



SMES TOOLKIT TO GROW BUSINESS

SEZ & EXPORT FACILITATION DEPARTMENT MAY 2020

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Abbreviations and Acronyms:

BRD:	Development Bank of Rwanda
BPN:	Business professional Network
BDF:	Business Development Fund
ILO:	International Labor Organization
GoR:	Government of Rwanda
NST1:	The National Strategy for transformation
NAEB:	National Export Development Board
NIRDA:	National Industrial Research and Development Agency
NGOs:	Non-Government Organization
RDB:	Rwanda Development Board
SMEs:	Small and Medium Enterprises

EXECUTIVE SUMMARY

Helping businesses to start and grow is a key activity of the Rwanda Development Board (RDB). Starting a business can be a complex and challenging process. This toolkit is designed to ease a person's entry into the business world, outlining as clearly as possible many of the issues and questions facing prospective and existing entrepreneurs.

The information included in this toolkit is detailed into Steps and process for starting a business. These include different tips to fulfil when you want to grow a business such as key elements of a business plan, complying with the government policies and local tax obligations.

It also includes basics related to management, hiring, marketing, and also provides useful information on the kind of government support to SMEs at different steps of business development. Though this toolkit is not a substitute for legal or financial counsel, it is an information resource and quick reference designed to make the process of starting and operating a business in Rwanda little less overwhelming.

Background

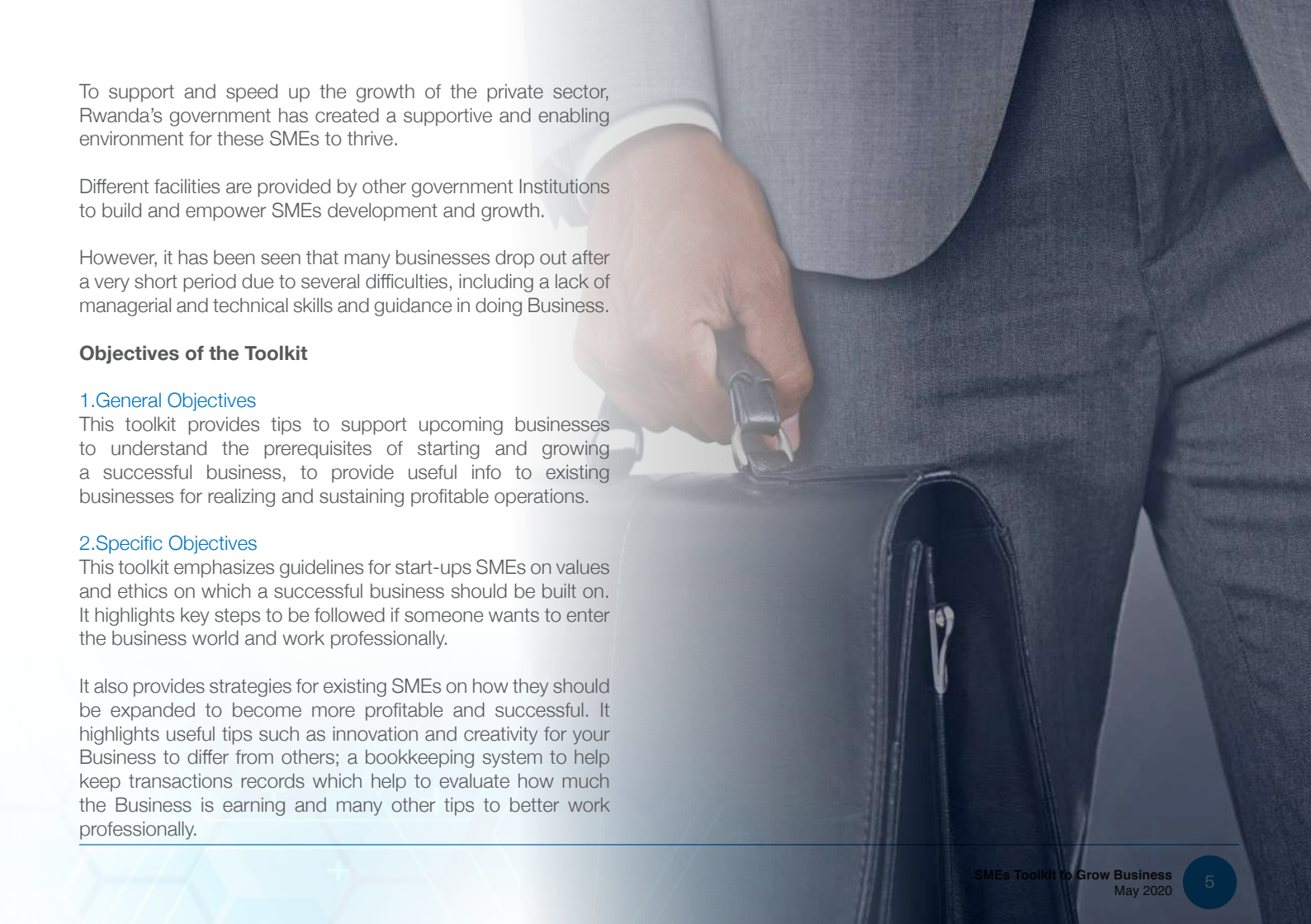
The Government of Rwanda (GoR) has initiated a broad economic reform agenda from which ambitious but achievable targets have been set for growth and poverty reduction. The development landscape in Rwanda has changed considerably since the adoption of the Vision 2020 in the year 2000.

