

Rwanda

ENTREPRENEURIAL
ECOSYSTEM
SNAPSHOT



EAST AFRICA

 Aspen Network of
Development Entrepreneurs

WITH SUPPORT
FROM



Rwanda

ENTREPRENEURIAL ECOSYSTEM SNAPSHOT

Rwanda is a landlocked East African country. In the past few decades, the Government of Rwanda (GOR) has undertaken a series of pro-investment policy reforms intended to improve Rwanda's investment climate and increase foreign direct investment (FDI). This has led to a high level of sustained economic growth (an average of 8.16% annual GDP growth from 2007-2011, according to the [Rwanda Development Board](#)), high rankings in the World Bank's Ease of Doing Business Index (ranking at number 41 in the 2018 [report](#)), and a reputation for low corruption.

The country presents a number of opportunities for local and foreign direct investment, including in infrastructure, agriculture, mining, manufacturing, renewable energy, tourism, and information and communications technology.

Rwanda is also part of the East African Community (EAC), which has a combined GDP size of about US \$147.5 billion and market access to more than 145.5 million people across six countries in the African Great Lakes Region.



METHODOLOGY



Review of Existing Literature



Surveys and Interviews



Stakeholder Meetings

To see more data and findings, see the digital version of ANDE's Ecosystem Snapshots at: ecosystems.andeglobal.org



