

## **FOREWORD**

The economic development of a country undergoes the development of its Small and Medium Enterprises (SMEs). They encounter difficulties during their establishment and operation. They are hampered by several hindrances but the dominant one being lack of information on operational loans be it in Rwanda or abroad.

Considering the role played by the private sector in the country's economic development, and in recognition of suggestions of participants at the official launching ceremony of the first edition, CAPMER initiated a second edition of the guide on financial sources and conditions to finance Small and Medium Enterprises in Rwanda.

This guide discloses different types of available funds for SME in Rwanda: loans from commercial banks, operational guarantee fund, the existing funding programmes in the form of competition on the basis of business plans, funds dedicated to the micro finance institutions purposely to finance poor population who can not access classic loans, joint ventures, franchising, different types of financing such as leasing, funds for exports, etc.

This guide is principally addressed to economic actors set to become entrepreneurs or in need to access funds to implement their ideal project. It's also meant for micro finance institutions so as to improve conditions of refinancing their activities.

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## ACRONYMS

ACP	: Afrique Caraïbes and Pacifique
ADB	: African Development Bank
AFD	: <i>Agence Française de Développement</i>
ASEC	: <i>Actions Solidaires pour l'Épargne et Crédit</i>
ASF	: African Solidarity Fund
BANCOR	: <i>Banque à la Confiance d'Or</i>
BCDI	: Bank of Commerce, Development and Industry
BCR	: Commercial Bank of Rwanda
BHR	: Rwanda Housing Bank
BK	: Bank of Kigali
BLCF	: Business Linkages Challenge Fund
BMI-SBI	: <i>Société Belge d'Investissement International</i>
BNR	: National Bank of Rwanda
BRB	: <i>Fondation Raiffeisen Belge</i>
BRD	: Rwanda Development Bank
BTC	: Belgian Technical Cooperation
CAPMER	: Centre for Support to Small and Medium Enterprises in Rwanda
CCFD	: <i>Comité Catholique contre la Faim et pour le Développement</i>
CDC	: Capital and Development Group
CDE	: Centre for the Development of Enterprise
CEDP	: Competitiveness and Enterprise Development Project
CFE	: <i>Centre Financier aux Entreprises</i>
CHR	: <i>Caisse Hypothécaire du Rwanda</i>
COGEBANQUE	: <i>Compagnie Générale des Banques</i>
COMESA	: Common Market for Eastern and Southern Africa
DFID	: Department For International Development
DID	: <i>Développement International Desjardins</i>
EDF	: Enterprise Development Fund
EIB	: European Investment Bank
EU	: European Union
EUR	: Euro
FAGACE	: African Guarantee fund and Economic cooperation
FCFA	: <i>Franc de la Communauté Financière Africaine</i>
FCGEB	: <i>Fonds Canadien Genre et Développement</i>
FGA	: Agricultural Facility Guarantee
FIG	: International Guarantee Fund
FIR	: Rural Facility Investment
FMO	: Netherlands Development Finance Company
GDP	: Gross Domestic Product
IDA	: International Development Association
IFAD	: International Funds for Agricultural Development
IFC	: International Finance Corporation
IFP	: Participating Financial Institution
IFU	: Industrialization Fund for Developing Countries
MDG	: Millennium Development Goals
MFI	: Microfinance Institutions
MIGA	: Multilateral Investment Guarantee Agency

MINAGRI	: Ministry of Agriculture and Livestock
MIP	: Micro Intervention Programme
NGO	: Non Governmental Organisation
NORFUND	: Norwegian Investment fund for Developing Countries
PADEBL	: Dairy Cattle Development Support Project
PDCRE	: Small Holder Cash and Export Crop Development Project
PDMAR	: Rural and Agricultural Markets Development Project
PGERB	: Rural space Management Project of Buberuka
PPPMER	: <i>Projet de Promotion des Petites et Micro Entreprises Rurales</i>
PRAUPA	: <i>Projet de relance des Activités Urgentes de Production Agricole</i>
PREPAF	: <i>Projet de Réduction de la Pauvreté e d'Actions en faveur de Femme</i>
PSOM	: Programme for Co-operation with Emerging Markets
PTABANK	: Eastern and Southern African Trade and Development Bank
REIC	: Rwanda Enterprise Investment Company
RIEPA	: Rwanda Investment and Export Promotion Agency
RIM	: <i>Réseau Interdiocéséan de Microfinance</i>
RML	: Rwanda Microfinance Limited
RSSP	: Rural Sector Support Projet
RWF	: Rwandan Francs
SA	: Public Limited Company
SDR	: Special Drawing Rights
SEK	: <i>Couronne suédoise</i>
SIDI	: International Solidarity for Development and Investment
SIMEST	: Societa Italiana per le Imprese All'Estero
SMEs	: Small and Medium Enterprises
TBIF	: Technology and Business Incubation Facility
UBPR	: <i>Union des Banques Populaires du Rwanda</i>
UCEA	: <i>Union des Coopératives d'Epargne et de Crédit des Agri éleveurs</i>
UNIDO	: Unies Nations Industrial pour le Development Organization
USAID	: United States Agency for International Development
USD	: United States Dollar
VFC	: Vision Finance Company
ZIGAMA CSS	: ZIGAMA Cooperative Saving Society

## **I. INTRODUCTION**

Rwandan SMEs are constrained by meager funds that later hamper their development. The access to formal financing is still low due to risks related to weakness of SMEs and insufficient financial instruments. Further, entrepreneurs do not fulfill the required conditions set by financing institutions due to lack of information on reimbursement capacity and securities.

The financial system offers few financial instruments for SMEs as long-term financing tools. Non-banking financial intermediaries, namely; micro credits organizations could play a crucial role in granting credits to SMEs but they do not have enough capital to satisfy their clients as they expand.

Nevertheless, this guide has been formulated to assist SMEs to eradicate the problem of the shortage of information and meet financing requirements. This manual portrays traditional financial system in Rwanda, rather franchising to permit the transfer of brands and know-how that diminishes bankruptcy and joint venture. Other financial instruments such leasing and joint mechanisms that reduce risk through collaboration, etc.

## **II. LOCAL FINANCIAL INSTITUTIONS**

In Rwanda, the traditional financial sector is made up of a National Bank, Development Bank, Housing Bank and 6 commercial banks.

### **II.1. National Bank of Rwanda (BNR)**

The Central Bank of Rwanda manages different refunding and special fund facilities through the financial and monetary market department, thus;

#### **II.1.1 Rural Investment Facility (RIF)**

RIF is a credit granted to the Government of Rwanda by the International Development Association (IDA) equivalent to 37 200 000 DTS to finance rural sector development support project through Rural Sector Support Project (RSSP). The rural sector for Rural Investment Facility of RSSP was allocated with 7 500 000 DTS for the first phase that operating from 2001 to June 30th 2007.

Eligible activities:

- Production, transformation, conservation, marketing, distribution and agricultural exports, live-stock and fisheries;
- Reforestation, transformation and timber exportation;
- Production and distribution of agricultural inputs and veterinary products;
- Technical support in Agro-business sector;
- Distribution of seeds and planting equipment;
- Any other value-added generating activity.

Fund granting is always linked to the bank loan and is allocated as follows:

- Financial loan less or equal to 100 000 USD: bank contribution is 60% and RIF 40%;
- Financial loan over 100 000 USD, RIF contribution is 40 000 USD plus 20% of the credit installment more than 100 000 USD as long as this amount does not exceed 100 000USD.

### **II.1.2. Agricultural Facility Guarantees (AFG).**

The main objective of AFG is to encourage bank loans to be allocated to developmental activities in agricultural sector. AFG benefits from the Government of Rwanda budget a fund amounting to 1 100 000 000 Rwf and a subsidy of the Netherlands Cooperation which amounts to 704 225 000 Rwf.

All agricultural activities namely; production, transformation, distribution and marketing of agricultural inputs is endorsed by AFG. This fund covers seasonal financing loans refundable within less than 12 months and investment credits whose period is beyond one year.

Financial risks covered by AFG vary depending on the nature of credit as follows:

- Seasonal loan: 30% of the principal;
- Investment credit for export oriented products: 50% of the principal plus three years of interest;
- Investment credit related to the products that contribute to the reduction of balance of payment deficit: 50% of the principal plus three years of interest;
- Investment credit used in setting up agricultural oriented industry: 50% of the capital plus three years of interest;
- Any other investment credit: 40% of the capital plus three years of interest.

### **II.1.3. Guarantee fund and credit line destined to the integration of the retrenched public service employees.**

The Government of Rwanda has put in place a guarantee fund as initial capital of 200 000 000 Rwf to partially cover financial risks in granting credits in the programme meant for integration of the retrenched public servant. The guarantee fund covers financial risks of 50% of the applied amount of credit and 70% for credit applied by an association.

The Government established a credit fund of 300 000 000 Rwf to allow the retrenched public servant get access to credit with a threshold of 5 000 000 Rwf per person or 10 000 000 Rwf granted to an association.

The applicable interest rates on the credit line are set annually with fixed rate of retrocession of 3% and the negotiable outflow rate freely between the IFP and the credit beneficiary. Nevertheless, the BNR reserves the right to refuse any financial request for any outflow rate exceeding rate of 9%.

### **II. 1.4. Preferential refunding facility of medium and long term loans for agricultural and agro-industrial export.**

The facility is meant for exporters of agricultural and agro-industrial products, but also for importing activities of substitute products, financially sustainable. The amount to participate in the project is 200 000 000 Rwf.

The gestation period is assessed in terms of type and profitability of the project with a grace period ranging from 1 to 3 years depending on the nature of each project.

The refunding interest rate is 4% for the financial year 2006 and the outflow rate is negotiable between the banks and beneficiary. However, the National Bank of Rwanda (BNR) reserves the right to refuse any exaggerated interest rate on the profit margin.

## **II. 1.5. Guarantee Fund of Diary Cattle Development Support Project (PADEBL)**

The PADEBL guarantee fund is meant for the private sector economic practitioners to cover financial risks by compensating in case of defaulting of the promoter with 50% of risk (the principal and interests for three years). The fund has a value of 300 000 000 Rwf.

The guarantee funds are kept on the account of the funds in the books of BNR until the claim notice by the IFP, after which the (BNR) deposits to the IFP 50% of the guaranteed risk.

### **Eligible activities:**

- Live-stock rehabilitation,
- Acquisition of farm inputs,
- Equipment and Infrastructures,
- Establish live-stock food manufacturing units,
- Veterinary pharmacies,
- Milk transformation and Marketing,
- Skin factories.

## **II.1.6. Small holder Cash and Export Crop Development Project (PDCRE)**

The project aims at increasing the income and/or exportation of cash crop poorest growers in three provinces: West, South and East by developing commercial transformation and financial sustainable marketing activities.

This type of credit has an envelope of 2 910 000 DTS whose 1 200 000 DTS is apportioned to the long-term credits, 660 000 DTS for short term while 1 050 000 DTS for the overdraft facilities.

The refunding granted by IFPs is committed to 100% for long and short-term credits for SMEs and 75% allocated to short-term credits to Tea and Coffee Producers and for overdraft facilities.

### **Eligible activities:**

- Coffee component, the project shall support:
  - Rehabilitate and expansion of the existing coffee plantations to produce at least 10 000 tones of first quality of Arabica coffee cherries per annum;
  - Construction, by corporate or cooperatives, of coffee washing and husking station capable of transforming at least 10 000 tones of coffee cherries and produce at least 1 400 tones of high quality of green washed coffee every year;
  - Prefinancing of corporates and cooperatives shares until they generate profits and distribute dividends that allow shareholders to re-buy their shares.
- Tea component, it articulates around (2) sub components:
  - Integrated system of tea production and transformation in the former district of Nshili;
    - Expansion on 200 hectares of tea plantation for approximately 800 beneficiaries;
    - Rehabilitation of 965 hectares of industrial plantation of OCIR-Thé and the continuity of sales services of tea green leaves to other factories and supply of agricultural inputs until the new factory is fully operational;
    - Pre-funding of corporates and cooperative shares until they generate profits distribute dividends to allow shareholders to re-buy their shares;
  - Establishing of new tea plantations in former district of Mushubi:



- Fire wood plantation of 500 hectares out of which 200 hectares will be planted on the district land and 300 hectares of the peasants' plantations to supply a tea transformation factory that is to be constructed in District with other sources of finance.

### Participating Financial Institutions

PFI are financial institutions, which signed participating agreement to pay out funds deposited in the National Bank of Rwanda (BNR). IFPs grant credits to eligible operators and BNR refunds a banker at a pre-established and agreed upon rate.

### Procedures to follow:

- Project beneficiary prepares a technical and financial feasibility study and forwards a funds application to a participating bank by specifying loan details,
- Bank assesses and analyses the application by using project evaluation techniques commonly applied;
- When the application is approved by the bank, the latter presents to the BNR a project and promoter descriptive summary, an evaluation report, a notification letter of the granted credit,
- After scrutiny, the National Bank of Rwanda (BNR) refunds the banker at a retrocession rate proportionally based on sub-credits' eligibility factors agreed upon with the IFP.

The Guarantee fund and operational funding facilities:

**Table 1:** Guarantee fund and participating financial institutions.

<b>NAMES</b>	<b>IFP</b>
RIF	BK, BRD, BCR, BANCOR, FINABANK, COGEBANQUE; UBPR, ZIGAMA-CSS, CFE-AGASEKE; RIM S.A; COOPEC-IRIBA; VISION FINANCE CO; AL HALAAL S.A
AFG	BK, BRD; BCR; BANCOR; FINABANK; COGEBANQUE; ZIGAMA-CSS, RIM S.A; COOPEC-IRIBA; AL HALAAL S.A.
Guarantee fund and credit meant for retrenched public servant	BK, BRD; BCR; BANCOR; FINABANK; COGEBANQUE; ZIGAMA-CSS, RIM S.A; COOPEC-IRIBA; AL HALAAL S.A.
Preferential refunding facility	BK, BRD, BCR, BANCOR, BCDR; COGEBANQUE; UBPR. ZIGAMA CSS; AL HALAAL S.A.
Guarantee fund and RPSF financing facility (business plan competition)	BRD
FAGACE guarantee fund	BRD
ASF guarantee fund	BRD
SME-BRD guarantee fund	BRD

## II.2. Rwanda Development Bank (BRD)

The BRD is a banking institution that aims at promoting development of the country focusing on priority sectors. The bank deals with creation and enterprises development which contributes to the

economic development of the country through direct or indirect equity investment, applying for bonds, cash voucher or other securities and granting short, medium and long term loans.

BRD works in all value –added investment and creation of employment opportunity sectors.

In its credit policy, BRD gives priority to new technology and export oriented projects.

### **Conditions to access loans**

#### 1. Requirements to fulfill:

- A feasibility study for the project (technical and financial).
- Adequate technical capacities in the field of the project for which finance is being sought,
- Capacity to manage the project,
- Adequate market share to ensure a good turnover level, and project profitability
- A minimum participation by the promoter varying between 30 and 50% of the cost of investment according to the size of the project. For expansion projects, the contribution of the Bank can represent the totality of the necessary investment.

#### 2. Nature of guarantees:

- Mortgages with title of ownership,
- A pledge of receivables,
- A joint guaranty (spouses, shareholders and other stakeholders)
- A guarantee from state, other bank, etc.
- The pledge of material or financial resources
- Accidents and fire insurance etc.

#### 3. Interest rate:

It's negotiable between a Bank and the client and varies between 8 and 15% according to the project cost. It takes into account the cost of resources used for financing, pledged guarantees, investment risk, credibility of the promoter and the economic and social impact of the project.

#### 4. Credit financing

Floor/minimum (Rwf): 3 500 000 Rwf

Threshold /maximum (Rwf): 25% of the bank-owned share fund

Quotas shares: 30-50%.

Other credit related fees:

- None refundable application fees 11 800 Rwf
- Bank commission fees: 0.75% of the credit + VAT
- Service commitment fees: 1% of un withdrawn amount.

The repayment period varies up to 10 years and depends on the provisional cash flow released by project. The current average is between 7 and 8 year.

### **Microfinance refunding and development Fund**

BRD has strengthened its mission of the national development bank by setting up an independent micro

finance unit in charge of:

- Refund Microfinance institutions that offer financial services to the economically active poor;
- Build capacities of microfinance institutions;
- Promote the best practices performed by appropriate microfinance for development of Rwanda,
- Install a micro finance database at the national level;
- Create a mid-term powerful bank to finance rural and agricultural area of Rwanda.

### II.3. Rwanda Housing Bank (BHR)

Caisse Hypothécaire du Rwanda (CHR) currently named as Rwanda Housing Bank (BHR) was created in 1975 as a limited liability company to act as a housing finance institution as well as a property developer.

