

# FINANCIAL INCLUSION

**FINANCIAL INCLUSION** is the availability and usage of affordable financial products and services provided by professional institutions to all society segments including vulnerable and low-income population groups, and small businesses.

Financial inclusion is increasingly being recognised by the UN and other development partners as one of the most powerful tools to fight poverty. Access to finance is essential for enabling individuals and families to invest in their lives and shape their future as well as it is essential for businesses to invest, employ people, and grow. Formal financial systems strengthen the financial sector on a national level and enable resource mobilisation at household level.

# THE BIFSIR PROGRAMME


**THE BIFSIR PROGRAMME** (2010-2015) seeks to tear down the barriers for financial inclusion in Rwanda by contributing to capacity building of stakeholders at the macro, meso, micro and client levels, with an overall objective to make sustainable, high quality and diversified financial services accessible to the less advantaged. With a total budget of USD 8,038,364, BIFSIR is implemented with support from Republic of Korea-UNDP MDG Trust Fund, UNDP and UNCDF under the leadership of the Ministry of Finance and Economic Planning (MINECOFIN). Key partners include Ministry of Trade and Industry (MINICOM), National Bank of Rwanda (BNR), Rwanda Cooperative Agency (RCA) and private sector players like the Association of Microfinance Institutions (AMIR), Microfinance institutions (MFIs), SACCOs and individual clients.



## FINANCIAL INCLUSION IN RWANDA

FINANCIAL INCLUSION  
 **2016**  
**89%**

AVERAGE ANNUAL GDP GROWTH  
 2010-2014  
**8%**

RWANDA  
 2015  
  
 Population: 11,609,666  
 GDP: USD 697

### FINANCIAL PRODUCTS AND SERVICES

Usage among adult population



**26%** Are banked  
**86%** Save  
**72%** Borrow  
**9%** Are insured

### PROGRAMME APPROACH:

#### CATALYTIC CAPITAL

LEVERAGE LOCAL AND EXTERNAL CAPITAL THROUGH INITIAL INVESTMENTS

#### POLICY ADVICE

CREATE ENABLING POLICY ENVIRONMENTS FOR MICROFINANCE INSTITUTIONS AND LOCAL GOVERNMENTS

#### TECHNICAL SUPPORT

TRANSFORM CAPABILITIES FOR MORE EFFECTIVE AND EFFICIENT BASIC SERVICE DELIVERY

### BIFSIR IS ALIGNED TO:

#### UNDAP

RWANDA UNITED NATIONS DEVELOPMENT ASSISTANCE PLAN (2013-2018)

#### EDPRS II

ECONOMIC DEVELOPMENT AND POVERTY REDUCTION STRATEGY

#### FSDP II

FINANCIAL SECTOR DEVELOPMENT PROGRAMME

#### NMPIS II

NATIONAL MICROFINANCE POLICY IMPLEMENTATION STRATEGY

SUSTAINABLE DEVELOPMENT GOALS



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The BIFSIR project is made possible through a partnership between the Government of Rwanda, the Government of the Republic of Korea, UNDP and UNCDF.

# BUILDING AN INCLUSIVE FINANCIAL SECTOR *in Rwanda*

BIFSIR THEMATIC AREA:

## ENTREPRENEUR SKILLS DEVELOPMENT

Sources: data.worldbank.org/country/Rwanda and the FinScope Rwanda Report 2016





THEMATIC AREA

# ENTREPRENEUR SKILLS DEVELOPMENT

## REALISING OPPORTUNITIES

BIFSIR has supported MINICOM's Hanga Umurimo Programme since 2013. During the course of the programme, 1,800 people have been equipped with vocational and entrepreneurship skills to enable them to create small jobs and businesses. All participants have undergone three-months training courses in professions such as welding, tailoring, carpentry and masonry. However, access to job and entrepreneurship opportunities requires not only improved technical and vocational skills but also access to financial services to obtain seed capital for their new businesses. To accommodate this, the graduates have been provided with basic financial education on how to manage finances and access credit from microfinance institutions and other financial institutions.

## IMPACT

*"I was only seven years old when I dropped out of school and became a cattle herder. Later, at the age of 13, I started to work here at the Kamonyi Craft Centre as an unskilled worker and although the monthly income (about RWF 10,000/USD 12) was better, it was still not enough to make ends meet. I was so excited when I qualified for BIFSIR's training! I immediately knew that it was my chance to turn around my life. Today, I am a professional carpenter with a daily income of at least RWF 5,000 (USD 6). My business is growing and I am planning to hire an employee in the nearby future."*

**Pierre**

Carpenter and business owner, Kamonyi District

## INTRODUCTION

In Rwanda, 40% of the population is below 30 years old and with a current youth unemployment rate at 15.9%, youth unemployment has become one of the major threats to the achieved poverty reduction gains in the country. But by equipping youth with vocational and entrepreneurship skills, they will have the potential to become the generation that lifts Rwanda out of poverty.

MINICOM's Hanga Umurimo programme aims to motivate and inspire local communities all over the country to identify and pursue business opportunities based on locally available resources and current market needs. BIFSIR has supported the programme by offering women and youth from nine districts vocational training courses and access to credit.



Creating more and better quality jobs is key to accelerating inclusive growth and reducing poverty.

## CHANGING MINDSETS

BIFSIR's entrepreneur skills development initiative has contributed to a significant improvement in life quality and many of the graduates have acquired a brighter attitude towards the future. By enabling poor and vulnerable women and youth to become economically independent to a degree where they can cover all expenses and (in many cases) hire employees, they have mentally developed from being victimised to being self-confident and innovative.