The progress made in less than two decades has given Rwandans much hope and belief to aspire for more remarkable achievements. The National Strategy for Transformation (NST1) which is also the Seven Year Government Programme (7YGP) comes at a unique moment in the country's development trajectory which will see the crossover from Vision 2020 towards Vision 2050.

The National Strategy for Transformation (NST1 2017-2024) is focusing on three main pillars and economic transformation, among others. The Economic Transformation Pillar presents a strategy to accelerate private sector-led economic growth and increased productivity.

Across the globe, when we talk about private sector development, SMEs come at first hand as they are the lead drivers of job creation and economic transformation.

In Rwanda, the statistics are on par. According to the Rwandan Ministry of Trade and Industry (2010), 98% of businesses are considered SMEs, contributing 41% of all private-sector jobs in the Nation.



To support and speed up the growth of the private sector, Rwanda's government has created a supportive and enabling environment for these SMEs to thrive.

Different facilities are provided by other government Institutions to build and empower SMEs development and growth.

However, it has been seen that many businesses drop out after a very short period due to several difficulties, including a lack of managerial and technical skills and guidance in doing Business.

Objectives of the Toolkit

1.General Objectives

This toolkit provides tips to support upcoming businesses to understand the prerequisites of starting and growing a successful business, to provide useful info to existing businesses for realizing and sustaining profitable operations.

2.Specific Objectives

This toolkit emphasizes guidelines for start-ups SMEs on values and ethics on which a successful business should be built on. It highlights key steps to be followed if someone wants to enter the business world and work professionally.

It also provides strategies for existing SMEs on how they should be expanded to become more profitable and successful. It highlights useful tips such as innovation and creativity for your Business to differ from others; a bookkeeping system to help keep transactions records which help to evaluate how much the Business is earning and many other tips to better work professionally.

PART I. STARTUP SMEs

I.1 Personal Evaluation

According to the International Labor Organization (ILO), before you decide to start your own business, you should assess whether or not you are ready to run a business of your own.

The success of your business will depend on your entrepreneurial abilities (personal characteristics, situation and skills) and your commitment to the environment and community.

You should consider which of your characteristics needs improvement and then try to change your situation and skills.

For this self-assessment, ILO has developed 15 areas to be evaluated:

- ✓ Commitment
- ✓ Motivation
- ✓ Taking risks
- ✓ Making decisions
- ✓ Ability to handle stress
- ✓ Problem-solving
- ✓ Goal orientation
- ✓ Social Support
- ✓ Financial situation
- ✓ Technical skills
- ✓ Business management skills
- ✓ Knowledge of your Line of Business

- ✓ Negotiation skills
- ✓ Your Business and the environment
- ✓ Commitment to your community

Other authors have defined different criteria to assess. Those criteria can be categorized into three categories:

- Behaviors and skills
- Competence
- External environment

Behaviors and skills define competency that individuals must have or must acquire, to perform effectively at work that is, the terms focus on the personal attributes or inputs of the individual.

Skills and competencies are broader concepts that encompass demonstrable performance outputs as well as behaviour inputs and may relate to a system or set of minimum standards required for effective performance at work.

A competency framework is a structure that sets out and defines each competency (such as problem-solving or people management) required by individuals working in an organization or part of an organization.

External environments are opportunities that support the individual to succeed in Business. They are from family-related, social, personal network, etc.

The following table can help a future entrepreneur to evaluate him/herself:

	STRENGTH		WEAKNESS	
	High	Low	Fair weakness	Very big weakness
Skills & Knowledge from school				
Business experience				
Skills related to the particular business sector				
Persistence				
Commitment				
Motivation				
Risks taking				
Making decisions				
Ability to handle stress				
Problem-solving				
Integrity				
Ability to work without supervision				
Negotiation skills				

The following table helps to evaluate opportunities which may result in threats if negative:

	OPPORTUNITIES		THREATS	
	High	Low	Fair	Very high
Family support				
Social Support				
Financial situation or funding opportunity				
Geographical location				

After the critical evaluation, the entrepreneur designs ways and strategies to improve where he found weaknesses or threats. Mainly the improvement of weaknesses identified can be made through improvement and growth plan.

