Improving Financial Performance

In late 2000, the UBPR was insolvent; had extremely high levels of delinquency (measured as total outstanding balance of portfolio-at-risk at 30 days); had negative capital position and a substantial net loss. Two years later, the UBPR has achieved solvency; has lowered delinquency and continues to carry out aggressive write-offs and loan recovery efforts. The UBPR has positive net income and solvency ratio in 2002. Without any external funds, it has improved its net institutional capital position (retained earnings and reserves net of required provisions for potential loan losses) from 16% to 1%. The UBPR has yet to meet the WOCCU standards of excellence in its key (P)EARLS financial performance indicators but it has made significant progress toward reaching these goals.

Supporting Agricultural Producers

In 2002, the UBPR cooperated with Abahuzamugambi de Maraba, a coffee cooperative supported by USAID. The UBPR provided the cooperative with a loan of U.S. $81,700 for a six-month term to enable the 400 members to harvest specialty coffee. In 2003, several banques populaires are expected to partner with coffee cooperatives for similar financing.

Financing for HIV+ Genocide Widows

The UBPR entered into an agreement with the Association of Genocide Widows Agahozo (AVEGA) in 2002. The UBPR finances agriculture, livestock and microenterprise loans for economically active HIV+ genocide widows and AVEGA provides a guarantee fund of $10,600.

Creating Partnerships

Training Across Borders

WOCCU Rwanda and the UBPR have fostered several partnerships. A relationship of knowledge exchange was created between the UBPR and the Maine Credit Union League. One outcome of this partnership was the introduction of the savings products mentioned above, which UBPR staff learned about during an internship in Maine.

Supporting Agricultural Producers

In 2002, the UBPR cooperated with Abahuzamugambi de Maraba, a coffee cooperative supported by USAID. The UBPR provided the cooperative with a loan of U.S. $81,700 for a six-month term to enable the 400 members to harvest specialty coffee. In 2003, several banques populaires are expected to partner with coffee cooperatives for similar financing.

Financing for HIV+ Genocide Widows

The UBPR entered into an agreement with the Association of Genocide Widows Agahozo (AVEGA) in 2002. The UBPR finances agriculture, livestock and microenterprise loans for economically active HIV+ genocide widows and AVEGA provides a guarantee fund of $10,600.

Creating Partnerships

Training Across Borders

WOCCU Rwanda and the UBPR have fostered several partnerships. A relationship of knowledge exchange was created between the UBPR and the Maine Credit Union League. One outcome of this partnership was the introduction of the savings products mentioned above, which UBPR staff learned about during an internship in Maine.

Supporting Agricultural Producers

In 2002, the UBPR cooperated with Abahuzamugambi de Maraba, a coffee cooperative supported by USAID. The UBPR provided the cooperative with a loan of U.S. $81,700 for a six-month term to enable the 400 members to harvest specialty coffee. In 2003, several banques populaires are expected to partner with coffee cooperatives for similar financing.

Financing for HIV+ Genocide Widows

The UBPR entered into an agreement with the Association of Genocide Widows Agahozo (AVEGA) in 2002. The UBPR finances agriculture, livestock and microenterprise loans for economically active HIV+ genocide widows and AVEGA provides a guarantee fund of $10,600.

Creating Partnerships

Training Across Borders

WOCCU Rwanda and the UBPR have fostered several partnerships. A relationship of knowledge exchange was created between the UBPR and the Maine Credit Union League. One outcome of this partnership was the introduction of the savings products mentioned above, which UBPR staff learned about during an internship in Maine.

Supporting Agricultural Producers

In 2002, the UBPR cooperated with Abahuzamugambi de Maraba, a coffee cooperative supported by USAID. The UBPR provided the cooperative with a loan of U.S. $81,700 for a six-month term to enable the 400 members to harvest specialty coffee. In 2003, several banques populaires are expected to partner with coffee cooperatives for similar financing.

Financing for HIV+ Genocide Widows

The UBPR entered into an agreement with the Association of Genocide Widows Agahozo (AVEGA) in 2002. The UBPR finances agriculture, livestock and microenterprise loans for economically active HIV+ genocide widows and AVEGA provides a guarantee fund of $10,600.
During the eight years since the end of the civil war and genocide that destroyed the Rwandan economy and institutional infrastructure, the microfinance and insurance industries have worked diligently to rebuild the economy. The genocide left the country with at least 80% of the population of 10,000 or more, and non-member respondents were from urban areas. In addition to this, the microfinance system has also been strengthened through the adoption of new regulatory and supervisory frameworks.