The bank mobilizes resources basing on different saving plans as follows:

- Savings: clients have access to Housing Savings Plans and Housing Savings Accounts, which pave way for them to carry out their housing projects.
- Housing Savings Plans: consists of regular and programmed remittances. The depositor qualifies for a loan after 12 to 24 months of savings
- Housing Savings Accounts: are non-programmed deposits of funds on interest-bearing savings accounts. Depositor qualifies for a loan after 12 o 24 months when he has built up his contribution towards the cost of the house

**Table 2:** Types of savings accounts in BHR

Type of account	Opening an account (Rwf)	Bracket (Rwf)	Interest rate RWF
Classical savings account	50 000	50 000-1 000 000 1 000 001-5 000 000	3% 4%
Silver Saving account	5 000 000	5 000 001-10 000 000	5%
Golden Saving account	10 000 000	10 000 000	negotiable

BHR has also put in place a Diaspora savings account in order to help Rwandans living abroad. This type of accounts provides the same advantages as the above mentioned accounts.

#### Types of credits

BHR grants to its clients the following credits:

- Loans to individuals:
  - Home purchase loans
  - Home completion/improvement loan
- Loans to institutions, companies and employers
- Credits to property developers,

- Loans to the Rwandan community in the Diaspora.

BHR offers credit at 14% interest rate.

Credit financing:

Floor: 20 millions

Shares: 20-30%

Credit related fees: 1% of credit + VAT

Repayment period is 20 years maximum.

## II.4. COMMERCIAL BANKS

Commercial banks collect public deposited funds via bank account and lend to enterprises.

### II.4.1 Commercial Bank of Rwanda (BCR)

The Rwandan Government created BCR in 1963. Its management was ensured by the central bank. In December 2004, BCR was privatized and put under the management of Actis, a financing investor in capital of emerging markets based in United Kingdom. Actis has the mission of not only directly and profitably managing its investments but also contribute to the expansion and development of the economic sectors everywhere it operates.

#### Services offered to its customers

Table 3: Services offered by BCR

Types of services	Characteristics	Conditions
Current account	<ul style="list-style-type: none"> <li>- Unlimited access to your money,</li> <li>- Access to banking services such as standing orders, foreign exchange and fund transfer</li> <li>- Detailed statement of transactions over your account for any period</li> <li>- Corporate debit card</li> </ul>	<ul style="list-style-type: none"> <li>- certificate of incorporation,</li> <li>- Enterprise statutes</li> <li>- Passport photographs of all signatories</li> <li>- Post office box for receiving your mail from BCR</li> <li>- Initial deposit of 100 000 Frw or an agreement on receiving a future deposit</li> </ul>
Saving account	- Saving for a future investment project - Unlimited access to your money at any time combined with a cashPlus ATM Card, earn interest and its all free.	The account has the same conditions as for the current account except that the saving account has the initial deposit of 50,000 Frw
4 to 4	<ul style="list-style-type: none"> <li>- Saving deposit account targeting business entities and businessmen ,</li> <li>- A investment period of 4 months revolving</li> <li>- The contract is renewed automatically at the end of every month</li> </ul>	<ul style="list-style-type: none"> <li>- Minimum deposit of 200,000 Frw</li> <li>- Interest rate between 4-7% a year</li> </ul>
<i>Trésor</i> account	It's saving account which aims at planning child's education, business investment, a sudden emergency and stable future	<ul style="list-style-type: none"> <li>- A minimal deposit of 10,000 Frw non maximum</li> <li>- Interest rate between 5-7% per annum once your account balance has reached 50,000 Frw</li> </ul>
Types of services	Characteristics	Conditions
		- Having access to your money twice a

		year, leaving a minimum of 50,000 frw
Term deposits	The saving account contracted for a specific period through which you can maximize your interest income.	<ul style="list-style-type: none"> <li>- Having a current account</li> <li>- Term deposit for periods of one, three, six and twelve months</li> </ul>
Credit Eclair	A fast credit for investing in enterprise or other individual projects.	<ul style="list-style-type: none"> <li>- Be employed with the same enterprise for more than a year,</li> <li>- Be between 21 and 55 years old</li> <li>- Monthly net income must be more than 100,000 Frw per month.</li> <li>- Have held an account with any bank for more than six months.</li> <li>- Have a satisfactory credit history.</li> </ul>
Overdrafts	<ul style="list-style-type: none"> <li>- An overdraft facility is the ability to overdraw your account to a set amount</li> <li>- The interest rate is higher than Eclair credit and an arrangement fee (5,000 minimum) is payable</li> </ul>	- To have current account
Cash plus card	It's a debit and ATM card that gives you access to your current account and saving 24 hours a day, every day.	- Having current account
Lease and go	<p>Products offered:</p> <ul style="list-style-type: none"> <li>- Full pay out finance lease facilities: based on the principle of recovering the total cost of the leased asset over the lease term. Under such a contract, the lessee is responsible for all maintenance, insurance and taxes.</li> <li>- Operating leases: based on the principle of recovering less than the total cost of the leased asset leaving a proportion of the cost to be recovered from the asset's residual value. Under such a contract, the lessor is responsible for all maintenance, insurance and taxes.</li> </ul>	<ul style="list-style-type: none"> <li>- target business community,</li> <li>- transactions range between 5 to 300 millions and provided in dollars or Rwf,</li> <li>- the client identifies the equipment and supplier and negotiate the terms of supply under the conditions accepted by BCR,</li> <li>- repayment period is between 2 to 5 years,</li> <li>- the leased asset becomes the primary guarantee, however additional guarantees may be required,</li> <li>- the ownership of the equipment will be transferred to the client at the end of the lease term upon fulfilling the purchase options,</li> <li>- the leased asset is insured against all risks and the responsibility incurs to the clients,</li> <li>- the amount financed is net of VAT as the bank claims VAT on the cost of the equipment. The client however pays VAT on monthly rentals over the lease period.</li> </ul>

1. Conditions required:
  - An application letter,

- Security of business fund,
  - Mortgage (movable and immovable assets)
2. Credit financing:
- Share: 25% of owned share fund,
  - Interest rate: 17%

#### **II.4.1 Bank of commerce, Development and Industry (BCDI)**

BCDI started its activities in 1995 and has a wide networked branches scattered throughout Rwanda: in Kigali City, KBC, City Plaza; in the Southern Province: Muhanga, Huye and Nyamagabe; the Northern Province: in Musanze; the Western Province: Rubavu and Rusizi; Eastern Province: Nyagatare.

BCDI intervenes in the sector of Commerce; Industry, Agriculture, etc. It offers a range of different services to enterprises such as the current account, savings account, credits, business insurance, international business, business assistance.

Any enterprise needing loan from BCDI should abide by the following conditions:

1. Application File for a credit:
  - To write an application letter,
  - A certificate showing that you are debt free,
  - To recording a credit application form,
  - To checking a loan application document issued by an agent from credit department,
  - File is forwarded to the Head of department for recommendations,
  - Complete file is forwarded to the loan committee for approval.
2. Nature of guaranties:
  - Movable and Immovable assets,
  - Pledge from State,
  - Fund deposit.
3. The interest rate varies between 15 and 18%.
4. Credit Financing:
  - Shares: 30%
  - Other credit related fees:
    - o Mortgaging commission: 1,5% - 2 % of the unpaid amount
  - Repayment period varies between 1 and 5 years(s).

#### **II.4.3. Banque à la Confiance d'Or**

Created in 1995 by foreign investors, la Banque à la Confiance d'Or was restructured in 2001 after its takeover by the Rwandan and South African private Investors. The new shareholders increased the share capital from 300 millions Rfw to 1.5 billion Rwf and rename BANCOR S.A.

At the very beginning, the bank operated in Kigali but has currently expanded countrywide opening branches in Rubavu and Rusizi.

The activities of BANCOR are mainly oriented on the market share of small and medium enterprises as well as independent businessmen.

The shares of the bank consist of deposit of clients (87%), shareholders (8%) and the bank cumulative profits (5%) on April 30, 2006.

### **Types of Credits**

- Cash credit,
- Importing credit,
- Investment credit,
- Housing credit.

### **Conditions to access loans**

#### 1. Conditions to accessing loans:

- An application letter,
- An investment file with a project feasibility study (technical & financial),
- Enough technical capacities within the area of requested intervention,
- Showing project management ability,
- Sufficient market to guarantee a good level of turnover and project profitability.

#### 2. Nature of guarantees

- Building with land titles,
- Security of business fund,
- Joint Guarantee (of members, other shareholders...),
- A pledge form State, other banks, etc,
- Bank guarantee.

#### 3. The interest rate varies between 14 and 19.75%.

#### 4. Credit financing

- The floor/minimum (Rwf): Not specified,
- Threshold/Maximum (Rwf) : Not specified,
- Shares: 20%,
  - o File related fees: 11,800 Rwf non refundable,
  - o Study commission service: 0,75% of credit + TVA,
  - o Mortgaging commission: 1% of the unpaid amount ,
- The repayment period is variable up to 10 years and depends upon the estimated finance released by the project. The current average is between 7 and 8 years.

### **II.4.4. FINA BANK**

On August 1, 2004, FINA Bank Limited of Kenya and the Government of Rwanda signed an agreement transfer of 60% of shares of the latter. The Government of Rwanda has transferred 80% of shares of BACAR to a constituted consortium of FINA Bank Limited and Holding Limited Enterprise. FINA Bank, a commercial Bank of Kenya has obtained 60% while Enterprise Holdings, an investment group based in Botswana has 20%. The transaction value amounts to 3,76 million USD. In both cases, 20% of shares will be the property of the Government of Rwanda. These shares will be sold to the Rwandan investors.

### **Types of Credit**

- Ordinary credit,
- Leasing

#### **Conditions to access loans:**

##### 1. Requirements:

- A two year financial situation,
- Credibility of the client,
- A project business plan showing the actual profitability,
- Business fund
- Operating bank account.

##### 2. Nature of guarantees

- House mortgage with titles deeds or rental agreement,
- Securities of business fund,
- Joint guarantee of members other partners...),
- Pledge (of the State, other banks) etc, or financial asset,
- Security of equipment and financial assets
- Fire and accident insurance etc.

3. The interest rate of FINABank is 18% a year.

##### 4. Credit financing

- Threshold/maximum (Rwf): 25% of the bank owned fund.
- Grantee covers 100% of the credit amount
- Other credit related fees:
  - o File related fees, service commission: 1% of the unpaid amount + VAT,
- The repayment period is 5 years.

#### **II.4.5 Compagnie Générale des Banques (COGEBANQUE)**

COGEBANQUE is an unlimited company which started in July 1999, with shared capital of two billion of Rwandan francs. All shareholders of COGEBANQUE are of Rwandan Nationality.

The mission of the bank is to provide quality services to the clients, increase the profitability through its commercial strategy and innovative modern technology as well as contributing to the economic development of the country.

The bank operates in agro-animal husbandry, industry, art-crafts, services (commerce and others), and construction. It targets the individual operators, corporate, associations and cooperatives. The bank operates in the whole country with the help of its Networked agencies and counters: in Kigali City, Nyarugenge, Kicukiro and Gasabo; Southern province, Huye, and Nyamagabe; Northern province, Musanze; Eastern province, Rwamagana and the western province Rusizi and Rubavu.

#### **Products and services**



- Banking at home is a product that allows clients to visualize the movements on their accounts via internet,
- Visa card allows sales and withdraw operations,
- Western union and SWIFT are services that enable sending and receiving money all over the world,
- Savings allow customers to make economies at a pace enabling clients to plan for future,
- Saving for education is a saving account for education of the children and the client,
- Corporate banking is the first class service especially for corporate clients.

#### **Conditions to access financing:**

- Threshold (Rwf): 25% of bank funds,
- Interest rate: 13% -19% depending on the type of activity,
- Collateral security covers 100% of the whole credit,
- Other related fees to credit: negotiable,
- Repayment period: 1-15 years,
- Nature of collateral: mortgage (immovable and movable assets), deposits, pledge of goodwill, joint collaterals,
- To be a bank client for at least 3 months,
- Not to be charged by the bank prohibition

Other forms of financing are of sponsoring nature.

#### **Procedures for accessing to financing**

- o A credit application,
- o submit financial statements for customers dealing with commercial activities,
- o present a project to be financed,
- o submit documents of proprietorship of the proposed collateral.

#### **II.4.6 Bank of Kigali (BK)**

The BK was created in 1967 and with a gratitude of more than 39 years of working experience, it operates in four provinces of Rwanda, namely the district of Huye, Musanze, Rubavu, Muhanga, Rwamagana and Rusizi. It also has branches in Kigali city at Remera, Kacyiru and office of the western union.

It operates in sectors of commerce, industry, exportation and construction, etc.

#### **Services provided to the clients**

Commercial credit: cash credit, importation credit, discount credits, withholding credit, investment credit etc,  
 Individual credit: construction credit, equipment credits, credit for vehicle purchasing, salary advance credits etc,

#### **Conditions to access credit**

## 1. Requirements:

- Investment file with a project feasibility study (Technical and financial),
- Credibility of the entrepreneur,
- Sufficient technical capacity in the requested field of intervention,
- Project management capacity,
- A sufficient market to guarantee a good level of profitability and sales turnover,
- Minimum personal contribution ranges between 30 and 50% of the capital cost depending to the size of the project.

## 2. Nature of guarantees:

- Mortgage on buildings,
- Pledge of Goodwill (stock, vehicle, etc.),
- Joint guarantee of shareholders for corporate,
- Transfer of credit.
- Banking guarantees,
- Mortgaging on deposits,
- Insurances

## 3. Interest Rate:

### a. Withdrawal credit:

- Seasonal loan for agricultural products (coffee + Food stuffs); medium and long term investment loan: 15,25%,
- Treasury or Cash loan: Individual credits, sales and period credits, mortgage credit; discount promises, invoices and suppliers effects without recourse: 17,25%,
- Discounts yielding, invoice discounts, approved by the public authorities, supplier discounts with recourse, importation financings before the arrival: 17%,
- Credit to industries for financing raw materials on by raod: 15,75%.

### NB:

- Additional Interests at the rate of 2% on any exceeding notified line,
- Additional Interests at the rate of 1% a year on monthly payment paid with delay and 2% a year on each monthly payment declared unpaid.

### b. Act of guarantee and letter of guarantee:

Quarterly, anticipatory and indivisible commission (Minimum 11,000 Rwf)

- Act of non-funded: 3.5%,
- Partially funded act: 2.5%,
- Act funded at 100%: 1.5%.

### c. Credits on security of importation

Quarterly, anticipatory and indivisible commission (Minimum 5 500 Rwf)

On credit limit allocated to the importation DOC/DP/DE: 0,325%,

On dispossession by the Bank of imported goods (EIDA): 0,55%.

### d. Bad debts

Semester and indivisible commission (maximum 110 000 Rwf): 1,5%

Additional interests on total credit: 2%

## 4. Credit financing

- Floor/minimum (Rwf) : depends on repayment capacity,

- Bottom/minimum (Rwf) : 25% of the bank capital. For fund exceeding this ceiling, BNR authorization is required,
- Transferable share: 25% of net profit,
- Other credit rotating fees:
  - o File opening fees: 12 650 Rwf,
  - o Notification commission (minimum 11 000 Rwf, maximum 110 000 Rwf) : 0,25%,
  - o A committing commission of 0,25% discounted on the average available margin of previous quarter,
  - o Management and surveillance annual fees on the mortgaged credits and long and medium term credits (minimum 11 000 Rwf, maximum 110 000 Rwf): 0,25%,
- Repayment period varies up to 6 years.

### III. MICROFINANCE INSTITUTIONS

A good part of microfinance activities are meant for granting meager funds to economically poor people. These people generally use credits for starting their income generating projects or small enterprises.

In Rwanda, saving is equally a very important part of microfinance services. These people save to reduce their vulnerability during difficult periods. They save for future projects namely education of children, setting up the small enterprises, etc.

The National Bank of Rwanda, in its remits, grants agreements to these microfinances. It's in this framework that microfinance institutions are temporary or permanently operating on a local financial market.

#### III.1. Union des Banques Populaires du Rwanda (UBPR)

The « Banques Populaires » are saving and credit cooperatives. Their objective is developing saving and popular loan, promote through cooperation the economic and social welfare of shareholders and their families and thus serving the community.

