

  ****

**FINAL EVALUATION-**

**BUILDING an INCLUSIVE FINANCIAL SECTOR IN RWANDA (2010-2014)**

**FINAL REPORT**

**JUNE 2015**

**Submitted to**:

Evaluation Unit

United Nations Development Programme and United Nations Capital Development Fund

**Evaluation Team:**

Davy Serge AZAKPAME, International Consultant, Team Leader

Charles GASANA, National Consultant

**TABLE OF CONTENTS**

**Basic Geographic and Demographic Data**

**Program Data Sheet**

**Acronyms and Abbreviations**

**Executive summary**

**1. Scope and Objectives of the Evaluation2**

**2. Evaluation approach and methodology2**

2.1. Intervention logic/development hypothesis for the inclusive finance sector2

2.2. General approach3

2.3. Evaluation methodology4

**3. Programme profile and context6**

3.1. Programme description and background, including expected results6

3.2. Current programme implementation status9

3.3. Current programme financial status12

**4. Evaluation findings per evaluation question14**

4.1. Evaluation question N°1: Relevance and Design14

4.2. Evaluation question N°2: Effectiveness (Policy and Strategy)19

4.3. Evaluation question N°3: Effectiveness (Capacity Building)23

4.4. Evaluation question N°4: Likely Impact (Client Access)27

4.5. Evaluation question N°5: Sustainability 35

4.6. Evaluation question N°6: Efficiency of Programme Management38

4.7. Evaluation question N°7: Partnership and Coordination42

**5. Conclusions and recommendations44**

5.1. Overall assessment44

5.2. Recommendations48

**6. Gender and human rights50**

**7. Annexes**

**Annex 1:** Terms of Reference52

**Annex 2** - Evaluation Matrix for BIFSIR94

**Annex 3**: Stakeholder survey results146

**Annex 4**: Service user survey results160

**Annex 5:** List of persons interviewed and list of projects sites visited162

**Annex 6:** Bibliography164

**Annex 7:** Mission work plan165

**Annex 8:** Grantee Financial Performance overviews167

**Annex 9:** What worked and what did not work171

**List of tables**

TABLE 1: BIFSIR: Goal, Objective and OutcomesX

TABLE 2: BIFSIR Evaluation Questions XI

TABLE 3: Summary of BIFSIR Evaluation Questions 4

TABLE 4: BIFSIR Donor contribution9

TABLE 5: BIFSIR Grant as September 201410

TABLE 6: Programme activities, expenditures actual versus budget, 2010-2014 13

TABLE 7: Achievements from the beginning of the BIFSIR Programme27

TABLE 8: Outreach of the microfinance sector31

TABLE 9: Hanga Umurimo Target versus achievement as December 201434

TABLE 10: BIFSIR Grants as December 201435

TABLE 11: BIFSIR MFIs Financial Performance and Africa MFIs Benchmarks35

TABLE 12: Conclusions per evaluation question44

**List of figures**

FIGURE 1: BIFSIR Expenditure by outcome13

FIGURE 2: SQ 4.1: To what extent do services meet the needs of low-income clients?28

FIGURE 3: Service user Question 2: Do the financial services you use meet your needs?29

FIGURE 4: Service users survey question 3: Have the financial services been getting better since you began using them?29

FIGURE 5: To what extent has FSPs product and service offering improved?30

FIGURE 6: SQ 4.5: To what extent is greater competition for the low-income market?32

FIGURE 7: SQ 4.7: To what extent do SSOs meet the needs of FSPs?33

**Basic Geographic and Demographic Data**

|  |  |
| --- | --- |
| **Country Area:** | 26,338 sq km |
| **Country Population (2014)** | 12,337,138 |
| **Capital City:** | **Kigali** |
| **Languages:** | Kinyarwanda (official), French (official) and English (official)  |
| **Religion:** | Roman Catholic 49.5%, Protestant 39.4% (includes Adventist 12.2% and other Protestant 27.2%), other Christian 4.5%, Muslim 1.8%, animist 0.1%, other 0.6%, none 3.6% (2001), unspecified 0.5% (2002 est.) |
| **Literacy:** | 65.9% |
| **Population below the****poverty line:** | **45%** |
| **GDP (Purchasing Power Parity)** | $18.7 billion (2014 est.) |
| **GDP:** | $8.002 billion (2014 est.) |
| **GDP Per Capital (PPP):** | $1,700 (2014 est.) |
| **Project Location:** | Programme supports financial services providers with operations in all 30Districts with a special focus on the southern province at the expansion phase |
| **Source** | *The World Fact book www.cia.gov* |



|  |  |
| --- | --- |
| **Country** | Rwanda |
| **Program Title (long):** | Building an Inclusive Financial Sector in Rwanda (2010-2014) |
| **Programme Title (short):** | BIFSIR |
| **Programme ATLAS Code (by donor)** | Award ID: 00059183; Project IDs: 00073948 and 00081703 |

**Program Data Sheet**

**Financial Breakdown (by Donor)**

|  |  |
| --- | --- |
| **Commitments** | As per Project Document (amount in USD) |
| **UNCDF** | 2,400,000 |
| **UNDP** | 2,000,000 |
| **ROK MDG Trust Fund** | 2,239,758 |
| **BIFSA** | 25,000 |
| **UN ONE FUNDS (UNDP+UNCDF)** | 373,606 |
| **TOTAL** | 7,038,364 |

**Delivery to date (by donor)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Donor** | **2010** | **2011** | **2012** | **2013** | **2014** | **Total expenditures to date** | **Total delivery** |
| **UNCDF** | 343,716 | 631,873 | 699,847 | 280,995 | 260,814 | 2,217,245 | 92% |
| **UNDP** | 108,865 | 356,366 | 695,884 | 350,416 | 361,258 | 1,872,789 | 94% |
| **ROK MDG Trust Fund** |  |  |  | 682,160 | 1,548,617 | 2,230,777 | 100% |
| **BIFSA** |  | 25,000 |  |  |  | 25,000 | 100% |
| **UN ONE FUNDS (UNDP+UNCDF)** |  | 119,522 | 176,979 | 73,559 |  | 370,060 | 99% |
| **Annual Project Delivery** | 452,581 | 1,132,761 | 1,572,710 | 1,387,130 | 2,170,689 | 6,715,871 | 95% |

|  |  |
| --- | --- |
| **Executing Agency** | UNDP and UNCDF |
| **Implementing Agency** | Ministry of Finance and Economic Planning (MINECOFIN) |
| **Key Project Partners** | Financial Sector Secretariat at MINECOFIN, National Bank of Rwanda (BNR), Association of Microfinance Institutions of Rwanda (AMIR), Rwanda Cooperative Agency, Business Development Fund (BDF), Financial service providers, Entrepreneurial Service Providers and key Development Partners (DFID, AFR, KOICA, UN, KfW, ADB, WB) |
| **Approval Date of Project** | December 18, 2009 Original commitmentApril 3, 2013 Extension |
| **Project Implementation Period as per Project Document** | 2010-2014 |
| **Project Amendment** | May 2013 (Extension) |

**Acronyms and Abbreviations**

AFR: Access to Finance Rwanda

AMIR: Association of Microfinance Institutions in Rwanda

BDF: Business Development Fund

BIFSIR: Building an Inclusive Financial Sector in Rwanda

BNR: National Bank of Rwanda

CTA: Chief Technical Advisor

DFID: Department for International Development

EDPRS: Economic Development and Poverty Reduction Strategy

FSP: Financial Service Provider

GA: Government Agency

IP: Implementing Partner

KOICA: Korea International Cooperation Agency

MDG: Millennium Development Goals

MFI: Microfinance Institutions

NMCC: National Microfinance Consultative Committee

NMS: National Microfinance Strategy

NTA: National Technical Adviser

OECD/DAC: Organization for Economic Co-operation and Development/Development Assistance Committee

ROK: Republic of Korea

SACCO: Saving and Credit Cooperative

SME: Small and Medium Enterprise

SSO: Sector Support Organizations

TSP: Technical Service Provider

UN: Unites Nations

UNCDF: United Nations Capital development Fund

UNDAF: United Nations Development Assistance Framework

UNDAP: United Nations Development Assistance Programme

UNDP: United Nations development Programme

UNEG: United Nations Evaluation Group

VS&LA: Village Savings and Loans Association

**EXECUTIVE SUMMARY**

**PROGRAMME PROFILE**

In 2007, the main actors of the micro finance sector in Rwanda validated the National Microfinance Strategy (NMS) for a five-year period. The main objective of the strategy, which was approved by the Government of Rwanda, was to support “sustained economic and social development” in Rwanda.

The NMS aimed to promote a vibrant microfinance sector offering inclusive, diversified, efficient and sustainable financial services. The vision for 2008-2012 period was to encourage the creation and development of a microfinance sector integrated into the overall financial sector.

The vision of the 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.

In June 2010, the Government approved a Small-Medium Enterprise Development Policy (SME). Its vision is to create a critical mass of viable and dynamic MSEs through enhanced business support service provision, access to finance and the creation of an enabling legal and institutional framework.

The BIFSIR "Building Inclusive Financial Sectors in Rwanda” Programme was developed for the period of 2009-2012 within the strategic framework of the National Microfinance Sector and aims to contribute to poverty reduction and to achievement of the Millennium Development Goals (MDGs) by promoting inclusive finance and entrepreneurship. Its specific objective is to contribute to capacity building of the various stakeholders at the macro, meso, micro and client levels, with a view to supporting the development of sustainable, quality and diversified financial and entrepreneurship skills services that are accessible to the less advantaged Rwandans, both in rural and in urban areas, and to improving their economic and social status.

In 2011, the BIFSIR Programme was invited by UNDP-Rwanda to apply for the Republic of Korea-UNDP MDG Trust Fund. Based on programme experience since 2010, BIFSIR management designed an innovative programme which should increase BIFSIR’s programming reach to the client level, and contribute further results to MDG1 and GoR policies. In December 2011, the Republic of Korea-UNDP MDG Trust Fund Steering Committee awarded USD 2,239,758 to scale up the BIFSIR programme for 2012-2014 period. This additional funding served to increase BIFSIR’s scope, as such the program is renamed BIFSIR expansion. The programme has been extended again until December 2015 thanks to the new additional funding of 1 million USD approved by ROK-UNDP MDG Trust Fund.

The Total budget of BIFSIR Programme is USD8,038,365 over 6 years from 2010 to 2015 and was jointly funded by UNDP (USD 2,000,000), UNCDF (2,400,000), ROK-UNDP MDG Trust Fund (USD3,239,758), one UN Fund (USD373,606) and BIFSA (USD25,000). The Fund Management Arrangements are Direct Implementation (DEX) for UNCDF and one UN Funds, and National Implementation (NEX) for UNDP, ONE UN Fund and ROK-UNDP MDG Trust Fund.

BIFSIR expansion programme supports the Rwandan Microfinance Policy implementation strategy (2013-2018). It also targets entrepreneurship capacity building linked to financial services, in order to support the environment for strong private sector growth.

BIFSIR expansion is aligned to UNDAF Result 5: Rwandan population benefits from economic growth and is less vulnerable to social and economic shocks. More specifically, BIFSIR expansion contributes to Outcome 4 of Result 5: Productivity improved and access to markets enhanced for small producers. The project focuses on increasing financial inclusion by improving access to sustainable and diversified financial services by low-income populations.

BIFSIR expansion contributes to the UN’ strategy by supporting vulnerable groups of women and youth who have limited access to finance and lack entrepreneurial capacity. The project objectives are specially linked with MDG N°1: eradicate extreme poverty and hunger. By targeting unbanked individuals to access financial services and financial education, the project facilitates income generating activities and employment creation, which in turn, decreases malnutrition and contributes to household welfare. The programme is also linked to MDG3 “Promote gender equality and empower women” since the primary programme beneficiaries are women.

Programme beneficiaries are MFIs and Savings and Credit Cooperatives (SCCs) serving poor and low-income populations, especially women, micro-entrepreneurs and small family farms; clients themselves, environmental stakeholders - including the Microfinance Association (AMIR), the Central Bank (BNR), the National Microfinance Consultative Committee (NMCC), the Ministry of Finance and Economic Planning and the management bodies of the Programme (Steering and Investment Committees).

Over five years of operation, the programme continued 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 and institutional capacity building of small FSPS, financial transparency, risk management, as well as the strategic partnerships between FSPs and informal financial groups (VS&LAs).

BIFSIR’s design takes a fairly standard UNCDF financial service sector approach (FSSA) to sector development and has programmatic outcomes, outputs and activities at each of the macro, meso, micro and client levels. Through grants for capacity development and innovation, technical assistance, training opportunities and networking support BIFSIR was designed to achieve the goals, outcomes listed in table 1.

|  |
| --- |
| Table 1: BIFSIR: Goal, Objective and outcomes |
| Goal | To contribute to poverty reduction and to achievement of the Millennium Development Goals (MDGs) by promoting financial inclusion and entrepreneurship. |
| Objective | To contribute to capacity building of the various stakeholders at the macro, meso, micro and client levels, with a view to supporting the development of sustainable, quality and diversified financial and entrepreneurship skills services that are accessible to the less advantaged Rwandans, both in rural and in urban areas, and to improving their economic and social status. |
| Outcome 1 | Coordination, regulation and supervision framework of the sector improved to promoting financial inclusion in Rwanda | Macro-level |
| Outcome 2 | Consolidation of the sector, capacity building and financial infrastructure are supported, with a view to professionalizing MFIs in the provision of inclusive financial services | Meso-level |
| Outcome 3 | The capacity of leader MFIs, FSPs and entrepreneurial training providers to develop innovative services accessible to target populations is enhanced | Micro-level |
| Outcome 4 | The capacity of women and youth to manage SMEs and access financial services is built | Client- level |
| Outcome 5 | Programme Management, monitoring and evaluation are conducted efficiently | Programme Management |

The development hypothesis of BIFSIR is that the promotion of an effective enabling environment supported by catalytic investments in financial sector business/ institutions will enhance appropriate product/service innovation and the expansion of sustainable provision of financial services to low income households.

**COUNTRY CONTEXT**

Rwanda has an area of 26,338 km2 and a population estimated at 12.3 million in 2014. The adult literacy is estimated at 65.9% (CIA estimate) and life expectancy is 55 years (UNICEF estimate).

According to EICV 3, published in 2012, the economic activities undertaken by the sampled population in the past 12 months demonstrate they are mainly engaged in farming (85%), paid agricultural activity (35%), worked salary in non-farm (28%), non-farm small business (25%) and public works programmes (2%). This evidence demonstrates how most Rwanda’s population is mainly engaged in agricultural work.

Despite the positive progression of Rwanda in terms of extreme poverty eradication (MDG N°1), there still are considerable disparities across provinces and between rural and urban areas. In December 2011 the National Institute of Statistics of Rwanda released a study on the evolution of poverty from 2000 to 2011. The National Institute of Statistics of Rwanda released a study on the evolution of poverty from 2000 to 2011.

The poverty line is 118,000RWF per year at current prices (USD194/year or USD0.50/day) while the extreme poverty line is set at 83,000 RWF per year at current prices (USD137/year or 0.37USD/day). According to the National Institute of Statistics Study, the poverty rate has decreased from 58.9% in 2000 to 44.9% in 2011; extreme poverty also decreased from 40% to 24% in the same time period.

**THE PURPOSE OF THE EVALUATION**

In accordance with the policy and requirements of UNDP and UNCDF on mandatory assessment, the programme is subjected to one in-depth external evaluation: a final evaluation at the end of the programme. The final evaluation is to measure the effectiveness, efficiency, relevance and sustainability of interventions, and lessons learned at the end of the programme. This final evaluation comes ahead of the end of the programme scheduled for December 2015 and with a view to informing future decisions around replication and scalability of the programme.

**METHODOLOGY**

The proposed methodology to this evaluation is based on UNCDF’s core evaluation approach which involves testing the intervention logic/development hypothesis underlying a programme against evidence on its implementation performance. The evaluation assesses the coherence of the programme’s theory of change, its progress towards expected outcomes and lessons learned to date on programme design and implementation.

The evaluation focuses on seven evaluation questions the evaluation matrix, including relevant sub-questions and indicators. The following table present the summary of BIFSIR Evaluation Questions. The full Evaluation matrix is included as Annex 5 of this report.

|  |  |
| --- | --- |
| Table 2: BIFSIR Evaluation Questions | Corresponding UN Evaluation Criteria |
| 1. How relevant is BIFISIR design to the needs of Rwanda population, especially the low-income (Women and Youth) and Government’s demand for support?
 | Relevance and Design |
| 1. To what extent has BIFSIR contributed to an improved regulatory and supervision framework that promotes financial inclusion in Rwanda
 | Effectiveness (Policy and Strategy) |
| 1. To what extent has BIFSIR contributed to improved institutional capacity of Financial Service Providers (FSPs)/Sector Support Organizations (SSO) and Government Agencies (GAs) in line with financial inclusion agenda?
 | Effectiveness (Capacity Building) |
| 1. To what extent has the BIFSIR programme contributed the improvement of access to low-income persons’ financial services and enhanced the market for financial inclusion services?
 | Likely impact (client access) |
| 1. To what extent are BIFSIR results likely to be sustainable
 | Sustainability |
| 1. How well has BIFSIR’s management delivered the expected results?
 | Efficiency of programme management |
| 1. How well has BIFSIR leveraged on partnerships with donors and government to maximize its impact?
 | Partnership and coordination |

**PROCESS**

The BIFSIR Final evaluation was carried out in 3 phases:

* **A preparatory phase**, which took place between April 24 and May 12, 2015, which provided a preliminary review and analysis of relevant documentation to be shared with UNDP/UNCDF teams, to explain the evaluation team’s understanding of the programme with the goal of ensuring the responsiveness of the evaluation question to the programme specificities and to the purposes of the final evaluation. A Desk review of programme design documents, annual reports and Policies and strategies documents has been conducted. All tools developed (Financial/Technical Service Providers Survey, Programme stakeholder survey, service user survey etc) have been shared and presented to the evaluation reference group. Some interview guides for each stakeholder have been developed and shared with the evaluation reference group.
* **A field phase,** which took place between May 12-29, 2015, during which the team met with UNCDF and UNDP program staff, management, government officials, grantees, clients, donors and relevant stakeholders through individual and group interviews. Stakeholders’ survey was conducted to stakeholders, grantee and service clients. The evaluation team held an introductory launching meeting on May 12, 2015 before the field visits - aimed at introducing the objectives and the methodology of the evaluation. At the end of the field visits, a ‘debriefing’ meeting was held on May 29, 2015 with the Head of the Poverty and environment Unit, UNDP and the Monitoring and Evaluation Specialist, UNDP to discuss the preliminary findings.
* **A reporting phase,** which is this report, presents key findings, recommendations and conclusions in systematic format are presented in format report manner.

**OVERVIEW OF PROGRAMME IMPLEMENTATION STATUS**

 BIFSIR was launched in December 2010 with a confirmed budget of USD7.03 million with financial commitments from UNCDF and UNDP. The BIFSIR Programme is housed in the MINECOFIN, Kigali and has a management team composed of a National Technical Advisor and Monitoring and Evaluation Officer.

**BIFSIR OUTCOMES**

With regards to outcomes, BIFSIR has achieved several outcomes including the following:

**Outcome 1: at the Macro Level – Coordination, regulation and supervision framework of the sector improved to promote financial inclusion in Rwanda**

The structures of coordination, regulation and supervision framework have been put in place by the creation of Financial Sector Development Directorate in the MINECOFIN and the SACCO supervision unit in the Central Bank.

BIFSIR supported the MINECOFIN to improve the sector coordination of development and implementation of national financial strategy at the policy and national strategy level. In 2011, BIFSIR Team co-chaired the financial Inclusion working group that was composed of partners who are interested in financial sector development. In 2013, the working group developed national financial education strategy whereby 4 sub-working groups targeting children, youth, adults and financial institutions were set up to develop and implement activities related to financial education and literacy in Rwanda.

The Programme has supported the publication and the dissemination of the new draft law and the supervision of UMURENGE SACCOs by the central bank.

**Outcome 2: At the Meso Level – Consolidation of the sector, capacity building and financial infrastructure are supported, with a view to professionalizing MFIs in the provision of inclusive financial services**

In terms of consolidation of the sector, the creation of 416 Umurenge SACCOs was a notable achievement toward this goal. BIFSIR resources were used to support the Umurenge SACCOs through the partnership with the Rwanda Cooperative Agency (RCA). RCA has supported the harmonization of operations manuals and procedures of all SACCOS and the automation of SACCOs operations. A core banking system is being acquired to help the Umurenge SACCOs on back-end data processing of all transactions.

At the market facilitation level, lack of last resort lenders has been among the barriers for MFIs/SACCOs. To fill the gap, BIFSIR has supported BDF, SMGF and BRD to lend to MFIs/SACCOs when they need loans to expand their on-lending portfolios. As of 2014, 45 MFIs and SACCOs were financed by BDF and SMGF and 20,998 SMEs accessed credit through refinancing. These SMEs were 100% women and youth owned.

At sector networks capacity development and professionalization level AMIR has supported to maximize its performance in governance, operations, financial viability, human resources, external relations and service delivery. To professionalize the sector, AMIR has disseminated MFI best practices among its members and has provided tailored technical assistance to MFIs and SACCOs.

**Outcome 3: At the Micro-Level – The capacity of leader MFIs, FSPs and entrepreneurial training providers to develop innovative services accessible to target populations is enhanced**

The capacity of leader MFIs and FSPs in developing innovate services have been enhanced through investment in technology based financial products like mobile banking, formation of village saving and loan associations that resulted in serving over 10,000 people to enter the financial sector.

**Outcome 4: At the Client Level – The capacity of Women and Youth to manage MSEs and Access financial services is built;**

The Hanga Umurimo programme significantly contributed to youth employment and strengthening MSEs in rural areas as 1,500 youth, 416 proxy business advisors and 2,417 VSLA members were supported to have advanced entrepreneurship skills

**Outcome 5: Effective management, monitoring and evaluation of the Programme**

The BIFSIR programme's capacity in Results Based Management has been strengthened. National and international supports have been provided regularly by national and international experts. Due diligence were conducted on Implementing Partners. Several calls for proposals have been launched, approved, implemented and monitored. Quarterly and annual reports have been produced by Implementing Partners and Programme staff. Key Performance Indicators were developed and monitored by the Programme Unit.

**KEY EVALUATION FINDINGS**

**RELEVANCE AND DESIGN: The Programme Design is aligned with the Needs of Rwanda population, especially the low-income (Women and Youth) and Government’s demand for support, the Financial Sector and is Consistent with UNCDF’s IF Intervention Logic**

The BIFSIR programme intervention is consistent with the National Microfinance Strategy (2008-2012) and the National Microfinance Policy Implementation Strategy (2013-2017) developed by the Ministry of Finance and Economic Planning (MINECOFIN).

There are 5 important documents aligning BIFSIR’s design with the strategic objectives of the Government of Rwanda’s interests in developing inclusive finance:

- The Millennium Development Goals (MDGs),

- The Rwanda Financial Sector Strategy 2013-2018

- The Economic Development and Poverty Reduction Strategy (EDPRS II),

- The Small and Medium Enterprises Development Policy developed by Ministry of Trade and Industry (MINICOM),

- The Vision 2020 Umurenge especially Pillar 5, which aims that at a private sector led economy with development of entrepreneurship and a strong private sector by 2020.

The BIFSIR design is consistent with the UNCDF’s FSSA – macro, meso, micro and client level–approach and address key Inclusive Finance sector gaps. At the macro-level, the design seeks to contribute to capacity building of MINECOFIN and BNR with a view to promoting financial inclusion. The meso-level design focused on capacity building and financial infrastructure support. At the micro-level, innovation and capacity development of leader MFIs were emphasized. At the client-level, design focused on capacity building of women and youth to manage SMEs and access to financial services.

**EFFECTIVENESS - POLICY AND STRATEGY: BIFSIR support substantially contributed to an improved regulatory and supervision framework that promotes financial inclusion in Rwanda**

BIFSIR has been influential at MINECOFIN and BNR and has been able to bring them some ways towards understanding and implementing good practice Inclusive Finance sector development, leading to better supervision, new microfinance law and policy for the sector.

BIFSIR has increased the awareness and appreciation of national decision-makers of the need for a sound regulatory environment for inclusive finance. The programme has contributed to the development of the National Microfinance Policy Implementation Strategy and of the Financial Education Strategy.

The BIFSIR resources were significantly used to support the Umurenge SACCOs which are playing a critical role in increasing access to financial institutions.

**EFFECTIVENESS (Capacity Building): The Programme has contributed significantly to improved institutional capacity of Financial Service Providers (FSPs)/Sector Support Organizations (SSO) and Government Agencies (GAs) in line with financial inclusion agenda.**

BIFSIR Programme has contributed to the strengthening of the institutional capacity of Financial Service Providers (RIM, UFC, UOB, U-SACCOs, BDF and SMGF) and sector support organizations (AMIR, RCA, RICEM). BIFSIR has supported the development and refinement of few new products, services and service delivery channels and these new products and services were replicable.

The programme has contributed to develop the capacity of SACCOs in MSE lending and risk management, the provision of apprenticeship trainings and advanced training to proxy business Advisors.

BIFSIR has contributed significantly to improve the institutional capacity of AMIR by the dissemination of best practices courses to MFIs and SACCOs.

BIFSIR has also contributed significantly to improved capacity of BNR by supporting the establishment of technical control units of SACCO and by enhancing the supervision and monitoring capacity of the BNR.

**LIKELY IMPACT (CLIENT ACCESS): The Programme has contributed significantly to the improvement of access to low-income person’s financial services and enhanced the market for financial inclusion services**

BIFSIR has supported the creation of few new products, services and service delivery channels. These new products and services are replicable. Including the mobile phone services, the new products and services offer the great potential for growth of the sector. The products and services are mostly appropriate for low income markets though credit products are predominately designed for urban markets.

BIFSIR Programme supported products/services to address access to financial services especially for women and youth. Product and service needs are particularly supportive of improving access for low income persons. BIFSIR has directly supported the creation of only one new product (by RIM) serving the needs of women and two mobile financial services initiatives (UFC and UOB). BISFIR has directly supported the creation to five new products (by RIM, UOB and UFC). SMGF and BDF have been provided direct refinancing to MFIs: loans and technical assistance to FSPs.

**SUSTAINABILITY: FSPs have seen some growth and very modest financial performance but still require capacity Development to reach Scale and Stability required for achieving long-term Sustainability without external support**

BIFSIR supported FSPs show very modest financial performance improvements from the period 2010 to 2014. 2 FSPs have negative return on assets and equity. 2 others have positive but not improved return on asset and equity.

Operational and financial self-sufficiency are less than 100 for 2 FSPs indicating that these two FSPs are neither able to pay all their operating or capital costs. Two other FSP have more than 100% for operational self-sufficiency. Supported FSPs have slightly better lending efficiency measured by loans officer to loans managed with an average of 205 borrowers per loans officer compared to the African benchmark of 185.

**EFFICIENCY OF PROGRAMME MANAGEMENT**: **BIFSIR Programme has completed over 57% of its planned agenda but several significant output items have yet to be achieved.**

Overall, the program’s achievements with regard to annual work plans and related major targeted outputs have been fairly good. An analysis of major activities budgeted for and approved in annual work plans shows that:

* 95% of planned activities were funded
* 70% projects are executed plans,
* 57% of projects have been completed

Several significant output items have yet to be achieved including works with the BNR, RCA, MINICOM and UFC.

Grant and TA management has been good with minor procurement and funding delays. Monitoring and tools initially lacked structure and clarity but have significantly improved since 2012.

**PARTNERSHIP AND COORDINATION: BIFSIR Programme has leveraged on partnerships with others organizations and initiatives**

The partnership has mobilized additional resources from ROK-UNDP MDG Trust Fund for the BIFSIR Expansion. The programme has initiated collaboration with other organizations (Terrafina, DFID, World Bank) for a better coordination mechanism but they have not been able to partner with the programme. Two other regional initiatives of UNCDF (YouthStart and MicroLead) have supported Programme Partners.

**RECOMMENDATIONS**

The recommendations are listed in order of priority:

* Monitor and support the implementation of remaining projects and activities: Agent banking initiatives implemented by Umutangaha Finance, Support to PAJER to deliver financial education and entrepreneurship trainings, Support to MFIs to develop MSEs products, implementation of code of conduct by AMIR members, Support to MINICOM/Hanga Umurimo to train women and youth in entrepreneurship and to develop a database for monitoring PROBAs activities in all districts, Support to RCA to implement U-SACCO automation process, Support to BNR to conduct trainings, to organize workshops on new draft law with Stakeholders at district level and to conduct technical study tour.
* Strengthen staff’s capacity to execute relevant policies, develop and analyze new policies and develop and manage M&E system without external support.
* Make the roles of Chief Technical Adviser or National Technical Adviser and Programme Manager separately.
* Strengthen the capacity of central bank to regulate and supervise new innovative financial services.
* Assess systematically and regularly the impact or at least a satisfaction survey analysis of capacity building activities (workshops, trainings, conference, study tours);
* Develop and disseminate regularly communication materials about the achievements of the programme to all stakeholders through appropriate channels.
* Put in place a clear knowledge transfer mechanism to the MINECOFIN
* Integrate environment considerations and specific financial products targeting only women and youth into the second phase of the programme
* Develop standardized UNCDF IF project report templates and definition while maintaining flexibility for programme specificity. This will help consistency in reporting facilitating common understanding of outcome and performance achievements;
* Elaborate a clear phasing out strategy in the second phase of the programme
* Create more synergy and collaboration with other UNCDF inclusive finance initiatives (YouthStart, Microlead, CleanStart, Making Access Possible, Mobile Money for the Poor etc) and incorporate them if possible into the second phase of the programme
* Conduct a baseline study at the beginning of the BIFSIR II Programme
* Ensure to have a rigorous data based approach in designing the BIFSIR II programme. It is important of having measurable and strong indicators, baseline and targets for the Phase II of the programme
* Collaborate with other donors/ partners (AFR/DFID, World Bank, GIZ, Terrafina) and other organizations involved in the inclusive financial sector development and women and Youth (Ministry of Youth and ICT, Ministry of Gender and Family Promotion, Ministry of Education etc.)
* Conduct mid-term evaluation of the second phase of the BIFSIR Programme.
* Use the Making Access Possible (MAP) tool which is a diagnostic and programmatic framework to support expanding access to financial services for individuals and micro and small businesses.
* Programme governance structures must provide a suitable forum for strategic decision making and accountability oversight on strategic decisions and tasks. Representatives must periodically assess the performance of the programme.
1. **Scope and Objectives of the Evaluation**

The final evaluation of BIFSIR Programme is part of the prodoc initially and the programme was ending in December 2005 that is why it is done at this point. This final evaluation aims at informing future decisions around replication and scalability of the programme.

The BIFSIR final evaluation attempts to explore –data permitting- the full range of current and likely results of the programme– immediate and longer-term, direct and indirect, whether intended or not. In this way, and in line with standard evaluation practice, the scope of the exercise goes beyond assessing whether UNDP/UNCDF ‘did things right’ in programme execution and management, to a broader assessment of whether on the basis of evidence available, the BIFSIR approach as implemented by UNCDF/UNDP and in comparison with similar approaches implemented by others in the ‘right approach’ to achieving the higher-level objectives agreed at the start of the programme.

The overall objectives of the final evaluation are:

* To assist UNCDF, UNDP and Government of Rwanda to understand the efficiency, effectiveness, relevance and likely impact and sustainability of programme results;
* To provide an independent assessment of the strengths and weaknesses of the implemented approach – and if appropriate – advise on the key conditions necessary for the scaling up and/or replication of the model in future;
* To identify/document lessons learned and make recommendations that project partners and stakeholders can use in designing and implementing Phase II of BIFSIR project and other related projects and programs.
1. **Evaluation approach and methodology**
	1. **Intervention logic/Development hypothesis for the inclusive finance sector**

BIFSIR is utilizing the UNCDF sector development approach to microfinance that supports governments and stakeholders in building a common vision for the development of the industry. An early step is to conduct an assessment of the financial services’ sector and the impediments or gaps at various levels, including: legal, regulatory or policy (“macro” level), financial infrastructure and support services (meso” level), the retail financial service providers (“micro” level), and the quality and nature of the need and demand for financial services (“client” level). At its core, also for the BIFSIR programme, the primary focus is to build the retail capacity in-country, in order to broaden and deepen financial service providers’ outreach. In this light, BIFSIR was born with the aim of supporting national financial service providers (FSPs) via its inclusive finance sector programme to serve low-income people. It is important to mention that, at Client level, the program seeks to improve the technical and entrepreneurship skills among rural and under-banked population.

Programme activities result in a number of outputs: These take the form of improvements to the health and economic potential of FSPs, and sector service organizations (SSOs) at the “meso” level. The intermediate outcome is stronger, more stable inclusive financial sector and related meso level sector support to an enabling inclusive finance policy and regulatory environment for sustainable provision of financial services to low income households.

* 1. **General approach**

The proposed methodology to this evaluation is based on UNCDF’s core evaluation approach which involves testing the intervention logic/development hypothesis underlying a programme against evidence on its implementation performance. The evaluation assesses the coherence of the programme’s theory of change, its progress towards expected outcomes and lessons learned to date on programme design and implementation.

Findings are built incrementally through pre-mission desk work followed by mission field work. The methodology is based on the following main steps, aimed at:

* Establishing the development hypothesis (or ‘overall evaluation question’) as unifying conceptual framework underlying the programme, from which the specific intervention logic is derived as reflected in the Programme’s formulation documents. The development hypothesis and the intervention logic serve as common thread guiding the evaluation process;
* Adjusting and fine-tuning the evaluation matrix (clustering questions, sub-questions and indicators) in order to suit the specificity of the programme. The core evaluation questions are set out in Table 1; a detailed matrix including questions, sub-questions, main findings per indicator and source of evidence has been developed.
* Presenting and discussing the conceptual framework and the evaluation questions with the main stakeholders in order to reach preliminary consensus and introduce further adjustments if needed. To this end, the team prepared an inception report prior to the start of the in-country mission. This report described the team’s understanding of the programme (development hypothesis), presented a first draft of the Evaluation Questions and sub-Evaluation Questions and was shared and discussed with UNCDF/UNDP staff upon arrival; and
* Testing and deepening the review team’s understanding of the programme design and its emerging findings and recommendations through a structured dialogue with the program stakeholders and the service users (clients, MFIs).
	1. **Evaluation Methodology**

The evaluation is transparent, inclusive, participatory and utilization-focused. It integrates gender and human right principles following the United Nations Evaluation Group (UNEG) “Handbook to Integrate Human Rights and Gender Equality in Evaluation” and adhered to the UNEG “Norms and Standards for Evaluation in the UN System” and “UNEG’s Ethical Guidelines and Code of Conduct”.

