

ABSTRACT

After the 1994 of the Rwandan genocide, that claimed over one million Tutsis, the small, beautiful, war-torn and impoverished East African country was left in turmoil and total darkness in every aspect of life. Properties were destroyed, banks and other financial institutions were looted and people were totally left in absolute poverty.

It is in this case Rwanda government took economic initiatives by revising her laws aimed at making it flexible to register and commence business in the country and establishing policies objectives among many poverty reduction programmes such as Economic Development and Poverty Reduction Strategy, Umurenge SACCO, Ubudehe, Vision 2020 and creation of conducive for Microfinance bank operations.

This paper aimed at analysing the contribution of Microfinance Institutions to Poverty in Rwanda taking a case of Urwego Opportunity Bank as the leading microfinance institution in terms of scale, geographical coverage across the country. To achieve the desired objective, interviewed were conducted to both urban and rural clients coming up with the facts on how it has impacted on the lives of the Rwanda residents.

The review reveals that microfinance products and services to the poor has had a positive impact through income generation, employment creation, access to Medicare, health and women empowerment.

The study also showed that clients of Urwego opportunity bank have embraced the culture of savings through voluntary saving and making compulsory deposits. It shows that women continued to command a very big majority over the years. The report goes further by analysing how the bank has been operating efficiently, effectively and in a sustainable manner that would define its continuity.

The study noted that provision of micro loans should not only be a lone mechanism of poverty reduction tool but other interventions like government, charity organisations, and donor funding agencies should be there to supplement this program.