Sector of activities

**Table 4** : UBPR activity area

Sector	Financing	Rate of interest
agriculture	Purchase of the seeds, manure/ fertilizers, material, salaries/ wages, labor etc	1.08% per month that is 13% per annum
Livestock	Purchase of large and smaller live-stocks, construction of cattle sheds, installation of pastures, etc	
	Purchase of goods, purchase of commercial materials	1.16% per month that is 14% per annum.
Construction	Construct or purchase of a commercial or residential house	
Transport	Acquisition of vehicles of any kind	
Equipment	Domestic equipment, solar panels	
Industry and handicrafts	Grinding machine, carpentry, tailoring	

**Credits granted by the « Banques Populaires »**

**Table 5:** type of the granted credit by UBPR

<b>Type of credits</b>	<b>Financing</b>	<b>Rate of interest</b>
Urgent loan	School fees, medical care	1.16% per month that is 14% per annum
Advance on salary for employees	Advance of 8 times the refundable wages of 24 monthly payments	1.16% per month that is 14% per annum
Credit line	It's a short term credit; the member can make disbursements when she/ he needs funds, and to refund them at any time ("renewal credit"). There will be a possibility of spending the refunded funds, without exceeding the authorized ceiling.	1.16% per month that is 14% per annum
The balance in force	Repaid at the end of a year, except if it has a new credit limit approved for the following year. The accumulated interests will be paid each month	1.16% per month that is 14% per annum
Micro credit	It's mainly meant for the members owning small businesses or micro enterprises already established. The fund covers working capital and/or investment capital in fixed assets to short and medium term.	
Credit to joint group	The joint guarantees are accepted as collaterals	1.16% per month that is 14% per annum
Fortnight credits	It aims at allowing salary earners to meet the end of the month. The ceiling amount for a person is fixed to 50% the net salary	3% perceived on the granted amount
Housing saving Credit	The accumulated amount during the period of saving and its interests are regarded as personal capital contribution for the project to be achieved. The credit granted within the framework of the saving on housing can not exceed 4 times the saving made and remains within the limits determined by the capacity of the "Banque Populaire". After saving is made, the member requests the credit under the normal conditions.	1.16% per month that is 14% per annum
Solar energy saving credit	The accumulated sum during saving and its accrued interests are regarded as the personal capital contribution for the project to be achieved.	1.16% per month that is 1.16% per annum

**The credit lines allocated to *Banques populaires***

**Table 6:** Credit line at UBPR

<b>Institutions</b>	<b>Funded projects</b>	<b>Available amounts</b>	<b>Zone of operation</b>
<i>Projet de Développement des Marchés Agricoles et Ruraux (PDMAR)</i> NB: the project has currently expired but credit funds are still on rotating basis	Agricultural inputs, Mineral manures of all sorts, certified seeds, pesticides, small tools.  Livestock inputs Veterinary pharmaceutical products, small equipment of breeding, cattle food.	Rotative fund of 492 728 336	South : ex Butare, Gikongoro, Gitarama. West : ex Cyangugu., Kibuye. North : ex Gisenyi. East : ex, Kigali Ngali
<i>Projet de Gestion des Espaces Ruraux de Buberuka (PGERB)</i>	- Micro agricultural income generating projects (rearing large and smaller livestock, poultry farming, pisciculture, bee-keeping,) - Marketing agricultural inputs (seeds, fertilizers, agricultural tools) - Veterinary pharmacies - Development of marshland crops - Storage and procurement of livestock and agricultural products, livestock agricultural transformation initiative (juice, honey, cheese...) - Reforestation - All other livestock agricultural income generating activities identified to the project beneficiaries	Credit fund of 150 000 USD	North : districts of Mutobo, Buhoma, Bukamba and Butaro
<i>Projet de Relance des Activités Urgentes de Production Agricole (PRAUPA)</i>	- Purchase of fertilizers (NPK, urea,..) selected seeds and pesticides; - Purchase of minor agricultural tools (wheat acreage, transplanting, weeding, harvesting); - Acquisition of manual tarare, pedal threshing-machine for rice growers; - Marketing and transport of rice production	Guarantee funds of 80 000 000 Rwf	Rwamagana and Bugarura zone
Project for Poverty Reduction and Actions in favor of Women (PREPAF)	All income generating projects	Credit fund	South: eg Butare, Gikongoro West: eg Kibuye
Rural Small and Micro Enterprises Promotion Project II (PPPMER II)	- Small business - Seam, basket making, knitting-carpentry and sawmill - Brickyard, tilery and pottery - Repair and services - Bakery and flour milling - Restoration, slaughter-house and butchery - Beer and juice manufacturing	Credit fund of 300 000 USD	Northern, southern, and Eastern provinces
<b>Institutions</b>	<b>Funded projects</b>	<b>Available amounts</b>	<b>Zone of operation</b>

PPPMER II	<ul style="list-style-type: none"> <li>- Hair cutting and dressing</li> <li>- Shoe manufacturing</li> <li>- Metal and Forging mill working</li> <li>- Masonry</li> <li>- All other rural activities on income generating activities identified for project beneficiaries.</li> </ul>		
Rural Sector Support Project (RSSP)	<ul style="list-style-type: none"> <li>- Production, processing, preservation, marketing, distribution and exportation of fish, live-stock and agricultural product</li> <li>- Reforestation, transformation and timber exportation;</li> <li>- Production and Distribution of agricultural inputs and the veterinary products;</li> <li>- Technical support in the agricultural sector</li> <li>- Seed distribution and plantation materials.</li> </ul>	Granted credits are 13% for the year meaning 1.08% monthly	National territory Rwandan
Dairy Cattle Development Support Project (PADEBL)	<ul style="list-style-type: none"> <li>- Purchase of bull and heifers,</li> <li>- <b>cleaning</b> of pastures;</li> <li>- Plantation of the fodder crops;</li> <li>- Infrastructural construction of farms (cattle sheds, water reserves, etc.)</li> <li>- Equipment and materials for milk conservation</li> <li>- Working capital for the marketing of dairy products marketing</li> <li>- biogas systems Organization;</li> <li>- rural veterinary pharmacies Organisatin</li> <li>- Cheese dairy and butter production;</li> <li>- Tannery, treatment of horns and toenail, etc.</li> </ul>	credit funds of 100 000 000 Rwf  granted credits are 13% a year meaning 1.08% monthly	National territory Rwandan

**Conditions to access credits:**

- To be a bank member for at least one month,
- Credibility of a customer,
- To have moral solvency and integrity,
- Submit a lawful, feasible, and profitable project,
- Personal contribution amounting to 20%,
- Present sufficient, measurable and legal guarantees,
- Payment of credit related fees of 1%+ VAT,

- The repayment period varies between twelve months to five years.

### **III.2. UBAKA**

UBAKA is a savings and credit cooperative that was created on 19th March 2003. The UBAKA cooperative committed itself to poverty reduction by granting micro credit services to active economically poor people.

#### **Conditions to access financing:**

- Floor: 50 000 Rwf,
- Ceiling: 1 500 000 Rwf,
- Quota and/or personal contribution (in %) : 20%,
- Interest rate: 2% per month,
- Repayment period ranges between 1 and 12 months,
- Nature of collaterals:
  - o Salaries,
  - o Furniture,
  - o Deposit of guarantee and fixed assets,
- Requirements:
  - o To be a micro finance customer,
  - o To have a profitable project,
  - o To have a guarantee.

### **III.3. Action Solidaires pour l'Épargne et Crédit (ASEC)**

Created on 12th March 2004, ASEC grants small credits to women and young entrepreneurs to increase the working capital in their operations. The company offers credits for small business, transport, construction, and working capital, etc.

The financing sources of micro finance are shareholders assets (66%) equivalent to 101 050 000 Rwf and customers deposits (34%) equivalent to 51 449 660 Rwf.

#### **Conditions to access credits:**

- Floor : 50 000 Rwf,
- Threshold: 5 000 000 Rwf,
- Share and/or personal contribution (in %) : 30%,
- Rate of interest: 2.5% per month,
- Other credits related fees: 0.1% to 1% according to the negotiated due date.
- Repayment period varies between 1 and 12 months,
- Nature of guarantees:
  - o Real estate,
  - o Furniture,
  - o Joint guarantee,
- Requirements:
  - o To have a customer for a three months period,
  - o Movements effected on an account

### III.4. Union des Coopec Umutanguha

The COOPEC UMUTANGUHA are credits and savings cooperatives with main objective to contribute to the improvement of wealth of household headed by lower income generating people by offering them financial community based services and regular financial coaching.

The sources of finance are shareholders assets 37% equivalent to 66 million, deposits of customers 34%, that is 62 million and TROCAIRE funds 29% amounting to 50 million.

The areas of financing provided by UMUTANGUHA COOPEC are presented in the table below:

**Table 7: Operational areas of UMUTANGUHA**

Branch	Operational zone	Working areas
Nyamirambo	Kigali city districts	Small business, crafts, farming adapted to conditions of the city and its suburbs.
Mahoko	Districts of Rubavu, Nyabihu (western Province)	Agriculture (Irish potatoes, legumes, bananas, sorghum, maize), breeding, small scale industries (beer and banana wine), crafts (woodwork) fish farming in the lake kivu , small business
Kabaya	Districts of Ngororero, Nyabihu (western Province)	Agriculture (Irish potatoes, legumes, sorghum, maize), breeding, crafts( woodwork) small business
Vunga	Districts of Muhanga (southern Province), Nyabihu (west) and Musanze (North)	Agriculture (sweet potatoes, sorghum, beans), breeding, small scale industries (banana beer), crafts (woodwork) small business
Gasarenda	Districts of Nyamagabe and Nyaruguru (southern Province)	Agriculture (Irish potatoes, wheat, sweet potatoes), breeding, crafts (wood work), small business, transportation of timber products (finished and semi finished products) to Kigali, development of tea activities.
UNION	Three provinces (west, North and South) and Kigali city	It avail funds to COOPEC to allow them financing the above mentioned activities

#### Conditions to access financing:

- Floor: 50 000 Rwf per person or group member,
- Threshold: 2 500 000 Rwf per person and 500 000 Rwf per group member,
- Share and/or personal contribution (in %) 20% to 30% of the total cost of the project.



**Table 8:** Interest rate charged by UMUTANGUHA

Debtor interest rate (monthly)		Creditor interest rate (annual)		
project sectors	Applied Rate	Installment of the amount (Rwf)	period: 3 to 6 months	period < or equal to 6 months
- Commerce with joint guarantee ; Unsecured credit; urgent credit,	2.5%	10 000 - 500 000	5%	6%
- Commerce with physical guarantee	1.2%	500 001- 1 000 000	7%	8%
- Agriculture ; breeding, forestry, handicrafts, construction, shelter,	1.5%	1 000 001 -5 000 000	9%	10%
- Education and health	1.4%	More than 5 000 000	negotiable	negotiable

- Other credit related fees: fees charged for the examination of the credit file : 1% of the loan,
- Repayment period varies between 3 and 12 months,
- Nature of guarantees:
  - o Joint guarantee for a group,
  - o Physical guarantee for individual credits,
- Conditions to access credit:
  - o To being a regular customer during at least one month.

### III.5. Zigama Bicumbi Cooperative

It was authorized to officially operate in 1993 by the Ministry in charge of cooperatives, Zigama Bicumbi Cooperative started its saving and credit related operations to reduce poverty of their members through granting of credit. The Cooperative received a temporary authorization in January 2006 from National Bank of Rwanda.

The cooperative intervenes in the sectors of commerce, farming, housing, etc. The capital of the cooperative is made of contributions of 3843 members, that is 136 00 000 Rwf. It operates in the Eastern Province of Rwamagana District and has 3 branches in the sectors of Karengye, Nzige, and Mwulire.

#### Conditions to access financing:

- Floor: 5 000 Rwf
- Threshold: 2 000 000 Rwf
- Shares and/or personal contribution (in %) : 10%
- The interest rate : 16% a year, 1,3% per month (12% a year) for animal husbandry
- Other credit related fees:
  - o Fees charged for the file: 1 000 Rwf
  - o Commission fees for the cooperative: 1% of the whole credit.
- Repayment period varies between 6 to 12 months
- Nature of guarantees:
  - o Immovable property: House, forest, land with a title deed
  - o Salary
  - o Joint guarantee
- Requirements:
  - o To be a member of the cooperative
  - o To have a profitable project
  - o Sufficient guarantee.

### **III.6. INKINGI Microfinance**

INKINGI microfinance was created on 18th January 2004 to promote the entrepreneurship spirit in favor of its customers. It is equally involved in savings and credits education as a tool of poverty reduction through financial solidarity associations.

INKINGI SA operates in two Provinces and Kigali City and has 14 branches in Nyarugenge (5), Kicukiro (3), Kamonyi (3), Muhanga (2), Ruhango (2), Nyanza (2), Save (3), Bugesera (2), Rwamagana (2), and Nyagarate(2).

Intervention sectors are as follows:

- Commerce (60%),
- Transport and communication (15%),
- Agriculture and breeding (15%),
- Housing and equipment (5%),
- Health, education and others (5%),

Interventions domains and their importance:

- Motorcycles Credits for associations of motorcyclists (30%),
- Purchase of fertilizer and manure for agriculture (especially for rice growers (15%),
- Increase of commerce funds (40%),
- Access to health care (insurance health scheme), school fees, advance on salary (5%),
- Domestic equipment and housing (10%)

#### **Conditions to access financing:**

- Floor: 20 000 Rwf,
- Ceiling: 1 000 000 Rwf,
- Shares and/or contribution(in %) : 20%,
- Interest Rate: 18% to 27% a year,
- Repayment period varies between 1 and 12 months.

### **III.7 COOPEDU**

COOPEDU was created by DUTERIMBERE ASBL to help the disadvantaged women who cannot access to classical credits. COOPEDU is n operational saving and credit cooperative since 1999. COOPEDU operates within construction, small trade, and small industry handcraft, agriculture and livestock sectors.

The credits available to its members fall within three types:

- Ordinary credit
- Credit to women entrepreneurs
- Saving and credit group

#### **1. Ordinary credit**

Conditions for accessing:

- Floor varying according to the creditor's capacity of refunding
- Threshold:5 000 000frw
- Interest rate : 20% per year
- Other credit related fees: 1 000frw
- Period of repayment is 3 years

- Nature of guarantee:
  - o House
  - o Act of ownership
  - o Pledge from a third person
- Requirements:
  - o To be a member for at least 6 months
  - o Payment of membership fees which amounts to 10 000frw

## 2. Credit to women entrepreneurs

This type of credit has been introduced to strengthen financially women entrepreneurs who do not have access to the classical credit due to lack of guarantee. The credit is granted individually and progressively in four phases. After the integral repayment of the loan, a client passes from a cycle to the other, until she/he reaches the 4<sup>th</sup> cycle.

Condition required:

- Interest rate : 13% per year (constant)
- Threshold:
  - o 1<sup>st</sup> phase: 300 000 frw refundable within 8 months,
  - o 2<sup>nd</sup> phase: 600 000 frw refundable within 12 months,
  - o 3<sup>rd</sup> phase: 1 200 000 frw refundable within 12 months
  - o 4<sup>th</sup> phase: 2 400 000 frw refundable within 12 months
- Period of repayment varies between 8 and 12 months
- Nature of guarantee:
  - o Movable assets, television, bed, ect.
  - o Trade fund

Requirements:

- o precondition saving of 30% of credit,
- o Saving of 20% of the monthly refundable amount,
- o File processing fees of 1000frw.

## 3. Saving and credit group

This type of credit is granted to a group of 3 to 8 women entrepreneurs involved in income generating activities. It is also granted individually and progressively in four phases. A group passes from one phase to the other after having proven its credibility to refund the credit.

Requirements:

- Interest rate: 13% a year (constant)
- Threshold par person:
  - o 1<sup>st</sup> phase: 500 000 frw refundable within 4 months,
  - o 2<sup>nd</sup> phase: 100 000 frw refundable within 6 months,
  - o 3<sup>rd</sup> phase: 150 000 frw refundable within 8 months
  - o 4<sup>th</sup> phase: 2 00 000 frw refundable within 8 months
- Period of repayment varies between 4 and 12 months
- Nature of guarantee:
  - o Credit commission 10% of the capital.
  - o Life insurance

Requirements:

- o precondition saving of 5% of credit for the 1<sup>st</sup> and 2<sup>nd</sup> phases and 10% for 3<sup>rd</sup> and 4<sup>th</sup> phases,
- o Saving of 10% of the monthly refundable amount for the 1<sup>st</sup> and 2<sup>nd</sup> phases and 10% for 3<sup>rd</sup> and 4<sup>th</sup> phases,

- File processing fees of 1000frw.

### III.8. IMF UNGUKA

Microfinance institution UNGUKA, « IMF-UNGUKA S.A » in short, is a limited company, and was formed in January 2005 by 214 shareholders who gathered share capital of 321.100.000Frw.

Types of available credits:

- **Joint credits:** this type of credit is granted to a group of people and each member has joint responsibility in relation to the credit granted to his/her joint group or association. The interest rate is fixed at 2% a month.
- **Ordinary credit:** This type of credit is granted to entrepreneurs involved in productive activities such as merchandizing, construction, craft industry, farmers and stock breeders, etc. A special emphasis is put to the disadvantaged people operating in small scale generating activities. The interest rate is fixed at 1.5% per month.
- **Advance on salary:** is a credit granted to the salaried whose monthly salaries pass through IMF account. This type of credit cannot exceed 8 times the net monthly salary of an employee at the rate of 1.2% per month for a maximum period of 24 months.
- **Education credit:** is a type of credit granted to clients having financial needs for their studies and/ or the entitled beneficiary.
- **Overdraft:** is a type of credit granted to clients to meet his/her financial needs and does not exceed 30 days. The same type of credit is granted to a salaried in accordance to his monthly salary repayable on going month. The interest rate is fixed at 4% a month.

