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# RWANDA

Investing in the Empowerment  
of Women in Business

September 2009





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## Investing in the Empowerment of Women in Business

### REPORT

September 2009



#### DISCLAIMER

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# GLOSSARY OF TERMS/ACRONYMS

AMMJE	Asociación Mexicana de Mujeres Empresarias
BDS	Business Development Services
CAPMER	Centre d'Appui aux Petites et Moyennes Entreprises: Centre for Support to Small and Medium Enterprises (Rwanda)
DCA	Development Credit Authority at USAID
DFID	United Kingdom Department for International Development
EAC	East African Community
EDPRS	Economic Development and Poverty Reduction Strategy (Rwanda)
FCEM	Les Femmes Chefs d'Entreprises Mondiales
GBA	Global Banking Alliance for Women
IFC	International Finance Corporation
ILO	International Labour Organization
ICT	Information Communication Technology
KAWBO	Kenya Association of Women Business Owners
KIE	Kigali Institute for Education
MFI(s)	Microfinance Institution(s)
MIGEPROF	Ministry of Gender and Family Promotion (Rwanda)
MINECOFIN	Ministry of Finance and Economic Planning
NAWBO	National Association of Women Business Owners (US)
NGO(s)	Non-governmental Organization(s)
NWBC	National Women's Business Council (US)
OECD	Organization for International Cooperation and Development
OWBO	Office of Women's Business Ownership (US)
PSF	Private Sector Federation
RDB	Rwanda Development Board
RIEPA	Rwanda Investment and Export Promotion Agency
RwF	Rwandan Francs
SBA	Small Business Administration (US)
SME	Small and Medium-Size Enterprises
SNV	Netherlands Development Organisation
UNIFEM	United Nations Development Fund for Women
USAID	United States Agency for International Development
USD	US Dollars
WBC	Women's Business Center
WBE	Women's Business Enterprise (certified as majority women-owned and controlled)
WBENC	Women's Business Enterprise National Council (US)
WBO/WBOs	Woman business owner/Women business owners



## INTRODUCTION

This report addresses the business-enabling environment for women entrepreneurs and the conditions that support or hinder their growth in Rwanda. Opportunities for supporting stronger, more broad-based economic growth for society are addressed by looking at the business enabling environment from a gender perspective. This report builds on other assessments recently completed and looks at the institutions and organizations that are currently providing support to women entrepreneurs. This report aims to provide input into decisions of the United States Agency for International Development (USAID) Office of Women in Development, the USAID Mission Rwanda, and other donors by providing information on reforms affecting Rwandan women entrepreneurs and their businesses. In addition, this report can be a guide for changes needed to advance women entrepreneurs in Rwanda and the institutions that support them. Detailed recommendations are included at the end of each chapter.

### RWANDA'S ROLE AS A MODEL FOR GENDER EQUALITY: AN OPPORTUNITY FOR LEADERSHIP

Fifteen years ago, Rwanda experienced a period of political strife and genocide. In the aftermath, physical and social reconstruction of the country took place. This involved women assuming roles traditionally reserved for men, given that many Rwandan men did not survive the genocide. In addition the recommendations made at the 4th World Conference on Women held in Beijing (China) in 1995 gave birth to efforts to increase the participation of Rwanda's women in decision making, mostly in the Parliament and Cabinet. Since then, the government has made significant strides in changing laws and policies. The government of Rwanda attaches great importance to the promotion of gender equality as a prerequisite for sustainable development. This ideal is a fundamental principle within the Constitution of the Republic of Rwanda, 2003. The Constitution requires that there be 30

#### GENDER EQUALITY IS CENTRAL TO DEVELOPMENT IN RWANDA

The centrality of gender equality in national development is underpinned by President Paul Kagame who reaffirmed his conviction that **“gender equality is not just women's business, it is everybody's business and that gender equality and women's empowerment are critical to sustainable socio-economic development.”**

*Opening address by President Paul Kagame, Gender, Nation Building and Role of Parliament conference report, 2007*

percent representation of women in government. The government of Rwanda has embraced this and currently 56 percent of the parliamentarians are women.<sup>1</sup> In March 2009, Rwanda developed a revised gender policy that now includes the private sector as a driving engine of the national economy.

Rwanda's will and progress in the political sphere is unique and provides an opportunity for reform. Its current stability coupled with

<sup>1</sup> Unless identified otherwise, statistics cited in this report are drawn from a number of sources, including the Economist Intelligence Unit (EIU) Country Profile (2008), the CIA's online World Factbook (2008), the OECD's Africa Economic Outlook (2007), interviews, and other publications external to Rwanda. Given limitations in domestic information gathering, most figures cannot be said to be exact, but they do represent best estimates as accepted by the international community.

its endowment of geography, beauty, and tourism appeal could provide opportunities for all Rwandans, yet challenges remain. Women play a significant role in the private sector and dominate the informal sector and need the assistance of the government to move forward. There are additional opportunities for Rwanda as a member of the East African Community but only if the private sector is competitive and women business owners are prepared and able to access the new markets through the support of the government and supporting institutions.

Drawn from a design process described later in this Introduction, this report examines the environment for empowering women in business in Rwanda, which in turn strengthens the private sector. It also identifies opportunities that can stimulate the country's broader reform efforts with the ultimate goal of poverty reduction. In Rwanda, "Poverty has a female face" was an oft-repeated comment. Many of these opportunities require strengthening of the private sector through the understanding and support of the government. Building upon and generally tracking the major areas covered by the BizCLIR Report,<sup>2</sup> the World Bank's annual *Doing Business* initiative,<sup>3</sup> and the IFC Gender Report,<sup>4</sup> the topics discussed in this report include the major impediments faced by women as viewed through the legal frameworks, numerous public and private institutions, and social dynamics underlying conditions for reform. Based on each of the findings, a variety of recommendations are made.

