



**REPUBLIC OF RWANDA  
MINISTRY OF TRADE AND INDUSTRY**

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# **Entrepreneurship Development Policy**

*Developing an effective entrepreneurship and MSME ecosystem in Rwanda*

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**April 2020**



# FOREWORD



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In the last decade, entrepreneurship has become one of key components of economic and business development policies. Its relevance has increased as entrepreneurs are associated with the ability to create new products, new services and to innovate. There is a large growing body of research that shows the interrelation and interdependence between entrepreneurship, innovation and economic development. Today, women and men entrepreneurs have a prominent role in driving innovation, economic growth, welfare, as well as a notable impact on job creation. Entrepreneurs are frequently thought of as national assets to be cultivated, motivated, and remunerated to the greatest possible extent. Great entrepreneurs have the ability to change the way we live and work. If successful, their innovations improve standards of living, create wealth and contribute largely to a growing economy. In line with Rwanda's vision to become an upper middle-income country by the year 2035 and to reach high-income status by 2050, there is no doubt that entrepreneurship will be one

of the key drivers in reducing poverty, promoting social change, fostering innovation and economic transformation.

Rwanda's Entrepreneurship Development Policy (EDP) intends therefore to provide an overarching ecosystem to support entrepreneurs with a conducive environment for private sector dynamism, innovation and risk-taking required for a modern, sophisticated, and rapidly growing economy. It builds on the existing policies and reforms undertaken by the Government and holistically seeks to address the gaps within Rwanda's entrepreneurship ecosystem. While important government policies promote private sector development more broadly in various sectors, the EDP reinforces, and complements the existing policies and strategies towards achieving increased entrepreneurship, business growth, and job creation in Rwanda.

In designing this policy, extensive stakeholder consultations were conducted with central and local governments in all provinces, entrepreneurs from start-ups and Micro, Small, Medium and Large Enterprises, the Private Sector Federation (PSF), Financial Institutions, local and international investors, business consultants, academia, incubators, accelerators, and Development Partners.

The Government of Rwanda, through the Ministry of Trade and Industry, wishes to commend the US Government for the constant support in the development of the EDP, via its USAID Rwanda Nguriza Nshore Project.

I thank all listed stakeholders for their valuable contribution, which led to the development of this outstanding and timely policy document. I look forward to a continuous and efficient collaboration and support to successfully implement the Entrepreneurship Development Policy.



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## ACRONYMS AND ABBREVIATIONS

Agri-tech	Agricultural Technology
AIMS	African Institute for Mathematical Sciences
ALU	African Leadership University
AU	African Union Commission B2B business-to-business
BDA	Business Development Advisor
BDF	Business Development Fund
BDS	Business Development Services
BNR	National Bank of Rwanda
BRD	Development Bank of Rwanda
COMESA	Common Market for Eastern and Southern Africa
CORFO	Corporación de Fomento de la Producción de Chile
DGIE	Directorate-General of Immigration and Emigration
EAC	East African Community
EDP	Entrepreneurship Development Policy
EICV5	Fifth Integrated Household Living Conditions Survey 2016–2017
fintech	financial technology
GEDI	Global Entrepreneurship Development Index
GEM	Global Entrepreneurship Monitor
GOR	Government of Rwanda
HEC	Higher Education Council
HI/HF	Higher Impact/Higher Feasibility
HI/LF	Higher Impact/Lower Feasibility
HIL	Higher Learning Institution
ICT	Information and Communications Technology
IP	Intellectual Property
KIC	Kigali Innovation City
LI/HF	Lower Impact/Higher Feasibility
LI/LF	Lower Impact/Lower Feasibility
LODA	Local Administrative Entities Development Agency
LT	Long Term
M&E	Monitoring and Evaluation
MIGEPROF	Ministry of Gender and Family Promotion
MINAFFET	Ministry of Foreign Affairs and Cooperation
MINAGRI	Ministry of Agriculture and Animal Resources
MINALOC	Ministry of Local Government
MINECOFIN	Ministry of Finance and Economic Planning
MINEDUC	Ministry of Education
MINICOM	Ministry of Trade and Industry
MINICT	Ministry of Technology and Innovation
MININFRA	Ministry of Infrastructure
MINISPORTS	Ministry of Sports
MYCULTURE	Ministry of Youth and Culture
MOOC	Massive Open Online Course
MSME	Micro, Small, and Medium-sized Enterprise
MT	Medium Term
NAEB	National Agricultural Export Development Board
NCPD	National Council of Persons with Disabilities
NIRDA	National Industrial Research and Development Agency



NISR	National Institute of Statistics of Rwanda
NSTI	National Strategy for Transformation
OECD	Organization for Economic Co-operation and Development
PSDYE	Private Sector Development and Youth Employment Strategy
PSF	Private Sector Federation
R&D	Research and Development RAB Rwanda Agriculture Board
RBA	Rwanda Bankers Association
RCA	Rwanda Cooperative Agency
RDB	Rwanda Development Board
REB	Rwanda Education Board
REG	Rwanda Energy Group
RGB	Rwanda Governance Board
RISA	Rwanda Information Society Authority
RP	Rwanda Polytechnic
RPPA	Rwanda Public Procurement Authority
RRA	Rwanda Revenue Authority
RSB	Rwanda Standards Board
RSE	Rwanda Stock Exchange
RWF	Rwandan Franc
SACCO	Savings and Credit Cooperative Organization
SDG	Sustainable Development Goal
SME	Small and Medium-sized Enterprise
SPRING	Standards, Productivity, and Innovation Board
ST	Short Term
STEM	science, technology, engineering, and mathematics
SUP	Start-Up Chile
SWG	Sector Working Group
SWOT	Strengths, Weaknesses, Opportunities, and Threats
USAID	U.S. Agency for International Development
WDA	Workforce Development Authority
YCA	YouthConnekt Africa



## EXECUTIVE SUMMARY

**Support to entrepreneurship—creating conditions for growth of vibrant and competitive enterprises across all sectors of the economy—is a critical element in achieving the Government of Rwanda’s (GOR) ambitious growth and competitiveness objectives** as laid out in the Vision 2050 document, which sets a target of achieving an upper-middle-income status by 2035 and a high-income status by 2050. The National Strategy for Transformation (NSTI), the Government’s seven-year implementation program for 2017–2024, prioritizes inclusive economic growth, job creation, and private sector-led development in a variety of growth sectors, including diversified tourism, local manufacturing, productive agriculture and agro-processing, and knowledge-based services and information and communications technology (ICT). Dynamic and competitive private enterprises of all sizes and strong ecosystems for entrepreneurship are critical for private sector-led development as a foundation of economic growth, job creation, poverty alleviation and increased prosperity.

**The Entrepreneurship Development Policy (EDP) supports private sector entrepreneurs and provides the necessary environment for private sector dynamism, innovation, and risk taking required for a modern, sophisticated, and rapidly growing economy.** The government has built a strong track record of reforms to support the development of viable enterprises. The EDP builds on the existing policies and reforms undertaken by the government and holistically seeks to address the gaps within Rwanda’s entrepreneurship ecosystem. While these important GOR policies promote private sector development more broadly in each of their respective domains, the EDP actions reinforce, support implementation, and complement the existing policies and strategies toward achieving increased entrepreneurship, business growth, and job creation in Rwanda.

**The EDP is closely aligned with all key GOR policies and strategies across all line ministries that promote private sector development and economic growth through social transformation—the Vision 2050, NSTI, Private Sector Development and Youth Employment Strategy (PSDYE), and Made in Rwanda Policy.** The EDP also underpins Rwanda’s goals and commitments as part of key regional and international development agendas, including the **Sustainable Development Goals (SDGs), African Union Commission (AU) Agenda 2063, and the East African Community (EAC) Vision 2050.**

**The EDP replaces and builds on the achievements of the 2010 Small and Medium-Sized Enterprise (SME) Development Policy,** which focused only on SMEs. The EDP supports entrepreneurship, innovation, and enterprise growth at all stages of the enterprise growth lifecycle, from start-ups to existing micro, small, and medium-sized enterprises (MSMEs) and large enterprises. Although substantial successes have been registered by the SME Development Policy, it fell short of creating an enabling environment necessary to support entrepreneurship and innovation among MSMEs. Thus, the EDP’s focus is on strengthening the entrepreneurship ecosystem as an enabler to enterprise creation and growth.

**A focused, coherent entrepreneurship policy and an integrated approach are necessary to create an enabling environment for the success of entrepreneurship and innovation among start-ups, MSMEs, and large enterprises.** This will require a concerted effort to develop human capacity at the national and local levels, as well as provide adequate resources to support implementation of the policy actions. This policy aims to address these macro-level structural challenges, which have characterized government interventions thus far, while also taking into account the development goals of the GOR, specifically to increase value-added processing to reduce the trade deficit and rise out of poverty, and to address challenges articulated by enterprises on the ground.

**The EDP's vision is to develop an effective entrepreneurship support ecosystem that creates the necessary conditions and enablers for Rwandan entrepreneurs to unleash their entrepreneurial potential** and to grow dynamic and competitive enterprises that will drive economic growth and job creation. The EDP uses a seven-pillar framework that focuses on key pillars of the entrepreneurship ecosystem: **human capital and management, business support, financing, business enabling environment, markets and value chains, technology and infrastructure, and entrepreneurial culture.**

**The comprehensive objective of the EDP is to ensure that all seven pillars of the entrepreneurship ecosystem function properly, allowing Rwandan start-ups, MSMEs, and large enterprises to grow sustainably and profitably.** EDP actions address constraints identified under each of the seven pillars to achieve the following objectives:

1. Improve access to skills and know-how for existing and potential entrepreneurs to effectively start and manage a business;
2. Improve business support system for entrepreneurs, including business consultants, mentors, incubators, and accelerators;
3. Improve entrepreneurs' ability to access the finance required for business growth from various sources, including equity, debt, and grants from public, private, and peer-to-peer sources.;
4. Streamline tax regimes that are supportive to entrepreneurship development;
5. Expand access to domestic and export market opportunities for entrepreneurs;
6. Improve entrepreneurs' access to technologies and innovations for business growth and productivity;
7. Promote the culture of entrepreneurship and equitable access to business opportunities for all entrepreneurs.

**The EDP has been informed by best practices from leading countries in the developed and developing world that have put in place targeted and effective entrepreneurship development policies** which have been evaluated and have contributed to their successful economic transformation and created robust ecosystems for entrepreneurship support. Three countries—Singapore, Israel and Chile—stand out for their path to entrepreneurship as models for consideration for Rwanda.

To identify the key constraints to entrepreneurship in Rwanda and develop EDP actions, extensive stakeholder interviews were conducted, including central and local governments in all provinces and 20 districts as a representative sample, entrepreneurs from start-ups and MSMEs, representatives from the Private Sector Federation (PSF), banks, local and international investors, business consultants, academia, incubators, accelerators, and donors. The EDP also draws extensively on the review of prior research and assessment of Rwanda's priorities under the NSTI, PSDYE, and other relevant GOR policies and strategies.

**Proposed policy actions cover each of the EDP seven pillars. They first capitalize on existing initiatives in place in Rwanda.** When no ongoing initiative is in place, **policy actions draw on relevant international best practices and evidence adapted to the Rwandan context.** Finally, when best-fit solutions cannot be found domestically or internationally, the EDP **pilots innovative solutions**, which will be tested at a small scale, refined based on lessons learned, and launched at scale when and if ready.

- **Pillar 1: Human capital and management** focuses on improving access to skills and know-how that are necessary to effectively start and run a business. Policy actions focus on improving the marketability of tertiary academic programs, strengthening applied skills

in secondary school entrepreneurship curriculum, improving the access to and quality of English language instruction, improving availability of technical skills training outside of formal education, improving business governance, and strengthening service delivery across all sectors.

- **Pillar 2: Business support** focuses on improving business support system for entrepreneurs through access to tailored business consulting services, improving the availability of high-quality business consultants, supporting development of mentorship networks, piloting new models of provincial business incubators, supporting development of the Kigali Innovation City (KIC), and strengthening linkages with international business support institutions.
- **Pillar 3: Financing** improves entrepreneurs' ability to access finance for business growth from various sources, including equity, debt, and grants from public, private, and peer-to-peer sources. Policy actions increase entrepreneurs' awareness of information on financial products, improve the effectiveness of the Business Development Fund (BDF), help financial institutions develop industry-specific financial products, promote learning and exchange of best practices in financing, build a private capital investor culture, create a start-up matching fund and a fellowship fund for entrepreneurs, promote crowdfunding, and support the already existing initiative to list MSMEs on the Rwanda Stock Exchange (RSE).
- **Pillar 4: Business enabling environment** aims to streamline tax requirements for new firms to decrease business costs for new entrepreneurs. Proposed policy actions include reviewing and modifying tax requirements for start-ups and MSMEs, increasing awareness for entrepreneurs about the benefits of formality, and increasing the awareness of tax requirements.
- **Pillar 5: Markets and value chains** focuses on expanding access to domestic and export market opportunities for entrepreneurs via improving cross-border trade; improving warehousing systems; making government procurement opportunities more accessible to newer, smaller companies; improving access to market information; facilitating adoption of standards; and updating the SME Cluster Strategy.
- **Pillar 6: Technology and infrastructure** improves entrepreneur access to technologies and innovations required for business growth and productivity via promoting reliable power solutions, increasing coordination between entrepreneurship clusters and government infrastructure planning, promoting private sector-driven supply of improved agricultural technologies, and improving digital literacy.
- **Pillar 7: Entrepreneurial culture** promotes the culture of entrepreneurship and access to business opportunities for entrepreneurs, including youth, women, and people living with disabilities via promoting exchanges to encourage entrepreneurial culture and ensuring equal opportunities and support for all entrepreneurs.

**The EDP will be implemented using existing institutional frameworks. The Ministry of Trade and Industry (MINICOM), Rwanda Development Board (RDB), Ministry of Education (MINEDUC), Ministry of Youth (MYCULTURE), Ministry of Finance and Economic Planning (MINECOFIN), Ministry of Local Government (MINALOC), and PSF are the key leading institutions implementing the seven pillars of the EDP.** MINICOM, as the overall policy lead, will play the role of coordinator and high-level policy supervisor. The institutional framework that supports implementation of the policy and the monitoring and evaluation (M&E) structure allow for a dynamic and responsive policy, which will enable its continuous updating and upgrading to reflect changes in the operating environment and incorporate lessons learned during implementation.



# I. GENERAL INTRODUCTION

## I.1 Background

The business environment reforms that propelled Rwanda in the World Bank's Doing Business rankings from 62<sup>nd</sup> in 2016 to 29<sup>th</sup> in the world in 2019, coupled with private sector development-focused government policies and strategies, and financing instruments have helped foster entrepreneurial activity. This can be observed in both traditional sectors, such as agriculture and tourism, and in new technology-oriented sectors, such as ICT.

**Figure I: Existing Rwandan Entrepreneurship Ecosystem**



The state of entrepreneurship in Rwanda has been improving, most notably in recent years. Most companies in Rwanda are young and micro. In 2014, 90 percent of operating firms were still young, having been established after 2006.<sup>1</sup> In 2011, 73 percent of all firms were micro-enterprises; in 2014 this number decreased to 65 percent.<sup>2</sup> While the share of micro-enterprises is still high, this decline reflects an important growth in the number of small and medium-sized enterprises (SMEs) as compared to micro businesses. Moreover, between 2011 and 2017, the number of large firms with more than 100 employees more than quadrupled from 106 to 426, representing the maturing of the Rwandan market and increased opportunities for value chain integration for MSMEs.<sup>3</sup> Rwandan companies are concentrated in the non-tradable sector. According to the 2017 Establishment Census, wholesale and retail trade, and accommodation and food services accounted for 77.8 percent of all firms. In 2018, the employment-to-population ratio was 46.0 percent; 2 percentage points higher than the one in 2017, which stood at 44.2 percent.<sup>4</sup>

<sup>1</sup> World Bank. (2019). *Future Drivers of Growth*. Calculations are based on statistics from the *Rwanda Census of Business Establishment* (National Institute of Statistics of Rwanda [NISR], 2011 and 2015).

<sup>2</sup> Ibid.

<sup>3</sup> *Establishment Census 2011; Establishment Census 2017*.

<sup>4</sup> *Labour Force Survey Report*. (December 2018).

In 2018, agriculture accounted for 55 percent of employment.<sup>1</sup> Additionally, 71 percent of MSMEs are rural (outside of Kigali). At the same time, informality remains a challenge; about 90 percent of firms are estimated to be informal and more than 60 percent of employment occurs informally.<sup>2</sup>

Rwanda has also witnessed the birth of several important entrepreneurship ecosystem enablers, such as business incubators and accelerators, which provide valuable support to start-ups. These incubators and accelerators are establishing themselves as platforms to help start-ups launch and grow, hosting cohorts of entrepreneurs ready to start and scale their businesses. These incubators and accelerators are becoming magnets for other key enablers such as business service providers (e.g.: accountants and business consultants); mentors and coaches; and, to a lesser extent, early stage investors, such as business angels. However, while small grants are often made available to entrepreneurs in partnerships between incubators and international donors, equity funding remains scarce and most start-ups cannot afford bank loans, making access to finance one of the key constraints to entrepreneurship.

Another positive development is the growing number of high-level academic institutions entering and expanding in Rwanda. The presence of universities, such as Carnegie Mellon University, African Leadership University (ALU), and African Institute for Mathematical Sciences (AIMS), is increasing the quality of tertiary education, especially in science, technology, engineering, and mathematics (STEM) subjects and business management. This is contributing to the overall improvement in the quality of human capital and workforce. In addition, the GOR's investment in introducing new entrepreneurship curricula in secondary schools is building a foundation for training future entrepreneurs. To fully capitalize on this potential, there is an opportunity to better connect these educational institutions to relevant industries and create mechanisms to stimulate students to become entrepreneurs.