### III.9. Réseau Interdiocésain de Microfinance SA (RIM SA)

RIM SA has been created to mainly provide saving and credit in the aim to contribute to poverty reduction through mobilization of saving and distribution of credits in favor of the economically active disadvantaged population.

#### FINANCING CONDITIONS:

Table 9: A summarized table of RIM conditions

Type of credits	Threshold (Frw)	Interest rate per month	Additional fees	Rpyt period	Rpyt frequency	Conditions to access credit
Small scale trade	500 000	3%	-	4 months	Weekly	
Craft industry	500 000	1.5%	0.5%	1-6 months	Variable	
Agriculture-livestock	200 000	1.25%	0.5%	12 months	variable	
Advance on salary	4 months of net salary	1.5%	0.5%	12 months	monthly	<ul style="list-style-type: none"> <li>- 20% Saving of the credit</li> <li>- Domiciliation of the salary for at least 3 months</li> <li>- Salary transfer+ commitment of the employer</li> </ul>

Type of credits	Threshold (Frw)	Interest rate per month	Additional fees	Rpyt period	Rpyt frequency	Conditions to access credit
Equipment	500 000	2%	0.5%	12 months	monthly	- Saving 20% of the credit amount
Social credits	60 000	1.25%	-	3 months	monthly	- 10% Saving of the credit - Attendance certificate - Estimate for other credits
Trade and handicraft for advanced groups	1 million	2%	1%	6 months	monthly	- Joint security
Housing	1 million	1.5%	0.5%	12 months	monthly	- Saving 20% of the credit - Guarantees/material assets or Guarantee fund

N.B.-Rpyt : Repayment

### III.10 Rwanda Micro finance Limited (RML)

Incorporated in May 2004 and licensed by the National Bank of Rwanda, RML grants micro credits and gears its activities towards granting quick credits to especially for people who have no access to classical credits. It targets employees having a minimum regular monthly income amounting to 50 000frw or business people with thriving business.

#### Conditions to access financing:

Table 10: Conditions to access RML credit

Conditions	Employees	Trade	Micro-bail
- Criterion	- salary : 50 000 Frw	- legal business	- registered business
- Credit :			
o Minimum	o 20 000 frw	o 20 000 frw	o 20 000 frw
o Maximum	o 2 500 000 Frw	o 2 500 000 Frw	o 2 500 000 Frw
- Period	- 12 months	- 12 months	
- Interest rate	- 5% reducing balance	- 5% reducing balance	
- Guarantee	- Financed assets	- movable and immovable assets	

### III.11 Saving and credit Cooperatives Union for farmers and stock breeders 'U.C.E.A'

UCEA is a saving and credit cooperative operating in the District of Musanze in the Northern Province. It was created in 2004 with the aim of collecting savings and grant micro-credits to farmers and stock breeders.

### **Conditions to access financing**

- Threshold : 10 000 Frw
- Threshold : 2 000 000 Frw
- Shares/or personal contribution (in %) : 20%
- Interest rate: 2% a month
- Other credit related fees to the commission of the sub loan : 3%
- Period of repayment is 12 months
- Nature of guarantees :
  - o Movable and Immovable assets
  - o Land or afforestation
  - o Joint security
- Conditions to abide by :
  - o To be shareholders of CEA
  - o To have an account
  - o To submit a profitable project

Line of credit available at CEA account are funds of PAFOR-MINITERE of 100 000 000 Frw and of PEGERB-MINAGRI of 41 040 000 Frw.

### **III.12 Financial Centre for Entrepreneurs (CFE S.A. AGASEKE)**

CFE S.A. AGASEKE was formed in December 2003 and approved definitely by the National Bank of Rwanda. It aims at providing to entrepreneurs and merchants of the informal sector, saving and credit services in the frame of supporting them in developing their enterprises.

Financing sources of CFE S.A. AGASEKE come from contributions of shareholders and deposits of clients.

CFE S.A. AGASEKE targets entrepreneurs and merchants, and intervenes mainly in the sector of commerce, craft industry, production transformation and services. CFE S.A. AGASEKE finances equipment purchase, the running capital, investment, etc.

However, salaried are not excluded from the clients of CFE S.A. AGASEKE as it is the same for all people who live in the area where our branches are operating. In fact, the products such as advance salary credit have been introduced in 2005 to meet the needs of the clients.

Opened in South, North provinces and Kigali City, branches of CFE S.A. AGASEKE are operational in districts of Huye, Muhanga, Musanze, Nyarugenge and Gasabo.

### **Conditions to access financing**

- Minimum : 50 000 Frw
- Maximum : 10 000 000 Frw
- Personal contribution: 10% to 30%
- Interest rate: 1.16% to 2% monthly
- Other credit related fees : 1% of the amount of granted credit
- Period of repayment varies between 4 and 24 months
- Type of guarantees :
  - o Joint security

- Real guarantee
- Salary transfer
- Conditions to abide by :
  - To have an operational account for the last 3 months,
  - To be entrepreneurs and have an experience of 6 months within the domains to be financed
  - To submit a detailed profitable project
  - To be at least 18 years old.

### Type of credits:

**Table 11: Type of credit granted by CFE AGASEKE**

Conditions	Joint credit	Individual credit	Advance on salary
- Interest rate :	- 2% monthly	- 1,5% monthly	- 1,16 % monthly
- Period :	- 4 to 6 monthly	- Up to 18 months	- Up to 24 months
- Personal contribution:	- 10% of the amount	- 30% of the amount	- N/A
- Threshold :	- 200 000 Frw per member	- 10 000 000 Frw	- According to the salary

### III.13 Vision Finance Company (VFC)

The VFC is legally independent from World Vision Rwanda and launched its activities in March 1999. It was formed to meet the increasing needs of business credits and support services for economic empowerment of the urban and rural poor people. The main fund of VFC are World Vision USA, World Vision Canada, World Vision Rwanda and USAID.

To be eligible for VFC credit, the entrepreneur should be involved in income generating activities, having an experience in the business for which the credit is requested and abiding by the required conditions.

### Products

**Table 1 : VCF Products**

Products	Target group	Credit amount	Interest rate/month
Credits	Community banking	Group without guarantees	150 000/client
	Solidarity Group	medium mature clients without guarantees	100 000 -800 000 per client
	Individual	Guarantee valid	500 000 -2 000 000
Saving	FLEXI account	Current account with regular operations according to the client's will	
	VOSA account	Saving for future needs, withdrawal is done once a week	
	FIDA account	Fixed account for 3-6-12 months with an interest rate of 6%	

### III.14 COPECYA

COPECYA is a saving and credit cooperative which launched its activities in 1989 and operates in the

Northern Province where it has opened two branches in Musanze and Musengo. It especially targets rural people with low income generating who are usually disadvantaged by the classical banking system.

The financing source of COPECYA

**Table 12 : Financing source of COPECYA**

<b>Name of Sponsor</b>	<b>Type organization</b>	<b>Available resources (Frw)</b>	<b>Percentage</b>
PPPMER (FIDA)	Governmental	2 000 000	5.1%
PGERB (FIDA)	Project	24 210 408	61.74%
I.S. (European Union)	Project	13 000 000	33.16%
<b>Total</b>		<b>39 210 408</b>	

**Conditions to access financing:**

- Minimum : 10 000 Frw
- Maximum : 1 500 000 Frw
- Interest rate : 14% to 16% a year according the sector of intervention
- Other credit related fees: 3% et 400 Frw for printing
- Period of repayment is 12 months
- Type of guarantee : Movable assets
- Conditions to abide by :
  - o To be active member for at least 3 months
  - o Repayment capacity
  - o To be honest

**III.15 Coopec Ebenezer Umucyo**

created in August 2004 as a saving and credit cooperative, Ebenezer Umucyo aims at fighting poverty and improving living standards of the low income generating people.

**Conditions to access financing:**

- Minimum : 100 000 Frw
- Maximum : 1 000 000 Frw
- Personal contribution : 10%
- Interest rate : 1.9% per month
- Other credit related fees : 1% of the granted amount of credit
- Period of repayment is 8 months
- Type of guarantees :
  - o Joint security
  - o Real guarantee
  - o Salary transfer
- Conditions to abide by :
  - o To be member for 3 months

**III.16 Urwego Community Banking**

URWEGO is a microfinance institution formed in 1997 in the framework of poverty reduction in Jesus name. It was approved by BRN since 2004 and is affiliated to World Relief Rwanda.



## Products and services:

### - Joint Credit:

Clients join together in association of 30 to 45 people and choose a steering committee. The groups abide by the following conditions to access a credit :

- amount : 50 000 Frw minimum per person
- period of repayment: 4 months
- repayment frequency : weekly
- interest rate : 3% a month
- Cheque book fees : 1 000 Frw
- At the end of the repayment period, saving constitution of 10% of the credit.

After the total repayment of the credit, clients go up from one phase to the other and get an additional amount of credit of 20 000Frw. At the 5<sup>th</sup> phase, clients get together from 5 to 8 persons per a group named join group, and repays the credit bimonthly for 6 months.

### -Rehabilitation credit:

These are credits meant for clients who have shown a satisfactory performance and are at the 3rd phase. Credits are granted to for rehabilitating houses. The borrowers abide by the following conditions to access financing:

- Amount : 200 000-250 000 Frw
- Period of repayment : 8months
- Interest rate : 1.5% a month
- Repayment frequency: quarterly

### - Rural telephone credit:

In collaboration with MTN, public mobile phones are distributed in the form of credit to the clients of Urwego in rural area. They are required to abide by the following criteria:

- Amount : 150 000 Frw
- Period of repayment : 6 months
- Interest rate : 3% a month
- Period of repayment: weekly

### - Saving:

**Table 13: Urwego Saving Condition**

Amount(Frw)	Interest rate	
	6 month	One year
20 000- 99 999	4.5%	5%
100 000-499 999	5.5%	6%
500 000-et plus	6.5%	7%
5 000 000	negotiable	

## III.17. Zigama Credit and Saving Society (CSS)

The credit and savings cooperative was set up in 1997 and received legal personality in 2000. The mandate of CSS is the economic development of its members.

The products of ZIGAMA CSS are:

Credit

Short-term credits to solve immediate problems  
Medium and long-term credits for the project implementation.  
Voluntary saving  
Deposit Account

**Conditions to access credit:**

Interest rate: 13%- 16%,  
Credit related fees: commission 1%+ VAT,  
Period of repayment: 5 years,  
The nature of guarantee: security deposits and mortgages,  
Condition: Feasibility study.

#### **IV. PRIVATE SECTOR SUPPORT FUND**

##### **IV.1. Rwanda Enterprise Investment Company (REIC)**

REIC is the investment fund put in place by the Belgian financial enterprise BIO in partnership with the Government of Rwanda with the aim to give financial services to small and medium enterprises.

REIC is the limited company formed under the Rwandan law and works for the development and expansion of small enterprises. The REIC funds are managed by the Competitiveness and Enterprise Development Project.

REIC contributes to the capital and gives long-term funds. The investment ranges between 100.000USD and 500.000USD. The SME can also request at REIC for technical assistance and for training of personnel.

BIO invested 2 million USD/share capital and World Bank (through the Government of Rwanda) for 4million USD/credit. The objective of BIO is to seek for the investment project which contributes to improvement of the socio-economic welfare. The BIO support focuses on the local SME to grant them long-term financing to develop their enterprises.

##### **IV.2 Rwanda Entrepreneur's Marketplace Business Plan Competition (EM-BPC)**

In collaboration with the government of Rwanda and the World Bank through the Competitiveness and Enterprise Development Project (CPED), Rwanda Private Sector federation established EM-BPC with the intention to provide financial and technical support to promising Rwanda young entrepreneurs.

**Criteria for Eligibility:**

- The business plan funding request should not exceed US\$ 20 000,
- Profit making enterprises,
- The enterprise should register in the Rwandan legislation,
- The promoter should be Rwandan or a joint venture with at least 51% Rwandan ownership
- Promoter's equity contribution of US\$ 1 000 in cash or in kind.

All sectors of activities are eligible as long as they abide by the following conditions:

- Demonstrate profitability within three years,
- Innovativeness of the business idea in terms of products , services,
- Sustainability and competitiveness of enterprise,

- Evidence of market demand.

The Winner's prize is twofold:

- An amount of US\$10 000 is used as collateral for a loan from the Rwanda Development Bank,
- The remaining is allocated in form of technical assistance to build capacity for the sustainability of the business.

### **IV.3 Enterprise Development Fund (EDF)**

This fund was set up by Kigali Institute of Science and Technology with the aim to support entrepreneurial development among the young graduates, establishment of SME and reduction of unemployment pressures.

The beneficiaries for EDF receive business support services from the Technology and Business Incubation Facility (TBIF).

The fund is used for the acquisition of equipments, purchase or rental of properties required for the business and financing of working capital, that why more than 30% of credit are allocated for the construction, acquisition or rental of properties. EDF pays directly to the suppliers of equipments or property, and the deeds are given in form of security until credit is refunded.

The maximum period for the repayment of the credit is three years on monthly basis. The grace period is 3-6 months depending on the type of credit and the Enterprise involved. The loans are secured by the equipments acquired and the original academic certificate.

The criteria for Eligibility:

- To be Rwandan national and possess at least bachelor's degree from a recognized University,
- To be unemployed at the time of disbursement of the loan,
- To provide the feasible study of the project,
- To submit two reference letters of the last attended University and a third person (excluding family member),
- Guarantees declaration,
- Demonstrate owner's equity of 10% maximum of the credit requested.

### **IV.4 African Development Foundation (ADF)**

ADF started its activities in Rwanda in May 1989. The genocide led to the closure of the ADF's bureau, but the reopening of the activities in Rwanda was done March 2006.

ADF provides funding to African-owned businesses and community-based organizations for projects that provide direct benefit to the economically marginalized.

#### **Eligibility for ADF funding**

ADF provides unsolicited grant support to projects that are focused on the development of micro, small, and medium-sized enterprises, the enhancement of trade and investment (T&I) opportunities for small and medium-scale enterprises, HIV/AIDS prevention and mitigation (HIV/AIDS), and participatory community development projects.

Most of ADF's grants are between US \$50,000 and US \$250,000 and are disbursed to grantees in local currency. ADF rarely provides a grant larger than \$250,000, and such grants require ADF Board approval.

ADF provides assistance directly to a wide range of African-based, African-run, non-governmental organizations (NGOs) and small enterprises, including:

- legally registered cooperatives,
- economic interest groups,
- producer associations,
- legally registered limited liability companies, and
- community-based development organizations.

ADF also provides funding to intermediary organizations that work with low-income people and groups, such as microfinance institutions and credit cooperatives.

## **V. INTERNATIONAL INSTITUTIONS**

### **V.1. SUPPORT TO THE MICROFINANCE INSTITUTION**

#### **V.1.1. Netherlands Development Finance Company (FMO)**

The FMO supports private sector development in developing countries and the emerging markets in Asia, Africa, Latin America and Central Europe and the East. This is done by providing loans, the participation, guarantees and other investment promotion activities.

The goal of FMO is to contribute to the structural and sustainable economic growth in these countries, and the private sector in particular.

The FMO offers a variety of lending instruments to private sector companies and financial institutions in need of long term capital in developing countries. While FMO finances a portion of capital needed, its participation enables other financial institutions to join in investments, thus mobilizing significantly more funding than any single investor could generate on its own.

lending instruments include:

- project Finance,
- working capital financing,
- mezzanine Finance,
- Guarantees,
- medium and long term trade finance,
- Subordinates loans.

The FMO limits its involvement in the case of loans, guarantees and mezzanine finance to 25% of the total estimated cost of the project, which generally range between 1 million USD and 100 million USD. The loan maturity is 5 to 12 years, with or without grace period, and 3 years for trade finance.

#### **Subordinate Credits**

FMO stimulates investment in the emerging markets with medium and a long-term subordinated loans via the Investment Facility Emerging Markets (IFMO).

### Conditions of Eligibility:

In order to be eligible for a credit facility, an enterprise or project must fulfil the standard criteria of FMO.

1. For the Project:
  - The viability of the project,
  - The reliable plan of investment,
  - The market and complete feasibility study,
  - Transparency in the project management
  - The respectable environmental policy
  - Execution by Internationally acceptable social standards.
2. for the owner
  - Is financially healthy,
  - Proven professional experience,
  - Guided by an expert, experiences and ethical management.
3. In addition, any intended cooperation with a partner is assessed. A potential financial partner can be, for example:
  - Local financial corporate, which has proven professional experience and good reputation and that FOM complements in terms of country knowledge, sector knowledge and/or investment process.
  - A large Internationally operating enterprise or financial institution which is active in the sector concerned.

In conclusion, factors affecting the environment are equally weighed, such as economic, social, and political situation in the country of investment.