Aspen Network of Development Entrepreneurs

EAST AFRICA

SUMMARY

60

NON-FINANCIAL
SUPPORT PROVIDERS

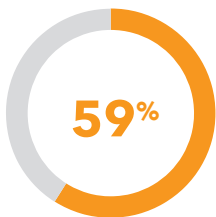
37

FINANCIAL SUPPORT
PROVIDERS

6

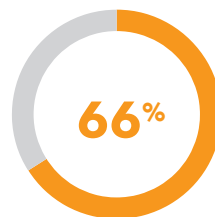
OTHER ECOSYSTEM
SUPPORT PROVIDERS

TOP SECTOR OF FOCUS



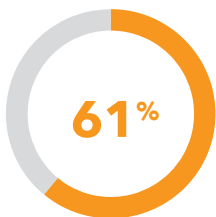
59%
OF SURVEY RESPONDENTS
FOCUS ON AGRICULTURE
& FOOD

TOP IMPACT OBJECTIVE



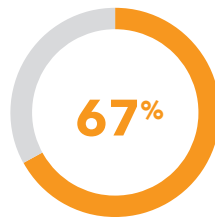
66%
OF SURVEY RESPONDENTS
FOCUS ON ACCESS TO
FINANCIAL SERVICES

TOP STAKEHOLDER FOCUS



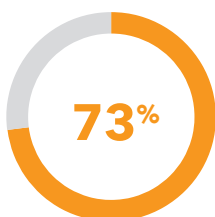
61%
OF SURVEY RESPONDENTS
FOCUS ON RURAL
COMMUNITIES

TOP FINANCIAL INSTRUMENT



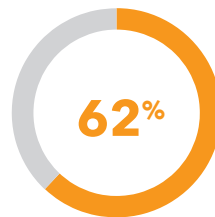
67%
OF SURVEY RESPONDENTS
PROVIDE DEBT

TOP TYPES OF STAKEHOLDERS



73%
OF SURVEY RESPONDENTS
FOCUS ON BUSINESS
DEVELOPMENT SERVICE
PROVIDER

TOP VERTICALS

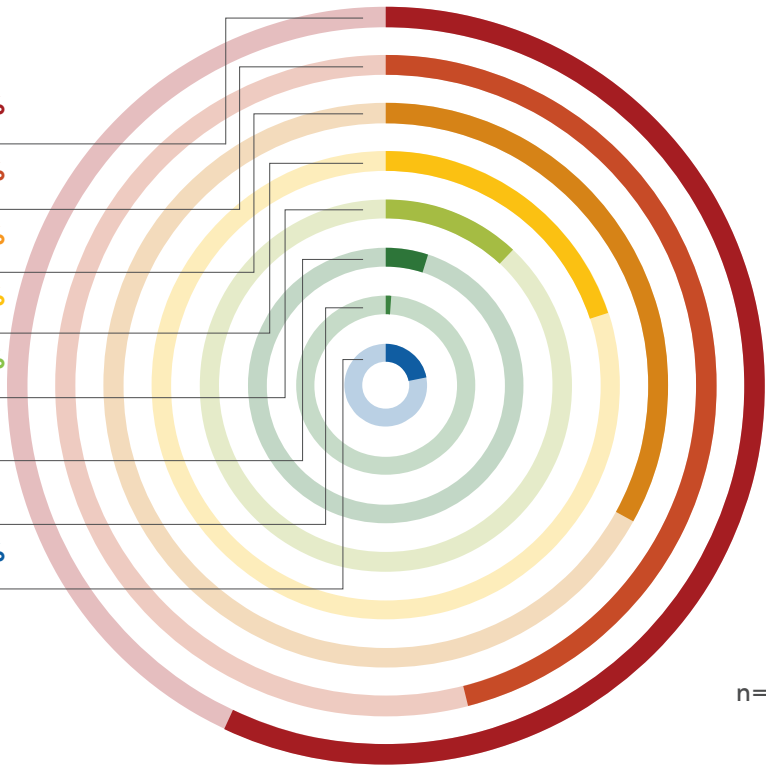


62%
OF SURVEY RESPONDENTS
FOCUS ON AGTECH

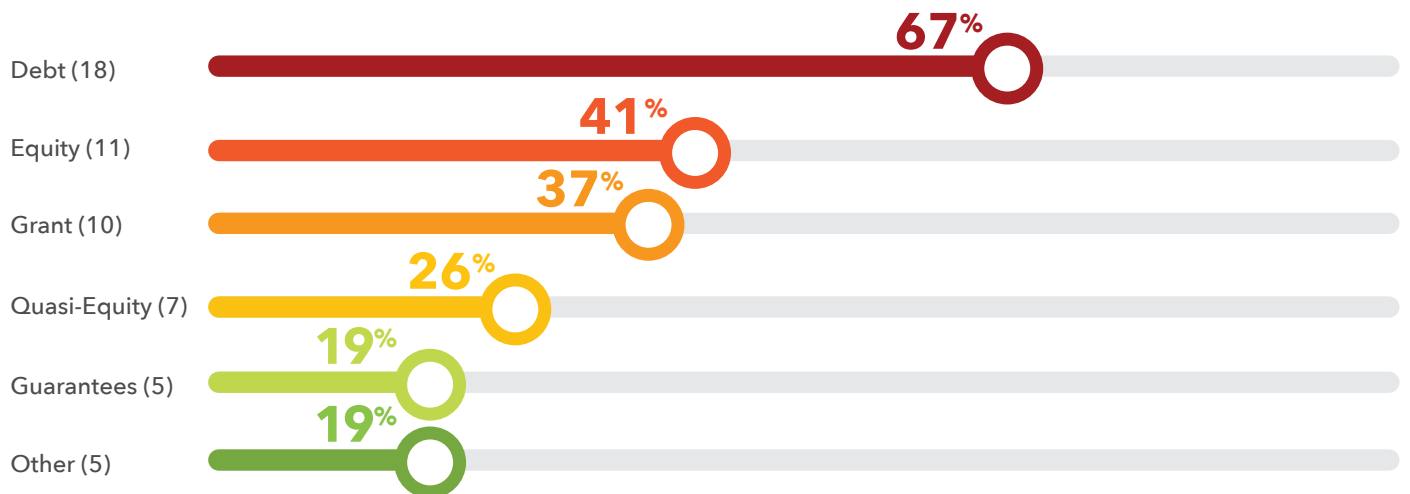
SUMMARY

Intervention Type

Provide Nonfinancial Services to Entrepreneurs Directly (46)	57%
Promote and Educate About Entrepreneurship (37)	46%
Invest Directly (27)	33%
Provide Financial Support to Intermediaries (16)	20%
Conduct Research on the Sector (10)	12%
Invest into Funds (4)	5%