Rwanda has been working on ambitious cluster-like initiatives, most notably the KIC, which aims to become a hotbed for technology start-ups, MSMEs, and large enterprises in biomedical, financial technology (fintech), smart energy, and cyber security. This initiative, which connects incubators, academic institutions, funding (via the Innovation Fund), and a network of support, has the potential to take high-tech entrepreneurship in Rwanda to the next level, similar to what initiatives such as Start-Up Chile (SUP) have accomplished. Rwanda possesses an untapped potential for becoming one of Africa's research and development (R&D) and innovation hubs with developing infrastructure, growing market, conducive business environment, stable political situation, fast-growing economy, increasing number of prestigious academic institutions, and a central location within Africa.

Nevertheless, entrepreneurs still face several challenges to turn their ideas into sustainable high-growth businesses that would propel Rwanda toward its vision for growth outlined in the NSTI, Vision 2020, and Vision 2050. Access to knowledge and latest technologies is still restricted. Sound management practices and entrepreneurship training are not yet commonplace. Business support services are often not specialized enough to help entrepreneurs get to the next level. Access to finance, especially early equity investment, is highly limited. Cultural aspects, such as risk-aversion and a preference for a steady job over an entrepreneurial "adventure," keep some of the brightest Rwandan minds from taking the start-up leap. In the Global Entrepreneurship Index 2018, Rwanda scored the lowest in risk capital, risk acceptance, process innovation, start-up skills, human capital, and technology absorption.<sup>3</sup>

Business informality, estimated to be as high as 93 percent by the Fifth Integrated Household Living Conditions Survey 2016–2017 (EICV5), is another challenge. Unregistered companies operate illegally, representing a risk to themselves, suppliers, and clients, and do not contribute in taxes, while being unable to enjoy government benefits. The major cause of informality is the perceived high cost associated with formality by entrepreneurs. To increase business formalization, the EDP adopts an organic approach, where companies are nudged to become formal as some of the main perceived

<sup>1</sup> Ibid.

<sup>2</sup> World Bank. (2019). *Future Drivers of Growth*. Calculations are based on statistics from the *Rwanda Census of Business Establishment*. (NISR, 2011 and 2015).

<sup>3</sup> *Global Entrepreneurship Index 2018*.



costs associated with formality, such as taxes and compliance with standards, are eased and applied in a gradual manner according to international best practices, minimizing burdens for both start-ups and MSMEs. At the same time, the increased awareness of market opportunities and available support programs for entrepreneurs as a result of EDP actions will motivate informal entrepreneurs to formalize to be able to take advantage of existing business opportunities.

The EDP recognizes the achievements made so far and includes policy actions necessary to remove the remaining obstacles to entrepreneurship and bolster Rwanda’s entrepreneurship ecosystem.

## 1.2 Rationale for Change from SME Development Policy to Entrepreneurship Development Policy

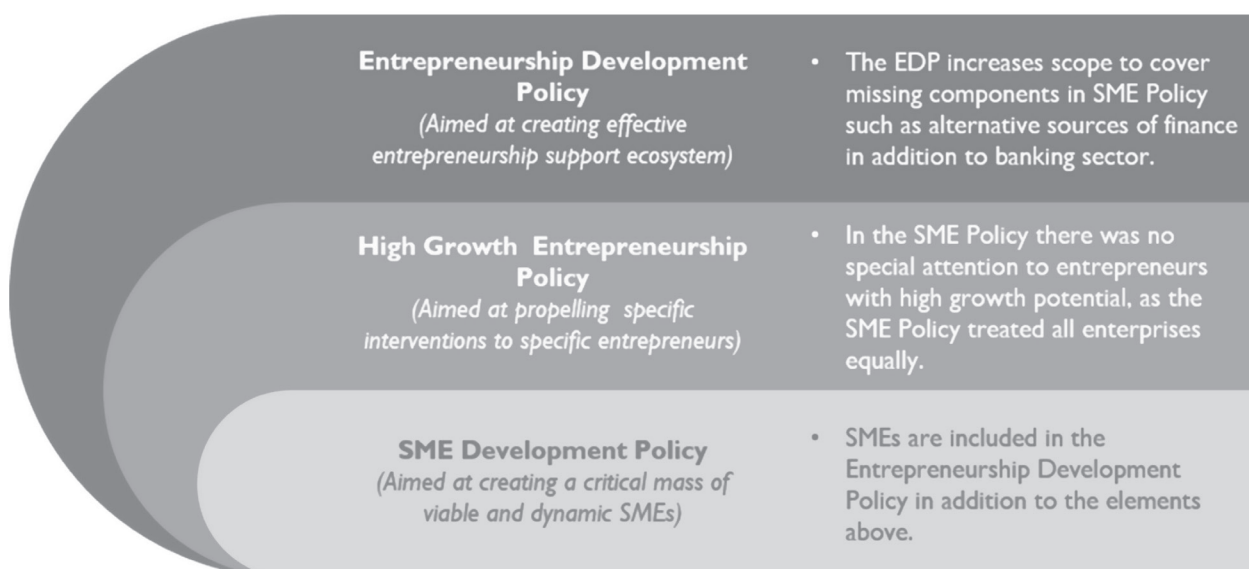
To achieve Rwanda’s economic development objectives, both new and existing enterprises of all sizes need to grow. The EDP replaces and builds on the achievements of the 2010 SME Development Policy, which focused on only SMEs. Thus, the EDP supports entrepreneurship, innovation, and enterprise growth and graduation at all stages of the enterprise growth lifecycle, from start-ups to existing MSMEs and large enterprises.

**Table 1: Visions of the SME Development Policy and the New EDP**

Different Policy Visions	
SME Development Policy	Entrepreneurship Development Policy
“To create a <b>critical mass of viable and dynamic SMEs</b> significantly contributing to the national economic transformation.”	“To develop an effective entrepreneurship support ecosystem that creates the necessary conditions and enablers for Rwandan start-ups, MSMEs, and large enterprises to unleash their entrepreneurial potential and grow dynamic and competitive enterprises that will drive economic growth and job creation.”
The focus here is on small enterprises and their contribution to economic transformation.	The focus here is more on strengthening the entrepreneurship ecosystem as an enabler to enterprise creation and growth.

Figure 2 displays how the two policies are related, with the EDP’s vision covering the larger entrepreneurship ecosystem, and with SMEs included in the umbrella of the EDP.

**Figure 2: Relationship between EDP and SME Development Policy**



Although substantial successes have been registered by the SME Development Policy, it fell short of creating an enabling environment necessary to support entrepreneurship and innovation among MSMEs. Key challenges still include:

1. Limited access to skills and know-how for existing and potential entrepreneurs that are necessary to effectively start and run a business;
2. Limited business support system for entrepreneurs, including business consultants, mentors, incubators, and accelerators;
3. Limited entrepreneurial ability to access the finance required for business growth from various sources, including equity, debt, and grants from public, private, and peer-to-peer sources;
4. Non-streamlined tax requirements for newly established firms that increase business costs for new entrepreneurs;
5. Limited access to domestic and export market opportunities for entrepreneurs;
6. Limited entrepreneurial access to technologies and innovations required for business growth and productivity;
7. Negative culture of entrepreneurship and limited access to business opportunities for women entrepreneurs.

From these challenges, it is clear that a focused, coherent entrepreneurship policy and an integrated approach are necessary to create an enabling environment for the success of entrepreneurship and innovation among start-ups, MSMEs, and large enterprises. This will require a concerted effort to develop human capacity at the national and local levels, as well as provide adequate resources to support implementation of the policy actions. This policy aims to address these macro-level structural challenges, which have characterized government interventions thus far, while also taking into account the development goals of the GOR, specifically to increase value-added processing to reduce the trade deficit and rise out of poverty, and to address challenges articulated by enterprises on the ground.

### 1.3 Relationship between EDP and Regional and Global Strategies and Goals

The EDP underpins Rwanda's goals and commitments as part of key regional and international development agendas, including the SDGs, the AU Agenda 2063, and the EAC Vision 2050. Creating environment for growth of vibrant and competitive private enterprises, entrepreneurship, and innovation is a critical element to achieving regional and global growth and development objectives.

#### EDP and SDGs

Dynamic and competitive private enterprises of all sizes and strong ecosystems for entrepreneurship are critical for achievement of all SDGs since private sector-led development is a foundation of economic growth, job creation, poverty alleviation, and increased prosperity. Entrepreneurs around the world drive innovation and development of solutions to the most intractable development problems and have a key role to play in advancing each of the 17 SDGs, with EDP contributing most directly and immediately to the following SDGs:

- **Goal 1:** End poverty in all its forms everywhere.
- **Goal 2:** End hunger, achieve food security, improve nutrition and promote sustainable agriculture.
- **Goal 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



- **Goal 5:** Achieve gender equality and empower all women and girls.
- **Goal 6:** Ensure availability and sustainable management of water and sanitation for all.
- **Goal 7:** Ensure access to affordable, reliable, sustainable, and modern energy for all.
- **Goal 8:** Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all.
- **Goal 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.
- **Goal 10:** Reduce inequality within and among countries.

### EDP and AU Agenda 2063

The AU Agenda 2063 sets out a framework for “an integrated, prosperous, and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena.” The first 10-year Implementation Plan of the Agenda (2014–2023) includes seven Priorities (“Aspirations”) and 20 Goals. Successful implementation of the EDP will directly contribute to the achievement of the following goals:

- **Goal 1:** A high standard of living, quality of life, and well-being for all citizens.
- **Goal 2:** Well-educated citizens and skills revolution underpinned by science, technology, and innovation.
- **Goal 4:** Transformed economies.
- **Goal 5:** Modern agriculture for increased productivity and production.
- **Goal 7:** Environmentally sustainable and climate-resilient economies and communities.
- **Goal 17:** Full gender equality in all spheres of life.
- **Goal 18:** Engaged and powerful youth.

### EDP and EAC Vision 2050

The EAC Vision 2050 sets out six shared development goals for the East Africa region. EDP directly contributes to achievement of the following EAC goals:

- **Goal 2:** Enhanced agricultural productivity for food security and a transformed rural economy.
- **Goal 3:** Structural transformation of the industrial and manufacturing sector through value addition and product diversification based on comparative advantage for regional competitive advantage.
- **Goal 4:** Effective and sustainable use of natural resources with enhanced value addition and management.
- **Goal 5:** Leverage on the tourism and services value chain and building on the homogeneity of regional cultures and linkages.
- **Goal 6:** Well-educated and healthy human resources.

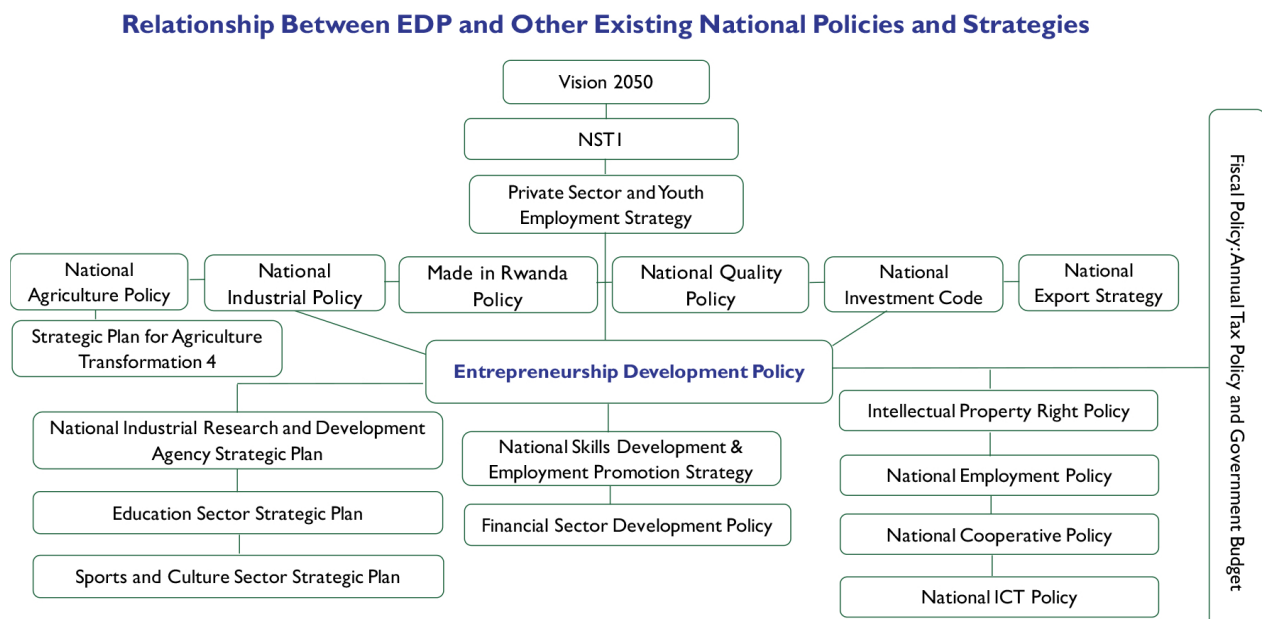


## 1.4 Relationship between EDP and other existing national policies and strategies

The GOR has adopted an ambitious growth and competitiveness strategy. Vision 2050 sets a target of achieving upper-middle-income status by 2035 and high-income status by 2050. The NSTI, the government's seven-year implementation program for 2017–2024, prioritizes inclusive economic growth, job creation, and private sector-led development in a variety of growth sectors, including diversified tourism, local manufacturing, productive agriculture and agro-processing, and knowledge-based services and ICT. Support to entrepreneurship — creating conditions for growth of vibrant and competitive enterprises across all sectors of the economy — is a critical element to achieving these growth objectives.

The EDP is closely aligned with all key GOR policies and strategies across all line ministries, and is grounded in Rwanda's strategic orientation articulated in NSTI. Particularly, it supports NSTI priorities of empowering youth and women entrepreneurship, improving access to finance for entrepreneurs, developing skills, supporting innovation and technology firms, improving industry networks and business support services, developing competitive value chains and services sectors, reducing the cost of doing business and facilitating trade, increasing productivity in agriculture, and increasing entrepreneurial motivation and risk taking, among others.

**Figure 3: The EDP is Central to the National Policies and Strategies in Rwanda**



As illustrated in Figure 3, EDP complements and is interconnected with other GOR policies, strategies, and official documents that promote private sector development and economic growth through social transformation. These policies and strategies include:

- **Vision 2050:** Rwanda aspires to increase the incomes and well-being of all Rwandan citizens, because prosperity is a key element to quality life. Additionally, Rwanda's aspirations are translated in becoming an upper-middle-income country by 2035 and a high-income country by 2050.
- **NSTI:** The NSTI prioritizes inclusive economic growth and social development with the private sector at the helm. The NSTI calls for strategic interventions for the development of a specific policy on entrepreneurship development to create a conducive ecosystem for growth of vibrant and competitive enterprises across all sectors of the economy.

- **PSDYE:** The PSDYE strategy recognized that the existing ecosystem for entrepreneurship development must be nurtured and encouraged to flourish.
- **Made in Rwanda Policy:** To increase the competitiveness of the Rwandan economy, the Made in Rwanda Policy recognizes the need for a conducive business environment for entrepreneurship development and realization of national employment programs in general.

The government has built a strong track record of reforms to support the development of viable enterprises. EDP builds on the above mentioned policies and the already existing reforms undertaken by the government. While these important GOR policies promote private sector development more broadly in each of their respective domains, the EDP actions reinforce, support the implementation of, and complement these existing policies and strategies toward achieving increased entrepreneurship, business growth, and job creation in Rwanda.

This policy supports private sector entrepreneurs and provides the dynamism, innovation, and risk taking required for a modern, sophisticated, and rapidly growing economy. The EDP holistically seeks to address the existing gaps within Rwanda's entrepreneurship ecosystem.

## 2. EDP DEVELOPMENT PROCESS

### 2.1 Definitions

#### Entrepreneurship

EDP uses a broader definition of entrepreneurship than just start-ups, where the term “entrepreneurship” also captures innovation on the part of established firms, in addition to similar activities on the part of new businesses:

Entrepreneurship is “capacity and willingness to develop, organize, and manage a business venture along with any of its risks in order to make a profit.”<sup>1</sup> An entrepreneur is an individual who, rather than working as an employee, “organizes, manages, and assumes the risks of a business or enterprise.”<sup>2</sup> The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and businesses/or procedures.

#### Firm Size Definitions

There is no uniform international definition for MSMEs, large enterprises, and start-ups. Definitions for enterprise size vary from country to country and context to context, both in terms of indicators and benchmarks. In most instances, two indicators—revenue and number of employees—are used to define enterprises. However, in certain cases, for example, if the goal is comparing firms in the context of global trade and finance, companies may also be categorized according to exports or investments. Even within the most commonly accepted indicators—sales and employment—what is small in a large economy, like the United States or Germany, might be considered medium in a smaller economy, like Jamaica or Uganda. The term “start-up,” however, has enjoyed more consensus and, although no unique definition has been globally adopted, it is most used to refer to newly started (usually less than three years in existence), innovative, high-growth potential ventures.<sup>3</sup>

The choice of “number of employees” and “annual sales” as key references for company size is particularly fitting for developing countries with a strong rural base, like Rwanda, since indicators such as investments and exports often do not apply to micro and small rural businesses and, moreover, data on investments and exports are more difficult to collect. EDP uses the following definitions based on extensive conversations with stakeholders in Rwanda and research on definitions used by global institutions such as the World Bank and Organization for Economic Co-operation and Development (OECD),<sup>4</sup> private organizations such as the FSE Group,<sup>5</sup> national initiatives such as Enterprise Ireland,<sup>6</sup> as well as previous definitions used in Rwanda, for example, in its 2010 SME Development Policy.