It follows a theory-of-change approach to assess the immediate, medium term and final results of the project, taking into account the influence of the context in which the programme was implemented. Where outcome and impact-level data is lacking, the methodology allows evaluators to assess the extent to which the programme interventions have contributed to the achievement of those higher level results.

The evaluation uses a mixed method approach, drawing on both primary and secondary, quantitative and qualitative data to come up with an overall assessment backed by clear evidence. To the extent possible, the data are disaggregated by age, gender and economic status.

The evaluation seeks to answer the following questions according to the 5 OECD/DAC criteria:

|  |  |
| --- | --- |
| **Table 3: Summary of BIFSIR Evaluation Questions** | **Corresponding UN Evaluation Criteria** |
| 1. How relevant is BIFSIR design to the needs of Rwanda population, especially the low-income (Women and Youth) and Government’s demand for support? | Relevance and Design |
| 2. To what extent has BIFSIR contributed to an improved regulatory and supervision framework that promote financial inclusion in Rwanda? | Effectiveness (Policy and Strategy) |
| 3. To what extent has BIFSIR contributed to improved institutional capacity of Financial Service Providers (FSPs)/Sector Support Organizations (SSO) and Government Agencies (GAs) in line with financial inclusion agenda? | Effectiveness (Capacity building) |
| 4. To what extent has the BIFSIR programme contributed to the improvement of access to low-income persons’ financial services and enhanced the market for financial inclusion services?  | Likely impact (Client access) |
| 5. To what extent are BIFSIR results likely to be sustainable | Sustainability |
| 6. How effective is the BIFSIR’s management in delivering expected results? | Efficiency of Programme Management |
| 7. How well has BIFSIR leveraged on partnerships with donors and government to maximize its impact? | Effectiveness (Partnership and coordination) |

In addition to the questions, the evaluation matrix provided a clear framework for data collection, and included a series of proposed indicators, data collection methods and sources of information for each evaluation question and sub-evaluation questions.

The used data collection methods included:

* Desk review techniques such as key document analysis (mainly program design documents, previous missions’ reports, annual and monitoring reports, investment project proposals; national and regional policies; other donors programs documents, etc.);
* Hard data analysis (quantitative figures from 3 partner financial institutions, surveys from 20 clients and 10 Implementing Partners: **attached in Annexes 1 and 3**, from interviews);
* Individual and group discussions with program staff at national levels;
* Structured interviews with key stakeholders: MINECOFIN, UNDP, UNCDF, MINICOM, BNR, AMIR, RCA, RIM, UOB, UF, SMGF, BDF, PAJER, RICEM;
* Stakeholder surveys conducted with 10 Implementing partners: MINECOFIN, MINICOM, AMIR, RCA, BDF, SMGF, RIM, UF, UOB and PAJER (**see details in Annex 2**);
* Focus group discussions with clients
* Community meetings
* Site visits to Kigali, Masaka, Nyamirambo, Musanze, Nyabihu, Kamonyi, Muhanga, Ruhango and Karongi ;
* Facilitated kick off and debriefing meetings;
* Analyzed relevant baseline data for measuring the program’s impacts were available etc.

The evaluation includes an assessment of the extent to which the design, implementation and results of the project have incorporated a **gender equality perspective and rights-based approach** (section 6 of the final evaluation report).

During the inception phase, the consultant confirmed the appropriateness of the matrix to meet the broader objectives of the evaluation. Alternative sub-questions, indicators and data collection methods are suggested and shared with the actors involved in the BIFSIR’s final evaluation.

The consultant presented and explained the full range of data collection tools (both quantitative and qualitative) to be used in the evaluation during the inception phase.

1. **Programme profile and context**
	1. **Programme description and background, including expected results**

In 2007, the main actors of the micro finance sector in Rwanda validated the National Microfinance Strategy (NMS) for a five-year period. The main objective of the strategy, which was approved by the Government of Rwanda, was to support “sustained economic and social development” in Rwanda.

The National Microfinance Strategy aimed 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.

The vision of the 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.

In June 2010, the Government approved a Small-Medium Enterprise Development Policy (SME). Its vision is to create a critical mass of viable and dynamic MSEs through enhanced business support service provision, access to finance and the creation of an enabling legal and institutional framework.

The BIFSIR "Building Inclusive Financial Sectors in Rwanda” Programme was developed within the strategic framework of the National Microfinance sector (NMS) and aims to contribute to poverty reduction and to achievement of the Millennium Development Goals (MDGs) by promoting inclusive finance and entrepreneurship. Its specific objective is to contribute to capacity building of the various stakeholders at the macro, meso, micro and client levels, with a view to supporting the development of sustainable, quality and diversified financial and entrepreneurship skills services that are accessible to the less advantaged Rwandans, both in rural and in urban areas, and to improving their economic and social status.

BIFSIR expansion programme supports the Rwandan Microfinance Policy implementation strategy (2013-2018). It also targets entrepreneurship capacity building linked to financial services, in order to support the environment for strong private sector growth.

BIFSIR expansion is aligned to UNDAF Result 5: Rwandan population benefits from economic growth and is less vulnerable to social and economic shocks. More specifically, BIFSIR expansion contributes to Outcome 4 of Result 5: Productivity improved and access to markets enhanced for small producers.

The BIFSIR programme expansion is consistent with the UNDAP 2013-2018 outcome 1.1 (Pro-poor growth and economic transformation enhanced for inclusive economic development and poverty reduction) and outcome 1.4 (sustainable urbanization process transforms the quality of livelihoods and promotes skills development and decent employment opportunities in both urban and rural areas especially for youth and women).

The project focuses on increasing financial inclusion by improving access to sustainable and diversified financial services by low-income populations.

BIFSIR expansion contributes to the UN’ strategy by supporting vulnerable groups of women and youth who have limited access to finance and lack entrepreneurial capacity. The project objectives are specially linked with MDG N°1: eradicate extreme poverty and hunger. By targeting unbanked individuals to access financial services and financial education, the project facilitates income generating activities and employment creation, which in turn, decreases malnutrition and contributes to household welfare. The programme is also linked to MDG3 “Promote gender equality and empower women” since the primary programme beneficiaries are women.

Programme beneficiaries are MFIs and Savings and Credit Cooperatives (SACCOs) serving poor and low-income populations, especially women, micro-entrepreneurs and small family farms; clients themselves, environmental stakeholders - including the Microfinance Association (AMIR), the Central Bank (BNR), the National Microfinance Consultative Committee (NMCC), the Ministry of Finance and Economic Planning and the management bodies of the Programme (Steering and Investment Committees).

The specific results 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.
* **Client level:** The capacity of women and youth to manage MSEs and access to finance is built.
* Programme Management, monitoring and evaluation are conducted efficiently.

Over four years of operation, the programme continued 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 and institutional capacity building of small FSPS, financial transparency, risk management, as well as the strategic partnerships between FSPs and informal financial groups (VS&LAs).

As set out in the results and resources framework of the programme document, the expected results of the programme are as follows:

|  |
| --- |
| Intended Development outcome (as stated in the strategic Results Framework):UNDAF Result 5: Rwandan populations benefits from economic growth and are less vulnerable to social and economic shocksUNDAP Results Area: Inclusive Economic TransformationUNDAP Outcome 4: Sustainable urbanization process transforms the quality of livelihoods and promotes skills development and decent employment opportunities in both urban and rural areas, especially for youth and women.**Intended outcome of the Programme**:R.1: At the macro LevelCoordination, regulation and supervision of the sector improved to promote financial inclusion in RwandaR.2 : At the meso levelConsolidation of the sector, capacity-building and the financial infrastructure are supported, with a view to professionalizing the delivery of inclusive financial services.R.3: At the micro levelThe capacity of leader FSPs, MFIs and entrepreneurial training providers is strengthened to develop innovative financial services accessible to low-income people in rural and urban areas;R.4: At the client LevelThe capacity of women and youth to manage MSEs and access financial services is built.R.5: Programme ManagementProgramme Management, monitoring and evaluation are conducted efficiently  |

* 1. **Current programme implementation status**

BIFSIR was launched in 2010 with a confirmed budget of USD 8,038,364 and financial commitments from UNCDF, UNDP, KOICA, BIFSA and UN one Funds.

Table 4: BIFSIR Donor contribution

|  |  |
| --- | --- |
|  | Budget (amount in USD) |
| UNCDF | 2,400,000 |
| UNDP | 2,000,000 |
| KOICA | 3,239,758 |
| BIFSA | 25,000 |
| UN one FUNDS | 373,606 |
| Total | 8,038,364 |

MINECOFIN is the implementing Agency. The other key project Partners are UNDP, UNCDF, National Bank of Rwanda (BNR), Ministry of Trade and Industry (MINICOM), Association of Microfinance Institutions of Rwanda (AMIR), Rwanda Cooperative Agency (RCA), Business Development Fund (BDF), Société Mutuelle de Garantie et de Financement (SMGF), Urwego Opportunity Bank (UOB), Réseau Inter-Diocésain de la Microfinance (RIM), UMUTANGUHA Finance Company (UFC) and PAJER (Parlement de Jeunes Rwandais).

The programme was initially managed by the Chief Technical Advisor (CTA). In 2012, all parties (UNCDF, UNDP, MINECOFIN and KOICA) decided the BIFSIR CTA to be replaced by a National Technical Advisor.

As of December 2014, BIFSIR had 13 approved grants to 6 Financial Institutions (UOB, UFC, RIM, BDF, SMGF and BRD) and 6 non-Financial Institutions (two to AMIR, one each to AFR, BNR, MINICOM, RCA, and PAJER).

|  |
| --- |
| Table 5: BIFSIR Grant as September 2014  |
| BIFSIR Implementing Partners | Type | Period | Approved (USD) | Disbursed (USD) | % Disbursement |
| 1. UFC
 | Grant | December 2012-December 2014 | 276,232 | 238,116 | 86% |
| 1. RIM
 | Grant | September 2012- December 2014 | 276,233 | 251,664 | 91% |
| 1. UOB
 | Grant |  | 200,000 | 200,000 | 100% |
| 1. SMGF
 | Grant | December 2012- December 2014 | 260,000 | 260,000 | 100% |
| 1. BDF
 | Grant | September 2012- December 2014 | 260,000 | 258,000 | 99% |
| 1. AMIR
 | Grant | November 2010-February 2010 and January – December 2014 | 151,000 | 151,000 | 100% |
| 1. RCA/UMURENGE-SACCOs
 | Grant | June 2014-December 2015 | 564,053 | 379,054 | 67% |
| 1. BNR
 | Grant | August 2011-December 2014 | 400,225 | 400,225 | 100% |
| 1. PAJER
 | Grant | August 2011-December 2014 | 100,000 | 100,000 | 100% |
| 1. MINICOM/HANGA UMURIMO/RICEM
 | Grant | January 2014-December 2014 | 970,420 | 635,000 | 65% |
| 1. BRD
 | Grant | August 2011-June 2013 | 162,000 | 162,000 | 100% |
| 1. AFR
 | Grant | November 2012-March 2013 | 50,000 | 50,000 | 100% |
| **Total** |  |  |  **3,670,163** | **3,085,059** | **84%** |

With regards to outcomes, BIFSIR has achieved several advances: highlights by outcomes include:

**Outcome 1: at the Macro Level – Coordination, regulation and supervision framework of the sector improved to promote financial inclusion in Rwanda**

The structures of coordination, regulation and supervision framework have been put in place by the creation of Financial Sector Development Directorate in the MINECOFIN and the SACCO supervision unit in the Central Bank.

BIFSIR supported the MINECOFIN to improve the sector coordination of development and implementation of national financial strategy at the policy and national strategy level. In 2011, BIFSIR Team co-chaired the financial Inclusion working group that was composed of partners who are interested in financial sector development. In 2013, the working group developed national financial education strategy whereby 4 sub-working groups targeting children, youth, adults and financial institutions were set up to develop and implement activities related to financial education and literacy in Rwanda.

The Programme has supported the publication and the dissemination of the new draft law and the supervision of UMURENGE SACCOs by the central bank.

**Outcome 2: At the Meso Level – Consolidation of the sector, capacity building and financial infrastructure are supported, with a view to professionalizing MFIs in the provision of inclusive financial services**

In terms of consolidation of the sector, the creation of 416 Umurenge SACCOs was a notable achievement toward this goal. BIFSIR resources were used to support the Umurenge SACCOs through the partnership with the Rwanda Cooperative Agency (RCA). RCA has supported the harmonization of operations manuals and procedures of all SACCOS and the automation of SACCOs operations. A core banking system is being acquired to help the Umurenge SACCOs on back-end data processing of all transactions.

At the market facilitation level, lack of last resort lenders has been among the barriers for MFIs/SACCOs. To fill the gap, BIFSIR has supported BDF, SMGF and BRD to lend to MFIs/SACCOs when they need loans to expand their on-lending portfolios. 45 MFIs and SACCOs were financed in 2014 by BDF and SMGF and 20,998 accessed credit through refinancing. These SMEs were 100% women and youth owned.

At the financial infrastructure level, AMIR has supported to maximize its performance in governance, operations, financial viability, human resources, external relations and service delivery. To professionalize the sector, AMIR has disseminated MFI best practices among its members and has provided tailored technical assistance to MFIs and SACCOs.

**Outcome 3: At the Micro-Level – The capacity of leader MFIs, FSPs and entrepreneurial training providers to develop innovative services accessible to target populations is enhanced**

The capacity of leader MFIs and FSPs in developing innovate services have been enhanced through investment in technology based financial products like mobile banking, formation of village saving and loan associations that resulted in serving over 10,000 people to enter the financial sector.

**Outcome 4: At the Client Level – The capacity of Women and Youth to manage MSEs and Access financial services is built;**

The Hanga Umurimo programme significantly contributed to youth employment and strengthening MSEs in rural areas as 1,500 youth, 416 proxy business advisors and 2,417 VSLA members were supported to have advanced entrepreneurship skills

**Outcome 5: Effective management, monitoring and evaluation of the Programme**

The BIFSIR programme's capacity in Results Based Management has been strengthened. National and international supports have been provided regularly by national and international experts. Due diligence were conducted on Implementing Partners. Several calls for proposals have been launched, approved, implemented and monitored. Quarterly and annual reports have been produced by Implementing Partners and Programme staff. Key Performance Indicators were developed and monitored by the Programme Unit.

* 1. **Current programme financial status**

The total five year budget for BIFSIR was USD 7.03 million with contributions of USD 2.4 million from UNCDF, USD 2 million from UNDP, USD 2.2 million from KOICA, USD25,000 from BIFSA and USD373,606 from UN ONE fund. Table shows total expenditures for the period 2010 to 2014 were USD7.2Million.

35% of BIFSIR expenses have been made to support client level (outcome 4) for building the capacity of women and youth to manage SMEs, 23% for enhancing the capacity of leader MFIs, FSPs and entrepreneurial training providers to develop innovative services accessible to target populations (outcome 3), 16% of variety of meso level innovations (outcome 2), with another 9% supporting coordination, regulation and supervision framework (outcome 1) and 18% for programme management.

|  |
| --- |
| Table 6: Programme activities, expenditures actual versus budget, 2010-2014 (USD) |
|  | **Actual** | **Budget** |
| Outcomes | 2010 | 2011 | 2012 | 2013 | 2014 | Total | Total | % |
| Macro-level  | 105,938  | 121,596  | 184,556  | 1,928  | 162,209  | 576,227  | 929,138  | 62% |
| Meso-level | 61,352 | 164,083  | 260,217  | 344,657  | 184,099  | 1,014,408  |  1,438,743  | 71% |
| Micro-level | 15,000  | 476,321  | 601,653  | 239,854  | 124,865  | 1,457,693  |  3,247,806  | 45% |
| Client-level |  |  |  | 682,161  | 1,548,617  | 2,230,778  |  741,757  | 301% |
| Programme Management |  270,291  | 346,761  | 349,304 | 101,241  | 106,643  | 1,174,240 | 1,085,182  | 108% |
| **Total** | **452,581**  | **1,108,761**  | **1,395,730**  | **1,369,841**  | **2,126,433**  | **6,453,346**  | **7,442,626**  | **87%** |

 Source: Atlas 2015 and Prodoc

1. **Evaluation findings per evaluation question**

This chapter reviews findings from the seven evaluation matrix questions and sub-questions. (See Annex 2 for detailed responses to each Evaluation Question)

* 1. **Evaluation Question N°1: RELEVANCE AND DESIGN**
		1. **To what extent does the programme meet the needs of the partner country?**

The BIFSIR programme intervention is consistent with the National Microfinance Strategy (2008-2012) and the National Microfinance Policy Implementation Strategy (2013-2017) developed by the Ministry of Finance and Economic Planning (MINECOFIN).

There are 5 important documents aligning BIFSIR’s design with the strategic objectives of the Government of Rwanda’s interests in developing inclusive finance. Firstly, the Millennium Development Goals (MDGs), to which Rwanda is a signatory, specifically as they relate to gender and poverty alleviation. Secondly, the programme has been aligned with the Rwanda Financial Sector Strategy 2013-2018, where financial inclusion is one of the most crucial sector priorities. Thirdly, the Economic Development and Poverty Reduction Strategy (EDPRS II), which encourages the growth of the mobile money sector through responding to the specific needs of businesses in the sector, clearly articulates acceleration to financial services. Fourthly, the Small and Medium Enterprises Development Policy developed by Ministry of Trade and Industry (MINICOM), was compatible with BIFSIR Programme as the main objectives among others were: to promote a culture of entrepreneurship among Rwandans, to facilitate SMEs access to business development services and to put in place mechanisms for SMEs to access appropriate business financing. Finally the programme was well aligned with The Vision 2020 Umurenge especially Pillar 5, which aims that at a private sector led economy with development of entrepreneurship and a strong private sector by 2020.

* + 1. **How does the programme design correspond to UNCDF’s IF intervention logic?**

Program design is consistent with the UNCDF’s Financial Services Sector Approach to identify and fill market constraining gaps at macro, meso, micro and clients’ level. UNCDF program design also typically provides some degree of flexibility for management to develop annual strategic plans focusing, or responding to, on major constraints and significant market opportunities at each of these levels as context demands. This gives program managers tactical flexibility to prioritize and address issues opportunistically as they arise within an overall strategic framework. Outputs are sufficiently defined not to disrupt this flexibility yet target measurable outcomes. Design also insists on performance‐driven grants, augmented by a range of information, technical advisory, and training support tools. Program design is consistent with the main result 1: (Inclusive Economic Transformation) and outcome 1.4 of UNDAP 2013-2018.

BIFSIR Program provides additionally to the development path of the sector through provision of grants and loans to support refinancing of MFIs, SME Financing and capacity building of MFIs, SMEs, MINECOFIN, BNR and AMIR. Some loans have been given to MFIs and SMEs by BDF and SMGF. Some users of this service think that the interest rate is high. It would be good to explore on the phase II how loans can be given directly to MFI partners of the project to support their financial capacity.

Through output 1, BIFSIR do facilitate the creation of a conductive regulatory and policy environment. This in turn will encourage good practice with resulting investments in new services and markets.

 Consistent with UNCDF’s competitive advantage, BIFSIR was designed to employ three elements of catalytic capital:

* + - Familiarity and knowledge of MINECOFIN needs and key stakeholders generally;
		- Use of grants, TA, and convening capacity to catalyze appropriate regulatory and policy change; and
		- Use of grants, TA, and loans to encourage growth and innovation in the application of a sector development approach.
		1. **How well is the programme integrated into the Country Programme Action Plan (CPAP) and UN Development Assistance Framework/Plan (UNDAF/P)?**

BIFSIR outputs and outcomes are linked to UNDAF (2008‐2012), specifically to Outcome 5.3 –“Productivity improved and access to markets enhanced for small producers and MSEs”- and One UN Output 4.5 “National Strategy for financial Inclusion implemented to enhanced sustainable access to financial services by small producers.”

The Programme outputs and outcomes are also linked to UNDAP (2013-2018) Results Area 1. Inclusive Economic Transformation with outcome 1.1. Pro-poor growth and Economic transformation enhanced for inclusive economic development and poverty reduction and outcome 1.4. Sustainable urbanization, livelihoods, skills and decent employment, for urban and rural youth, women, output 1.4.3. Increased access to and utilization of financial services especially for women and youth. The BIFSIR Programme contributes clearly to these output indicators: 1) % of youth and women accessing and using financial services and products, 2) Number of financial institutions providing women and youth friendly services and products and 3) % youth and women supported entrepreneurs receiving financial support.

* + 1. **To what extent is the programme aligned with government financial sector development plans?**

Program design is consistent with the UNCDF’s Financial Services Sector Approach—macro, meso, micro and clients’ level —approach. UNCDF program design also typically provides some degree of flexibility for management to develop annual strategic plans focusing, or responding to, on major constraints and significant market opportunities at each of these levels as context demands. This gives program managers tactical flexibility to prioritize and address issues opportunistically as they arise within an overall strategic framework. Outputs are sufficiently defined not to disrupt this flexibility yet they target measurable outcomes. Design also insists on performance‐driven grants and are, augmented by a range of information, technical advisory, and training support tools.

The programme is aligned with the National Microfinance Strategy (2008-2012), the National Microfinance Policy Implementation Strategy (2013-2017) and The Rwanda Financial Sector Strategy 2013-2018 developed by MINECOFIN. Programme design has taken into account sector’s development/ absorption capacity and context.

* + 1. **To what extent is the programme owned (buy-in) by the government and/or Central Bank and/or Bank Superintendence?**

Relevant government and sector stakeholders including MINECOFIN and National Bank of Rwanda were consulted in the design of BIFSIR and the MINECOFIN is an implementing Agency. Although partnership agreements have been signed between UNDP/UNCDF and Implementing Partners after the approval of Investment Committee, payments have been made by UNDP/UNCDF prior the approval and request from MINECOFIN. MINECOFIN and BNR are both members of Steering Committee and Investment committee. MINICOM and BNR are implementing partners as well as Rwanda Cooperative Agency, a public institution in-charge of regulating and promoting Economic, Social, and other activities of the general interest. The design process sought extensive inputs from donors active in IF, including the World Bank, AFR, the DFID-UK, UNDP, among others.

The program’s multi‐donor SC and IC were designed to provide a mechanism for substantive collaboration/harmonization and a mechanism for pooled investments among donors.

* + 1. **To what extent does the programme meet the needs of the finance sector (e.g., fill gaps and overcome constraints for growth given the national/market context)?**

Prior to BIFSIR programme, the IF sector in Rwanda was hindered by the following dysfunctions (BIFSIR Prodoc 2009):

* Small cap, with the equity of more than 59% of MFIs lower than RWF10 million;
* Relatively young sector: more than 66 % of MF Is had less than five years of existence;
* Poor quality portfolio: only 13.7% of MFIs had a portfolio at the risk (PAR) beyond 30 days lower than 5%;
* Inadequate information management system (MIS): 77% of MFIs operated with a manual MIS and wires, and 90% had no management tools;
* Poor governance, more often than not;
* Concentration of MFIs in the southern of and western provinces (50%).

In 2010, AMIR identified the following constraints in the development of the microfinance sector:

* Microfinance service providers have limited professional skills and capacity to provide sustainable Microfinance services
* Weak internal control systems, compounded by lack of transparency and accountability
* Inconsistent application of monitoring and evaluation systems and performance indicators
* Financial Products and Services in the rural areas are under-developed: The estimated demand is in excess to the existing supply, while the poor face barriers of distance and institutional weakness
* Lack of research and awareness on the benefits and opportunities of informal savings practices
* Inadequate technology and information systems for reporting

BIFSIR design identified specific objectives at each level of the IF sector:

* At the client level: The capacity of women and youth to manage MSEs and access financial services is built (expected outcome 4). MSEs access to financial education and business development services.
* At the micro level: The capacity of leader MFIs, FSPs and entrepreneurial training providers to develop innovative services accessible to target populations is enhanced (expected outcome 3). Capacity of identified MFIs is enhanced in terms of financial resources, methodological tools, MIS, trainings, human resources and logistics. Refinancing is improved in the sector through the development of partnerships with the banking system. Targeted MSEs Business receive equity financing and their capacities to access markets are improved. Appropriate products and services are developed for targeted population.
* At the meso-level: the consolidation of the sector, capacity building and financial infrastructure are supported with a view to professionalizing MFIs in the provision of inclusive finance services (expected outcome 3). AMIR disseminates MFI best practices and advocates for the sector for GoR and donor stakeholders.
* At the Macro-level: Coordination, regulation and supervision framework of the sector are improved to promote financial inclusion in Rwanda (expected outcome 4). The program was designed to build the capacity of MINECOFIN and regulatory body.

Of the Stakeholders surveyed by this evaluation, 50% and 30% rated the extent to which BIFSIR met the needs of the finance sector as good and very good, respectively (See Stakeholder Survey Results, Annex 3, question 1.6).

* + 1. **To what extent is the programme owned (buy-in) at Financial Service Providers/Sector Support Organizations level (e.g., sector associations, credit bureaus, information providers, consultancies etc.)?**

Sector stakeholders including AMIR, RCA and Financial and Technical Service Providers were consulted in the design of BIFSIR and the Key programme Partners including the Association of Microfinance Institutions of Rwanda, the Rwanda Cooperative Agency and Business Development Fund and Financial and technical Service providers.

* + 1. **How well has the programme integrated cross cutting issues given programme objectives?**

**Gender and Youth**

BIFSIR’s design highlights the need to address the special circumstance of women of youth; to this end, 60% of new clients served by BIFSIR grantees should be women. Programme Design insists that all interventions, as well as monitoring and evaluation activities, ensure that gender is mainstreamed, by assisting institutions willing to explore and implement innovative methodologies that provide an increasing access to financial services rural poor women and youth.

The programme commits to measures of women and youth saving/credit clients.

Design does not consider the promotion of women in decision making positions within grantee organizations or, more generally, in the sector including the GoR; nor does it mention incidence of women as management/staff of MFIs, or management at BIFSIR itself.

**Environment**

BIFSIR design does not make reference to any specific environmental considerations (e.g., environmental portfolio risk management/screening or environmental operational performance of grantees).

Of the Stakeholders surveyed by this evaluation, 40% rated the extent to which BIFSIR integrated cross cutting issues as good (See Stakeholder Survey Results, Annex 3, question 1.8).

* + 1. **To what extent was a phasing out strategy incorporated in programme design?**

BIFSIR grants to FSPs and TFPs were for discrete projects and do not require long term support nor were they intended to support improved overall management or governance. There are no phasing out issues as a result. However, there is no clear sustainability plan built into BIFSIR design or any of its annual work plans/strategies. With its objectives, functions and the pivotal role played in the development of inclusive financial sector in Rwanda, the FSDD in MINECOFIN is well-positioned to continue the work of building the sector even after the end of the second phase of BIFSIR programme.

* 1. **Evaluation Question N°2: EFFECTIVENESS (POLICY AND STRATEGY)**
		1. **Are the project’s results known and influential among key IF sector stakeholders in the country?**

BIFSIR’s results are well known to its programme partners that include MINECOFIN, National Bank of Rwanda (BNR), MINICOM, Association of Microfinance Institutions of Rwanda, Rwanda Cooperative Agency, BDF, SMGF, RIM, UFC, Urwego Opportunity Bank, UNDP and UNCDF.

Primary programme stakeholders, such as grantees, have a good knowledge of BIFSIR Programme. Limited formal communication materials and/or channels (especially a program website or newsletter) has led to less than precise information on the program and have affected, to some degree, relationships with other donors/stakeholders. In 2014, BIFSIR has published a number of communication materials saved online: videos: mobile banking for rural women and youth in Rwanda, brochures, success stories: Hanga Umurimo success story, Community based saving groups drive vulnerable households out of poverty etc.

FSP opinion of BIFSIR was generally good, with minor issue related to funding delays and reporting.

* + 1. **Did programme induce policy improvements in the inclusive finance sector?**

Through a variety of activities including a grant of USD 400,225 and advisory/TA support to the BNR, the BIFSIR program has increased the awareness and appreciation of national decision‐makers and other key stakeholders of the need for a sound regulatory environment for inclusive finance and is laying the tracks for future developments. The program has had a role in four key regulatory and policy actions/activities:

* + - * + **Review of the microfinance law and its implementing regulation**:

The World Bank is committed to fund the provision of consultants to review the microfinance law and its implementing regulation. BIFSIR is being supported the validation and dissemination workshops of the draft with stakeholders at Province level.

Publication of a booklet containing the existing law and regulation governing microfinance activities which was distributed to SACCOs.

* + - * + **Supervisory functions of MFIs**

**Training of Inspectors in PEARLS:** PEARLS stands for **P**rotection, **E**ffective Financial Structure, **A**sset quality, **R**ates of Return and costs, **L**iquidity and **S**igns of growth. PEARLS is a financial performance monitoring system designed to offer guidance for Savings and credit cooperatives. It is also a supervisory tool for regulators. It offers indicators standards to supervise the performance of savings institutions. The training organized in October 2014 enabled the Inspectors of the Microfinance Supervision Department, included those appointed in BNR Branches, to make a deep financial analysis of a microfinance institution (MFI/SACCO) by highlighting of key financial ratios and their interpretation.

**Conducting supervision missions of UMURENGE SACCOs:** During August and September 2014, targeted onsite inspections were conducted in 26 SACCOs countrywide. The inspections were conducted in 4 districts in Eastern province, 3 districts in Western province, 3 districts in Southern province and 3 districts in Northern province with focus on financial aspects, governance and loan portfolio management.

**Conducting technical Study Tour in Ethiopia on the application of risk based supervision tailored deposits taking microfinance institutions:** Ethiopia was identified for a study tour in the application of risk based supervision tailored deposits taking microfinance institutions.

**Financial and accounting support to MFIs**: Training of 60 TCU Consultants in Accounting, Financial Analysis and Cooperatives principles (2011).

**Human resources and capacity building of MFIs:**

* + - * + Identifying MIS platform for MFIs

**National Microfinance Strategy (2008-2012) and National Microfinance Policy Implementation strategy (2013-2018)**

BIFSIR has contributed to development of the National Microfinance strategy and the National Microfinance Policy Implementation Strategy in Collaboration with sector stakeholders (MINECOFIN, BNR, AMIR, RCA, FSPs, TSPs etc). These documents provide 7 key principles in line with the internationally accepted best practices:

1. The role of the Government is to create a favorable environment for microfinance, without being a provider.
2. The Government is charged with creating favorable conditions for the establishment and growth of sustainable and self-sufficient MFIs.
3. The Government supports a complete integration of the MF sector into the financial system framework.
4. Supervision and regulation are required to ensure safety of deposits. Prudential regulation is required for some categories of MFIs.
5. Local, national and international partnership and networking to spread best practice and professionalism is encouraged.
6. The people of Rwanda will be best served by professional, sustainable MFIs that offer affordable and diverse products and services.
7. MFIs should assist in the empowerment of women and should be available to all sections of the community particularly the poor and vulnerable.

Four principles have been added to this original list (National Microfinance Policy Implementation strategy 2013-2018), related to the demand and the importance of social performance:

1. Microfinance providers have to treat their clients fairly and have to promote their financial education. Financial inclusion is not only about access to financial services but also about financial literacy: the awareness, knowledge and skills of the clients to make decisions about savings, investments, borrowings and expenditure in an informed manner.
2. Clients will strive to use financial services responsibly and to comply with their obligations towards the institutions that provide them with these services. They will participate in initiatives to increase their financial literacy.
3. The performance of microfinance providers, and of the whole sector, will not only be measured by their financial performance but also by their social performance.
4. The donor community should act in line with the priorities of the NMPIS, using appropriate grant, loan and equity instruments to contribute to the development of the MF sector, strengthen institutions and support innovation.

**Financial education Strategy and mobile financial services**

BIFSIR has supported the financial education strategy and the introduction of mobile banking and agent banking. At the policy levels, the government was induced to develop relative policies and strategies.

60% of the Programme Stakeholders surveyed believes that BIFSIR has helped to embed the interest of the sector in the government institutions (see Annex 3, Programme Stakeholder Survey, and Question 6.2).

* + 1. **To what extent did policy improvements lead to growth or sustainability of the sector?**

The programme has supported the review of the microfinance law and its implementation regulation under the National Bank of Rwanda (BNR) full support.

BIFSIR resources were significantly used to support the Government of Rwanda’s initiative to establish Umurenge SACCOs throughout the country. Setting up 416 U-SACCOs played a critical role in increasing access to financial institutions and providing formal financial services to Rwandans who would otherwise not use formal financial services in a manner that meets their needs. According to FinScope Rwanda Survey Report 2013 the number of adult population accessing to formal financial services has doubled from 21% in 2008 to 42% in 2012. This progress was partially attributed to an increased uptake of products offered by non-bank formal financial institutions such as SACCOs. More specifically it was noted that;

* + - * + Umurenge SACCOs have significantly changed the landscape of formal access to finance in Rwanda
				+ Individuals who have opened SACCO accounts are using these accounts more actively than those who are using bank accounts.

With the support of BIFSIR Programme, RCA has trained 416 SACCOs on harmonized policies including the saving policy, the credit policy, liquidity policy, cash, security and investment policy. This was - in response to the Government’s Strategic efforts in UMURENGE SACCO consolidation.

BIFSIR has, also, supported the National Policy of SACCOs developed by RCA and, the harmonization of the policy. BIFSIR has also contributed to the development of the National Microfinance Policy Implementation strategy (2013-2018).