Support Intermediaries (1)	1%
Other (18)	22%

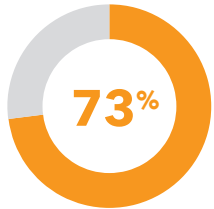


Investment Instrument

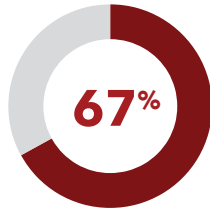


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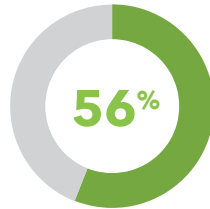
Nonfinancial Support



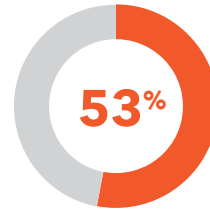
Business Strategy and Planning (33)



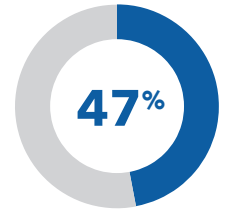
Access to Networks and Partners (30)



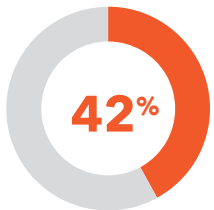
Financial Management (25)



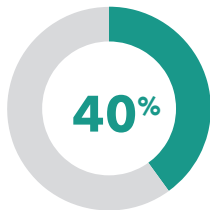
Marketing Support or Market Research (24)



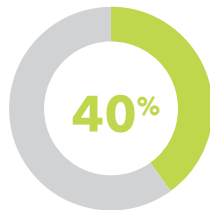
Sector Development (21)



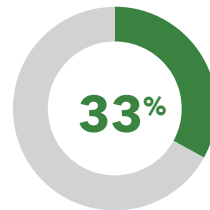
Value/Supply Chain Development (19)



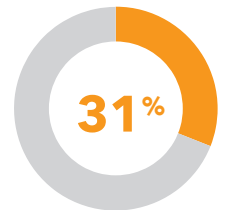
Needs Assessment (18)



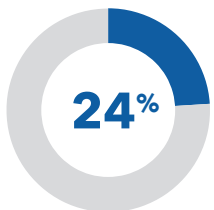
Leadership Development (18)



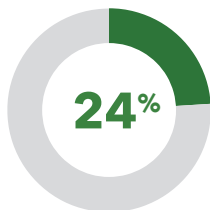
Governance Structure (15)



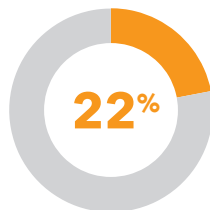
Ideation (14)



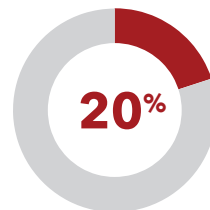
Performance Management (11)



Investor Matchmaking (11)



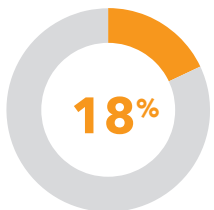
Product Certification (10)



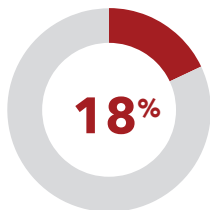
Technology Development or Adoption (9)



