects effectively;
- Supports development of clear Unit strategy;
- Develops innovative solutions
 - Building and Sharing Knowledge
- Shares knowledge and experience with colleagues;
- Actively builds deep knowledge in Inclusive Finance area;
- Makes valuable practice contributions in Inclusive Finance.
- Promotes knowledge management in the Unit/Office
 - Learning and People Development
- Provides constructive coaching and feedback
- Promotes learning environment in Unit/Office

VI. Qualifications

Education :	Master's degree in economics, finance, business administration, law or related field
Experience :	A minimum 10 years experience in Microfinance in progressively more responsible positions in microfinance and inclusive finance, with proven experience in Africa and with the United Nations. Success in building strong partnerships and mobilizing resources
Language Requirements:	Fluency in both written and spoken English and French

Annex 8: ToR - National expert in Inclusive Finance

I. Post Identification and Level

Post Level: LNOC
Post Title: Microfinance/Inclusive Finance National Expert (NE/IF)
Duty Station: Kigali, Rwanda

II. Brief description of responsibilities

Under the administrative supervision of the NMS/MINECOFIN Executive Secretary and the technical supervision of the International Expert, the National Expert of the Programme provides support in the following two areas:

II.1. Institutional support to microfinance structures

- Implementation of the capacity-building plan for structures at the macro and meso levels (MINECOFIN, BNR, AMIR and other accounting and rating firms);
- Provides support in the preparation and presentation of investment proposals at the level of Programme Investment Committee (IC);
- Provides support in the implementation and monitoring of various financial mechanisms for the promotion and development of the sector.

II.2. Capacity-building of microfinance institutions

- Providing the planned support to various structures, such as the contracting MFIs and the Association of MFIs;
- Monitoring the preparation and dissemination of all training methodological tools for MFIs;
- Preparation and submission to the International Expert of a monitoring plan for performance indicators on MFIs.

III. Detailed description of responsibilities

The specific responsibilities of the National Expert in the identified two areas are as follows:

III.1. Tasks relating to the support to supervisory institutions of the sector

Capacity-building of MINECOFIN

- Technical support to promotion and development;
- Support to initiatives for the coordination of interventions.

Capacity-building of the BNR

- Support to the identification of appropriate training for supervision and control;
- Participation in the dissemination of the legal and regulatory framework, and its wide dissemination among MFIs and their umbrella organisations and technical support structures;
- Methodological Support to inspection and supervision missions.

Support to AMIR

The National Expert shall provide support to the Professional Association (AMIR), including in the following areas:

- Training;
- Studies;
- Database.

Establishment and monitoring of financial mechanisms suited to the sector, in collaboration with FOREDEM:

The National Expert shall contribute to the establishment of the following financial mechanisms:

- Institutional support for regressive grants, on the basis of performance contracts, and for the financing of institutional strengthening and expansion activities;
- Allocations;
- Adjustment and restructuring funds;
- Credit lines at market rates;
- Development and marketing of new products through innovation funds.

Programme Management

In close collaboration with the International Expert, the National Expert shall provide support for the following:

- Secretarial duties of the Investment Committee;
- Preparation of the annual work plan, including financial needs and budgetary planning;
- Preparation of programmes and quarterly reports;
- Preparation and submission of applications for funding by the bodies concerned;
- Facilitation of the conduct of annual audits of MFIs and the Programme, as well as evaluations and monitoring missions.

III.2. Capacity-Building of Microfinance Institutions (MFIs)

The intervention of the National Expert covers the following:

- Supporting the preparation and updating of the business plans of partner MFIs identified on the basis of the institutional audit and of the potential required;
- Monitoring the direct or delegated implementation of appropriate measures to achieve the development objectives of the MFIs concerned;
- Providing technical support for the implementation of procedures, the development of methodological tools and new products, the management of information systems, governance, portfolio management, institutional development and transformation, training and human resource management, and the dissemination of best practices.

Dissemination of best practices in microfinance

The National Expert provides assistance in:

- The dissemination of best practices through the publication of booklets and guides;
- The establishment of a database on best practices as an electronic media available to the MFIs.

Monitoring performance indicators

The National Expert provides support by:

- Preparing analyses and transmitting performance indicators;
- Developing business plans for MFIs;
- Applying the provisions contained in the operational procedures and internal control manuals;
- Using methodological tools and training books on topical seminars.

IV. Other responsibilities

The National Expert undertakes any other specific functions as assigned by the International Expert in the framework of the implementation of the BIFSIR Programme.

V. Qualifications

The National Expert shall hold at least a university degree (BAC+5) in finance/banking or economics/development, with specialization in finance. Practical experience of at least 5 years in the field of microfinance. Command of common software packages (word processing, spreadsheet, graphics, Power Point, etc.) and e-mail. Ability to work in a team and under pressure. Knowledge of French and English is an asset.

Annex 9: ToR - Administrative and Finance Officer

I. Post Identification and Level

Post Level: G-6/7
Post Title: Administrative and Financial Officer (AFO)
Duty Station: Kigali, Rwanda

II. . Brief description of responsibilities

Under the supervision of the National Expert, the Administrative and Financial Officer manages the financial, material and human resources of the BIFSIR Programme. S/he also provides financial and administrative support to the NMS Executive Secretary and the International Expert.