## THE BizCLIR DESIGN APPROACH

Several recent assessments in Rwanda have covered the business-enabling environment and gender issues. In consultation with USAID's Office of Women and Development and the USAID Mission in Rwanda, the team's approach was to reach out more deeply to women entrepreneurs to make recommendations for

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follow-up technical assistance. This design trip took place from April 20–April 30, 2009. A team of gender and sector specialists traveled throughout Rwanda (Kigali, Huye, Musanze, and Rwamagana) and conducted interviews and focus groups. The interviews included a wide variety of people and organizations involved in legal and regulatory reform, politics and policy making, business, entrepreneurial support, as well as the international donor community. In addition, our team met with women business owners—both individually and in organized group discussions. We focused specifically on the progress and promise of women's enterprise development in Rwanda: what steps have been and are being taken to engender political decision making and policy implementation, what programs exist to support women's enterprise development in particular and where there are gaps, what other policies and programs could be made more gender-aware, and what women business owners say they need to expand their businesses and improve their business management skills. Further detail is provided in the Annex at the end of the chapter.

<sup>2</sup> For a similar report addressing business climate legal and institutional reform issues in Rwanda, see Rwanda Agenda for Action, June 2008, at the USAID/BizCLIR website, [www.bizclir.com](http://www.bizclir.com).

<sup>3</sup> See generally World Bank, *Doing Business 2009* (2008), and accompanying literature at [www.DoingBusiness.org](http://www.DoingBusiness.org).

<sup>4</sup> See [www.ifc.org](http://www.ifc.org).

Our investigation led to the organization of this report into six main sections, which represent the most important areas of support needed to improve the environment for women business owners and their enterprises in Rwanda. They are:

1. Institutional Strengthening
2. Education and Training
3. Access to Finance
4. Access to Markets
5. Coordination and Networking
6. Moving from Policy to Practice

Each section contains a set of recommendations specific to that topic. In addition there is a discussion of best international practices included in each section. Conclusions and a summary set of recommendations, including suggested priorities, are found at the end of the report, followed by an annex containing background and reference materials and important organizational links.

## EXECUTIVE SUMMARY

The combined quantitative and qualitative aspects of this diagnostic found that the legal framework is, overall, the strongest of the areas studied, with much of it recently being put into place. The political will exists in Rwanda to make significant changes and evidence of change has taken place. The implementing institutions still need to put into place policies and implementing regulations.

### RECOMMENDATIONS

- Strengthen the Chamber of Women Entrepreneurs to further leverage and bolster other women's business support organizations
- Strengthen training for women entrepreneurs
- Improve access to capital for women business owners through reengineering loan guarantee fund and training
- Public-private dialogue and bridge-building to foster the empowerment of women and build public awareness

The weakest area is the whole network of supporting institutions that provides support to women entrepreneurs, including the area of coordination and networking by and between entities and programs for women entrepreneurs. A holistic approach to strengthening and linking these weak existing organizations would provide an environment that could foster development and growth of business by women.

While there are recommendations for action in each of these areas, the team considers the following to be the most important actions to consider taking. Placing priority in these areas will have the broadest reach, the most widespread impact, and foster the greatest degree of sustainability. These priority recommendations can be bundled, broadened, or scaled back and are being put forward to encourage a starting point for discussion. The recommendations are bundled here to give the biggest result but are referenced individually in each of the sections.

### RECOMMENDATION ONE

***Strengthen the Chamber of Women Entrepreneurs to further leverage and bolster other women's business support organizations.*** Provide an overall strategic plan for the strengthening and coordination of women's enterprise development bodies. This would include an iteration of the mandates of the Chamber of Women Entrepreneurs, the gender unit within the Centre d'Appui aux Petites et Moyennes Entreprises Centre (CAPMER) (the governmental small and medium-size enterprises (SME) office), the Gender Monitoring Office (a new office within the government), and the local business development services (BDS) offices.<sup>5</sup> The team would create a comprehensive strategic plan to help the organizations *coordinate* to reach their goals. The plan would include an organizational assessment, a gap analysis, and recommendations (which could include organization design, a staffing assessment and workforce

<sup>5</sup> BDS units are located in rural areas to provide support to local businesses.



development plan, strategic activities that will support the Chambers sustainability, and a strategic communications plan to build public awareness through a variety of media). The creation of a plan to collect and utilize sex-disaggregated data (including the provision of survey forms/templates and approaches) should be included. Efficient and effective use of the fiber optic cable in enabling the mission of these organizations will be incorporated into our recommendations.

### **RESULT**

This work would reduce duplication among stakeholders, build capacity and ongoing institutional sustainability, and help the government, the private sector, and the Women's Chamber more effectively and efficiently meet the demands of women entrepreneurs.

### **RECOMMENDATION TWO**

**Strengthen training for women entrepreneurs.** Provide a strategic plan for the development of programming and outreach initiatives that will be disseminated nationwide—particularly to the rural areas—and housed in the local BDS units. In consultation with the Chamber of Women Entrepreneurs, the Private Sector Federation (PSF), Duterimbere, the International Finance Corporation (IFC), and other training initiatives, provide a summary of current education material and programs. In addition, include a plan for the training of trainers who would travel to the BDS units to conduct classes, workshops, and networking events and a mentoring plan to increase the outreach for women and youth. These activities can continue to be improved by sex-disaggregated surveys and monitoring/evaluation activities. A template for the surveys will be created and best practices in using survey data as feedback will be shared.