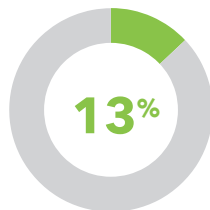
Building HR Capacity (9)



Exit Strategies (8)



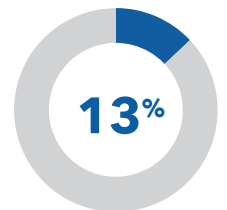
Due Diligence (8)



Legal, Accounting, Other Office Services (6)



Media Exposure (6)



Building M&E Capacity (6)



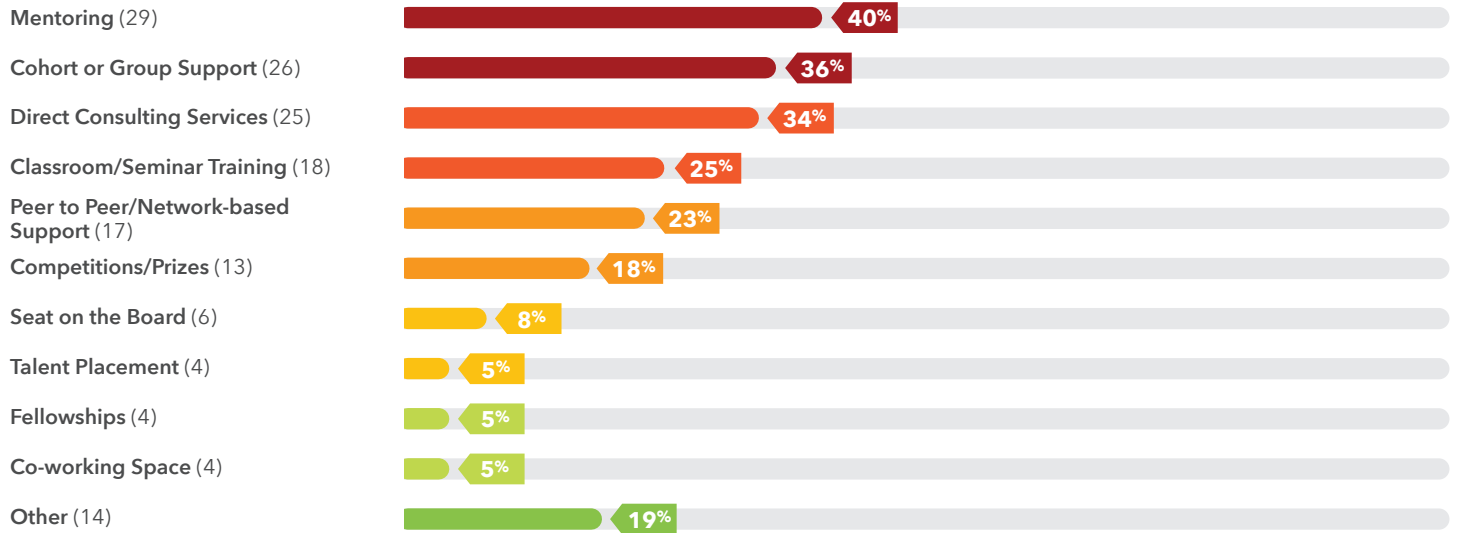
Investor Showcases (5)



Other (1)

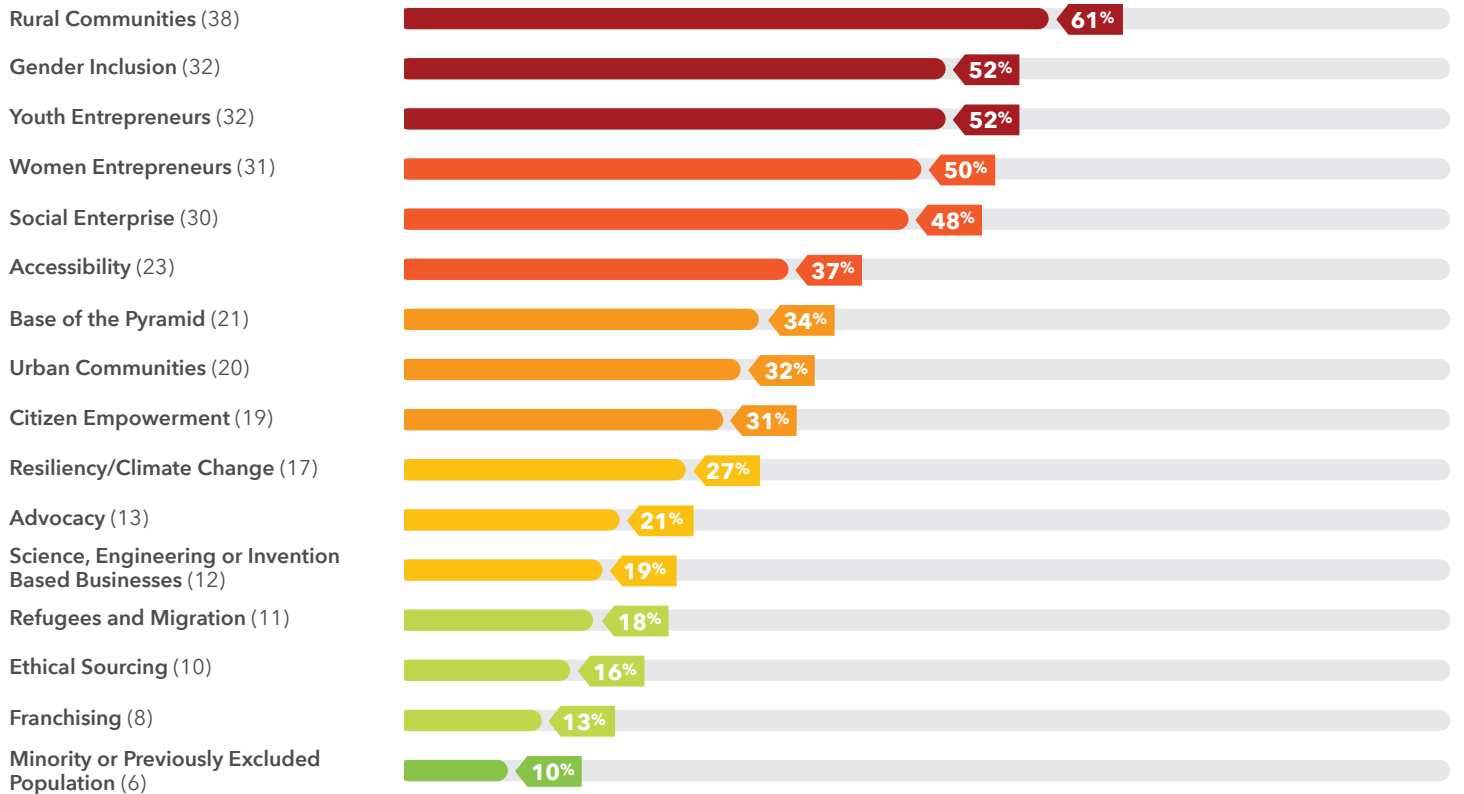
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Nonfinancial Support Delivery Mechanism