The possible ways to improve may include:

- Trainings
- Seminars
- Approaching Business Development Services Institutions
- Seek assistance from family, colleagues, friends
- Hiring employees for support in particular skills that the entrepreneur feels there is a gap
- Seeking external financing like loans, grants, family support, etc.
- Read
- Seek advice
- Learn from successful people
- Study tours

However, in extreme situations where weaknesses are very high as well as threats, the entrepreneurs can consider abandoning the Business or changing the business sector.

Step 2: After evaluating yourself and defining tactics to improve your weaknesses, you can proceed to the next steps

As follow:

2.1 Name of the Business:

Select your business name: here you need to search a company name which is not yet taken and also related to your business activity. (don't select engineering solutions ltd yet you are about to start a fast-food restaurant!)

2.2 Setting up your Business Plan

Complete a company overview that includes basic information and a summary of the management team.

Business planning helps entrepreneurs work smarter, stay alert for roadblocks, test new ideas, stay motivated, help align expectations with stakeholders and investors, and even reduce stress."

Below are eight key elements to include in your business plan

1. Executive Summary:

A picture of your plan. This will be the last thing you write, but possibly the most important since many readers will stop here if they're unimpressed. If your company is a start-up, focus on your background and experience as well as that of any partners to show the underpinnings of the company.

If you're better established, make sure to include details such as when the Business was started, the names of the founders and their roles, how many employees you have, and where your operations are situated.

2. Company Description:

Explain what your company does and how it stands out from competitors. List significant customers as well as markets you plan to target in the future. You'll want to include competitive advantages, such as expert personnel you just hired, or location: Perhaps your floral shop is next door to an all-night wedding chapel.

3. Market Analysis:

It's crucial to understand the market you plan to enter. Find out who your competitors are, analyze their cash flow and profit margins, and research technological developments in the industry that might be game-changers.

Part of describing your customers is a general awareness of how much they spend and when. For instance, Black Friday got its name because it kicks off the lucrative Christmas shopping season that moves many retailers into full-year profitability.

4. Organization and Management:

Spell out the details of ownership, including investors and show your organizational chart. Specify whether your Business is a sole proprietorship, partnership or corporation and if it's the latter, what type.

5. Service or Product Line:

What do you sell, how will it help your customers, and how often will they need to replace it? The answers to those questions can be crucial factors in business sustainability. Include any patents or copyrights you own.

6. Marketing and Sales:

The best idea in the world won't take off if you don't let your potential customers know what you have. Are you going to rely on word of mouth, promotional discounts or advertising? Remember, your method will have to be tailored to your market.

7. Funding Request:

You'll want to include how much you need right now as well as how much more you might need over the next five years. A critical point is how you plan to repay borrowed money to creditors (if you opt for debt financing) or generate returns for investors. Both will want to know how you're spending their money and when they'll see a payoff.

8. Financial Projections:

If you need funding, provide realistic forecasts that show how you plan to generate future cash flow. Unless you're borrowing from your friend or family, your funding sources will want to know. It's easier if you can show recent financial statements and base your projections on those since that will give lenders an idea of how realistic your numbers are.

Did you finish all the above steps? Do you find yourself qualified to run a business? Then you can go ahead and open up your Business. As a reminder, please note that the Rwanda Development Board can assist in providing additional targeted advisory services for your business to be more sustainable.

2.3 SETTING UP YOUR BUSINESS

That is open up your Business, formalization and operationalization of business activities. It requires several steps including to:

- Register the company within RDB
- Open social media profiles for the company
- Open a business bank account for better financial management of the company
- Find an appropriate space to become your primary business location
- Set up an accounting and record-keeping system
- Prepare and begin networking with pre-marketing materials (Business cards, logo, letter headed, invoice; brochures.etc)
- Estimate for how long will take your Business to acquire paying customers
- Itemize how much capital is required to launch the Business and project how long it will take to become profitable.
- From this, determine how many months of savings or investment you need to breakeven.

PART II. GROWING YOUR BUSINESS (FOR EXISTING SMES)

Establishing your Business is only the start of an exciting journey. Now that your idea has become a real business, it is time to forge new effective strategies to reach your target market through numerous channels and diversify your brand.

Here are different tasks to be performed to make your business more successful:

1. Accounting and bookkeeping system

Bookkeeping is the recording of financial transactions and is part of the process of accounting in business. Transactions include purchases, sales, receipts, and payments by a person or an organization/corporation.