The UBPR closed its doors, as did all financial institutions including the national federation of Rwandan credit unions (banques populaires) and over 130 affiliated credit union credit unions in the country. In October 2002, the network of financial services available to the members of the UBPR was only 35% of what it had been before the war; the network was non-existent, a fact that was particularly true for the more remote areas.

In addition to this, the microfinance system has also been strengthened through the adoption of new regulatory and supervisory frameworks. The difference in repayment rates between loans that were delinquent during the civil war and those that were delinquent after the war were dramatic (most of these have now been written-off as part of the technical assistance). The UBPR system of 148 banques populaires (credit unions) and over 350 members and 350 non-members found that trust has been re-established in the Rwandan credit union system because Rwandans trust the banques populaires.

Members and savings deposits continue to grow within the Banque Populaire de Nyamirambo. As of November 2002, the network of financial services available to the members of the UBPR was only 35% of what it had been before the war; the network was non-existent, a fact that was particularly true for the more remote areas. The UBPR system of 148 banques populaires (credit unions) and over 350 members and 350 non-members found that trust has been re-established in the Rwandan credit union system because Rwandans trust the banques populaires.
Breadth and Depth of Outreach

Membership Growth

In December 1999, prior to the WOCCU Bangladesh program start, the UBPR and its member banking systems served 130,776 member-clients. As of November 2002, the network included financial services to 195,562 member-clients. The membership of the UBPR climbed 50.0% in 2002 and makes up nearly one-third of the total 610,000 member-clients in the 187 banking systems in the network.

Depth of Outreach

The consolidated active savings account for 178 banker populautes results as 67% of eligible deposit accounts are for amounts less than $5 or in informal terms for cash accounts for every loan one-on-one. The consolidated standing loan portfolio indicates that 96% of loans are for amounts $500 or less.

The World Council of Credit Union, Inc. (WOCCU) received funding in the amount of $30 million from USAID to carry out a four-year program of rehabilitation and institutional strengthening of both UBPR (the federation) and 187 independent member financial institutions. The WOCCU Bangladesh program seeks to build on the existing efforts of UBPR in providing financial services to the poor in Bangladesh. The UBPR system, of 187 banking systems at year-end 2002, has the highest geographical coverage of any financial institution in the country.

The WOCCU Bangladesh (506/46), working in close collaboration with the UBPR, set out in 2002 to serve the UBPR and guide it from a brand-name position to a robust position in parallel. In 2003, WOCCU Bangladesh began with 10 and later added another seven pilot banker populautes with which it simultaneously introduced performance measure, increased outreach and strengthened staff capacity. Of the total 17 pilots, it is focused on real areas.

WOCCU Bangladesh Program Objectives

- Introducing New Products & Methodologies

One of the objectives of the WOCCU Bangladesh program is to expand the savings and credit products available to members since the program began, several new credit products have been rolled out by WOCCU Bangladesh in the piloting and by UBPR field staff in many of the 187 banking systems. The new products include term deposits and programmed savings accounts, housing, checking accounts and solar energy. Prior to the start of the WOCCU Bangladesh program, the banker populautes had offered one savings product (a passbook savings account). Through the pilot, the stand-alone savings products more than popular savings products as the number of member-clients with a stand-alone savings account increased. By 2002, the UBPR system of 187 banking populautes had offered more than commercial banks.

In April 2002, all 148 banker populautes were using the credit card methodology (technically competent staff) to (1) analyze loan application by considering credit history, (2) loan application by considering capacity to repay, (3) using loan applications to program categories of members, which also helps in determining the size and collateral or co-signer guarantees; and (5) superior collection techniques. The difference in repayment rates between loans granted and the adoption of micro credit based on repayment capacity is dramatic. While 100% of all loans made before the war were delinquent (most of these were not issued as credit remittances and 4% of the loans made after the war until early 2002 were delinquent, only 1% of the loans made using the “new credit methodology” are delinquent.