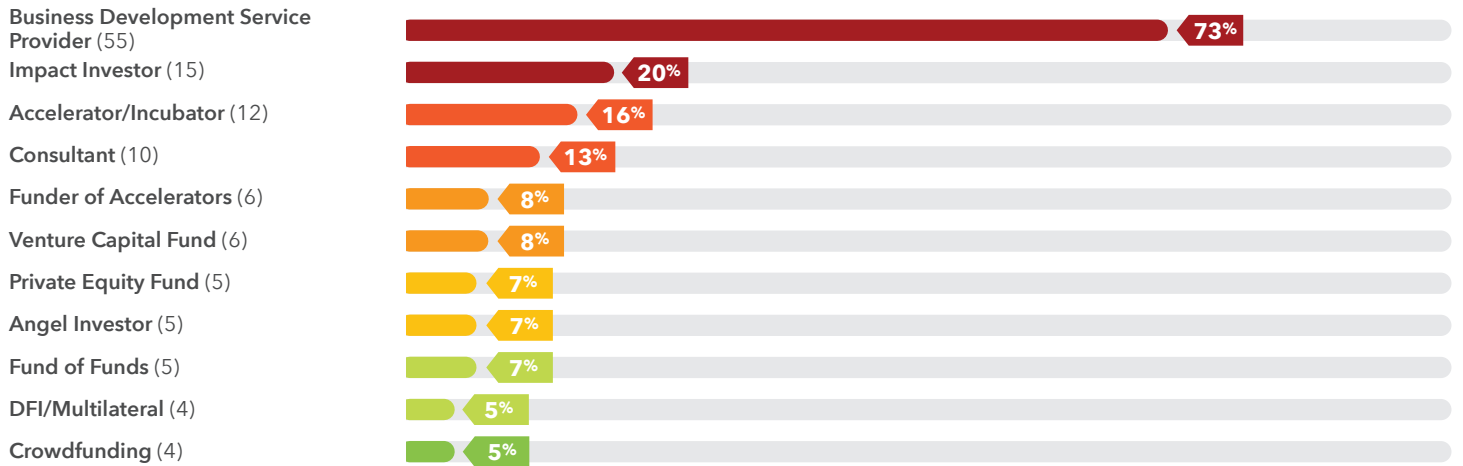
n=73

Stakeholder or Business Model Focus



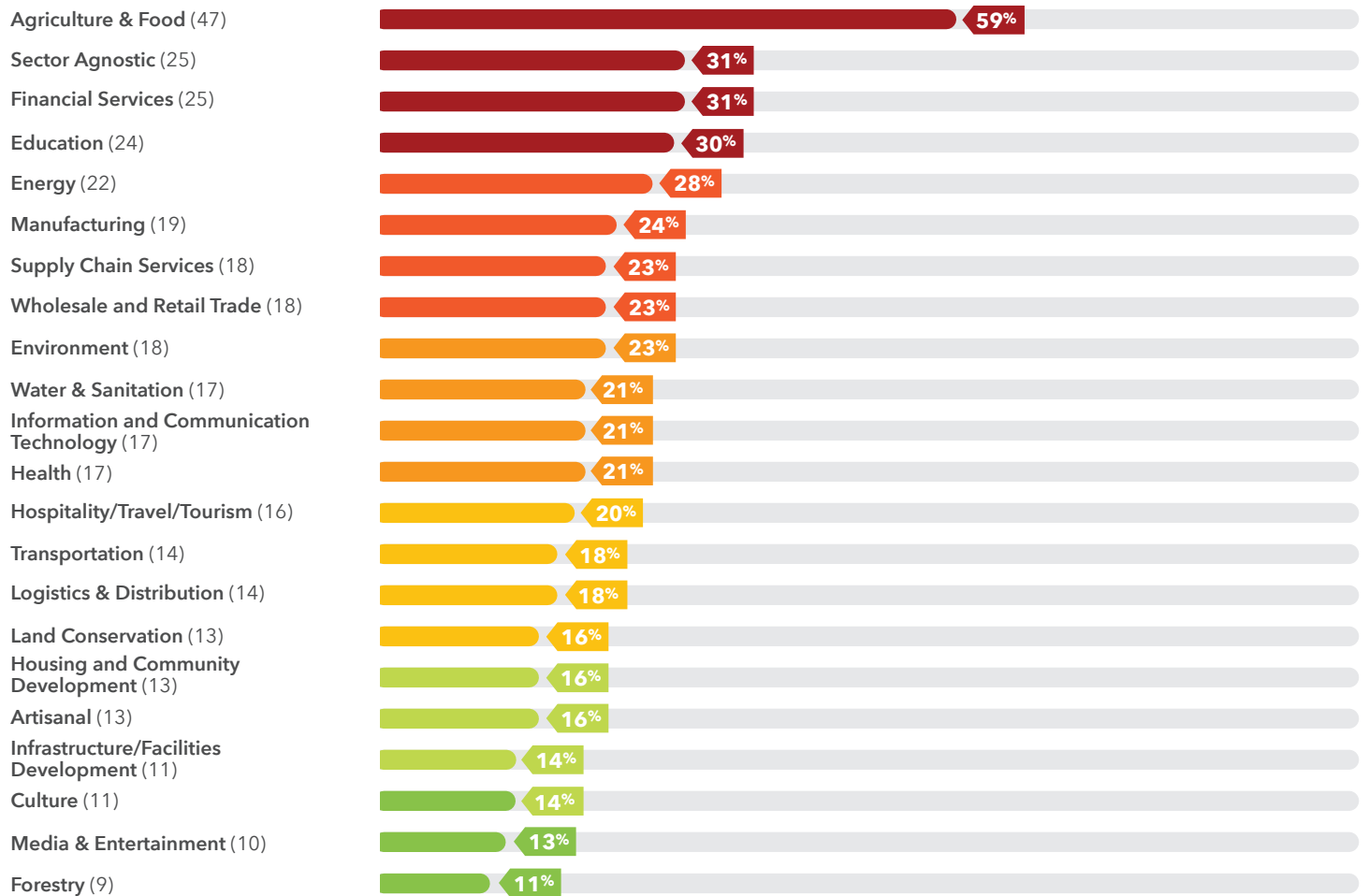
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Stakeholder Type