### **RESULT**

This activity will increase the dissemination and awareness of available materials. In addition,

a cadre of trainers will be developed, which will have a multiplier effect on the number of women trained. Systemic use of surveys using sex-disaggregated data will be a routine part of training and will increase the efficacy of follow-up training.

### **RECOMMENDATION THREE**

**Improve access to capital for women business owners through reengineering the loan guarantee fund and training.** Develop a training program and provide training to key employees of banks and other lending institutions on best lending practices for women. This training will include the proper financial products for women based on the type of loan, risk management based on lending to women, portfolio lending, and best practices in the development of a loan guarantee fund for women (potential collaboration/partnership with IFC, the Development Credit Authority at USAID (DCA), and others).

### **RESULT**

This will increase the access to finance for women to include micro, medium, and larger loans, which will enable the start-up and growth of women-owned businesses.

### **RECOMMENDATION FOUR**

**Public-private dialogue and bridge-building on the empowerment of women and build public awareness.** Create a public-private dialogue framework to address the economic empowerment of women, particularly in business. This framework would guide the government and the private sector on suggested interaction to create policies and programs that support women entrepreneurs. Suggestions include a list of necessary stakeholders in the government, the private sector and academia, and recommended coordination between and among government ministries as well as the private sector and academia. Additionally, this could include an elucidation of the role that the government might play with the donor community on the topic



Icyizere means "hope" in Kinyarwanda.

of gender, and would assist the government in defining and expressing the needs to the international donor community. This recommendation would include sharing best practices in maintaining and implementing systems to nurture sustained dialogue among all parties.

### **RESULT**

This action will improve the government's understanding of its role in the development of policies, and monitoring, evaluating, and funding of programs. This will also enable women business owners, women's business support organizations, and the private sector to have a stronger voice. The ultimate outcome will be a cohesive and coordinated approach to understanding and meeting the needs of women entrepreneurs.



## INSTITUTIONAL STRENGTHENING

Many developing countries are plagued with weak local institutions that are significantly underresourced and understaffed. One of the biggest challenges of a weak organization is its inability to operate at a strategic level whereby planning is conducted in a prioritized and planned manner. Organizations need the right structures in place to ensure that daily organizational activities are aligned with overall strategy. Rather, many institutions in developing countries function in a short-sighted manner, dealing with crises as they come and expending valuable (human and financial) resources on dealing with unexpected issues and crises, rendering them ineffective in serving both stakeholders and beneficiaries efficiently and productively.

Institutional strengthening is a key component of the implementation strategy for the National Gender Law. There is a goal to develop and implement gender training programs and deliver this training to half of all policy makers, planners and managers by 2012.

*(Implementation Strategy for the National Gender Strategy (Draft III May 2009), pp. 43–44)*

The strengthening of gender-focused local institutions is key to facilitating development and fostering opportunities for women entrepreneurs. To make the most of opportunities, local institutions must increase their efficiency, strengthen ownership, and effectively plan for the future, which will leave them better equipped to fulfill their mandates and meet the needs of those they serve. Institutional capacity building provides organizations the skills and resources to better achieve their missions and visions, ensure the interests of stakeholders and beneficiaries are effectively met, and improve the delivery of their programs and services. Key components of institutional strengthening include:

- **Strategic Planning:** This is an iterative process that identifies where an organization must focus (mission), where it must be in the future (vision), and how it intends to get there (goals and objectives).

Strategic planning provides a logical, sequential process for leaders to plan for their organization's future, provides organizational focus, establishes priorities, and links day-to-day organizational activity to the organization's strategic mission, vision, goals, and objectives.

- **Organizational Design:** After conducting an assessment to identify gaps and weaknesses in an organization's current structure, an organizational design process then aligns people, process, technology, and structure with the overall strategy. This creates organizations that are properly resourced, are more flexible and adaptable to change, and may help leverage opportunities to share services, yielding more cost savings and efficiencies.
- **Strategic Communications:** Development and implementation of an effective strategic communications plan is the proactive and targeted method for an organization to deliver key messages, disseminate information, raise awareness, and promote a clear understanding of the institution's purpose. Strategic communications allows an organization to manage stakeholder expectations as well as effectively address their concerns. This also fosters opportunities for a dialogue



## INVESTIGATION AND ANALYSIS

While in Rwanda, our team met with a variety of institutions that are focused on empowering women business owners. There is no doubt that institutions across the board, be they housed in the government, the non-governmental, or the private sector space, are dedicated to empowering women entrepreneurs. However, it is also clear that many institutions are understaffed and/or underresourced, and would benefit immensely from the aforementioned array of institutional-strengthening approaches. Such support would improve their capacities as key local institutions to function more efficiently, allowing them to accomplish their mandates and more effectively serve WBOs.

The following list identifies those organizations with which we met as well as institutions, if significantly strengthened, could better deliver services and programs to women business owners in Rwanda.

### GOVERNMENT ENTITIES/INITIATIVES

- The Rwanda Development Board's Office of Women's Enterprise (formerly in CAPMER) is both understaffed and under-resourced. The office is responsible for a wide array of services, yet only two full-time staff members are dedicated to carrying out its mission. The development of a new organizational design and staffing plan, as well as a marketing and advertising plan to which RDB has not yet allocated resources, would benefit the office. Many of the WBOs we met had used CAPMER services in the past and found them very useful, but with the Office of Women's Enterprise's recent move to RDB, there was question among women entrepreneurs how the office would evolve. A strategic communications plan would help RDB and the office communicate to WBOs what services/programs are available.

between the organization and its stakeholders and beneficiaries.