There are several standard methods of bookkeeping, including the single-entry and double-entry bookkeeping systems. While these may be viewed as “real” bookkeeping, any process for recording financial transactions is a bookkeeping process.

With proper bookkeeping, companies can track all information on its books to make key operating, investing, and financing

decisions. Accurate bookkeeping is also crucial to external users, which includes investors, financial institutions, or the government – people or organizations that need access to reliable information to make better investments or lending decisions.

2. Planning, Budgeting and forecasting

Would you like to see your Business well organized and run? Planning, budgeting and forecasting are tips to exercise and follow:

- Planning provides a framework for a business' financial objectives — typically for the next three to five years.
- Budgeting details how the plan will be carried out month to month and covers items such as revenue, expenses, potential cash flow and debt reduction. Traditionally, a company will designate a fiscal year and create a budget for the year. It may adjust the budget depending on actual revenues or compare actual financial statements to determine how close they are to meeting or exceeding the budget.
- Forecasting takes historical data, and current market conditions and then make predictions as to how much revenue an organization can expect to bring in over the next few months or years. Forecasts are usually adjusted as new information becomes available.

3. Marketing and sales strategies

For your business to be more successful, the uniqueness of your products needs to be known using marketing and sales strategies.

- **Marketing Strategy**

Creating a marketing strategy is a major step for a company when developing a product or service. The marketing strategy incorporates the marketing mix.

This is a business tool that helps marketers position a product and includes the 4Ps: product, price, promotion, and place. When developing your marketing strategy, a company has to be aware of their strengths and weaknesses. Doing research helps determine what is working for the company and any issues that may need to be fixed.

The next step is to determine ways to advertise and promote your product. You want to raise awareness for your product and create a strong brand. Utilizing different methods of advertising helps get a brand's message across:

Using social media to help convey messages is one avenue, a company should focus on pursuing. Some social media websites are Facebook, Pinterest, YouTube, Instagram, etc.

- Another way to advertise is through traditional media, such as television commercials or ads in magazines.

To develop a well-rounded marketing strategy, it is beneficial to utilize multiple marketing channels to help communicate with various consumers.

4. Develop an updated business plan

SMEs need to develop and update business plans which can keep useful information that may serve in attracting outside investment or credit lenders to evaluate and finance business expansion.

A business plan is a document that summarizes the operational and financial objectives of a business and contains detailed plans and budgets, showing how the objectives are to be realized. It is the road map to the success of your Business.

5. Cash flow management

Many businesses fail because of poor management of cash flow.

Cash flow management for Business can be summarized as the process of monitoring, analyzing, and optimizing the net amount of cash receipts minus cash expenses. Net cash flow is an important measure of financial health for any business.

If your business continually spends more than it earns, you have a cash flow problem.

You need to evaluate your cash flows as follow:

- ❓ Are your expenses already planned in the budget?
- ❓ Is the current cost matching with the budgeted cost at the time of purchasing?
- ❓ Is your business money being used only in your business activities?
- ❓ How are you managing your credits (if any?)

This is a very crucial part of the business as it will help you to know if you are making losses or profits.

6. Creativity and Innovation

Companies that have done the best over the long heave are those who are the most creative and innovative. These organizations don't copy what others do; instead, they may use innovative ideas from others as a mechanism to come up with a unique application, product, or service for themselves.

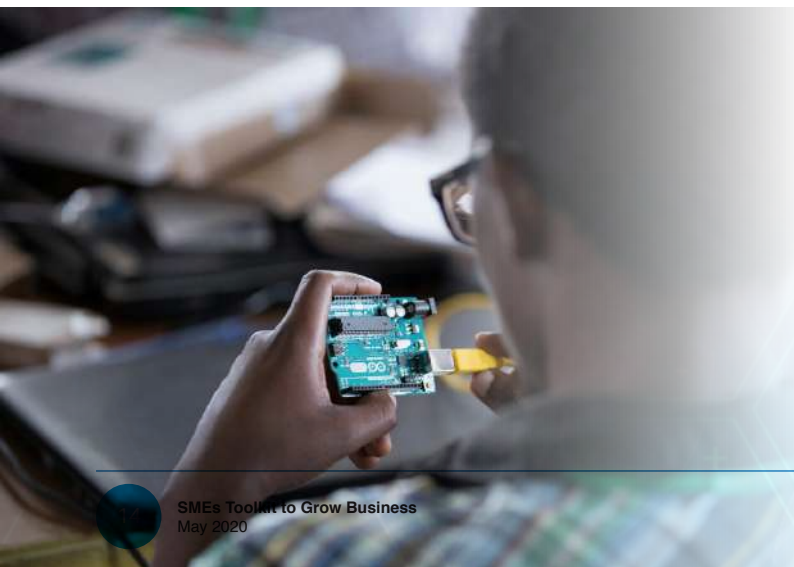
They tend to distance themselves from the competition rather than compete with them. If they see another company copying what they do, they create something new and better. In other words, they can leverage their creativity and innovative capabilities to attain long-term success.