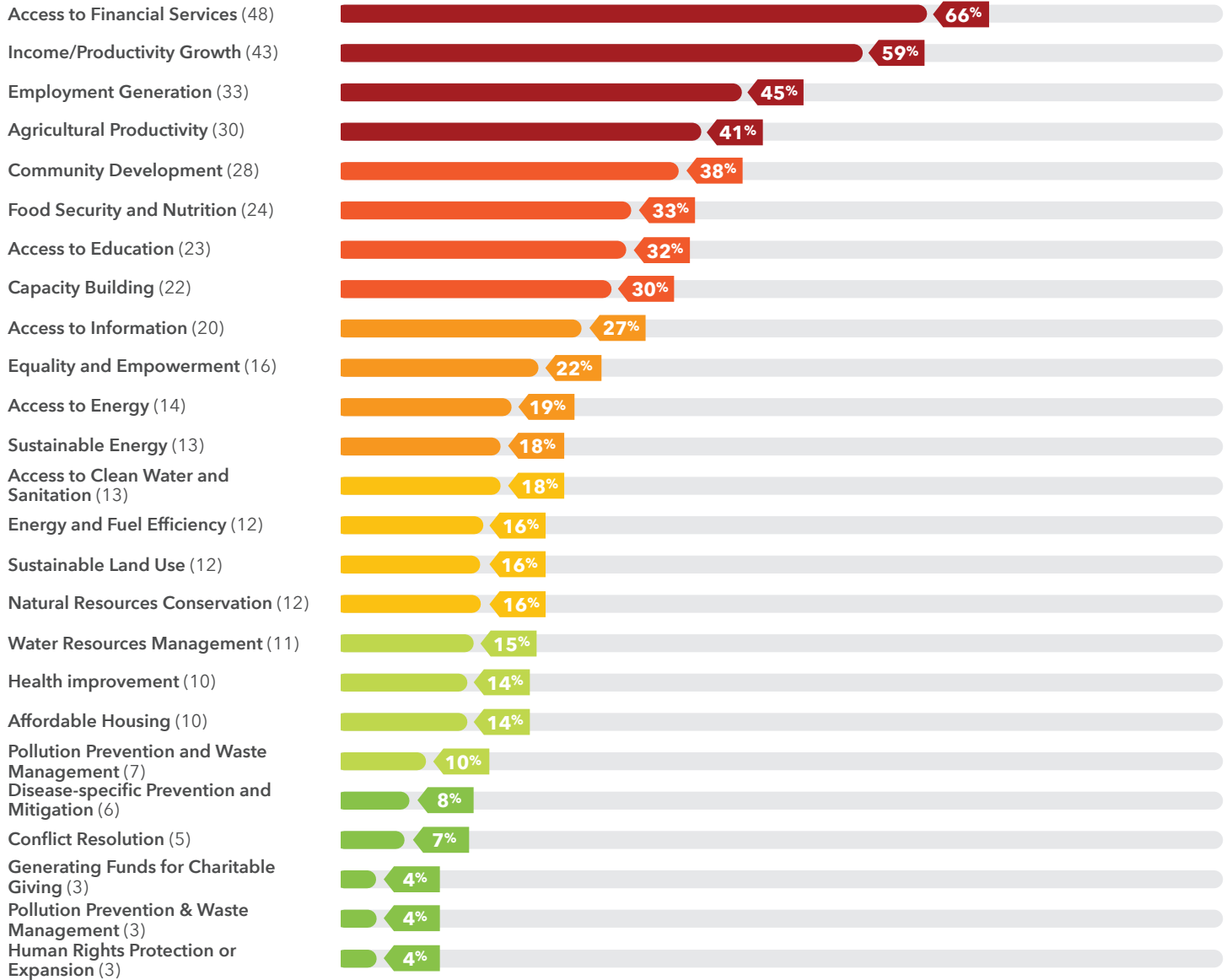
n=75

Sectors of Focus



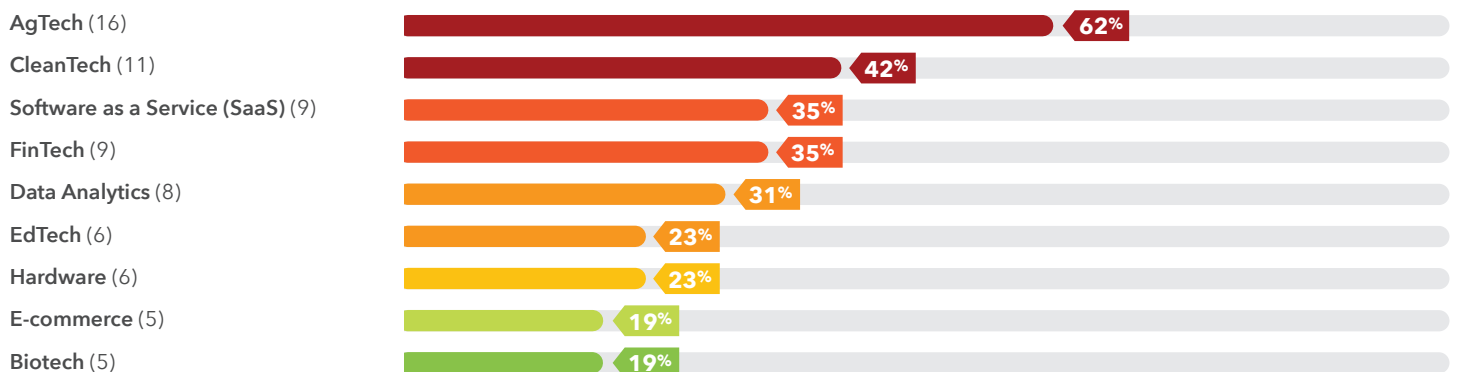
n=80

Impact Objective



n=73

Verticals



n=26










STAGES OF SUPPORT

KINDS OF SUPPORT

EQUITY  QUASI-EQUITY  DEBT  GRANT  GUARANTEES 


















Academic Institution

IDEA 	START UP 	EARLY 	GROWTH 	MATURE 
Educate! Exchange (Educate!) 				
Entrepreneurship Training Program (Rwanda Business Development Center) 				
Kepler Innovation Club (Kepler) 				
Stanford Seed East Africa (Stanford University) 				



Bank or Financial Institution

IDEA 	START UP 	EARLY 	GROWTH 	MATURE 
Banque Populaire du Rwanda (Banque Populaire du Rwanda) 				
BeneFactors Ltd (BeneFactors Ltd) 				
Business Banking (Bank of Africa) 				
Business Development Fund (Business Development Fund) 				  
CBA Rwanda (CBA Rwanda) 				

KINDS OF SUPPORT



Bank or Financial Institution

	IDEA 	START UP 	EARLY 	GROWTH 	MATURE
COOPEDU Ltd. (COOPEDU Ltd.)					
Curuza Product (Amasezerano Community Banking)					
Development Bank of Rwanda (Development Bank of Rwanda)					
Equity Bank Rwanda Ltd (Equity Bank Rwanda Ltd)					
Goshen Finance Ltd. (Goshen Finance Ltd.)					
Guaranty Trust SME Banking (Guaranty Trust Bank)					
I&M Bank, Rwanda (I&M Bank, Rwanda)					
Kenya Commercial Bank (Kenya Commercial Bank)					
Letshego (Letshego)					
Rice Value Chain Financing (Amasezerano Community Banking)					

Capacity Development Provider








	IDEA 	START UP 	EARLY 	GROWTH 	MATURE
Accelerator and Incubator Program (Reach for Change Africa)					

KINDS OF SUPPORT

EQUITY  QUASI-EQUITY  DEBT  GRANT  GUARANTEES 



Capacity Development Provider









	IDEA 	START UP 	EARLY 	GROWTH 	MATURE 
AFR Enterprise Finance (Access to Finance Rwanda)					
Africa Agribusiness Academy Rwanda Chapter (Africa Agribusiness Academy Rwanda Chapter)					
Blue Power and Blue Charcoal Businesses (NOTS Impact Entreprises)					
Challenges Group (Challenges Group)					
Corporate Organization Funders (Reach for Change Africa)					
Development of Innovative ICT Solutions (KLab)					
Duhugurane Training Initiative (DuHope/ Belay Global)					
Economic Development and Gender Equality (CARE)					
Energy 4 Impact (Energy 4 Impact)					
Entrepreneurial Solutions Partners (Entrepreneurial Solutions Partners)					
Feed the Future Rwanda Hinga Weze (Cultivating New Frontiers in Agriculture)					
Grow Africa (Grow Africa)					
Inkomoko (African Entrepreneur Collective)					
Innovation Prize for Africa (IPA) (African Innovation Foundation)					
Internet of Things (Impact Hub Kigali)					