* + 1. **Did programs foster governments’ commitment towards pursuing the MDGs?**

The programme contributed to the GoR’s poverty alleviation and gender goals of the MDGs especially MDG No1: Eradicate extreme poverty and hunger and MDG No3: Promote gender equality and empower women (ROK-UNDP MDG TF Donor Report 2014). By targeting unbanked individuals to access financial services and financial education, the programme facilitates income generating activities and employment creation, which in turn, decreases malnutrition and contributes to household welfare. These objectives are related to MDG 1 target A, B and C: income generation, productive and decent employment and hunger reduction. Since the primary programme beneficiaries are women. The opportunity for women to benefit from financial services and entrepreneurial capacity building increases their self-reliance, family’s welfare and employment opportunities. These objectives are related to MDG 3.

The programme supported these goals through support of Financial service Providers and directly and indirectly contributing to:

* + - * + Economic Development and Poverty Reduction Strategy (EDPRS II)
				+ National Microfinance Policy Implementation Strategy II
				+ Rwanda Financial sector Strategy (2013-2018)
				+ Financial Sector Development Program 2
				+ Small and Medium Enterprises (SMEs) Development Policy
				+ Youth and Women Employment flagship document
				+ Financial education and literacy strategy
				+ National Employment Policy Document
				+ Youth and Women Access to finance Programme

* 1. **Evaluation Question N°3: EFFECTIVENESS (CAPACITY BUILDING)**
		1. **Do implemented investments correspond to FSPs/SSOs priorities and needs?**

BIFSIR programme design appropriately highlighted the need for:

* management capacity development.
* Innovation to spur access and outreach

These needs are typical indication of immature IF sector, where enhanced capacity ideally leads to improved outreach leading to increased scale and greater sustainability. Capacity building in this sense should lead outreach development (and subsequent demand for on‐lending capital).

The section below discusses capacity building, innovation and outreach and compares capital to grant uses.

**Capacity Building**

After fifteen years of moderate growth and modest to poor performance, the majority of established MFIs in Rwanda continue to face significant management challenges, particularly related to general management capacity and institutional processes/systems. For example, MFIs in Rwanda are not currently sustainable and have negative returns on assets and equity and therefore they are modestly productive. Management at many levels is generally weak and not typically supported with consistently good practice in training or processes/systems support.

BIFSIR has responding by supporting investments in some of these weak areas in form of grant to build management capacity development. The grants have targeted: trainings, MIS system improvements, ratings, product development etc.

For example, AMIR received funds from MINECOFIN for enabling MFIs to improve the capacity in lending to SMEs, supporting the implementation of Code of Conduct in the sector and to support AMIR’s operating budget.

RCA has received a grant of USD 559,053 for strengthening the capacity of SACCOs through harmonization of SACCO policies, and acquiring the core banking software for SACCOs.

**Innovation and Outreach**

Programme design identified the need for innovative approaches to reaching remote areas through the development of Mobile Banking and an interoperable Agent Network in Rwanda. Mobile banking Platform provides both savings and credit facilities including initially, a high credit disbursement rate and the reimbursement of credit via a network of agents.

For example, UOB has received USD 200,000 to launch its mobile Agent banking service. The key objectives of this support are:

* To increase customer access to savings, loans and insurance services, particularly those customers who are currently poorly served by the formal financial sector
* To remove the need for lending staff to handle cash
* To make UOB’s operations more efficient, particularly the lending operations and data handling

UMUTANGUHA Finance has received USD 276,232 to increase financial inclusion in the rural areas with an emphasis on VSLA, women and older youth with the following specific objectives:

1. Increasing outreach to 35,000 new MSEs mostly owned by women and older youth of the rural areas within a period of two years
2. Develop/Refine products to make them tailored to the project target group
3. Mobilize savings from clients, including VSLAs
4. Training Board members, UCU/UF staff and VSLAs’ leaders in MSE development (in partnership with CARE International in Rwanda)
5. Granting loans to the project target group
6. Monitoring borrowers
7. Strengthening institutional capacity to serve the above-mentioned clients by:
	1. Equipping UCU/UF with two motorcycles, 5 POS and branch equipments
	2. Facilitating field visits and monitoring
	3. Training Board members, UCU/UF staff and group leaders in MSE development (in partnership with CARE International in Rwanda)
	4. Increasing UCU/UF loan capital.

RIM has received 276,233 USD to reach the following targets by December 2014:

* Recruit 13.000 new clients borrowers SMEs, 60% of them to be women.
* 23,600 new active clients join RIM of which 70% are female clients.
* Portfolio at Risk at 30 days (PAR) greater than 30 days is reduced to 3%.
* Operational Self-Sufficiency (OSS) of 118% is achieved.
* Financial Self-Sufficiency (FSS) of 118% is achieved.
* Computerize its operations and provide capacity building to its staff by December 2014.

BDF has received a grant of USD 260,000 to reinforce lending capacity of SACCOs through a credit line at a concessionary rate and provision of capacity building of those borrowing MFIs/SACCOs.

SMGF, with a grant of USD 260,000, has committed to contribute to expanding access to finance to the population of Rwanda through MFIs and clients.

PAJER has received a support of USD 100,000 to carry out a linkage program of Community Managed Savings and Loans Groups (CMSLGs) to formal Financial Service Providers (FSPs). This support to PAJER is to deliver its commitments regarding financial education and entrepreneurships trainings to 400 VSLAs and 100 TVETS, to support the development of VSLA and TVET modules.

 Overall, 70% of Stakeholders interviewed believed rates BIFSIR’s meeting their needs as good to very good, with 20% rating it as excellent. (See Annex 3, programme Stakeholder survey, Question 3.1).

* + 1. **To what extent has the programme contributed to increased institutional capacity at FSP/SSO governance level?**

There have been no reported changes of governance structure, composition or quality as a result of BIFSIR, although, when questioned.

FSP and SSO are aware of the importance of an empowered, independent board with significant business, finance, legal, and government, relations experience. The review observed that while there is this understanding, high caliber board members are difficult to be recruited and by MFIs’ own admission, boards often have the required mix of professional backgrounds and depth of capacity.

* + 1. **How well has the IF programme strengthened human resource management capacities of FSPs/ SS0s/Government Agencies (GAs)**

**Macro-level**

BIFSIR provided USD 400,225 Support to the BNR for information education and communication on regulation and supervision, for organizing workshops and technical seminars with sector and accounting and audit firms, for study tours and trainings, for developing basic training tours for SACCOs, for enhancing the supervision and monitoring capacity of the BNR, to support the establishment of technical control Units of U-SACCOs and for training the SACCOS on MIS

BIFSIR sponsored staff from MINECOFIN in-charge of Microfinance to attend the BOULDER Microfinance Training in 2010 and 2014; MINECOFIN was able to identify two topics for the international study visit as in 1) micro leasing and 2) SACCO automation with a plan to visit Kenya or India for SACCO automation and Sri Lanka for micro leasing.

BIFSIR National Technical Advisor took a study tour to India from 6th to 14th December 2014 in regards to developing a scheme that would allow people working in the informal sector to save for their old age. This initiative is a paramount element for an inclusive long term saving mobilization strategy and household financial risk mitigation. The objective of the trip is to fine tune the model where a similar model has been implemented in other countries.

**Meso-Level**

In 2010, BIFSIR funded a team of microfinance experts (from BRD, BNR, RCA, AMIR and PMU staff) to attend trainings in India in the fields of Risk management, delinquency management, micro-insurance and micro-enterprise development.

BIFSIR provided USD314,400 support to AMIR to organize conferences and trainings for MFIs, study tours and exchange visits, replication of CGAP training modules to MFIs (good governance, operational risks, network management, MIS for MFIs, products development).

**Micro Level**

With the Partnership with BDF and SMGF, FSPs have received capacity building support to improve their governance structure, management information systems, performance management, accounting procedures, portfolio management, transparency norms and risk management practices.

**Client level**

MINICOM through Hanga Umurimo and RICEM programs has supported SACCOs to develop skills in MSE lending and risk management, the provision of apprenticeship trainings and advanced training to Proxy Business Advisors (PROBAs).

* + 1. **To what extent has the programme contributed to the strengthening of the financial capacity at FSPs/SSOs?**

All MFIs (UFC, RIM, UOB) in the BIFSIR portfolio and SACCO can collect savings. BIFSIR provided refinancing mechanisms to BDF and SMGF to finance U-SACCOs and MFIs. 8 SACCOs and 831 MSEs have been financed at a concessionary rate.

Overall, 70% of stakeholders interviewed believed rates BIFSIR’s contributing to the strengthening of their financial capacity indicated as good to very good, with 10% rating it as excellent. (See Annex 3, programme Stakeholder survey, Question 3.4).

* + 1. **To what extent are the FSPs providing appropriate opportunities to women?**

**Products, Services and Service Delivery**

Performance based contracts for all grantees include a target of 60% of all clients being women. Only one product is specifically designed for women by RIM (Réseau Inter Diocésain de Microfinance). The rest of the products, services, and service delivery innovations do not specifically take into account the needs of women. Use and applicability to the needs of women vary as a result.

**Women in the Sector**

The program has had no direct current impact on the number of women in Senior Management Positions or on the Board of Directors no do any project or trainings deal with such.

* + 1. **To what extent are FSPs/SSOs aware of existing environmental finance regulations (if any), environmental risks to portfolio and/or significant environmental impacts due to financing activities?**

There are no environmental regulations for FSPs/SSOs to comply in Rwanda that this evaluation could find, not any related to the provision or expansion of Inclusive Financial Sector products or services. The program has had no reported impact on grantee environmental policies or performance M&E indicators. BIFSIR has, however, made mention among stakeholders of environmental issues and there is some basic understanding of impacts and/or of potential market opportunities. Through its SPM Promotion implementation programme, AMIR sensitizes its Members to grant loans that are not affecting the environment and ensuring triple bottom line objectives are clearly stipulated and achieved.

* 1. **Evaluation Question N°4: LIKELY IMPACT (CLIENT ACCESS)**
		1. **To what extent do services meet the needs of low-income clients?**

MFIs and SACCOs offer credit, savings services and also recently mobile financial services. For the most part, available credit products do not meet all possible needs of the poor, particularly those in rural areas. Loans products are mostly “off‐the‐shelf” micro credit products with short terms and weekly or biweekly repayments. This kind of loan is appropriate for urban dwellers where the poor are involved in rapid turnover of commercial activities but are not particularly well suited to the rhythms of rural settings where income cycles are tied to agricultural production or short periods of high income and long periods of little or no income.

While a fairly standard “microfinance” approach to lending is applicable and valued in urban and peri‐urban settings, its efficacy in rural towns and areas is limited.

BIFSIR Programme supported products/services to address access to financial services especially for women and youth. Product and service needs are particularly supportive of improving access for low income persons. BIFSIR has directly supported the creation of only one new product (by RIM) serving the needs of women and two mobile financial services initiatives (UFC and UOB).

UFC, RIM, and PAJER combined, reached to 127,957 new clients since 2011. In addition, 20,851 youth clients were linked to financial service providers.

Table 7: Achievements from the beginning of the BIFSIR Programme

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2011** | **2012** | **2013** | **2014** | **Total/****Average** |
| new total clients served | N/A | N/A | 89,914 | 38,043 | 127,957 |
| Number of women clients |  | 47,226 | 18,188 | 65,414 |
| % of women |  |  | 53% | 48% | 51% |
| Number of youth clients |  |  | 8,719 | 12,132 | 20,851 |
| New VSLA linked |  |  | 418 | 203 | 621 |
| Number of MFIs/SACCOs supported |  | 78 | 5 | 83 |
| PAR (average) |  |  | 7.37% | 12.10% | 9.74% |
| SACCOs supported through RCA |  | N/A | 230 | 230 |
| MFIs supported on MSE lending (AMIR) | N/A | 10 | 10 |

The programme stakeholder surveys rates BIFSIR’s performance in meeting the needs of low income clients as good to very good (60%) and excellent (40%). (See Annex 3, Programme stakeholder Survey, Question 4.1) Clients have a positive perception with 55% of them rating financial services as mostly meeting their needs and another 40% saying they entirely meet their needs. (See Annex 4, Service User Survey, Question 2).

Additionally, 45% of clients felt services were the same (after grants) and 50% found they were better with 5% finding quality much better. (See Annex 3, Service User Survey Question 3).

* + 1. **To what extent has FSPs product and service offering improved?**

BISFIR has directly supported the creation to five new products (by RIM, UOB and UFC).

- RIM has been developed 3 new products: 1 saving product and 2 loan products (one for women only).

- UOB has developed its mobile Agent banking service in partnership with mVisa called “mHose”

- UFC has been supported to pilot its agent banking initiative in Nyamagabe Branch.

UFC and RIM have been supported to develop and tailor their financial products and services to the project target group. SMGF and BDF have been provided direct refinancing to MFIs: loans and technical assistance to FSPs.

The review survey of clients found 45% felt services were better (after grants) and 50% found quality much better. (See Annex 5, Service user Survey Question 3). 80% of programme stakeholders surveyed believe service offering improvement has been good to very good and 10% feel is it excellent. (See Annex 5, Programme stakeholder Survey, Question 4.2)

* + 1. **To what extent are the financial needs of gender being enhanced?**

Performance based contracts for all grantee include a target of 60% of all clients being women. Only one product is specially designed for women by RIM. The rest of the products, services and service delivery innovations do not specially take into account the needs of women. Use and applicability to the needs of women vary as a result.

* + 1. **Are new market areas being served?**

Historically, the majority of clients served by the IF sector in Rwanda reside in urban or peri‐urban areas. As BIFSIR has no formal definition of what constitutes rural, it is not possible to determine the extent to which rural areas are better served as the result of the program’s interventions.

A FinScope study (January 2013) revealed that 72% of the adult population had access to financial services and 28% of the adult population was financially excluded. The landscape of institutions offering microfinance services is diverse, ranging from SACCOs, MFIs, and Microfinance Banks including some commercial banks which are beginning to serve micro entrepreneurs. The establishment of Umurenge SACCOs has significantly changed the landscape of access to formal financial institutions in Rwanda. This intervention has been successful in providing formal financial services to Rwandans who would otherwise not have used formal financial services. 22% of adults (1 million) were members of an Umurenge SACCO. The proportion of adults with MFI accounts has not changed significantly since 2008. FinScope 2012 findings further indicated that 1.4 million (56%) of the 2.3 million Rwandan adults who were not formally served were not very likely to offer new opportunities for formal financial inclusion in the short or medium term.

Despite the efforts of the GoR, the issues on ‘demand capacity to use formal financial services’ as well as ‘supply side capacity to meet needs on the demand side’ are not adequately resolved. MFIs operates like banks-often requiring collateral coverage instead of using group-lending methodology.

Table 8: outreach of the microfinance sector

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2011 | 2012 | 2013 | 2014 | 2011/2014 |
| Loan portfolio (in FRW billion) | 38.3 | 42.6 | 60.9 | 77.9 | 104% |
| Number of accounts | 1,517,941 | 1,780,646 | 2,213,400 | 2,397, 000 | 58% |
| Number of loans outstanding |  |  | 156,900 | 169, 800 | 8% |
| Non-Performing Loans | 4.8% | 4.2% |  |  |  |
| Total deposits (in FRW billion) | 45.8 | 56.6 | 68.9 | 82.2 | 79% |

 2014, 2013, 2012 BNR Annual Reports

Growth of Loan Portfolio (104%), of number of accounts (58%), and deposit (79%) are indicative of new market development;

About 95% of clients surveyed found services to be closer to their homes which speak to some geographic expansion. On the other hand, 40% of clients felt services provided are less expensive that those used before. (See Annex 3, Service User Survey Question 3). Programme stakeholder surveys rates BIFSIR’s performance in being served new market areas as good to very good (80%) and excellent (10%).

* + 1. **Is there greater competition for the low-income market?**

Due to low penetration rates and modest supply, stakeholders report no heavy competition in the low income market. This is changing however as the commercial banks become more interested in the markets and conventional Inclusive financial Institutions develop outreach capacity. 60% of programme stakeholders surveyed believe competition enhancement has been good and 10% feel is it very good. (See Annex 5, Programme stakeholder survey, Question 4.5).

* + 1. **Are sector SSOs providers being established / supported (e.g. FSP auditors, credit bureaus, FSP associations etc. – if applicable)?**

The BIFSIR program has set out a number of targeted meso level outputs including many aimed at supporting capacity development to AMIR.

The target interventions include support for:

- Dissemination of MFI best practices and advocacy for the sector

- Trainings on best practices for audits of MFIs, implementation of MIS and ratings

AMIR’s role consists of guiding microfinance sector through consensus-building among sector stakeholders, promoting dialogue with decision-makers, advocating for policy reforms, supporting MFIs in the provision of microfinance services and promoting cooperation and lateral learning between MFIs.

AMIR has been identified as the key actor in capacity building of MFIs. AMIR contributed to the capacity building of the sector by conducting CGAP Module trainings (governance, new product development, MIS, Risk Management, financial analysis) and providing technical support to selected MFIs. AMIR has supported the ratings of MFIs and promoted the code of conduct and consumer protection principles within its members.

* + 1. **Do SSOs meet the needs of FSPs?**

The capacity of AMIR has been enhanced over the years. The products and services provided to MFIs by AMIR are appreciated. AMIR has established its consulting arm to become more and more sustainable by generating income. Stakeholders surveyed believe that BIFSIR’s support for sector infrastructure has been 50% good and 40% very good. (See Annex 5, Programme stakeholder Survey, Question 4.7).

**4.4.8 To what extent is the capacity of low-income women and youth strengthened to manage MSEs and access financial services**

The BIFSIR Programme has partnered with the Ministry of trade and Industry (MINICOM) to support in 2014 Hanga Umurimo and RICEM to scale up SMEs Development initiatives. As on December 2014, 417 PROBAs, 1500 apprentices, 187 TVET graduates and 2417 VS&LAs have been trained in Entrepreneurship skills. 1500 apprentices (585 female) have been completed 3-month trainings in different fields: carpentry (261), tailoring (494), welding (324), mechanics (185) and hair cutting (236). Then, they are eligible to apply for the tool-kits. SACCOs have been selected to provide financial and technical support to the apprentices. An amount of USD 334,632 has been transferred by MINICOM to the SACCOs by MINICOM to provide loans and grants to the beneficiaries. To build the capacity of SACCOS, trainings on MSEs and SACCO management and governance have been organized for SACCO Managers and Board of Directors. 207 SACCO Managers and 52 Board members attended these trainings organized by RICEM.

TABLE 9: Hanga Umurimo Target versus achievement as December 2014

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Target** | **Achievement** | **%** |
| PROBAs | 416 | 416 | 100% |
| Apprentices | 1,440 | 1,500 | 104% |
| TVET graduates | 200 | 187 | 94% |
| VS&LAs | 2,400 | 2,417 | 101% |
| **Overall** |  |  | **100%** |

**4.4.9 To what extent the programme achieved the planned objectives of Republic of Korea-UNDP MDG Trust Fund?**

The programme has contributed to the achievement of MDGs in particular of MDG 1 “Eradicate extreme poverty and Hunger”. The programme beneficiaries are mostly vulnerable women and youth. The programme has supported MINICOM Project called Hanga Umurimo (“create your own jobs”). 1500 youth Rwandans have been equipped with vocational and entrepreneurship skills to be able to create small jobs. They were able to access to financial institutions to obtain seep capital and technical support. The beneficiaries were selected considering demographical coverage in terms of poverty level and geographical locations. The programme has support the MINICOM to organize some trainings for SACCOs on cash-flow based lending to MSEs. The programme provided 88 computers to the UMURENGE-SACCOs in order to build their institutional capacity and be able to offer financial services to the rural population in Rwanda. The programme has supported PAJER to promote community-based group lending methodology. Over 10,000 people (96% women) have been able to access to financial services through saving group methodology.

* 1. **Evaluation Question N°5: SUSTAINABILITY**
		1. **To what extent are FSPs/SSOs financially viable (i.e., sustainable) FSPs/SSOs in the longer-term, independent of external assistance?**
			1. **Is there evidence that FSPs/ SSOs maintain financially viable operations after completion of the intervention (or improving trends towards financial viability)?**

From 2010 to 2014, the BIFSIR project had provided financial support and technical assistance to three Microfinance Institutions (RIM, UFC, UOB), two financial institutions (BRD, BDF and SMGF) and 3 sector support organizations (AMIR, RCA/UMURENGE SACCOs and PAJER), and 1 Ministry (MINICOM/Hanga Umurimo. These are in the form of grants;

TABLE 10: BIFSIR Grants as December 2014

|  |  |
| --- | --- |
| Implementing Partners | Grants (USD) |
| 1. UFC | 276 232 |
| 2. RIM  | 276 233 |
| 3. UOB |  200 000 |
| 4.SMGF |  260 000 |
| 5.BDF | 260 000 |
| 6.AMIR | 151 000 |
| 7.RCA/UMURENGE-SACCOs | 564 053 |
| 8.PAJER | 100 000 |
| 9.MINICOM/HANGA UMURIMO/RICEM | 970 420 |
| 10.BRD | 162 000 |
| **Total** |  **2 959 938** |

BIFSIR supported FSPs shows very modest financial performance improvements from the period 2010 to 2014 (see Table below). 2 FSPs (RIM and UOB) have negative return on assets and equity. 2 others (UF and U-SACCOs) have positive but not improved return on asset and equity.

Operational and financial self-sufficiency are less than 100 for RIM and UOB indicating that these two FSPs are neither able to pay all their operating or capital costs. Two other FSP, UF and U-SACCOs have more than 100% for operational self-sufficiency.

TABLE 11: BIFSIR MFIs Financial Performance and Africa MFIs Benchmarks

|  |  |  |
| --- | --- | --- |
|  | In median figures |  |
|  | BIFSIR MFIs | Africa Benchmarks (source: MIX Market) |
|  | 2010 | 2014 | 2010 | 2014 |
| Total Assets (´000)  | 4,611,817 | 11,146,925 |  |  |
| Total Portfolio Outstanding (´000) | 2,436,928 | 5,013,370 |  |  |
| Total Savings Balance (´000) | 1,294,690 | 2,246,028 |  |  |
| Savings to Loan Ratio | 2.16 | 2.98 | 2.48 | 3.27 |
| Capital to Asset Ratio (Capital Adequacy) | 31.21% | 38.94% | 24.75% | 23.15% |
| Portfolio To Assets Ratio | 51.24% | 50.24% | 60.94% | 62.68% |
| Debt to Equity Ratio | 2.16 | 2.98 | 2.48 | 3.27 |
| Return on Assets | 5% | 0.5% | 0.68% | 0.86% |
| Return on Equity | 9% | 1% | 4.36% | 4.43% |
| Operational Self‐Sufficiency | 116% | 113% | 103.56% | 102.62% |
| Borrowers/Loan Officer | 224 | 205 | 225 | 185 |

In terms of fund source and utilization, BIFSIR Financial Institutions Partners have better performance than counterpart MFIs in Africa with a capital adequacy ratio at 39% compared with the benchmark of 23% and a savings to loan ratio of 2,98 compared to a benchmark of 3,27; This indicates a stronger liquidity position but may also suggest poor lending productivity.

MFIs have better lending efficiency measured by loans officer to loans managed with an average of 205 borrowers per loans officer compared to the African benchmark of 185.

* + - 1. **To what extent has the programme improved long-term planning, management, and governance processes at FSP/SSO level?**

The BIFSIR Programme encourages all Implementing Partners to endorse the Client Protection Principles of the Smart Campaign:

* Prevention of over-indebtedness
* Transparency
* Responsible Pricing
* Fair and respectful treatment of clients
* Privacy of client data
* Mechanisms for complaint resolution

By endorsing the principles, the Implementing Partners commit to incorporate the Principles in its policies and practices and to monitor their implementation. But the evaluation team is not able to assess the implementation of these principles because this information is not available as programme Partners are not implementing and monitoring these principles. Among BIFSIR Programme Partners, only UOB and AMIR have formally endorsed the Smart Campaign (Source: [www.smartcampaign.org](http://www.smartcampaign.org)).

The capacity building activities are not focused on long-term planning and governance processes although AMIR have organized some trainings on Good governance and Business Planning for its members.

* + 1. **To what extent is phasing out of sector support incorporated in programme annual work plans?**
			1. **Was sustainability incorporated in the programme strategic/annual work plan process?**

BIFSIR has no clear sustainability plan built into its design or any of its annual work plans/strategies. UNCDF and UNDP are now working to design a second phase of the programme with more focus on client and micro level. Sustainability Targets have been integrated into the contracts with FSPs/SSOs (e.g. Operational Self –Sufficiency and Financial Self-Sufficiency).

* + - 1. **Does the intervention design articulate a clear and workable exit strategy for UNCDF?**

BIFSIR has not made formal provisions for transferring its accumulated experience and knowledge. With its objectives, functions and the pivotal role is playing in the development of inclusive financial sector in Rwanda, the FSDD/MINECOFIN is well-positioned to continue sector building work after the end of the second phase of the programme.

* 1. **Evaluation Question N°6: EFFICIENCY OF PROGRAMME MANAGEMENT**
		1. **How effectively have programme managers delivered on the annual work plans?**

Overall, the program’s achievements against annual work plans and related major targeted outputs have been good. An analysis of major activities budgeted for and approved in annual work plans shows:

* 95% of planned activities were funded
* 70% projects are executing plans,
* 57% of projects have been completed

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2010 | 2011 | 2012 | 2013 | 2014 | **Average** |
| Funded | 88% | 92% | 96% | 100% | 100% | **95%** |
| Executed | 65% | 50% | 86% | 58% | 93% | **70%** |
| Completed | 65% | 42% | 68% | 26% | 86% | **57%** |

Several significant output items have yet to be achieved including work with the BNR, RCA, MINICOM and UFC.

* + 1. **How well has programme helped align objectives of government departments/ ministries, Central Banks and/or Super-intendencies?**

BIFSIR Programme aligns with MINECOFIN Vision for Inclusive Financial Sector in Rwanda. The BNR has been supported to improve its supervision role and to implement a new regulatory framework.

* + 1. **How effectively have program managers managed the interests of all partners (if joint programme is applicable)**

The MINECOFIN is the implementation partner of BIFSIR and the BIFSIR staff is responsible for all work related to IF sector development. The BIFSIR CTA, NTA and ME Officer sitting in the MINECOFIN office managed the program during start up and provided ongoing support to BIFSIR staff and SPIU.

The program facilitated closer coordination, co‐operation and interaction with the relevant government agencies/institutions by ensuring that all relevant institutions were represented in the BIFSIR Steering Committees and in the National Microfinance Consultative Committee and the Financial Services Sector Working Group meetings

BIFSIR has assisted in the institutional strengthening and capacity building of the several government institutions including MINECOFIN and BNR in particular, paving a way for an organized and synergistic approach to the pursuit of the national IF objectives. Program staff have represented the Ministry on several occasions at inter‐governmental and donor forums, conferences, and meetings. BIFSIR has also supported the MINECOFIN goal of taking the lead for IF sector development in the country.

**Clear roles and responsibilities**

All BIFSIR staff has clearly defined roles and responsibilities:

**Chief Technical Advisor (CTA)**: provides direct Technical Assistance to the programme and conducts related operations, provides further support/advice to various structures, such as the contracting MFIs, the National Bank of Rwanda, AMIR, MINECOFIN, develops partnership with donors and other investors and contribute to resource mobilization and provides support in the acquisition and management of knowledge for the development of financial inclusion. This position has been removed since 2013 and the NTA has been taken these roles/responsibilities.

**National Technical Advisor (NTA)**: provides technical assistance to the BIFSIR Expansion Programme and conducts related operations, provides further support to various structures, such as the contracting MFIs, the National Bank of Rwanda, AMIR, MINECOFIN and Private sectors., supervises the management team, receives technical and policy guidance from UNCDF’s regional Office. The NTA works in close collaboration with UNDP and ensure that inclusive activities are reflected in the annual work plans and develops strong partnerships with other development partners.

**Monitoring and Evaluation Specialist**:

The M & E Specialist serves as a resource person/expert to ensure that innovative approaches of monitoring are included in the planning and formulation of programme activities. She assists in establishing a coherent M & E system for the programme and provides reliable data, reviews new programme activities and analyses how to evaluate and communicate clear and verifiable results, improves the quality and substance of reporting on programme performance and achievement.

**Efficient joint management and decision making**

The BIFSIR NTA is responsible for program execution and all day‐to‐day management decisions. Grants are reviewed and approved by the Investment Committee (IC). Only donors and MINECOFIN have a seat on the IC. The Steering Committee is responsible for all governance, oversight and strategic decisions.

* + 1. **How effectively have funds from the programme been transferred to FSPs and SSOs?**

Each grant is funded according to the contract agreement of each programme partner. Some delays in fund disbursement have been experienced by very few partners (BNR, PAJER, UF). Of the stakeholder surveyed only 10% thought fund transfers were excellent, 60% believed it was good to very good. (See Annex 5, Programme stakeholder Survey, Question 6.5);

* + 1. **How effectively have technical assistance (TA) services been delivered to FSPs and SSOs?**

Capital and TA investment management and delivery has been adequate. Some funding delays have been experienced, especially in 2013. Some Partners (RCA, UF, PAJER) have not been implemented their activities on time. Post contracting management include:

**Quarterly reports**

Quarterly IP reports are, for the most part, submitted on time. Quarterly IP reports are not particularly detailed and while they comply with UNCDF/UNDP data requirements, they do not include all data required to fully assess financial performance. Supplemental monitoring activities through, for example, IP annual reports analysis and site visits, complement quarterly reports.

**Site visits**

BIFSIR staff made some site visits to Implementing Partners and beneficiaries.

60% of Programme stakeholders feel that BIFSIR services have been good to very good while 10% feel it has been excellent. (See Annex 5, Programme stakeholder survey, Question 6.6)

**Technical assistance**

Technical assistances (e.g. consultation of activities development, reviewing of ToRs, agreements, development of solutions to tackle any operational issues) have been provided on regular basis to implementing partners.

**Learning Workshop in 2014**

The BIFSIR Programme team organized a learning workshop in June 2014 whereby all Implementing Partners received short training on results based reporting. Such trainings should be organized at the beginning of the programme for all stakeholders to ensure an efficient and smooth reporting system.

* + 1. **How effectively have capital and TA investments been managed by the responsible unit (e.g., PSU or third party contractor)?**

Six BIFSIR Grants went directly to financial institutions: UFC, RIM, UOB, BDF, SMGF and BRD after approval of IC. Loans to MFIs from BDF and SMGF are approximately 15%. Some projects are now not implemented on-time (e.g. UFC, BNR and RCA).

* + 1. **To what extent has the regional office ensured oversight and guidance functions? (if applicable)**

The regional UNCDF office in Johannesburg/Addis-Ababa has played an important role in the program until mid-2014. The regional office visited the program twice per year since the beginning of the BIFSIR programme. The regional office has been provided oversight and guidance for the Programme until mid-2014. The YouthStart Programme Manager based out in Senegal has been designated to conduct one mission to Rwanda in 2014.

* + 1. **How well is monitoring and evaluation linked into the needs of the management?**

BIFSIR uses quarterly and annual reports as the main monitoring and evaluation tools. Contents of the reports are adequate but inconsistent. Reports for the first two years (2010 and 2011) were of minimal quality, however, once the CTA, NTA and M&E Specialist joined the quality of progress reports improved considerably. From 2010 to 2012, to varying degrees annual and quarterly reports lack:

* updates on outputs and outcomes;
* systematic coverage on IP outreach;
* consistent structure for comparative purposes;
* achievements against targets
* long term IP data;
* Inconsistent use of UNCDF IP performance indicators;
* IP performance and outreach attribution rationales;
* Disaggregated grantee data

Since 2013, annual and quarterly reports have been improved significantly. IP performances and Key performance indicators have been monitored regularly.

A specific critique is a lack of balance sheet data on the standard UNCDF financial reporting template which emphasizes outreach and income statement performance data.

Regarding data management, BIFSIR staff reported a high degree of satisfaction with the Atlas and was able to provide substantial data for this evaluation from the system related to project expenditures.

* + 1. **Is M&E data and reporting being used to make strategic decisions about service delivery and for purposes of drawing lessons from experience?**

Monitoring and evaluation tools were found wanting in terms of structure, regularity and data. The combined effectiveness of monitoring and reporting tools is deemed inadequate to serve the full needs of BIFSIR. Project management was adequate but management of information for strategic program purposes was not. Governance was also inadequate as the Steering Committee did not ensure program staff substantively address/follow up the implementing partners.

* 1. **Evaluation Question N°7: PARTNERSHIP AND COORDINATION**
		1. **Has the partnership mobilized additional resources for program implementation / replication?**

BIFSIR began with USD 2.4 million and 2 million commitments from UNCDF and UNDP respectively. They were joined by BIFSA and One UN FUND (UNDP+UNCDF) for USD 25,000 and USD 373,606 respectively. In 2013 for the expansion of the programme, BIFSIR received USD2,239,758 from ROK-UNDP MDG Trust Fund, meeting the programme five year budget of USD 7,038,365.

At the beginning of the programme, BIFSIR has initiated collaboration with the following organizations for a better coordination mechanism: Care International –Rwanda, DFID/AFR, AQUADEV, TERRAFINA-Rwanda, German Savings Foundation, USAID and CGAP/World Bank.

The programme has partnered with Access to Finance Rwanda (AFR), an initiative funded by DFID and World Bank, for the evaluation and redesign of the National Policy Implementation Strategy 2013-2018, for the 2014 National Savings week, on VSLA linkage, SACCO sustainability study 2012 and on pension scheme development. The YouthStart and the Microlead Programmes, both UNCDF regional programmes, have supported respectively UMUTANGUHA Finance LTD and UMURENGE –SACCO. Please note that YouthStart’s support to UFC was granted before BIFSIR started its support.

* + 1. **Has the partnership favoured the harmonization of donor’s interests?**

BIFSIR has been the only structured inclusive financial sector support in Rwanda. BIFSIR has unsuccessfully reached out to other donors both for financial and sector coordination support. BIFSIR’s support to MFIs (RIM, UF, UOB) and AMIR has attracted interest of others technical and financial partners to support these institutions.