- **Performance Management:** Establishment of a performance management system enables an organization to make performance-informed decisions to achieve results and foster organizational accountability. An effective performance management system achieves three key goals: (1) aligns an organization's programmatic activities with its strategic goals and objectives; (2) defines measures to hold management accountable for achieving high-performance targets; and (3) promotes optimal resources allocation to achieve desired business results.
- **Financial Management:** In conjunction with a performance management system, development of a financial management plan helps to ensure optimal allocation of financial resources that align with an organization's strategy.
- **Capacity Building and Training:** Developing the right strategy and organizational structures is important, but critical to institutional strengthening is providing capacity-building support and training for staff.

- As mandated by the Constitution, the Ministry of Gender and Family Promotion recently instituted a **Gender Monitoring Office**, which is now responsible for monitoring and ensuring that the national gender policy is implemented and mainstreamed throughout public, private, and civil society. The unit is in a nascent stage, having only been established in February, and is currently only beginning to staff itself. At this point, it consists of a chief observer who reports directly to the prime minister, and is supported by two deputies. Carrying the daily operations is the head of the unit is focused on developing a strategic plan for the unit and recruiting staff members who ideally have gender-mainstreaming experience. When we met with the head of the unit, she expressed a need for strategic planning and organizational design support.
- The **Agaseke Promotion Project** was established in 2007 in the city of Kigali in partnership with the Imbuto Foundation and RDB/RIEPA. The vision of the project is to provide opportunities to vulnerable women by empowering them to create their own employment and thereby improve the livelihoods for them and their families. The project is currently focused on developing women's skills in handicrafts, particularly in Rwanda traditional baskets (Agaseke) and fruit baskets, wall hangings and jewelry. In order to achieve this, project staff is working closely with the City of Kigali to construct an Agaseke Promotional Center, which will provide a central venue to promote the handicrafts as well as develop incubation centers in each district of Kigali to serve as training centers for women entrepreneurs. Our team met with the deputy mayor of the city of Kigali, Ms. Jeanne d'Arc Gakuba, who is overseeing the project and Agaseke's project manager. Both expressed a need for strategic planning, organizational development and

fundraising development to help get the project off the ground. It is clear the project would benefit from such institutional strengthening approaches. In addition, support of this first project could be done as a pilot to create the model that would be rolled out to the other cities.

### **NON-GOVERNMENTAL ORGANIZATIONS**

The **Chamber of Women Entrepreneurs**, one of the Private Sector Federation's cross-cutting chambers, states on its website that it "exists to enable women to perform and be competitive in national, regional and international markets by reinforcing their capacity and competency." In order to achieve its mandate, the chamber provides a variety of key service offerings to its members, including: (1) entrepreneurship training; (2) facilitation of finance; (3) development of business partnerships, networking, and business matchmaking; (4) development of support structures for entrepreneurship and the employment of women; and (5) awareness raising regarding the use of information communications technology (ICT) for businesswomen. When meeting with the head of the chamber, Ms. Thérèse Bibonobono, our team was surprised to learn that she is the chamber's only staff member and is responsible for carrying out all the services and functions of the organization. As Ms. Bibonobono well stated, "the chamber's staff consists of Thérèse, Thérèse, and Thérèse." Clearly, this organization is severely understaffed and under-resourced, and would benefit from the development of a strategic plan as well as an organizational redesign, both of which would be the first step in developing a vibrant Chamber of Women Entrepreneurs that could effectively combat the many obstacles facing women entrepreneurs. Despite the lack of staffing, the Chamber is a focal point for women in the private sector and has many accomplishments. In order to continue to meet its mandate and to provide its members with up to date service, it needs assistance. Two areas stand out

**“It is just *Thérèse*,  
*Thérèse* and  
*Thérèse* at the  
Women’s  
Chamber of  
Commerce.”**

as opportunities: the potential for new markets with expansion in trade as part of the East African Community and in ICT as the new fiber optic cable increases the internet accessibility across the country.

### ACADEMIA

- The development of the Centre for Gender, Culture and Development Studies within **Kigali Institute for Education**

(KIE) is currently at the concept phase. Our team met with Shirley Randell, who is heading up the center’s establishment, and requires assistance in all areas of institutional development. Ms. Randell is managing the process with the help of a few volunteers, and needs assistance with strategic planning, organizational design, development of implementation and staffing plans, and development of a fundraising plan.

## RECOMMENDATIONS

RECOMMENDATIONS FOR ACTION IN INSTITUTIONAL STRENGTHENING				
Organization	Specific Recommendation	LENGTH OF ENGAGEMENT		
		Short-Term (12–18 mos.)	Mid-Term (18 mos. to 4 yrs.)	Long-Term (5+ yrs.)
CAPMER/Office of Women’s Enterprise (now situated within the RDB)	Conduct an assessment of the current office and identify staffing/resource gaps	X		
	Design new staffing plan for office	X		
	Develop and implement strategic communications plan with regard to the move to RDB and the effective dissemination of information on programs/services for WBOs	X		
Gender Monitoring Office	Develop strategic plan for the new unit	X		
	Conduct organizational needs assessment and organizational design	X		
	Develop implementation and staffing plans	X		
	Develop strategic communications plan for unit to effectively coordinate with key internal stakeholders (e.g., Ministry of Gender) and with key external stakeholders (e.g., other ministries, private/civil sector entities)	X		
Agaseke Promotion Project	Develop strategic plan for the project	X		
	Conduct an organizational assessment and design the optimal structure for the Agaseke Promotional Center	X		
	Conduct an assessment of optimal incubation models to identify best practices for set-up and implementation	X		
	Develop fundraising plan for the Agaseke Promotional Center	X		