### The sectors for Interventions are:

**Table 14:** Sectors of intervention of FMO

Sector of intervention	Mode of intervention
Infrastructure	The activities of FMO focuses in the sectors of transport, water and energy, and the telecommunication in partnership with development banks which provide short-term funding, the FMO grants long-term credits of a duration between 10 and 20 years
Small and Medium enterprises	FMO's activities are divided into five areas: <ol style="list-style-type: none"><li>1. Extend loans in the existing local financial institution,</li><li>2. Take shares and give expertise and resources to local bank,</li><li>3. Provide start-up funds and technical assistance for the set up of a bank,</li><li>4. Provide finance training and support the set-up of training centre to improve the skills of banks personnel</li></ol>

Sector of intervention	Mode of intervention
Trade and Industry	
Financial Service	<p>Two methods are applied:</p> <ol style="list-style-type: none"> <li>1. Direct participation in financing of a project. In this case, FMO becomes a member of the board of directors.</li> <li>2. Indirect participation by financing financial institution. the local financial institutions provide funds to SMEs</li> </ol> <p>FMO centers its activities in the following sectors:</p> <ul style="list-style-type: none"> <li>- Financial institution</li> <li>- mortgage financing</li> <li>- capital market Development.</li> </ul>

Whereas the FMO closely supervises its investments, the execution remains the responsibility to the client

### V.1.2 PROPARCO

It was formed in 1977 as a limited company, by French Agency for Development (AFD) as sole shareholder; PROPARCO was initially geared towards capital- risk. It was changed into financial company in 1990, its capital amounted 142,6 € millions shared between AFD (highest with 67,6%) and thirty-eight private shareholders (banking and financial institutions, and industry and services companies).

PROPARCO operates in more than 60 countries in African continent, in Mediterranean basin, South-East Asia, Pacific, Caribbean, Indian Ocean and in 9 departments, territories and overseas. The operations of PROPARCO are found the same geographical area of that of AFD.

Products:

#### 1. Participation in fund contributions:

The PROPARCO takes shares in companies where it injects funds. The apportionnement per sector of intervention shows concentration power in the financial sector (78, 3%), corresponding to the participation taken by PROPARCO in the credit institutions, investment funds and other financial institutions (insurance, stock company). The participation in the industries and commercial companies, which represents 21, 7%, is distributed between infrastructures and mineral sectors and that of industrial and commercial enterprises.

#### 1. Guarantees

PROPARCO takes action also by under-participating in risks of credits agreed by the credit institutions to the industrial and commercial companies.

### **V.1.3 Développement International Desjardins (DID)**

DID is a Canadian corporate that specializes in providing technical support and investment for the community finance sector in developing and emerging countries. DID supports organizations in Africa, Latin America, Caribbean, Asia and, Central and Eastern Europe. DID have put in place three investment funds. These funds constitute source of capital for financing and investment to certain institutions or specialized funds in microfinance with which DID maintain a technical partnership link.

DID is the component of Desjardins Group, an integrated financial cooperative offering banking, insurance, securities and investment services, with over 100 billion Canadian dollars in asset.

#### **- Investment Fund for International Development (FONIDI)**

The FONIDI is the source of capital funds to be used for financing institutions or specialized funds within the financial sector of the social economy of countries in economic development or transition.

Types of financing:

- Capital investment in the form of ordinary or privileged shares, options, shares in limited or cooperative.
- Financing in the form of loans or debentures.

General conditions:

- Investment horizon of 5 to 7 years,
- A capital injection or a loan ranging between CAN \$500,000 and 1,500,000; ,
- Minority participation in the share capital 10% to 40%.

#### **- Partnership Funds**

The funds is source of capital to finance institutions or funds specializing in the financial sector of the social economy of countries in economic development or transition.

Types of Engagements:

- A capital investment in the form of ordinary or privileged shares, options, shares in limited partnership or cooperatives,
- Financing in the form of loans or debentures,
- An investment horizon of three to ten years,
- A capital injection or loan varying between 250,000 and 750,000 \$CAN;
- Minority participation in share capital of 10% to 40%.

#### **- Guarantee funds**

The guarantee fund is financial leverage for the community finance institutions or financial cooperatives in countries in economic development or transition.

General Conditions:

- Loan guarantees or lines of credits with local banks in the form of letter of credits,
- Direct portfolio guarantees from partner institution loan portfolios,
- An average term of one year, renewable,
- A target amount of between CAN \$50,000 and 100,000,
- Tarification set as a commission.

The criteria required to access to this fund are:

- A History of operations or a high profile in the sector,
- Start-up phase has already been completed,
- Have a recognized legal status,
- Not listed on a stock exchange,
- Not a project with a predetermined duration.

#### **V.1.4 Fondation Raiffeisen Belge (BRS)**

The principal of F.W. Raiffeisen “ *Faisons ensemble ce pour quoi nous sommes trop petit seuls*” (Lets Work together because we are too small alone) is the pillar of activities of Raiffeisen foundation.

Fondation Raiffeisen was formed in 1972 by CERA cooperative bank during celebration of its 100 years. The aim was to carry on the cooperative principles and avail the experience to the projects in the developing countries.

#### **The actions of BRS**

First of all, BRS supports financially organisations in developping countries that develop activities in the field of saving, lending, and insurances according to cooperative principles. This financial support can be provided by means of subsidies, but also through the guarantee fund.

BRS provides advice to projects and organisations that it supports financially. This service is undertaken by the consultants of the BRS institute, who make available their experience in the field of banking and insurances on a voluntary basis.

through the advisory role, BRS is very close to the reality on the projects concerned. This knowledge and experience of the field, together with its own cooperative background, form an ideal basis for the educationa activites. These activities are geared both to organisations in the North and in developing countries and are based on the philosophy that the exchange of knowledge and experience is essential to develop organisations in a sustainable manner..

#### **The guarantee fund BRS**

BRS has a guarantee fund of EUR 250,000. With this fund, BRS acts as a guarantor for the loans of financial institutions in developing countries to microfinancing institutions (MFIs). BRS is convinced that collaboration between the two sectors is an important step for MFIs in their growth towards independence. A guarantee fund can help to promote trust between established banks and more informal saving and credit organisations.

#### **General conditions:**

- Guarantees for loans from local financial institutions (country or region)
- Security up to EUR 100,000
- Guarantees are provided in the form of a bank guarantee in EUR to the lending financial institution
- Duration in line with the duration of the guaranteed credit
- Maximum term of 5 years
- The ratio of credits realised must be at least 1 to 2.



- Costs associated with the guarantee: annual provision of 2 percent of the guaranteed amount, with a minimum of EUR 500, payable in advance.

### Eligibility criteria

- Saving and credit organisation from a developing country
- Legal entity in accordance with the law of the country concerned
- Operate according to cooperative principles
- Work with poor and disadvantaged population groups
- Must have been active for at least two years
- Clear objectives aiming to achieve financial independence
- The transaction improves access to financial services for poor and disadvantaged population groups, as evidenced by the action plan to be submitted.

### V.1.5 Incofin

Incofin is mainly invested in the microfinance institutions presenting adequate services to the micro entrepreneurs' and local SME needs. In 2004, at the occasion of the International Year of Microcredit Incofin and 4 Belgian financial groups have launched Impulse Microfinance Investment Fund, a fund investing in microfinance institutions (MFIs) in developing countries.: Impulse Microfinance Investment Fund.

Three main activities of INCOFIN are:

1. Direct investments in microfinance through:
  - Credits
  - Participation in capital
  - Guarantees
2. Fund management
  - Impulse Microfinance Investment Fund, the first private investment fund in Belgium specialized microfinance
  - Volksvermorgen: is a Belgian company which mandated Incofin to manage its investments in the Micro financing Institutions (MFI)
3. Consultancy in microfinance

INCOFIN seeks to develop a long term relationship with the Microfinancing Institutions (MFI), sharing its main values: transparency, integrity, professionalism, quality, efficiency, operational effectiveness and long term vision, socially responsible entrepreneurship and sustainable, appreciation for entrepreneurship.

The following table details the main characteristics of two products:

**Table 15** : characteristics of INCOFIN products

	INCOFIN	IMPULSE
support provided	<ul style="list-style-type: none"> <li>- Loans from € 50.000 – € 500.000 (or countervalue in USD)</li> <li>- Equity</li> <li>- Guarantee</li> </ul>	<ul style="list-style-type: none"> <li>- Loans from € 250.000 to € 1.000.000 (or countervalue in USD)</li> <li>- Equity (max. 20% of portfolio)</li> </ul>

	INCOFIN	IMPULSE
Loans Characteristics	<ul style="list-style-type: none"> <li>- Maximum tenor of 5 years</li> <li>- Market interest rate</li> <li>- Repayment: semestrial, yearly or bullet repayment</li> <li>- Ranking: pari passu to others lenders</li> <li>- No local currency loans, foreign exchange hedging mechanism assistance if required</li> </ul>	
investments Criteria	<ul style="list-style-type: none"> <li>- Mature commercially sustainable MFI (3-year historical positive OSS)</li> <li>- Portfolio &gt; € 1 Millions</li> <li>- PAR 30 below 10% last 3 years</li> </ul>	<ul style="list-style-type: none"> <li>- Mature commercially sustainable MFI (3-year historical positive OSS)</li> <li>- Portfolio &gt; € 2 Millions</li> <li>- PAR 30 below 10% last 3 years</li> </ul>
Investment Documents	<ul style="list-style-type: none"> <li>- "Factsheet" (Excel-format; can be sent at your request) with financial information of last 3 years</li> <li>- Audited accounts</li> <li>- Business plan</li> <li>- Governance details</li> <li>- Risk management documentation</li> </ul>	

### V.1.6 Africap Microfinance Fund (AFRICAP)

AFRICAP is a \$ 15 million equity investment fund dedicated to Microfinance in Africa. Its operational base is situated in Dakar in Senegal. The funds makes investments in a select number of leading microfinance institutions in Africa committees to commercial viability.

Africap functions under the model of venture capital. In addition to its capital invested, the fund also provides management advise as well as technical and administrative assistance.

The Technical Assistance Service (TAS) is meant at providing subsidies to the Institutional development of MFI in which Africap took the participation. It aims also to develop the microfinance industry in Africa.

The eligible institutions comprise the Non-governmental organizations, non banking financial institutions, financial cooperatives and commercial banks in Africa.

The potential investors must have already commitment in either microfinance or small business lending. In either case, Africap puts a clear focus on supporting institutions that have the potentials to expand financial services to low income communities, historically excluded from formal banking system.

The typical capital commitment to an eligible institution could consist of about 300.000USD to 500.000USD of proper funds with an interest rate of 25% to 35%; and/or quasi-fund of order of 0.75USD to 1.25USD millions, for global exposition around 1.5USD millions by investor, in equivalent to local currency.

#### Criteria of investment

Africap invests in African institutions of microfinance (MFIs) according to following criteria, always taking into account the critical dynamic nature of these factors, rather than a purely static approach:

- Commercial viability

- Management
- Financial performance
- Governance and vision
- Market products
- Institutional culture
- asset growth
- Legal status

### **V.1.7 Accion International**

ACCION international is the non profit making private organisation which has 30 years of experience in this field. Since 1973, ACCION and its partners have contributed in reducing unemployment and poverty by providing micro credits under the short term basis to self employed men and women working in the poverty.

#### **The model of credit in ACCION**

The program of partnership of ACCION provides small short term credits, at interest rates which depict the cost of credit.

Borrowers are eligible for credit as individuals or, if they have no assets to guarantee or co signature, they join in groups of 3 to 5 people in order to form solidarity group. This strategy of borrowing helps members to stand as guarantor mutually instead of presenting goods as guarantee.

The initial credits start below 100 dollars in Latin America and in Africa, and 500 dollars in United States of America. The clients who refund the credit on time have the right to borrow higher amount. This process, called progressive lending, maintain the initial risk at minimum level by helping micro-entrepreneurs to develop their enterprises and to increase their revenues in a good manner.

### **V.1.8 International Solidarity for Development and Investment (SIDI)**

SIDI was created in 1983 by the Catholic Committee against Hunger and for the Development (CCHD), to strengthen and diversify its actions in the economic domain.

The SIDI is a company specialized in financial and technical support to the microfinance institutions. The objective is to promote viable economic activities and fosters the establishment of a social and economic environment capable of promoting sustainable development.

in terms of their legal structure and the methodology used, SIDI works with a diverse range of partners: local associations, financial NGO, companies, microfinance institutionsf, mutual of solidarity, savings and credit cooperatives, socially oriented banks.

They all offers credits to micro-entrepreneurs in developing countries, who need it ot support their business successful, but they are excluded from the formal financial sector due to a lack of tangible guarantees and resources.

## **Field of intervention**

### **Financial support**

Consolidation of financial resources of partners:

- equity investment
- loans
- guarantees and grants negotiated with international institutions: credit, capital or endowment.

### **Technical Assistance**

Reinforcing of operational capacities of partners:

- Institutional support: participation in the governing and decision making bodies,
- support and counselling in the internal organisation: business plan, staff training ,
- Support to operational activities : financial services such as savings and credit, decision making and analysis tools, support to micro-entrepreneurs production sub-sector , rural family activities.

### **Creation of adapted tools:**

- Social viability (social effects, perenity).
- Networking
- Health, habitat, fair trade, migrants.

## **V.1.9 United Nations Capital Development Fund (UNCDF)**

UNCDF is a multilateral organization that finances and puts in place, particularly in Least Developed Countries, investment of small sizes, in form of grants into two sector of interventions: Local development and microfinance. UNCDF grants funds in form of grant or loan at small rate in abide to build microfinance sector capacity.

In partnership with UNDP, UNCDF has initiated a Microstart program. The program is in twofold, that is technical service and micro capital grant components. Under technical service component, beneficiary microfinance gain from a three-year technical partnership with an experienced practitioner, while as it receives grant of initially US \$ 150 000 per organization under micro capital grant component. Grants are made in installment based on MFIs meeting performance standards

## **V.2 THE GUARANTEE FUNDS**

### **V.2.1 International Guarantee Fund (FIG)**

FIG is a non profit guarantee funds based in Genève, formed in 1996 by the European organisation, Latin American and Africans. The mandate of FIG is to help the microfinance institutions (MFIs) and agricultural cooperatives in the developing countries obtain local currency from local commercial banks.

By providing bank guarantees to the MFIs, the FIG expands the resources available to small entrepreneurs, thus promoting development and fighting poverty.

## **Functioning of FIG's loan guarantees**

The FIG identifies the MFIs with potential market; support them to meet commercial bank standards of transparency, providing the international bank guarantees on their behalf.

An important element of FIG's bank guarantee is that they do not cover more than 50% of loans to the beneficiary MFI and requires that the MFIs pledge 10% of the guarantees amount as collateral. Hence, all actors (the FIG, local bank, and the MFI) share the credit risk and are invested in the MFI's success.

The FIG's loan guarantees reform banker's risk perception of the informal sector, and help integrate the microfinance and commercial financial sectors..

## **Portfolio guarantee**

Unlike FIG's loan guarantees, FIG's portfolio guarantees are direct agreements between FIG and the beneficiary MFI. They secure an MFI's particular group of clients, by covering a percentage of potential losses.

Specifically, portfolio guarantees cover a fixed percentage of any potential losses of the loan portfolio in excess of the MFI's average historical loss rate (which is certified by an external auditor). For the beneficiary MFI, FIG's portfolio guarantee works as credit insurance.

## **V.2.2 African Guarantee Fund and Economic Cooperation (FAGACE)**

It was formed in Kigali on 10<sup>th</sup> February 1997 as guarantee fund and cooperative (OCAM), it is public internal institution of economic and financial characteristics of which its headquarters is situated in Cotonou in the Republic of Benin. On 7<sup>th</sup> August 1985, the fund of OCAM changed its name into African Guarantee Fund and the Economic Cooperation (FAGACE).

FAGACE has as mandate to contribute to social and economic development of the member states by giving special interest to more economically disadvantaged members in contributing into financing their productive projects thanks to the guarantee, and in helping the implementation of some projects thanks to addition measures such as the bonus of the interest rate or lengthening of the period of the credits.

## **Forms of Interventions**

Thu fund operates under the following forms:

- Medium or long term credit guarantee: bank credits, operations of raising resources (especially compulsory emission),
- short term credits guarantee: credit warrant, inter-banking credits,
- Bonus on interest rate,
- Extension of the credit period,
- Financing the specific operations on credits and subsidies: integrating projects, technical assistance, financial and technical viability study,
- Equity participation,
- Management of third part Fund.

## **Rules of Intervention**

The interventions of the fund are done in the following rules:

- **Guarantee facilities:**
  - The ceiling for commitment per project stands at 6.25% of the guarantee potential for projects being created and at 13.25% for the project undergoing implementation as well as for debentures bonds development,
  - The ceiling for intervention per the project is set at 50 millions CFAF,
  - The quota covered is fixed at a maximum of 80% of the amount of the loan or borrowing.
- **Interest rebate facility** is limited to a maximum of one third (1/3) of interest rate applicable to the planned transaction.
- **Extension of Credit facilities duration:** no project can benefit from an extension of credit facilities duration for a period exceeding five years and involving an amount exceeding 25% of the amount of the loan.
- **Specific Financing** of fixed term transactions or operations is done by means of borrowed resources or subsidies and donations obtained for this purpose.
- **Equity participation** in favor of any company cannot exceed 10% of the registered capital.