ACCOMPLISHMENTS TO DATE

Number of Loans % of Number Volume in U.S.$ % of Volume

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Number of Loans</th>
<th>% of Number</th>
<th>Volume in US$</th>
<th>% of Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100-$500</td>
<td>10,241</td>
<td>9.7</td>
<td>$396,378</td>
<td>3.3</td>
</tr>
<tr>
<td>$501-$1000</td>
<td>1,144</td>
<td>16.9</td>
<td>$822,565</td>
<td>14.3</td>
</tr>
<tr>
<td>&lt;$100</td>
<td>1,233</td>
<td>18.1</td>
<td>$74,018</td>
<td>1.3</td>
</tr>
<tr>
<td>$200-$500</td>
<td>2,147</td>
<td>31.8</td>
<td>$393,770</td>
<td>6.8</td>
</tr>
<tr>
<td>$50-$200</td>
<td>7,102</td>
<td>76.7</td>
<td>$2,074,493</td>
<td>37.4</td>
</tr>
<tr>
<td>Total</td>
<td>366,799</td>
<td></td>
<td>$5,273,261</td>
<td></td>
</tr>
</tbody>
</table>

The above 148 banker populautes were using the credit card methodology (technically competent staff) to (1) analyze loan application by considering credit history, (2) loan application by considering capacity to repay, (3) using loan applications to program categories of members, which also helps in determining the size and collateral or co-signer guarantees; and (5) superior collection techniques. The difference in repayment rates between loans granted and the adoption of micro credit based on repayment capacity is dramatic. While 100% of all loans made before the war were delinquent (most of these were not issued as credit remittances and 4% of the loans made after the war until early 2002 were delinquent, only 1% of the loans made using the “new credit methodology” are delinquent.

ACCOMPLISHMENTS TO DATE

$5-$9,999 4,252 4.8 $182,066 3.2

$10,000+$ 52 11.1 $577,976 10.2

Total Savings 4,306 100 $1,059,185 100

Members of Banque Populaire de Kibali

- Building Trust in the Banque Populaires

Women and men continue to grow very weak. The credit union system was characterized by massive high delinquency and by loans that were lost. The WOCCU Bangladesh program has worked to strengthen trust in the system. In December 2002, prior to the WOCCU Bangladesh program, the network included financial services to 195,562 member-clients. The new products include term deposits and programmed savings accounts, housing, checking accounts and solar energy. Prior to the start of the WOCCU Bangladesh program, the banker populautes had offered one savings product (a passbook savings account). Through the pilot, the stand-alone savings products more than popular savings products as the number of member-clients with a stand-alone savings account increased. By 2002, the UBPR system of 187 banking populautes had offered more than commercial banks.

In April 2002, all 148 banker populautes were using the credit card methodology (technically competent staff) to (1) analyze loan application by considering credit history, (2) loan application by considering capacity to repay, (3) using loan applications to program categories of members, which also helps in determining the size and collateral or co-signer guarantees; and (5) superior collection techniques. The difference in repayment rates between loans granted and the adoption of micro credit based on repayment capacity is dramatic. While 100% of all loans made before the war were delinquent (most of these were not issued as credit remittances and 4% of the loans made after the war until early 2002 were delinquent, only 1% of the loans made using the “new credit methodology” are delinquent.

ACCOMPLISHMENTS TO DATE

Number of Assessment % of Number Volume in US.$ % of Volume

<table>
<thead>
<tr>
<th>Assessment Amount</th>
<th>Number of Assessment</th>
<th>% of Number</th>
<th>Volume in US.$</th>
<th>% of Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1-$9.99</td>
<td>10,241</td>
<td>9.7</td>
<td>$396,378</td>
<td>3.3</td>
</tr>
<tr>
<td>$25-$49.99</td>
<td>1,144</td>
<td>16.9</td>
<td>$822,565</td>
<td>14.3</td>
</tr>
<tr>
<td>&lt;$100</td>
<td>1,233</td>
<td>18.1</td>
<td>$74,018</td>
<td>1.3</td>
</tr>
<tr>
<td>$50-$200</td>
<td>2,147</td>
<td>31.8</td>
<td>$393,770</td>
<td>6.8</td>
</tr>
<tr>
<td>$500-$2,000</td>
<td>7,102</td>
<td>76.7</td>
<td>$2,074,493</td>
<td>37.4</td>
</tr>
<tr>
<td>Total</td>
<td>366,799</td>
<td></td>
<td>$5,273,261</td>
<td></td>
</tr>
</tbody>
</table>

The above 148 banker populautes were using the credit card methodology (technically competent staff) to (1) analyze loan application by considering credit history, (2) loan application by considering capacity to repay, (3) using loan applications to program categories of members, which also helps in determining the size and collateral or co-signer guarantees; and (5) superior collection techniques. The difference in repayment rates between loans granted and the adoption of micro credit based on repayment capacity is dramatic. While 100% of all loans made before the war were delinquent (most of these were not issued as credit remittances and 4% of the loans made after the war until early 2002 were delinquent, only 1% of the loans made using the “new credit methodology” are delinquent.