Realize that creativity and innovation are different. Creativity refers to generating new and novel ideas. Innovation refers to the application of an idea and, in many cases, is a collaborative enterprise. So, in other words, innovation is applied creativity.

7. Communicating with Your customers

The best way to improve your Business is to open interaction with your customers. This can be done by offering a suggestion box where everyone can drop his or her idea and proposal or by providing a small brochure for a customer to rate the services or products received from the company.

Don't feel upset when you find unexpected queries in the box! It's a good way of collecting information and knowing what would be pleasant to your customers.



8. Technology in Business/SMEs growth

You need to apply new technologies into your business to be able to attract and reach many customers! And most of the time, you will find yourself always scrolling your Facebook and Instagram account just to check other people pictures! This could be a great opportunity for others also to scroll down pictures of your products and get to know them.

- Don't just lose your megabytes exploring others posts; create your business account on different platforms (Instagram, Facebook, Pinterest even your WhatsApp status) and display very nice pictures of your products ...invite your friends to visit your pages.
- Create a way to facilitate cashless payment (i.e., introduce an online payment such as Mobile-Money, Airtel Money; PoS ...) so that customers can easily access your products.

9. Tax obligations and other policies

If you are running a business and you need it to be sustainable, you are advised to be compliant on different taxes according to the level of your Business. Many businesses fail not because they don't earn a lot of profits, but they were not compliant to due tax filing and payments. (They face fines and closures)

The Rwanda Revenue Authority set out different types of tax that each company category has to comply on.

And it is in this essence that you need to check out with your nearly RRA branches to know when and what are those taxes and other duties that your company owes the tax administration. (i.e.: income tax; VAT; Property tax. Etc...)



PART III. GOVERNMENT SUPPORT FOR SMES GROWTH

The government of Rwanda has initiated several agencies to facilitate the development of the private sector, namely RDB, BDF, NIRDA, BRD, among others.

III.1 Rwanda Development Board Support for SMEs (both domestic and export-oriented SMEs)

Rwanda Development Board offers business registration and aftercare services to support businesses to grow. In the implementation of the SMEs growth support program and the National consolidated business upgrading program, RDB is responsible for the implementation of following subprograms to support SMEs growth and enhance their competitiveness on the local and external market.

Those subprograms include:

- a) SMEs Capacity building and skills development in the priority value chains with high export potential
- b) Financial linkages (empowering SMEs through facilitation to access finance, modern equipment to increase productivity)
- c) Standards certification
- d) Market linkages.

a) SMEs Capacity building and skills development

For the capacity building and skills development, it starts by conducting a needs assessment to SMEs with high export potential. After the needs assessment is done, we conduct tailored capacity building and business advisory services to feel identified gaps.

For instance, this year, we have already conducted:

- Beekeeping management training;
- Taxation and compliance (in partnership with RRA);
- Coaching on Incoterms (international commercial terms in partnership with ITC) for logistics company...etc.

Companies are invited to participate, and the training is free of charge.

Requirements to get facilitation:

- Having the potential to grow your Business (both on the domestic and international market)
- Readiness to attend the whole training program
- Being ready to cover transport fees to/from the training site
- Be able to cover the accommodation fees for the longtime training/workshops
- For the business advisory services, they are provided during the needs assessment activities and /or on request by the business owner to RDB.

b) Financial linkages

The most challenge that hinders business growth is the access to finance where SMEs fail to meet financial institutions requirements (a well-detailed business plan, collateral, a very sound financial management etc.)

To solve this, RDB connects prospective investors with local SMEs where finance can be injected into the SMEs in the form of loans, equity and/or loans.

The RDB also organizes workshops on the availability of financial products in commercial banks and other financial institutions designed to catalyze SMEs growth. These workshops bring together different financial institutions and SME's whereby the various financial products are explained as well as modalities of accessing them.

c) Standard certification Support

The product Certification is an attestation following assessment that; attributes, characteristics, quality, or status of goods, are per established standards. The scope covers foods and beverages, construction materials, cosmetics, paper-based products and other industrial products.