III. Functions/Key Results Expected

Under the supervision of international experts, the AFO:

- Participates in the establishment of accounting, administrative and financial procedures of the Programme;
- Assists experts in monitoring Programme activities by examining a set of data, including plans, progress reports, resources, budgets and expenditures;
- Prepares requests for payment made by the Programme for signature by both the NMS Executive Secretary and the International Expert;
- Keeps regular accounts, in conformity with international standards;
- Manages the financial records of the Programme;
- Develops accounting and financial procedures adapted to the implementation of the Programme;
- Performs and verifies bank reconciliations, calculates interest on deposits and recapitalization and back-up lines;
- Prepares the procurement of goods and services for the Programme;
- Prepares financial statements and financial analysis reports of the Programme;
- Supports the International and the National experts in the preparation of budget revisions;
- Ensures the completion of all mandatory revisions in due time;
- Anticipates the financial and procedural implications of the Programme and notifies applicants of possible consequences in due time;
- Participates in the feeding and management of databases;
- Facilitates, by holding substantial documentation, the conduct of annual audits;
- Provides briefings and brief accounting and financial reports (advice, suggestions, proposals, guidelines, etc..) for the Programme;
- Participate in the preparation of the annual budget and monitors its implementation;
- Participates in the development of annual work plans;
- Provides support in the preparation of various operational monitoring reports (monthly, quarterly and annual);
- Provides to the MU staff members any professional support needed and information concerning their administrative status;
- Prepares travel orders for the missions and travels of the management team members;
- Ensures the management of correspondence with UNCDF, UNDP and project partners;
- Maintains and updates the address book and database on Programme partners.

IV. Other responsibilities

The Administrative and Financial Officer undertakes any other specific functions as assigned by the International Expert in the framework of the implementation of the BIFSIR Programme.

V. Qualifications

The Administrative and Financial Officer shall have:

- At least a university degree (BAC+4) in accountancy/finance or a Master's Degree in management or equivalent.
- At least three years of practical experience in relevant positions in a company, an NGO or a sub-regional or regional organization.
- Very good knowledge of French and English,
- Familiarity with Windows operating system (word processing, spreadsheet, PowerPoint, and graphs), and with Internet applications.
- Ability to work in a team and under pressure.

Annex 10: Programme Results-chain

Vision 2020 Umurenge –

Pillar 5: A private sector led economy with development of entrepreneurship and the private sector

Millennium Development Goals :

Target 1.a : Reduce by half the proportion of people living on less than a dollar a day.

National priorities

EDPRS (2008-2012): Growth and Poverty Reduction
1.4.2.4: Widen and strengthen the financial sector

Microfinance National Policy (2006): contributing to social and economic development in both rural and urban areas

National Microfinance Policy & Implementation Strategy (NMFS) : "Promoting a vibrant and dynamic microfinance industry with inclusive, diverse and sustainable financial services for the majority of poor households by 2011"

UN Framework

UNDAF Outcome 5 - (2008-2012)

Rwandan Population benefit from economic growth and is less vulnerable to social and economic shocks.

ONE UN COMMON OPERATIONNAL DOCUMENT-COD

Outcome 4 : Productivity Improved and access to markets enhanced for small producers and MSMEs

One UN COD – Output 4.5: National strategy for financial inclusion implemented to enhance sustainable access to financial services by small producers



Macro level:

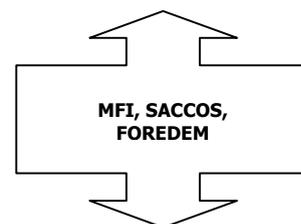
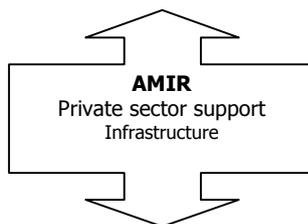
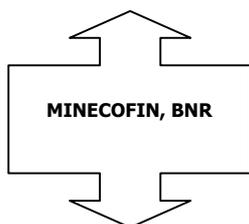
Components 3.3 & 3.4: Coordination & Public Awareness Raising for MF stakeholders
Component 5.1: Strengthen BNR's supervision and Regulatory Mechanism
Component 5.3 : Assign MINECOFIN to coordinate Implementation of Strategy
Component 5.4 : Involve Local Government in Microfinance Strategy Implementation

Meso level :

Component 2.1: strengthen Association of Microfinance Institutions in Rwanda (AMIR)
Component 2.2: Establish a Microfinance capacity Building Fund
Component 1.3 : Develop MFI Rating System

Micro level :

Component 1.4 : Establish a MF Investment Fund
Component 4.2 : Facilitate Expansion of Outreach Services
Component 4.4 : Develop and Diversify Financial Products
Component 6.4 : Capacity Building for MFIs in Flexible Product Design to Meet Women's Needs



Result 1 - Macro level :

Coordination, Regulation and Supervision of an inclusive financial sector development strengthened
Outcome 1: Secretariat for NMFS implementation established within MINECOFIN
Outcome 2: Appropriate regulatory framework adopted and disseminated to secure the sector
Outcome 3: BNR strengthened in its supervisory role

Result 2 - Meso level :

Support to Capacity building, Consolidation and financial Infrastructure are provided for a sustainable access to financial services
Outcome 1: AMIR strengthened in its advocacy and capacity building mandate
Outcome 2: Small Saccos consolidated and umbrella bodies capacitated
Outcome 3 : Rating and appropriate solutions for MIS improvement supported

Result 3 – Micro level:

MFIs strengthened for innovations and to broaden access to financial services for all.
Outcome 1: the MFIs' capacities to operate are strengthened based on their needs & business-plan
Outcome 2: the MFI refinancing mechanisms are performed.