* + 1. **Has the partnership enhanced UNCDF positioning and catalytic function?**

The partnership between UNDP and UNCDF has been smooth. This partnership has been enhanced UNCDF positioning and its catalytic function. Additional funds were raised for the expansion phase. Staff Members (CTA, NTA, M&E Specialist) have been recruited on behalf of UNCDF.

1. **Conclusions and recommendations**
	1. **Overall assessment**

The BIFSIR programme design met the needs of the country, and targeted important gaps at the macro, meso, micro and client levels. The design allowed sufficient flexibility to respond to changing sector context and the programme was able to accomplish a good deal of its targeted outcomes and has made solid achievements towards achieving all of its outputs. The accomplishments suggest that the underlying development hypothesis of the programme is correct even if the programme has not maximized its overall impact.

Based on the ratings assigned to each evaluation question (see completed evaluation matrix Annex 2) and on the considerations made above on key contributions, the evaluation team has concluded that the programme deserves an overall **Satisfactory** rating.

**Outcome 1: Coordination, regulation and supervision framework of the sector improved to promote financial inclusion in Rwanda**

The structures of coordination, regulation and supervision framework have been put in place by the creation of Financial Sector Development Directorate in the MINECOFIN and the SACCO supervision unit in the Central Bank.

BIFSIR supported the MINECOFIN to improve the sector coordination of development and implementation of national financial strategy at the policy and national strategy level. In 2011, BIFSIR Team co-chaired the financial Inclusion working group that was composed of partners who are interested in financial sector development. In 2013, the working group developed national financial education strategy whereby 4 sub-working groups targeting children, youth, adults and financial institutions were set up to develop and implement activities related to financial education and literacy in Rwanda.

The Programme has supported the publication and the dissemination of the new draft law and the supervision of UMURENGE SACCOs by the central bank.

**Outcome 2: Consolidation of the sector, capacity building and financial infrastructure are supported, with a view to professionalizing MFIs in the provision of inclusive financial services**

In terms of consolidation of the sector, the creation of 416 Umurenge SACCOs was a notable achievement toward this goal. BIFSIR resources were used to support the Umurenge SACCOs through the partnership with the Rwanda Cooperative Agency (RCA). RCA has supported the harmonization of operations manuals and procedures of all SACCOS and the automation of SACCOs operations. A core banking system is being acquired to help the Umurenge SACCOs on back-end data processing of all transactions.

At the market facilitation level, lack of last resort lenders has been among the barriers for MFIs/SACCOs. To fill the gap, BIFSIR has supported BDF, SMGF and BRD to lend to MFIs/SACCOs when they need loans to expand their on-lending portfolios. 45 MFIs and SACCOs were financed in 2014 by BDF and SMGF and 20,998 accessed credit through refinancing. These SMEs were 100% women and youth owned.

At the financial infrastructure level, AMIR has supported to maximize its performance in governance, operations, financial viability, human resources, external relations and service delivery. To professionalize the sector, AMIR has disseminated MFI best practices among its members and has provided tailored technical assistance to MFIs and SACCOs.

**Outcome 3: The capacity of leader MFIs, FSPs and entrepreneurial training providers to develop innovative services accessible to target populations is enhanced**

The capacity of leader MFIs and FSPs in developing innovate services have been enhanced through investment in technology based financial products like mobile banking, formation of village saving and loan associations that resulted in serving over 10,000 people to enter the financial sector.

**Outcome 4: The capacity of Women and Youth to manage MSEs and Access financial services is built;**

The Hanga Umurimo programme significantly contributed to youth employment and strengthening MSEs in rural areas as 1,500 youth, 416 proxy business advisors and 2,417 VSLA members were supported to have advanced entrepreneurship skills

**Outcome 5: Effective management, monitoring and evaluation of the Programme**

The BIFSIR programme's capacity in Results Based Management has been strengthened. National and international supports have been provided regularly by national and international experts. Quarterly and annual reports have been produced by Implementing Partners and Programme staff. Key Performance Indicators were developed and monitored by the Programme Unit.

The tables below present a summary of each evaluation question.

**Table 12: Conclusions per evaluation question**

|  |  |  |
| --- | --- | --- |
| **N°EQ** | **Summary Evaluation** | **Rating[[1]](#footnote-1)** |
| **1** | **How relevant is BIFSIR design to the needs of Rwandan population, especially the low-income (women and Youth) and Government’s demand for support?**The BIFSIR programme intervention is consistent with the National Microfinance Strategy (2008-2012) and the National Microfinance Policy Implementation Strategy (2013-2017). BIFSIR’s design is appropriately aligned with The Economic Development and Poverty Reduction Strategy and the country’s pursuit of the MDGs. The design is consistent with the FSSA approach and address key IF sector gaps. At the macro-level, design seeks to contribute to capacity building of MINECOFIN and BNR with a view to promoting financial inclusion. Meso design focused on capacity building and financial infrastructure support. At the micro-level, innovation and capacity development of leader MFIs were emphasized. At the client-level, design focused on capacity building of women and youth to manage SMEs and access to financial services. | **Satisfactory** |
| **2** | **To what extent has BIFSIR contributed to an improved regulatory and supervision framework that promote financial inclusion in Rwanda?**BIFSIR’s results are well known to its programme partners. BIFSIR has been influential in MINECOFIN and BNR and has been able to improve their understanding and implementing good practice IF sector development, leading to better coordination and supervision, new microfinance law and policy for the sector. Programme contributed to poverty alleviation and gender goals of the MDGs through support to Financial Service Providers. | **Satisfactory** |
| **3** | **To what extent has BIFSIR contributed to the Institutional Capacity of Financial Service Providers (FSPs), Sector Support Organizations (SSOs) and Government Agencies in line with financial inclusion agenda?**BIFSIR Programme has contributed to the strengthening of the institutional capacity of Financial Service Providers (RIM, UFC, OUB, U-SACCOs BDF and SMGF) and sector support organizations (AMIR, RCA, RICEM). The programme has also contributed to the strengthening of the financial capacity of MFIs and SACCOs. BIFSIR programme has supported the design of products, services and service delivery innovations addressing the needs of women and youth. | **Satisfactory** |
| **4** | **To what extent has the BIFSIR programme contributed to the improvement of access of low-income persons’ financial services and enhanced the market for financial inclusion services?**BIFSIR has supported the creation of few new products, services and service delivery channels. These new products and services are replicable, and along with mobile phone services offer a great potential for growth of the sector. Products and services are mostly appropriate for low income markets though credit products are predominately designed for urban markets. | **Satisfactory** |
| **5** | **To what extent are BIFSIR results likely to be sustainable?**BIFSIR supported FSPs shows very modest financial performance improvements for the period 2010 to 2014. MFIs have slightly better lending efficiency measured by the number of loans officer to number of loans managed with an average of 205 borrowers per loans officer compared to the African benchmark of 185. | **Moderately Satisfactory** |
| **6** | **How effective is the BIFSIR’s management in delivering expected results?**Overall, the program’s achievements against annual work plans and related major targeted outputs have been good. An analysis of major activities budgeted for and approved in annual work plans shows:* 95% of planned activities were funded
* 70% projects are executing plans,
* 57% of projects have been completed

Several significant output items have yet to be achieved including works with the BNR, RCA, MINICOM and UFC.Grant and TA management has been good with minor procurement and funding delays. Monitoring and tools initially lacked structure and clarity but had improved since 2012. | **Satisfactory** |
| **7** | **How well has BIFSIR leveraged on partnerships with donors and government to maximize its impact**BIFSIR began with commitments from UNCDF and UNDP. They were joined by ROK-UNDP MDG Trust Fund. At the beginning of the programme, BIFSIR has initiated collaboration with other organizations for a better coordination mechanism but they were not able to partner with the programme. Two other regional initiatives of UNCDF (YouthStart and MicroLead) have supported Programme Partners.UNCDF and UNDP have maintained a satisfactory institutional recognition for the program with fairly positive brand recognition among IF stakeholders. | **Satisfactory** |

* 1. **Recommendations**

The recommendations are listed in order of priority:

* Monitor and support the implementation of remaining projects and activities: Agent banking initiatives implemented by Umutangaha Finance, Support to PAJER to deliver financial education and entrepreneurship trainings, Support to MFIs to develop MSEs products, implementation of code of conduct by AMIR members, Support to MINICOM/Hanga Umurimo to train women and youth in entrepreneurship and to develop a database for monitoring PROBAs activities in all districts, Support to RCA to implement U-SACCO automation process, Support to BNR to conduct trainings, to organize workshops on new draft law with Stakeholders at district level and to conduct technical study tour.
* Strengthen FDSS/MINECOFIN staff’s capacity to execute relevant policies, develop and analyze new policies and develop and manage M&E system without external support.
* Strengthen the capacity of central bank to regulate and supervise new innovative financial services (e.g. mobile banking, agent banking etc).
* Make the roles of Chief Technical Adviser or National Technical Adviser and Programme Manager separately in the design of the phase II of the programme.
* Assess systematically and regularly the impact or at least a satisfaction survey analysis of capacity building activities (workshops, trainings, conference, study tours);
* Develop and disseminate regularly communication materials about the achievements of the programme to all stakeholders through appropriate channels.
* Put in place a clear knowledge transfer mechanism to FSDD/MINECOFIN
* Integrate environment considerations and specific financial products targeting only women and youth into the second phase of the programme
* Develop standardized UNCDF IF project reporting templates and definition while maintaining flexibility for programme specificity. This will help consistency in reporting facilitating common understanding of outcome and performance achievements;
* Elaborate a clear phasing out strategy in the second phase of the programme
* Create more synergy and collaboration with other UNCDF inclusive finance initiatives (YouthStart, Microlead, CleanStart, Making Access Possible, Mobile Money for the Poor etc) and incorporate them if possible into the second phase of the programme
* Conduct a baseline study at the beginning of the BIFSIR II Programme
* Ensure to have a rigorous data based approach in designing the BIFSIR II programme. It is important of having measurable and strong indicators, baseline and targets for the Phase II of the programme
* Collaborate with other donors/ partners (AFR/DFID, World Bank, GIZ, Terrafina) and other organizations involved in the inclusive financial sector development and women and Youth (Ministry of Youth and ICT, Ministry of Gender and Family Promotion, Ministry of Education etc.)
* Conduct mid-term evaluation of the second phase of the BIFSIR Programme.
* Use the Making Access Possible (MAP) tool which is a diagnostic and programmatic framework to support expanding access to financial services for individuals and micro and small businesses.
* Programme governance structures must provide a suitable forum for strategic decision making and accountability oversight on strategic decisions and tasks. Representatives must periodically assess the performance of the programme.
1. **Gender and human rights**

Right from its inception, the BIFSIR programme clearly mainstreamed gender and human rights issues in all its key programme documents, grant agreements and the memorandum of understanding (MoU) that were signed between BIFSIR and implementing partners. This systematic approach to gender mainstreaming is rooted in the GoR’s policies as reflected in the National Microfinance Strategy, National Employment Programme, the EDPRS II and 2014 joint (GoR and One UN) Youth and Women Employment Programme.

 By designing programmes targeting youth and women is in away a response to observing human rights promotion agenda, because it involves dealing directly with the vulnerable and the marginalised groups of the society in which the right to employment is fundamental. For example, through 416 SACCOs and refinancing of 78 SACCOs (and various MFIs), BIFSIR has contributed to the increase of financial inclusion rate improved from 21% in 2008 to 42% in 2012. The mechanisms used to reach this rate included group lending and mobile banking services targeting youth and women.

In all key documents, including the Joint Youth and Women Employment Programme which has activities related to financial inclusion and entrepreneurship promotion, there are distinct outputs and outcomes that specifically capture gender disaggregated data, as reflected in the BIFSIR routine reporting templates and feedback from the BIFSIR clients, which clearly show the numbers of women and youth benefiting from the programme. As a result, women beneficiaries of the programme have been financially and psychologically empowered. For example, BIFSIR programme set the gender threshold at 60% of the total programme beneficiaries. And the programme management team ensured that these minimum targets set on women beneficiaries as well as gender disaggregated data are collected. That is, the team ensured that all documents, certificates and reports that BIFSIR programme itself and/or the team is involved, comply with UNDP Principles of gender-sensitive communication. Technical support was provided to the project implementation partners to use gender sensitive language in their work.

Rwanda has ably established some initiatives targeting job creation for young men and women, such as *HANGA UMURIMO* (create your own job) project. The initiatives build on the fact that over 70% of Rwanda’s population is under the age of thirty five. Many young people and women find it hard to find a job outside the agricultural sector, where the main problem is the small plots of land. Rwanda is faced with one of the highest population densities of over 400 persons per hector.

The BIFSIR programme made use of such initiatives to encourage partners to enhance entrepreneurship skills among women and youth. Access to job and entrepreneurship opportunities for the youth requires improved technical and vocational training. BIFSIR’s support to the Government of Rwanda’s Hanga Umurimo (create your own job) initiative has made holistic change in the lives of young people especially those from poor families and out of schools by providing the basic vocational, entrepreneurship trainings and helping them to access to financial services. With BIFSIR support, 1,500 people (39% women) have been enabled to start their own small business.

Also, achievements have been registered in regard to enhancing national and local institutions capacity to design and implement inclusive employment programmes. This holistic employment approach which looks at both demand and supply sides has not only promoted skills development and employment opportunities for youth and women but also enhanced national and local institutions capacity to design and implement nation-wide employment programmes. For example, BIFSIR-Hanga Umurimo has contributed to supplement to the already existing District programme to help the youth create their own jobs. Also, by utilizing 30 Rural SME facilitators and 416 local Proxy Business Advisors (PROBAs) as trainers the project contributed to strengthening capacities of local government institutions and the capacity of each individual officer as well.

As mentioned earlier, BIFSIR project sets the gender threshold at 60% of the total project beneficiaries. Through all funding agreements, MINECOFIN was supported to ensure that there is a minimum target set on women beneficiaries.

Indicators related to Hanga Umurimo programme including apprenticeship training, entrepreneurship training provide gender disaggregation data. Thus gender specific results are captured at the end of the programme.

From programme design, BIFSIR observes that financial inclusion is a basic human right and BIFSIR project has worked through government, NGO, financial institutions to advance financial inclusion which in the end help families to grow their incomes, send their children to school, pay for health care, buy food and also alleviate out of poverty. Generally, the project interventions contribute to human self-confidence and household ability to access basic needs (housing, food, medicine, clothing, and education).

1. **Annexes:**

**Annex 1: Terms of Reference**

**PROGRAMME DATA SHEET**

|  |  |
| --- | --- |
| **Country:** | Rwanda |
| **Programme Title (long)** | Building Inclusive Financial Sectors in Rwanda (2010-2014) |
| **Programme Title (short)** | BIFSIR |
| **Programme Atlas Code (by Donor)** | Award ID: 00059183; Project ID: 00081703 |

**Financial Breakdown (by Donor)**

|  |  |
| --- | --- |
| **Commitments** | **As per Project Document (amount in USD)** |
| **UNCDF** | 2,400,000 |
| **UNDP** | 2,000,000 |
| **KOICA** | 2,239,758 |
| **BIFSA** | 25,000 |
| **UN ONE FUNDS (UNDP+UNCDF)** | 373,606 |

**Delivery to date (by donor)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Donor** | **2010** | **2011** | **2012** | **2013** | **2014** | **Total expenditures to date** | **Total delivery** |
| **UNCDF** | 343,716 | 631,873 | 699,847 | 280,995 | 260,814 | 2,217,245 | 92% |
| **UNDP** | 108,865 | 356,366 | 695,884 | 350,416 | 356,975 | 1,868,506 | 93% |
| **KOICA** |  |  |  | 682,160 | 1,557,597 | 2,239,757 | 100% |
| **BIFSA** |  | 25,000 |  |  |  | 25,000 | 100% |
| **UN ONE FUNDS (UNDP+UNCDF)** |  | 111,703 | 175,667 | 69,331 |  | 356,701 | 94% |
| **Total project budget** | 452,581 | 1,124,943 | 1,571,398 | 1,382,902 | 2,175,386 | 6,707,210 | 95% |

|  |  |
| --- | --- |
| **Executing Agency** | UNDP and UNCDF |
| **Implementing Agency** | UNCDF and Government |
| **Key Project Partners** | MINECOFIN, National Bank of Rwanda (BNR), Association of Microfinance Institutions of Rwanda (AMIR), Rwanda Cooperative Agency, Business Development Fund ( BDF), Financial Service Providers, Entrepreneurial Service Providers and key DPs ( DFID, AFR, KOICA, UN, KfW, ADB, WB) |
| **Approval Date of Project** | 18th December 2009 Original Commitment 3rd April 2013 Extension |
| **Project Duration as per Project Document** | 2010-2014 |
| **Project Amendment** | March 2013 (Extension) |

**Evaluation date:** January-March 2015

**1. Purpose of the Final Evaluation:**

**1.1 Objectives and audience**

BIFSIR evaluation will seek to *inform and advise stakeholders - UNCDF, UNDP, Government of Rwanda, KOICA and key project partners - on lessons learnt and the way forward for the project.*

Amongst the norms that the UNDP Policy seeks to uphold, the most important are that evaluation exercises should be independent, impartial and of appropriate quality but also that they should be intentional and designed with utility in mind, in other words that evaluations should generate relevant and useful information to support evidence-based decision making.

This Final Evaluation comes ahead of the end of the programme scheduled for June 2015 and with a view to inform future decisions around replication and scalability of the programme.

The evaluation will attempt to explore - data permitting - the full range of current and likely results of the programme – immediate and longer-term, direct and indirect, whether intended or not. In this way, and in line with standard evaluation practice, the scope of the exercise goes beyond assessing whether UDPD/UNCDF ‘*did things right’* in programme execution and management, to a broader assessment of whether on the basis of evidence available, the BIFSIR approach as implemented by UNCDF/UNDP and in comparison with similar approaches implemented by others is the *‘right approach’* to achieving the higher-level objectives agreed at the start of programme.

The overall objectives of the final evaluation are:

* To assist UNCDF, UNDP, and Government of Rwanda to understand the efficiency, effectiveness, relevance, and likely impact and sustainability of programme results;
* To provide an independent assessment of the strengths and weaknesses of the implemented approach – and if appropriate – advise on the key conditions necessary for the scaling up and/or replication of the model in future.
* To identify/document lessons learned and make recommendations that project partners and stakeholders can use in designing and implementing Phase II of BIFSIR project and other related projects and programs.

The primary audience for this evaluation is the Government of Rwanda, UNDP, KOICA and UNCDF. It will also help broader BIFSIR stakeholders to understand better the challenges and lessons learned around the design and delivery of inclusive financial and non-financial services for low-income countries in Africa with particular focus on Rwanda.

**1.2. Timing of the final evaluation**

The BIFSIR final evaluation is scheduled to start in December 2014 and will approximately end in March 2015, as detailed explain here below:

* Inception phase: December 2014 – January 2015
* Mission phase: January – February 2015
* Post-mission phase: March 2015

Important note: The supported Financial Service Providers (FSPs) report on their financial targets on a quarterly basis. The data available on FSP financial and operational performance at the time of the field mission will be as of 3rd Quarter; however, the Consulting team will have access to draft data of the 4th quarter and it is expected that this will be integrated into the evaluation report to present the most up to date progress on the Programme at the time of final submission.

**1.3 Management roles and responsibilities:**

UNDP is responsible for the management of this evaluation and will hire independent consultants to conduct this final evaluation. UNCDF Country Team in Rwanda, with the support of UNCDF - Southern and Eastern Africa (SEA) Regional Office in Addis Ababa and the Evaluation Unit in New Work, will provide technical assistance during all phases of the evaluation process: Preparatory, Pre-Mission/Inception, Mission, Post-Mission and Dissemination.

The consultant (s) should be experienced in providing technical services to international development agencies, particularly in the area of international development evaluation, and should have broad experience of the main sectors of international development cooperation, including private sector development and inclusive finance for the poor in the least developed countries of sub-Saharan Africa. In addition, the consulting team should present more specific experience and expertise in the areas of:

1) Evaluation of UNCDF or UNDP funded projects in Sub-Saharan Africa (SSA) or other Less Developed Countries (LDCs).

2) Supporting the development of inclusive finance systems in East Africa with particular experience in projects implemented in Rwanda;

3) Supporting local financial service providers develop inclusive finance products for un-banked population including women and youth.

As per UNDP’s Evaluation Policy, the Executive Agencies of the programme – under UNDP’s leadership - will ensure that the evaluation is conducted according to United Nations Evaluation Group (UNEG) Norms and Standards in Evaluation in the UN System, UNEG Code of Conduct for Evaluation in the UN System and UNEG Guidance for Integrating Human Rights and Gender Equality in Evaluation.

With a view to ensuring ownership of the evaluation findings, a Reference Group for the evaluation will be set up, composed of representatives of UNCDF’s SEA Regional office and BIFSIR Project team, UNDP Country Office team, KOICA Country Office and Government.

Reference Group Members will assist UNDP’s Evaluation Manager to complete the evaluation process by participating in the following:

* Reviewing the TOR before publication.
* Reviewing and commenting on the inception report.
* Reviewing and commenting on the draft report.
* Being available for interviews with the Consulting team.
* Review and validation of the final evaluation report.

**2. Programme summary:**

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 the strategy, which was approved by the Government of Rwanda, was to support “sustained economic growth and social development” in Rwanda. The NMS aimed to promote a vibrant microfinance sector offering **inclusive**, **diversified,** **efficient** and sustainable financial services.

The BIFSIR (Building an Inclusive Financial Sector in Rwanda) Programme was developed 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 and entrepreneurship.

Its specific objective is to contribute to capacity building of the various stakeholders at the macro, meso, micro and client levels, with a view to supporting the development of sustainable, quality and diversified financial and entrepreneurship skills services that are accessible to the less advantaged Rwandans, both in rural and in urban areas, and to improving their economic and social status.

The specific results of the Programme as per ProDoc 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.
* Client level: The capacity of women and youth to manage MSEs and access to finance is built.
* Programme Management, monitoring and evaluation are conducted efficiently.

Over four years of operation, the programme continued 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 and institutional capacity building of small FSPS, financial transparency, risk management, as well as the strategic partnerships between FSPs and informal financial groups (VS&LAs).

Under the initial budget commitment of US$7,038,365 over 5 years from 2010 to 2014 BIFSIR was jointly funded by UNDP (US$2,000,000), UNCDF (US$2,425,000), One UN Fund (US$373,606) and KOICA MDG Trust Fund (US$2,239,758).

More information can be found in Annex 2 of this Terms of Reference.

**3. Evaluation Framework and Methodology:**

**3.1 Evaluation Approach**

Considering the knowledge and experience of UNCDF in the financial inclusion sector, the methodology used for the BIFSIR final evaluation is based on UNCDF’s core evaluation approach which involves testing the intervention logic/development hypothesis underlying a programme against evidence on its implementation performance. The evaluation will assess the coherence of the programme’s theory of change, its progress towards expected outcomes and lessons learnt to date on programme design and implementation.

**3.2 Intervention Logic/Development hypothesis for the inclusive finance sector:**

 BIFSIR is utilizing the UNCDF sector development approach to micro finance that supports governments and stakeholders in building a common vision for the development of the industry. An early step is to conduct an assessment of the financial services’ sector and identify the impediments or gaps at various levels, including: legal, regulatory or policy (**“macro” level**), financial infrastructure and support services (**“meso” level**), the retail financial service providers (**“micro” level**), and the quality and nature of the need and demand for financial services (**“client” level**). At its core, also for the BIFSIR programme, the primary focus is to build the retail capacity in–country, in order to broaden and deepen financial service providers’ outreach. In this light, BIFSIR was born with the aim of supporting national financial service providers (FSPs) via its inclusive finance sector programmes to serve low-income people. It is important to mention that, at Client level, the program seeks to improve the technical and entrepreneurship skills among the rural and under-banked population.

Programme activities result in a number of *outputs***:** these take the form of improvements to the health and economic potential of FSPs, and sector service organizations (SSOs) at the meso level. The *intermediate outcome* is stronger, more stable IF sector and related meso level sector support to an enabling inclusive finance policy and regulatory environment for sustainable provision of financial service to low income households.

A detailed explanation of the intervention logic for the UNCDF Inclusive Finance Practice Area is described in Annex 3.

**3.3 Evaluation Methodology:**

The evaluation should be transparent, inclusive, participatory and utilization-focused. It should integrate gender and human rights principles following the United Nations Evaluation Group (UNEG) *Handbook to Integrate Human Rights and Gender Equality in Evaluation* and adhere to the *UNEG Norms and Standards for Evaluation in the UN System* and *UNEG’s Ethical Guidelines and Code of Conduct*[[2]](#footnote-2).

It should follow a theory-of-change approach to assess the immediate, medium-term and final results of the project, taking into account the influence of the context in which the programme was implemented. Where outcome- and impact-level data is lacking, the methodology should allow evaluators to assess the extent to which the programme interventions have *contributed* to the achievement of those higher level results.

The evaluation should use a mixed methods approach, drawing on both primary and secondary, quantitative and qualitative data to come up with an overall assessment backed by clear evidence. To the extent possible the data should be disaggregated by age, gender, and economic status.

The evaluation should seek to answer the following questions according to the 5 OECD/DAC criteria:

|  |  |
| --- | --- |
|  **BIFSIR Evaluation Questions**  | **Corresponding UN Evaluation Criteria** |
| **Question 1:** How relevant is BIFSIR design to the needs of Rwandan population, especially the low-income (women and youth) and government’s demand for support? | Relevance and Design |
| **Question 2:** *How well has BIFSIR’s programme management delivered the expected results* | Efficiency of Programme Management |
| **Question 3:** To what extent has BIFSIR contributed to improved Institutional Capacity of Financial Service Providers (FSPs), Sector Support Organizations (SSOs) and Government Agencies (GAs) in line with financial inclusion agenda? | Effectiveness (Capacity Building) |
| **Question 4:** To what extent has BIFSIR contributed to an improved regulatory and supervision framework that promotes financial inclusion in Rwanda? | Effectiveness (policy and strategy)  |
| **Question 5**: How well has BIFSIR leveraged on partnerships with donors and government to maximize its impact? | Effectiveness (Partnership and Coordination) |
| **Question 6:** To what extent has the BIFSIR programme contributed to increased access of low-income people to financial services? | Likely impact (client access) |
| **Question 7:** To what extent are BIFSIR results likely to be sustainable? | Sustainability |

In addition to the questions, the evaluation matrix provides a clear framework for data collection, and includes a series of proposed indicators, data collection methods and sources of information for each question and sub-questions. The proposed data collection methods include: i) desk review techniques such as key document analysis; ii) structured interviews with key stakeholders, focus group discussions, community meetings, site visits, etc.

This preliminary work has already been done and is presented in the Evaluation Matrix. In order to support the independence of this exercise, however, the Consulting team is requested during the Inception Phase and on the basis of their review of documentation and initial interviews with key programme stakeholders, to confirm the appropriateness of the Matrix to meet the broader objectives of the evaluation. In doing so, it is free to suggest alternative sub-questions, indicators and data collection methods. These changes should be presented as part of the Inception Report and share with the actors involved in the BIFSIR’s final evaluation.

**It will be the responsibility of the Consulting team to present and explain the full range of data collection tools (both quantitative and qualitative) to be used in this evaluation during the Inception Phase of the evaluation.**

This primary data will complement the secondary data that programme management will provide to the Consulting team on the basis of monitoring and reporting carried out to date (see Annex 4 for more details).

**3.2 Gender and Human Rights**

As with all evaluations conducted by the UN, the evaluation must include an assessment of the extent to which the design, implementation and results of the project have incorporated a gender equality perspective and rights-based approach (section 7 of the evaluation report). For more guidance on this the consultants are requested to review *UNEG’s Guidance in Integrating Human Rights and Gender Equality in Evaluation* during the inception phase[[3]](#footnote-3).

**4. Evaluation Workplan**

The work plan proposed takes in consideration three different phases:

- The Inception Phase where the evaluation consultants familiarize themselves with the key programme documents and conduct preliminary interviews with key programme stakeholders;

- The in-Country or Mission Phase where the evaluation consultants conduct interviews with the key counterparts and programme staff and visit the project sites;

- The Post-Mission (reporting phase) where all information gathered is analyzed and presented in the draft report according to the report template agreed during the Inception Phase.

|  |  |  |  |
| --- | --- | --- | --- |
|   | **Team Leader** | **Two National Consultants** | **Months**  |
| **Inception Phase** | 7 Days | 5 Days | January 15th to February 15th 2015 |
| **In-country Phase** | 10 days (roughly 8 days in Rwanda and 2 of travel) | 8 days |
| **Post-mission Phase** | 10 days | 5 days |
| **Total number of days** | 27 days | 18 days |  |

The more detailed in country work plan (with scheduled meetings, etc) phase will be developed by the NTA responsible for the programme being evaluated and attached to the Inception Report

**5. Evaluation Phases:**

The evaluation process will have three distinct phases presented detailed below:

1. **Inception Phase and desk review:**
	* Methodological briefing between the Consulting team and the Evaluation reference team to ensure a common understanding of the evaluation methodology, approach and main deliverables as per TOR;
	* Stakeholder Mapping and stakeholders selection for data gathering to be conducted by the Consulting team.
	* Validation and agreement of the programme theory of change as set out in the proposed evaluation matrix
	* Inception meetings with the Reference Group and key programme stakeholders to familiarize the Consulting team with the programme objectives, results to date and expectations for this evaluation.
	* Finalization of the FSP selection;
	* Inception Report: the Consulting team should produce a brief Inception Report (20 pages maximum) to confirm their understanding of the programme’s intervention logic and present the range of data collection tools (quantitative and qualitative) to be used in the evaluation. In line with this, the Inception Report should also validate the proposed Evaluation Matrix or propose changes on the basis of the consultant’s understanding of the programme expected results. The Inception Report will be reviewed by reference group and the final report will be approved key stakeholders prior to the start of the in-country phase.
2. **In-country phase:**

This phase will start directly after the approval of the Inception Report. A list of key programme stakeholders in country will be prepared by the Programme Manager and validated by the Reference Group at the start of the Inception Phase.

It will be the **responsibility of the UNCDF National Technical Advisor responsible for the programme being evaluated to arrange the meetings and the necessary logistics in the countries visited.**

**- Briefing and meetings with key informants at the National Level:**

* Finalization of work plan: the team will review the draft work plan proposed in the Inception Phase with the national coordinators and Programme Manager and make any necessary adjustments, taking into account practical and logistical considerations.
* Mission briefing: If appropriate, the Team will brief UNCDF/ /UNDP/ KOICA in-country staff on evaluation objectives and scope on the first day of the mission.
* Security brief: UNDP CO is responsible of ensuring that the Consulting team receives a security brief with DSS upon arrival in country.
* Key informant interviews (capital city): to gather information and evidence with members of national governments and donors.
* Debriefing to the Reference group (if requested): the Consulting team may be asked to debrief the Reference group at the end of every phase. This with a view to provide a sense of the Consulting team’s preliminary findings ahead of the draft reporting phase.

**- Meetings with Local stakeholders:**

* Kick off local workshop: provides the team the opportunity to explain the purpose of the evaluation and meet key stakeholders at the local level.
* Site visits and key informant interviews (focus groups, surveys, participatory methods, etc.).
* Debriefing local level: to provide an overview of the findings prior to preparing the draft evaluation report. It should take place right after the completion of the field work and will serve as the first validation of the evaluation findings. Such debriefings are intended to promote learning and building ownership around the evaluation’s key findings with programme counterparts.

Note: De-briefing sessions with the key sector stakeholders will be organized to present emerging trends and to build ownership of the findings with programme counterparts. The team leadermay be asked to debrief the Reference Group and UNDP/UNCDF at the end of the first or second stakeholders’ visits; this with a view to provide a sense of the Consulting team ’s preliminary findings ahead of the draft reporting phase.

1. **Post-Mission Phase:**
* Draft report, Executive Summary: Upon returning to their home bases, the Consulting team should proceed with writing a draft evaluation report according to the template provided in **Annex 6** to be submitted by the team leader on the agreed date. Upon initial approval of the Reference Group, the draft report will be circulated to all key stakeholders for written comments.
* When submitting the revised report, the Team Leader should also submit a Summary Table setting out which comments have been addressed and where, and which comments have not been addressed and the reasons why they have not been addressed.
* Country Debriefing: Once the draft report has been prepared, the Team Leader will be asked to make an oral presentation with the key stakeholders and national counterparts.
* Semi- Final Evaluation Report should be submitted by the Consulting team leader to ensure that the report meets the relevant quality standards. As part of this, the report will be shared for comments and inputs from key stakeholders.
* Final report: The final report will be provided by the consulting team after incorporating stakeholders in puts

NOTE: Depending on the quality of the first draft report submitted by the Team Leader several rounds of comments may be needed to meet the quality standards expected. A quality standard for UN evaluation reports is attached in **Annex 7** “*UNEG Quality Checklist for Evaluation Reports*”.

The report will not be considered final until approved by UNDP Country Director following the final endorsement by UNCDF and government.

**6. Schedule of Main Deliverables:**

The proposed timeframe and expected deliverables will be discussed with the Consulting team and refined during the inception phase. The final schedule of deliverables will be presented in the inception report.