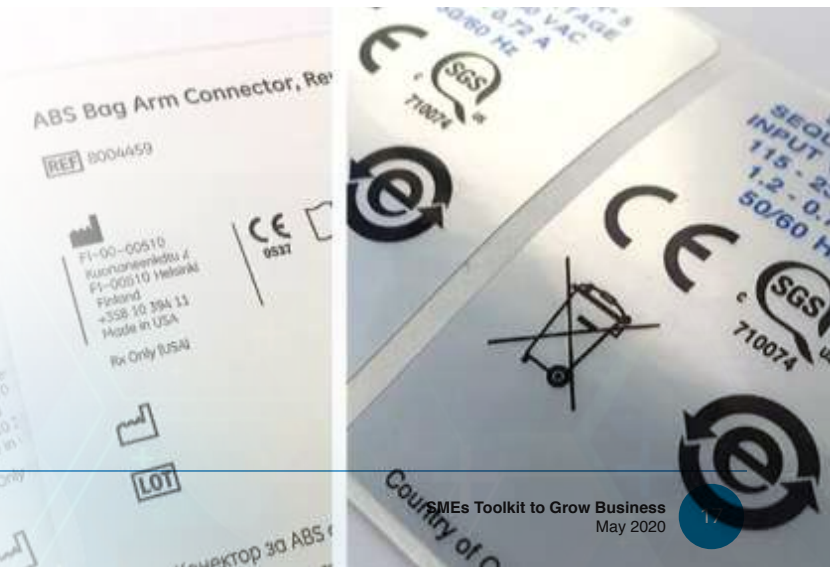
Certified Products are given a Standardization Mark (S-Mark), to be displayed on the product and quality systems like HACCP, QMS, etc.

To facilitate acquiring this certification, RDB helps SMEs in need with a cost-sharing of 50% on the last invoice given by the Rwanda Standards Board.

For your products to be accepted in every market without re-testing, you are advised to apply for this facility so that your product gets standardized.

Requirements to be fulfilled to get support:

1. Application letter
2. Copy of RDB business certificate
3. Copies of all proforma invoices from RSB
4. Copy of bank slip of payment of at least 50% of the cost of certification.



d) Market Linkages

Market linkages are being realized through different trade fairs (in-country or outside the country) depending on the ability of SMEs to participate.

For Trade Fairs, companies are being offered free stands (paid by RDB) for the whole period of the exhibition, but the company covers all other expenses (living allowances).

Selection criteria:

1. Application letter
2. Should be the first time to apply for the support
3. Value-added products and enough quantity to supply
4. Duration in Business (2-5 years)
5. Products are from own Business
6. Willing to market its products and to gain new clients
7. Gender of the company owner
8. Standards certificate mainly for agro-processed products
9. Innovation & new products on the market with new technology
10. Be able to cover other costs like transport, living allowances, shipment of products.

Another type of market linkage by RDB is through B2B meetings within the supplier development program where potential local suppliers are linked to big local buyers (Hotels, big restaurants, supermarkets) to reduce the import bill of goods that can be sourced locally.

Requirements to be fulfilled to get facilitation:

1. Having quality products
2. Having enough quantity
3. Having potentialities to meet the required quality and quantity
4. Being able to sustain the product's supply.



III.2. Business Development Fund (BDF)

As part of the financial infrastructure to promote SMEs, BDF was established in 2011 as a wholly-owned subsidiary of the Development Bank of Rwanda (BRD), to assist SMEs to access finance, particularly those without sufficient collateral to obtain credit from traditional financial institutions at reasonable rates.

BDF's role was to promote alternative financing avenues at affordable costs to help small businesses access to credit by providing credit guarantees, Quasi-Equity support to start-up, managing matching grants, SACCO Refinancing, and business development advisory services.

The government also consolidated the different funds provisioned for SME financial support that had been spread across various ministries and agencies under BDF.

These included the SME Guarantee Fund, the Agricultural Guarantee Fund, the Rural Investment Facility, the Women's Guarantee Fund and the Retrenched Civil Servants Guarantee Fund. BDF has since harmonized the management of these funds and delivered through comprehensive agreements with the financing institutions.

III.3. National Export Development Board (NAEB)

National Agricultural Export Development Board is a government agency established in 2017 to provide timely and cost-effective support services required for the enhanced international competitiveness of the private sector in agricultural and livestock exports specifically.

Facilities provided by NAEB:

1. Provision of planting materials (including seedlings, fertilizers, pesticides etc.)
2. Provision and coordination of strategic training
3. Provide technical support to specialized export services and facilities in the agriculture sector and livestock
4. Purchase & distribution of tractors & trailers to tea cooperatives
5. Facilitation through coffee warehouses colour sorter Machine
6. Certification of Agri-exports prior being exported
7. Exploring of new Market linkages of Agri-exports and market penetration
8. Strengthening operational relations between buyers and exporters of Agri-exports
9. Development of brands of Agri-exports
10. Development of traceability system of exported products