1 Retrieved from <http://www.businessdictionary.com/definition/entrepreneurship.html>.

2 Retrieved from <https://www.merriam-webster.com/dictionary/entrepreneur>.

3 See for example: <https://www.startups.co/articles/what-is-a-startup-company>.

4 Retrieved from <https://stats.oecd.org/glossary/detail.asp?ID=3123>.

5 Retrieved from <http://www.thefsegroup.com/definition-of-an-sme>.

6 Retrieved from <https://www.enterprise-ireland.com/en/about-us/our-clients/sme-definition.html>.

**Table 2: Firm Size Definitions**

	Start-Up	Micro	Small	Medium	Large
Number of Employees	An early stage company (less than three years in existence) that is trying to solve problems with scalable, often innovative and technology-oriented business solutions.	1 to 2	3 to 20	21 to 100	>100
Annual Sales (Rwandan Franc [RWF])		<1 million	1 to 20 million	20 to 500 million	>500 million

## High-Growth Entrepreneurship

The definition of a start-up used by EDP goes hand in hand with the concept of high-growth entrepreneurship, which refers to endeavors with the potential for exponential growth, also known as “hockey-stick growth.”<sup>7</sup> In its distinction between start-ups and MSMEs, the EDP recognizes that not all entrepreneurs are equal and different groups have different challenges which require specific policy actions and support. For example, a small garment business in Huye has different needs from a fintech start-up operating out of the KIC. The former might need a small loan for equipment and value chain support to better connect with suppliers and clients; the latter might need an equity investment (“risk capital”) for software development and facilitation of a partnership with a Pan-African technology company. Both types of endeavors are important and the EDP is committed to supporting entrepreneurs across the entire spectrum.

Throughout the EDP, whenever challenges and policy actions involve start-ups, they are by definition related to high-growth entrepreneurship. A start-up, therefore, is not *any* company in its early stage of formation, as it is commonly misperceived, but rather an early stage company with the potential for hockey-stick growth.<sup>8</sup> MSMEs, in turn, are companies that meet the employment and annual sales requirements defined in Table 2 and are poised to remain roughly at the same size or enjoy steady (not exponential) growth overtime. Whenever the EDP discusses newly established businesses and challenges associated with starting a business, it refers to them as “new firms,” which can be both start-ups and MSMEs.

## 2.2 International Benchmarks

Leading countries in the developed and developing world have put in place targeted and effective entrepreneurship development policies that have been evaluated and have contributed to their successful economic transformation by creating robust ecosystems for entrepreneurship support. Three countries stand out for their path to entrepreneurship as models for consideration for Rwanda: Singapore, Israel, and Chile. Best practices from these and other countries have informed EDP actions.

### Singapore

A small country with few natural resources, Singapore took a deliberate approach to foster its economic growth trajectory. Through government support to entrepreneurship, Singapore has established itself as a world-class example and a destination for entrepreneurs from around the world. In a span of just five years, from 2010 to 2015, Singapore’s entrepreneurial ecosystem has flourished. Singapore’s success story in entrepreneurship began with strong government leadership that has passed business-friendly reforms, streamlined the process of business creation, facilitated access to overseas markets, improved the venture capital landscape, and modified the tax program to benefit start-ups. Singapore’s entrepreneurship hub — Block 71 — has even been dubbed “the world’s most tightly packed entrepreneurial ecosystem” by *The Economist*.

<sup>7</sup> Hockey-stick refers to the growth graphic representing a short fall (early losses, adjustments, investments) followed by aggressive rise over a short period of time (i.e., exponential growth). Retrieved from <https://searchcustomerexperience.techtarget.com/definition/hockey-stick-growth>.

<sup>8</sup> Several other definitions for high-growth entrepreneurs are also used within the global entrepreneurship community, including gazelles, small and growing businesses (SGBs), high-impact firms, and unicorns.

Singapore employed several policy instruments to boost entrepreneurship. The country has a skilled workforce and the ability to harness international talent through permissive visa arrangements. For example, Startup SG Talent offers EntrePass, a visa program that allows international entrepreneurs a two-year visa in Singapore. Singapore has a strong venture capital scene; venture capital investment in the technology sector grew from less than \$30 million in 2011 to more than \$1 billion in 2013, with one exit valued at \$200 million. Finally, the country makes it easy to start a business; it regularly scores among the top contenders in the World Bank Doing Business Index and ranked 27 of 177 countries on the Global Entrepreneurship Index. In 2018, International Enterprise Singapore and the Standards, Productivity and Innovation Board (SPRING) came together as a single agency to form Enterprise Singapore, offering market readiness assistance grants and funding to defray the cost of overseas expansion and for Singapore-based companies to participate in international trade fairs. This, coupled with existing programs and policies to benefit entrepreneurs, ensures a bright future for start-ups.

In this way, Rwanda will look to Singapore for examples of how the government can support entrepreneurship at a national level. Strong government leadership and a similar governance structure in Rwanda allow the GOR to incorporate Singaporean best practices in its EDP.

## Israel

Israel's history of immigration and rebuilding has fostered an innate entrepreneurial culture, where starting a business is a respected endeavor and entrepreneurs enjoy the support of both the private sector and the government. Until the 1980s, entrepreneurs were likely to rely on personal or family funding for working capital and growth. However, that began to change with Israel's entrepreneurial boom funded by the venture capital industry in the mid-1980s. The first venture capital funds were funded by private investors, including Israeli Diaspora and expatriates. These funds supported start-up companies to flourish, with an early focus on agriculture and agricultural technology (agri-tech), as well as a strong focus on knowledge and R&D. The developments in agri-tech helped Israel cultivate dry desert soil, increasing harvest yields.

Israel's government support to entrepreneurs ranges from tax benefits for small companies employing fewer than 10 people to government-backed bank loans and government-funded incubators. The history of Israel's start-up success is tied to Yozma, a government incubator developed in the 1990s, which offered tax incentives for international entrepreneurs establishing a business in Israel and doubling funds from the government. Today, Israel's Office of the Chief Scientist uses its annual budget of \$450 million to offer up to 85 percent of seed funding for close to 200 incubated companies per year, as well as support large-scale R&D projects by larger companies.<sup>9</sup> The country also boasts the largest share of early stage and seed venture capital funding in gross domestic product among OECD countries.<sup>10</sup>

A shared history of recovering and rebuilding after a tragic past, the importance of Diaspora contribution to the economy, and its role as a knowledge hub for the region sets Israel apart as an attractive model for Rwanda.

<sup>9</sup> Retrieved from <https://www.geektime.com/2015/04/19/in-israel-behind-every-successful-entrepreneur-stands-a-lot-of-government-support>.

<sup>10</sup> OECD. (2016). *SME and Entrepreneurship Policy in Israel*. Retrieved from <https://mof.gov.il/chiefecon/internationalconnections/oecd/oecd%20enterp.pdf>.

## Chile

With a rank of 19 on the Global Entrepreneurship Index, Chile is recognized for its government policies and programs stimulating entrepreneurial growth. Chile has liberal immigration policies for international entrepreneurs, a generous taxation program, and among the best business incubators in Latin America. The Chilean Economic Development Agency, *Corporación de Fomento de la Producción de Chile* (CORFO), is tasked with promoting economic growth in the country. It is the main driver of entrepreneurship policy, with more than 50 programs to support entrepreneurs, both domestic and international.

Major government-sponsored programs such as Start-Up Chile (SUP) have allowed the country to pull ahead in the growth of start-ups led by Chileans and by international entrepreneurs. SUP offers a \$40,000 equity-free grant, a one-year visa, and six months of mentoring. SUP makes a distinction between a government policy and a state policy. Since its creation in 2010, SUP has endured as a state policy rather than the work of any one administration. Although it is run by the government and funded by taxpayers, SUP functions more like a start-up program and less like a government agency. It measures its success by its ability to change public perception of entrepreneurship and promote a cultural change that allows its citizens, particularly youth, to attempt to start a business without penalizing failure.

Attitudes toward entrepreneurship in Rwanda are similar to those that Chile experienced before SUP. Many Rwandans view starting a business as a second option after formal employment. The country's best and brightest graduates seek jobs with major companies or in the public sector before considering entrepreneurship. Chile faced a similar situation before SUP. However, since its creation in 2010, Chile has drawn international entrepreneurs and investors by offering business development services (BDS) and venture capital through SUP and has become known as a model often replicated by governments around the world.

### 2.3 Development Process and Stakeholder Consultations

To identify the key constraints to entrepreneurship in Rwanda and develop EDP actions, extensive stakeholder interviews were conducted, including with central and local governments in all provinces and 20 districts as a representative sample, entrepreneurs from start-ups and MSMEs, representatives from the PSF, banks, local and international investors, business consultants, academia, incubators, accelerators, and donors. The EDP also draws extensively on the review of prior research and assessment of Rwanda's priorities under the NSTI, PSDYE, and other relevant GOR policies and strategies.

The development process is detailed in Figure 4.





**Figure 4: The EDP Development Process**

- 1 Discussion & Validation of Inception Report (October 2018)**  
Meetings with 33 stakeholders and experts in the field, including GOR, private sector, youth and women councils, other actors in finance sector
- 2 Data Collection in 20 Districts Across Rwanda (December 2018)**  
Interviews and focus group discussions in 20 Districts with 313 individuals from private, public and CSO sectors (District Representatives, PSF, Special Economic Zone, Kigali Innovation Center, National Youth Council, Women Chambers)
- 3 Discussion on Draft Policy by MINICOM Management (March 2019)**  
Management at MINICOM reviewed the Draft Policy and provided feedback
- 4 Provincial Validation Workshops (April to June 2019)**  
Workshops in every Province of Rwanda with 363 stakeholders, including 122 women, 47 youth and 21 representatives of the National Council of Persons with Disabilities
- 5 MINICOM Senior Management Meeting (July 2019)**  
Senior Management reviewed the draft policy and feedback from the validation workshops; provided comments on the draft document
- 6 Stakeholders' Validation Workshops (September 2019)**  
A workshop with 74 youth and women entrepreneurs and representatives from umbrella organizations; a workshop with Development Partners and a workshop with GOR Representatives
- 7 Sector Working Group Validation Workshop (September 2019)**  
Validation workshop and presentation of the Policy at the Sector Working Group on September 10, 2019
- 8 Economic Cluster Workshop (September 2019)**  
Minister of MINICOM presents the EDP to Ministries within the economic cluster for approval
- 9 Inter-Ministerial Coordination Committee (September 2019)**  
Minister of MINICOM presents the EDP for approval
- 10 Cabinet Approval (April 2020)**  
The policy was approved by the cabinet meeting of 17<sup>th</sup> April 2020.



## 3. VISION AND OBJECTIVES

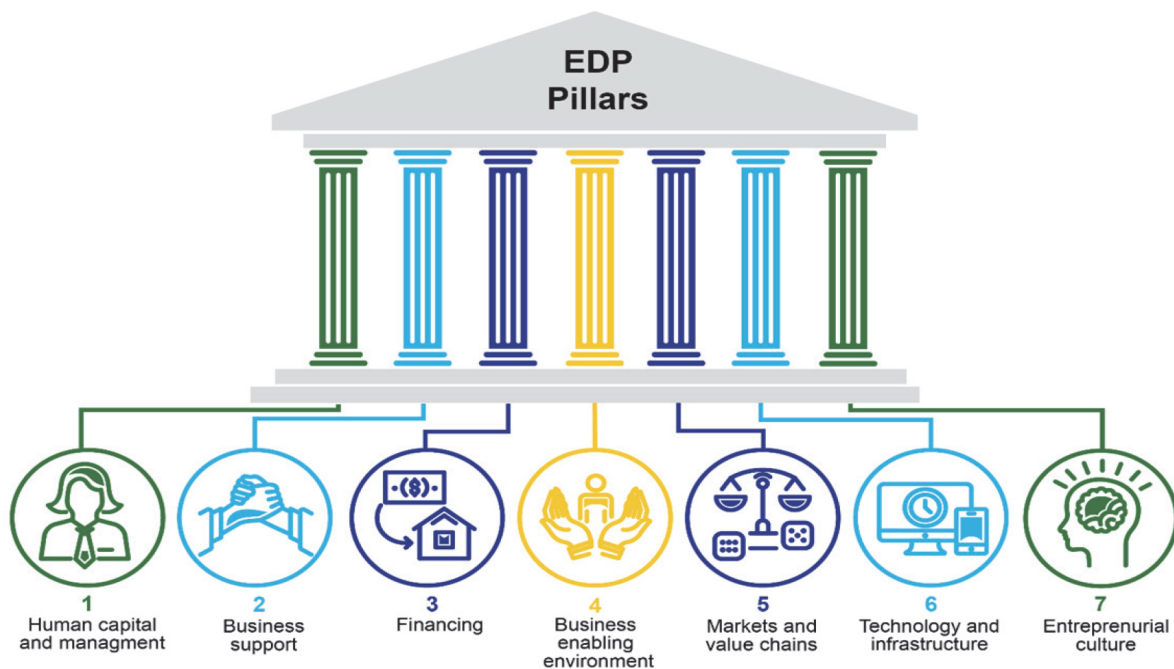
### 3.1 Vision

The EDP's vision is to develop an effective entrepreneurship support ecosystem that creates the necessary conditions and enablers for Rwandan entrepreneurs to unleash their entrepreneurial potential and grow dynamic and competitive enterprises that will drive economic growth and job creation.

### 3.2 Policy Framework

EDP uses a framework (see Figure 5) that focuses on the seven pillars of the entrepreneurship ecosystem: **human capital and management, business support, access to finance, business enabling environment, access to markets and value chains, technology and infrastructure, and entrepreneurial culture**. This framework has been informed by internationally recognized entrepreneurship frameworks<sup>11</sup> and has been adapted to key entrepreneurship priorities and challenges in Rwanda based on consultations with key stakeholders and review of GOR's existing policies and strategies.

**Figure 5: The Seven Pillars of the EDP**



- **Pillar 1: Human capital and management** refers to the factors that affect the quality of management at the firm level and of the workforce, including academic education, technical training, and people's general abilities and qualifications to enter the job market and start their own businesses.
- **Pillar 2: Business support** encompasses the array of private and public players dedicated to providing entrepreneurs with training, consulting, mentorship, networking, and BDS, as well as basic premises and infrastructure, such as business incubators and accelerators.

<sup>11</sup> Frameworks reviewed include those developed by the United Nations Conference on Trade and Development, OECD, World Economic Forum, Aspen Network of Development Entrepreneurs, as well as global indices, such as the Global Entrepreneurship Index (Global Entrepreneurship and Development Institute), Global Innovation Index (INSEAD), and Global Entrepreneurship Monitor (GEM) (Babson College).

- **Pillar 3: Financing** refers to the ability of entrepreneurs to access capital in its various forms (equity, debt, grants) from private, public, and peer-to-peer sources.
- **Pillar 4: Business enabling environment** encompasses the laws, regulations, procedures, taxes, and other micro- and macro-level aspects that influence business activity, productivity, and growth.
- **Pillar 5: Markets and value chains** includes the upstream and downstream connections businesses rely upon to source inputs and sell their products and services, allowing them to grow profitably and sustainably.
- **Pillar 6: Technology and infrastructure** are the backbone of a well-functioning economy and key enablers of sustainable entrepreneurial activity (e.g., access to basic utilities, innovations like 3D printers) and the broader capacity to innovate through R&D.
- **Pillar 7: Entrepreneurial Culture** refers to the societal rules, perceptions, traditions, and even taboos that directly or indirectly influence people's propensity and ability to become entrepreneurs and succeed in their endeavors.

### 3.3 Policy Objectives

The overarching objective of the EDP is to ensure that all seven pillars of the entrepreneurship ecosystem function properly, allowing Rwandan start-ups, MSMEs, and large enterprises to grow sustainably and profitably. EDP actions address constraints identified under each of the seven pillars to achieve the following objectives:

1. Improve access to skills and know-how for existing and potential entrepreneurs to effectively start and manage a business.
2. Improve business support system for entrepreneurs, including business consultants, mentors, incubators and accelerators.
3. Improve entrepreneurs' ability to access finance required for business growth from various sources, including equity, debt, and grants from public, private, and peer-to-peer sources.
4. Streamline tax programs that are supportive to entrepreneurship development.
5. Expand access to domestic and export market opportunities for entrepreneurs.
6. Improve entrepreneurs' access to technologies and innovations for business growth and productivity.
7. Promote the culture of entrepreneurship and equitable access to business opportunities for all entrepreneurs.

## 4. ANALYSIS: CONSTRAINTS TO ENTREPRENEURSHIP

Constraints to entrepreneurship have been identified primarily through extensive stakeholder interviews and consultations. The EDP identifies key gaps under each of the seven pillars of the entrepreneurship ecosystem and includes corrective measures to address them, based on international best practices and evidence referenced further in Chapter 5. Constraints summarized below are not exhaustive, but have emerged in a close-to-consensual fashion in stakeholder interviews, focus group discussions, and document reviews. They are considered priorities by stakeholders in terms of their direct impact on entrepreneurial activity and potential positive spill-over effects, such as inclusive economic growth and job creation; and are deemed solvable and actionable in the short, medium, or long term.

### 4.1 Pillar I: Human Capital and Management

No entrepreneurial ecosystem can flourish if entrepreneurs do not have the adequate support to build the skills and know-how required to start companies and run them effectively, as well as to operate the key functions of the companies. In Rwanda, the human capital hurdles in the educational system and applied management spheres include:

- **Formal Education**

- *Tertiary education deficit* — Graduates of tertiary education generally lack technical skills that respond to market needs. The quality of most tertiary education courses is often criticized for being “too theoretical” and less applicable to the job market. This explains, in part, why in Rwanda 25.7 percent of tertiary graduates remain unemployed.<sup>12</sup> In addition, only 6 percent of university students are enrolled in technical disciplines such as engineering and just 9 percent are studying sciences, which are considered low numbers by international standards.<sup>13</sup> Finally, teachers themselves frequently lack practical experience, which does not help to bridge the gap between academia and the job market.
- *Weak education-market link* — Linkages between tertiary institutions with industry for skills development and practical training are weak, deterring both sides from benefiting from each other.
- *Entrepreneurship curriculum deficit* — Formal entrepreneurship curriculum has been introduced in secondary schools, but content is too basic and targeted at more subsistence entrepreneurship, rather than higher-value endeavors. More sophisticated and practical entrepreneurial concepts, such as lean start-up, business canvas, and strengths, weaknesses, opportunities, and threats (SWOT) analyses, are not adequately covered in the curriculum in terms of depth of content and time to practice.
- *English language skills<sup>14</sup>* — English is the key language for accessing international knowledge, and the spread of the English language has been correlated with broader economic development.<sup>15</sup> Sometimes, limited English capacity prevents technology-oriented entrepreneurs from accessing free technical and business content in e-learning platforms, such as massive open online courses (MOOCs), online webinars, and YouTube e-learning channels, as well as engaging in relationships with international entrepreneurs and mentors.