The Consulting team Leader will be responsible for preparing and submitting the following deliverables:

|  |  |
| --- | --- |
| **Deliverables** | **Description** |
| **INCEPTION PHASE:** **Inception Report and Data Collection Toolkit** **(including up to a maximum of three rounds of revisions)** | The inception report will present a refined scope and a detailed outline of the evaluation design and methodology, including a validated programme theory of change and an accompanying evaluation matrix with questions, sub-questions, judgment criteria/indicators, data collection methods and information sources.Length: max 10-15 pages excluding annexes.Template will be provided by the UNCDF SEA RO in collaboration with the Evaluation Unit at the start of the inception phase. **The Inception Report should include in Annex a Data Collection Toolkit** that includes a set of data collection instruments for both qualitative and quantitative data collection tools to be used in the course of the evaluation (i.e. for qualitative data: interview guides, focus group discussion guide, direct observation forms, questionnaires for consultations stakeholders, etc; for quantitative, relevant templates to assess change in basic financial and operational performance of the FSPs over the period supported by UNDP/UNCDF). The 1st draft of the inception report and data collection toolkit will be reviewed by UNDP CO, with inputs from UNCDF team. The 2nd draft will be shared with the Reference Group for comments. The Consulting team will develop a final Inception Report integrating the feedback received. The Consulting team will maintain an audit trail of the comments received and provide a response on how the comments were address in the revised drafts. |
| **IN-COUNTRY PHASE:****IPs Reports for the IPs visited****(including up to a maximum of two rounds of revisions)** | One page IP reports for each IP visited, summarizing the main findings and setting out key highlights and areas for improvement for the attention of Programme Management. Additional debriefings might be requested after the field phase to present these preliminary findings. |
| **POST MISSION PHASE:****Draft Evaluation Report** including completed Evaluation Matrix**(including up to a maximum of three rounds of revisions)** | The draft report should outline clear evidence-based conclusions and findings, following closely the structure and logic of the Evaluation Matrix, and including focused, actionable recommendations (SMART), and a clear, stand-alone Executive Summary.A first draft evaluation report should be shared with UNDP CO as well as UNCDF team, MINECOFIN for initial feedback. The 2nd draft report should incorporate the feedback and will be shared with the Reference Group and technical staff from MINECOFIN, UNCDF/FIPA and UNDP CO. Comments will be integrated into a final draft report.The Consulting team is requested to maintain an audit trail of the comments received and provide a response on how the comments were addressed in the revised drafts. Length: maximum 50 pages excluding annexes.A template will be provided by the UNCDF SEA RO in collaboration with Evaluation Unit at the start of the inception phase.  |
| **Power Point Presentation for UNCDF/HQ, RO, UNDP CO, KOICA CO debriefing** (max 20 slides and 20 minutes presentation)**.** | A PPT summarizing the main findings and recommendationsThe presentation will be delivered to stakeholders of BIFSIR, these will include two rounds. One for government and local stakeholders, and another one for PPOC and UNCT. |
| **Final Evaluation Report, Executive Summary, completed Evaluation Matrix**  | A final report that incorporates comments received from all partners.  |
| **A summary of recommendations on the gaps still existing that would be potential basis for future support**  | Based on the desk research, literature review, and stakeholders interviews, provision of a draft priority areas of support in reference to the existing government priorities for FI, UNCDF/FIPA country priorities, ONE-UN country programming for FI, gaps filling options on the ground and stakeholders. |

**7. Composition of Consulting team :**

The Consulting team will be composed by two individual consultants: Team Leader and a National Consultant

 The **Team Leader** should have the following competencies as a minimum:

Evaluation:

* Minimum 10-15 years accumulated experience in microfinance, sector support program management and evaluations, and RBM implementation experiences
* Proven experience of designing and leading a mix of performance, outcome and/or impact evaluations in the area of international development, applying a variety of mixed-methods evaluation approaches (including theory-of-change-based, utilization-focused, participatory, and gender- and equity-focused evaluations).
* Demonstrated experience in evaluating interventions in the area of inclusive finance (micro, meso and macro levels) including experience using a range of qualitative and quantitative data gathering techniques to assess programme results at individual, institutional, sector and policy level.
* Proven experience in evaluating a variety of different modalities in international development evaluation (including standalone projects or programmes, or interventions contributing to broader programmatic interventions conducted by single or multiple – partners, including for the UN system).
* Evidence of formal evaluation and research training, including familiarity with OECD or UN norms and standards for development evaluation

Inclusive finance:

* Comprehensive knowledge of inclusive finance industry best practice and experience in applying CGAP benchmarks around good performance of FSPs in developing countries.
* Evidence of microfinance training and experience in providing technical assistance in the inclusive finance sector in developing countries.
* Sound knowledge and awareness of issues related to youth/women programming, innovative financial products development and entrepreneurship

General competencies:

* Strong interpersonal and managerial skills, ability to work with people from different backgrounds and evidence of delivering good quality evaluation and research products in a timely manner
* Thorough understanding of key elements of results-based programme management in international development cooperation;
* Demonstrated capacity for strategic thinking and excellent analytical and written skills.
* Fluency in English and/or basic knowledge of French would be a value adding

**Responsibilities** (in addition to all other generic responsibilities and expected deliverables outlined in this TOR)**:**

* Documentation review
* Developing and pre-testing the necessary data collection tools (to be presented in the Inception Report).
* Leading/managing the evaluation and new program development team in planning , implementation and reporting phases
* Deciding on division of labour, roles and responsibilities within the consulting team
* Ensuring the use of best practice evaluation methodologies
* Leading the presentation of the draft evaluation findings and recommendations for the 3 countries visited
* Leading the drafting and finalization of the evaluation report, integrating to the extent possible all comments received from different partners
* Present the main findings and recommendations in the debriefing for UNCDF HQ.
* Regularly updating UNCDF, UNDP and MINECOFIN on the progress of the evaluation
* Quality control for the evaluation report.
* Adherence to UNCDF templates and other requirements as specified in this TOR.

The **National Consultant** should have the following competencies and experience:

* Minimum seven years accumulated experience in microfinance
* A minimum of seven years of microfinance management and/or consulting experience
* Must have experience of undertaking/participating in evaluations in inclusive finance (micro, meso and macro levels) including experience using a range of qualitative and quantitative evaluation methodologies to assess programme results at individual, institutional, sector and policy level.
* Sound knowledge and experience of issues related to youth programming, youth serving organizations and financial products and services for youth
* Thorough understanding of key elements of results based programme management.
* Extensive microfinance training and technical assistance experience
* Comprehensive knowledge of CGAP benchmarks and industry best practices
* Experience at the country wide sector level/understanding of building inclusive financial sectors, preferably in Africa
* Demonstrated capacity for strategic thinking and excellent analytical and written skills.
* Fluency in English and French required.

**Responsibilities Team Members (**in addition to all other generic responsibilities and expected deliverables outlined in this TOR)**:**

* Documentation review
* Contributing to developing and pre-testing the necessary data collection tools (to be presented in the Inception Report).
* Ensuring the use of best practice evaluation and new program development methodologies
* Leading the presentation of the draft evaluation findings and recommendations for BIFSIR and for the new programming
* Making substantive contribution to the drafting and finalization of the evaluation reports.
* Making substantive contribution to the drafting and finalization of the UN financial inclusion support areas for the period of 2015-2018
* Adherence to UNCDF templates and other requirements as specified in this TOR.
* Supporting the TL on other assignments related to this evaluation as he/she may require them to do.

**8 ANNEXES:**

Annex 1: Complete Evaluation Matrix (separate word file)

Annex 2: Programme summary, expected results, actual implementation status of Programme

Annex 3: Intervention logic for LDF/FIPA

Annex 4: Indicative Documentation List

Annex 5: Template in Country Work plan

Annex 6: Outline Final Evaluation Report and Executive Summary

Annex 7: UNEG Quality Checklist for Evaluation Reports (separate pdf file)

**Annex 1: Complete Evaluation Matrix (separate word file)**

**Annex 2: Programme summary, expected results, actual implementation status of** **Programme**

*Programme summary:*

The BIFSIR programme is set within the strategic framework of the National Microfinance Strategy and aims to contribute to poverty reduction and to achievement of the MDGs by promoting inclusive finance. Its specific objective is to contribute to capacity building of the various stakeholders at the macro, meso, micro and client 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. The BIFSIR programme focuses its support towards vulnerable women and youth.

*Programme expected results:*

As set out in the results and resources framework of the original Programme Document, the expected results of the programme are as follows:

|  |
| --- |
| **Intended Development outcome (as stated in the Strategic Results Framework):** UNDAF Result 5: Rwandan populations benefits from economic growth and are less vulnerable to social and economic shocksUNDAP Results Area: Inclusive Economic TransformationOutcome 4: Sustainable urbanization process transforms the quality of livelihoods and promotes skills development and decent employment opportunities in both urban and rural areas, especially for youth and women.**Intended Outcome of the Programme:** R. 1: At the MACRO LevelCoordination, regulation and supervision framework of the sector improved to promote financial inclusion in RwandaR.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. R.3. : At the Micro level The capacity of leader FSPs, MFIs and entrepreneurial training providers is strengthened to develop innovative financial services accessible to low-income people in rural and urban areas: R.4. At the Client Level The capacity of women and youth to manage MSEs and access financial services is built. R.5: Programme Management Programme Management, monitoring and evaluation are conducted efficiently:  |

**Outcome 1.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Output 1:** 1.1. Contribute to capacity building of MINECOFIN for the implementation of the NMS;  | **Output 2:** 1.2. Capacity building of the regulatory body and dissemination of its legal and regulatory framework  | **Output 3:** 1.3. Capacity building of the regulatory body and dissemination of its legal and regulatory framework  | **Output 4:** 1.4 A Community Managed Savings and Loan Groups (CMSLGs) linkage policy with Formal Financial Institutions (FFIs) is developed.  |

**Outcome 2.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Output 1:** 2.1. AMIR disseminates MFI best practices and advocates for the sector to GoR and donor stakeholders  | **Output 2:** 2.2. Training on best practices for audits of MFIs, implementation of MIS and rating are conducted.  | **Output 3:** 2.3. A network of professional small scale MFIs and SACCOs are established  | **Output 4:** 2.4 Mobile Financial Services provided to target groups  |

**Outcome 3.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Output 1:** 3.1. The response capacity of the MFIs identified is enhanced in terms of financial resources; methodological tools, MIS, training, human resources, and logistics;  | **Output 2:** 3.2. Microfinance sector refinancing  | **Output 3:** 3.3 Targeted MSEs businesses receive equity financing  | **Output 4:** 3.4 MSE entrepreneurial capacities improved to access markets  |
| **Output 5:** 3.5 Appropriate products and services are developed for targeted populations;  |  |  |  |

**Outcome 4.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Output 1:** 4.1 Research, Development and Learning Strategy results in programme model for scale-up  | **Output 2:** 4.2 MSEs access financial education and business development services  | **Output 3: N/A** | **Output 4: N/A** |

**Outcome 5.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Output 1:** 5.1 SPIU to Monitor, Evaluate and Communicate Results  | **Output 2:** 5.2. The management unit and Programme bodies (SC, IC) are operational  | **Output 3:** 5.3 Midterm and final project evaluation conducted  | **Output 4: N/A** |

*Programme implementation status:*

Programme implementation has been proceeding according to the timeline in the grant agreement. The following table depicts the main results of the programme as of DATE:

|  |
| --- |
| **UNDAF Result 5**:Rwandan populations benefits from economic growth and are less vulnerable to social and economic shocks* **UNDAP Key Result Area 1: *INCLUSIVE ECONOMIC TRANSFORMATION***
* **UNDAP Output 1.4.3: Increased access to and utilization of financial services especially for women and youth**
 |
| **Outcome UNDAF 5.4:**Productivity is improved and the access of small producers and MSEs to markets is promoted* **UNDAP Output 1.4.3: Increased access to and utilization of financial services especially for women and youth**
 |
| Expected outcomes | Intermediate outputs | Planned activities for each output | Summary of the current project status |
| **R. 1: At the MACRO Level****Coordination, regulation and supervision framework of the sector improved to promote financial inclusion in Rwanda***- Simplified media on the MF law available to 70% of licensed MFIs* *- A central database of MFIs is functional within the BNR**- BNR inspectors trained to monitor the sector* | 1.1. Contribute to capacity building of MINECOFIN for the implementation of the NMS; | - Support to the Secretariat responsible for the implementation of the NMS, the coordination of support and resource mobilization- Contribution to capacity-building (MINECOFIN, CCNMF) | **2011**1) SECTOR COORDINATION THROUGH NMCC Microfinance Sector was made a sub-group of the Financial Sector Working Group which BIFSIR co-chaired and championed the implementation of decisions that are taken by this forum regarding the microfinance sector in Rwanda.2) A STUDY ON DEVELOPING SUSTAINABLE SACCO SECTOR IN RWANDA BIFSIR co funded the SACCO Sustainability Study in conjunction with Access to Finance Rwanda (AFR); the study critically analyzed the Savings and Credit Cooperatives (SACCOs) sector, and recommended a sequence of activities to ensure SACCO sustainability. 3) CONSULTANCY FOR COMMUNITY MANAGED SAVINGS AND LOAN GROUPSA study regarding Community, Managed Savings and Loan Groups (CMSLG) Linkages was commenced in March 2012. Contracting process began 2011.**2012**1) Financial support for three computers and one color printer. 2) Financial support in the evaluation of the National Microfinance Strategy, and design a new National Microfinance Strategy (NMS) (2013-2018). **2013**1) Purchasing 88 laptops for U-SACCOs |
|  |  | **2014** 1) Four computers to support operations of the MINECOFIN/FSDD procured2) MINECOFIN identified countries with successful stories in micro lending for International Visit. The decision is to be taken for which country the Visit will be conducted.3) One micro finance staff attended training in Boulder institute of Microfinance, Italy.  |
| 1.2. Capacity building of the regulatory body and dissemination of its legal and regulatory framework | - Support to Information, Education and Communication on regulation and supervision- Workshops and technical seminars with the sector, and with accounting and audit firms  | **2011**1) Publishing and distribution of user guide on MFIs regulation 2) Training of 60 TCU Consultants3) Purchase of computers and Printer for MFIs supervision Unit**2012**The Central Bank received funding in December 2012, as such there are no implementation details to report**2013**Due to the delays and structural changes at the project level, BNR didn't receive funds in 2013. **2014**1) Training of Inspectors in PEARLS2)Review of the microfinance law and its implementing regulation3) Technical study: Ethiopia was identified for a study tour in the application of risk based supervision tailored deposits taking microfinance institutions.  |
| 1.3. Capacity building of the regulatory body and dissemination of its legal and regulatory framework | - 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)- BNR ability to supervise an Agent Network in Rwanda is strengthened | **2011**1) On site visits of SACCOs **2012**The Central Bank received funding in December 2012, as such there are no implementation details to report**2013**Due to the delays and structural changes at the project level, BNR didn't receive funds in 2013**2014**1) Conducting supervision missions of UMURENGE SACCOs |
| 1.4 A Community Managed Savings and Loan Groups (CMSLGs) linkage policy with Formal Financial Institutions (FFIs) is developed. | - Inputs for policy adaptation provided for CMSLG linkages with formal financial institutions | **2011**N/A**2012**N/A**2013**Due to the delays and structural changes at the project level, BNR didn't receive funds in 2013**2014**N/A |
| **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.***- AMIR is operational and provides quality services to its members including for rating and the IMS- 5 managers/MFs/year are trained**- 7 CGAP course modules are disseminated and replicated each year**- 110 CSUs in 30 districts are strengthened and adopt best practices**- A critical mass of audit firms are trained in MFI auditing* | 2.1. AMIR disseminates MFI best practices and advocates for the sector to GoR and donor stakeholders | * Regressive financing for operating costs of AMIR
* Capacity-building activities
* Support to the establishment of an IMS for data collection and reporting
 | **2011**AMIR implemented:* Capacity Building of AMIR (conferences, trainings etc)

**2012** AMIR participated in the launching of the Eastern Africa microfinance network. A staff person from was appointed to be the chair for the establishment of such initiative. Furthermore, 2 AMIR staff attended trainings in Germany and Kenya in order to increase their capacity in professionalizing Rwanda’s Microfinance sector. **2013**-Developed and published a request for application for the financial institutions to apply for funds- Due diligence missions were conducted and a report was presented to the SC- The SC recommended that the proposal be revised and presented in another SC- The budget was moved to 2014**2014**The MOU between AMIR and MINECOFIN was signed in June 2014 with USD 121,000 provided to AMIR as grant. |
| 2.2. Training on best practices for audits of MFIs, implementation of MIS and rating are conducted. | * Development of basic training for CSUs
* TOTs and replication of CGAP course
* Identifying MIS for MFIs and co-financing of rating
 | **2011** AMIR implemented:* Trainer training and replication of CGAP course
* Identification and support to the MIS platform for MFIs
* Joint Financing of Rating for MFIs

**2012*** 22 Staff from 6 MFIs were trained to improve organizational processes and management tools.
* 2 replication sessions on CGAP module for products development was conducted for 38 MFIs
* 5 trainers received specific preparation to gain professional certifications on microfinance practices
* The result of MIS development is AMIR increased capacity to prepare and analyse MFIs data in a time series from 2008. A hired consultant collected, analysed and produced a series of reports in order to facilitate the implementation of best practices via the analysis of performance indicators throughout 4 years of operations.

**2014** AMIR has implemented as of June 30th 2014:* The TOR for SME to support the MFIs has been developed and published in New Times magazine and AMIR website.
* Code of conduct survey report is available with recommendations that will be implemented by MFIs. Study Visit to India Microfinance sector was conducted to learn the implementation of the Client protection principles through Code of conduct. 13 CEO round tables were conduct to all MFIs and SACCOs throughout the country which among other subjects code of conduct was widely explained for awareness creation.
* To enhance AMIR sustainability, AMIR is establishing an economic Arm called AMIR consult and Business plan is developed and the first draft is available d
 |
| 2.3. A network of professional small scale MFIs and SACCOs are established  | * Awareness raising and communication on networking
* In-house development of training modules
* Regressive financing of consolidation
* AT and monitoring of performance contracts with the networks and affiliated COPPEC
* Dissemination of best practices
 | **2012**BIFSIR financially supported WOCCU: a technical services provider who aims to strengthen Umurenge SACCOs. Following interventions were conducted: * Support the GOR implementation of the district U-SACCO consolidation strategy through assistance in the merger process of 90 of the U-SACCOs into 30 district U-SACCOs
* Accelerate rural and low income populations' access to financial services, particularly savings accounts
* Improve the institutional capacity and controls of the district U-SACCOs to ensure that they adhere to prudential standards of financial safety and soundness, leading to the long-term sustainability of the institutions.
* Improve district U-SACCO's efficiency, transparency and decision making capacity by facilitating the implementation of a central core banking solution

**2014** With RCA, the MOU between RCA and MINECOFIN was signed in June, 2014 and the request of disbursement of the 1st tranche (USD150,000) was sent to MINECOFIN. |
| 2.4 Mobile Financial Services provided to target groups | - Mobile Banking operations established in target areas- Agent Network Development operations in target areas  | **2011**The BIFSIR/IC approved funding of 200,000 USD to UOB to deliver mobile banking service. **2012*** Innovation Fund: 2nd tranche payment for Mobile Banking roll out (UOB)

**2014**The BIFSIR Invest Committee meeting held on May 28th, 2014, approved to fund the Mobile Banking proposal submitted by UCU with a grant of 250,000 USD to be disbursed in two tranches. Upon the official approval, the BIFSIR team started preparation of the MOU. The MOU is expected to be signed in quarter 3. |
| **R.3. : At the micro levelThe capacity of leader FSPs, MFIs and entrepreneurial training providers is strengthened to develop innovative financial services accessible to low-income people in rural and urban areas:***- 2 MFIs are financed annually**- The total number of clients of MFIs rises by an average of 5% annually to reach 200,000 youth and women, 50% of whom are women* | 3.1. The response capacity of the MFIs identified is enhanced in terms of financial resources; methodological tools, MIS, training, human resources, and logistics; | * 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 and urban areas targeting women and youth
 | **2011**A funding of 100,000 USD was recommended to PAJER for investment to implement CFP 316-2011. This funding will be spent of a period of two years and disbursements will be issued in four semesters.**2012*** Innovation Fund: MF Challenge on Market Innovation, Expanding Financial Access in Rural Areas (Call for Proposals/Requests for Applications)
* Innovation Fund: 2nd tranche payment Support to Linkages of VSLAs with Financial Service Providers (PAJER)

**2013**- Innovation Fund: Tranche payment to RIM and UCU- Innovation Fund: 2nd tranche payment support to linkages of VSLAs with Financial Service Providers (PAJER)- Innovation Fund: Market innovation, expanding financial access in rural areas.**2014*** Extended a PBA with PAJER and provided financial assistance to the VSLA linkage program based on the PBA
* Provided financial assistance to FSPs towards development of MSEs products and increased outreach (PBA for RIM and UCU)
 |
| 3.2. Microfinance sector refinancing | Development of partnerships with BRD/Microfinance Unit and commercial banks Credit Guarantee Fund to facilitate MSES credit access | **2011**BIFSIR provided funding of 180,000 to BRD for Refinancing of MFIs and Capacity building in favor of MFI Investees.**2012**The selected organizations that have recently signed a PBA with UNCDF are: BDF, SMGF. BDF proposes to invest UNCDF support to directly refinancing MFIs and to provide trainings to FSPs. SMGF also intends to invest in direct refinancing and capacity building to FSPs. The proposed outreach from BDF activities is 23,636 new unbanked clients whereas for SMGF is 30,000. **2014*** Disbursement to BDF and SMGF was made based on the existing PBA.
* The BIFSIR Invest Committee on May 28th, 2014 approved to fund the Refinancing proposal submitted by BDF with the funding of 460,000 USD as grant and requested the BIFSIR technical team to commence contracting process without delays. Upon the official approval, the BIFSIR team started preparation of the MOU. The MOU is expected to be signed in quarter 3.
 |
| 3.3 Targeted MSEs businesses receive equity financing | - Linkage with FSP established for access to financial services including credit- Equity Finance Partnership established in favour of MSEs- Funds made available for Equity Financing |  |
| 3.4 MSE entrepreneurial capacities improved to access markets | - Adapt graduated Entrepreneurship Training Modules - MSEs training services providers contracted- Linkages with Business Incubation & Advisory Support established |  |
| 3.5 Appropriate products and services are developed for targeted populations; |  |  |
| **R.4. Client Level** **At the client level****The capacity of women and youth to manage MSEs and access financial services is built.** | 4.1 Research, Development and Learning Strategy results in programme model for scale-up | - Monitoring and Evaluation System is established, including community driven feedback mechanisms- Partnership Framework is established- Community Development Framework is establish- Training Service Providers & High Impact Curriculum surveyed and prioritized- Pilot Phase is launched and results in improved programme design | **2014**The disbursement of 1st instalment for Hanga Umurimo was conducted in late 2013 and the implementation started in January 2014. Among the outputs in the agreement, PROBA database for M&E purpose is being developed by a consulting firm.  |
| 4.2 MSEs access financial education and business development services  | - Support the entrepreneurship training of TVET graduates,- CMSLG access entrepreneurship training and increased access to financial services, including financing- Support entrepreneurial mentorship for women and youth via BDS centres | **2013**The planned activities at the client level were merged and funded through Hanga Umurimo and RICEM programs that were initiated by the Ministry of Trade and Industry (MINICOM). 2013 BIFSIR SC approved to fund HU activities that are related to BIFSIR objective at the client level. First instalment of 635,000 USD was disbursed to MINICOM**2014** The implementation of Hanga Umurimo is on track without much delays. The 2nd instalment of 335,402 USD is expected to be disbursed in Quarter 4.   |
| **R.5: Programme Management** **Programme Management, monitoring and evaluation are conducted efficiently:** **Indicators:** *- No. of NMCC SC , IC meetings held* *- The Secretariat of the NMS equipped* *- Programme Manual of Operation available and updated* *2 UNCDF technical review missions/year conducted* *- Mid-term and final evaluations conducted*  | 5.1 SPIU to Monitor, Evaluate and Communicate Results  | -M&E and Capacity Building Coordinator recruited - Provide Technical Assistance and conduct operations - Support to MINECOFIN for coordination and resource mobilization - Support provided for regular operation of the SC, NMCC and the IC - Provide leadership and capacity-building for the SPIU -Implementation of the project is supported by National expertise - Support and advisory services to MF Plan Action of the BNR - Support AMIR’s development - Development of analytical and performance monitoring tools - Programme monitoring missions  | **2012**The PMU invested substantial effort to successfully deliver all financial support available. In addition, it improved the monitoring framework and the evaluation process by linking with the regional effort in harmonizing indicators and result assessment approaches. Although it was not fully developed, the PMU engaged in discussion and initial planning of a project component focused on learning and knowledge exchange. The PMU also successfully raised $2.3M USD from the Korea MDG Trust Fund to expand the scope and scale of BIFSIR’s program interventions. **2013**National Technical Advisor (NTA) was hired in September 2013 and M&E officer joined the program in January 2014 through Korean Multilateral Cooperation Officer program under KOICA and UNDP arrangement.**2014*** A cost extension proposal was submitted to ROK-UNDP MDG Trust Fund committee in May.
* On 6th June 2014 BIFSIR team conducted a joint field visit in Nyabihu district on the BIFSIR supported Hanga Umurimo Programme activities. UNDP, MINECOFIN, Republic of Korea team in Rwanda, MINICOM, and local authorities in Nyabihu disctrict participated.
* Two project reports were submitted to donors; ROK-MDG Trust Fund proposal, and UNDP Quarter 1 reports.
* BIFSIR team organized a Learning Workshop on June 13th, 2014 with 19 people representing 10 BIFSIR grantee institutions, MINECOFIN and Rwanda KOICA office present.
* MINICOM was supported to develop 5 ToR documents regarding activities that are funded by BIFSIR.
* 3 MOUs were signed: BNR, AMIR and RCA.
* UCU and BDF were supported to develop an MoU with MINECOFIN on mobile banking and refinancing respectively and they are now with MINECOFIN for the final approval.
* 4 field monitoring missions were conducted.
 |
| 5.2. The management unit and Programme bodies (SC, IC) are operational  | - Support staff recruited - Vehicles and IT equipment purchase - Development of the Programme Procedures and Management Manual  | **2011**Based on the BIFSIR Prodoc, three organs were put in place in the beginning of the project and they have been functioning well as stipulated in the project document. BIFSIR team managed to coordinate and convene steering committee meetings in the past years and more backward and forward looking steering committees and investment committees meetings are planned in the next year.**2012**SC January 2012* Presentation of BIFSIR 2011 Annual Report
* Presentation of BIFSIR 2012 Annual Work Plan and Budget

IC July 2012* Investments approvals for AMIR, WOCCU and FSDS
* Call for Proposals in MSEs financing (UCU/CARE, RIM) and MFIs refinancing (BDF, SMGF)

SC September 2012* MINECOFIN Vision about BIFSRI and the role of the Single Project Implementation Unit.
* Road map of the SPIU
* Investment Update on FSDS National Microfinance Strategy II, WOCCU and Calls for Proposals
* Strategic Recommendations for AWP 2013

**2013**One Steering Committee meeting was taken place in December 2013 that approved funding for Hanga Umurimo and RICEM proposal.**2014*** Two BIFSIR Steering Committee and Investment Committee meetings were held in January and May 2014. BIFSIR AWPB 2014 was approved in SC in January. In the 2nd SC meeting the committee approved the revised 2014 Annual Work Plan and Budget.
* BIFSIR Investment Committee in May approved two Call For Proposals; Mobile Banking and Refincing.
 |
| 5.3 Midterm and final project evaluation conducted  | - Recruit consultants to conduct mid and final project evaluation - Auditing  |  |

**Annex 3: Standard Intervention logic for the Inclusive Finance Practice Area**

UNCDF takes a sector development approach to micro finance that supports governments and stakeholders in building a common vision for the development of the industry.6 An early step is to conduct an assessment of the financial services’ sector and identify the impediments or gaps at various levels, including: legal, regulatory or policy (“macro” level), financial infrastructure and support services (“meso” level), the retail financial service providers (“micro” level), and the quality and nature of the need and demand for financial services (“client” level). In some cases, IF programmes work with government and other stakeholders to form a national policy or strategy for financial inclusion, so that it may guide stakeholders’ work, including UNCDF’s. At its core, UNCDF’s primary focus is to build the retail capacity in–country, in order to broaden and deepen financial service providers’ outreach. Its primary tool is catalytic investment (grants, loans or loan guarantees) to MFIs and other FSPs that serve low income households. UNCDF’s goals for all of its financial service partners is to mature, and become self–reliant while offering appropriate and affordable products to low income households. Relative to other donors, UNCDF puts a greater emphasis on institutions in the start-up and growth phase where it believes that its investments can have a greater impact. The intention is that thereafter, the growth dynamic within the micro finance is consolidated and integrated into the mainstream financial sector.

The intervention logic/development hypothesis underlying UNDCF’s approach is that improvements in the enabling environment for inclusive finance, supported by catalytic investments in Financial Service Providers and supporting industry infrastructure, will strengthen the micro-finance sector to the point where it is self-reliant and able to attract deposits and loans that impel a sustainable growth process in the industry.

Technical and financial inputs from UNCDF and other donors support programme activities. These programme activities include supporting the development of the microfinance (and to some extent microenterprise) sector at the micro, macro and meso levels, albeit to different degrees depending on projects.

At the micro level, capacity building and sometimes loan capital is offered to FSPs based on performance - FSPs are required to meet clear targets and performance standards to maintain UNCDF support. At the meso level, programmes seek to identify and, if possible, support financial sector infrastructure that assists in the strengthening of the microfinance sector. This can include sector associations, business development initiatives, credit bureaus, consumer finance education and protection agencies/initiatives etc. At the macro level, interventions include working with government and regulators to ensure that laws, regulations and policies are inclusive, or, at a minimum, do not reinforce exclusive financial practices and that they support and encourage the sector to expand into low income markets according to principles of transparency and fair/free market mechanisms (e.g., absence of interest rate caps, no undue taxation etc.).

IF programme activities result in a number of outputs: these take the form of improvements to the health and economic potential of FSPs, and sector service organizations (SSOs) at the meso level. The intermediate outcome flowing from these outputs is stronger, more stable IF sector and related meso level sector support organizations and enabling inclusive finance policy and regulatory environment supporting the sustainable provision of financial service to low income households. As with Local Development Programmes, the pursuit of these goals contributes to the achievement of the MDGs within a country and thus, to UNCDF’s global strategy of localising the MDGs.

**Annex 4: Indicative documentation list**

1. UNDAP 2013- 2018
2. EDPRS2
3. BIFSIR PROJECT DOCUMENT, Annual and Quarterly
4. Youth and Women Employment flagship document
5. Financial Sector Development Program 2
6. Financial education and literacy strategy ( 2013)
7. Rwanda FINSCOPE REPORT (2013)
8. World Bank Country Partnership Strategy for Rwanda
9. Access to finance Rwanda document (2010)

**UNCDF DOCUMENTS**

All relevant programme-related documentation will be provided to the Consulting team . Documentation will include, at minimum:

* Copy of original signed Project/Programme document
* Copies of any substantive project document and budget revisions
* Baseline studies as relevant ( FinScope 2008) and Financial Diaries 2013
* Annual work plans, progress reports (Management Information System reports) and financial reports
* Project Annual reports ( 2012, 2013) and Quarterly reports
* Programme Audit Reports ( 2013)
* Documentation, guidelines, studies produced by programme
* UNDAF and UNDP 2013-2018
* UNCDF Strategic Results Framework

**Other relevant Non-UNCDF Documents**

Documents prepared by the Government, national stakeholders and other international and national stakeholders of value in terms of preparing the team with relevant background should be listed here.

**Annex 5 – TEMPLATE FOR WORK PLAN PREPARATION -** (draft to be completed by PO)

|  |  |
| --- | --- |
| **Number of days** | **ACTIVITIES** |
|  | **Capital** |
|  | Arrival of consultants |
|  | Meeting with UNCDF/UNDP |
|  | **Meetings with stakeholders :***Please indicate names /contact details / institution*  |
|  | **Project intervention zone** |
|  | Travel to intervention zone |
|  | **Meetings with stakeholders :***Please indicate names /contact details / institution*  |
|  | Return to capital |
|  | Debriefing in capital  |
|  | Departure |
| **Total** | **6 days** |

**Annex 6: Outline Final Evaluation Report and Executive Summary**

[Basic geographic and demographic data.](#_Toc283723861)

[Programme Data Sheet.](#_Toc283723861)

Acronyms and abbreviations.

Executive Summary

Evaluation Report (35– 40 pages maximum excluding annexes):

1. Scope and Objectives of the Evaluation
2. Evaluation Approach and Methodology
3. Programme Profile and Context:

3.1 Programme description and background, including programme expected result

3.2 Current programme implementation status

3.3 Current programme financial status

1. Evaluation Findings per Evaluation Question (20 pages minimum)
2. Conclusions and Recommendations

6.1 Overall Assessment

* 1. Recommendations
1. Gender and Human Rights
2. Annexes:

Annex 1: Terms of reference

Annex 2: Programme Results and Resources Framework

Annex 3: Country Reports

Annex 4: List of persons interviewed and list of projects sites visited

Annex 5: Bibliography

Annex 6: Mission work plan

Annex 7: Completed ‘Management Response’ with the main recommendations.

