

REMARKS BY THE 1st DEPUTY GOVERNOR OF THE CENTRAL BANK OF BURUNDI, Mr WAGARA Melchior AT THE 3rd REGIONAL CONFERENCE ON CREDIT INFORMATION SHARING , NAIROBI 23-24 February 2016.

Mr. Governor of the Central Bank of Kenya;

Mr. Chief Executive of Credit Information Sharing Association of Kenya;

Chief Executive of Financial Institutions

Representatives of IFC

Distinguished Guest

Ladies and Gentlemen,

Good morning...

It is a great honor and a real pleasure for me to join this morning in order to present you the situation of Burundi in the area of Credit Information Sharing.

For Burundi, as in many other countries in the region, there is real need to increase de bancarization rate of its population. For that purpose, a national survey was conducted in 2012 from which the results showed that only 12% (twelve percent) of the population have access to the financial system.

For that reason, a National Financial Inclusion Strategy was adopted for the country. That strategy aims at removing constraints preventing some strata of the population from having access to and use of financial services and products.

Ladies and Gentlemen

Credit Information sharing is an absolute necessity that needs to be followed and enhanced in order to overcome information asymmetry. Credit Information

Sharing allows financial institutions to assess more accurately the risks of their borrowers; it also helps the Regulatory and Supervisory Authorities in their mission by getting more understanding of the risks taken by financial institutions and therefore, they can prevent system risks.

Of course, credit in Burundi and in the region is still expensive and hard to access for a big share of the population, especially for small business. Risk aversion for banks towards small and medium enterprises slows down their willing to lend to that category of borrowers.

Ladies and Gentlemen

Of course the financial sector of Burundi is clearly opened to the foreign investors, as witnessed by the fact that many regional banks are coming to open subsidiaries and establish in Burundi; but more efforts need to be made in order to improve conditions of credit access in Burundi.

Burundian Authorities had understood the issue and since 2013, many projects were launched by the Central Bank of Burundi with the collaboration with the donors like International Finance Corporation (IFC) of the World Bank Group.

Under the impulsion of the harmonization process undertaken in the East African Community and with the support of the donors as the International Finance Corporation (IFC), two key projects are going on in the area in order to improve the credit information sharing. These projects are the implementation of a **Credit Bureau** and the **Collateral Registry** system.

After the Cooperation Agreement was signed with the International Finance Corporation, the Central Bank of Burundi has launched the needed reforms of the

legal framework and many drafts of laws are now on the table of the Parliament of Burundi.

Ladies and Gentlemen

As in any project, there are challenges for Burundi in the projects of enhancing credit information sharing; the good news we can overcome any challenge if we put on our efforts and willing. We are requested to go ahead working hard in order to pursue the financial inclusion purpose and easy credit access to the biggest share of our populations.

May we work together, put our strength together for our countries and communities to make the credit information sharing with our countries and between our countries become reality and thus our people can get benefit from the access to the financial system.

Thank you!