### V.2.3 African Solidarity Fund (ASF)

During the conference at the summit of Heads of states of the French and African Government held in Bangui (central Africa) in March 1975, it was decided on the need of the creation of African Solidarity Fund. The agreement on the creation of this fund was signed in Paris 21st December 1976.

The operations of FSA are covered under three forms:

- **Loan guarantee and Borrowing for projects financing:**

The guarantee given cannot exceed in total 10 times the amount of resources allocated, either 10% of the maximum, in absolute value 2billions F CFA. Guarantee can be allocated totally (100%) for public sector or partially (50 to 65%) for the private sector.

The guarantee commission varies from 1% to 2,5% of the amount of guarantee credit is received by ASF in compensation for the services delivered. The commission is payable quarterly. Likewise, the beneficiary of the guarantee pays the document charges upon the signing of the agreement that is 1 to 2% flat.

- **Extension of the credit period :**

By this technique, the FSA refinance the maturity of capital honored by borrower. It cannot exceed 3 years period, or in value of 10% of the amount of credit lengthened.

This type of intervention allows the project to keep its running capital, that is if necessary its own funds at the beginning. The document fees will be collected by the FSA upon the signing of the agreement of credit extension with the private sector, that is 1 to 2% flat of amount agreed.

- **Interest rate Bonus :**

The bonus of interest rate is the form of subsidy of which the financial institution accepts a part of interest rate to be paid by the beneficiary of credit.

The FSA can not give bonus over 10% of the resources allocated to that purpose, nor reduce the whole amount of interest to be paid over 1/3.

The FSA has set out three rate of reference or ceiling rate to give bonus:

- For merchant sectors , large enterprises, the ceiling rate is 7%
- For non merchant sectors, the ceiling rate is 3%
- There is intermediary interest rate of 5% for the SME/PMI and agriculture sector.

The documents fees are collected by ASF at rate of bonus upon the signing of the agreement, that is 2% flat of amount agreed with the ceiling of 1 million CFA.

#### **V.2.4 Multilateral Investments Guarantee Agency (MIGA)**

MIGA is a member of the World Bank Group which has the mandate to promote foreign direct investment into developing countries to support economic growth, contribute in poverty reduction, and improve standards of living the populations.

MIGA's Small Investments Program is a guarantee program which is specifically designed for small and medium size investors (SMIs) investing in SMEs.

##### **Criteria for Eligibility:**

The eligible investments are associated with:

- the expansion, modernization, or financial restructuring of existing projects,
- acquisition involving privatization of state owned enterprises,
- Investment covering equity, shareholders loans and shareholders loan guaranties,.
- Technical assistance and management contracts and franchising and licencing agreements.

In order to qualify as a SME, the project enterprise must have not more than 300 employees, and the total assets or annual total sales should not exceed 15 millions of dollars.

The investments in financial sector are eligible if they are geared towards providing financial services for SME and at least 50% of clients are the PME fulfilling the above mentioned conditions.

The guarantee limit:

- guarantee term from 3 years up to 10 years
- Amount of guarantee: 5 millions of dollars
- Guarantee coverage is 90% of investments for equity and up to 95% for debts.

The risks coverage:

- Currency inconvertibility and transfer restriction
- Expropriation
- War and civil disturbance

### **V.3 COMMERCIAL BANKS**

#### **V.3.1 African Development Bank (ADB)**

To benefit financing from the bank, the enterprise should be held and managed by private investors, in other words, over 50% of its shares which gives decision right should be held by the private shareholders. The bank can finance the project in one or more currency approved as credit. Currently the currency used is dollar, euro, yen and rand.

The file of the credit generally comprises the following documents:

- Additional terms of financing agreement which the promoters of the project are committed
- Cover all deficits of financing.
- The guarantee of the promoter
- The blocked guarantee account in which there will be deposited certain amount of money of the project which could be used for debt payment.
- The agreement of sharing the security with other creditors.

However depending on the project, other documents can be requested.

Credits are repayable in a maximum period of 15 years, including deferred depreciation. The long periods of repayment are taken into consideration case by case.

The interest and other related costs to the bank credit are payable in six monthly on the date of payments. The monthly repayments, quarterly, and annually are accepted after enough justification.

The commission in charge of opening the document the ranges at 0.5% to 1% of the amount of credit, and can be fixed beyond this range when market conditions require it.

The contribution cannot exceed 25% of share capital of the enterprise. The amount of credit has the value below or above 10000000USD and the contribution of borrower is 30%.

### **V.3.2 European Investment Bank (EIB)**

Financial institution of European Union, the BEI has mission to contribute towards the integration, balanced development and economic and social cohesion of themember countries.

In this regard, it raises on the markts substantial volumes of funds, which it directs on the most favourable terms towards financing capital projects according with the objectives of the Union. Outside the Union the EIB implements the financial components of agreements concluded under European development aid and cooperation policies.

#### **Financial Products**

The BEI offers various financial services to support projects, depending on eligibility and category:

- Individual loans: request for individual laon can be addressed directly to BEI, without specific formalities, either to its headquarters in Luxembourg, or to one of its external office.
- Global loans (loan for SME through the intermediaries): request for laon in of the framework of global loans should be addressed directly to the intermediaries bank and financing, institutions operating on national, regional or local level.
- venture capital: the request for venture capital should be addressed directly to intermediary.

The quality of project lay on the following aspects:

1. Technical scope:
  - Definition of the project «technical description»,
  - Technical soundness, innovative technology, risks and mitigation measures,
  - Information on capacity for products or services.
2. Implementation:
  - Promoter capability to implement the planned project
  - Information on timing and employment during implementation.



3. Exploitation:
  - promoter capability to operate and maintain the project,
  - Information on production and the services, operating and maintenance cost, employment during operational period.
4. Procurement:
  - compliance with applicable legislation and EIB guidelines
  - Incidences over the environment
  - Information on environment impact assessment.
5. Market and Demand
  - Analysis of the product/services demand over the project life, with reference to the sectoral studies of the project directorate.
6. Investment Costs:
  - Information on project costs and its detailed components,
  - Comparison with costs of similar projects
7. Profitability
  - Information on financial profitability and the related indicators (for example rate of return)
  - Information on economic profitability.

Once financed, the project's progress is regularly monitored.

### V.3.3 BIO

Belgium Investment Company (BIO) offers risks capital, loans and other investment promotion instruments to microfinance institutions and SMEs in Africa, Latin America and Asia.

#### Business Unit

The BIO has two business units: the development fund, the SME fund and study fund. Other existing units exist such as local currency funds, which help to invest in local currency and technical assistance facility, which finances technical assistance. The development funds and SME are invested whereas the study fund and technical assistance facility provides grants.

- **Development Funds**

This fund provides direct or indirect investment. About 70% of the funds are invested in intermediary financial institutions. The range is normally between a minimum amount of €500 000 and a maximum € 5 million in EURO or USD or possibly in local currency.

- **SME Fund**

It gives direct credit to SMEs according to the same principles of ethical and sustainable development. These investments range between € 45 000 and € 700 000.

- **Studies Fund**

It provides grants to finance feasibility studies. The maximum support of this fund is €100 000 per project and 50% of total cost of the study non refundable.

- **Local currency fund**

Most of the BIO investments are in euro or dollars, occasionally investments are made in local currency, reason why the local currency fund was created, since it subjects to changes against the international currencies.

- **technical assistance facility**

It provides transfer of knowledge to entrepreneur especially in the developing countries where there is a lack of experience and the need for knowledge.

### **V.3.4 International Financial Corporate (IFC)**

The International Financial Corporate Company is the institution of the World Bank group in charge of the operations with private sector.

The SFI sets the amount of money it grants for its own account in form of credits and the contribution to the ownership of the project.

For the new projects, the ceiling is 25% of the estimated total cost of the project (this threshold can be increased to 35% except for small project). For the projects which are expanding the existing activities, the SFI can finance up to 50% of operational costs if the amount of investments does not exceed 25% of the capital of the company targeted by the project. The amounts of credits are generally between 1 and 100 billions dollars.

The SFI lends for the period of 7 to 12 year at the beginning. The grace periods and calendar of repayment are determined case by case according to the borrowers cash flow needs. If the project proves it the SFI grants long term grace period also credits and the long period of grace. The period for certain credits was also extended to 20 years.

To avoid the changes in risks, the enterprises which the products are in local currency should borrow in the same currency. By matching money with the asset and liabilities, the enterprises can focus on their main activities instead of being pre-occupied at knowing how the fluctuations of the exchange rate would impact their profits.

The SFI avails credits in local currency in four forms:

- The credits of the SFI in national currency
- Swaps operations which allow the clients to manage their risks in exchange by releasing their existing or new securities in national currency.
- Credit development Operations enabling clients to borrow in national currency from other sources; and
- Credit lines from local financial institutions

However, if the financing in local currency as priority for SFI, it is done with the purpose of developing local financial markets. The enterprises which borrow in the same currency as their products are the most solvent clients of SFI.

### **Leasing credit in Rwanda**

Due to the recommendations made in the evaluation report on Rwanda leasing market, the SFI has established a technical assistance program entitled 'Rwanda Leasing Program 'or RWANDALEP.

It has four main roles:

- Supporting developing legal environment of leasing credit in collaboration with the government and other legal institutions.
- Helping financial institutions and other investors in the development of financial products: leasing credit.
- Mobilizing the Rwandan population on the importance of leasing credit
- Recommending on the fiscal policy on the standardization of credit leasing accounting.

### **V.3.5 Eastern and Southern African Trade and Development Bank (PTA BANK)**

The PTA BANK was established in 1985, under the auspices of the Treaty establishing the Preferential Trade Zone, which was replaced by COMESA. The bank finances clients' projects and trade in the Eastern and Southern African region.

#### **- Project financing**

The bank finances in the long term the public and private projects by intervening in manufacturing, agro-industry, service, infrastructure, mining and tourism.

Conditions to access Financing:

- Amount of credit: 500000USD – 13,5USD millions,
- Ceiling: 500 000USD
- Period of repayment: 4 to 10 years
- Maximum grace period of 3 years
- Interest rate based on LIBOR (Inter-bank rate of London)

### **Financing the Trade**

The main is to facilitate exports from the COMESA region through the provision of finance and trade related facilities. The bank provides access to export credit and technical assistance in formulating trade related projects.

The facilities:

- Trade finance transaction for the period between 90 to 360 days,
- The period of repayment is up to 180 days,
- Loan amount: US\$ 500 000 – 7 500 000
- Minimum per client: US\$ 300 000

## **V.4 SUBSIDIES**

### **V.4.1 Business Linkages Challenge Funds (BLCF)**

Through its Department of International Development, the Government of United Kingdom has put in place funds to foster the development and poverty reduction in developing countries.

The BLCF is a cost-sharing grant scheme i.e. it gives grants to enterprises to achieve DFID's objective of developing commercially sustainable business linkages that bring benefits to the poor. It is a way of working in partnership with the private sector towards the goal of poverty eradication.

The BLCF offers grants ranging from £50,000 to £1,000,000 (larger grants may be considered in some

cases if they will make a special contribution to achieving the BLCF's objectives).

**Criteria for Eligibility:**

- Linkages that have at least one privately owned, for-profit, enterprise registered in one of the target countries.
- Profit private sector entity or an association; or a consortium led by such entities.
- Consortium of NGO and private enterprise and which during the submission of application, the bid will be led by a for- project entity.

The grants are provided to cover fees for transfer and the use related skills, costs of linkage establishment,, the training costs, and miscellaneous expenditures, production advertisement tools, etc...

**V.4.2 Program for Cooperation with Emerging Markets (PSOM)**

The objective of PSOM is to stimulate the sustainable economic development in some countries. It is the joint program of Ministry of Foreign Affairs and Ministry of Economy of Netherlands. The PSOM refunds one part of the investment costs. In general, the maximum amount of investment is 825 000 euros resending 60% of costs of the project that can be given to the partners.

The investments which are registered in PSOM involve partnership between enterprise from Netherlands and foreign enterprise wishing to put in place jointly new economic activity in that the country.

The International Business and Cooperation Agency (EVD) calls enterprise two times in year to submit the written projects proposals following the instructions of submission.

**Conditions for Eligibility**

- Partnership between Netherlands based enterprise and foreign enterprise with the aim to create an enterprise in one of PSOM country.
- The two stakeholders are financially sound, with relevant expertise and market experience and enter a long-term investment relation.
- The Netherlands' enterprise should be registered in the chamber of commerce of Holland.
- The hosting enterprise should be strictly from the private sector, officially registered in the recipient country.
- Neither financial means to implement plans nor the lack of access to the funds from bank to finance the project.
- Project proposal should be commercially feasible in medium and long term and have positive impact on the local economy of the recipient country in term of creating jobs, new technology introduction, improve standards of living etc.
- The project introduces additional investments.

An enterprise that fulfils the required conditions mentioned above is eligible to the subsidies of PSOM.

**V.4.3 Bid challenge**

The bid challenge is the international business plan competition which target people who want to submit their business plan which aims at poverty reduction and profit making. Its mandate is to help the small and medium enterprise (SME) and improve standards of living in the developing country.

The eligible enterprises are:

- New or existing enterprise, which wants to grow.
- Profitable enterprise in three years
- Enterprise which contributes to poverty reduction and to the Millennium Development Goal (MDG) of United Nations.
- The amount of investments can not exceed 500 000 euros.

To participate in the competition, the enterprise should submit a 3 pages document containing main issues of business plan, between January and March of each year. The enterprise is required to subscribe online before submitting its business plan.

## **V.5. TECHNICAL ASSISTANCE**

### **V.5.1 Enterprise Development Centre (CDE)**

The CDE intervenes through addition subsidies and vital services rendered to the enterprise, before, during, after the investment. It does not finance investment, but in some cases, can help enterprise to get enough finances.

In this case, the CDE has put in place its own tools of interventions, but always when necessary it uses other tools provided by other stakeholders in the development sectors.

The activities of CDE focus on the SME ACP in informal sector which are:

- In the creation phase- extension – diversification – restructuring,
- Profitability, continuity, with the development perspectives, financing and technically competent, employing at least five people.
- Shares should be at least 80.000 euros and/or whose annual turnover is at least 50.000 euros
- in economic sector known for their powerful impact on the development of the country in terms of direct and indirect job creation, rural and urban, value added to local primary products and use of technical know how and its transmission.

#### **The direct assistance**

The CDE supports in the reformation of projects in creation and development phases as stated above and on seeking for financial and technical partners, especially in the European Union Countries. It plans to perform two types of supports.

#### **CDE Development Facility**

It is meant for the creation, extension, and the development of enterprises. This support covers the following phases:

- Elaboration of project
- Pre-feasibility study, feasibility, market
- Technology research, partnership
- Financial engineer
- Legal arrangement support, project implementation.
- Quality studies and environment

#### **CDE Assistance Facility**

It supports the functioning of the enterprise during its time. This support is given in three following phases:

- Technical and starting Support
- Training of staff
- Evaluation and audits (techniques, financial, management)
- Management and marketing support
- Reformation support
- Integration support of the enterprise in the network and professional association, national and regional
- Quality research support, brand, standardisation and environmental protection.

The subsidies of CDE contribute to following:

- Up to 2/3 (maximum) of total cost of contributions required.
- For annual amount of a given enterprise can reach 100.000 euros
- Successive contributions reach 20% of assets or annual sales.

#### **V.5.1.1 Proinvest**

PROINVEST is an UE-ACP partnership, established and undertaken by the European commission on behalf of ACP countries, and of which the aim is to promote the flow of investments and technologies towards the enterprises in the ACP countries.

This program was put in place by management unit created within the Enterprise Development Centre (CDE), under the supervision of the EuropeAid Cooperation Office of the European Commission.

Time: 7 years (2001 – 2007)

Budget: 110 millions Euros

The objective of PROINVEST in all ACP countries is to promote investments and implementation of agreements of partnership between North-South and South –South enterprises by favoring, regional and sector approach.

Specifically, it favors the promotion of investments and the agreements of the partnership between enterprises through two complementary vectors in one hand, the intermediary organisations (professional organisations, chamber of commerce and industry, investment promotion agencies,) on the other hand, the enterprises themselves established in key sectors recognised by the PROINVEST with support from specialists and in agreement with the representatives of private and public sectors concerned.

The implementation program is done through two main ways of interventions, basing on two main objectives: the facilities of INTERPOWER and INVESTECH.

#### **- INTERPOWER facility**

It is meant for institutional capacity building and gives support to the development of intermediary organizations and consultancy associations on region basis. The beneficiaries of its program are mainly intermediary organizations such as: chamber of commerce and industry, investment promotion agencies, professional organisations, consultants associations, etc, where it provides support to their development capacities.