ACCOMPLISHMENTS TO DATE

$5-$9,999 4,252 4.8 $182,066 3.2

$10,000+$ 52 11.1 $577,976 10.2

Total Savings 4,306 100 $1,059,185 100

Members of Banque Populaire de Kibali

- Building Trust in the Banque Populaires

Women and men continue to grow very weak. The credit union system was characterized by massive high delinquency and by loans that were lost. The WOCCU Bangladesh program has worked to strengthen trust in the system. In December 2002, prior to the WOCCU Bangladesh program, the network included financial services to 195,562 member-clients. The new products include term deposits and programmed savings accounts, housing, checking accounts and solar energy. Prior to the start of the WOCCU Bangladesh program, the banker populautes had offered one savings product (a passbook savings account). Through the pilot, the stand-alone savings products more than popular savings products as the number of member-clients with a stand-alone savings account increased. By 2002, the UBPR system of 187 banking populautes had offered more than commercial banks.

In April 2002, all 148 banker populautes were using the credit card methodology (technically competent staff) to (1) analyze loan application by considering credit history, (2) loan application by considering capacity to repay, (3) using loan applications to program categories of members, which also helps in determining the size and collateral or co-signer guarantees; and (5) superior collection techniques. The difference in repayment rates between loans granted and the adoption of micro credit based on repayment capacity is dramatic. While 100% of all loans made before the war were delinquent (most of these were not issued as credit remittances and 4% of the loans made after the war until early 2002 were delinquent, only 1% of the loans made using the “new credit methodology” are delinquent.
During the eight years since the end of the civil war and genocide that ravaged Rwanda’s society and economy in 1994, Rwandans and international partners have worked diligently to rebuild the country. The genocide did not only lead to the destruction of the national infrastructure and internally displaced people but also to the GDP falling by 50%, real GDP at least at a level of 1994. Banques populaires in Rwanda have been a welcome source of financial assistance to the internally displaced people, also internally displaced people, but also as the GDP fell by 50%, real GDP at least at a level of 1994. Banques populaires in Rwanda have been a welcome source of financial assistance to the internally displaced people, also internally displaced people.

By April 2002, all 148 banques populaires were technically-competent staff to 1) analyze loan portfolios of the UBPR and guide it from a loss-making position to a solvent position. In parallel, in 2001, WOCCU Rwanda began to 2) make system-wide changes to 3) build trust in the financial institutions and, in reestablishing the UBPR and guiding it from a loss-making position to a solvent position.

One of the objectives of the WOCCU Rwanda program is to expand the savings and credit products available to members since the program began, several new savings products have been rolled out by WOCCU. Rwanda’s polices and by 1998, the total number of active savings members reached 55,000 at the 17 pilots, 99,815 at year-end 2002, the new products include term deposits and programmed savings, to housing, emergency, and endowment. Prior to the start of the WOCCU Rwanda program, the banques populaires had offered one savings product: passbook savings. These voluntary and fully withdrawable savings remain the most popular savings product, along with the long-term deposits. The WOCCU Rwanda program, however, has worked to expand the range of savings products available to members through the 148 banques populaires.

The WOCCU Rwanda program has worked to expand the range of savings products available to members through the 148 banques populaires. As of the end of the first year of operations of the WOCCU Rwanda program, the banques populaires had offered one savings product: passbook savings. These voluntary and fully withdrawable savings remain the most popular savings product, along with the long-term deposits. The WOCCU Rwanda program, however, has worked to expand the range of savings products available to members through the 148 banques populaires.

The WOCCU Rwanda program (8/00-8/04), working in close collaboration with the 148 banques populaires, received a funding in the amount of $3 million from USAID/Rwanda to support the program in the amount of $3 million from USAID/Rwanda. The WOCCU Rwanda program (8/00-8/04) has worked to expand the range of savings products available to members through the 148 banques populaires.

By April 2002, all 148 banques populaires were technically-competent staff to 1) analyze loan portfolios of the UBPR and guide it from a loss-making position to a solvent position. In parallel, in 2001, WOCCU Rwanda began to 2) make system-wide changes to 3) build trust in the financial institutions and, in reestablishing the UBPR and guiding it from a loss-making position to a solvent position.
Building Social Capital

WOCCU Brindes has focused much of its efforts on building social capital, training staff and boards of directors to serve effectively so that the UBPR and its member banques populaires can continue to improve their financial performance and expand their services to greater numbers of Rwandans.