KINDS OF SUPPORT

- EQUITY  QUASI-EQUITY  DEBT  GRANT  GUARANTEES 








Capacity Development Provider

	IDEA 	START UP 	EARLY 	GROWTH 	MATURE 
Iris Hub (Iris Hub)	[Green bar]				
Maanda (Maanda)			[Orange bar]		
Man Enough Series (LinkagePoint Business Solutions)	[Light green bar]				
One Acre Fund (One Acre Fund)			[Yellow bar]		
Open Capital Advisors (Open Capital Advisors)		[Orange bar]			
Pineapple Value Chain Project (Duterimbere ONG)		[Yellow bar]			
President's Challenge (Hult Prize Rwanda)	[Green bar]				
Renewable Energy for Refugees (RE4R) (Practical Action)		[Light green bar]			 
Rwanda Cooperative Development Program (Land O'Lakes)			[Yellow bar]		
Rwanda Market-Oriented Livelihood Program Phase II (Duterimbere ONG)		[Yellow bar]			
Rwanda Village Community Promoters (Rwanda Village Community Promoters)					
SNV Netherlands Development Organization (SNV Netherlands Development Organization)					[Orange bar]
Spark* (Spark*)	[Green bar]				
STARS (ICCO Cooperation Capacity)				[Orange bar]	
Storytelling for Leadership, Professional Development Training (Resonate)		[Yellow bar]			

KINDS OF SUPPORT








Capacity Development Provider

	IDEA 	START UP 	EARLY 	GROWTH 	MATURE 
Swisscontact (Swisscontact)	[Green bar]				
The Bigger Future Program (Bigger Future)		[Yellow bar]			
ThinkImpact (ThinkImpact)	[Green bar]				
USAID East Africa Trade and Investment Hub (USAID East Africa Trade and Investment Hub)			[Orange bar]		
Water For People (Water For People)	[Green bar]			[Orange bar]	
Youth Leadership Program - Digital Ambassadors Program (Digital Opportunity Trust)	[Green bar]				



Corporation or Corporate Foundation

	IDEA 	START UP 	EARLY 	GROWTH 	MATURE 
ACRE Africa (ACRE Africa)				[Orange bar]	
Hanga Ahazaza and Leaders in Teaching (The MasterCard Foundation)	[Green bar]				
Holland Greentech (Holland Greentech)					
Refugee Enterprises Pilot Project (Muraho Technology)	[Green and Yellow bar]				

KINDS OF SUPPORT



Development Finance Institution or Donor Agency

IDEA	START UP	EARLY	GROWTH	MATURE
Agribusiness Africa Window (Africa Enterprise Challenge Fund)				
BiD Network (British Council)				
Fanisi Capital Fund II (Norfund)				
Marketplace for Nutritious Foods (Global Alliance for Improved Nutrition)				



Government Agency

IDEA	START UP	EARLY	GROWTH	MATURE
Financial Sector Development (Ministry of Finance and Economic Planning)				
Ministry of Trade and Industry (Ministry of Trade and Industry)				
Private Sector Development and Youth Employment (Ministry of Finance and Economic Planning)				
Rwanda Development Board (Rwanda Development Board)				

KINDS OF SUPPORT



Investor

	IDEA 	START UP 	EARLY 	GROWTH 	MATURE
AgDevCo (AgDevCo)					
Angel Impact Investment Banking (Statera Capital)					
Business Partners International (Business Partners International)					
Factor[e] Ventures (Factor[e] Ventures)					
Fanisi Capital Ltd (Fanisi Capital Ltd)					
Investments (Abraaj Group)					
IPoVaF Project (Spark)					
Kiva Microfunds (Kiva)					
Oikocredit Rwanda (Oikocredit Rwanda)					
Root Capital (Root Capital)					
Small and Growing Business (SGB) Fund (GroFin)					
VisionFund Rwanda (Vision Fund International)					
Voxtra East Africa Agribusiness Fund (Voxtra East Africa Agribusiness Fund)					

KINDS OF SUPPORT



Research or Advisory Service Provider

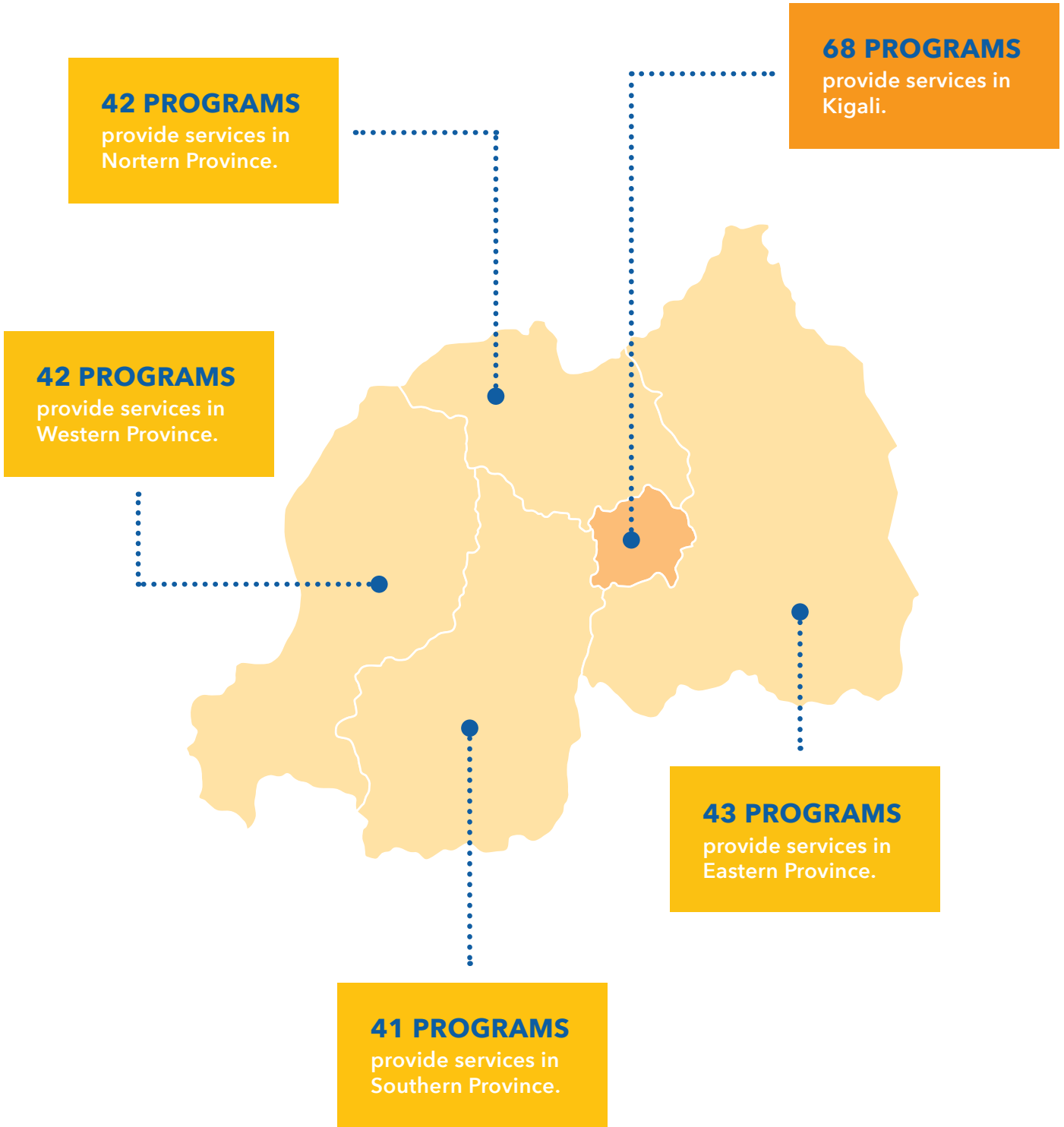
IDEA	START UP	EARLY	GROWTH	MATURE
Africa Development Consultant (Africa Development Consultant)				
Karisimbi Business Partners (Karisimbi Business Partners Ltd)				