Annex 8: Data collection tools used

1. List of Tables
2. List of Graphs
3. List of Figures

**Annex 7: UNEG Quality Checklist for Evaluation Reports (separate pdf file)**

**Annex 2** - Evaluation Matrix for BIFSIR

**HS: Highly satisfactory – S: Satisfactory – MS: Moderately Satisfactory – MU: Moderately Unsatisfactory – U: Unsatisfactory – HU: Highly Unsatisfactory**

| **EVALUATION QUESTION No. 1:** **DESIGN & RELEVANCE** | **How relevant is BIFSIR design to the needs of Rwandan population, especially the low-income (women and youth) and government demand for support?** | **Overall Rating: S** |
| --- | --- | --- |
| **Sub-questions/indicators** | **Findings and sources of information** | **Rating** |
| 1.1 | To what extent does the programme meet the needs of the partner country?* + - Consistency between the goals, intervention logic and principles of the programme and those of the recipient country’s relevant national strategy document
		- Degree of embedment of programme into existing national framework / no evidence of a parallel programme structure
		- Degree to which programme addresses gaps not filled by others
 | The BIFSIR programme intervention is consistent with the National Microfinance Strategy (2008-2012) and the National Microfinance Policy Implementation Strategy (2013-2017) developed by the Ministry of Finance and Economic Planning (MINECOFIN). There are 6 important documents aligning BIFSIR’s design with the strategic objectives of the Government of Rwanda interests in developing inclusive finance:1. The Millenium Development Goals (MDGs) specifically as they relate to gender and poverty alleviation
2. The financial Sector Development Program I and II developed by the World Bank
3. The Rwanda Financial Sector Strategy 2013-2018 developed by MINECOFIN
4. The Small and Medium Enterprises Development Policy developed by Ministry of Trade and Industry
5. The Economic Development and Poverty Reduction Strategy I and II
6. The Vision 2020 Umurenge

Sources of information:* + - Document analysis
		- Interviews
		- National Government, Policy documents, , other strategy document
 | HS |
| 1.2 | How does the programme design correspond to UNCDF’s IF intervention logic?* + - Consistency between programme design and UNCDF’s standard IF programme, UNDAP outputs and DRG results
		- Degree to which UNCDF intervention provides additionality to sector development
		- Degree to which intervention logic employs UNCDF’s competitive advantage (i.e., catalytic capital)
 | Program design is consistent with the UNCDF’s Financial Services Sector Approach to identify and fill market constraining gaps at macro, meso, micro and clients’ level. UNCDF program design also typically provides some degree of flexibility for management to develop annual strategic plans focusing, or responding to, on major constraints and significant market opportunities at each of these levels as context demands. This gives program managers tactical flexibility to prioritize and address issues opportunistically as they arise within an overall strategic framework. Outputs are sufficiently defined not to disrupt this flexibility yet target measurable outcomes. Design also insists on performance‐driven grants, augmented by a range of information, technical advisory, and training support tools. Program design is consistent with the main result 1: (Inclusive Economic Transformation) and outcome 1.4 of UNDAP 2013-2018.BIFSIR Program provides additionally to the development path of the sector through provision of grants and loans to support refinancing of MFIs, SME Financing and capacity building of MFIs, SMEs, MINECOFIN, BNR and AMIR. Some loans have been given to MFIs and SMEs by BDF and SMGF. Some users of this service think that the interest rate (about 15%) is high. It would be good to explore on the phase II how loans can be given directly to MFI partners of the project to support their financial capacity.Through output 1, BIFSIR do facilitate the creation of a conductive regulatory and policy environment. This in turn will encourage good practice with resulting investments in new services and markets.  Consistent with UNCDF’s competitive advantage, BIFSIR was designed to employ three elements of catalytic capital:- Familiarity and knowledge of MINECOFIN needs and key stakeholders generally;- Use of grants, TA, and convening capacity to catalyze appropriate regulatory and policy change; and* + - Use of grants, TA, and loans to encourage growth and innovation in the application of a sector development approach

Sources of information:* + - Document analysis
		- Interviews
		- UNDAP 2013-2018
		- UNCDF documents and guidelines
		- UNCDF staff and government officials, and representatives of other UN agencies
		- Other partner donors
 | HS |
| 1.3 | How well is the programme integrated into the Country Programme Action Plan (CPAP) and UN Development Assistance Framework/Plan (UNDAF/P)?* Degree of explicit/implicit integration of UNCDF’s development-related projects within CCA/UNDAF/P
 | BIFSIR outputs and outcomes are linked to UNDAF (2008‐2012) and UNDAF (2013-2017), specifically to Outcome 5.3 “Productivity improved and access to markets enhanced for small producers and MSEs” and One UN Output 4.5 “National Strategy for financial Inclusion implemented to enhanced sustainable access to financial services by small producers.” The Programme outputs and outcomes are also linked to UNDAP (2013-2018) Results Area 1. Inclusive Economic Transformation with outcome 1.1. Pro-poor growth and Economic transformation enhanced for inclusive economic development and poverty reduction and outcome 1.4. Sustainable urbanization, livelihoods, skills and decent employment, for urban and rural youth, women, output 1.4.3. Increased access to and utilization of financial services especially for women and youth. The BIFSIR Programme contributes clearly to these output indicators: 1) % of youth and women accessing and using financial services and products, 2) Number of financial institutions providing women and youth friendly services and products and 3) % youth and women supported entrepreneurs receiving financial support.Sources of information* + - Document analysis
		- Interviews
		- UNCDF documents and guidelines
		- UNCDF staff and government officials, and representatives of other UN agencies
 | HS |
| 1.4 | To what extent is the programme aligned with government financial sector development plans?* + - Degree of consistency between the programme’s interventions and national legislation and strategy for financial inclusion
		- Programme design has taken into account sector’s development/ absorption capacity and context
 | Program design is consistent with the UNCDF’s Financial Services Sector Approach—macro, meso, micro and client level —approach. UNCDF program design also typically provides some degree of flexibility for management to develop annual strategic plans focusing, or responding to, on major constraints and significant market opportunities at each of these levels as context demands. This gives program managers tactical flexibility to prioritize and address issues opportunistically as they arise within an overall strategic framework. Outputs are sufficiently defined not to disrupt this flexibility yet target measurable outcomes. Design also insists on performance‐driven grants, augmented by a range of information, technical advisory, and training support tools.The programme is aligned with the National Microfinance Strategy (2008-2012), the National Microfinance Policy Implementation Strategy (2013-2017) and The Rwanda Financial Sector Strategy 2013-2018 developed by MINECOFIN. Programme design has taken into account sector’s development/ absorption capacity and context.Sources of information* + - Document analysis
		- Interviews
		- Financial Sector law and regulations
		- Superintendency of Banks and or Central Bank
		- Ministry of Finance/Planning
		- IF sector associations & institutions
		- Donors

  |  HS |
| 1.5 | To what extent is the programme owned (buy-in) by the government and/or Central Bank and/or Bank Superintendence?* + - Degree of involvement of the government and/or Central Bank and/or Bank Superintendence in programme design, and implementation.
		- Level of HR and Institutional Capacity
 | Relevant government and sector stakeholders including MINECOFIN and National Bank of Rwanda were consulted in the design of BIFSIR and the MINECOFIN is an implementing Agency. Although partnership agreements have been signed between UNDP/UNCDF and Implementing Partners after the approval of Investment Committee, payments have been made by UNDP/UNCDF prior the approval and request from MINECOFIN. MINECOFIN and BNR are both members of Steering Committee and Investment committee. MINICOM and BNR are implementing partners as well as Rwanda Cooperative Agency, a public institution in-charge of regulating and promoting Economic, Social, and other activities of the general interest. The design process sought extensive inputs from donors active in IF, including the World Bank, AFR, the DFID-UK, UNDP, among others.The program’s multi‐donor SC and IC were designed to provide a mechanism for substantive collaboration/harmonization and a mechanism for pooled investments among donors.Sources of information* + - Interviews
		- Document analysis
		- PSU
		- Financial Service Provider (FSP) and Sector Service Organization (SSO)
 | HS |
| 1.6 | To what extent does the programme meet the needs of the finance sector (e.g., fill gaps and overcome constraints for growth given the national/market context)?* + - Micro level – FSP & client level needs
		- Meso level – inclusive financial sector infrastructure needs (e.g., credit bureaus, sector associations, etc.)
		- Macro level – national regulatory, policy and program level.
 | Prior to BIFSIR programme, the IF sector in Rwanda was 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) beyond30 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%).

In 2010, AMIR identified the following constraints in the development of the microfinance sector:* Microfinance service providers have limited professional skills and capacity to provide sustainable Microfinance services
* Weak internal control systems, compounded by lack of transparency and accountability
* Inconsistent application of monitoring and evaluation systems and performance indicators
* Financial Products and Services in the rural areas are under-developed: The estimated demand is in excess to the existing supply, while the poor face barriers of distance and institutional weakness
* Lack of research and awareness on the benefits and opportunities of informal savings practices
* Inadequate technology and information systems for reporting

BIFSIR design identified specific objectives at each level of the IF sector:* At the client level: The capacity of women and youth to manage MSEs and access financial services is built (expected outcome 4). MSEs access to financial education and business development services.
* At the micro level: The capacity of leader MFIs, FSPs and entrepreneurial training providers to develop innovative services accessible to target populations is enhanced (expected outcome 3). Capacity of identified MFIs is enhanced in terms of financial resources, methodological tools, MIS, trainings, human resources and logistics. Refinancing is improved in the sector through the development of partnerships with the banking system. Targeted MSEs business receive equity financing and their capacities to access markets are improved. Appropriate products and services are developed for targeted population.
* At the meso-level: the consolidation of the sector, capacity building and financial infrastructure are supported with a view to professionalizing MFIs in the provision of inclusive finance services (expected outcome 3). AMIR disseminates MFI best practices and advocates for the sector for GoR and donor stakeholders.
* At the Macro-level: Coordination, regulation and supervision framework of the sector are improved to promote financial inclusion in Rwanda (expected outcome 4). The program was designed to build the capacity of MINECOFIN and regulatory body.

Sources of information* + - Document analysis
		- Interviews
		- National financial Law and regulations
		- Ministry Finance (or responsible ministry)
		- Superintendency of Banks and or Central Bank
		- IF sector associations & institutions
		- Donors
 | HS |
| 1.7 | To what extent is the programme owned (buy-in) at FSP/SSO level (e.g., sector associations, credit bureaus, information providers, consultancies etc.)?* + - Degree of participation of appropriate FSPs/ SSOs
 | Sector stakeholders including AMIR, RCA and Financial and Technical Service Providers were consulted in the design of BIFSIR and the Key programme Partners including the Association of Microfinance Institutions of Rwanda, the Rwanda Cooperative Agency and Business Development Fund and Financial and technical Service providers. Sources of information* + - Interviews
		- Document analysis
		- PSU
		- FSPs/SSOs
 | HS |
| 1.8 | How well has the programme integrated cross cutting issues given programme objectives?* + - Evidence that the programme design address the issues of participation of institutions and promotion of gender
		- Evidence that the programme design makes consideration of environment themes
 | **Gender and Youth**BIFSIR’s design highlights the need to address the special circumstance of women of youth; to this end, 60% of new clients served by BIFSIR grantees should be women. Programme Design insists that all interventions, as well as monitoring and evaluation activities, ensure that gender is mainstreamed, by assisting institutions willing to explore and implement innovative methodologies that provide an increasing access to financial services rural poor women and youth.The programme commits to measures of women and youth saving/credit clients. Design does not consider the promotion of women in decision making positions within grantee organizations or, more generally, in the sector including the GoR; nor does it mention incidence of women as management/staff of MFIs, or management at BIFSIR itself.**Environment**BIFSIR design does not make reference to any specific environmental considerations (e.g., environmental portfolio risk management/screening or environmental operational performance of grantees).Sources of information * + - Document analysis
		- Interviews
		- Relevant beneficiary FSPs, and government institutions
 | **S** |
| 1.9 | To what extent was a phasing out strategy incorporated in programme design?* + - Number of indicators in the original logical framework
		- FSPs/SSOs were involved upstream in the drawing up of UNCDF’s programme, its implementation and its evaluation
		- Identification of organizations required to continue sector building work after end of programme (if deemed required)
 | BIFSIR grants to FSPs and TSPs were for discrete projects and do not require long term support nor were they intended to support improved overall management or governance. There are no phasing out issues as a result. There is no clear sustainability plan built into BIFSIR design or any of its annual work plans/strategies. With its objectives, functions and the pivotal role played in the development of inclusive financial sector in Rwanda, the FSDD/MINECOFIN is well-positioned to continue the work of building the sector even after the end of the second phase of BIFSIR programme.Sources of information* + - Document analysis
		- Interviews
 | HU |

| **EVALUATION QUESTION No. 2:** **Effectiveness (policy and strategy)** | **To what extent has BIFSIR contributed to an improved regulatory and supervision framework that promote financial inclusion in Rwanda?** | **Overall rating:****S** |
| --- | --- | --- |
| **Sub-questions/indicators** | **Findings and sources of information** | **Rating** |
| 2.1 | Are the project’s results known and **influential** among key IF sector stakeholders in the country? * + - FSPs/SSO organizations opinion
		- Citations in new standards and guidelines for FSP/SSO management among sample FSPs
		- Question key stakeholder or decision-makers in the field of IF
 | BIFSIR’s results are well known to its project partners the MINECOFIN, National Bank of Rwanda (BNR), MINICOM, Association of Microfinance Institutions of Rwanda, Rwanda Cooperative Agency, BDF, SMGF, RIM, UFC, Urwego Opportunity Bank, UNDP and UNCDF. Primary programme stakeholders, such as grantees, have a good knowledge of BIFSIR Programme. Limited formal communication materials and/or channels (especially a program website or newsletter) has led to less than precise information on the program and have affected, to some degree, relationships with other donors/stakeholders. In 2014, BIFSIR has published a number of communication materials saved online: videos: mobile banking for rural women and youth in Rwanda, brochures, success stories: Hanga Umurimo success story, Community based saving groups drive vulnerable households out of poverty etc.FSP/SSO opinion of BIFSIR was generally good, with minor issue related to funding delays and reporting.Sources of information:* + - Interviews
		- Document analysis
		- Central Government
		- Main donors
 |  S |
| 2.2 | Did programme induce policy improvements in the inclusive finance sector? (if relevant/applicable)* + - Awareness/appreciation of national decision-makers and other key stakeholders
		- Sectoral reforms initiated/completed
		- New IF sector appropriate regulations enacted
		- IF sector appropriate norms and procedures applied Existence of new/addition to existing low-income financial regulatory regime
		- Quality of low-income regulatory change
 | Through a variety of activities including a grant of USD 400,225 and advisory/TA support to the BNR, the BIFSIR program has increased the awareness and appreciation of national decision‐makers and other key stakeholders of the need for a sound regulatory environment for inclusive finance and is laying the tracks for future developments. The program has had a role in four key regulatory and policy actions/activities:- **Review of the microfinance law and its implementing regulation**: The World Bank is committed to fund the provision of consultants to review the microfinance law and its implementing regulation. BIFSIR is being supported the validation and dissemination workshops of the draft with stakeholders at Province level. Publication of a booklet containing the existing law and regulation governing microfinance activities which was distributed to SACCO**s.****- Supervisory functions of MFIs**Training of Inspectors in PEARLS: PEARLS stands for Protection, Effective Financial Structure, Asset quality, Rates of Return and costs, Liquidity and Signs of growth. PEARLS is a financial performance monitoring system designed to offer guidance for Savings and credit cooperatives. It is also a supervisory tool for regulators. It offers indicators standards to supervise the performance of savings institutions. The training organized in October 2014 enabled the Inspectors of the Microfinance Supervision Department, included those appointed in BNR Branches, to make a deep financial analysis of a microfinance institution (MFI/SACCO) by highlighting of key financial ratios and their interpretation.**Conducting supervision missions of UMURENGE SACCOs**: During August and September 2014, targeted onsite inspections were conducted in 26 SACCOs countrywide. The inspections were conducted in 4 districts in Eastern province, 3 districts in Western province, 3 districts in Southern province and 3 districts in Northern province with focus on financial aspects, governance and loan portfolio management.**Conducting technical Study Tour in Ethiopia on the application of risk based supervision tailored deposits taking microfinance institutions**: Ethiopia was identified for a study tour in the application of risk based supervision tailored deposits taking microfinance institutions. **Financial and accounting support to MFIs**: Training of 60 TCU Consultants in Accounting, Financial Analysis and Cooperatives principles (2011).**Human resources and capacity building of MFIs**: - Identifying MIS platform for MFIs**National Microfinance Strategy (2008-2012) and National Microfinance Policy Implementation strategy (2013-2018)**BIFSIR has contributed to development of the National Microfinance strategy and the National Microfinance Policy Implementation Strategy in Collaboration with sector stakeholders (MINECOFIN, BNR, AMIR, RCA, FSPs, TSPs etc). These documents provide 7 key principles in line with the internationally accepted best practices:* + 1. The role of the Government is to create a favourable environment for microfinance, without being a provider.
		2. The Government is charged with creating favourable conditions for the establishment and growth of sustainable and self-sufficient MFIs.
		3. The Government supports a complete integration of the MF sector into the financial system framework.
		4. Supervision and regulation are required to ensure safety of deposits. Prudential regulation is required for some categories of MFIs.
		5. Local, national and international partnership and networking to spread best practice and professionalism is encouraged.
		6. The people of Rwanda will be best served by professional, sustainable MFIs that offer affordable and diverse products and services.
		7. MFIs should assist in the empowerment of women and should be available to all sections of the community particularly the poor and vulnerable.

Four principles have been added to this original list, related to the demand and the importance of social performance:Microfinance providers have to treat their clients fairly and have to promote their financial education. Financial inclusion is not only about access to financial services but also about financial literacy: the awareness, knowledge and skills of the clients to make decisions about savings, investments, borrowings and expenditure in an informed manner.Clients will strive to use financial services responsibly and to comply with their obligations towards the institutions that provide them with these services. They will participate in initiatives to increase their financial literacy.The performance of microfinance providers, and of the whole sector, will not only be measured by their financial performance but also by their social performance.The donor community should act in line with the priorities of the NMPIS, using appropriate grant, loan and equity instruments to contribute to the development of the MF sector, strengthen institutions and support innovation.**Financial education Strategy and mobile financial services**BIFSIR has supported the financial education strategy and the introduction of mobile banking and agent banking. At the policy levels, the government was induced to develop relative policies and strategies. 60% of the Programme Stakeholder surveyed believe that BIFSIR has helped to embed the interest of the sector in the government institutions (see Annex 3, Programme Stakeholder Survey, and Question 6.2).Sources of information* + - Document analysis
		- Interviews
		- PSU
		- SSOs/FSPs
		- National government, policy documents
		- Ministry of Ministry of Finance, other relevant ministries and departments
		- Policy/legal documents
		- IF regulatory research documents (e.g., from Microfinance Gate Way, etc.)
 | S |
| 2.3 | To what extent did policy improvements lead to growth or sustainability of the sector? * + - Clear and efficient regulations
		- Clear and applicable enforcing mechanisms and rules
		- Complementary initiatives, i.e. appropriate low-income economic support programmes
 | The programme has supported the review of the microfinance law and its implementation regulation under the National Bank of Rwanda (BNR) full support. BIFSIR resources were significantly used to support the Government of Rwanda’s initiative to establish Umurenge SACCOs throughout the country. Setting up 416 U-SACCOs played a critical role in increasing access to financial institutions and providing formal financial services to Rwandans who would otherwise not use formal financial services in a manner that meets their needs. According to FinScope Rwanda Survey Report 2013 the number of adult population accessing to formal financial services has doubled from 21% in 2008 to 42% in 2012. This progress was partially attributed to an increased uptake of products offered by non-bank formal financial institutions such as SACCOs. More specifically it was noted that; * + - * + Umurenge SACCOs have significantly changed the landscape of formal access to finance in Rwanda
				+ Individuals who have opened SACCO accounts are using these accounts more actively than those who are using bank accounts.

With the support of BIFSIR Programme, RCA has trained 416 SACCOs on harmonized policies including the saving policy, the credit policy, liquidity policy, cash, security and investment policy. This was - in response to the Government’s Strategic efforts in UMURENGE SACCO consolidation. BIFSIR has, also, supported the National Policy of SACCOs developed by RCA and, the harmonization of the policy. BIFSIR has also contributed to the development of the National Microfinance Policy Implementation strategy (2013-2018).Source of Information:* + - Document analysis
		- Interviews
		- National government representatives (e.g., Ministry of Economic Development, Ministry of Agriculture etc.)
		- Policy /legal documents, manuals/regulations
		- Donors and partners representatives
		- Key sector stakeholders (e.g., academics, investors etc.)
		- FSPs/SSOs
 | S |
| 2.4 | Did programs foster governments’ commitment towards pursuing the MDGs?* + - * National strategies/strategic partnerships.
			* Public commitments to IF as part of MDG strategies.
			* IF sector development linked to other government initiatives
 | The programme contributed to the GoR’s poverty alleviation and gender goals of the MDGs especially MDG No1: Eradicate extreme poverty and hunger and MDG No3: Promote gender equality and empower women (ROK-UNDP MDG TF Donor Report 2014). By targeting unbanked individuals to access financial services and financial education, the programme facilitates income generating activities and employment creation, which in turn, decreases malnutrition and contributes to household welfare. These objectives are related to MDG 1 target A, B and C: income generation, productive and decent employment and hunger reduction. Since the primary programme beneficiaries are women. The opportunity for women to benefit from financial services and entrepreneurial capacity building increases their self-reliance, family’s welfare and employment opportunities. These objectives are related to MDG 3.The programme supported these goals through support of Financial service Providers and directly and indirectly contributing to:* + - * + Economic Development and Poverty Reduction Strategy (EDPRS II)
				+ National Microfinance Policy Implementation Strategy II
				+ Rwanda Financial sector Strategy (2013-2018)
				+ Financial Sector Development Program 2
				+ Small and Medium Enterprises (SMEs) Development Policy
				+ Youth and Women Employment flagship document
				+ Financial education and literacy strategy
				+ National Employment Policy Document
				+ Youth and Women Access to finance Programme

Sources of information* + - Document analysis
			* Interviews
		- Government strategic documents and plans
		- Government officials
		- Donors’ representatives
 | HS |

| **EVALUATION QUESTION No. 3:** **Effectiveness (Capacity Building)** | **To what extent is BIFSIR contributing to the Institutional Capacity of Financial Service Providers (FSPs), Sector Support Organizations (SSOs) and Government Agencies (GAs) in line with financial inclusion agenda?** | **Overall Rating:****S** |
| --- | --- | --- |
| **Sub-questions** | **Findings and sources of information** | **Rating** |
| 3.1 | Do implemented investments correspond to FSPs/SSOs priorities and needs? FSPs/SSOs mission statements, cost sharing for achieving new objectives | Programme BIFSIR design appropriately highlighted the need for:* management capacity development.
* Innovation to spur access and outreach

These needs are typical of immature IF sectors, where enhanced capacity ideally leads to improved outreach leading to increased scale and greater sustainability. Capacity building in this sense should lead outreach development (and subsequent demand for on‐lending capital). Capacity building, innovation and outreach and capital are reviewed in turn below and then compared to grant uses.**Capacity Building**After fifteen years of moderate growth and modest to poor performance, the majority of established MFIs in Rwanda continue to face significant management challenges, particularly related to general management capacity and institutional processes/systems. MFIs are not currently sustainable, have negative returns on assets and equity and are modestly productive. Management at many levels is generally weak and not typically supported with consistently good practice training or processes/systems support.BIFSIR has supported some of these investments with management capacity development supporting grants: Trainings, MIS system improvements, ratings, product development etc. AMIR received funds from MINECOFIN for enabling MFIs to improve the capacity in lending to SMEs, supporting the implementation of code of conduct in the sector and to support AMIR’s operating budget.RCA has received a grant of USD 559,053 for strengthening the capacity of SACCOs through harmonization of SACCO policies, and acquiring the core banking software.**Innovation and Outreach**Programme design identified the need for innovative approaches to reaching remote areas through the development of Mobile Banking and an interoperable Agent Network in Rwanda. Mobile banking Platform provides both savings and credit facilities including initially seek to disburse credit and enable the reimbursement of credit via a network of agents.UOB has received USD 200,000 to launch its mobile Agent banking service. The key objectives of this support are:* To increase customer access to savings, loans and insurance services, particularly those customers who are currently poorly served by the formal financial sector
* To remove the need for lending staff to handle cash
* To make UOB’s operations more efficient, particularly the lending operations and data handling

UMUTANGUHA Finance has received USD 276,232 to increase financial inclusion in the rural areas with an emphasis on VSLA, women and older youth with the following specific objectives: * Increasing outreach to 35,000 new MSEs mostly owned by women and older youth of the rural areas within a period of two years
* Develop/Refine products to make them tailored to the project target group
* Mobilize savings from clients, including VSLAs
* Training Board members, UCU/UF staff and VSLAs’ leaders in MSE development (in partnership with CARE International in Rwanda)
* Granting loans to the project target group
* Monitoring borrowers
* Strengthening institutional capacity to serve the above-mentioned clients by:
	1. Equipping UCU/UF with two motorcycles, 5 POS and branch equipments
	2. Facilitating field visits and monitoring
	3. Training Board members, UCU/UF staff and group leaders in MSE development (in partnership with CARE International in Rwanda)
	4. Increasing UCU/UF loan capital.

RIM has received 276,233 USD to reach the following targets by December 2014:* Recruit 13.000 new clients borrowers SMEs, 60% of them will be women.
* 23,600 new active clients join RIM of which 70% are female clients.
* Portfolio at Risk at 30 days (PAR) greater than 30 days is reduced to 3%.
* Operational Self-Sufficiency (OSS) of 118% is achieved.
* Financial Self-Sufficiency (FSS) of 118% is achieved.
* Computerize its operations and provide capacity building to its staff by December 2014.

BDF has received a grant of USD 260,000 to reinforce lending capacity of SACCOs through a credit line at a concessionary rate and provision of capacity building of those borrowing MFIs/SACCOs.With a grant of USD 260,000, SMGF has committed to contribute to expanding access to finance to the population of Rwanda through MFIs and clients.PAJER has received support to carry out a linkage program of Community Managed Savings and Loans Groups (CMSLGs) to formal Financial Service Providers (FSPs). This support to PAJER is to deliver its commitments regarding financial education and entrepreneurships trainings to 400 VSLAs and 100 TVETS, to support the development of VSLA and TVET modules. Overall, 70% of Stakeholders interviewed believed rates BIFSIR’s meeting their needs as good to very good, with 20% rating it as excellent. (See Annex 3, programme Stakeholder survey, Question 3.1).Sources of information* + - Business plan reviews
		- Interviews
		- Programme strategy documents
		- Programme start up documents
		- Programme reporting documents
		- FSPs
		- SSOs
 | HS |
| 3.2 | To what extent has the programme contributed to increased institutional capacity at FSP/SSO governance level?* Composition of Board Directors
* Development of new products/ services
* Delivery of new products/services
* Development of new delivery channels
* Reaching new clients/ beneficiaries
* Institutions systems development
* Training for Board of Directors
* Others
 | There have been no reported changes of governance structure, composition or quality as a result of BIFSIR, although, when questioned,FSP and SSO are aware of the importance of an empowered, independent board with significant business, finance, legal, and government, relations experience. The review observed that while there is this understanding, high caliber board members are difficult to recruit and by MFIs’ own admission, boards often have the required mix of professional backgrounds and depth of capacity.Sources of information* Interviews
* Manuals
* Board and Management Interviews
	+ - Governance Manuals
 | MS |
| 3.3 | How well has the IF programme strengthened human resource managementcapacities of FSPs/ SS0s/Government Agencies (GAs)[[4]](#footnote-4)* Organisation chart
* Clear division of roles (human resources, well written job descriptions, )
* Human resource manuals / procedures / tools in place and their quality
* Decision-making processes and procedures established and accepted
* Regularity of report-back meetings
* Regularity and quality of written reports
* CGAP Appraisal and /or CAMEL management indicators
 | **Macro-level** BIFSIR provided USD 400,225 Support to the BNR for information education and communication on regulation and supervision, for organizing workshops and technical seminars with sector and accounting and audit firms, for study tours and trainings, for developing basic training tours for SACCOs, for enhancing the supervision and monitoring capacity of the BNR, support the establishment of technical control Units of U-SACCOs and for training the SACCOS on MIS.BIFSIR sponsored staff from MINECOFIN in-charge of Microfinance to attend the BOULDER Microfinance Training in 2010 and 2014; MINECOFIN was able to identify two topics for the international study visit as in 1) micro leasing and 2) SACCO automation with a plan to visit Kenya or India for SACCO automation and Sri Lanka for micro leasing.BIFSIR National Technical Advisor took a study tour to India from 6th to 14th December 2014 in regards to developing a scheme that would allow people working in the informal sector to save for their old age. This initiative is a paramount element for an inclusive long term saving mobilization strategy and household financial risk mitigation. The objective of the trip is to fine tune the model where a similar model has been implemented in other countries.**Meso-Level**In 2010, BIFSIR funded a team of microfinance experts (from BRD, BNR, RCA, AMIR and PMU staff) to attend trainings in India in the fields of Risk management, delinquency management, micro-insurance and micro-enterprise development.BIFSIR provided USD314,400 support to AMIR to organize conferences and trainings for MFIs, study tours and exchange visits, replication of CGAP training modules to MFIs (good governance, operational risks, network management, MIS for MFIs, products development).**Micro Level**With the Partnership with BDF and SMGF, FSPs have received capacity building support to improve their governance structure, management information systems, performance management, accounting procedures, portfolio management, transparency norms and risk management practices**Client level**:MINICOM through Hanga Umurimo and RICEM programs has supported SACCOs to develop skills in MSE lending and risk management, the provision of apprenticeship trainings and advanced training to Proxy Business Advisors (PROBAs). Sources of information:* + - CGAP Appraisal (light version of sample FSPs/SSOs institutions)
		- Analysis of FSP data collected by project
		- Interviews
		- Analysis of PSU records
		- Organisation charts, manuals, procedures
		- Reports to Board of Directors
		- Strategic planning documents
		- Management progress reports (monthly, quarterly, annual)
		- Records from PMU
 | **HS** |
| 3.4 | To what extent has the programme contributed to the strengthening of the financial capacity at FSPs/SSOs? | ALL MFIs (UFC, RIM, UOB) in the BIFSIR portfolio and SACCO can collect savings. BIFSIR provided refinancing mechanisms to BDF and SMGF to finance U-SACCOs and MFIs. 8 SACCOs and 831 MSEs have been financed at a concessionary rate. Overall, 70% of Stakeholders interviewed believed rates BIFSIR’s contributing to the strengthening of their financial capacity as good to very good, with 10% rating it as excellent. (See Annex 3, programme Stakeholder survey, Question 3.4).Sources of information:* Capital adequacy & liquidity ratios
* Diversification of funding sources
* Cost of capital
* Financial management capacity (e.g., number of dedicated financial management personal etc)
* CGAP Appraisal (light version of sample FSPs institutions)
* Analysis of FSP/SSO data collected by project
* Analysis of SSO financial strength
* Interviews of staff
* FSP/SSO financial data (audited/unaudited)
* PSM collected FSP/SSO data
* Government collected FSP/SSO data (if available)
 | HS |
| 3.5 | To what extent are the FSPs providing appropriate opportunities to women? * Women in Senior Management Positions, including Board
* Percent Women of FSP staff
 | **Products, Services and Service Delivery**Performance based contracts for all grantees include a target of 50% of all clients being women. Only one product is specifically designed for women by RIM (Réseau Inter-Diocésain de Microfinance). The rest of the products, services, and service delivery innovations do not specifically take into account the needs of women. Use and applicability to the needs of women vary as a result. **Women in the Sector**The program has had no direct current impact on the number of women in Senior Management Positions or on the Board of Directors no do any project or trainings deal with such. Sources of information:* Interviews
* Document analysis
* FSP/SSO Board and Management
	+ - FSP indicators on women clients
 | **S** |
| 3.6 | To what extent are FSPs/SSOs aware of existing environmental finance regulations (if any), environmental risks to portfolio and/or significant environmental impacts due to financing activities?* Degree to which environmental factors apply
* Policies in place
* Performance M&E indicators in place at SSO/FSPs
 | There are no environmental regulations for FSPs/SSOs to comply in Rwanda that this evaluation could find, either related to the provision or expansion of Inclusive Financial Sector products or services. The program has had no reported impact on grantee environmental policies or performance M&E indicators. BIFSIR has, however, made mention among stakeholders of environmental issues and there is some basic understanding of impacts and/or of potential market opportunities. Through its SPM Promotion implementation programme, AMIR sensitizes its Members to grant loans that are not affecting the environment and ensuring triple bottom line objectives are clearly stipulated and achieved. Sources of information:* Interviews
* Documents
* FSP/SSO records
* Board and Management Interviews
	+ - GA records and interviews
 | U |

| **EVALUATION QUESTION No. 4****Likely Impact (client access)** | **To what extent has the BIFSIR programme contributed to the improvement of access to low-income persons’ financial services and enhanced the market for financial inclusion services?** | **Overall rating: S** |
| --- | --- | --- |
|  **Sub-questions/indicators** | **Findings and sources of information** | **Rating** |
| 4.1 | To what extent do services meet the needs of low-income clients?* + - Increase in number of low-income clients (the demand for services)
		- Product design appropriate to the needs of the poor
		- Low balance/credit limits
		- Terms & conditions conducive to income cycles?
		- Clear & transparent pricing
		- Geographically accessible
		- SSO service offering, usefulness, quality to supporting FSPs
 | MFIs and SACCOs offer credit, savings services and also recently mobile financial services. For the most part, available credit products do not meet the needs of all poor, particularly those in rural areas. Loans products are mostly “off‐the‐shelf” micro credit products with short terms and weekly or biweekly repayments. This kind of loan is appropriate for urban economies where the poor are involved in rapid turnover commercial activities but are not particularly well suited to the rhythms of rural economies where income cycles are tied to agricultural production or short periods of high income and long periods of little or no income.While a fairly standard “microfinance” approach to lending is applicable and valued in urban and peri‐urban settings, its efficacy in rural towns and areas is limited. BIFSIR supported products/services meet address access and product and service needs and are particularly supportive of improving access for low income persons. BIFSIR has directly supported the creation of only one new product (by RIM) serving the needs of women and two mobile financial services initiatives (UFC and UOB).UFC, RIM, and PAJER combined, reached to 127,957 new clients since 2011. In addition, 20,851 youth clients were linked to financial service providers. The programme stakeholder surveys rates BIFSIR’s performance in meeting the needs of low income clients as good to very good (60%) and excellent (40%). (See Annex 3, Programme stakeholder Survey, Question 4.1) Clients have a positive perception with 55% of them rating financial services as mostly meeting their needs and another 40% saying they entirely meet their needs. (See Annex 4, Service User Survey, Question 2).Additionally, 45% of clients felt services were the same (after grants) and 50% found they were better with 5% finding quality much better. (See Annex 3, Service User Survey Question 3).Sources of information:* + - * Interviews
			* Document/data analysis
		- Quarterly Outreach and Performance Reports
		- FSP/SSO interviews,
		- FSP/SSO product and client data (sample FSP/SSOs service offerings)
		- PSU data
		- Client interviews
		- Government data
 | HS |
| 4.2 | To what extent has FSPs product and service offering improved?* + - * Existence of new FSP products and services
			* Improvements in FSP products and services
			* Improved access by women/minorities to FSP products and services (is design appropriate for needs)
			* SSO service offering’s usefulness / quality to support the Inclusive Finance Sector
 | BISFIR has directly supported the creation to five new products (by RIM, UOB and UFC). * + - * + RIM has been developed 3 new products: 1 saving product and 2 loan products (one for women only).
				+ UOB have developed its mobile Agent banking service in partnership with mVISA called “mHose”
				+ UFC has been supported to pilot its agent banking initiative in Nyamagabe Branch.