Creating Partnerships

Training Across Borders

WOCCU Brindes and the UBPR have fostered several partnerships. A relationship of knowledge exchange was created between the UBPR and the Maine Credit Union League. One outcome of this partnership was the introduction of the savings products mentioned above, which UBPR staff learned about during an internship in Maine.

Supporting Agricultural Producers

In 2002, the UBPR cooperated with Abahuzamugambi de Maraba, a coffee cooperative supported by USAID. The UBPR provided the cooperative with a loan of $81,700 for a six-month term to enable the 400 members to harvest specialty coffee. In 2003, several banques populaires are expected to partner with coffee cooperatives for similar financing.

Financing for HIV+ Genocide Widows

The UBPR entered into an agreement with the Association of Genocide Widows Agahozo (AVEGA) in 2002. The UBPR finances agriculture, livestock and microenterprise loans for economically active HIV+ genocide widows and AVEGA provides a guarantee fund of $10,600.

Improving Financial Performance

In late 2000, the UBPR was insolvent, had extremely high levels of delinquency (measured in total outstanding balance of portfolio-at-risk at 30 days), had negative capital position and a substantial net loss. Two years later, the UBPR has achieved solvency since it lowered delinquency and continues to carry out aggressive write-offs and loan recovery efforts. The UBPR has positive net income as of year-end 2002. Without any external funds, it has improved its negative capital position (netted earnings and reserves are not regulated provisions for potential loan losses) from –16% to –1%.

The UBPR has yet to meet the WOCCU standards of excellence in its key PEARLS financial performance indicators, but it has made significant progress toward reaching these goals.
Improving Financial Performance

In late 2000, the UBPR was insolvent, had extremely high levels of delinquency (measured in total outstanding balance of portfolio-at-risk in 30 days), had negative capital position and a substantial net loss. Two years later the UBPR has achieved solvency and continues to carry out aggressive write-offs and loan recovery efforts. The UBPR has positive net income as of year-end 2002. Without any external funds, it has improved its net institutional capital position (retained earnings and reserves net of required provisions for potential loan losses) from –16% to –1%. The UBPR has yet to meet the WOCCU standards of excellence in its key (PdE) financial performance indicators, but it has made significant progress toward reaching these goals.

Building Social Capital

WOCCU Rwanda has focused much of its efforts on building social capital, training staff and boards of directors to serve effectively so that the UBPR and its member banques populaires can continue to improve their financial performance and expand their services to greater numbers of Rwandans. Together, the management of UBPR and WOCCU Rwanda have worked to develop criteria and prerequisites for staff positions; for example, all potential banque populaire managers must have a university diploma in a relevant field such as accounting or finance. Also, volunteer board members have been trained in their roles with an emphasis on supervising staff rather than being involved in management.

Supporting Agricultural Producers

In 2002, the UBPR cooperated with Abahuzamugambi de Maraba, a coffee cooperative supported by USAID. The UBPR provided the cooperative with a loan of $81,700 for a six-month term to enable the 400 members to harvest specialty coffee. In 2003, several banques populaires are expected to partner with coffee cooperatives for similar financing.

Financing for HIV+ Genocide Widows

The UBPR entered into an agreement with the Association of Genocide Widows Agahozo (AVEGA) in 2002. The UBPR finances agriculture, livestock and microenterprise loans for economically active HIV+ genocide widows and AVEGA provides a guarantee fund of $10,600.

Creating Partnerships

Training Across Borders

WOCCU Rwanda and the UBPR have fostered several partnerships. A relationship of knowledge exchange was created between the UBPR and the Maine Credit Union League. One outcome of this partnership was the introduction of the savings products mentioned above, which UBPR staff learned about during an internship in Maine.

Supporting Agricultural Producers

In 2002, the UBPR cooperated with Abahuzamugambi de Maraba, a coffee cooperative supported by USAID. The UBPR provided the cooperative with a loan of $81,700 for a six-month term to enable the 400 members to harvest specialty coffee. In 2003, several banques populaires are expected to partner with coffee cooperatives for similar financing.

Financing for HIV+ Genocide Widows

The UBPR entered into an agreement with the Association of Genocide Widows Agahozo (AVEGA) in 2002. The UBPR finances agriculture, livestock and microenterprise loans for economically active HIV+ genocide widows and AVEGA provides a guarantee fund of $10,600.