


RLI INVESTMENT SNAPSHOT	
RURAL FINANCE INITIATIVE	
Reason for Selection:	<p>Rural Finance Initiative (RUF) is a refugee owned and refugee led financial services company, incorporated as a limited liability company, and located in South Sudan and Uganda.</p> <p>RUF is a leading provider of tailored financial products and services offered to refugees and host communities, despite typical barriers to financial inclusion. These services include loans, money transfers, savings accounts, financial literacy training, and digitalization of Village Savings and Loan Associations (VSLAs).</p> <p>RUF has posted strong financial performance and continues to scale to other refugee hosting communities at affordable rates while realizing attractive returns.</p>
Location:	Koboko, Adjumani, Obongi (West Nile Region, and Kiryandongo Districts, Uganda)
RLI Business Category:	R1, R3, R4
Company Background:	<p>Rural Finance Initiative – RUF is a Limited Liability Company initially registered in 2017 in Uganda and in 2018 in South Sudan. RUF's Mission is, "To Uplift the Living Standards of their Clients by Sustainably Providing Inclusive Financial Services."</p> <p>RUF provides tailored products and services for refugees, who make up 72% of their client base. These include savings, loans, and remittance services for cross border traders.</p>
Industry/Sector:	Financial services - Microfinance
Products and Services:	<ul style="list-style-type: none"> - Financial services that include Loans, Savings Accounts (as agents of Centenary Bank) - Money Transfers across borders - Digitalization of VSLA Operations - Financial Literacy Training.
Management Team:	<p>RUF has a team of experts with banking and microfinance experience in the top management positions.</p> <p>Yengi Lokule – CEO, is a financial services expert.</p> <p>The CEO is supported by -</p> <ol style="list-style-type: none"> 1. Four Senior Managers 2. An Operations Manager 3. Four Branch Managers <p>2 employees in the senior management team and 3 in the branch management team are refugees.</p>
Employees:	<p>Full time employees – 33</p> <p>34% of the staff are women.</p> <p>75% of the staff are refugees.</p>
Market Overview and Trends:	Demand and uptake for financial services in refugee hosting communities has increased over the past few years. Typical services include bank account opening, micro loans, money transfers to refugees' countries of origin (remittances), receipt of cash aid from development partners, and facilitation of trade.

	<p>Despite there being few financial service providers serving refugees, demand for services continues to grow with increase in refugees and innovations by development partners to shift from cash-based aid to vouchers and digital solutions.</p> <p>FSPs operating in refugee hosting communities (RHCs) have designed products and processes tailored to refugee financial inclusion. Existing initiatives include recognition of the refugee identity cards, deployment of agent banking models in RHCs on behalf of leading commercial banks, placement of sales agents in RHCs to increase uptake of services and implementation partnerships with development partners to implement the voucher-based approaches to aid for food and basic supplies.</p> <p>Many refugees are organized in community groups including Village Savings and Loan Associations which make them lendable and traceable.</p>
<p>Estimated Investment Needs:</p>	<p>USD 625,000</p> <ul style="list-style-type: none"> - Upgrade Management Information System to allow for linkage banking via phones and online loan processing. - Extend financial literacy to clients. - To on-lend to borrowers and grow the portfolio.
<p>Target Funding Source(s):</p>	<p>Social impact investors in access to finance, financial inclusion, and digital finance</p>
<p>Investment Opportunity:</p>	<p>RUFI is seeking affordable loan capital of USD 625,000 to scale their existing loan portfolio that focuses on refugees, refugee owned businesses and host communities as well as aid the growing cross border trade between South Sudan, West Nile, and the Democratic Republic of Congo.</p> <p>Refugees have exhibited low default rates and established positive long-term relationships with financial institutions which has lowered the risk to lenders. RUFI would like to grow their portfolio and capitalize on these lower risk clients and further lower the cost of borrowing for the end user which can typically range from 30% - 55% per annum.</p>
<p>RLI Social Impact Opportunity:</p>	<p>RUFI has a direct impact on the wellbeing and economic empowerment of refugees. With the provision of inclusive, affordable financial services and financial literacy training, refugees can access funds for investment as well as effectively manage and use them because of their training. Through its market driven approach, RUFI would also provide impactful returns to their investors, widening their impact reach and diversifying their investment portfolio.</p>
<p>RLI Support Strategy:</p>	<p>Support RUFI's access to capital from social impact investors like Oiko Credit who have lent to similar companies such as BRAC Uganda, Finance Trust Bank and Safeboda (to improve the lives of low-income Ugandans).</p> <p>RLI actors could also support access to technical assistance from various programs including those run by the United Nations Capital Development Fund (UNCDF) to strengthen and scale RUFI operations to other RHCs and enhance profitability.</p>