<sup>12</sup> *Labor Force Survey*. Annual Report. (December 2018).

<sup>13</sup> *Statistical Yearbook*. (NISR, 2017).

<sup>14</sup> In October 2008, the Rwandan Cabinet passed a resolution calling for the immediate implementation of English as the language of instruction in all public schools.

<sup>15</sup> Retrieved from <https://hbr.org/2013/11/countries-with-better-english-have-better-economies>.

- **Management**

- *Poor business-family governance*—Separation between business and family matters in firms is usually weak, resulting in poor governance, with mixed bank accounts and transactions, joint liabilities, and conflicting management practices.
- *Management skills deficit*—General management skills across the start-up and MSME spectrum are usually poor, with entrepreneurs lacking the basic knowledge of business disciplines such as accounting, marketing, strategy, and finance.
- *Limited tax education*—Entrepreneurs are not educated about the tax system and often do not pay taxes correctly, incurring additional costs and penalty fees.
- *Poor bookkeeping*—Most micro and small businesses do not maintain bookkeeping, which limits their capacity to plan efficiently and raise financing.

- **Service Delivery**

- *Low level of service delivery*—General customer care and client relations are still low across all sectors of the economy. A study published in 2017 on customer-oriented service culture in Rwanda found that there was a deficiency across customer orientation practices such as management of staff, designing service processes for quality service delivery, and customer-oriented culture.<sup>16</sup> The study notes that for sectors such as tourism to flourish, customer service needs to improve in consistency and quality in comparison to neighboring countries like Kenya.<sup>17</sup>

## 4.2 Pillar 2: Business Support

The management deficit identified in Pillar 1 can be addressed in part by an active and efficient business support system, composed of business consultants, mentors and coaches, business incubators and accelerators, cooperatives and industry associations, and virtual platforms. While business support has been gradually improving in Rwanda, key challenges remain, including:

- **Consultant deficit**—There is an insufficient number of high-quality consultants with sector and business stage expertise and solid business management skills in both the public and private sectors. The BDF business advisors throughout the country need to be supported in improving their advisory programs. Start-ups, MSMEs, cooperatives, and individuals (youth and women) need assistance in financial management and business plan development to ensure sustainability and business growth in the long run.
- **Low demand for advisory services**—Demand for advisory services from businesses of all sizes is also low due to little perceived value of consulting.
- **Mentor deficit**—No mentorship culture or formal mentorship networks exist in Rwanda; experienced entrepreneurs and business people do not make themselves available to coach and mentor start-ups and MSMEs.
- **Incubator/accelerator deficit**—There are not enough business incubators and accelerators available to provide overall infrastructure and business support based on international best practices and benchmarks. Simultaneously, there is limited demand for these services due to the low number of entrepreneurs and start-ups.

<sup>16</sup> Retrieved from [https://www.ajhtl.com/uploads/7/1/1/6/3/7163688/article\\_36\\_vol\\_6\\_\\_4\\_\\_2017.pdf](https://www.ajhtl.com/uploads/7/1/1/6/3/7163688/article_36_vol_6__4__2017.pdf).

<sup>17</sup> Retrieved from <https://opendocs.ids.ac.uk/opendocs/handle/123456789/7155>.

### 4.3 Pillar 3: Financing

Difficulty in accessing capital is a recurring complaint among entrepreneurs. It must be noted, however, that Rwandan financial institutions do benefit from relatively strong liquidity and sound management. For example, in 2017, according to the National Bank of Rwanda (BNR), capital in the sector was comfortably above regulatory requirements and liabilities denominated in foreign currency were low. In addition, the GOR has developed several programs to help MSMEs access financing. The main hurdles that businesses of all sizes face in raising capital stem from market inefficiencies that, once fixed, should unleash financing, including:

- **Debt**

- **High collateral requirements**—Banks have high collateral requirements and are therefore often inaccessible for start-ups and MSMEs. The collateral requirement in Rwanda is 120 percent of the loan amount, as governed by the BNR.
- **Underutilized collateral guarantee program**—BDF works with banks, microfinance institutions, and savings and credit cooperative organizations (SACCOs) to cover between 50 and 75 percent of the required collateral. While the program still works well for medium-sized companies, the BDF guarantee is hard to access for micro and small businesses and start-ups, because many MSMEs do not meet the lender's collateral requirements and thus do not qualify for BDF services. It also remains underutilized by banks.<sup>18</sup>
- **Limited alternatives for collateral**—Trade/inventory, finance/factoring, and leasing are options for MSMEs and large enterprises, allowing the use of an invoice, contract, or leased asset in lieu of collateral. Currently, the use of these mechanisms in Rwanda is limited. There is a need for greater recognition of these approaches and regulatory clarity in their use.
- **Limited loan products for early stage businesses**—Banks are reluctant to lend to start-ups and early stage MSMEs due to lack of history and revenues. There are limited loan products that take into consideration business plans, cash projections, and entrepreneurs' track records, as opposed to only assets and collateral.
- **Short tenors and grace periods**—Debt financing is usually limited to five-year tenors with short or non-existent grace periods, which is insufficient for many enterprises to recoup.
- **High interest rates**—Interest rates charged by lenders are too high, due to the high cost of capital coupled with limited competition in the banking sector, making borrowing prohibitive for low-growth businesses.

- **Equity**

- **Limited understanding of equity investment**—MSMEs that are not familiar with equity investment tend to have higher barriers to trust of external parties for fear of losing control of their businesses. This results in MSMEs not considering equity investment as an option for funding their businesses.
- **Seed capital deficit**—There are limited financial resources available from family and friends and limited other early stage equity funding options for start-ups, such as seed funds and angel investors. There is a misalignment of expectations between angel investors and MSMEs with respect to control, risk, and realization of investment returns. For example, angel investors ask for significant control in return for limited financing, making the deal unviable and diminishing the chances of long-term success.

<sup>18</sup> U.S. Agency for International Development (USAID) Nguriza Nshore. (2018). *Rwanda Banking and Investment Analysis*.



- **Private equity and venture capital deficit**—There is limited private equity and venture capital funding available for growth-stage companies. This is due, in part, to limited exit options, which in most cases are restricted to founder’s buy-back and acquisitions. The very few private equity and venture capital deals taking place, usually come from international funds that are investing in foreign-owned companies operating in Rwanda.
- **Grants and Other Financing**
  - *Isolated grant programs*—Grant and prize programs are available through select incubators and accelerators, donors, and events/competitions. However, they are not tied to follow-up financing and business growth targets. These one-off grants have limited success rates.
  - *Uncertainty of timing amounts and procedures of grants*—Grant programs have extensive application processes and complex eligibility criteria, and are therefore inaccessible for many MSMEs.
  - **Crowdfunding deficit**—Despite the presence of platforms such as Kiva, GlobalGiving, Watsi, and BetterPlace, crowdfunding activity is still low and there is a lack of peer-to-peer, crowdsourced financing deals. For example, Rwanda is ranked only 132 among countries in usage for Kiva and Equity crowdfunding is almost non-existent. Increased awareness of these mechanisms among entrepreneurs and funders alike is needed.

#### 4.4 Pillar 4: Business Enabling Environment

The GOR has made significant progress in implementing business enabling environment reforms. Rwanda is ranked 29 among 190 economies in the ease of doing business, up from 41 in 2017, in the World Bank’s Doing Business rankings. However, several constraints still hinder entrepreneurial development, including:

- **Burdensome taxation**—The corporate income taxation program does not differentiate between larger, established companies and new firms (start-ups and MSMEs), remaining too burdensome for new firms. For example, new firms are subject to the same 30 percent corporate income tax as established companies and do not benefit from tax grace periods or progressive taxation to ease the burden on new businesses and accommodate the business challenges at early stages of growth.
- **High base interest rates**—Base interest rates remain high (around 16–18 percent), keeping the market rates up. This makes borrowing prohibitive for many companies and the cost of capital too high in equity transactions.
- **High operating costs**—Operating costs, especially rent, utilities, and international road transport, are disproportionately high in Rwanda.
- **High rate of business informality**—According to the EICV5, the share of informal businesses in Rwanda (i.e., businesses operating without formal registration) can be as high as 93 percent. This keeps many MSMEs out of government programs and the tax base, in addition to creating legal liability for business owners. Informality remains a problem, in part, due to the high costs of incorporation and formalization.

#### 4.5 Pillar 5: Markets and Value Chains

Start-ups, MSMEs, and large enterprises cannot prosper in silos. They need to be connected to domestic, regional, and global value chains in a way that they can source inputs and sell their products



and services efficiently, maximizing profits, growth, and job creation. Given the size of Rwanda's economy and geographic disadvantages as a landlocked country, Rwandan businesses face important challenges, including:

- **Limited domestic market**—Rwanda's domestic market is small and has low purchasing power. Businesses need to take advantage of existing regional and international trade agreements to better connect to export markets for growth. At the same time, domestic demand, especially for food products, is bound to increase with continuous economic growth, urbanization, and trends like the “Supermarket Revolution”<sup>19</sup> already experienced in other African countries. Businesses need to improve integration into local, regional, and international value chains.
- **Low value-addition in domestic and export markets**—MSMEs are only able to export buy-for-sell commodities and low-value-added products, limiting their potential in terms of value creation, higher margins, and job creation. Furthermore, MSMEs and cooperatives are not adequately integrated into value chains, especially in food processing. There is a lack of large-scale domestic buyers for manufacturing (value addition) and exporting in bulk (wholesale).
- **Limited compliance with standards**—The capacity for Rwandan businesses to export, and often to sell domestically, is limited by frequent lack of compliance with standards (hygiene, quality, environmental). There is promising growth in the number of product certifications issued in recent years, but there is still room to promote adoption of standards and support firms of all sizes to adhere to relevant standards.
- **Constraints to cross-border trade**—Cross-border trade affects the livelihoods, food security, and employment of small-scale traders, especially women. The GOR has improved the operating environment for cross-border traders and has constructed four markets at the borders (in Burera, Rubavu, Karongi, and Rusizi), with several more planned at Kagitumba, Gatuna, and Rusumo borders. However, cross-border traders continue to face challenges such as limited access to credit, lack of information on regional trading protocols and services, robbery, gender-based violence, and confiscation of goods.
- **High price fluctuations**—Prices of products and inputs fluctuate significantly, mainly due to seasonal cropping and lack of appropriate storage, warehousing systems, and a more sophisticated wholesale market.
- **Limited MSME access to GOR procurements**—Government procurement opportunities tend to benefit well-established firms and there is no mechanism to help newer, smaller firms take advantage of government procurement opportunities.
- **Market information deficit**—There is no appropriate institution or one-stop shop to provide entrepreneurs with necessary market information, including available financing options, standards, tax information, commodity prices, business-to-business (B2B) sales, and partnership opportunities (industry events, grants, and prizes, etc.).

#### 4.6 Pillar 6: Technology and Infrastructure

Rwanda has a good overall infrastructure—from roads to telecom services—and a budding appetite for investing in knowledge and technology, as reflected in the presence of high-level academic institutions such as Carnegie Mellon University, ALU, and AIMS, and the efforts to develop the KIC.

<sup>19</sup> Retrieved from <https://www.rockefellerfoundation.org/blog/africas-farmers-ready-supermarkets-revolution>.

The principal remaining challenges are:

- **Infrastructure**
  - **Expensive utility services**—The high cost of basic services, such as electricity, water, and sanitation, affects overall business operating costs. Electricity is particularly expensive, because Rwanda has limited low-cost energy resources and the market is not large enough to benefit from economies of scale.
  - **Low energy distribution**—According to the Integrated Business Enterprise Survey, 31.5 percent of firms stated that reliable electricity is a major challenge in the country.
  - **High transportation and logistics costs**—Transportation and general logistics are expensive and there is a lack of alternatives to road transportation. Rwanda’s landlocked condition also limits transportation and logistical options.
- **Technology**
  - **Restricted intellectual property (IP) laws**—Limited IP protection laws, which are mostly focused on trademarks, hinder firm-level R&D and innovation. Existing IP laws need to be reviewed for compliance with international standards and coordinated with U.S. and European treaties.
  - **Low-tech agriculture** — Agriculture is by far the most important sector for the Rwandan economy, contributing 66–70 percent of total employment. However, despite remarkable improvements in the past couple of decades, the sector still operates at low productivity levels. Agri-tech is rudimentary, for example, in irrigation and fertilization practices, limiting the country’s potential for agricultural production and export.<sup>20</sup>

#### 4.7 Pillar 7: Entrepreneurial Culture

One of the most important hurdles Rwanda faces when it comes to promoting entrepreneurship is a limited entrepreneurial culture, which includes the following challenges:

- **Entrepreneurship not well perceived**—Most entrepreneurs start ventures out of necessity, rather than based on scalable ideas, sound business plans, or passion for becoming an entrepreneur. Entrepreneurship, therefore, is still seen as an alternative to unemployment, not a career choice. It lacks the “glamour” it enjoys in most western societies, and therefore receives limited family support.
- **Limited risk-taking attitude**—Youth, particularly university graduates, lack entrepreneurial mindset and are extremely risk averse. Families encourage well-trained graduates to pursue government or large company jobs due to their reliability and stability.
- **Low acceptance of failure**—failure is not perceived as a natural part of entrepreneurship, bringing stigma and low self-esteem to those who have tried and failed, and keeping others from trying.
- **Barriers for women, youth, and people living with disabilities to become successful entrepreneurs**—In addition to the barriers detailed above, these groups face barriers, including access to finance, which result in lower business survival rates for these disadvantaged entrepreneurs.

<sup>20</sup> Retrieved from <http://www.fao.org/rwanda/fao-in-rwanda/rwanda-at-a-glance/en>.



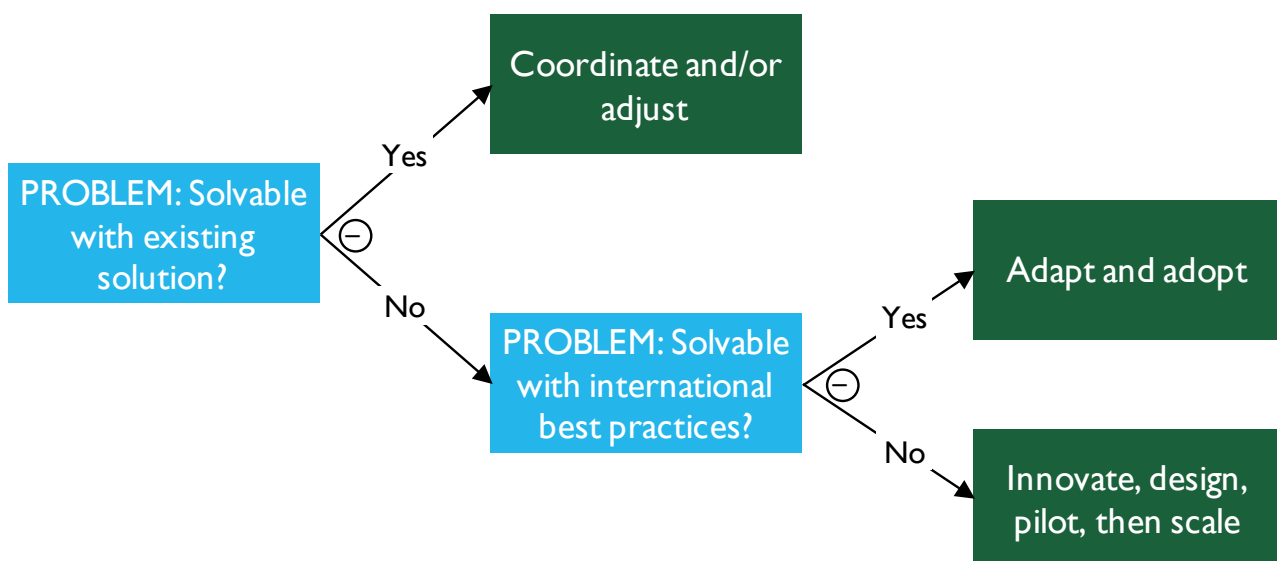
## 5. POLICY ACTIONS

### 5.1 Policy Design Process

MINICOM, together with other relevant GOR agencies, will implement a set of policy actions under each EDP pillar. Policy actions were developed following a decision tree process shown in Figure 6.

- **First, capitalize on existing initiatives in place in Rwanda**—For solutions that are already being implemented, either by MINICOM or other GOR ministries or agencies, MINICOM will play a coordinating role, ensuring complementarity and alignment among existing programs, and will suggest refinements and adaptations to the existing initiatives when needed.
- **Second, model policy action on international best practices**—When no ongoing initiative is in place, policy actions draw on relevant international best practices and evidence adapted to the Rwandan context, referenced throughout the EDP document.
- **Finally, pilot innovative solutions**—When best-fit solutions cannot be found domestically or internationally, MINICOM will pilot innovative new initiatives tailored to the Rwandan context that have the potential to make a strong impact. Given their innovative nature, pilots will be tested in a “lean-start-up-like” format<sup>21</sup>—tested at a small scale, refined based on lessons learned, and launched at scale when and if ready.

