

FinTechHub

AUGUST 2022

SECOND COHORT REPORT

PRESENTED BY
Rwanda ICT Chamber

Introduction

Launched by UNCDF, ICT Chamber, Kigali Innovation City (KIC), Ministry of ICT and Innovation (MINICT), and Ministry of Trade and Industry (MINICOM) in 2020, FintecHub is a virtual, cohort-based fintech accelerator offering support to selected Rwandan fintech startups to scale by addressing their needs for skills, partnerships, access to capital and markets, and navigating the regulatory environment. The first cohort started with 5 startups, of which 4 startups successfully completed the program in June 2021. The second cohort selected 3 fintech startups later last year and all completed the program by the end of June 2022.

Areas of Focus

>>Bespoke technical and business support

- Startup diagnostic assessment
- Tailored technical assistance
- Business support as well as mentorship

>>Knowledge exchange

- Community-building engagements with industry experts
- Fintech Friday

>>Bridge with the regulators

- Regulation compliance and advisory facilitation
- Policy Advocacy

>>Access to market and capital facilitation

- Partnerships and new collaboration facilitation
- Exposure to the local and international markets
- Access to financial services facilitation
- Milestone-based grant

SECOND COHORT OVERVIEW

FinTechHub received applications from eleven startups for its second cohort. Seven startups were shortlisted for evaluations to assess whether they qualified to join the hub. The evaluation jury was composed of industry experts with different expertise; these were Emile KINUMA (Country Manager at TransUnion), Esther KUNDA (Director General at MINICT), Roselyne UWAMAHORO (Program Specialist and Country Lead UNCDF), and Michelle UMURUNGI (Senior Strategy and Policy Analyst at Rwanda Finance). The overall scoring model was mainly based on the following criteria:

- Product/Service Description
- Business model and execution plan
- Product/service traction
- Team Composition

After analyzing the judges' feedback and consultation with the project partners, the following three startups were selected to join the second cohort:

- Food Bundles – a financing solution namely NDEMERA Bundles which provides a pre-paid wallet and credit service for both the farmers and customers.
- PalmKash – a payment solution
- Uplus – a digital financing platform that enables people to pull funds together in a group.

KEY OUTCOME

FinTechHub is a 6-month acceleration program dedicated to supporting selected Rwandan fintech startups to scale by addressing their needs for skills, partnerships, access to capital, and navigating the regulatory environment. FinTechHub is an initiative of UNCDF in partnership with the ICT Chamber, Kigali Innovation City, MINICT, and MINICOM.

Following the successful completion of the first cohort, FintechHub started its second cohort in September 2021 with three start-ups namely FoodBundles Ltd, Uplus Mutual Partners, and Urid Technologies Ltd. Below is the support that hub has offered to them so far.

TAILOR-MADE TECHNICAL ASSISTANCE

Every startup received up to 4.5 million RWF to address specific needs identified during the diagnostic risk analysis

LEGAL ADVISORY TOOLKIT

FintechHub serves as a central contact point to streamline queries and provide support, guidance, and relevant toolkits to start-ups, helping them navigate the regulatory environment.

MILESTONE-BASED GRANT

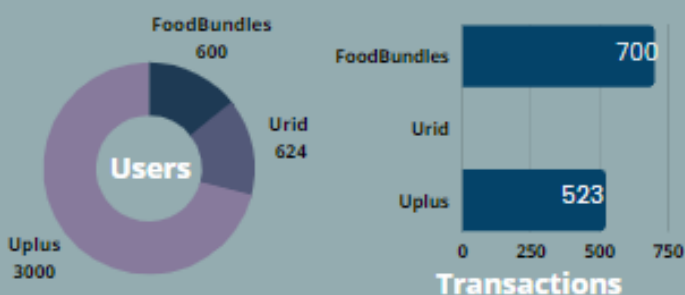
In addition to the funds provided as technical support, every startup received seed capital of up to 15 million RWF in form of a milestone-based grant.

POLICY AND REGULATORY ADVOCACY

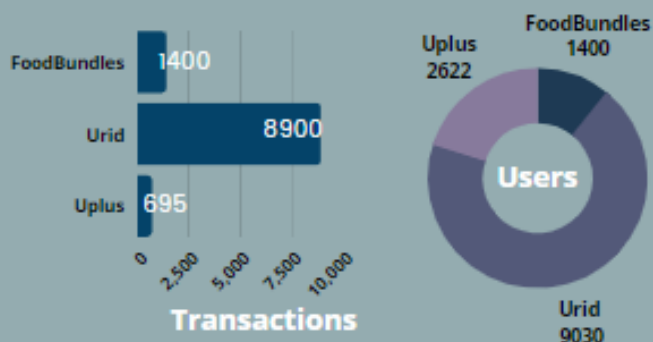
The Fintechhub together with other stakeholders led by the Ministry of ICT and Innovation was engaged in the development of a fintech policy paper that will streamline all efforts when it comes to supporting fintech start-ups

Key Factors

Before the Program



After the Program



URID TECHNOLOGIES LTD

Urid Technologies Ltd is a fintech company working to solve the challenges in payment authentication, identification, and authorization. The company has developed a payment solution called “PalmKash”

01 Baseline KPIs

Company before joining FintechHub:

- It had 3,000 users on PalmKash;
- 6 employees
- Product features: PalmKash app, PalmWallet, Palm Event app, Palm travel, Scholl fees app Ishuri, integrate with MTN.