INTERPOWER figures out to help the institution to access to new information technology, to their maximum use, and putting in place information system for project management and manifestations.

- **INTERTECH facility**

In a special way, it supports initiators. In this regard, it allocates its resources to help enterprises working in the key sectors and with which their projects meet inter-enterprise linkages or sub-sector.

## **VI. BILATERAL PROGRAM**

### **VI.1 Canadian Fund for Gender and Development (FCGEB)**

The FCGEB was put in place by Canadian International Development Agency to contribute to the promotion of gender equality in Rwanda.

The main objective of the fund is to build the organisation capacity of civil society, local governments and public Institutions and parastatal through the dialogue on the respect of women rights, promotion of equality between sexes in poverty reduction program, and promotion of equal power sharing between men and women.

#### **Area of Interventions**

- Integration of the gender issues in poverty reduction program in rural development.
- Strengthening women participation in the decisions making organs, especially at local level
- Abrogation of laws and discriminating policies regarding girls and women
- Increasing the capacity of funds of partners in applied – research, awareness, speech, harmonization of populations, democratic functioning and project management.

#### **Criteria of selection of Project**

- To register in one of the four areas of interventions of funds
- Should meet clearly one of the priorities in subject of ES
- Equal participation of Men and women during the elaboration and implementation for rural development and local governance.
- To register in the strategic plan of the organization
- To be represented by an organization capable to implement and ensuring the follow up
- Show indicators and, clear and realistic results
- To give the guarantee of results sustainability.

### **VI.2 Belgium Technical Cooperation (BTC)**

The BTC is the Belgium Cooperation Development Agency. It is mainly mandated to carry out public service works in the terms of direct bilateral relationship, on the Belgium and foreign territory. It monitors the implementation of many small-scale projects. These projects are known as micro project or « Micro-Interventions Program» (MIP).

#### **Micro intervention Program (MIP)**

The main objective of MIP is to improve the sustainable human development by directly supporting common interest activities on the economic, social and cultural plan. That is putting strong support (financial or logistics) to the implementation of the prominent activities for the civil society. For

Rwanda, the BTC's budget for MIP amounts to 300 000 euros.

The domains of intervention are:

- Health, including reproductive health
- Education
- Agriculture and food security
- Basic Infrastructure
- Development of society

The criteria for Eligibility:

- The request should be in accordance with sectors and rules of Belgium Cooperation,
- The eligible candidate is the association or group of at least 10 people,
- The request should be accompanied by the official letter from the authority in the area of the association's intervention,
- The activity supported does not enter into competition with other investments,
- The amount requested should be between 5 000 and 12 500 euros
- The contribution of group either in kind, in land or building available, in labor, or in cash, should start at least on 20% of the Belgium contribution requested.

The MIP does not take in charge:

- Running costs: salary, allowances of personnel, telephone costs, papers, transport, etc,
- Emergency or food aid,
- Micro Project co-financing,
- Activities whose viabilities are proved.

### **VI.3 Development Program Related to Export Transactions (ORET)**

The ORET program will support 50% of supply of goods, works or services which are not commercially viable within ten years. The total value of the transaction may not exceed 45 millions of euros. Recently, the «water » facility was opened, also for Rwanda. The program ORET is carried FMO.

Characteristics

ORET's grant helps developing countries decrease the costs of the purchase of capital goods, services and works.

The ORET program has three facilities:

- Tied facility is intended for export transactions to selected countries. The subsidy can exclusively be requested by Dutch enterprise that wants to carry out the transactions.
- United facility is intended for the export transactions in Least Developed countries. The subsidies can be requested by Dutch enterprise as well as non Dutch enterprise.
- Water facility is intended for the export transactions for investments in clean water and sanitation sectors

### **VI.4 Grant Assistance for Grassroots Projects (GGP)**

The Japanese Government offers a financial assistance program for development projects designed to meet the diverse needs of developing countries. Known as Grant Assistance for Grassroots Project (GGSP), this scheme supports to proposed projects by various bodies such as Non Government



Organisations (NGOs) and Local Government Authority.

### **Conditions of Eligibility**

As long as a development project is geared towards grassroots assistance, it can be eligible for financing under this program. However, particular attention is given to the projects in the sectors below:

- Primary health care
- Primary education
- Poverty reduction
- Public welfare
- Environment

The embassy of Japan determines the priority sectors of intervention in each eligible country, after the development needs of these countries. Generally, the grant amount per project can not exceed 100 000 dollars. The funds cannot cover cost related to salaries, fuel, transport, per diem charges, and other administrative costs and operating costs.

### **VI.5 Ambassadors Self Help Fund**

The United States ambassador to Rwanda makes available limited fund aiming at give financial support to small community projects. Each project requires the involvement of the community. The community or association should prove that the project will last for one year, but its activities will continue in the future.

The projects proposals are received throughout the year, but donations are given in June each year. The projects should be established by community or association. The special consideration is given to the income-generating project or community development. The funds have the threshold of 5 000 000 Frw.

The self help fund does not finance the following activities:

- Request for sophisticated equipments
- Military projects, religious, leisure
- Commercial private enterprise or individuals help
- Salary or unqualified labour
- Projects financed by other donors such as embassies or NGOs
- Pesticides and chemical fertilizers

The project proposal submitted to the embassy is signed by administrative authority from the area where the project operates.

## **VII. FRANCHISE**

The franchise agreement is the distribution contract which includes one enterprise, proprietor of mark or ensign, the franchisor, to one or many independent traders, franchisee.

The franchisor makes available to franchisee his trademark and/ or his ensign, products, the know-how and technical support against a direct or indirect payment.

Different types of Franchise

- The contract of franchise service 'in agreement where the franchisee provides service under the ensign, trade name as well as the trademark of franchisor, and abide with his directives'.

- The production franchise contract 'in agreement where the franchisee manufactures, himself, according to instructions of franchisor, the products are sold under trade name of the franchisor'.
- The distribution franchise contracts 'in agreement of which the franchisor confines to sale certain products in the shop which has the ensign of franchisor'

### **Steps to Acquire Franchise**

The franchisee begins by looking for complete documents of the franchise and studies the economic and legal aspects. He ascertains formula corresponding to his personality and aspirations.

Once the activity sector is determined and franchisor is contacted, he studies the pre-contractual information file as well as the contract project submitted. In order to do this, he gathers various counselors.

The franchisee consults the existing franchisee firm already operating under the same trademark. The franchisor without franchisee is not necessarily bad franchisor if he is initial stages. However, vigilance is needed in this hypothesis.

### **VIII. JOINT VENTURE**

The joint venture is the groupings in which at least two people or entities joins according to diversified modalities aiming at implementing a specific project by bringing their knowledge, technology or common resources and sharing risks and benefits. The grouping of economic interests forms of joint venture' as defined by aide.com.'

The joint venture can be defined as:

- Commercial company (corporation)
- Civil society (partnership)
- Joint stock company
- '*Sui generis*' contract between independent people

Whatever the legal form the joint venture or partnership bears, each participant should bring his expected contribution and assure that terms and conditions, provided by the chosen legal structure and as agreed during the negotiation steps, portray the commitment and rights of each one.

#### **VIII.1 Industrialization Fund for Developing Countries (IFU)**

In collaboration with Danish Department of commerce and Industry, IFU was established to encourage investments in developing countries in order to promote economic activities.

IFU provides capital and advisory services to the joint ventures in the developing countries. It contributes as the partner in the joint venture by putting funds and/ or borrowing through registering in the board of Directors.

The eligible enterprises are the small and large enterprises, being the existing enterprise in expansion or privatization. To be eligible, the hosting enterprise should partially be co financed by Danish enterprise and be financially healthy.

#### **VIII.2 Belgium International Investment Company (BMI- BIC)**

BMI – BIC is the investment company whose main objective is to co-invest and to co-finance long-term

foreign investments by Belgium companies.

Financing period: usually between 5 to 10 years

Financing amount: between € 500 000 and € 2 500 000.

The activities of BMI-BIC are internationally geared towards financing:

- Setting up of new joint ventures,
- acquisition, restructuring and development of existing companies

**Criteria for Eligibility:**

- Feasibility, strong financial structure and project profitability,
- Quality of the Belgian partner company (management, vocational ....)
- Size of the project
- investment liquidity
- Economic interest for Belgium and host enterprise.

**VIII.3. Norwegian Investment fund for Development Countries (NORFUND)**

Norfund facilitates economic growth and poverty reduction by investing risk capital in profitable businesses in developing countries. It contributes to realization of viable projects which take into consideration the economic, social and environment aspects.

**Loans:**

Norfund provides private companies and financial institutions in developing countries with a variety of loans. These credits are refundable in long-term with a loan maturity period of 3 to 8 years.

**Equity:**

Norfund directly invests in the private company or financial institution or indirectly through local or regional companies. Although, Norfund gives up to 49% of total capital to particular project, it subscribes 10 to 35% of the funds. Norfund aims to exit from a project after 3 to 7 years, having contributed actively to establishing a viable investment.

Norfund complies to three rules when making direct investment:

- Investment in private company
- Investment in the private company based in the developing country whose GDP is below 5290USD
- The investment cannot exceed 49% of the contribution in the project and will not normally take a leading role.

**VIII.4 Capital for Development Group (CDC)**

Establishment in 1948, the initial mandate was to strengthen the economies of the former UK colonies by providing finances for business. After the independence of the colonies, CDC became the commonwealth Development Corporation and by 1970, was authorized to invest in poor countries beyond the commonwealth.

The CDC's investment strategy is that it does not invest directly in the companies, rather take an intermediary approach. The funds available are valued at US\$ 2,8 billions, where 70% are available for financing private sector in poorer countries and 30% in poor countries. The sub-saharan region of Africa and Asia are eligible to at least to 50% of investments.

The private enterprises should abide to the business principles of trade in order to be eligible for the fund.

The sectors of interventions of CDC are energy, industry, infrastructures, mining, oil and Gas, financial institutions, agribusiness, telecommunications and other sectors.

### **VIII.5 Swedfund International AB**

Swedfund is Swedish's public organization which provides risk capital and technical assistance to the investors in Africa, Asia, in Latin America and East Europe. Its vision is to contribute to the development of profitable companies and thereby stimulate sustainable economic development in the countries in which it invests.

Swedfund normally works with Swedish enterprises and, together they invest in the enterprise of the host country. The latter can be new or existing enterprise.

Swedfund participates actively in the development of joint ventures through the representation in the board of directors. Its investments does not exceed 1/3 of total investments ranging between SEK 5 million to up to SEK 100 million for period of 5 years to 10 years, depending on the life cycle of the enterprise during the time of investment.

### **VIII.6 Societa Italiana per le Imprese All'estero (SIMEST)**

Founded in 1991 to promote and technically and financially to support italian investments in foreign countries; SIMEST is the joint venture company, managed by the Italian Productive Activities Ministry, and group of private banks and enterprises network.

It helps the implantation of the Italian enterprises in the foreign countries beyond European Union, in form of joint ventures or entire controlled investments.

Equity:

- Modality of intervention: SIMEST contributes up to 25% of share capital of non Italian enterprises.
- Maximum equity duration is 8 years, during which an agreement is made with Italian partners to repurchase the SIMEST's shares, and 8 years for bank financing from the first part of financing, including the maximum 3 years of guarantee for depreciation.
- The financing support covers 90% of the share of Italian enterprise and 51% of the local enterprise. The maximum limit is 40 € millions per enterprise and per year, 80 € millions per economic group.
- The Italian enterprise presents directly its request for support to the SIMEST.

## **IX. CONCLUSION**

The Rwandan financial system has undergone crucial reforms trough the privatization of commercial banks such as BCR and BACAR and introduction of credit and savings cooperatives to build financial resources and related services.

The system has also encountered crisis in micro finance sector which led to the closure of many of them.

The crisis was accompanied by distrust of the clients, hence leading to massive withdraw of deposits.

This guide was designed to help promoters and micro finance institutions to deal with different institutions which can meet their financial needs and technical assistance in order to achieve sustainable development of their projects.

## ANNEX

### Annex 1: Microfinance Institutions

N°	Name	Legal status	Autonomous Coopec affiliated to Unions	Agr <sup>1</sup>	Contact
1	CFE AGASEKE	SA		AD	BP. 265 Kigali
2	ZIGAMA CSS	Coopec		AD	Tel: 571184 BP. 4772 Kigali
3	VISION FINANCE COMPANY AMIZERO	SA		AD	Tel: 501364 Mob: 08301266
4	IRIBA	Coopec		AD	Tel: 564375 Mob: 08636107 BP 26 Byumba
5	URWEGO COMMUNITY BANKING	SA		AD	Tel: 583691 BP 3318 Kigali
6	RESEAU INTERDIOCESAIN DE MICROFINANCE	SA		AD	Tel : 503616
7	RWANDA MICROFINANCE	SARL		AD	Mob: 08307760
8	IMF UNGUKA	SA		AP	Mob: 08308830 BP 6417 Kgl
9	COOPEDU	Coopec		AP	Tel: 570143/47 BP 4053 Kigali
10	DUTERIMBERE IMF	SA		AD	Tel: 570129 BP 6719 Kigali
11	SWOFT	SA		AD	Tel: 577355 BP 1096 Kigali
12	URUNANA MICROFINANCE	SA		AD	Tel: 08876368 BP 3441 Kigali
13	ABADAHIGWA	Coopec		AD	
14	AMASEZERANO COMMUNITY BANKING	SA		AD	Tel: 08304756 08304757 BP 6271 Kigali
15	AMICOKA	Coopec		AD	Tel: 08467206 BP 506 Kigali
16	CLECAM <sup>2</sup> GISENYI (WISIGARA) (Union des)	Coopec		AD	Tel: 08451712 C/o ROPARWA
		Coopec	Kayove	AD	
		Coopec	Nyamyumba	AD	
		Coopec	Ville Gisenyi	AD	
17	CLECAM GITARAMA (IRAMIRO) (Union des)	Coopec		AD	Tel: 562173 C/o ROPARWA
		Coopec	Ville Gitarama		
		Coopec	Kabagari		
		Coopec	Ruhango		

<sup>1</sup> Agreement

<sup>2</sup> CLECLAM : Caisse Local d'Epargne et de Crédit Agricole Mutuel

N°	Name	Legal status	Autonomous Coopec affiliated to Unions	Agr <sup>3</sup>	Contact
18	Al-Halaal (Microfinance)	SA		AD	BP 4231 Kigali
19	CLECAM RUHENGERI (Union des)	Coopec		AD	Tel: 08451712 BP 129 Ruhengeri
		Coopec	Ville Ruhengeri	AD	
		Coopec	Nyarutovu	AD	
		Coopec	Butaro	AD	
		Coopec	Bukonya	AD	
		Coopec	Nyamugali	AD	
20	CMF UMURIMO CYANGUGU (Union des)	Coopec		AD	C/o ROPARWA
		Coopec	Gashonga	AD	
		Coopec	Impala	AD	
		Coopec	Bugarama	AD	
		Coopec	Gatare	AD	
21	INZIRA (Union des)	Coopec		AD	Tel: 08594973 BP 2858 Kigali
		Coopec	Rusumo	AD	
		Coopec	Save	AD	
		Coopec	Ville Butare	AD	
		Coopec	Ville Kibungo	AD	
		Coopec	Ville Umutara	AD	
22	CEPES	Coopec		AP	
23	INKUNGA	Coopec		AP	BP 35 Kibuye
24	ABIZERANYA	Coopec		AD	Mob: 08879466-08651493 BP 6782 Kigali
25	CAF ISONGA	SA		AP	
26	INKINGI MICROFINANCE	SA		AP	Tel: 572179 BP 2977 KIGALI
27	UBAKA	Coopec		AD	Tel: 517582 Mob : 08504923 BP 574 Kigali
28	JYAMBERE (Union des)	Coopec		AD	Mob: 08519472 08306768 BP 24 Ruhengeri
		Coopec	Bukamba		
		Coopec	Ville Ruhengeri		
29	CSPKI/BYUMBA			AP	Tel: 08442431 BP 45 Byumba
30	GASABO	SA		AP	
31	EBENEZER UMUCYO	Coopec		AP	Tel: 08510351 BP 1111 Kigali
32	URUKUNDO	Coopec		AD	Tel: 08877231 BP 02 Gakenke, Murambi, Umutara