**Figure 6: Policy Design Decision Tree**



### 5.2 Key Crosscutting Instruments

MINICOM will use two tools to effectively implement EDP actions: an **Entrepreneurship Portal** and a **Communication Campaign**:

- **Entrepreneurship Portal**, managed and hosted by MINICOM, will provide a wide range of market information services to entrepreneurs, from commodity prices and bank SME product comparisons to lists of business consultants and angel investors, procurement opportunities, jobs postings, and resources on tax information and exports. In Brazil, for example, entrepreneurs benefit from two such portals, one run by SEBRAE, a private SME support agency, and another run by the Ministry of Industry and Commerce in partnership with SEBRAE and

<sup>21</sup> Retrieved from <http://theleanstartup.com/principles>; <http://www.govtech.com/pcio/Governments-Take-a-Lean-Startup-Approach.html>; and <https://digital.gov/2014/07/11/lean-startup-changing-government-services-and-agencies-to-better-serve-the-citizens/#>.

the President's Office.<sup>22</sup> Another international benchmark is ConnectAmericas—a combined market information system and business development platform that supports SMEs in Latin America.<sup>23</sup> For Rwanda, EDP proposes one portal that would serve as a one-stop shop for entrepreneurs from multiple sectors and stages across the country. The Portal will build on an assessment of all current and previous portals, to make sure that lessons learned are incorporated and EDP's Portal becomes the standard moving forward.

- **Communication Campaign**, managed by MINICOM and other relevant GOR agencies, will promote entrepreneurship and increase MSME awareness of EDP and the Entrepreneurship Portal. It will communicate across all media to inform entrepreneurs and stakeholders in all industries, from Kigali to all provinces and even abroad, about the GOR's support to entrepreneurship, as well as the new resources available to entrepreneurs.
- **EDP benchmarking visits**, for MINICOM and other relevant GOR agency staff to learn from the countries highlighted in the EDP as benchmarking case studies—Singapore, Israel, and Chile. These visits will allow the GOR to learn best practices from these countries that have all implemented and evaluated effective entrepreneurship development policies of their own.

### 5.3 Feasibility and Impact of Policy Actions

EDP actions are categorized according to their expected impact on the state of entrepreneurship and feasibility of implementation, as shown in Figure 7.

- **Higher Impact/Lower Feasibility (HI/LF)** actions have a potentially high impact on entrepreneurship, but their implementation is relatively harder to execute and will take time.
- **Higher Impact/Higher Feasibility (HI/HF)** activities are top-priority activities that are not only high impact but also highly feasible.
- **Lower Impact/Higher Feasibility (LI/HF)** actions have a relatively lower impact on entrepreneurship, but can be implemented more quickly and can create positive demonstration effects for the business community.

<sup>22</sup> Retrieved from <http://www.sebrae.com.br/sites/PortalSebrae> and <http://www.portaldoempreendedor.gov.br>.

<sup>23</sup> Retrieved from <https://connectamericas.com>.

**Figure 7: Feasibility and Impact of Policy Actions**

<b>HIGH</b>  <b>Impact</b>	<p><b>Higher Impact/Lower Feasibility</b></p> <ul style="list-style-type: none"> <li>• 1.2 Strengthen applied skills to entrepreneurship curricula</li> <li>• 1.3 Improve reach/quality of English language instruction</li> <li>• 1.6 Strengthen service delivery across all sectors</li> <li>• 2.1 Improve access to business consulting services</li> <li>• 2.4 Pilot new models of provincial business incubators</li> <li>• 3.2 Review and improve effectiveness of BDF</li> <li>• 3.3 Help develop industry-specific financial products</li> <li>• 3.9 Support existing initiative to list MSMEs on Rwanda Stock Exchange</li> <li>• 5.2 Improve warehousing systems</li> <li>• 6.1 Promote reliable power solutions</li> <li>• 6.2 Increase coordination between entrepreneurship clusters and government infrastructure planning</li> </ul>	<p><b>Higher Impact/Higher Feasibility</b></p> <ul style="list-style-type: none"> <li>• 1.1 Improve marketability of tertiary academic programs</li> <li>• 1.4 Improve availability of technical skills training</li> <li>• 1.5 Improve business governance</li> <li>• 2.2 Improve availability of high quality business consultants</li> <li>• 2.3 Support development of mentorship networks</li> <li>• 2.5 Support development of KIC</li> <li>• 3.1 Increase entrepreneur awareness of information on financial products</li> <li>• 3.4 Promote exchange of best practices in financing</li> <li>• 3.6 Pilot a start-up matching fund</li> <li>• 4.1 Review and modify tax requirements for new firms</li> <li>• 4.2 Increase awareness of the benefits of formalization</li> <li>• 7.1 Promote exchanges to encourage entrepreneurial culture</li> <li>• 7.2 Ensure equal opportunities for all entrepreneurs</li> <li>• 7.3 Increase equitable awareness</li> </ul>
	<p><b>Lower Impact/Lower Feasibility</b></p>	<p><b>Lower Impact/Higher Feasibility</b></p> <ul style="list-style-type: none"> <li>• 1.2 Introduce applied skills to entrepreneurship curricula</li> <li>• 1.4 Improve technical skills training</li> <li>• 2.6 Strengthen linkages with international business support institutions</li> <li>• 3.5 Build private capital investor culture</li> <li>• 3.7 Create a fellowship or stipend fund for entrepreneurs</li> <li>• 3.8 Promote crowdfunding</li> <li>• 4.3 Increase awareness of tax requirements</li> <li>• 5.1 Review Rwanda’s Cross-Border Trade Strategy</li> <li>• 5.3 Make government procurement accessible for newer, smaller firms</li> <li>• 5.4 Improve access to market information</li> <li>• 5.5 Facilitate adoption of standards</li> <li>• 5.6 Review and update SME Cluster Strategy</li> <li>• 6.3 Promote private sector-driven supply of improved agricultural technologies</li> <li>• 6.4 Improve digital literacy</li> </ul>
<b>LOW</b>	<b>LOW</b>	<b>HIGH</b>
	<b>Feasibility</b>	

MINICOM, together with other relevant GOR agencies, will implement the following policy actions under each EDP pillar. **Each policy action directly addresses one or several identified constraints as indicated below.**

### 5.4 Pillar I: Human Capital and Management

**Objective:** Improve access to skills and know-how for existing and potential entrepreneurs and staff that are necessary to effectively start and run a business.

**Constraints addressed:** A tertiary education deficit, weak academia-market link, gaps in entrepreneurship curriculum, English language deficit, poor business-family governance of firms, lack of management skills, and poor bookkeeping.



## Policy actions:

- 1.1. Improve marketability of tertiary academic programs.** To support the implementation of the National Industrial Policy's action to design courses focused on management and technical needs of firms in targeted sectors, in coordination with MINEDUC and affiliated agencies, create a plan for tertiary institutions to better integrate industry linkages in their curricula. For example, include industry leaders in academic boards; invite industry professionals to teach and provide guest lectures and seminars; invite businesses to submit industry problems for solution by science and business students; integrate paid internship programs in curricula requirements for graduation in business and engineering degrees; support active alumni associations; and integrate e-learning, including MOOCs, from leading global universities into formal curriculum, as well as introduce workplace learning, a model that includes practical training. These recommendations draw on best practices from across most-developed markets, such as **the United States and Europe**, and can be seamlessly replicated in Rwanda.<sup>1</sup> For example, **Carnegie Mellon University**, which is established in Rwanda, already adopts the practices above in the United States. (HI/HF)
- 1.2. Strengthen applied skills in secondary school entrepreneurship curriculum.** In collaboration with MINEDUC and affiliated agencies, review current entrepreneurship curriculum in secondary schools and create a plan to strengthen applied topics, such as business plan writing, basic financial modeling, SWOT analysis, and practical “how-to” courses, such as how to register a business, create a prototype, make the first sale, etc. Published evidence from **Junior Achievement Sweden**, an organization that has taught entrepreneurship to more than 420,000 high school students since 1980, shows that Junior Achievement Sweden graduates are more likely to start a company than people who did not participate in the program and that companies started by program graduates have higher revenue, job creation, and company longevity than companies started by people without Junior Achievement Sweden experience.<sup>2</sup> (HI/LF)
- 1.3. Improve the reach and quality of English language instruction.** Create a plan, potentially with development partners, to improve the reach and quality of English teaching across the country both in school and out of school. Concomitantly, work with or promote entrance of companies that deliver English lessons via mobile phones and computers in developing markets. The cases of countries like **India, Sri Lanka, and Bangladesh** have shown that spread of the English language is correlated with more economic opportunities and broader economic development.<sup>3</sup>(HI/LF)
- 1.4. Improve availability of technical skills training outside of formal education.** Technical skills are not just learned in the formal educational system. Private sector providers can also play a big role in delivering technical training to out-of-school populations, potentially helping to provide training opportunities to disadvantaged groups, including women, youth, and people with disabilities. In **Latin America, Laboratoria** uses data-driven models to identify young women with high potential, but who are unable to access good education.<sup>4</sup> It then takes these women through an intensive six-month technology boot camp, where they learn to code, and connects them with companies for immediate hiring. Results are impressive, with 75 percent of women finding permanent jobs and tripling their income upon graduation. To further the implementation of the National Industrial Policy's action to

<sup>1</sup> Blog post by Professor Michel Bezy, Associate Director of Carnegie Mellon University – Africa: <http://brel54.blogspot.com/2016/05/raising-bar-in-africas-higher-education.html>.

<sup>2</sup> Retrieved from [https://www.researchgate.net/publication/270764182\\_The\\_impact\\_of\\_entrepreneurship\\_education\\_in\\_high\\_school\\_on\\_long-term\\_entrepreneurial\\_performance](https://www.researchgate.net/publication/270764182_The_impact_of_entrepreneurship_education_in_high_school_on_long-term_entrepreneurial_performance) and <https://ungforetagsamhet.se/om-oss/om-ung-foretagsamhet/about-ja-sweden>.

<sup>3</sup> Retrieved from <https://www.teachingenglish.org.uk/sites/teacheng/files/Z413%20EDB%20Section12.pdf> and <https://hbr.org/2013/11/countries-with-better-english-have-better-economies>.

<sup>4</sup> Retrieved from <https://www.laboratoria.la/en>.

improve technical skills of firms and in line with the implementation priorities of the Made in Rwanda policy to attract private investors in establishment of professional training centers in key value chains, the GOR will support the development of private technical skills training initiatives in partnership with private companies and donors and/or support the entrance or domestic creation of institutions like Laboratoria in Rwanda. (HI/HF)

- 1.5. Improve business governance.** Develop short guides and courses on basic business governance and disseminate the information via the Entrepreneurship Portal, PSF and its chambers, business schools, and other relevant agencies. Providing concise, relevant information to start-ups, MSMEs, and large enterprises in the form of electronic or paper brochures has proven effective. For example, the **Inter-American Investment Corporation**, part of the Inter-American Development Bank, launched the **FINPYME App**, which included several such guides on basic accounting, marketing, and governance, and helped thousands of entrepreneurs improve their business knowledge and practices.<sup>5</sup> In coordination with business development advisors (BDAs), develop materials targeted toward the needs of rural uneducated and semi-educated entrepreneurs. (HI/HF)
- 1.6. Strengthen service delivery across all sectors.** In coordination with MINEDUC, PSF and its chambers, business schools, and other relevant agencies, develop awareness-raising and training programs to instill the culture of customer service orientation among both youth preparing to enter the workforce and existing businesses. Increase the profile and prestige associated with a tourism sector profession and the importance of customer service excellence among youth. In coordination with policy action 2.1., conduct training on customer service, client satisfaction, and market research for tourism and other service-oriented businesses to increase the awareness of existing businesses on the importance of satisfying and retaining customers for business long-term growth and success. Disseminate information via the Entrepreneurship Portal, and together with PSF create a business forum to recognize and promote customer service professionalism, support business competitions for best customer service, and host learning and exchange events to increase the profile of customer service across all sectors. Learn from experience of countries in the region, such as Kenya.<sup>6</sup> (HI/LF)

## 5.5 Pillar 2: Business Support

**Objective:** Improve the business support system for entrepreneurs, including business consultants, mentors, incubators, and accelerators.

**Constraints addressed:** A limited number of qualified consultants, mentors, and incubators/accelerators and low perceived value of consulting services.

### Policy actions:

- 1.1. Improve access to tailored business consulting services.** To improve access to business services for entrepreneurs in different sectors and stages of development, particularly those in rural areas, and in line with the PSDYE, review the roles and responsibilities of BDAs and develop recommendations to improve the outreach and effectiveness of BDA services for all types of rural entrepreneurs, including those who are semi-educated. For established formal businesses, create a program like **Brazil's PEIEX**,<sup>7</sup> a program by the Brazilian Export Promotion Agency that focuses on enhancing the competitiveness of Brazilian SMEs by providing coaching and consulting on management and production best practices. Firms receive a standard competitive strength assessment covering different areas

<sup>6</sup> Retrieved from <https://icxkenya.co.ke/about-us>.

<sup>7</sup> Retrieved from <http://www.apexbrasil.com.br/qualifique-sua-empresa-peiox>.

of the enterprise capacity (strategic organization, human capital, finance and costs, sales and marketing, international trade, product design, production, and innovation), followed by a plan focused on improving competitiveness. The program offers consulting services in partnership with universities and institutes of technology in fields such as marketing, human resource management, finance, product design, and trade.<sup>8</sup> PEIEX has been particularly effective in promoting the reorganization of small and medium-sized firms, which was positively correlated with export performance. The GOR will support development of a Rwandan model with development partners that focuses on business training, business consultants, and academia. (HI/LF)

- 1.2. **Improve availability of high-quality business consultants.** Develop training-of-trainers courses for business consultants in top business schools and in partnership with consultancies, where the certificates of completion become a market standard for quality. The GOR will consider offering tax write-offs for consulting firms that provide services pro bono to start-ups and MSMEs. Businesses will only hire consultants if they see value in it and value, in turn, comes from high quality and alignment of services. In India, for example, the **Institute of Management Consultants of India** issues the Certified Management Consultant (CMC) designation to members who have passed a qualifying assessment process and have met the profession's standards of competence and ethics in accordance with the International Council of Management Consulting Institute international standards.<sup>9</sup>(HI/HF)
- 1.3. **Support development of mentorship networks.** Build mentor networks, primarily in partnership with existing incubators and accelerators, academia, and start-ups, MSMEs, and large enterprises. For example, the GOR will make a “patriotic” call for industry expert engagement with new entrepreneurs, explaining the importance of mentorship for the growth of Rwanda; introduce incentives for mentors, such as opportunities to expense time and a chance to attend special events for networking; and consider establishing a fund to pay for part of the services on behalf of MSMEs. Mentor networks are the norm across successful incubator and accelerator programs and budding entrepreneurial ecosystems, from developed markets like the **United States and Europe**, to countries like **Singapore**.<sup>10</sup> (HI/HF)
- 1.4. **Pilot new models of provincial business incubators.** To increase business support to rural entrepreneurs, launch business incubators in provinces (focused on agri-tech and sector-agnostic) in partnership with and cost shared between a large private sector company, the central and local government, and a university. Learn from experiences of previous and existing incubators. Pilot models and after two years, analyze performance metrics and expand to other provinces if successful. The GOR will build on best-practice models for incubation, leveraging resources from organizations, whose goals are to help business incubators and accelerators improve their programs based on international best practices.<sup>11</sup> (HI/LF)
- 1.5. **Support development of the KIC.** Coordinate with the Ministry of ICT and Innovation (MINICT) and RDB and support the KIC's incubation and acceleration initiatives for high-tech entrepreneurship. The GOR and development partners will support the KIC to integrate best practices from global benchmarks like **SUP** and world-class accelerators.<sup>12</sup> (HI/HF)
- 1.6. **Strengthen linkages with international business support institutions.** Through events and incentives, promote the entrance to Rwanda of global and regional institutions that provide technical assistance to start-ups, MSMEs, and large enterprises, for example, **Endeavor, Ashoka, RippleWorks, Connect To Grow, and infoDev**. (LI/HF)

<sup>8</sup> World Bank. (2019). *Future Drivers of Growth in Rwanda*.

<sup>9</sup> Retrieved from <http://www.imcindia.co.in>.

<sup>10</sup> Retrieved from <https://tenghana.com/https://iie.smu.edu.sg/mentors>.

<sup>11</sup> Retrieved from <https://ubi-global.com>.

<sup>12</sup> Retrieved from <http://www.startupchile.org/about-us/> and <https://www.ycombinator.com>.



## 5.6 Pillar 3: Financing

**Objective:** Improve entrepreneur ability to access finance for business growth from various sources, including equity, debt, and grants from public, private, and peer-to-peer sources.

**Constraints addressed:** High collateral requirements, limited investment products for early-stage businesses, short lending tenors and grace periods, seed capital deficit, venture capital and private equity deficit, isolated grant programs, and limited use of crowdfunding.

