



### PROGRAM OBJECTIVES

Through a partnership with the United Nations Capital Development Fund (UNCDF, 2013-2015), World Council of Credit Unions is working with the Government of Rwanda (GOR) and the country's new network of 416 Umurenge Savings and Credit Cooperatives (U-SACCOs), which were established by the GOR in 2010 in each of Rwanda's 416 sectors (*umurenge*), to bridge the financial inclusion gap in rural areas. The program aims to strengthen U-SACCOs and expand their outreach to the underserved population.

World Council is partnering with UNCDF, the GOR and U-SACCOs to:

- Provide training and capacity building to strengthen operations and financial discipline in U-SACCOs to ensure long-term sustainability and financial independence.
- Implement a central core banking solution to improve efficiency and transparency.
- Expand the base of new savers in U-SACCOs and accelerate access to financial services for Rwanda's poor and rural populations.

### BACKGROUND

The financial inclusion gap in Rwanda is a strong barrier to economic development. Fifty-two percent of adult Rwandans do not have access to any kind of financial product. Of Rwandans who save, the majority use entirely informal mechanisms rather than putting savings in a formal institution. In rural Rwanda, the gap for financial inclusion is especially problematic. While 90% of Rwandans get at least part of their income from farming, banks disburse only 5% of their loans to the agricultural sector, leaving farmers with few solutions for their financing needs.

With locations throughout the country, SACCOs are well-positioned to provide financial services to unreached populations and help grow the economy. Rwanda's credit union system was destroyed in the genocide in 1994, and had to begin from scratch when credit unions reopened in 1996. In 2000, World Council began working with Rwandan credit unions to grow membership in rural areas (USAID, 2000-2005). World Council continued working with the credit unions to expand outreach to the very poor and to remote communities, while keeping transaction costs low (Gates, 2006-2009). According to a World Council survey taken by credit union members during this period, 70% lived in rural areas and 57.9% had no access to financial services before joining their credit unions. The expansion of outreach provided entry to the financial system for the country's poor and unbanked population.

### PROGRAM HIGHLIGHTS

#### Strengthening Savings and Credit Cooperatives

World Council's three-year project, which began in 2013, is working to strengthen Rwanda's new U-SACCOs so they can become sustainable and facilitate greater financial inclusion for underserved populations. The first phase of the project focuses on standardizing policies and procedures among U-SACCOs and automating operations by implementing an integrated IT system and accounting platform. World Council will also provide financial analysis to assess the safety and soundness of the institutions and develop strategies for improvement. These measures will help to ensure the independence and sustainability of the credit unions.

#### Reaching rural populations

As part of its technical assistance plan, World Council will help to accelerate membership growth in SACCOs and mobilize savings. This will allow SACCOs to achieve economies of scale and become financially independent while providing the unbanked access to financial services. With stronger and more financially sound SACCOs, members and potential members will place greater trust in SACCOs. World Council will provide training to SACCOs on developing marketing strategies to rapidly increase savings and membership, with a special focus on reaching women and rural clients.

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