## RECOMMENDATIONS FOR ACTION IN INSTITUTIONAL STRENGTHENING

Organization	Specific Recommendation	LENGTH OF ENGAGEMENT		
		Short-Term (12–18 mos.)	Mid-Term (18 mos. to 4 yrs.)	Long-Term (5+ yrs.)
Chamber of Women Entrepreneurs	Develop a strategic plan for the chamber	X		
	Conduct an organizational assessment and design the optimal structure to support the chamber's strategic mandate	X		
	Design implementation and staffing plan for the chamber	X		
	Implement new design and staffing plans	X		
	Develop financial management plan to improve financial resources for the chamber	X		
Centre for Gender, Culture and Development Studies	Develop a strategic plan for the center	X		
	Conduct an organizational assessment and design the optimal structure to support the center's strategic mandate	X		
	Design implementation and staffing plans for the center	X		
	Implement new design and staffing plans	X	X	
	Develop a fundraising plan to ensure steady financial support for the center	X		
	Design strategic plan to develop center's new curriculum and coordinate and implement volunteer staffing plan	X		

## BEST PRACTICE: THE WOMEN'S BUSINESS CENTER MODEL

Entrepreneurial training initiatives aimed primarily or exclusively toward women have developed methodologies that differ in several important ways from standard, gender-unaware business support.

- There is a more customized approach, with one-on-one counseling frequently being the first step of the “client intake” process.
- The locations are more “women-friendly”: often providing child care and offering courses at varying times to meet the needs of women who are balancing the demands of jobs and family responsibilities. Sites are also frequently located in “main street” settings accessible by public transportation and offering a more inviting and welcoming atmosphere than an office park or university setting.
- The client experience is more “holistic,” going beyond classes about writing business plans and managing cash flow to include peer roundtables, individual or group mentoring, and discussions of work-family balance. Quite frequently, exercises or sessions focus on building the self-esteem and entrepreneurial confidence of clients, many of whom lack business role models or previous managerial experience.
- The entire experience is much longer than a single classroom experience, and can be said to be much more “relational” than “transactional.” Clients frequently participate in center programs for years, graduating from pre-start and start-up classes to growth-oriented programming, mentoring programs (first as protégé then as mentor), volunteer teaching/being a role model, and even—on occasion—serving on the boards of the organizations.

There may be a few differences between the courses or training programs offered by a women's business center (WBC) and those offered by a typical small business development center. Both offer basic entrepreneurial skill-building, focus on cash flow management and increasing financial acumen, and give budding entrepreneurs basic managerial, marketing, and client service tools. But *how* the subject matter is delivered differs significantly, and the additional ongoing mentoring and peer group support can make all the difference for many women.



Women's business centers in the United States began with the passage of the Women's Business Ownership Act of 1988. From four “demonstration sites” 21 years ago, the network has grown to over 100 service providers in 47 states, serving over 140,000 clients annually. Research conducted by the U.S. Small Business Administration has found that client satisfaction in women's business centers is significantly higher than among the agency's other entrepreneurial development programs (small business development centers and the SCORE counseling program).<sup>1</sup>

In addition, recent research investigating women's business centers from the perspectives of clients, center directors, and client outcome data corroborate these important differences and reveal that the return on investment of such targeted programs is high.<sup>2</sup> Research conducted among women's business centers in Canada also shows that the WBC methodology improves client outcomes.<sup>3</sup>

Recognizing this unique methodology, the U.K. government included a WBC pilot program in its 2008 Enterprise Strategy, and Prowess, a U.K. non-profit membership association representing groups supporting women's enterprise development, has launched an effort to develop definitional and performance standards for women's business centers.<sup>4</sup>

1 See these links for additional information: <http://www.whitehouse.gov/omb/expectmore/detail/10003113.2006.html> and <http://www.house.gov/smbiz/hearings/hearing-2-11-09-SBA-entrepreneur-development-programs/Wrigley.pdf>.

2 See a comparative analysis of these three studies, with links to the original reports: *The Performance, Progress and Promise of Women's Business Centers in the United States*.

3 Barbara Orser and Allan Riding, *Estimating the Impact of a Gender-based Training Program*, 2003.

4 Quality standards have been developed and are now being tested. When the materials are ready, they will be shared online at <http://www.wbcinternational.org/>.





## ENTREPRENEURIAL EDUCATION AND TRAINING

It has been shown that educational opportunities and higher literacy rates lead to better economic opportunities for individuals, a more skilled workforce in general, and a more robust economy. The USAID's 2008 report, *Rwanda's Agenda for Action*, points out that there is both a workforce skills deficit overall and an underutilization of the economic talents of women in Rwanda. The recently completed women and youth entrepreneurship needs assessment study conducted for the Private Sector Federation likewise pointed to a deficit of workforce readiness and business skills among women and young entrepreneurs.<sup>6</sup> Thus, providing more educational opportunities for women and focusing on entrepreneurial skill development in particular are very important issues for the country's development and economic prosperity.