### Policy actions:

- 1.1. **Increase entrepreneur awareness of information on financial products.** Adapt existing portals into an entrepreneurship-oriented aggregator of loan market information, educating entrepreneurs about loan products and rates available in different institutions and different regions, to decrease information asymmetries and predatory lending. In collaboration with the SME Cluster platforms, develop information products to increase access to financial information and financial literacy of rural MSMEs. Ensure that an Entrepreneurship Portal is accessible for multiple levels of education and ability. Draw on lessons learned from market information systems, used widely in Africa in agriculture, in countries like **Zambia, Nigeria, Cameroon, and Uganda**,<sup>13</sup> as well as platforms like **ConnectAmericas**, which provides market making information to SMEs in **Latin America**, and **Brazil's SEBRAE Portal**.<sup>14</sup> Platforms such as **FinFind in South Africa** have been successful at matching businesses with sources of finance and business services.<sup>15</sup> (HI/HF)
- 1.2. **Review and improve effectiveness of the BDF.** Conduct an organizational assessment of the BDF and recommend necessary organizational improvements to increase its effectiveness and improve utilization of the BDF guarantee program to unlock capital for start-ups and MSMEs. Learn from international best practices of such programs as USAID's Office of Development Credit.<sup>16</sup> (HI/LF)
- 1.3. **Help financial institutions develop industry-specific financial products.** Tailoring products to specific industries will allow financial institutions to more deeply understand the lending risks associated with different industries and products and explore options to meet MSME investment needs. Together with the BNR, carry out a study to assess existing financial products in the market and provide recommendations. (HI/LF)
- 1.4. **Promote learning and exchange of best practices in financing.** Work with the Rwanda Bankers Association (RBA), investment-related groups, and financial regulators to promote events where start-up and MSME-specialized international financial institutions come to Rwanda to share their experience providing and regulating debt and quasi-equity products to MSMEs and start-ups. Create clear targets for during and after events, such as creation of lessons learned reports, ongoing dialogue and exchange platforms, piloting of certain products, and partnerships. Focus on the issues of collateral requirements, high interest rates, tenors and grace periods, transaction speed/processes, and regulations governing anti-money laundering and other financial good governance requirements. (HI/HF)
- 1.5. **Build private capital investor culture.** To boost high-growth entrepreneurship and increase access to finance for start-ups, MSMEs, and large enterprises, create a conducive regulatory framework for private capital investors, while at the same time promoting a private capital investment culture in Rwanda. Prepare events to raise awareness on angel

<sup>13</sup> Retrieved from [https://d3n8a8pro7vhmx.cloudfront.net/etradehub/pages/1134/attachments/original/1438870910/AN\\_ASSESSMENT\\_OF\\_MARKET\\_INFORMATION\\_SYSTEMS\\_IN\\_EAST\\_AFRICA\\_\(1\).pdf?1438870910](https://d3n8a8pro7vhmx.cloudfront.net/etradehub/pages/1134/attachments/original/1438870910/AN_ASSESSMENT_OF_MARKET_INFORMATION_SYSTEMS_IN_EAST_AFRICA_(1).pdf?1438870910).

<sup>14</sup> Retrieved from <https://connectamericas.com/> and <http://www.sebrae.com.br/sites/PortalSebrae>.

<sup>15</sup> Retrieved from <https://www.finfind.co.za>.

<sup>16</sup> Retrieved from [https://www.usaid.gov/development\\_credit](https://www.usaid.gov/development_credit).

investors, venture capitalists, equity investors, social impact investors, family foundations, and high net-worth individuals and their role in increasing equity investment in Rwanda. Bring equity investors from Kenya, South Africa, and other African countries, as well as from the United States and/or Europe, to share experiences, present data on the emerging Rwandan entrepreneurship ecosystem, and examples of companies. Explore the creation of mechanisms such as a matching grant fund to help launch angel investments in Rwanda; quarterly pitch events, where start-ups, MSMEs, and large enterprises can present ideas to potential investors; and an Investors' Club. (LI/HF)

- 1.6. Pilot initiative to create a start-up matching fund.** Conduct a market assessment, create and pilot a matching grant “crowd-in” fund to co-invest I-to-I with angels in start-ups and MSMEs, which will be managed by a private fund manager. To ensure the financial sustainability of ventures, align them with follow-up equity investments from the KIC Innovation Fund and bank loans, including the BDF. After piloting, review fund performance indicators, refine and potentially expand them based on lessons learned. For example, the **Government of Malaysia’s** Small and Medium Industries Development Corporation provides assistance for start-ups in the manufacturing and service industries through a matching grant. In this program, 50–80 percent of financing is borne by the government and the remainder by the applicant or private investors.<sup>17</sup> (HI/HF)
- 1.7. Create a fellowship or stipend fund for entrepreneurs.** Create a fellowship or stipend fund for entrepreneurs with high-potential business ideas and demonstrated commitment to growth. Such programs will reduce risks for entrepreneurs by providing basic income, which they will use to build their ventures and reach milestones. Programs typically run from six months to three years, and are run either by academic institutions, such as **Georgetown University’s Start-up Stipend Program**<sup>18</sup> or by international organizations and nongovernmental organizations, such as **Ashoka’s Fellowship Program** and many others.<sup>19</sup> (LI/HF)
- 1.8. Promote crowdfunding.** Together with the Capital Market Authority, ensure that laws and regulations support crowdfunding, which can be of great importance for pre-seed companies. Promote via the Entrepreneurship Portal the existing crowdfunding websites (**Kiva, Global Giving, Watsi, BetterPlace**), which are not known to most entrepreneurs and potential investors. Explore opportunities to build mechanisms that are crowdfunding for projects and companies in Rwanda modeled after international examples. (LI/HF)
- 1.9. Support the already existing initiative to list MSMEs on the RSE.** Review the status of an earlier initiative of the RSE and track progress with a view toward supporting the listing of MSMEs, which has been successful in other countries, including the United Kingdom, Canada, and Australia. There has also been some success in emerging markets: China, Poland, and South Africa. Additionally, Tanzania has created part of an exchange specifically for small companies. However, based on best practices, an economy must meet certain standards to launch a successful MSME exchange.<sup>20</sup> (HI/LF)

<sup>17</sup> Retrieved from <https://www.nexea.co/malaysia-will-launch-a-rm2-billion-vc-pe-matching-grant-to-support-startups>.

<sup>18</sup> Retrieved from <https://startuphoyas.com/stipend>.

<sup>19</sup> Retrieved from <http://ashoka-arab.org/assets/Ashoka-Fellowship-Frequently-Asked-Questions.pdf> and <https://www.profellow.com/fellowships/funding-for-entrepreneurs-and-we-dont-mean-venture-capital/>

<sup>20</sup> World Bank. (2015). SME Exchanges in Emerging Market Economies. Retrieved from <http://documents.worldbank.org/curated/en/102561468320934149/pdf/WPS7160.pdf>.



## 5.7 Pillar 4: Business Enabling Environment

**Objective:** Streamline tax requirements for new firms (both start-ups and MSMEs) to decrease business costs for new entrepreneurs.

**Constraints addressed:** Burdensome taxation requirements for start-ups, low understanding of the tax requirements, and high informality.<sup>21</sup>

### Policy actions:

- 1.1. **Review and modify tax requirements for start-ups and MSMEs in line with Rwandan and international best practices for encouraging entrepreneurship.** Conduct a review and modification of taxes that affect newly established businesses and compare to international best practices. **Mauritius** and **Estonia** are good examples of countries that have eased tax requirements on certain types of corporations to promote entrepreneurship, investment, and enterprise growth. Implement a simplified tax program for new companies that may include an increased exemption threshold beyond which taxes are applicable, a grace period for new companies to start paying taxes, and time extensions for filing taxes. Conduct a detailed analysis of the impact of proposed policy changes, for example, ways the GOR would recover forgone income taxes in the medium term due to higher company growth, increased employment, and increased company survival rates. (HI/HF)
- 1.2. **Increase awareness for entrepreneurs about the benefits of formality and disadvantages of operating informally.** According to the EICV5, informality reaches up to 93 percent of existing businesses, most of them in rural areas. There is a need to create awareness for entrepreneurs about the benefits of formality and disadvantages of operating informally, as well as to streamline incentives to reduce informalities, for example, reducing the costs associated with business registration and operation (licenses, etc.).(HI/HF)
- 1.3. **Increase awareness of tax requirements.** Pilot initiative to encourage each new registered business owner to go through an orientation session on Rwanda's tax system, to ensure that every entrepreneur understands the tax system and his/her duties. In addition, create a tax educational booklet to be distributed to existing businesses and/or made available via the Entrepreneurship Portal and other relevant websites. (LI/HF)

## 5.8 Pillar 5: Markets and Value Chains

**Objective:** Expand access to domestic and export market opportunities for entrepreneurs.

**Constraints addressed:** A limited domestic market, low value-added exports, constraints to operation of cross-border traders, high commodity price fluctuations due to inefficient warehousing and inventory management, limited access to government procurement, market information deficit, and low compliance with standards.<sup>22</sup>

<sup>21</sup> Policy actions would stimulate entrepreneurs to become formal. According to stakeholder interviews, the main reason why entrepreneurs chose informality, risking government penalties and other liabilities, is because of the perceived high costs associated with formality.

<sup>22</sup> Increased awareness of market opportunities and reduced perceived costs of compliance with required standards will incentivize more businesses to become formal.

**Policy actions:**

- 1.1. Review Rwanda Cross-Border Trade Strategy.** Carry out a review of Rwanda's Cross-Border Trade Strategy, and ensure that the challenges faced by small-scale cross-border traders are addressed. These include access to finance, security, access to information on taxes/duties and standards, and informal fines. Provide guidance for traders on implementation of the Common Market for Eastern and Southern Africa (COMESA) and EAC simplified trade program and capacity building for traders in bookkeeping, accounting, and business planning. (LI/HF)
- 1.2. Improve warehousing systems.** In line with the Strategic Plan for Agriculture Transformation 4, improve cost-efficiency of existing warehousing systems; build trust between farmers, transporters, and warehouse owners; improve farmer delivery on pre-season contracts; and build the capacity of farmer cooperatives to utilize existing warehousing systems. Improved warehousing systems will help stabilize prices and avoid product waste, and can have a high impact on small entrepreneurs' ability to manage costs and sell more efficiently. (HI/LF)
- 1.3. Make government procurement opportunities more accessible to newer, smaller companies.** To support implementation of the Made in Rwanda's policy action to enhance the local preference in public procurement, create mechanisms that stimulate more Rwandan companies to bid on government procurements and link them to business support mechanisms for assistance. For example, conduct awareness workshops between procuring agencies and business owners, update and disseminate via the Entrepreneurship Portal the list of Made in Rwanda products available for public procurement, set up an information desk for businesses with the PSF, and implement an e-payment system for suppliers. The **UK and Singapore** have succeeded in making government procurement more inclusive and helping SMEs go through the process.<sup>23</sup> (LI/HF)
- 1.4. Improve access to market information.** Via the Entrepreneurship Portal, provide relevant market information for start-ups, MSMEs and large enterprises to decrease market information asymmetries and business costs, promote B2B opportunities between buyers and sellers, including Made in Rwanda-supported business opportunities, and connect businesses with input providers and anchor firms in relevant value chains in support of the PSDYE priorities. (LI/HF)
- 1.5. Facilitate adoption of standards.** To ensure that start-ups, MSMEs, and large enterprises adhere to relevant standards, conduct a study on how to ease and prioritize standards development across firm sizes in priority sectors as per the Made in Rwanda policy. Ensuring that only relevant standards are required will diminish the costs of adopting them and promote compliance. The study will also be accompanied by a communications initiative through the Entrepreneurship Portal to ensure that entrepreneurs are aware of the standards that apply to their businesses and how they can comply. Coordinate with Made in Rwanda initiatives to improve standards and upgrade quality infrastructure and technology for Made in Rwanda priority value chains. (LI/HF)
- 1.6. Review and update the SME Cluster Strategy.** Conduct or update the value chain analyses for targeted clusters and identify opportunities for entrepreneurs in each district. Organize entrepreneurship forums in each district to increase awareness of business opportunities among entrepreneurs. (LI/HF)

<sup>23</sup> Retrieved from <https://www.gov.uk/guidance/doing-business-with-government-a-guide-for-smes> and <https://www.mof.gov.sg/Newsroom/Media-Articles/New-procurement-guide-to-help-SMEs-bid-for-government-contracts-gather-feedback>.

## 5.9 Pillar 6: Technology and Infrastructure

**Objective:** Improve entrepreneur access to technologies and innovations required for business growth and productivity.

**Constraints addressed:** Unreliable provision of electricity and low-tech agriculture.

**Policy actions:**

- 1.1. **Promote reliable power solutions.** Increase incentives to private power distribution organizations to provide a reliable electricity supply. (HI/LF)
- 1.2. **Increase coordination between entrepreneurship clusters and government infrastructure planning.** Prioritizing entrepreneurship clusters in government infrastructure planning to increase the utilization of energy and improved roads into and out of markets and trading centers. Well-connected roads and reliable electricity can enable MSMEs to achieve economies of scale, reduce costs, and increase MSME viability. (HI/LF)
- 1.3. **Promote private sector-driven supply of improved agricultural technologies.** Strengthen technology transfer efforts, for example, in irrigation, from world leaders in agricultural technologies such as **Israel, the United States, and Brazil (Embrapa)**.<sup>24</sup> Develop new and strengthen existing cooperation programs, including sending Rwandan agri-tech entrepreneurs to international fairs and training, bringing expatriates to work in Rwandan companies and on farms, and promoting B2B events and business opportunities. Support new business models for technology suppliers to invest in Rwanda or develop local distribution partnerships with exporters and high-value producers to expand local sales. Increase awareness of available import tax incentive programs. (LI/HF)
- 1.4. **Improve digital literacy and promotion of data storage solutions.** The MINICT in collaboration with development partners, will increase training and promotion of digital literacy to youth, women, people living with disabilities, and MSMEs in required digital skills to support the growth of entrepreneurship and technology adoption and support in promotion of data storage solutions. (LI/HF)

## 5.10 Pillar 7: Entrepreneurial Culture

**Objective:**

Promote the culture of entrepreneurship and access to business opportunities for youth, women, and people living with disabilities.

**Constraints addressed:** Risk-averse attitude; entrepreneurship not well perceived; low acceptance of failure; and women, youth, and people living with disabilities do not always enjoy equal opportunities as entrepreneurs.

**Policy actions:**

- 1.1. **Promote exchanges within Rwanda, regionally and internationally to encourage entrepreneurial culture.** Organize events with local, regional, and other entrepreneurs to share their experiences with the Rwandan business community. Increase entrepreneur awareness of existing local, regional, and international exchange, exposure, and mentorship programs in regional and other markets. Provide additional support or access to existing local and regional initiatives such as **YouthConnekt Africa (YCA)**<sup>25</sup> or **Tony Elumelu**

<sup>24</sup> Retrieved from <https://www.embrapa.br/en/international>.

<sup>25</sup> Retrieved from <https://www.youthconnektafrica.org>.

**Foundation Programme.**<sup>26</sup> Another example is the **Erasmus for Young Entrepreneurs**, a cross-border exchange program that provides new or aspiring entrepreneurs an opportunity to learn from experienced entrepreneurs in other participating countries.<sup>27</sup> (HI/HF)

- 1.2. Ensure equal opportunities and support for all entrepreneurs.** Entrepreneurship-support organizations should ensure that women, youth, and people living with disabilities, as well as entrepreneurs of all backgrounds, are offered the same treatment and opportunities. (HI/HF)
- 1.3. Increase equitable awareness.** Create awareness of entrepreneurship and access to finance opportunities among women, youth, and people living with disabilities using community-based mechanisms, for example, through Umuganda and community meetings. (HI/HF)

## EXPECTED IMPACT

### Estimated Economic impact of EDP

Over the next five years plan aligned to NSTI remaining period, the implementation of EDP is expected to be at the center of GoR's priorities and it will contribute toward the realization of the NSTI. The EDP's estimated impact will depend on the extent the policy is comprehensively implemented and will seek to systemically change the entrepreneurship and SME operating landscape. Such a systemic shift will have a substantial multiplier effect on all sectors throughout the Rwandan economy. As a result, implementation success will dramatically affect the overall policy impact across the economy. The potential impact of the EDP on Rwanda's economic transformation can be benchmarked against international averages on improved entrepreneurial activity.

The literature has proved that a 1 percent increase in new business start-ups in one year improves GDP/capita in the subsequent year by approximately 0.24 percent relative to mean values, reduces unemployment by 0.13 percent, increases exports/GDP by 0.03 percent, and increases patents per population by 0.29 percent<sup>28</sup>. Rwanda will achieve an equivalent or greater impact against the international average cited above (relative to the correlation between start-ups and increases in GDP and exports). For example, for every one percent increase in startups, Rwanda will expect a corresponding 0.24 percent increase in GDP or an estimated increase of RWF19.6 billion (\$21 million) in GDP the following year. Similarly, for every one percent increase in startups, Rwanda will anticipate a corresponding increase in exports of 0.03 percent or an estimated increase of RWF47.5 million (\$50,972) in exports.

Over the life of the EDP, the impact will be compounded annually with the expectation that the percentage of startups will increase every year of implementation if the Policy is fully implemented. It should also be noted that these forecasts, while providing a credible estimate on the impact of the EDP, only represent a portion of the overall expected impact of the EDP on GDP and exports. More specifically, it is anticipated that the full impact from EDP implementation should result in a greater impact to GDP and exports by also considering the scale-up of already existing MSMEs. Additional analyses based on the specificities of Rwanda's context are needed to gain insight into the full effect of the EDP. A specific impact evaluation system for Rwanda to ascertain economic impact of EDP will be developed after its approval.

<sup>26</sup> Retrieved from <https://www.tonyelumelufoundation.org/programmes>.

<sup>27</sup> Retrieved from <https://www.erasmus-entrepreneurs.eu>; <http://www.startupexchanges.com>; <https://exchanges.state.gov/non-us/program/international-visitor-leadership-program-ivlp>; and <https://www.german-african-entrepreneurship.org/student-exchange>.

<sup>28</sup> Douglas Cumming, Sofia Johan, and Minjie Zhang, "The Economic Impact of Entrepreneurship: Comparing International Datasets", *Corporate Governance: An International Review*, 2014, 22(2): 162–178

## 6. IMPLEMENTATION PLAN

### 6.1 Current Institutional Framework

Currently, the implementation of interventions to support entrepreneurship development in Rwanda is scattered across different institutions and agencies. The key players are: MINICOM, MINECOFIN, RDB, MYCULTURE, BDF, Rwanda Revenue Authority (RRA), Rwanda Standards Board (RSB), National Industrial Research and Development Agency (NIRDA), Rwanda Cooperative Agency (RCA), MINICT, MINALOC, Development Bank of Rwanda (BRD), Rwanda Information Society Authority (RISA), and PSF.

**MINICOM**, as a line Ministry, plays an oversight and coordination role in the development and implementation of SME policies in collaboration with different stakeholders.