UFC and RIM have been supported to develop and tailor their financial products and services to the project target group. SMGF and BDF have been provided direct refinancing to MFIs: loans and technical assistance to FSPs.The review survey of clients found 45% felt services were better (after grants) and 50% found quality much better. (See Annex 5, Service user Survey Question 3). 80% of programme stakeholders surveyed believe service offering improvement has been good to very good and 10% feel is it excellent. (See Annex 5, Programme stakeholder Survey, Question 4.2)Sources of information:* + - * Interviews
			* Document analysis
		- PSU data
		- Quarterly Outreach and Performance Reports
		- FSP/SSO product and client data (sample FSP/SSOs service offerings)
		- FSP/SSO interviews
 | S |
| 4.3 | To what extent are the financial needs of gender being enhanced?* + - Women as a percentage of active clients
		- Products appropriate for women
 | Performance based contracts for all grantee include a target of 60% of all clients being women. Only one product is specially designed for women by RIM. The rest of the products, services and service delivery innovations do not specially take into account the needs of women. Use and applicability to the needs of women vary as a result.Sources of information:* + - Interviews
		- FSP documents
		- FSP/Board and Management
		- FSP indicators on women

  | S |
| 4.4 | Are new market areas being served?* + - Extent to which current markets are being served (i.e., market penetration rates)
		- Growth of outreach / (increase in the number of new poor markets (urban and rural) being developed
		- Size of overall market being targeted and extent to which the programme is meeting its penetration targets?
 | Historically, the majority of clients served by the IF sector in Rwanda reside in urban or peri‐urban areas. As BIFSIR has no formal definition of what constitutes rural, it is not possible to determine the extent to which rural areas are better served as the result of the program’s interventions.A FinScope study (January 2013) revealed that 72% of the adult population had access to financial services and 28% of the adult population was financially excluded. The landscape of institutions offering microfinance services is diverse, ranging from SACCOs, MFIs, and Microfinance Banks including some commercial banks which are beginning to serve micro entrepreneurs. The establishment of Umurenge SACCOs has significantly changed the landscape of access to formal financial institutions in Rwanda. This intervention has been successful in providing formal financial services to Rwandans who would otherwise not have used formal financial services. 22% of adults (1 million) were members of an Umurenge SACCO The proportion of adults with MFI accounts has not changed significantly since 2008. FinScope 2012 findings further indicated that 1.4 million (56%) of the 2.3 million Rwandan adults who were not formally served were not very likely to offer new opportunities for formal financial inclusion in the short or medium term.Despite the efforts of the GoR, the issues on ‘demand capacity to use formal financial services’ as well as ‘supply side capacity to meet needs on the demand side’ are not adequately resolved. MFIs operates like banks-often requiring collateral coverage instead of using group-lending methodology.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2011 | 2012 | 2013 | 2014 | 2011/2014 |
| Loan portfolio (in FRW billion) | 38,3 | 42,6 | 60,9 | 77,9 | 104% |
| Number of accounts | 1,517,941 | 1,780,646 | 2,213,400 | 2,397,000 | 58% |
| Number of loans 5outstanding |  |  | 156,900 | 169,800 | 8% |
| Non-Performing Loans | 4,8% | 4,2% |  |  |  |
| Total deposits (in FRW billion) | 45.8 | 56.6 | 68.9 | 82.2 | 79% |
|  |  |  |  |  |  |

2014, 2013, 2012 BNR Annual ReportGrowth of Loan Portfolio (104%), of number of accounts (58%), and deposit (79%) are indicative of new market development;95% of clients surveyed found services to be closer to their homes which speak to some geographic expansion. 40% of clients felt services provided are less expensive that those used before. (See Annex 3, Service User Survey Question 3). Programme stakeholder surveys rates BIFSIR’s performance in being served new market areas as good to very good (80%) and excellent (10%).Sources of information:* + - Market penetration estimates
		- Sample FSP service offerings on geographic basis (i.e., specific areas covered, number of clients by product type)
		- FSP/SSO interviews
		- FSP/SSO product and client data
		- PSU data
		- Government data
		- Sector data (CGAP, MIX, etc)
 | S |
| 4.5 | Is there greater competition for the low-income market?* + - Number of FSPs in low-income markets.
		- Variety of competing products
		- Variety of markets serviced by multiple FSPs (market overlap)
 | Due to low penetration rates and modest supply, stakeholders report no heavy competition in the low income market. This is changing however as the commercial banks become more interested in the markets and conventional Inclusive financial Institutions develop outreach capacity. 60% of programme stakeholders surveyed believe competition enhancement has been good and 10% feel is it very good. (See Annex 5,Programme stakeholder Survey, Question 4.5)Sources of information:* + - Number of FSPs
		- Number of FSP branches by relevant geographic areas
		- Number of products offered
		- PSU data
		- Sample of FSPs
		- Government
 | MS |
| 4.6 | Are sector SSOs providers being established / supported (e.g. FSP auditors, credit bureaus, FSP associations etc. – if applicable)?* + - Number of SSOs supported
		- Mechanisms of support
 | The BIFSIR program has set out a number of targeted meso level outputs including many aimed at supporting capacity development to AMIR.The target interventions include support for:* Dissemination of MFI best practices and advocacy for the sector
* Trainings on best practices for audits of MFIs, implementation of MIS and ratings

AMIR’s role consists of guiding microfinance sector through consensus-building among sector stakeholders, promoting dialogue with decision-makers, advocating for policy reforms, supporting MFIs in the provision of microfinance services and promoting cooperation and lateral learning between MFIs.AMIR has been identified as the key actor in capacity building of MFIs. AMIR contributed to the capacity building of the sector by conducting CGAP Module trainings (governance, new product development, MIS, Risk Management, financial analysis) and providing technical support to selected MFIs. AMIR has supported the ratings of MFIs and promoted the code of conduct and consumer protection principles within its members.Sources of information:* + - Data analysis.
		- Programme reports
		- Interviews
		- PSU data
		- Government
		- Sample SSOs
 | HS |
| 4.7 | Do SSOs meet the needs of FSPs?Quality of products & services provided | The capacity of AMIR has been enhanced over the years. The products and services provided to MFIs by AMIR are appreciated. AMIR has established its consulting arm to become more and more sustainable by generating income. Stakeholders surveyed believe that BIFSIR’s support for sector infrastructure has been 50% good and 40% very good. (See Annex 5, Programme stakeholder Survey, Question 4.7)Sources of information:* + - Interviews
		- Product/service quality assessments
		- SSOs
		- PSU
		- FSPs
		- Regulators
 | HS |
| 4.8 | To what extent is the capacity of low-income women and youth strengthened to manage MSEs and access financial services* + - Employment indicators on Hanga Umurimo
		- Increase in the amount of savings and equity investment among targeted populations (TVETs and CMSLGs)
 | The BIFSIR Programme has partnered with the Ministry of Trade and Industry (MINICOM) to support Hanga Umurimo and RICEM to scale up SMEs Development initiatives. As on December 2014, 417 PROBAs, 1500 apprentices, 187 TVET graduates and 2417 VS&LAs have been trained in Entrepreneurship skills. 1500 apprentices (585 female) have been completed 3-month trainings in different fields: carpentry (261), tailoring (494), welding (324), mechanics (185) and hair cutting (236). Then, they are eligible to apply for the tool-kits. SACCOs have been selected to provide financial and technical support to the apprentices. An amount of USD 334,632 has been transferred by MINICOM to the SACCOs by MINICOM to provide loans and grants to the beneficiaries. To build the capacity of SACCOS, trainings on MSEs and SACCO management and governance have been organized for SACCO Managers and Board of Directors. 207 SACCO Managers and 52 Board members attended these trainings organized by RICEM.

|  |  |  |  |
| --- | --- | --- | --- |
|  | target | Achievement | % |
| PROBAs | 416 | 416 | 100% |
| Apprentices | 1440 | 1500 | 104% |
| TVET graduates | 200 | 187 | 94% |
| VS&LAs | 2400 | 2417 | 101% |
| Overall |  |  | 100% |

Sources of information* + - Interviews with Hanga Umurimo graduates, and CMSLG members
		- Programme reports
		- MINICOM Hanga Umurimo project staff
		- KOICA representative
 | HS |
| 4.9 | To what extent the programme achieved the planned objectives of Republic of Korea-UNDP MDG Trust Fund?* + - BIFSIR annual outputs funded by ROK resources
		- Extent to which the above outputs have been achieved
 | The programme has contributed to the achievement of MDGs in particular of MDG 1 “Eradicate extreme poverty and Hunger”. The programme beneficiaries are mostly vulnerable women and youth. The programme has supported MINICOM Project called Hanga Umurimo (“create your own jobs”). 1500 youth Rwandans have been equipped with vocational and entrepreneurship skills to be able to create small jobs. They were able to access to financial institutions to obtain seep capital and technical support. The beneficiaries were selected considering demographical coverage in terms of poverty level and geographical locations. The programme has support the MINICOM to organize some trainings for SACCOs on cash-flow based lending to MSEs. The programme provided 88 computers to the UMURENGE-SACCOs in order to build their institutional capacity and be able to offer financial services to the rural population in Rwanda. The programme has supported PAJER to promote community-based group lending methodology. Over 10,000 people (96% women) have been able to access to financial services through saving group methodology.Sources of information* + - Interviews with KOICA and UNDP management
		- Report analysis
		- UNDP’s donor reports to ROK-UNDP MDG TF (2013,2014)
		- Success stories and videos of the programme
		- KOICA representatives
		- UNDP representatives
		- AWPs
 | HS |

| **EVALUATION QUESTION No. 5:** **SUSTAINABILITY** | **To what extent are BIFSIR results likely to be sustainable?** | **Overall rating:****MS** |
| --- | --- | --- |
| **Sub-questions/Indicators** | **Findings and sources of information** |  |
| **5.1** | **To what extent are FSPs/SSOs financially viable (i.e., sustainable) FSPs/SSOs in the longer-term, independent of external assistance?** | **MS** |
| 5.1.1 | Is there evidence that FSPs/ SSOs maintain **financially viable** operations after completion of the intervention (or improving trends towards financial viability)?* + - Market outlook and projections
		- Number of operationally self sufficient FSPs
		- Number of financially self sufficient FSPs
		- FSP access to diverse capital sources, including mobilizing domestic savings
 | From 2010 to 2014, the BIFSIR project had provided financial support and technical assistance to three Microfinance Institutions (RIM, UFC, UOB), two financial institutions (BRD, BDF and SMGF) and 3 sector support organizations (AMIR, RCA/UMURENGE SACCOs and PAJER), and 1 Ministry (MINICOM/Hanga Umurimo. These are in the form of grants;

|  |  |
| --- | --- |
| Implementing Partners | Grants (USD) |
| UFC | 276 232 |
| RIM  | 276 233 |
| UOB | 200 000 |
| SMGF | 260 000 |
| BDF | 260 000 |
| AMIR | 151 000 |
| RCA/UMURENGE-SACCOs | 564 053 |
| PAJER | 100 000 |
| MINICOM/HANGA UMURIMO/RICEM | 970 420 |
| BRD | 162 000 |
| Total |  2 959 939 |

BIFSIR supported FSPs shows very modest financial performance improvements from the period 2010 to 2014 (see Table below). 2 FSPs (RIM and UOB) have negative return on assets and equity. 2 others (UF and U-SACCOs) have positive but not improved return on asset and equity. Operational and financial self sufficiency are less than 100 for RIM and UOB indicating that these two FSPs are neither able to pay all their operating or capital costs. Two other FSP, UF and U-SACCOs have more than 100% for operational self-sufficiency.

|  |  |  |
| --- | --- | --- |
|  | **In median figures** |  |
|  | **BIFSIR MFIs** | **Africa Benchmarks** |
|  | **2010** | **2014** | **2010** | **2014** |
| Total Assets (´000) |  |  |  |  |
| Total Portfolio Outstanding (´000) |  |  |  |  |
| Total Savings Balance (´000) |  |  |  |  |
| Savings to Loan Ratio | **2.16** | **2.98** | **2.48** | **3.27** |
| Capital to Asset Ratio (Capital Adequacy) | **31.21%** | **38.94%** | **24.75%** | **23.15%** |
| Portfolio To Assets Ratio | **51.24%** | **50.24%** | **60.94%** | **62.68%** |
| Debt to Equity Ratio | **2.16** | **2.98** | **2.48** | **3.27** |
| Return on Assets | **5%** | **0.5%** | **0.68%** | **0.86%** |
| Return on Equity | **9%** | **1%** | **4,36%** | **4,43%** |
| Operational Self‐Sufficiency | **116%** | **113%** | **103,56%** | **102,62%** |
| Borrowers/Loan Officer | 224 | 205 | 225 | 185 |
|  |  |  |  |  |

In terms of fund source and utilization, BIFSIR Financial Institutions Partners have better performance than counterpart MFIs in Africa with a capital adequacy ratio at 39% compared with the benchmark of 23% and a savings to loan ratio of 2,98 compared to a benchmark of 3,27; This indicates a stronger liquidity position but may also suggest poor lending productivity. MFIs have slightly better lending efficiency measured by loans officer to loans managed with an average of 205 borrowers per loans officer compared to the African benchmark of 185.Sources of information:* + - Assess FSP/SSO reports (annual and internal quarterly/monthly)
		- Assess business plans
		- Assess reports to bank regulator (if applicable)
		- Assess benchmark information on MixMarket
		- PSU data
		- Sample FSP/SSOs data
		- Government
		- MixMarket data base
		-
 | MS |
| 5.1.2 | To what extent has the programme improved long-term planning, management, and governance processes at FSP/SSO level? * + - CGAP Appraisal and /or CAMEL management indicators
		- Governance improvements (see 2.1.5 above)
 | The BIFSIR Programme encourages all Implementing Partners to endorse the Client Protection Principles of the Smart Campaign:* + 1. Prevention of over-indebtedness
		2. Transparency
		3. Responsible Pricing
		4. Fair and respectful treatment of clients
		5. Privacy of client data
		6. Mechanisms for complaint resolution

By endorsing the principles, the Implementing Partners commit to incorporate the Principles in its policies and practices and to monitor their implementation. But the evaluation team is not able to assess the implementation of these principles because this information is not available as programme Partners are not implementing and monitoring these principles.The capacity building activities are not focused on long-term planning and governance processes although AMIR have organized some trainings on Good governance and Business Planning for its members.Sources of information:* + - Management interviews
		- Planning method reviews (e.g., business plans/pro forma projections)
		- Sample FSP/SSOs
		- PSU data
 | MS |
| **5.2** | **To what extent is phasing out of sector support incorporated in programme annual work plans?** | **MU** |
| 5.2.1 | Was **sustainability incorporated** in the programme strategic/annual work plan process?* + - Number of indicators in the annual work plans and contracts
		- Work plans approved by governance body
		- FSPs/SSOs were involved upstream in the drawing up of UNCDF’s programme, its implementation and its evaluation
		- PSU arrangements to steer FSPs/SS0s towards sustainability
 | BIFSIR has no clear sustainability plan built into its design or any of its annual work plans/strategies. Sustainability Targets have been integrated into the contracts with FSPs/SSOs (e.g. Operational Self –Sufficiency and Financial Self-Sufficiency).Sources of information:* + - Assessments of planning documents
		- Analysis of FSP/SSO business plans and reports
		- Management & PSU interviews
		- Projected indicators
		- Management and PSU interviews
		- FSP/SSO business plans and reports
		- Project management and governance documents
 | S |
| 5.2.2 | Does the intervention design articulate a clear and workable exit strategy for UNCDF?* + - Mechanisms in place to replace UNCDF
		- Identification of sector building organizations able to build upon programme work once program is over
 | BIFSIR has not made formal provisions for transferring its accumulated experience and knowledge. With its objectives, functions and the pivotal role is playing in the development of inclusive financial sector in Rwanda, the FSDD/MINECOFIN is well-positioned to continue sector building work after the end of the second phase of the programme.Sources of information:* + - Analysis of FSP/SSO business plans and reports
		- Management & PSU interviews
		- Projected indicators
		- Management and PSU interviews
		- Sector Associations
		- FSPs
 | HU |

| **EVALUATION QUESTION No. 6:** **Efficiency of Programme Management** | **How effective is the BIFSIR’s management in delivering expected results?** | **Overall rating:****S** |
| --- | --- | --- |
| **Sub-questions** | **Findings and sources of information** | **Rating** |
| 6.1 | How effectively have programme managers delivered on the annual work plans?Achievements against targets | Overall, the program’s achievements against annual work plans and related major targeted outputs have been good. An analysis of major activities budgeted for and approved in annual work plans shows:* 95% of planned activities were funded
* 70% projects are executing plans,
* 57% of projects have been completed

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2010 | 2011 | 2012 | 2013 | 2014 | Average |
| Funded | 88% | 92% | 96% | 100% | 100% | 95% |
| Executed | 65% | 50% | 86% | 58% | 93% | 70% |
| Completed | 65% | 42% | 68% | 26% | 86% | 57% |

Several significant output items have yet to be achieved including work with the BNR, RCA, MINICOM and UFC. Source of information:* + - Document analysis
		- Interviews
		- Programme reports,
		- Work plans
		- PSU staff
 | MS |
| 6.2 | How well are IF sector interests embedded in government institutions (if applicable)Management arrangements, appointments/secondments | Source of information:* + - Documentary
		- Direct and indirect project stakeholder Interviews
		- Programme reports, interviews
		- Central Bank
		- Bank Supervisor
		- Governments
		- PSU
		- FSPs
		- SSOs
		- Other sector stakeholders
 | HS |
| 6.3 | How well has programme helped align objectives of government departments/ ministries, Central Banks and/or Superintendencies? * + - Complementary IF policies
		- Complementary IF projects
 | BIFSIR Programme aligns with MINECOFIN Vision for Inclusive Financial Sector in Rwanda. The BNR has been supported to improve its supervision role and to implement a new regulatory framework.Source of information:* + - Government Documents
		- Interviews
		- Government
		- PSU
		- Sector Association
		- FSPs
		- SSOs
 | HS |
| 6.4 | How effectively have program managers managed the interests of all partners (if joint programme is applicable)* + - Workload sharing proportional to investment
		- Clear roles defined and maintained
		- Efficient joint management and decision making
		- Satisfactory execution of responsibilities
		- Satisfactory institutional recognition
 | The MINECOFIN is the executing agency for BIFSIR and the BIFSIR staff is responsible for all work related to IF sector development. The BIFSIR CTA, NTA and ME Officer sitting in the MINECOFIN offices managed the program during start up and provide ongoing support to BIFSIR staff and SPIU.The program facilitated closer coordination, co‐operation and interaction with the relevant government agencies/offices by ensuring that all offices were represented in the BIFSIR Steering Committee and in the National Microfinance Consultative Committee and the Financial Services Sector Working Group.BIFSIR has assisted in the institutional strengthening and capacity building of the several government offices, the MINECOFIN and BNR in particular, paving the way for an organized and synergistic approach to the pursuit of the national IF objectives. Program staff have represented the Ministry on several occasions at intra‐governmental and donor forums, conferences, and meetings. BIFSIR has also supported the MINECOFIN goal of taking the lead for IF sector development in the country. **Clear roles and responsibilities**All BIFSIR staff has clearly defined roles and responsibilities:**Resident Chief Technical Advisor** (CTA): provides direct Technical Assistance to the programme and conducts related operations, provides further support/advice to various structures, such as the contracting MFIs, the National Bank of Rwanda, AMIR, MINECOFIN, develops partnership with donors and other investors and contribute to resource mobilization and provides support in the acquisition and management of knowledge for the development of financial inclusion. This position has been removed since 2013 and the NTA has been taken these roles/responsibilities. **National Technical Advisor (NTA)**: provides technical assistance to the BIFSIR Expansion Programme and conducts related operations, provides further support to various structures, such as the contracting MFIs, the National Bank of Rwanda, AMIR, MINECOFIN and Private sectors., supervises the management team, receives technical and policy guidance from UNCDF’s regional Office. The NTA works in close collaboration with UNDP and ensure that inclusive activities are reflected in the annual work plans and develops strong partnerships with other development partners.**Monitoring and Evaluation Specialist:**The M & E Specialist serves as a resource person/expert to ensure that innovative approaches of monitoring are included in the planning and formulation of programme activities. She assists in establishing a coherent M & E system for the programme and provides reliable data, reviews new programme activities and analyses how to evaluate and communicate clear and verifiable results, improves the quality and substance of reporting on programme performance and achievement.**Efficient joint management and decision making**The BIFSIR NTA is responsible for program execution and all day‐to‐day management decisions. Grants are reviewed and approved by the IC. Each of the program partners has a seat on the IC. The SC is responsible for all governance, oversight and strategic decisions.Source of information* + - Program documents
		- Interviews with programme stakeholders
		- Program documents and reports
		- UNCDF government and other relevant donors’ staff
		- Donors’ programs documents and reports
		- FSPs and SSOs and PSU.
 | HS |
| 6.5  | How effectively have funds from the programme been transferred to FSPs and SSOs?* + - Timely and transparent information on available funds
		- Timely disbursement
		- Correspondence between information on funds, released and received amounts
 | Each grant is funded according to the contract agreement of each programme partner. Some delays in fund disbursement have been experienced by very few partners. Of the stakeholder surveyed only 10% thought fund transfers were excellent, 60% believed it was good to very good. (See Annex 5, Programme stakeholder Survey, Question 6.5) ;Source of information:* + - Track studies
		- Interviews
		- Document analysis
		- UNCDF
		- FSPs/SSOs
 | S |
| 6.6  | How effectively have technical assistance (TA) services been delivered to FSPs and SSOs?* + - Timeliness of services
		- Meeting needs of FSP business plans
		- Quality of services
		- Quality of the TSP if applicable
 | Capital and TA investment management and delivery has been adequate. Some funding delays have been experienced, especially in 2013. Some Partners (RCA, UF, PAJER) have not been implemented their activities on time.Post contracting management include:**Quarterly reports**Quarterly reports are, for the most part, submitted on time. Quarterly reports are not particularly detailed and while they comply with UNCDF/UNDP data requirements, they do not include all data required to fully assess financial performance. Supplemental monitoring activities through, for example, IP annual reports analysis and site visits, complement quarterly reports. **Site visits**BIFSIR staff made some site visits to Implementing Partners and beneficiaries. 60% of Programme stakeholders feel that BIFSIR services have been good to very good while 10% feel it has been excellent. (See Annex 5, Programme stakeholder survey, Question 6.6)**Technical assistance**Technical assistances (e.g. consultation of activities development, reviewing of ToRs, agreements, development of solutions to tackle any operational issues) have been provided on regular basis to implementing partners.**Learning Workshop in 2014**The BIFSIR Programme team organized a learning workshop in June 2014 whereby all Implementing Partners received short training on results based reporting. Such trainings should be organized at the beginning of the programme for all stakeholders to ensure an efficient and smooth reporting system.Sources of information* + - * PSU Document analysis
			* Interviews
			* TSP document analysis
			* Review of TA service contracts and CVs
			* Review of FSP and SSO business plans
			* Interviews with FSP.SSO, PSU
		- FSP/SSO business plans
		- Interviews with managers
		- Interviews with PSU
		- PSU service supplier contracts/CVs
		- TA selection decision making process guidelines
		- PSU project statistics
 | HS |
| 6.7 | How effectively have capital and TA investments been managed by the responsible unit (e.g., PSU or third party contractor)?* + - Detailed and transparent grant/loan application processes
		- Implementation of projects on time (according to budget)
		- Existence of investment implementation plan
		- Detailed best practice due diligence guidelines
		- Regular inspections of FSP/SSOs business plan progress
 | Six BIFSIR Grants went directly to financial institutions: UFC, RIM, UOB, BDF, SMGF and BRD after approval of IC. Loans to MFIs from BDF and SMGF are approximately 15%. Some projects are now not implemented on-time (e.g. UFC, RCA).Sources of information:* + - Analysis of funding process
		- Analysis of application process guidelines and records
		- Analysis of due diligence processes, guidelines and records
		- Analysis of funding documentation
		- Analysis of funding monitoring
		- Interviews with body responsible for funding, FSPs and SSOs
		- PSU
		- FSPs and SSOs
 | S |
| 6.8 | To what extent has the regional office ensured oversight and guidance functions? (if applicable)* + - Number of visits
		- Existence of clear mechanisms / instruments to share information and provide feedback
		- Sharing of lessons learnt
		- Responsiveness to requests for TA
 | The regional UNCDF office in Johannesburg/Addis-Ababa has played an important role in the program until mid-2014. The regional office visited the program twice per year since the beginning of the BIFSIR programme. The regional office has been provided oversight and guidance for the Programme until mid-2014. The YouthStart Programme Manager based out in Senegal has been designated to conduct one mission to Rwanda in 2014. Sources of information:* + - Document analysis
		- Interviews
		- Programme reports,
		- PSU staff, Regional office staff
 | S |
| 6.9 | How well is monitoring and evaluation linked into the needs of the management? Up to date indicators of project progress, regular and informative reports | BIFSIR uses quarterly and annual reports as the main monitoring and evaluation tools. Contents of the reports are adequate but inconsistent. Reports for the first two years (2010 and 2011) were of minimal quality, however, once the CTA, NTA and M&E Specialist joined the quality of progress reports improved considerably. From 2010 to 2012, to varying degrees annual and quarterly reports lack:* updates on outputs and outcomes;
* systematic coverage on IP outreach;
* consistent structure for comparative purposes;
* achievements against targets
* long term IP data;
* Inconsistent use of UNCDF IP performance indicators;
* IP performance and outreach attribution rationales;
* Disaggregated grantee data

Since 2013, annual and quarterly reports have been improved significantly. IP performances and Key performance indicators have been monitored regularly.A specific critique is a lack of balance sheet data on the standard UNCDF financial reporting template which emphasizes outreach and income statement performance data. Regarding data management, BIFSIR staff reported a high degree of satisfaction with the Atlas and was able to provide substantial data for this evaluation from the system related to project expenditures.**Source of information**:* + - Project Documents
		- Project meeting records
		- Data sources of M&E unit
		- Project reports
		- M&E staff and PSU staff
 | S |
| 6.10 | Is M&E data and reporting being used to make strategic decisions about service delivery and for purposes of drawing lessons from experience?* + - Use of data from M&E to make strategic investment decisions
		- Use of data from M&E to make technical assistance and capital investments.
		- Use of data and reports to transmit lessons to local and national policy-makers
 | Monitoring and evaluation tools were found wanting in terms of structure, regularity and data. The combined effectiveness of monitoring and reporting tools is deemed inadequate to serve the full needs of BIFSIR. Project management was adequate but management of information for strategic program purposes was not. Governance was also inadequate as the Steering Committee did not ensure program staff substantively address/follow up the implementing partners.Source of information:* + - Documents
		- Interviews
		- Data system used by PSU and by M&E unit
		- M&E reports, interviews with M&E and PSU staff
 | MS |

| **EVALUATION QUESTION No. 7** **PARTNERSHIP AND COORDINATION**  | **How well has BIFSIR leveraged on partnerships with donors and government to maximize its impact?** | **Overall rating:**  **S** |
| --- | --- | --- |
| **Sub-questions/Indicators** | **Findings and sources of information** | **Rating** |
| 7.1. | Has the partnership mobilized additional resources for program implementation / replication? * + - Evidence of synergies with other programmes as a result of UNCDF’s intervention / complementary efforts with relevant initiatives in the sector (related to specific geographic markets or nationally).
		- Establishment of new donor/government/private sector partnerships established with local market and/or national actors
		- Leveraging of additional investment funds into the sector (Additional donors’ resources ratio to UNCDF; Additional private sector investments in sector traceable to programme; Increased IF sector savings
		- Up-scaling and replication (Increased client outreach - see measures above 3.7; Number of FSPs in new market areas; Number of FSP products being copied / replicated; Number of SSO copied / replicated)
 | BIFSIR began with USD 2.4M and 2M commitments from UNCDF and UNDP respectively. They were joined by BIFSA and UN one FUNDs (UNDP+UNCDF) for respectively USD 25,000 and USD 373,606. In 2013 for the expansion of the programme, BIFSIR received USD2,239,758 from ROK-UNDP MDG Trust Fund, meeting the programme five year budget of USD 7,038,365.At the beginning of the programme, BIFSIR has initiated collaboration with the following organizations for a better coordination mechanism: Care International –Rwanda, DFID/AFR, AQUADEV, TERRAFINA-Rwanda, German Savings Foundation, USAID and CGAP/World Bank.In 2012, The programme has partnered with Access to Finance Rwanda (AFR), an initiative funded by DFID and World Bank, for the evaluation and redesign of the National Policy Implementation Strategy 2013-2018. The Youth Start and the Microlead Programmes, both UNCDF regional programmes, have supported respectively UMUTANGUHA Finance LTD and UMURENGE –SACCO. Sources of information:* + - Document analysis
		- Interviews
		- Sample FSP/SSOs
		- PSU data
		- Programme documents and reports: PSU reports / Quarterly Outreach and Performance Reports
		- UNCDF and other relevant donors’ staff
		- Donors’ programme documents and reports
		- FSPs and SSOs
		- PSU
		- Donors
		- UNCDF / UNDP
 | S |
| 7.2 | Has the partnership favoured the harmonization of donor’s interests?* + - Evidence of coordination and partnership arrangements
		- Pooled funding mechanisms
		- Sectoral/thematic platforms
		- Joint national/global initiatives
		- Evidence of cross-fertilization among programmes
 | BIFSIR has been the only structured inclusive financial sector support in Rwanda. BIFSIR has unsuccessfully reached out to other donors both for financial and sector coordination support. BIFSIR’s support to MFIs (RIM, UF, UOB) and AMIR has attracted interest of others technical and financial partners to support these institutions. Sources of information:* + - Document analysis
		- Interviews
		- UNCDF and UNDP staff
		- PSU
		- Donors representatives
		- Donors’ programmes documents and reports
		- Government officials
 | S |
| 7.3 | Has the partnership enhanced UNCDF positioning and catalytic function?* + - Effective partnership with UNDP and other key actors in place [e.g. Awareness/appreciation by staff and key stakeholders; evidence/ recognition of value-adding synergies and joint implementation mechanisms]
		- Effective advocacy mechanisms in place [e.g. degree of generation/diffusion of innovative knowledge; Effective strategic alliances at the corporate level in place]
		- Degree of recognition of UNCDF’s approach and role among partners [Standing of UNCDF within donors community/appreciation by key SH; Alignment/ involvement in implementation of national/ donors strategies/priorities; Opportunities for further engagement/ strategic partnership]
 | The partnership between UNDP and UNCDF has been smooth. This partnership has been enhanced UNCDF positioning and its catalytic function. Additional funds were raised for the expansion phase. Staff Members (CTA, NTA, M&E Specialist) have been recruited on behalf of UNCDF.Sources of information:* + - Document analysis
		- Interviews
		- UNCDF and UNDP staff
		- Other donors’ /partners representatives
		- Donors’ programme documents and reports
		- Governments officials
 | HS |