11. Provision of Support and participation of exporters of Agri-exports in international trade events (trade fairs)
12. Kigali Airport Cold Room: NAEB subsidizes the cold room charges with Frw 12 to be paid for every 1kg passing through the Airport cold room
13. Collection centres: NAEB supports producers and exporters to use the collection centres located in Musanze, Ngoma and Kamonyi. Exporter or producer has to pay only the operating costs (electricity, water, security);
14. Link the exporters to producers: farmers are linked to the potential exporters, and know-how is provided to them to meet the exporter requirements.
15. Provide the freight prices information

Requirements to get support from NAEB

a) Requirements to be licensed as horticulture exporter

New applicants

1. Certified copy certificate of business registration from RDB.
2. Certified copies of memorandum and articles of association.
3. Copies of Identity cards of all the Directors. A photocopy of passport and work permit if a Director or Directors are foreigners.
4. Documentary evidence from overseas clients, e. g. a letter, fax or e-mail confirms that you are ready to start an export business.
5. Knowledge of the requirements from the overseas market.
6. Valid work permits for foreign employees in the company.
7. Application form.
8. Certified tax compliance certificate from RRA (TIN).
9. No dues certificate from RSSB.
10. Valid medical cover scheme for permanent employees.
11. Annual export targets and destinations.
12. Payment of fees (30,000frw), NAEB Account: **BK: 0011350-34 RWF**

Renewals

1. Duly filled quarterly export returns for the last year
2. Tax compliance certificate from RRA
3. No dues certificate from RSSB
4. Duly filled application form (Typed)
5. Clearance letter from Horticulture Exporters Association of Rwanda (HEAR)
6. List of out-growers/ farmers/ cooperatives or individuals working with (contracts), or own farms
7. List of staff in charge of postharvest and administration (Organization)
8. No outstanding farmer's claims
9. No outstanding non-conformity issues raised for systems audit on Notifications and interceptions



b) Required documents to export

No	Document name	Prepared and Issued by	Charges	Procedures
1	Sanitary and Phytosanitary Certificate (SPS)	RALIS/MINAGRI	Frws 200	<ul style="list-style-type: none"> • The source of the product (i.e. full contact of producer) should be well known to ensure the traceability of the product
				<ul style="list-style-type: none"> • The product should be well packed according to the international standards; • Exporter should ensure the hygiene of the product; • The products should be free from any physical defects and pests & diseases; • Receipt of payment proof from Rwanda Revenue Authority, equivalent to 200 Frws • In collaboration with RALIS inspectors, NAEB ensures the product inspection and issues the inspection report to the exporter; • Based on the inspection report and commercial invoice, RALIS provides/issues the SPS certificate • Consignee/importer full address
2	Certificate of origin:			
	1. EUR1 Form (only for goods going to European Union)	Rwanda Revenue Authority-RRA	Frws 3,000	<p>The exporter should present:</p> <ul style="list-style-type: none"> • Packing list • Commercial invoice • Proof of payment of 3000frw

No	Document name	Prepared and Issued by	Charges	Procedures
	2. EAC certificate of origin (only for goods going to East Africa Community state members)	Rwanda Authority-RRR Revenue	Frws 3,000	The exporter should present: <ul style="list-style-type: none"> • Packing list • Commercial invoice • Proof of payment of 3000frw
	3. COMESA certificate of origin (for goods going to COMESA region)	Rwanda Authority-RRR Revenue	Frws 3,000	The exporter should present: <ul style="list-style-type: none"> • Packing list • Commercial invoice • Proof of payment of 3000frw
	4. Generalized Systems of Preference certificate of origin (for good going to USA, Australia, Canada, and Japan and non-EU countries in Europe)	Rwanda Authority-RRR Revenue	Frws 3,000	The exporter should present: <ul style="list-style-type: none"> • Packing list • Commercial invoice • Proof of payment of 3000frw
	5. Ordinary Certificate of Origin (for goods to Middle East Countries)	Rwanda Authority-RRR Revenue	Frws 3,000	The exporter should present: <ul style="list-style-type: none"> • Packing list • Commercial invoice • Proof of payment of 3000frw
3	Airways Bill	Airline	USD 15	The exporter should present: <ul style="list-style-type: none"> • The exact weight of the cargo, issued by MAGERWA • Able to pay USD 15
4	Commercial Invoice	Exporter		
5	Packing list	Exporter		

III.4. National Industrial Research and Development Agency (NIRDA)

National Industrial Research and Development Agency (NIRDA) is a government institution that has been mandated with a mission to enable a generation of industrial innovators to become competitive through technology monitoring, acquisition, development and transfer & applied research.

NIRDA facilitates SMEs in the industrial sector to acquire new modern machinery (at 0 interest rate loan) through open call competitions.