**RSB** provides standard-based solutions for entrepreneurs, develops and awards quality certifications, and enforces standards for Rwandan products to ensure high quality of domestic production.

**RCA** registers and regulates cooperatives in Rwanda and promotes entrepreneurship among cooperative members.

**NIRDA** conducts R&D in new and innovative industrial technologies, incubates entrepreneurs, as well as promotes the adoption of improved technologies by Rwanda's private sector.

**RDB** focuses on accelerating targeted export-oriented investments, fostering an attractive business environment, and forming private sector partnerships in key value chains.

**MYCULTURE** acts as a catalyst and facilitator for socioeconomic empowerment of young entrepreneurs.

**MINICT** addresses national priorities for economic growth and poverty reduction through development and coordination of national information technology, communication and innovation policies and programs.

**RISA** ensures smooth implementation of all ICT projects and streamlines research, infrastructure, and innovation within the ICT sector.

**RRA** collects taxes, oversees and implements regulations related to taxes and duties, and ensures compliance with the tax program.

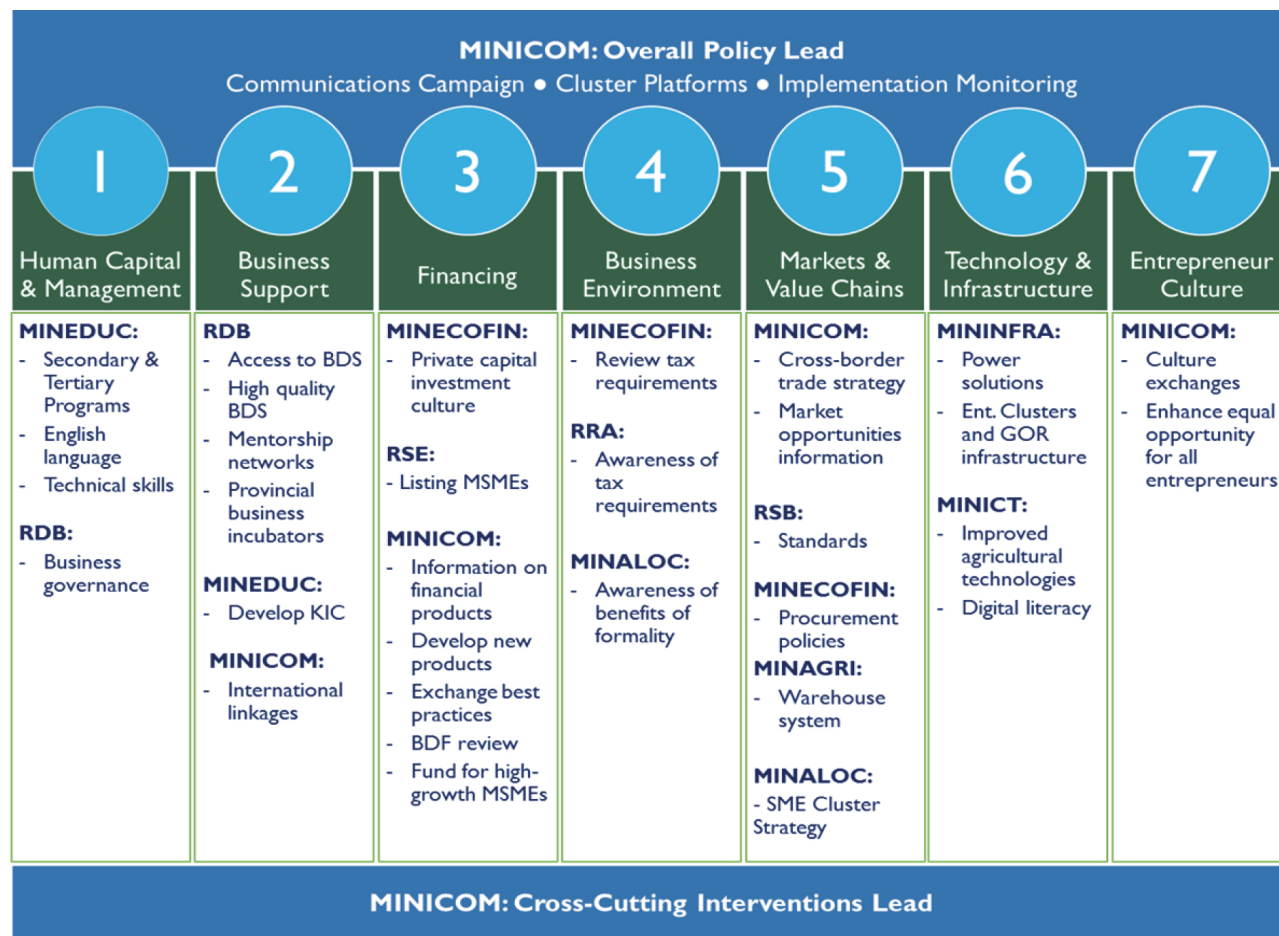
**MINECOFIN** oversees financial resources to support government initiatives to promote entrepreneurship, SME growth, and job creation.

### 6.2 EDP Implementation Framework

The success of the EDP will depend on the efficiency of its implementation and, particularly, on the effectiveness of the M&E system to measure the impact of its interventions. A first step is therefore clarifying the roles and responsibilities of each stakeholder.





**Figure 8: EDP Institutional Framework**

To a great extent, EDP will be implemented using existing institutional frameworks. The institutional framework that supports implementation of the policy and the M&E structure have thus been designed to reflect this and to allow for a dynamic and responsive policy, which will enable its continuous updating and upgrading to reflect changes in the operating environment and to incorporate lessons learned during the course of implementation. **MINICOM, RDB, MINEDUC, MYCULTURE, MINECOFIN, MINALOC, and PSF** are the key leading institutions implementing the seven pillars of the EDP. Ensuring the capacity of these seven lead institutions is, therefore, crucial for the success of this policy, and entrepreneurship needs to be owned by each stakeholder at the most senior level. MINICOM, as the overall policy lead, will play the role of coordinator and high-level policy supervisor. As evident Figure 8, the seven leading implementers will be assisted by a wide range of GOR stakeholders, each with their own piece of the puzzle. Close coordination is paramount to overall success.

### 6.3 EDP Institutional Framework

#### MINICOM Department of Industry and Entrepreneurship Development

Given the cross-cutting nature and complexity of required work to implement EDP, the current Entrepreneurship Development Unit within MINICOM under Industry and Entrepreneurship Department will technically coordinate the implementation and monitoring of EDP, as well as support implementing institutions to play their roles throughout. The Department reports to the Permanent Secretary.



## PSDYE Sector Working Group (SWG)

The PSDYE SWG is a key coordinating forum, where GOR stakeholders in the private sector development and employment sectors coordinate with development partners, civil society, and academia. This forum holds a key role in successful EDP implementation by leveraging development partner support and expertise, which will be crucial for overall success. The sub-sector working group on youth employment will serve as a platform for joint quarterly EDP implementation monitoring.

## Annual Rwandapreneurship Summit

The Rwandapreneurship Summit will take place every year. This summit will be hosted by MINICOM, in partnership with entrepreneurs, academia, civil society, and development partners. This initiative will provide an opportunity for entrepreneurs to network, share experiences, exhibit, pitch businesses, and participate in mentorship sessions. MINICOM will take the lead in following up the implementation of proposed recommendations by engaging with the necessary actors and providing policy guidance.

## YouthConnekt Africa (YCA)

YCA is a platform designed to connect youth for socioeconomic transformation. Through YCA, the GOR will seek to increase entrepreneurial awareness of existing local, regional, and international exchange, exposure, and mentorship programs in regional and international markets.

## 6.4 EDP Impact Monitoring and Evaluation

The GOR, through MINICOM, will put significant effort into monitoring the implementation of this policy and taking appropriate actions when expectations are not met. The GOR will adopt the National and International Performance Monitoring Index, which will create a framework to measure the effectiveness of the EDP.

**This will include putting into place a mechanism to measure the performance of the entrepreneurship development ecosystem in Rwanda** to monitor the health of the domestic entrepreneurship ecosystem and provide a picture of how Rwanda performs globally. MINICOM, in collaboration with the NISR, will develop an impact M&E tool benchmarked against international best practices such as the Global Entrepreneurship Development Index (GEDI) and Global Entrepreneurship Monitor (GEM), which measure the quality and dynamics of entrepreneurship ecosystems at national and regional levels.

## 6.5 Financial Implications

The cost of implementation set under the EDP implementation plan during the next five years (2019–2024) is estimated at RWF21.9 billion, with an average budget per pillar amounting to RWF2.7 billion. The annual average budget is estimated at RWF4.4 billion, equivalent to 20 percent of the total estimated budget to implement the EDP.

A detailed costing is provided in the Implementation Matrix (see Annex A).

Table 3 summarizes the cost implications by pillar.

**Table 3: EDP Estimated Cost**

Pillar	Budget in Millions of RWF in 5 Years	Share
Pillar 1: Human Capital and Management	4,173	15%
Pillar 2: Business Support	4,436	16%
Pillar 3: Financing	1,267	5%
Pillar 4: Business Enabling Environment	1,710	6%
Pillar 5: Markets and Value Chains	3,500	13%
Pillar 6: Technology and Infrastructure	5,905	21%
Pillar 7: Entrepreneurial Culture	6,050	22%
Crosscutting Areas	710	3%
<b>Total</b>	<b>27,751</b>	<b>100%</b>

Source: EDP Implementation Matrix, September 2019

## 6.6 Legal and Regulatory Implications

The EDP will require further legal and regulatory reforms. Implementation of some of the policy actions will require a review of the current legal framework, including:

- Regulations for private capital investors (angel investors, venture capitalists, equity investors, social impact investors, family foundations, and high net-worth individuals), crowdfunding, and start-up matching funds.
- Review of the tax program for start-ups.

## 6.7 Implementation Matrix

Table 4 is the summarized Implementation Matrix, with details of the output, outcomes, indicators, and responsible agency organized by pillar. The full Implementation Matrix is in Annex A.

Table 4: Summarized EDP Implementation Matrix

Outcome	Output	Indicator	Baseline	Targets by 2024	Activity	Responsible Agency	Estimated Budget (FRW in Million)	Timeframe
<b>Pillar 1: Human Capital and Management</b>								
Improved Human Capital and Management	Marketability of tertiary academic programs improved	% of tertiary graduated employed within a year after graduation	75%	TBD	<ol style="list-style-type: none"> <li>1. Create an action plan to integrate e-learning, including MOOCs from leading global universities into the curriculum. (Strengthening linkages between local and global institutes)</li> <li>2. Provide web-based training or webinars on digital marketing, service delivery and other essential courses to improve and increase online capabilities for entrepreneurs</li> <li>3. Assess and adapt content of the curriculum and conduct online ToTs for teachers or physical ToTs in smaller cohorts</li> <li>4. Create a plan for tertiary institutions to better integrate industry linkages in their curricula.</li> <li>5. Organize trainings for teachers to be able to deliver marketable academic program in the curriculum.</li> <li>6. Organize guest-lecture workshops with industry leaders and professionals to teach and provide guest lectures and seminars to tertiary students.</li> <li>7. Organize competitions within and inter-tertiary institutions on specific industry problems for solution by science by business students</li> <li>8. Integrate paid internship programs in curricula requirements for graduation in business and engineering courses</li> <li>9. Create an action plan to introduce workplace learning, a model that includes practical training.</li> <li>10. Support creation of active alumni associations among business graduates.</li> </ol>	<b>MINEDUC (Lead)</b> , RP, WDA, REB, HEC	920	MT
	Applied skills into secondary school entrepreneurship curriculum strengthened	Updated secondary school entrepreneurship curriculum to become operational	2014-15 Entrepreneurship curriculum	Updated secondary school entrepreneurship curriculum operationalized	<ol style="list-style-type: none"> <li>1. Create an action plan to review current entrepreneurship curriculum in secondary schools and integrate applied skills</li> <li>2. Prioritize entrepreneurship by adapting digital-friendly educational tools like zoom, skype, webex and facebook with the support of parents and smaller physical cohorts in schools.</li> <li>3. Organize online or/and physical (smaller cohorts) training with teachers on how to deliver essential training in business plan writing, basic financial modeling, SWOT analysis, and incorporate practical "how-to" courses in the curriculum.</li> </ol>	<b>MINEDUC (Lead)</b> , RP, WDA, REB	725	LT

					1. Organize business competitions that test application of applied skills such as business plan writing, basic financial modeling, SWOT analysis, and practical “how-to” courses, such as how to register a business, create a prototype, make the first sale, etc.			
The reach and quality of English language instruction improved	Diversified english instruction mechanisms available	Formal and Informal classes	Booklets, mobile and web based applications established and operationalized	<ol style="list-style-type: none"> <li>1. Create a plan to improve the reach and quality of English teaching across the country both in-school and out-of-school</li> <li>2. Identify and work with or promote firms which deliver English language tutorials via digital platforms in developing markets.</li> </ol>	<b>MINEDUC (Lead),</b> RP, REB, MINALOC	1,500	LT	
Availability of technical skills training outside of formal education improved	Number of entrepreneurs who acquired technical skills outside of formal education	431 122 (Source: LFS)	TBD	<ol style="list-style-type: none"> <li>1. Support the development of private technical skills training initiatives</li> <li>2. Support the private sector providers to deliver technical training to out-of-school populations: Identify existing private training institutions and understand their training skills specialties</li> <li>3. Create a network of these institutions to share experiences and effectively coordinate activities</li> <li>4. Provide advocacy, financial and non-financial support to subsidize training and facilitate digital adaptability</li> <li>5. Encourage institutes to adapt to technological approaches and integrate entrepreneurship components (Take advantage of existing e-learning tools and platforms)</li> <li>6. Revamp the sector-skills council (private sector needs to take the lead)</li> <li>7. Promote on job learning</li> <li>8. Create an action plan to provide training opportunities to disadvantaged groups, including women, youth and persons with disabilities</li> </ol>	<b>MINEDUC (Lead),</b> RP, REB	489	LT	
Business governance improved	Number of enterprises with operational governance structures	TBD	TBD	<ol style="list-style-type: none"> <li>1. Create an entrepreneurship portal for dissemination of information</li> <li>2. Design mechanisms to provide concise, relevant information to start-ups, MSMEs and large enterprises in the form of electronic or paper brochures</li> <li>3. Develop short guides on basic business governance</li> <li>4. Conduct short term courses and trainings on basic business governance</li> </ol>	<b>RDB (Lead),</b> MINICOM, PSF, MINALOC	539	LT	

Pillar 2: Business Support								
Improved business systems for entrepreneurs	Enterprises access to tailored business consulting services improved	Number of enterprises that accessed tailored business advisory services	TBD	TBD	<ol style="list-style-type: none"> <li>1. Identify existing BDS providers and incubation centres; and agree on reporting and feedback mechanisms</li> <li>2. Create a performance-based framework to engage professional BDS providers</li> <li>3. Review the roles and responsibilities of Business Development Advisors (BDAs) and develop recommendations to improve outreach and effectiveness of their services across the country</li> <li>4. Identify BDAs (public &amp; private) capacity needs in response to circumstances like COVID</li> <li>5. Consult with BDAs along with banks and other development partners on the economic recovery packages</li> <li>6. Ensure continuous capacity building and professionalization of proximity BDAs</li> <li>7. Establish a coordination platform for BDAs across the country to improve efficiency and effectiveness in service delivery.</li> <li>8. Create a competitive business model in accord with development partners focusing on activities like business training, consultative meetings and stakeholder engagements to enhance business competitiveness</li> <li>9. Adapt entrepreneur coaching and consultancies to current needs (COVID 19 effects).</li> </ol>	<b>RGB (Lead)</b> , RDB, MINICOM and MINALOC	500	MT
	Availability of high quality business consultants improved	Number of consultants that provide high quality business consultancy services	TBD	TBD	<ol style="list-style-type: none"> <li>1. Identify existing consultants providing business services</li> <li>2. Develop training-of-trainers courses for business consultants in top business schools and in partnership with consultancies, where the certificates of completion become a market standard for quality</li> <li>3. Offer tax write-offs for consulting firms that provide services pro-bono to start-ups and MSMEs</li> <li>4. Ensure those who deliver consultancy services are internally recognized by competent organs.</li> </ol>	<b>RDB (Lead)</b> , MINICOM, MINECOFIN, MINALOC and PSF	221	LT
	Development of mentorship networks supported	Number of entrepreneurs who benefited from mentorship networks	TBD	TBD	<ol style="list-style-type: none"> <li>1. Identify mentorship networks</li> <li>2. Promote mentorship from successful entrepreneurs and business leaders, potentially via angel investing, leveraging private and social intermediaries</li> </ol>	<b>RDB (Lead)</b> , MINICOM, RDB, MINALOC and PSF	190	MT