Sector Association

IDEA	START UP	EARLY	GROWTH	MATURE
Association of Microfinance Institutions in Rwanda (Association of Microfinance Institutions in Rwanda)				
Private Sector Federation Chamber of Agriculture (Private Sector Federation Chamber of Agriculture)				
Rwanda Youth in Agribusiness Forum (Rwanda Youth in Agribusiness Forum)				

MAP



CHALLENGES AND OPPORTUNITIES

CHALLENGES in the Rwanda Entrepreneurial Ecosystem

Rwanda is landlocked and transportation costs for imports and exports are high. The country lacks a link to regional railway networks, which means all trade is conducted by road or air. However, this will soon change, as the government is developing two major regional lines that will link the country to the major sea ports of Mombasa, Kenya and Dar-es-salaam, Tanzania.

Despite the fact that agriculture is one of Rwanda's major contributors to economic development, access to finance, especially to businesses in the agricultural sector, still remains a challenge.

Access to affordable credit is a challenge to small and growing businesses in Rwanda. Interest rates are high for the region and most banks offer predominantly short-term loans.

Most Rwandan banks trade in a limited range of commercial products. However, additional products are becoming available as the industry matures and competition increases. There is a lack of clear information on how foreign investors can invest in local businesses.

General labor is available, but the country still suffers from a shortage of skilled labor. Nonetheless, higher education institutions are improving and producing more and better-trained graduates each year.

OPPORTUNITIES in the Rwanda Entrepreneurial Ecosystem

Rwanda is politically stable with well-functioning institutions, rule of law, and zero tolerance for corruption. It also has a clear vision for growth through private investment that is well articulated in their [Vision 2020 development program](#).

The country has sustained high economic growth with an average 8.16% year-on-year GDP growth from 2007-2011. This is one of the highest GDP growth rates among major African economies and neighboring countries.

Rwanda has the potential to serve as a services hub to access the regional EAC market, which has a combined GDP size of about US \$147.5 billion and market access to more than 145.5 million people.

Radical reforms have made it easier for businesses to register (it takes less than 48 hours to register and legally establish a business), pay taxes, and to access credit.

The Government of Rwanda is positioning the country as a high-end eco-tourist destination and there could be numerous opportunities for investors in entertainment facilities, hotels and lodges, tour operations, and training services.

There is also an opportunity for investors invest in the energy sector since electricity supply is not keeping up with domestically-generated demand. Grid-connected generation capacity tripled since 2010, but it still has not fully met the demand.

According to the [Rwanda Development Board](#), agriculture employs 80% of the population and contributes 33% of GDP growth. There are opportunities to invest in food processing, mechanization for irrigation, and large-scale farming.

RECOMMENDATIONS



Financial institutions should provide affordable capital for small and growing businesses by reducing their interest rates and the collateral needed to access financing.

The government, in conjunction with the institutions for higher learning, should continue focusing on creating a well-educated and highly skilled workforce.

There is a need for more organizations to offer business advisory services, especially for early-stage businesses outside of Kigali.

As a measure to increase electricity connectivity, the government should continue incentivizing energy investors to invest in the sector so as to achieve their universal access target of 100% electricity connectivity by 2024.

Beyond financial investments, investors also need to consider offering technical assistance to their portfolio companies.



For more information please contact the staff of ANDE's East Africa Chapter:

MARYANNE OCHOLA

ANDE East Africa Chapter Manager
maryanne.ochola@aspeninstitute.org

KHATUCHI KHASANDI

ANDE East Africa Program Associate
khatuchi.khasandi@aspeninstitute.org

ANTONY MAINA

ANDE East Africa Senior Program Coordinator
antony.maina@aspeninstitute.org

EDNA KARANJA

ANDE East Africa Program Coordinator
edna.karanja@aspeninstitute.org



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