



# MAINnews

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## **RUFU and the Clients-the Road to Success “Banking the Un-Banked”**

The Rural Finance Initiative-RUFU is limited liability Company established in September 2008 in the Republic of South Sudan by South Sudanese entrepreneurs committed to achieving economic transformation of rural communities, through private sector development. Its mission is *“to deliver financial services to the un-banked communities of South Sudan.”* RUFU joined Microfinance African Institutions Network (MAIN) in December 2012. It is one of the 3 major MFIs presently operating in South Sudan. Since its establishment, the institution has grown from 1 branch to 3 and now serves over 2,500 clients and employing 24 staffs handling a portfolio of over USD 1,360,000.

The definition of success in RUFU is far from the traditional concept of success considering the type of people it deals with, which no MFI in the post-conflict South Sudan has managed to achieve. Success instead has been defined through the testimonies of its clients based on what they have achieved financially, literally or even the perception of what is and ought to be.

After 20 years of civil war and being dependent on relief, the generation that RUFU serves with financial services had a mindset believing the UN is the bread provider. Being given a loan for which one had to pay interest seemed more like a punishment than assistance. It was only after 3 years of continuous service and training that clients came to appreciate the value of the services. As one clients confessed, “I don’t thank RUFU for the loans I get but for opening my

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mind to realize that relief and aid were actually keeping me a prisoner.” Success to him came after 3 years of accessing financial services and working for himself but not during the 20 years of depending on relief and aid. In addition, all food was coming from the UN and other donors; it was pointless to save after all the UN would be back in a fortnight. The mentality then was like that of fishermen who believed saving was a waste on today’s consumption since the river will never run dry up.

RUFI encouraged loans with compulsory savings and options of regular savings during repayments. This was received with skepticism after a bank had gone bankrupt and no savers were repaid. At the end of each loan however, the skeptics always withdrew their savings to confirm it can be accessed. With time they came to realize this was a good option of saving up especially for school fees. Today RUFI’s clients continue to make voluntary small deposits which they withdraw lump sum during school fees needs or an emergency. What they had accepted skeptically is now used a lifeline.

The services RUFI provides showed that women can earn and contribute to the livelihood of each household. When RUFI started lending to women in groups without necessarily asking for collateral, some of the husbands resisted this altogether while others ordered their women back to the kitchen from the market. Those whose husbands had agreed however improved and were now contributing to the household purse. With testimonies from women beneficiaries and from the evidence of the

positive changes, the floodgates were opened and women borrowers increased with the husbands fully supporting their wives even with repayments. As one husband confessed, he was not sure of the financial services provided until his wife bought a grinding mill and asked him to manage it so that they could limit the expenses and possible fraud.

Despite of the major challenges of clients stability, high cost of operations, recruitment and retention of competent staff, RUFI is now operationally self-sufficient and the clients are getting empowered and improving their livelihoods. This to RUFI is success measured through empowerment and cost coverage.

### **Training on «Program Design Implementation on Community Microfinance»**

The fourth edition of the workshop on «**Program Design Implementation** » was held in Lomé from March 24-28, 2014. This training was organized in collaboration with Carsey Institute and aims to provide participants with a methodology and tools to support the development and management of projects in community microfinance. Thirteen (13) participants attended the training from 6 countries (Benin, Togo, DRC, Mali, Cape-Verde and Tchad). This session was facilitated by Essi Digo from Plan Togo.

During the training, participants were introduced to: community microfinance, VSL methodology, the VSL kit, management of VSL

bookkeeping, training guide's for field officer and village agent.



Group Photo

The field visit was carried out to Anié, the nearest town to Lomé where Plan Togo has VSL associations. Participants were divided into two groups and each group attended a full meeting (savings, credit & loan repayment). Participants appreciated the organization of the training session and encouraged MAIN & Carsey Institute in this joint initiative training sessions on savings groups.

### **Training on « Management of Information System of Savings Group»**

This training session was organized in collaboration with Carsey Institute. It is the third edition and provides a tool for managing information of savings groups. The training took place from March 31 to April 5, 2014 in Lomé, Togo and was attended by 13 participants from seven countries (Benin, Mali, Niger, DRC, Cape-Verde, Rwanda & Madagascar). This session is a continuation of the first training session on "program design implementation".



Group Photo

The participants learn how to create MIS, how to use the SAVIX (Savings Information Exchange), how to file promoted groups, how to find information on the SAVIX website and how to collect data. This very practical session allowed participants to create their MIS and how to manage the different groups they follow. The training was facilitated by Hugh Allen assisted by KOBO Maurice from Plan Burkina-Faso.

### **International Training Workshop and Training of Trainers (ToT) on "Tools for Impact Assessment"**

The microfinance sector is growing rapidly but also experiencing crises (over indebtedness, high interest rate, and inappropriate loan recovery policies, etc.). It is one of the factors that are driving the actors of the sector to revisit the initial promise. Today, after twenty years of experience, one of the challenges the promoters of microfinance are facing is to be able to give clear answer to this key question: «Why conduct an impact assessment?». With this regard, Microfinance African Institutions Network (MAIN) in collaboration with the Association of Ethiopian Microfinance Institutions (AEMFI) organized an International Training Workshop and Training of Trainers (TOT) on Tools for

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Impact Assessment in Debre Zeit, Ethiopia from May 5-9, 2014. It gathered 25 participants from Ethiopia, South Sudan, Rwanda, Uganda and Tanzania. The training was facilitated by a consultant from BASIX Academy for Livelihoods and Micro banking Practice, Hyderabad, India with an assistant from Ethiopia.



Group photo

The objectives of the training were divided into three folds:

- To assist institutions to acquire specific tools to assess and measure the impact of their financial and non-financial services;
- To develop indicators of changes to help an MFI adapt its product and services to the needs of its customers;
- To learn about the production of information relevant to different external stakeholder interactions:
  - Clients: needs, education and innovation
  - MFI Networks
  - Credit Bureaus
  - Data Portals

This programme provided a broad-based understanding on why, what and how of impact

assessment, and how to implement impact assessment using specific tools in their respective institutions. Participants received training manuals in both hard and soft copy comprising of different description and illustrations of examples to establish how these tools work and thus enable others to learn and adapt the application in their operational areas.

The programme was communicated using a variety of training methodologies including lectures, case studies, exercises, group discussions and role-plays. At the end of the program, participants were awarded a certificate of participation in completing both sessions successfully.

## New Website

We are pleased to announce to you that MAIN has launched its new website that can be accessed at the following address: [www.mainnetwork.org](http://www.mainnetwork.org)

## Upcoming Events:

### 1. Microfinance Community Economic Development

The summer session on Microfinance and Community Economic Development will take place at UMU, Nkozi-Uganda. It begins on July 14th and ends on July the 27<sup>th</sup>, 2014.

### 2. Masters Program in Microfinance

The summer session on Masters Program in Microfinance will take place at UCAC-Yaoundé (Campus of Ekonou) from August 11-30, 2014.