To apply in a specific open call, the applicant needs to:

- Be registered at Rwanda Development Board
- Working in a specific value chain sector
- Submit an initial project concept note

III.5. Development Bank of Rwanda (BRD)

The Rwanda development bank with its EGF, The Export Growth Fund designed to facilitate Business to access finance for export-related activities through subsidized loans, grants, and working capital guarantee.

The Eligibility Criteria for EGF facilities are:

- Be a Rwandan or registered Rwandan company operating in Rwanda.
- Commitment to repatriate further export proceeds to Rwanda.
- Should have applied for a facility-related to exports projects/ business.
- The same borrower, if he/she qualifies, can have access to the investment catalyst fund and could be eligible for a matching grant or guarantee fund, where applicable.
- Provide documentation evidencing repatriation of export proceeds for existing exporters.
- A Borrower will be subjected to the applicable market rates for the entire duration of the facility if he/she uses the EGF funds in other activities than the activities submitted in his/ her business plan.
- Provide a comprehensive business plan approved by the company's management. The business case/plan to be financed should reflect the targeted increase in exports, projections of expected production, exports returns, and profits for the project and/or the company.

The borrower should commit to:

- Set clear and measurable export targets and endeavour to respect them;
- To facilitate regular inspections visits by the Monitoring and Evaluation team (M&E) team (from BRD, Minicom and PFIs) and audits on export activities, performances against export targets commitments (point 1 above) and loan agreement;
- To facilitate regular data collection by the M&E team.



PART IV. OTHER NGOS PROVIDING BUSINESS SUPPORT FOR SMES

IV.1. Inkomoko Rwanda

Inkomoko Rwanda is a member of the African Entrepreneur Collective (AEC); a business accelerator program that aims to help African youth-led enterprises grow and create new jobs for the poor in their communities.

This unique, comprehensive program is committed to addressing the problem of unemployment in Rwanda and to capitalizing on the opportunity for sustainable small and medium enterprise (SME) growth to fill a demonstrated need in East Africa.

Inkomoko also offers specialized services for all businesses in the tourism and hospitality industry. (Whether you are a hotel, a guesthouse, a bar/restaurant, a tour operator, a travel agency, a handicraft producer or seller or you provide services or products for those businesses).

The program offers business training to young entrepreneurs to enhance their practical skills in sales and marketing; finance and tax services and more. Additionally, Inkomoko provides tailored, real-time support to new entrepreneurs by connecting them with mentors from around the world and providing them with technical assistance and access to capital.

Fees to be enrolled in Inkomoko programs

- a. Tourism sector: The application fees is 300.000RWF and get a mentorship program for four months
- b. Agribusiness Sector: The application fee to be enrolled in the program is 885.000Rwf, and you benefit from a mentorship program for four months.

After four months of coaching program, the entrepreneur can apply for the loan with a maximum of 40 Million on which he/she can be qualified after the due diligence conducted by the Inkomoko evaluating team.

IV.2. Business Professional Network Rwanda (BPN)

BPN Rwanda is a business development consulting firm which offers different business services to entrepreneurs such as management training, personal coaching, loans to fair conditions and the exclusive opportunity to network with other entrepreneurs in their program.

Through its business academy, BPN equips entrepreneurs with business principles and challenges them so they can grow personally and professionally all the way while operating their own company successfully.

BPN offers loans which can exceed 20.000, USD and the interest rate does not exceed 12%.

To join the BPN program, you need to fulfil the following conditions:

- You own a company
- You possess elementary technical skills related to your Business
- Your Business is officially registered in Rwanda
- Your Business is in manufacturing or service delivery (Not solely trade or agricultural)
- You are ready for the next step: Ready to learn, grow and expand

As part of the program participation you are willing to attend at least two workshops (1-2 days) and four seminars (4-5 days each) and apply the newly acquired principles in your company.

If you wish to receive a loan while participating in the BPN program, you are obliged to fulfil the following conditions:

- You do not have on-going loans from another financial institution
- You possess collateral twice the value in the form of real estate (own or borrowed)

Other Criteria to be enrolled in BPN programs

- The application fee is free but to participate in the coaching program; the entrepreneur needs to pay 240.000 Rwf for a year.
- Trainings also are not free and their costs differ from their nature.

Part. V. Recommendations and Way Forward

SMEs across the globe always manifest the inability of access to finance as a problem which hinders them in development. On the other hand, it has been found that there are many other issues apart from finance to be treated for people with ideas to start a business and those already operating such as managerial skills and competencies.

Therefore, to avoid those technical failures, we do recommend to all business developers and supporters to focus on technical support by providing necessary skills to people in need of starting businesses; those already operating either domestically or exporters.

This toolkit will be distributed to all sectors in the country through business developments experts BDEs of districts and youth forums across the country.



REFERENCES

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- <https://www.bdf.rw/bdf-profile/>
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