					<ol style="list-style-type: none"> <li>1. Support mentor networks in partnership with existing incubators and accelerators, academia, and start-ups, MSMEs and large enterprises</li> <li>2. Engage industry expert with new entrepreneurs through explaining the importance of mentorship for the growth of Rwanda</li> <li>3. Introduce incentives for mentors such opportunities to expense time and a chance to attend special events for networking</li> <li>4. Identify MSMEs with high growth potential and support them to graduate to the next stage. (especially when they demonstrate to have a multiplier effect on the economy)</li> <li>5. Establish a fund to pay for part of services on behalf of MSME</li> </ol>			
	New models of provincial business incubators piloted	Number of new models of business incubators piloted at provincial business level	Nil	One per province	<ol style="list-style-type: none"> <li>1. Identify and assess performance of existing incubators</li> <li>2. Foster the development of start-up incubators, reinforcing start-ups link to leading institutions nurturing innovation (e.g. KIC, CMU, NIRDA, universities)</li> <li>3. Pilot and Launch business incubators in provinces (focused on agri-tech and sector-agnostic) in partnership with private sector, the central and local government, and secondary and tertiary education institutions</li> <li>4. Establish performance metrics and monitoring and evaluation mechanisms</li> </ol>	RDB (Lead), MINICOM, MINEDUC, HLLs, MINALOC and RP	1,385	LT
	Development of Kigali Innovation City (KIC) supported	KIC fully operational	KIC infrastructure completed	KIC fully operationalized	<ol style="list-style-type: none"> <li>1. Coordinate with MINICT and RDB and support KIC's incubation and acceleration initiatives for high-tech entrepreneurship</li> <li>2. Engage development partners to support KIC to integrate best practices from global benchmarks like Start-Up Chile and world-class accelerators.</li> </ol>	<b>MINEDUC (Lead)</b> , MINICT, RDB	100	MT
	Linkages with international enterprises support institutions strengthened	Number of regional and global institutions that provide technical assistance to start-ups, MSMEs and large enterprises linked with Rwandan enterprises	TBD	TBD	<ol style="list-style-type: none"> <li>1. Identify and attract regional and global institutions that provide technical assistance to start-ups, MSMEs and large enterprises</li> <li>2. Organise events to link Rwandan entrepreneurs with attracted regional and global institutions</li> <li>3. Organise an annual Rwandapreneurship Summit</li> </ol>	<b>MINICOM (Lead)</b> , RDB, RCB, MINICT, MYCULTURE, PSF	2,040	Continuous



Pillar 3: Financing								
Increased access to finance for entrepreneurs	Access to information on financial products for Startups, MSME and Large enterprises improved	Information on available financial products in place	2017 Financial products booklet	Information on financial products updated and disseminated electronically or in hard copy	<ol style="list-style-type: none"> <li>1. Update information on the existing financial products booklet</li> <li>2. Develop and put in place other mechanisms to avail information on financial products</li> <li>3. Upload all information on available financial products on Entrepreneurship Portal</li> </ol>	<b>MINICOM (Lead)</b> , MINECOFIN, BNR and Banker's Association	90	ST
	Development of new industry-specific financial products facilitated	New industry-specific financial products in place	TBD	New industry-specific financial products operationalized	<ol style="list-style-type: none"> <li>1. Carry out a study on existing financial product in Rwanda market</li> <li>2. Engage and encourage FIs to implement recommendations from the study</li> <li>3. Support development and operationalization of new industry specific financial products</li> </ol>	<b>MINECOFIN (Lead)</b> , BNR, Banker's Association, MINICOM	200	MT
	Learning and exchange of best practices in financing promoted	Number of learning and exchange of best practices events organised	Nil	5 (one per year)	Organize regular dialogues on financing through learning and best practice exchange	<b>MINECOFIN (Lead)</b> , BNR, Banker's Association, MINICOM	250	MT
	BDF effectiveness reviewed and improved	Number of entrepreneurs accessed BDF services and the total value of loans	35,773 accessed BDF services with total loan of value of FRW 196 billion (2011-2018)	TBD	<ol style="list-style-type: none"> <li>1. Conduct an organizational assessment of BDF, its services (products) and propose measures to improve</li> <li>2. Oversee the implementation of proposed improvements</li> <li>3. Strengthen and Regularly conduct monitoring, evaluation and learning of BDF operations</li> <li>4. Boosting BDF Guarantee capacity</li> <li>5. De-risking access to finance for existing and new Guarantee fund schemes</li> </ol>	<b>MINICOM (Lead)</b> , BRD, MINECOFIN, BDF	250	MT
	Private capital investment culture promoted	Number of private capital funds operating in Rwanda	TBD	Angel investors, venture capitalists, equity investors, social impact investors, family foundations and high net-worth individuals, crowdfunding and start-up matching funds.	<ol style="list-style-type: none"> <li>1. Develop private capital investment laws and regulations (including identification and review of existing regulations)</li> <li>2. Approve developed laws and regulations</li> <li>3. Oversee implementation of private capital investment</li> <li>4. Regularly monitor, evaluate and learn; make increment improvement to the system as needed</li> </ol>	<b>MINECOFIN (Lead)</b> , BNR, MINICOM, RDB	154	ST

	Creation of fellowship/stipend fund for high growth potential entrepreneurs supported	Fellowship/stipend fund in place	TBD	Fellowship/stipend fund created and operationalized	<ol style="list-style-type: none"> <li>1. Conduct a feasibility study to establish the fund</li> <li>2. Mobilize funds</li> <li>3. Launch and operationalize the fund</li> </ol>	<b>MINICOM (Lead),</b> MINECOFIN, RDB, BRD	123	LT
	Existing initiatives to facilitate listing of MSME on the Rwanda Stock Exchange (RSE) supported	Number of MSMEs listed on the RSE	TBD	TBD	<ol style="list-style-type: none"> <li>1. Promote listing of MSMEs on the Rwanda Stock Exchange (including support to existing initiatives)</li> <li>2. Regularly monitor, evaluate and learn; make increment improvement to the initiative as needed</li> </ol>	<b>RSE (Lead),</b> MINECOFIN, MINICOM, RDB	200	MT
<b>Pillar 4: Business Enabling Environment</b>								
<b>Improved Business Environment</b>	Tax requirements for start-ups and MSMEs reviewed and modified in line with the Rwandan and international best practices for encouraging entrepreneurship	Conducive tax regime for start-ups and MSMEs in place	Current tax regime and investment code	New conducive tax regime for start-ups and MSMEs applied	<ol style="list-style-type: none"> <li>1. Conduct a review and modification of the current tax regime</li> <li>2. Conduct a detailed analysis of the impact of proposed policy changes</li> <li>3. Implement a simplified tax regime for start-ups and MSMEs</li> </ol>	<b>MINECOFIN (Lead),</b> RRA, PSF, RDB and NINICOM	100	MT
	Awareness of benefits of formality and disadvantages of operating informally for entrepreneurs increased	Number of awareness campaigns organized	TBD	Two campaigns every year per district  Quarterly media campaigns	<ol style="list-style-type: none"> <li>1. Organize awareness campaigns at District level,</li> <li>2. Conduct quarterly media campaigns</li> </ol>	<b>MINALOC (Lead),</b> RDB, MINICOM, RRA, (Districts) and PSF	1,000	Continuous
	Awareness of tax requirements increased	Number of awareness campaigns organized	TBD	Two campaigns every year per district  Quarterly media campaigns	<ol style="list-style-type: none"> <li>1. Organise awareness campaigns at District level</li> <li>2. Pilot initiative to encourage each new registered business owner to go through an orientation session on Rwanda's tax regime</li> </ol>	<b>RRA (Lead),</b> RDB, PSF and MINALOC (Districts)	560	Continuous
	Social enterprising and Start-ups/high growth enterprises promoted	Conducive enabling environment for social enterprises and start-ups in place	TBD	New conducive regulations for social enterprising and start-ups developed	<ol style="list-style-type: none"> <li>1. Consider social enterprising and start-ups as unique sub-categories under the existing business registration portfolio</li> <li>2. Put in place special mechanisms, tools and regulations to support and promote social enterprises and start-ups</li> </ol>	<b>RDB (Lead),</b> MINICT, MINICOM, MYCULTURE, RPPA	50	Continuous

Pillar 5: Markets and Value Chains								
Markets and Value chains improved	Rwanda Cross-Border Trade Strategy reviewed	Revisited cross border trade strategy in place	2012 CBT strategy	Revised cross border trade strategy validated and implemented	<ol style="list-style-type: none"> <li>1. Review CBT strategy</li> <li>2. Validate the CBT strategy and oversee its implementation</li> </ol>	<b>MINICOM (Lead)</b> , RRA, MINALOC and DGIE	300	LT
	Warehousing systems improved	Improved warehousing systems in place	TBD	Improved warehousing systems operationalized	<ol style="list-style-type: none"> <li>1. Review the current warehousing systems to identify gaps and propose measures to improve them</li> <li>2. Organize Private-Public Dialogue to address challenges and consider recommendations</li> <li>3. Oversee the implementation of recommendations</li> </ol>	<b>MINAGRI (Lead)</b> , RAB, NAEB, MINICOM and PSF	200	MT
	Government procurement opportunities made more accessible to start-ups and MSMEs	Percentage of government procurement dedicated to Startups and MSMEs	TBD	Increased government procurement from start-ups and MSMEs	<ol style="list-style-type: none"> <li>1. Conduct awareness workshops between procuring agencies and business owners</li> <li>2. Update and disseminate via existing popular channels including the Entrepreneurship Portal the list of Made in Rwanda products available for public procurement</li> <li>3. Regularly monitor, evaluate and learn</li> </ol>	<b>MINECOFIN (Lead)</b> , RPPA, PSF, MINICT and MINICOM	100	MT
	Access to information on market opportunities improved	Information on available market opportunities in place	Trade portal	Information on market opportunities updated and disseminated Entrepreneurship portal	<ol style="list-style-type: none"> <li>1. Update information on the existing trade portal</li> <li>2. Upload all information on available market opportunities on Entrepreneurship Portal</li> <li>3. Develop and put in place other mechanisms to avail information on market opportunities and market data for local entrepreneurs and potential investors</li> </ol>	<b>MINICOM (Lead)</b> , RDB, PSF, MINAFFET	450	MT
	Adoption of standards facilitated	Standard compliance support programs in place	Zamukana ubuziranenge program	Standard compliance support programs by value chains	<ol style="list-style-type: none"> <li>1. Conduct a study on how to ease and prioritize standards adoption by entrepreneurs in priority sectors</li> <li>2. Strengthen existing support program for standards adoption by entrepreneurs in priority value chains</li> </ol>	<b>RSB (lead)</b> , MINICOM, NIRDA, NIRDA	2,000	MT
	SME cluster strategy reviewed and updated	Updated SME cluster strategy in place	2012 SME cluster strategy	SME cluster strategy updated	<ol style="list-style-type: none"> <li>1. Review the existing SME cluster strategy by district</li> <li>2. Validate and oversee implementation of updated SME cluster strategy</li> <li>3. Organize entrepreneurship forums in each district to increase awareness on business opportunities for entrepreneurs</li> </ol>	<b>MINALOC (Lead)</b> , MINICOM, LODA, PSF	450	MT

Pillar 6: Technology and Infrastructure								
Improved Technology and Infrastructure support	Reliable power and energy solutions promoted	Reduced unreliable supply of power	TBD	TBD	<ol style="list-style-type: none"> <li>1. Carry out a needs' assessment for power and energy among entrepreneurs</li> <li>2. Support adoption of innovative and reliable energy solutions and technologies through PPPs and friendly regulations (i.e solar; biogas etc)</li> <li>3. Increase incentives for private energy players to ensure reliable production and distribution</li> </ol>	<b>MININFRA (Lead)</b> , REG, MINICOM, RDB, PSF	175	Continuous
	Access to quality and affordable water supply ensured	Accessible quality and affordable water supply	TBD	TBD	<ol style="list-style-type: none"> <li>1. Mapping and prioritizing entrepreneurship clusters i.e agriculture and agribusiness, services, tourism, hospitality etc</li> <li>2. Policy and regulatory review aimed at supporting access to reliable, affordable and clean water for entrepreneurs including Business Centres.</li> <li>3. Encourage and sensitize entrepreneurs to operate in areas that are connected with reliable water supply systems</li> </ol>	<b>MININFRA (Lead)</b> , WASAC, MINICOM, MINALOC, RDB, RURA & PSF	1,000	MT
	Coordination between entrepreneurship clusters and government infrastructure planning increased	Business needs and infrastructure planning in harmony	Yearly submission of infrastructure needs to MININFRA	Annual planning session between Entrepreneurship clusters and government infrastructure planning institutions is held	<ol style="list-style-type: none"> <li>1. Identify entrepreneurship clusters and infrastructure needs</li> <li>2. Prioritize entrepreneurship clusters in government infrastructure planning</li> <li>3. Organise the session between Government and Entrepreneurship clusters</li> </ol>	<b>MININFRA (Lead)</b> , REG, MINICOM, RDB, PSF	125	Continuous
	Private-sector driven supply of improved agricultural technologies promoted	Number of new technologies successfully introduced in Rwanda	TBD	TBD	<ol style="list-style-type: none"> <li>1. Review existing agricultural technologies</li> <li>2. Mobilise the private sector to invest in improved agricultural technologies</li> <li>3. Strengthen 'experience exchange programs' with more tech-savvy countries in agribusiness like Israel, the United States and Brazil (Embrapa) among others'</li> <li>4. Leverage virtual technologies to build and strengthen existing cooperation programs, including online collaboration for entrepreneurs to international agricultural fairs and training</li> </ol>	<b>MINICT (Lead)</b> , MINIAGRI, MINICOM, RISA	795	Continuous
	Digital tools and solutions customized and availed	Number of digital tools customized and availed	TBD	TBD	<ol style="list-style-type: none"> <li>1. Promote local e-commerce platforms, digital payment solutions and value chain management systems</li> <li>2. Leverage RP and FabLab's expertise in developing customized tech-tools and equipment / machinery for local entrepreneurs.</li> <li>3. Promote digital tools amongst entrepreneurs across the value chains</li> </ol>	<b>MINICT (Lead)</b> , MINAGRI, MINICOM, MINALOC, RISA, Provinces & Districts	1,000	

	Entrepreneurship ecosystem through promotion of R&D and Innovation strengthened	Promoted R&D and Innovation	TBD	TBD	<ol style="list-style-type: none"> <li>1. Strengthen academia and industry partnership to support tech Innovation and R&amp;D</li> <li>2. Mobilize public and private institutions to collaborate with education and research institutions in implementing innovation and R&amp;D ideas</li> <li>3. Establish funding to support collaboration between local researchers and their peers (regionally or globally) in developing solutions for local challenges</li> </ol>	<b>MINICT (lead)</b> , RISA, MINALOC, MINICOM, MINEDUC, NIRDA	1,250	
	Digital literacy improved and local technology expertise enhanced	% of adult digitally included	TBD	60%	<ol style="list-style-type: none"> <li>1. Provide basic digital literacy training (virtual tools) for youth, women and persons living with disabilities with a special focus on MSMEs and entrepreneurs</li> <li>2. Support the development of digital entrepreneurs to leverage existing opportunities</li> <li>3. Promote adoption of local solutions for e-commerce, digital payments, marketing, customer relationship management, etc.</li> </ol>	<b>MINICT (lead)</b> , RISA, MINALOC, MINICOM, MINEDUC	1,560	
<b>Pillar 7: Entrepreneurial Culture</b>								
Entrepreneurship culture and spirit is promoted among Rwandan entrepreneurs	Entrepreneurship and Innovation key values strengthened and promoted from early age	Awareness program to promote entrepreneurship and innovation in families and schools in place			<ol style="list-style-type: none"> <li>1. Establish a 'detection and development' program for innovative ideas.</li> <li>2. Promote local solutions opportunities and support entrepreneurs that operate in their communities</li> </ol>	<b>MYCULTURE (Lead)</b> , MIGEPROF, NCPD, MINALOC, PSF	2,500	Continuous
	Entrepreneurial culture exchanges within Rwanda, regionally and internationally promoted	Number of events on entrepreneurial culture exchange organized	Nil	One per year	<ol style="list-style-type: none"> <li>1. Organize events with local, regional and other entrepreneurs to share their experiences with the Rwandan business community</li> <li>2. Provide additional support or access to existing local and regional initiatives such as YouthConnekt Africa</li> </ol>	<b>MINICOM (Lead)</b> , MYCULTURE, MINISPORTS, RDB	2,500	Continuous
	Equal opportunities and support enhanced for all entrepreneurs	Support programs for youth, women and persons with disabilities in place	TBD	Youth, women and persons with disabilities supported	<ol style="list-style-type: none"> <li>1. Facilitate entrepreneurship-support-organizations to design specific programs for women, youth and entrepreneurs living with disabilities</li> <li>2. Conduct awareness campaigns among women, youth and living with disabilities on entrepreneurship and support programs</li> <li>3. Conduct regular motivational talks from serial entrepreneurs to inspire MSMEs.</li> <li>4. Conduct regular traditional and social media campaigns to destigmatize entrepreneurship failures or hurdles</li> </ol>	<b>MYCULTURE (Lead)</b> , MINEDUC, MIGEPROF, NCPD, MINALOC, PSF, MINICOM	1,050	Continuous

Cross Cutting Areas (Interventions)								
Implementation of EDP supported	Entrepreneurship Portal established	Entrepreneurship portal operational	SME Portal, trade Portal, etc...	Entrepreneurship portal operationalized	<ol style="list-style-type: none"> <li>1. Conduct an assessment on existing portals</li> <li>2. Establish entrepreneurship portal</li> <li>3. Raise awareness of the entrepreneurs on entrepreneurship portal</li> <li>4. Organize capacity building sessions for users of the entrepreneurship portal</li> <li>5. Regularly update the entrepreneurship portal</li> </ol>	<b>MINICOM (Lead)</b> , RRA, PSF, RDB, MYCULTURE, RISA, MINICT, MINALOC and NCPD, RSB, RCA, NIRDA	350	MT
	EDP Communication strategy developed and implemented	EDP Communication strategy in place	Nil	EDP Communication strategy validated and implemented	<ol style="list-style-type: none"> <li>1. Developed EDP Communication strategy</li> <li>2. Conduct EDP awareness country-wide</li> <li>3. Organize awareness sessions to promote entrepreneurship and increase MSME awareness of EDP and the Entrepreneurship Portal</li> </ol>	<b>MINICOM (Lead)</b> , MINALOC, RDB, MINECOFIN, RRA, PSF, RSB, RCA	300	MT
	EDP visits on benchmarking conducted	Bechmarking visits report	Nil	Benchmarking visits to Chile, Singapore and Israel conducted	<ol style="list-style-type: none"> <li>1. Organise EDP benchmarking visits</li> <li>2. Conduct and draw relevant best practices from EDP benchmarking visits</li> </ol>	<b>MINICOM (Lead)</b> , RDB, MINEDUC, MYCULTURE MINECOFIN, MINICT, BNR and PSF	60	ST