Research conducted internationally by the Center for Women's Business Research and others has shown that access to entrepreneurial education and training is one of several pervasive challenges that women business owners face to a greater degree than do their male counterparts, regardless of the region or development status of national economies.<sup>7</sup> Thus, both because there is generally a gender-based skills gap among new and nascent entrepreneurs and because it has been shown that women business owners respond significantly better to a different entrepreneurial learning methodology than is typically offered (see Best Practice article at the end of this chapter), efforts to provide women-focused entrepreneurship training would likely yield very positive and sustainable results. In Rwanda, the lack of business and entrepreneurial training is exacerbated by the lack of basic schooling or schooling that was interrupted by the conflict.

There is an important distinction between general workforce readiness issues (such as basic literacy, primary and secondary education, and specific vocational skills training) and entrepreneurial education (in a post-secondary

educational institution, leadership or management institutes or executive education programs, and "just-in-time" entrepreneurship education typically delivered by non-governmental organizations (NGOs)). For the purposes of our gender-specific diagnostic investigation, we have focused on entrepreneurial education.

### INVESTIGATION AND ANALYSIS

During our diagnostic investigation and field study, we reviewed existing assessments and other related literature, and spoke with government officials, donor agencies, service providers, and women business owners themselves—both individually and in focus group-type discussions. The following key themes emerged from our meetings and discussions with respect to entrepreneurial training and education:

- **Demand Far Exceeds Supply:** While there are several very promising initiatives offering entrepreneurial education and training to women business owners, all that we found have started only recently and are reaching relatively few women. By their nature they are also only

<sup>6</sup> See World Wide Initiatives, *Consultancy on a Targeted Needs Assessment for Women and Youth Entrepreneurs* (Draft report submitted to the Private Sector Federation) (April 2009).

<sup>7</sup> The other challenges include: access to capital, access to networks (both formal and informal), access to markets, and being taken seriously as business owners. These key challenges are seen to diminish as individual educational levels rise and economies become more developed, but persist even in Western, developed economies.

reaching an elite population of women: formally registered women-owned firms whose owners are fluent in English. Other women business owners with whom we spoke, who do not meet these criteria, have a very strong hunger for business knowledge and skills.

- **Vocational Training Needs:** Vocational training both offers women entrepreneurs the opportunity to learn new and needed skills as well as provides additional employment options. We heard in numerous interviews that Rwanda does not have enough people employed in vocational trades (e.g., electricians, painters, auto mechanics) and often rely on foreign workers to fill those employment gaps. This is an area in which women could be easily trained and ready for the employment market relatively quickly. This would also support business growth by providing skilled labor that is currently lacking.
- **Leveraging Cooperatives:** One tremendously underdeveloped population in Rwanda is cooperative members. Mostly comprised of women, cooperatives are ready-made groups ripe for skill-building in a broader entrepreneurial sense. While many do receive training specific to their area of focus (whether it be bee-keeping, coffee-growing, or weaving), they are not generally receiving broader business education, apart from what they may receive from micro-finance institutions (MFIs) within a peer-lending environment.
- **Lack of Linkages:** While there are a number of promising initiatives in operation in the country, and growing structure from a public policy perspective, there is still a clear lack of awareness among the service providers of one another, and only the beginnings of relationship-building or linkages being established between umbrella organizations and NGOs. Making those connections could be powerful catalyst to growth and increased outreach.

- **Organizational Capacity:** Increasing the organizational capacity of both coordinating agencies/organizations and on-the-ground service providers is key to improving educational opportunities for individual women business owners in Rwanda. Focusing on these intermediary groups can provide a much stronger return on investment than would investing in a single, locally focused initiative.
- **Beyond Start-ups:** One population group that is often missing from entrepreneurship development support—not only in Rwanda but in many other countries as well—are post-start-up entrepreneurs. We met several women business owners who were very interested in learning more about growth capital, accessing international trade opportunities, and meeting other challenges that are often beyond the remit of basic entrepreneurship education. It would be useful to initiate support systems and organizations that do not limit their support to the “ABCs” of business ownership but show women—even those who are currently in informal cooperative endeavors—all of the possibilities and growth opportunities of business ownership.

One is left with the clear impression that what women business owners in Rwanda have achieved to date—and there are several with whom we met who have made tremendous strides—has been due almost entirely to their own efforts and by virtue of their own passion, persistence, and perseverance. They have, by and large, not benefitted from the support, mentoring, or role models that can be provided by other business owners nor to any great extent from any guidance or structured assistance from government agencies, financial institutions, or training providers.

During our investigation, we uncovered some important existing groups and organizations that are—or could—deliver entrepreneurship education and training to women business owners in Rwanda:

## NON-GOVERNMENTAL ORGANIZATIONS

- Founded in 1970, **Africare** works in 36 countries across Africa to deliver aid and grassroots support. The organization has operated in Rwanda since 1984, staying there through the genocide. Africare has several projects focused on women's enterprise development, including support for the association Nzambazamariya Veneranda, one of the 52 associations in Pro-Femme Twese Hamwe (For Women Together United), and a new project, Ibyingiru (Hope for the Future), that was designed to support only 300 women but is working now with 3,000 since the demand was so high. This project works with very poor, rural women—mostly widows—and is focused specifically on providing business development assistance and access to finance to local cooperatives.
- The **Business Council for Peace** (Bpeace), has been operating in Rwanda since 2003, when it helped support the market connection between Gahaya Links and Macy's, thus creating the famous "peace baskets." It operates three-year "cohort groups" of around 20 women, focusing on high growth potential women who are already in business (referred to as fast runners). Bpeace's support provides ongoing business and leadership skills, market links, and technology access (each woman served gets a laptop computer and help with Internet access costs). The first cohort group is reaching the end of the three-year program. Bpeace also plans to start a beauty college.
- Peace Through Business, an initiative of the U.S.-based **Institute for Economic Empowerment of Women**, is in its second year of operation in Rwanda. This program educates a select group of formally registered, English-speaking women business owners, then matches them with women business owner mentors in the United States. Thirty women were selected



this year from 72 applicants. All have participated in Kigali-based training, but just 15 will travel to the United States the Summer of 2009 for the mentoring and leadership development part of the program.