**Annex 3**: Stakeholder survey results

**1 = very poor, 2 = poor, 3 = good, 4 = very good, 5 = excellent**

|  |  | **Number** | **Percentage** | **Average** |
| --- | --- | --- | --- | --- |
| **Evaluation Question N°** | **Sub-questions** | **1** | **2** | **3** | **4** | **5** | **N/A** | **1** | **2** | **3** | **4** | **5** | **N/A** |  |
| **1. How relevant is BIFSIR design to the needs of Rwandan population, especially the low-income (women and youth) and government’s demand for support? (RELEVANCE AND DESIGN)** | 1.1 | To what extent does the programme meet the needs of the partner country? | 0 | 0 | 2 | 5 | 3 | 0 | 0% | 0% | 20% | 50% | 30% | 0% | 4.10 |
| 1.2 | To what extent does the programme design correspond to UNCDF’s IF intervention logic? | 0 | 0 | 2 | 4 | 3 | 1 | 0% | 0% | 20% | 40% | 30% | 10% | 4.11 |
| 1.3 | To what extent the programme integrated into the Country Programme Action Plan (CPAP) and UN Development Assistance Framework/Plan (UNDAF/P)? | 0 | 0 | 3 | 4 | 1 | 2 | 0% | 0% | 30% | 40% | 10% | 20% | 3.75 |
| 1.4 | To what extent is the programme aligned with government financial sector development plans? | 0 | 0 | 1 | 4 | 5 | 0 | 0% | 0% | 10% | 40% | 50% | 0% | 4,40 |
| 1.5 | To what extent is the programme owned (buy-in) by the government and/or Central Bank and/or Bank Superintendence? | 0 | 0 | 3 | 3 | 1 | 3 | 0% | 0% | 30% | 30% | 10% | 30% | 3.71 |
| 1.6 | To what extent does the programme meet the needs of the finance sector (e.g., fill gaps and overcome constraints for growth given the national/market context)? | 0 | 0 | 5 | 3 | 2 | 0 | 0% | 0% | 50% | 30% | 20% | 0% | 3.70 |
| 1.7 | To what extent is the programme owned (buy-in) at FSP/SSO level (e.g., sector associations, credit bureaus, information providers, consultancies etc.)? | 0 | 0 | 4 | 3 |  2  | 1 |  0% | 0% | 40% | 30% | 20% | 10% | 3.78 |
| 1.8 | To what intent has the programme integrated cross cutting issues given programme objectives? | 0 | 2 | 4 | 2 | 2 | 0 | 0% | 20% | 40% | 20% | 20% | 0% | 3.40 |
| 1.9 | To what extent a phasing out strategy was incorporated in programme design? | 0 | 0 | 5 | 4 | 0 | 1 | 0% | 0% | 50% | 40% | 0% | 10% |  3.56 |

|  |  | **Number** | **Percentage** | **Average** |
| --- | --- | --- | --- | --- |
| **Evaluation Question N°** | **Sub-questions** | **1** | **2** | **3** | **4** | **5** | **N/A** | **1** | **2** | **3** | **4** | **5** | **N/A** |  |
| **2. To what extent has BIFSIR contributed to an improved regulatory and supervision framework that promote financial inclusion in Rwanda? EFFECTIVENESS (POLICT AND STRATEGY)** | 2.1 | To what extent the project’s results are known and influential among key IF sector stakeholders in the country?  | 0 | 0 |  2 |  5 |  1 | 2 | 0% | 0% | 20% | 50% | 10% | 20% | 3.88 |
| 2.2 | To what extent programme induced policy improvements in the inclusive finance sector? (if relevant/applicable) | 0 | 1 | 2 | 4 | 1 | 2 | 0% | 10% | 20% | 40% | 10% | 20% | 3.63 |
| 2.3 | To what extent policy improvements led to growth or sustainability of the sector?  |  0 | 0 | 4 | 5 | 0 | 1 | 0% | 0% | 40% | 50% | 0% | 10% | 3.56 |
| 2.4 | To what extent programs fostered governments’ commitment towards pursuing the MDGs? | 0 | 0 | 3 | 5 | 1 | 1 | 0% | 0% | 30% | 50% | 10% | 10% | 3.78 |
| **3. To what extent has BIFSIR contributed to the Institutional Capacity of Financial Service Providers (FSPs), Sector Support Organizations (SSOs) and Government Agencies (GAs) in line with financial inclusion agenda** | 3.1 | To what extent do implemented investments correspond to FSPs/SSOs priorities and needs?  | 0 | 0 | 2 | 5 | 2 | 1 | 0% | 0% | 20% | 50% | 20% | 10% | 4.0 |
| 3.2 | To what extent has the programme contributed to increased institutional capacity at FSP/SSO governance level? | 0 | 0 | 1 | 6 |  1 | 2 |  0% | 0% | 10% | 60% | 10% | 20% | 4.0 |
| 3.3 | To what extent has the IF programme strengthened human resource managementcapacities of FSPs/ SS0s/Government Agencies (GAs)[[5]](#footnote-5) |  0 | 0 | 3 | 6 | 0 | 1 | 0% | 0% | 30% | 60% | 0% | 10% | 3.67 |
| 3.4 | To what extent has the programme contributed to the strengthening of the financial capacity at FSPs/SSOs? |  0 | 1 | 1 | 6 | 1 | 1 | 0% | 10% | 10% | 60% | 10% | 10% | 3.78 |
| 3.5 | To what extent are the FSPs providing appropriate opportunities to women?  |  0 | 1 | 3 | 3 | 3 | 0 |  0% | 10% | 30% | 30% | 30% | 0% | 3.80 |
| 3.6 | To what extent are FSPs/SSOs aware of existing environmental finance regulations (if any), environmental risks to portfolio and/or significant environmental impacts due to financing activities? |  0 | 0 | 4 | 2 | 3 | 1 | 0% | 0% | 40% | 20% | 30% | 10% | 3.89 |

|  |  | **Number** | **Percentage** | **Average** |
| --- | --- | --- | --- | --- |
| **Evaluation Question N°** | **Sub-questions** | **1** | **2** | **3** | **4** | **5** | **N/A** | **1** | **2** | **3** | **4** | **5** | **N/A** |  |
| **4. To what extent has the BIFSIR Programme contributed to the improvement of access of low-income persons’ financial services and enhanced the market for financial inclusion services? (PROGRAMME EFFICIENCY-DELIVERY)** | 4.1 | To what extent do services meet the needs of low-income clients? |  0 | 0 | 3 | 3 | 4 | 0 | 0% | 0% | 30% | 30% | 40% | 0% | 4.10 |
| 4.2 | To what extent has FSPs product and service offering improved? | 0 |  1 | 5 | 3 | 1 | 0 | 0% | 10% | 50% | 30% | 10% | 0% | 3.40 |
| 4.3 | To what extent are the financial needs of gender being enhanced? | 0 |  2 | 2 |  5 | 1 | 0 | 0% | 20% | 20% | 50% | 10% | 0% | 3.50 |
| 4.4 | To what extent are new market areas being served?  | 0 | 0 | 3 | 5 | 1 | 1 | 0% | 0% | 30% | 50% | 10% | 10% | 3.78 |
| 4.5 | To what extent there is greater competition for the low-income market? | 0 | 0 | 6 | 2 | 0 | 1 | 0% | 0% | 60% | 20% | 10% | 10% | 3.44 |
| 4.6 | To what extent sector SSOs providers are being established/supported (e.g. FSP auditors, credit bureaus, FSP associations etc. – if applicable)? | 0 | 1 | 6 | 2 | 0 | 1 | 0% | 10% | 60% | 20% | 0% | 10% | 3.44 |
| 4.7 | To what extent do SSOs meet the needs of FSPs? | 0 | 0 | 4 | 5 | 0 | 1 | 0% | 0% | 40% | 50% | 0% | 10% | 3.11 |
| 4.8 | To what extent is the capacity of low income women and youth strengthened to manage MSEs and access financial services? | 0 | 0 | 3 | 2 | 1 | 4 | 0% | 0% | 30% | 20% | 10% | 40% | 3.67 |
| 4.9 | To what extent the programme achieved the planned objectives of Republic of Korea-UNDP MDG Trust Fund? |  0 | 0 | 2 | 2 | 0 | 6 | 0% | 0% | 20% | 20% | 0 | 60% |  3.50 |

|  |  | **Number** | **Percentage** | **Average**  |
| --- | --- | --- | --- | --- |
|  | **Evaluation question 5. To what extent are BIFSIR results likely to be sustainable? (SUSTAINABILITY)** | **1** | **2** | **3** | **4** | **5** |  **6** |  **1** | **2** | **3** | **4** |  **5** | **6** |  |
| **5.1** | **Sub-questions : To what extent are FSPs/SSOs financially viable (i.e., sustainable) FSPs/SSOs in the longer-term, independent of external assistance** |   |  |  |  |  |  |  |  |  |  |  |  |  **3.67** |
| 5.1 .1 | To what extent there is evidence that FSPs/ SSOs maintain financially viableoperations after completion of the intervention (or improving trends towards financial viability)? |  0 |  0 | 4 | 4 | 1 | 1 | 0% | 0% | 40% | 40% | 10% | 10% | 3.67 |
| 5.1.2 | To what extent has the programme improved long-term planning, management, and governance processes at FSP/SSO level? |  0 |  0 | 4 | 4 | 1 | 1 | 0% | 0% | 40% | 40% | 10% | 10% | 3.67 |
| 5.2 | **To what extent is phasing out of sector support incorporated in programme annual work plans?** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 5.2.1 | To what extent sustainability was incorporated in the programme strategic/annual work plan process? | 0 |  0 | 4 | 5 | 0 | 1 | 0% | 0% | 40% | 50% | 0% | 10% | 3.56 |
| 5.2.2 | To what extent does the intervention design articulate a clear and workable exit strategy for UNCDF? | 0 |  0 | 2 | 6 | 0 | 2 | 0% | 0% | 20% | 60% | 0% | 20% | 3.75 |

|  |  | **Number** | **Percentage** | **Average** |
| --- | --- | --- | --- | --- |
|  | **Evaluation Question 6. How effective is the BIFSIR’s management in delivering expected results? (EFFICIENCY OF PROGRAMME MANAGEMENT)** | **1** | **2** | **3** | **4** | **5** | **6** | **1** | **2** | **3** | **4** | **5** | **6** |  |
| 6.1 | To what extent have programme managers effectively delivered on the annual work plans | 0 |  0 | 1 | 5 | 2 | 2 | 0% | 0% | 10% | 50% | 20% | 20% | 4.13 |
| 6.2 | To what extent IF sector interests are embedded in government institutions (if applicable) | 0 |  0 | 1 | 5 | 0 | 4 | 0% | 0% | 10% | 50% | 0% | 40% | 3.83 |
| 6.3 | To what extent has programme helped align objectives of government departments/ ministries, Central Banks and/or Superintendencies?  | 0 |  0 | 2 | 3 | 1 | 4 | 0% | 0% | 20% | 30% | 10% | 40% | 3.83 |
| 6.4 | To what extent have program managers managed effectively the interests of all partners (if joint programme is applicable) | 0 |  0 | 2 | 4 | 2 | 2 | 0% | 0% | 20% | 40% | 20% | 20% | 4.00 |
| 6.5  | To what extent have funds from the programme been effectively transferred to FSPs and SSOs? | 0 |  1 | 1 | 5 | 2 | 1 | 0% | 10% | 10% | 50% | 20% | 10% | 3.89 |
| 6.6  | To what extent have technical assistance (TA) services been effectively delivered to FSPs and SSOs? | 0 |  0 | 2 | 4 | 1 | 3 | 0% | 0% | 20% | 40% | 10% | 30% | 3.86 |
| 6.7 | To what extent have capital and TA investments been effectively managed by the responsible unit (e.g., PSU or third party contractor)? | 0 |  1 | 2 | 4 | 1 | 2 | 0% | 10% | 20% | 40% | 10% | 20% | 3.63 |
| 6.8 | To what extent has the regional office ensured oversight and guidance functions? (if applicable) | 0 |  1 | 1 | 6 | 0 | 2 | 0% | 10% | 10% | 60% | 0% | 20% | 4 |
| 6.9 | To what extent monitoring and evaluation are linked into the needs of the management?  | 0 |  0 | 1 | 3 | 3 | 3 | 0% | 0% | 10% | 30% | 30% | 30% | 4.29 |
| 6.10 | To what extent M&E data and reporting is being used to make strategic decisions about service delivery and for purposes of drawing lessons from experience? | 0 |  0 | 2 | 5 | 2 | 1 | 0% | 0% | 20% | 50% | 20% | 10% | 4.00 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Number** | **Percentage** | **Average** |
| SQ | **Evaluation Question 7. How well has BIFSIR leveraged on partnerships with donors and government to maximize its impact (PARTNERSHIP AND COORDINATION)** | **1** | **2** | **3** | **4** | **5** | **N/A** | **1** | **2** | **3** | **4** | **5** | **N/A** |  |
| 7.1 | To what extent has the partnership mobilized additional resources for program implementation / replication?  | 0 |  0 | 3 | 4 | 2 | 1 | 0% | 0% | 30% | 40% | 20% | 10% | 3.89 |
| 7.2 | To what extent has the partnership favoured the harmonization of donor’s interests? | 0 |  0 | 1 | 6 | 1 | 2 | 0% | 0% | 10% | 60% | 10% | 20% | 4.00 |
| 7.3 | To what extent has the partnership enhanced UNCDF positioning and catalytic function? | 0 |  0 | 0 | 7 | 0 | 3 | 0% | 0% | 0% | 70% | 0% | 30% | 4.00 |

**Annex 4**: Service user survey results

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ﻿ |  | a | b | c | d | e | f | a | b | c | d | e | f |
|  |  | number | percentage |
| 1  | How long have you used the services from this MFI?  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  a. Less than 1 year | 4 |  |  |  |  |  | 20% |  |  |  |  |  |
|  |  b. 1 to 3 years |  | 2 |  |  |  |  |  | 10% |  |  |  |  |
|  |  c. More than 3 years  |  |  | 14 |  |  |  |  |  | 70% |  |  |  |
| 2  | Do the financial services you use meet your needs?  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | a. Not really | 1 |  |  |  |  |  | 5% |  |  |  |  |  |
|  |  b. Mostly |  | 11 |  |  |  |  |  | 55% |  |  |  |  |
|  |  c. Entirely |  |  | 8 |  |  |  |  |  | 40% |  |  |  |
|  |  d. No opinion  |  |  |  | 0 |  |  |  |  |  | 0% |  |  |
| 3  | Have the financial services been getting better since you began using them?  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | a. They are the same | 0 |  |  |  |  |  | 0 |  |  |  |  |  |
|  |  b. They are better |  | 9 |  |  |  |  |  | 45% |  |  |  |  |
|  |  c. They are much improved quality |  |  | 10 |  |  |  |  |  | 50% |  |  |  |
|  |  d. No opinion  |  |  |  | 1 |  |  |  |  |  | 5% |  |  |
| 4  | Are services closer to your home than the ones you used before?  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  a. Yes | 19 |  |  |  |  |  | 95% |  |  |  |  |  |
|  |  b. No  |  | 0 |  |  |  |  |  | 0% |  |  |  |  |
|  |  c. Did not use others before  |  |  | 1 |  |  |  |  |  | 5% |  |  |  |
| 5  | Are the services provided by your MFI less expensive than those services you used before?  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  a. Did not use others before | 10 |  |  |  |  |  | 50% |  |  |  |  |  |
|  |  b. Yes |  | 8 |  |  |  |  |  | 40% |  |  |  |  |
|  |  c. No |  |  | 2 |  |  |  |  |  | 10% |  |  |  |
|  |  d. About the same |  |  |  | 0 |  |  |  |  |  | 0% |  |  |
|  |  e. Don't know  |  |  |  |  | 0 |  |  |  |  |  | 0% |  |
| 6  | How would you compare the services of the MFI with other providers you know of or may have used? (banks, credit unions, etc.)  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | a. Have not used other services before | 7 |  |  |  |  |  | 35% |  |  |  |  |  |
|  | b. They are the same  |  | 1 |  |  |  |  |  | 5% |  |  |  |  |
| ﻿ | c. They are better |  |  | 11 |  |  |  |  |  | 55% |  |  |  |
|  | d. They are much better |  |  |  | 0 |  |  |  |  |  | 0% |  |  |
|  | e. No opinion |  |  |  |  | 0 |  |  |  |  |  | 0% |  |
|  | f. |  |  |  |  |  | 1 |  |  |  |  |  | 5% |
| ﻿7  | Does the information you get from your MFI explain services in a clear and understandable way?  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | ﻿ a. Information is not readily available  | 0 |  |  |  |  |  | 0% |  |  |  |  |  |
|  | b. No |  | 0 |  |  |  |  |  | 0% |  |  |  |  |
|  | c. Sometimes |  |  | 2 |  |  |  |  |  | 10% |  |  |  |
|  | d. Most of the time  |  |  |  | 14 |  |  |  |  |  | 70% |  |  |
|  | e. Always |  |  |  |  | 4 |  |  |  |  |  | 20% |  |
|  | f. No opinion |  |  |  |  |  | 0 |  |  |  |  |  | 0% |
| 8 | If you are a woman, do you feel the services you get from your MFI meet your needs? |  |  |  |  |  |  |  |  |  |  |  |  |
|  | a. Don't know | 1 |  |  |  |  |  | 5% |  |  |  |  |  |
|  | b. No |  | 1 |  |  |  |  |  | 5% |  |  |  |  |
|  | c. Sometimes |  |  | 0 |  |  |  |  |  | 0% |  |  |  |
|  | d. Most of the time |  |  |  | 7 |  |  |  |  |  | 35% |  |  |
|  | e. Always |  |  |  |  | 0 |  |  |  |  |  | 0% |  |
|  | f. |  |  |  |  |  | 11 |  |  |  |  |  | 55% |

**Annex 5: List of persons interviewed and list of projects sites visited**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
| 1 | Mr. Emmanuel NDAHIMANA | Managing Director | SMGF Ltd |
| 2 | Mr. BIMENYIMANA Augustin | Administration and Finance Manager,  | SMGF Ltd |
| 3 | Mr. NDAHAYO Jules Theoneste | CEO  | UMUTANGUHA Finance Company Ltd |
| 4 | Mr. KAVUGIVO SHYAMBA Kevin,  | Director, Microfinance Supervision Department | National Bank of Rwanda |
| 5 | Mr. Blaise REMESHA | Head of Alternative Delivery Channel |  UOB |
| 6 | Mme Eugénie MUTAREMERA | Client | UOB |
| 7 | Mme Amuri Sauda | Client | UOB |
| 8 | Mme Janet Niyigena | Client | UOB |
| 9 | Mme Concietta UMUTESI | Client | UOB |
| 10 | Ms. Monique UMUGWANEZA | Legal company secretary,  | BDF |
| 11 | Mr. Benoit NIYONGABIRE | Monitoring and Reporting Officer | BDF |
| 12 | Gloria BURASA | Monitoring and reporting Manager | BDF |
| 13 | Mr. Peter RWEMA,  | Ag. Executive Secretary,  | AMIR |
| 14 | Mr. Eric RWIGAMBA | , Director General, Financial Sector development Directorate, | MINECOFIN |
| 15 | Mr. Hyeong Lae CHO,  | Resident Representative, | KOICA Rwanda Office |
| 16 | Ms. Yong Kyung LEE | Monitoring and Evaluation Specialist | UNDP |
| 17 | Ms. Desiderata KAYITABA | Programme Associate,  | UNCDF |
| 18 | Ms. Sophie NYIRABAKWIYE | Programme specialist and Head of Unit, Poverty and Environment Unit | UNDP |
| 19 | Mr. Auke LOOTSMA | Country Director,  | UNDP |
| 20 | Ms. Francisca MUKAKARANGWA | Director SACCO Coordination Unit,  | RCA |
| 21 | Mr. Maximilien USENGULUREMYI | Monitoring and Evaluation Specialist | MINICOM |
| 22 | Mr. Arthur SABITI | National Technical Adviser | UNCDF |
| 23 | Ms. Judith AGUGA ACON | Technical Director | AFR |
| 24 | Amandine DUSENGE | Manager | SACCO UMUTUZO |
| 25 | Patrick HAKIZIMANA | Client | SACCO UMUTUZO |
| 26 | Faustin KAREGYENA | Client | SACCO UMUTUZO |
| 27 | Charlotte AYINKAMIYE | Client  | MINICOM |
| 28 | Emmanuel NIYIBIZI | Client | MINICOM |
| 29 | Jean Pierre BAMDORIKI | Client | RIM |
| 30 | Pierre MUKOZA | Client  | RIM |
| 31 | Jean Pierre NPIYIMANA | Accountant | CPF INEZA |
| 32 | Marie-Chantal TUYISHIMIRE | Manager | SAACO-BUTUREBEBEREHO |
| 33 | Isimuriri BAGARAGAZA | Client | SAACO-BUTUREBEBEREHO |
| 34 | Emmanuel NDAHAYO | Client | RIM |
| 35 | Claudien NSENGIMANA | Client | RIM |
| 36 | Duterimtabwe | Client | BDF-COOPEC INKUNGA |
| 37 | David NSANZUWERA | Client | BDF |
| 38 | Dongrib KIM | Deputy Resident Representative | KOICA |
| 39 | Jean THIBOUTOT | Project Director | WOCCU |
| 40 | Brekmans BAHIZI | Managing Director | RICEM |
| 41 | Valence TWAGIZIHIRWE | Program Manager | RICEM |
| 42 | Patrick KARANGWA | Chief Executive | PAJER |
| 43 | Kazian MBARUSHIMANA | Client  | UFC |
| 44 | Diodome NTEZIRYAYO | Client  | UFC |
| 45 | Jean SIBOMANA | Client  | UFC |
| 46 | Beltha KAYITESI | Client  | UFC |

**Annex 6: Bibliography**

1. UNDAF 2008-2012
2. UNDAP 2013 – 2018
3. EDPRS2
4. BIFSIR project document,
5. BIFSIR expansion project document
6. Youth and Women Employment flagship document
7. Financial Sector Development Program 2
8. Financial Education and Literacy strategy (2013)
9. Rwanda Finscope Report (2013)
10. World bank country partnership strategy for Rwanda
11. Access to finance Rwanda document (2010)
12. Original signed project/programme document
13. Baseline studies as relevant (Finscope 2008) and Financial diaries 2013
14. Annual work plans, progress reports (Management Information System reports) and financial reports (2010-2014)
15. Project annual reports (2010-2014) and quarterly reports
16. Programme audit reports (2010-2014)
17. Documentation, guidelines, studies produced by the programme
18. UNCDF Strategic results framework
19. NEP document
20. ROK-UNDP MDG Trust Fund annual report 2013 and 2014
21. National Microfinance Policy Implementation Strategy II
22. Other relevant non-UNCDF documents

**Annex 7: Mission work plan**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| May | 12 | Evaluation Reference Group | UNDP | Kigali |
|  | 13 | Eugénie MUTAREMERA | UOB | Masaka |
|  |  | Amuri SAUDA | UOB Client | Masaka |
|  |  | Janet NIYIGENA | UOB Client | Masaka |
|  |  | Concletta UNUTESI | UOB Client | Masaka |
|  | 13 | Kevin SHYAMBA KAVUGIZO | BNR | Kigali |
|  |  | ??? | BNR | Kigali |
|  | 13 | Blaise REMESHA | UOB | Kigali |
|  |  | Peter RWEMA | AMIR | Kigali |
|  |  | Monique UMUGWANEZA | BDF | Kigali |
|  | 14 | Auke LOOTSMA | UNDP | Kigali |
|  |  | Desiderata KAYITABA | UNCDF | Kigali |
|  |  | NDAHAYO Jules Theoneste,  | UMUTANGUHA Finance Company | Nyamirambo |
|  |  | Emmanuel NDAHIMANA,  | SMGF Ltd | Kigali |
|  |  | Augustin BIMENYIMANA | SMGT Ltd | Kigali |
|  | 15 | Ms. Sophie NYIRABAKWIYE | UNDP | Kigali |
|  |  | Ms. Hyeong Lae CHO | UNDP | Kigali |
|  |  | Francisca MUKAKARANGWA | RCA | Kigali |
|  | 18 | Diane UWIMBABAZI | RIM | Kigali |
|  |  | Alphonsine UMUGWANEZA | Client RIM | Kigali |
|  |  | Ibandacyocyora | Client RIM | Kigali |
|  |  | Martin HAGENIMANA | MINICOM | Kigali |
|  |  | Maximilien USENGUMUREMYI | MINICOM | Kigali |
|  |  | Arthur SABITI | UNCDF | Kigali |
|  | 19 | Judith Aguga Acon | AFR | Kigali |
|  | 20 | Amandine DUSENGE | SACCO-UMUTUZO | MUSANZE |
|  |  | Patrick HAKIZIMANA | CLIENT-SACCO UMUTUZO | MUSANZE |
|  |  | Faustin KAREGYENA | CLIENT-SACCO UMUTUZO | MUSANGE |
|  |  | Charlotte AYINKAMIYE | MINICOM | NYABIHU |
|  |  | Emmanuel NIYIBIZI | MINICOM | NYABIHU |
|  | 21 | Jean Pierre BAMDORIKI | Client RIM | KAMONYI |
|  |  | Pierre MUKOZA | Client RIM | KAMONYI |
|  |  | Jean Pierre MPIYIMANA | CPF INEZA | MUHANGA |
|  |  | Merchias DUSABUMUREMYI | UNICLECAM | MUHANGA |
|  |  | Marie-Chantal TUYISHIMIRE | SACCO-BUTUREBEBEREHO | RUHANGO |
|  |  | Isimuriri BAGARAGAZA | Client SACCO-BUTUREBEBERA | RUHANGO |
|  | 22 | Emmanuel NDAHAYO | Client - RIM | KARONGI |
|  |  | Claudien NSENGIMANA | COOPEC INKUNGA | KARONGI |
|  |  | Duterintabwe | Client-COOPEC INKUNGA | KARONGI |
|  |  | David NSANZUWERA | Client-BDF | KARONGI |
|  | 25 | Eric RWIGAMBA | Director General, FSDD/MINECOFIN | KIGALI |
|  |  | Arthur SABITI | NTA/UNCDF | KIGALI |
|  |  | Hyeong LAE CHO | KOICA | KIGALI |
|  |  | Dongrib KIM | KOICA | KIGALI |
|  | 26 | Jean THIBOUTOT | WOCCU | KIGALI |
|  |  | Brekmans BAHIZI | RICEM | KIGALI |
|  |  | Valence TWAGIZIHIRWE | RICEM | KIGALI |
|  |  | Kazian MBARUSHIMANA | Client - UFC | NYAMIRAMBO |
|  |  | Diodome NTEZIRYAYO | Client - UFC | NYAMIRAMBO |
|  |  | Jean SIBOMANA | Client - UFC | NYAMIRAMBO |
|  |  | Beltha KAYITESI | Client - UFC | NYAMIRAMBO |
|  | 27 | Patrick KARANGWA | PAJER | KIGALI |

**Annex 8: Grantee Financial Performance overviews**

|  |  |  |
| --- | --- | --- |
|  |  | **TABLE: COMPARATIVE OPERATIONS AND FINANCIAL** |
| **All Funded MFIs and indirect Funds** | **RIM** | **UFC** | **UOB** | **U-SACCO** | **MEDIAN** | **Median Peer Group Africa** |
| **Year Figures** | **2010** | **2014** | **2010** | **2014** | **2010** | **2014** | **2013** | **2014** | **2010** | **2014** | **2010****USD** | **2014****XOF** |
| **Institutional Characteristics** |  |  |  |  |  |  |  |  |  |  |  |  |
| Age | 7 | 11 | 6 | 10 |  |  |  |  |  |  |  |  |
| Average Number of Loan Officers | 40 | 49 | 12 | 24 | 112 | 81 | 90 | 90 | 65 | 65 | 14 | 79 |
| **Financing Structure & Finance Indicators** |  |  |  |  |  |  |  |  |  |  |  |  |
| Total Assets ('000) | 2,883, 135 | 4,426, 750 | 804, 566 | 2,714,516 |  6,340,498 | 17,867, 100 | 16,436, 060 | 19 860 586 |  |  | 835,738 | 4,271, 742 |
| Total Equity ('000) | 462, 780 | 972, 900 | 428, 980 | 1,189, 644 |  |  | 5,163, 403 | 6,728, 580 |  |  |  |  |
| Total Liabilities ('000) | 2,420, 353 | 3,453, 850 | 375, 586 | 1,524, 871 | 4,311,848 | 14,501, 943 | 11,272, 657 | 13,132, 006 |  |  | 505,455 | 2,692, 171 |
| Total Portfolio Outstanding ('000) | 1,105, 255 | 1,993, 623 | 576, 718 | 1,964, 489 | 3,768,601 | 9,912, 194 | 7,076, 501 | 8,033, 117 |  |  | 315,916 | 2,453, 747 |
| Total Savings Balance ('000) | 2,267, 231 | 3,375, 446 | 322, 148 | 1,116, 609 | 2,901, 262 |  10,811, 654 | 223,880 | 219,760 |  |  | 287,589 | 1,750, 656 |
| Total Gross Revenues from Loans('000) | 675, 458 | 958, 341 | 190, 171 | 514, 449 | 1,892, 532 | 3,559, 054 | 1,451, 912 | 1,987, 172 |  |  | 134,358 | 737,330 |
| Total Net Revenues After Financial Costs ('000) | 661, 583 | 953, 341 | 200, 820 | 524, 765 |  |  |  |  |  |  |  |  |
| Total Operating Expenses ('000) | 535, 891 | 1,066, 118 | 152, 749 | 406,834 | 2,467, 151 | 4,518, 597 | 1,515, 957 | 1,827, 191 |  |  | 134,697 | 1,158, 147 |
| Net Operating Income ('000) | 130, 755 | (112, 399) | 37,084 | 42,627 | (639,404) | (416, 278) | 956, 013 | 1,192, 992 |  |  | 92 | 1,404 |
| Savings to Loan Ratio ('000) | 205% | 169% | 56% | 57% |  |  | 147% | 152% | 147% | 152% | 81,71% | 70,61% |
| Capital to Asset Ratio (Capital Adequacy) | 16% | 22% | 53% | 44% | 32% | 1883% | 31.42% | 33.88% | 31.21% | 38.94% | 24.75% | 23.15% |
| Portfolio To Assets Ratio | 38% | 45% | 72% | 72% | 59.44% | 55.48% | 43.05% | 40.45% | 51.24% | 50.24% | 60.94% | 62.68% |
| Debt (including Savings) to Equity Ratio (x) | 5 | 4 | 0.88 | 1.28 | 2.13 | 4.31 | 2.18 | 1.95 | 2.16 | 2.98 | 2.48 | 3.27 |
| Debt (Financial borrowings) to Equity Ratio (x) |  |  | 0.11 | 0.07 |  |  |  |  | 0.11 | 0.07 |  |  |
| Return on Assets | 5% | -1% | 5% | 2% | -10% | -2% |  | 6.46% | 5% | 0.5% | 0.68% | 0.86% |
| Return on Equity | 38% | -2% | 9% | 4% | -31% | -9% |  | 20,34% | 9% | 1% | 4,36% | 4,43% |
| Operational Self‐Sufficiency | 116% | 98% | 131% | 129% | 76% | 92% |  | 154.83% | 116% | 113% | 103.56% | 102.62% |
| Financial Self‐Sufficiency | 116% | 98% | 124% | 123% |  |  |  |  |  |  |  |  |
| **Outreach Indicators** |  |  |  |  |  |  |  |  |  |  |  |  |
| Number of Active Borrowers | 8,838 | 8,575 | 2,725 | 5,411 | 30,591 | 34,121 | 16,721 | 16,648 |  |  | 7,439 | 14,411 |
| Number of Women Borrowers | 3,082 | 2,277 | 875 | 2,854 |  |  |  |  |  |  |  |  |
| % Women Borrowers | 35% | 27% | 32% | 53% | 89% | 74% | 26% | 26% | 33.5% | 40% | 56.6% | 55.87% |
| Average Loan Balance Per Borrower ('000) | 125 | 232 | 212 | 363 |  |  | 423 | 483 |  |  | 152 | 387 |
| Number of Savers | 68, 723 | 131, 865 | 41,235 | 89,050 |  | 279, 945 | 369, 784 | 398,276 |  |  | 15,300 | 41,588 |
| Average Savings/Client ('000) | 33 | 26 | 7.8 | 12.5 |  |  |  |  |  |  | 36 | 87 |
| **Productivity and Efficiency** |  |  |  |  |  |  |  |  |  |  |  |  |
| Borrowers/Loan Officer | 221 | 175 | 227 | 225 | 271 | 421 | 186 | 185 | 224 | 205 | 225 | 185 |
| Cost/Value Loan | **48%** | **53%** | **26%** | **21%** | **131** | **175** |  |  |  |  |  |  |
|  |  |  |  |  |  | Source: Audited Financial Statements and BIFSIR Monitoring ReportsSource: MIX Market, 2014 |

**Annex 9: What worked and what did not work**

|  |  |  |  |
| --- | --- | --- | --- |
| # |  | What worked | What did not work |
| 1 | Relevance and Design | The programme meets the needs of Rwanda population (especially women and youth) and is consistent with UNCDF’s IF intervention logic.The programme is owned by the Ministry of Finance and National Bank of Rwanda | BIFSIR does not make reference to any specific environmental considerations.A phasing out strategy was not incorporated in programme design |
| 2 | Effectiveness (Policy and Strategy) | The programme contributed to an improved regulatory and supervision framework. The programme has contributed to the development of the National Microfinance Policy Implementation and of the financial Education StrategyThe programme contributed to the GoR poverty alleviation and gender goals of the MDGs |  |
| 3 | Effectiveness (Capacity Building) | The programme has contributed significantly to improved institutional capacity of Financial service Providers (RIM, UFC, UOB, U-SACCOs, BDF and SMGF) and sector support organizations (AMIR, RICEM, RCA) and government agencies (MINECOFIN, BNR and MINICOM) |  |
| 4 | Likely impact (Client Access) | The programme has supported the creation of few new products, services and service delivery channels to address access to financial services especially for women and youth | The support for youth (Hanga Umurimo programme) has been very short (only one year). The support for developing agent banking services has not been successful.Only one product has been designed for women. |
| 5 | Sustainability |  | Supported Financial Service Providers show very modest financial performance improvements. They still require capacity development to reach scale and stability required for achieving long-term sustainability without external support.There is no clear sustainability plan built into the programme design. |
| 6 | Efficiency of Programme management |  | The programme’ achievements against annual work plans have been good. Several significant outputs items have yet to be completed including work with BNR, RCA, MINICOM and UFC. The roles of technical advisor and programme manager have not been separated.Current size of the project team (1 or 2 staff) doesn’t seem sufficient to manage the programme |
| 7 | Partnership and coordination | The partnership has mobilized additional resources from ROK-UNDP MDG Trust for the programme expansion. | The programme has not been able to partner with other donors interested by the Inclusive Financial Sector. There is a lack of communication and information sharing between donors supporting the inclusive financial sector |

1. Evaluation rating scale: **Highly Satisfactory**: All parameters were fully met and there were no shortcomings; **Satisfactory**: All parameters were fully met with minor shortcomings; **Moderately Satisfactory**: The parameters were partially met with some shortcomings; **Moderately Unsatisfactory**: More than one parameter was unmet with significant shortcomings; **Unsatisfactory** – Most parameters were not met and there were major shortcomings; **Highly Unsatisfactory** – None of the parameters were met and there were severe shortcomings. [↑](#footnote-ref-1)
2. UNEG Evaluations Norms and Standards: <http://www.uneval.org/document/detail/21>

 UNEG Code of Conduct: <http://www.unevaluation.org/document/detail/102>

 UNEG Guidance for Integrating Human Rights and Gender Equality in Evaluation

 <http://www.unevaluation.org/document/detail/980> [↑](#footnote-ref-2)
3. http://www.uneval.org/papersandpubs/documentdetail.jsp?doc\_id=980 [↑](#footnote-ref-3)
4. Sector Support Organizations are those found at the meso level or between financial institutions and national financial regulators. They provide invaluable infrastructure for the viable functioning of a sound financial sector, generally, and an inclusive financial sector, specifically. Example SSOs include credit bureaus, microfinance sector associations, consumer finance education organizations, consumer finance protection organizations, tax and legal firms specializing or with specialization in inclusive finance, information technology firms, consultants, etc. [↑](#footnote-ref-4)
5. Sector Support Organizations are those found at the meso level or between financial institutions and national financial regulators. They provide invaluable infrastructure for the viable functioning of a sound financial sector, generally, and an inclusive financial sector, specifically. Example SSOs include credit bureaus, microfinance sector associations, consumer finance education organizations, consumer finance protection organizations, tax and legal firms specializing or with specialization in inclusive finance, information technology firms, consultants, etc. [↑](#footnote-ref-5)