02 Achievements

- 90,303 total users (3000 users of PalmKash, 90,000 users of the event app, 3 merchant users of the Click & Collect app)
- 2 iWorkers and 8 employees
- 20 million RWF revenue by the end of June 2022
- New Product features: developed Click & Collect app.

03 Assistance Sought from the Hub

- **Regulation:** Get a BNR license (Payment service Provider); Get a USSD license from RURA; Renew RURA license for E-Ticketing Transport Solution of Palm travel; Join in the sandbox.
- **Marketing:** Offline marketing – hire 2 iHuzo agents to launch a campaign “Let’s go cashless” with PalmKash; Online marketing – Fintechub introduced a marketing agency to promote an online presence.
- **Business Operation:** AMI (Africa management institute) business training; Mentorship (self-evaluation of market performance, business model, market dynamics); New partners – FERWAFa signed a 2-year contract. New developer talents.
- **Product:** Airtel USSD integration for all apps; TA for upgrading PalmKash, PalmEvent, and the website of the company; WhatsApp features for all products.
- **Finance:** FintechHub provided a milestone-based grant of RWF 15,000,000 and RWF 4,500,000 as a technical assistance.

Key Factors

UPLUS MUTUAL PARTNERS

Uplus Mutual Partners (U+) is a digital group financing platform that enables interoperability for social and economic growth. Uplus allows for people from all walks of life to connect on the platform to contribute and save for causes that will better their livelihoods and communities

01 Baseline KPIs

Company before joining FintechHub:

- 1,911,146 RWF collected funds
- 624 users (Crowd Fund)
- 5 employees
- 29,815 RWF revenue
- Product features: crowdfunding platform accessible via app and USSD

02 Achievements

- RWF 4,434,644 collected funds by the end of June 2022
- 2,622 users (320% growth)
- 18 iWorkers and 8 employees
- RWF 88,692 (78% growth rate since April) revenue by the end of June 2022
- Product features: developed and launched collective saving and loan app "Ikimina"

03 Assistance Sought from the Hub

- **Regulation:** FintechHub provided legal support for data protection compliance and applying for a USSD license.
- **Marketing:** Offline marketing – hire 18 iHuzo agents to grow the active user base.
- **Business Operation:** FintechHub introduced consulting firm and legal firm to handle Uplus' accounting and corporate governance documents.
- **Product:** FintechHub provided technical assistance for the upgrades of the Crowd Fund platform and the development of the collective saving and loan app "Ikimina", and supported Uplus to partner with BK Capital to explore new financial products and expand its customer base.
- **Finance:** FintechHub provided a milestone-based grant of Rwf 10,000,000.

Key Factors

FOOdBUNDLES LTD

Food Bundles is a digital platform that optimizes the distribution of fresh food for consumers living in city while creating sustainable market for smallholder farmers.

01 Baseline KPIs

Company before joining FintecHub:

- 600 customers
- 7000 small-holder farmers
- 7 employees
- 7 farmer aggregators
- 2,863,180 RWF revenue
- Product features: website and USSD, B2C

02 Achievements

- 1400 customers
- 20 subscribers
- 10,000 small-holder farmers
- 11 employees
- 20 farmer aggregators
- 7.5 million RWF revenue
- Product features: Payingtone (buy now pay later), B2B (400 restaurants from VUBAVUBA)

03 Assistance Sought from the Hub

- Business operation: Mentorship of the business model
- Product: add subscription feature, Payingtone, and credit-based payment mobile money (MoKash)
- Financial: Received total grant of 19.5 million RWF

REMAINING NEEDS FOR FURTHER DEVELOPMENT

- Need for support on cross-border partnership and market expansion
- Need for support with consumer protection documents and a term sheet.
- Facilitation and support to navigate the regulatory environment
- Investment readiness to be able to attract more investors
- Legal support on corporate governance, audit, contract.

Uplus Mutual Partners

Uplus Mutual Partners (Uplus) is a digital group financing platform that allows for people from all walks of life to collectively save and invest on the platform, in order to develop their livelihoods. It is for anyone and any organization that is looking for a better way of raising funds and saving with their friends, family, and colleagues.

Products

The Ikimina product provides users the ability to collectively save. A user creates an account and sets up the financing rules, such as interest rate on a loan, the price per share for the group, minimum amount required to enter the group, penalty rate applied to late deposits or late loan repayments, and the duration of the saving cycle.



Managing Director



Edward Kirenga
Managing Director

Get In Touch



URID Technologies Ltd

URID Technologies Ltd is a Rwandan fin-tech company working to solve the pains in payment authentication, identification and authorization in financial service industry. With our Goal: "Any wallet, Anytime, anywhere", we are building a secure inclusive, contactless unified payment infrastructure that is based on palm vein technology.

Products

URID Technologies Ltd is a Rwandan fin-tech company working to solve the pains in payment authentication, identification and authorization in financial service industry. With our Goal: "Any wallet, Anytime, anywhere", we are building a secure inclusive, contactless unified payment infrastructure that is based on palm vein technology.



Managing Director



Nkurunziza Emmanuel
Managing Director Rwanda

Get In Touch



FOOD BUNDLES

Food Bundles is digital platform which optimize distribution of fresh food for consumers living in city while creating a sustainable market for smallholder farmers, using technology supporting financial inclusion.

Products

Consumers living in city can buy Food on credit by using financial facility from the third part. We allow consumer to buy now and pay later, while we mitigate the risk by accepting credit payment from third party. A quick example is where MTN Mobile money customer who are qualified to have Mokash loan, can buy shop Food Bundles apps and check out using Mokash option, and they will have 30 days to pay!



CEO



Dioscore Shikama
CEO

Get In Touch