- **10,000 Women** is an initiative launched by Goldman Sachs in 2008. In partnership with colleges and universities in 14 countries around the world, the program selects women for university-based business education and mentoring with corporate women, with the overall goals that—over five years—10,000 women will receive business education and that such business education programs will be strengthened. Rwanda's School of Finance and Banking, the in-country partner, has graduated its first class and is in the middle of its second cohort of students. The program focuses primarily on business and management skills rather than on entrepreneurship, but several members of the first class of graduates are starting or own their own businesses
- The **Chamber of Women Entrepreneurs**, also frequently called the Women's Chamber of Commerce, is one of nine chambers (two "promotional" chambers and seven sector-specific chambers) under the umbrella of the Private Sector Federation (PSF). It is very underresourced, with only one staff member, but has an extensive network of women entrepreneurs. It is the PSF's arm that disseminates resources and training to women members. Despite resources and market information available in the PSF, due to the lack of adequate staffing,

the Chamber of Women Entrepreneurs cannot get the material to its large network of members. It has worked with the International Finance Corporation to invite women business owners to the conferences it has organized, and is a conduit for potential students in the Bpeace, Peace Through Business, and 10,000 Women initiatives highlighted here. It does not currently provide direct services to members, cannot directly provide information (such as newsletters), nor can it charge all of its members a membership fee. The Chamber of Women Entrepreneurs aims to include women in the PSF training and has worked to have some classes just for women. This is limited due to the lack of human resources and means of dissemination.

#### ACADEMIC/GOVERNMENTAL

- The Centre for Gender, Culture and Development Studies will be a new program established in the **Kigali Institute for Education (KIE)**, the country's teachers' college. It is being founded by Shirley Randell, an Australian who has been in Rwanda for three years working on a project with the Netherlands Development Organisation SNV. Housed at KIE and in partnership with the University of Sussex in the United Kingdom and Old Dominion University in the United States, the center will confer a master's degree in gender and development, with the goal of providing a qualified pool of teachers and program administrators in Rwanda (and elsewhere) for women's business initiatives.

We also learned about general business education and outreach programs and organizations that are not gender-specific but are important providers of information and business development support to a significant number of women:

One hundred women business owners across Rwanda were asked what kind of entrepreneurial assistance they'd like to see, with the following responses:

- 84 percent wish to attend training sessions
- 70 percent think business development centers are needed
- 62 percent would like a mentor

*(From PSF Needs Assessment report, April 2009)*

#### THE PRIVATE SECTOR FEDERATION

- The Private Sector Federation (PSF) has embarked on an aggressive effort to establish business development support (BDS) services in every one of Rwanda's 30 districts, having started in 2006 with four offices. (They are now in 17 locations.) The plan is to establish physical premises in each district, in some cases co-locating with other organizations, and to link to the fiber optic network now being laid across the country. These offices would be prime locations for housing women's business centers, a representative of the women's chamber of commerce, or some other visible women's business-focused support.
- The PSF has another initiative of note: a business plan competition, launched in 2004, which has grown from 10 award winners in 2004 to 50 in 2008. Winners, of whom a number have been women, receive access to capital and business development assistance.

#### GOVERNMENT INITIATIVES

- The Rwanda Revenue Authority offers several taxpayer education and outreach programs—most designed to encourage informally organized firms (which are more likely than formal firms to be women owned) to formally register their businesses. The Authority conducts seminars, has some mobile BDS services in a traveling bus, and is undertaking a block-by-block business registration effort in Kigali. Such efforts should be engendered.

- Since 2006, Rwanda’s Ministry of Education—in partnership with the **ROC Foundation** and **Bridge2Rwanda**—has offered a Presidential Scholars program, which identifies promising secondary-level students and awards them a four-year scholarship at one of several colleges and universities in the United States. This program will be graduating its first class of 10 in 2010, but there are 100 more in the program pipeline—which will undoubtedly soon be improving the pool of talented young leaders in business, public administration, and civil society in Rwanda.

## SUPPORT FOR COOPERATIVES

- Many agricultural and health-focused initiatives in Rwanda are focused on particular crops, communities, and efforts such as diet/nutrition for persons with HIV/AIDS or improving water quality. These efforts, while not designed specifically with women in mind, nonetheless are working predominately with women. Such efforts could and should also be woven into the network of gender-aware business support in the country. Here are some examples:
  - The USAID-supported **SPREAD Project**, focused on improving product yield, quality, and sustainable development to Rwanda’s coffee industry. Many of the cooperative farmers and processors at local washing stations are women.
  - Africare’s work with community food programs for HIV/AIDS patients. These programs have found that once health has improved, their predominately female clients then focus on economic self-sufficiency and starting businesses.
  - **Africa AHEAD** works in six countries in Africa, including Rwanda, on community-based water sanitation issues—predominately with women who, once empowered through the organization’s classes and advocacy

training, are turning their attention to forming economic cooperatives.

In addition, Rwanda’s National Women’s Council has an extensive network of women community and political leaders for the country, but does not yet appear to be linked in with business development efforts. It could provide an excellent network for outreach, communication, and community connections to connect the public and private sector.