<sup>3</sup> Agreement

N°	Name	Legal status	Autonomous Coopec affiliated to Unions	Agr <sup>4</sup>	Contact
33	ISANDUKU TWIZIGAMIRE IWACU (ITI)	Coopec		AP	Tel: 08740573
34	CBI (Coopérative de banque Isangano)	Coopec		AP	Tel: 08863088 BP 2403
35	TWITEZIMBERE	Coopec		AP	TEL/ 08650240 BP 226 Butare
36	UMUTANGUHA (Union des)	Coopec		AP	Tel: 08558008 BP 2998 Kigali
		Coopec	Gasarenda	AP	
		Coopec	Kabaya	AP	
		Coopec	Mahoko	AP	
		Coopec	Nyamirambo	AP	
36	UMUTANGUHA (Union des)	Coopec	Vunga	AP	
37	UBUMWE BW'INYARUREMA	Coopec		AP	BP 126 Nyagatare Tel: 565258 08676687
38	CODESOBU (Coopérative pour le Développement Agricole de Bugarura)			AP	TEL: 08564234 BP 35 Ruhengeri
39	ESPOIR	Coopec		AP	Tel : 08571545 BP 161 Kigali
40	INGASHYA	Coopec		AP	BP 4577 Kigali
41	Coopérative d'épargne et de crédit des Agri-eleveurs (Union des)	SA		AP	Tel: 546320
42	ACTIONS SOLIDAIRES POUR L'EPARGNE ET CREDIT	SA		AP	Tel : 08523787
43	COPECYA	Coopec		AP	Tel: 0846731 BP 111 Ruhengeri
44	ISHEMA MULINDI	Coopec		AP	Tel: 08305321
45	KOPERATIVE ZIGAMA BICUMBI (KOZIBI)	Coopec		AP	Tel: 08525443 B. P. 20 Rwamagana

**NB.** - AD: Agrément définitif ou AP: Agrément provision  
- Microfinances agréées au 30 Septembre 2006.

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<sup>4</sup> Agreement



## Annex 2 : Liste des banques Populaires

N°	Banque Populaire	Adresse	Banque Populaire	Adresse
1	Birambo	568080	Mubuga	-
2	BPK	502010	Mudasomwa	-
3	BPPF	502006	Mugina	-
4	Bugarama	537129	Muhazi	-
5	Buhanda	-	Muhima	515016
6	Bulinga	6060091	Muhura	564526
7	Bungwe	-	Mukarange	-
8	Buriza	-	Mukingi	-
9	Butaro	-	Mulindi	-
10	Buyoga	-	Munzanga	-
11	Congo-Nil	-	Murama	-
12	Cyeru	-	Murehe	-
13	Cyimbogo	-	Murunda	-
14	Gafunzo	-	Musambira	562566
15	Gahororo	-	Musange	-
16	Gakenke	567507	Musasa	575248
17	Gasange	-	Musebeya	-
18	Gashora	561081	Mushubati	-
19	Gatare	6030081	Mutenderi	566668
20	Gatonde	-	Mutobo	-
21	Gikondo	578688	Mutumba	-
22	Gikonko	-	Mutura	-
23	Gikoro	-	Muyaga	-
24	Gisagara	-	Muyumbu	-
25	Gishamvu	-	Ndera	513588
26	Gishoma	-	Ndusu	-
27	Gishyita	-	Ngarama	564586
28	Gisovu	-	Ngenda	561250
29	Gisuma	-	Ngoma	530972
30	Gitesi	568246	Nkamba	-
31	Giti	-	Nshili	-
32	Gituza	-	Ntyazo	-
33	Hindiro	-	nyabikenke	-
34	Kabarondo	567560	Nyagahanga	-
35	Kabarore	-	Nyagatare	565109
36	Kabaya	-	Nyakabanda	-
37	Kabuye	501431	Nyakabuye	-
38	Kacyiru	517092	Nyakinama	-
39	Kaduha	-	Nyakizu	6010081
40	Kagano	-	Nyamabuye	562005/562013
41	Kajevuba	-	Nyamagabe	535142/535374
42	Kamembe	537624	Nyamata	561022
43	Kanama	540947	Nyamirambo	578349/503065
44	Kansi	-	Nyamugali	-
45	Karama	-	Nyamure	530064

N°	Banque Populaire	Adresse		Banque Populaire	Adresse
46	Karangazi	-		Nyamyumba	-
47	Karembo	-		Nyanza	533083
48	Karengera	-		Nyarutovu	-
49	Kayenzi	-		Ramba	06050010
50	Kayonza	-		Rambura	-
51	Kayove abisunganye	-		Remera	582691
52	Kayove Duteraninkunga	-		Rubavu	540430
53	Kibali	564016		Rubaya	-
54	Kibeho	-		Rubengera	568421
55	Kibirira	06050020		Ruhashya	-
56	Kibogora	-		Ruhondo	-
57	Kibungo	566005/566739		Rukara	-
58	Kicukiro	583176		Rukira	-
59	Kidaho	-		Rukomo	565117
60	Kigoma	-		Rukondo	-
61	Kigombe	546021		Rulindo	-
62	Kihembe	531153		Runda-Taba	-
63	Kinazi	-		Rusatira	530813
64	Kinigi	-		Rushashi	575545
65	Kinihira	564512		Rusumo	560320
66	Kinyami	564607		Rutare	564536
67	Kivu	-		Rwamagana	567107
68	Kivumu	-		Rwamatamu	-
69	Kiyaga	-		Rwerere	-
70	Kora	570838		Rwisirabo	-
71	Maraba	-		Sake	566644
72	Masaka	575480		Shyorongi	575729
73	Matimba	-		Tambwe	562088
74	Mbazi	531009		Tumba	-
75	Migina	-			

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#### Annex 4: Addresses

1. ACCION International & ACCION USA Headquarters, 56 Roland Street, Suite 300, ACCION, Boston, MA 02129 USA, Tel: 617-625-7080, Fax: 617-625-7020, [www.accion.org](http://www.accion.org).
2. AfriCap Investment Ltd South Africa, The Forum Building, 8th Floor
3. ASEC, BP 388 Gisenyi, tel : 08523787.
4. BANCOR, BP 2059 Kigali, Tel: ( 250) 575763, 575780, fax: (250) 572501/575761, e-mail: [bancor@rwanda1.com](mailto:bancor@rwanda1.com), [www.bancor.co.rw](http://www.bancor.co.rw).
5. BCDI, BP 3268 Kigali, Tel : 574143, Fax : 573790, [info@bcdi.co.rw](mailto:info@bcdi.co.rw), [www.bcdi.co.rw](http://www.bcdi.co.rw).
6. BCR, BP 354 Kigali, Tel: (250) 575591, Fax: (250) 573395, [www.bcr.co.rw](http://www.bcr.co.rw)
7. BEI, 100, boulevard Konrad Adenauer, L-2950 Luxembourg, Tel: (+352) 43 79 1, Fax: (+352) 43 77 04, E-mail: [info@eib.org](mailto:info@eib.org), [www.eib.org](http://www.eib.org) ou Africa Re Centre, 5th floor, Hospital Road, PO Box 40193, KE - 00100 Nairobi, Tel: (+254-20) 273 52 60, Fax: (+254-20) 271 32 78.
8. BHR, BP 1034 Kigali, Avenue de la Justice, Tél. : (250) 576382/(250) 571747, Fax. : (250) 572799, E-mail : [bhr@rwanda1.com](mailto:bhr@rwanda1.com), [www.bhr.co.rw](http://www.bhr.co.rw).
9. BLCF, Deloitte & Touche, Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR, UK, Email: [blcf@deloitte.co.uk](mailto:blcf@deloitte.co.uk), Tel.: + 44 20 7303 2208, Fax: + 44 20 7303 3125, [www.challengefunds.org](http://www.challengefunds.org).
10. BMI-SBI, Avenue de Tervurenlaan 168 (b.9), B-1150 Brussels, Belgium, Tel. : +32-2-776.01.00, Fax : +32-2-770.66.38, E-mail : [info@bmi-sbi.be](mailto:info@bmi-sbi.be).
11. BNR, BP 531 Kigali, Tél : ( 250) 574282/501569, fax : (250) 572251/572961/576197, [www.bnr.rw](http://www.bnr.rw).
12. BRD, BP 1341 Kigali, Tel : (250) 575079/80, Fax : (250) 573569, e-mail : [brd@brd.com.rw](mailto:brd@brd.com.rw) ou [dgbrd@rwanda1.com](mailto:dgbrd@rwanda1.com), [www.brd.com.rw](http://www.brd.com.rw).
13. CDC Group plc, 6 Duke Street, St. James's, London SW1 6BN, United Kingdom, Tel: +44 (0)20 7484 7700, Fax +44 (0)20 7484 7750, Email: [enquiries@cdcgroupp.com](mailto:enquiries@cdcgroupp.com), [www.cdcgroup.com](http://www.cdcgroup.com)
14. CFE Agaseke, BP 256 Kigali, Tél- fax : (250) 585697, [e-mail.cfe@rwanda1.com](mailto:e-mail.cfe@rwanda1.com).
15. CTB, Bureau de l'Attaché, Ambassade de Belgique BP 18 Kigali, Tél: + 250 57.55.51/52/53, Fax: + 250 57.39.95, e-mail : [kigali@diplobel.org](mailto:kigali@diplobel.org), [www.diplomatie.be/kigalifr](http://www.diplomatie.be/kigalifr).
16. Développement international Desjardins, 150, avenue des Commandeurs, Lévis (Québec) Canada, G6V 6P8, Téléphone : (418) 835-2400, Télécopieur : (418) 833-0742, E-mail : [info@did.qc.ca](mailto:info@did.qc.ca), [www.did.qc.ca](http://www.did.qc.ca).
17. EBENEZER, BP 1111 Kigali, tel : 08510351, e-mail : [laetinkundo@yahoo.fr](mailto:laetinkundo@yahoo.fr),
18. FAGACE, BP 2045 Boulevard Marina, Cotonou, Bénin, Tel : 229-300376/303424, Fax : 300284, e-mail : [fagace@intnet.bj](mailto:fagace@intnet.bj), [www.fagace.org](http://www.fagace.org) ou contacter la BRD.
19. FCGEB, BP 2019 Kigali, Tel : (250) 511802/3, Fax : (250) 513153.
20. FIG c/o Fondation RAFAD, P.O. Box 117, Rue de Varembe 1, 1211 Genève 20, Suisse, Téléphone: +41 22 733 5073, Fax: + 41 22 734 7083, E-mail: [info@fig-ig](mailto:info@fig-ig), [www.fig-igf.org](http://www.fig-igf.org).
21. FMO, Anna van Saksenlaan 71, 2593 HW The Hague, The Netherlands; Région afrique : Tel : +31 (0)70 314 96 13, Fax : +31 (0)70 314 97 53, E-mail: [africa@fmo.nl](mailto:africa@fmo.nl), [www.fmo.nl](http://www.fmo.nl) .
22. Fondation Raiffeisen Belge ASBL, Philipssite 5b10, 3001 Leuven – Belgique, Tél: +32 (0) 16 27 96 77, Fax: +32 (0) 16 27 96 91, [info@brs-vzw.be](mailto:info@brs-vzw.be), [www.cera.be/brs](http://www.cera.be/brs).
23. FSA, 617, Av. du Président Karl CARSTENS, BP 382, Niamey – Niger, e-mail : [fsa@fonds-solaf.org](mailto:fsa@fonds-solaf.org) ou [fsa@intnet.ne](mailto:fsa@intnet.ne), tel : (227) 20 42 26 32/33/34, fax : (227) 20 73 30 40. [www.fonds-solaf.org](http://www.fonds-solaf.org).
24. GASABO, BP 1781 Kigali, tel: 08434406/08538866, e-mail: [gasabosa@yahoo.fr](mailto:gasabosa@yahoo.fr).
25. INCOFIN scbs, Sneeuwbeslaan 20, 2610 Wilrijk, tel.: +32 (0)3 829 25 36, fax: +32 (0)3 740 78 28, e-mail : [info.incofin@incofin.be](mailto:info.incofin@incofin.be) ou Impulse Microfinance Investment Fund, Sneeuwbeslaan 20, 2610 Wilrijk, tel.: +32 (0)3 829 25 36 fax: +32 (0)3 740 78 28, e-mail : [info.impulse@incofin.be](mailto:info.impulse@incofin.be).

26. INKINGI, BP 2977 Kigali, Tel : '250) 55100251, e-mail : [micorinkingi@yahoo.fr](mailto:micorinkingi@yahoo.fr).
27. International Finance Corporation, 2121 Pennsylvania Avenue, NW, Washington, DC 20433 USA, Tel: (202) 473-3800, Fax: (202) 974-4384, [www.ifc.org](http://www.ifc.org). ou 14 Fricker Road, Illovo 2196, Johannesburg, South Africa, Tel: (27-11) 731-3000, Fax: (27 11) 268-0074.
28. MIGA, MIGA applications Office, MSN U12-1205, 1818 H Street,NW, Washington, DC 20433 f.1.202.522.2630, [migasip@worldbank.org](mailto:migasip@worldbank.org), [www.miga.org](http://www.miga.org).
29. Norfund, P O Box 1280 Vika, Oslo, Norway, fax: +47 22 01 93 94 or telephone: +47 22 01 93 93, e-mail: [post@norfund.no](mailto:post@norfund.no), [www.norfund.no](http://www.norfund.no).
30. PADEBL, C/o MINAGRI, Tél: 519 512 ; 519 514
31. PDCRE ? C/o MINAGRI, Tél: 58 38 76; Fax: 58 38 77.
32. Pour la FGA & le Projet de reconversion MIFOTRA, adressez-vous au Département des Marchés Monétaire et Financier, BNR, Tél: 57 45 32/57 52 49/57 24 84, Fax: 57 61 97
33. PROPARCO, Siège social, 5 rue Roland Barthes, 75598 PARIS cedex 12, Tél: +33 1 53 44 37 37, Fax: +33 1 53 44 38 38 ou Nairobi, Royal Ngao House, Hopital Road, PO Box 45955 Nairobi, Tél: (254) 2 71 84 52, Fax: (254) 2 71 79 88, Email: [afdpro@africaonline.co.ke](mailto:afdpro@africaonline.co.ke), [www.proparco.fr](http://www.proparco.fr).
34. PSOM, BP 20105, 250 Ec La Haye, Pays Bas, tel : +31 (0) 70-778 83 83, e-mail : [psom@info.evd.nl](mailto:psom@info.evd.nl).
35. PTA Bank, BP 48596, GPO 00100 Nairobi-Kenya, Tél: +254 (0) 202712250, Fax: +254 (0) 20 2711510, telex: 22826 PTA BANK, e-mail: [official@ptabank.org](mailto:official@ptabank.org), [www.ptabank.org](http://www.ptabank.org).
36. RML, BP 6839 Kigali, tel 250-501127, e-mail : [info@rml.co.rw](mailto:info@rml.co.rw), [www.rml.co.rw](http://www.rml.co.rw).
37. RSSP, C/o MINAGRI, BP 6961 Kigali, Tél: (250) 514 447/514 448/519 523, [www.rssp.co.rw](http://www.rssp.co.rw).
38. SIDI, 12, rue Guy de la Brosse - 75005 – Paris, Tél.: 0033 (0)1.4046.7000, Fax: 0033 (0)1.4634.8118, e-mail : [mf.baptistal@sidi.fr](mailto:mf.baptistal@sidi.fr), [www.sidi.fr](http://www.sidi.fr).
39. SIMEST s.p.a.,corso Vittorio Amanuele II, 323-00186 Romr (Italy), Tél: +39 06686351, Fax: +39 0668635220, e-mail:[info@simest.it](mailto:info@simest.it), [www.simest.it](http://www.simest.it).
40. Swedfund International AB, P.O. Box 3286, S-103 65 Stockholm, Sweden, Tel : +46 8 725 94 00, Fax: +46 8 20 30 93, Email: [info@swedfund.se](mailto:info@swedfund.se). [www.swedfund.se](http://www.swedfund.se).
41. UBAKA, BP 3662 Kigali, Tel : (250) 520588, e-mail : [coopecubaka@yahoo.fr](mailto:coopecubaka@yahoo.fr).
42. UBPR, 32, avenue de l'armée B.P.1348 Kigali, Tel.:(250) 573559, Fax:(250) 573579
43. UCEA, BP 156 Ruhengeri, Tel : 250-546320, e-mail : [ccopeccea@yahoo.fr](mailto:ccopeccea@yahoo.fr).
44. UMUTANGUHA, BP 2998 Kigali, Tel (250) 504301n e-mail : [ucurw@yahoo.fr](mailto:ucurw@yahoo.fr).
45. URUNANA, BP 3441 Kigali, tel : (250) 582639, e-mail : [urunanamicro@yahoo.fr](mailto:urunanamicro@yahoo.fr).
46. URWEGO, P. O. Box 3318, Kigali Rwanda, Tel:(250) 583691, 520384, Fax: (250) 520319, Email:[info@urwego.org](mailto:info@urwego.org), [www.urwego.org](http://www.urwego.org)
47. US Embassy, Coordinator, Ambassador's self help Fund, BP 28 Kigali, tél 505601, ext 3258.
48. VCF, Tél : 501363/501364, fax : + 250 585327, e-mail : [vision\\_finance@wvi.org](mailto:vision_finance@wvi.org), mob : +250 08303195.
49. ZIGAMA BICUMBI, BP 20 Rwamagana, tel : 08525443 ou 08620409.