Finally, after having reviewed the findings of key assessments, evaluations, actions plans, and strategies, having evaluated the state of entrepreneurship practices and programs during our in-country meetings and site visits, and having spoken with women business owners themselves, we would suggest that there are still some important gaps:

- Improving connectivity between cooperative-based individual, local efforts—and sharing best practices and lessons learned
- Setting up a value chain that would expose newly educated and empowered local women business owners (largely from agricultural cooperatives) to broader-based entrepreneurship education, and would then encourage the formation of registered business enterprises
- Increasing the availability of curriculum materials and training in French and/or Kinyarwanda (see Best Practice article at the end of this chapter)
- Increasing the availability of business support services to women business owners outside of Kigali
- Providing ongoing support, beyond the short-term support that currently exists, specifically for established, growth-oriented women business owners
- Providing longer-range support for women business owners at all levels that goes beyond the a specific class or training session, akin to the type of community that a women’s business center model would provide (see Best Practice article at the end of this chapter)

## RECOMMENDATIONS

We make the following recommendations with respect to what investments are needed to improve the provision of entrepreneurship education and training for women in Rwanda:

RECOMMENDATIONS FOR ACTION IN ENTREPRENEURIAL EDUCATION AND TRAINING				
Area of Focus	Specific Recommendation	LENGTH OF ENGAGEMENT		
		Short-Term (12–18 mos.)	Mid-Term (18 mos. to 4 yrs.)	Long-Term (5+ yrs.)
Vocational training	Provide gap analysis on vocational training link to entrepreneurs	X		
Focus on cooperatives	Evaluate potential of entrepreneurship education in existing USAID-funded SPREAD projects	X		
	Develop strategy with Rwanda’s National Women’s Council and Profemme Twese Hamwe to identify local cooperatives and form a business network	X	X	
	Organize a meeting/summit of key stakeholders in Rwanda to discuss a special business education initiative focused on cooperatives		X	
	Focus much more attention on building entrepreneurial skills among local agricultural cooperatives—expanding the basic training provided by microfinance institutions and the crop/ talent-specific skills taught by cooperative support agencies—and connect these grassroots structures to the national “value chain” of women’s enterprise development.	X	X	
Build capacity of two key coordinating bodies	Invest in capacity building (more staff) for the Chamber of Women Entrepreneurs	X		
	Develop organizational strategy of engagement, project management and coordination function for the office of women’s enterprise within CAPMER	X	X	
	Organize a study tour for the leaders of these two groups—to the United States, the United Kingdom, or Kenya—to meet with their counterparts, gain knowledge of best practices, and develop action plans for implementation	X		

## RECOMMENDATIONS FOR ACTION IN ENTREPRENEURIAL EDUCATION AND TRAINING

Area of Focus	Specific Recommendation	LENGTH OF ENGAGEMENT		
		Short-Term (12–18 mos.)	Mid-Term (18 mos. to 4 yrs.)	Long-Term (5+ yrs.)
Make curriculum more widely available	Conduct inventory of current entrepreneurial training materials	X		
	Evaluate, translate, and disseminate appropriate curriculum materials	X		
	Develop and launch a website for such materials, in conjunction with KIE, the Ministry of Education, or another appropriate body		X	
Provide structure and guidance to establishment of WBC programming	Consult with PSF and the Chamber of Women Entrepreneurs to develop programming and outreach initiatives at the local level, to be housed in the local BDS centers	X		
	Train and organize a group of trainers that would travel to these centers and conduct classes, workshops, networking events	X	X	
Increase mentoring opportunities for WBOs	Conduct inventory of current mentoring programs/services and identify gaps	X		
	Provide recommendations on additional opportunities for mentoring leveraging existing institutions	X		

## BEST PRACTICE: LEVERAGING EXISTING ONLINE TOOLKITS/ INFORMATION/CURRICULA FOR WOMEN AND BUSINESS

In recent years, there has been much work done developing entrepreneurship education curricula and classroom materials, as well as the development of websites containing links to useful resources and basic information. Here are some useful sources of information, classroom materials, and other “toolkit” documentation and resources:

The **Aspen Institute’s** FIELD Program (Microenterprise Fund for Innovation, Effectiveness, Learning, and Dissemination) identifies, researches, and publishes numerous reports focusing on measuring program success, increasing efficiency, and sharing best practices. While it does not provide curriculum content, it does provide information on measuring client outcomes (see their MicroTest program materials) and enhancing organizational capacity, and hosts and archives useful webinars for entrepreneurial support organizations. While focused on U.S. enterprise development programs, all of the basic information and techniques are easily adaptable to other cultures and circumstances.

**Entrepreneur Oasis** is a new website designed to answer questions and provide information and resources to individuals who are thinking about starting a business or growing their existing business, and to entrepreneurship educators and service providers. The site includes an informative “Questions and Answers” section that includes the answers to such questions as “What is the difference between gross and net income?”

**FastTrac** is a company that provides entrepreneurship education training materials to many of the Small Business Development Centers and Women’s Business Centers in the United States, providing its materials through licensing arrangements. First started in California in 1986, the FastTrac program and materials were purchased by the Kauffman Foundation in 1997.

The **International Finance Corporation** and **IBM** have collaborated to launch an online SME Toolkit, containing hundreds of forms, tips, articles, and other educational information to help those who are just starting a business. The site includes country-specific information for 29 countries. In addition, the IFC has a number of online toolkits covering such topics as alternative dispute resolution, designing tax systems, and business licensing reform—all aimed at policy makers and educators rather than business owners themselves. Further, they have developed a Business Edge training program, aimed at training the trainers of new and growing SMEs, and providing workbooks, self-study materials, and other learning tools to entrepreneurship educators.

The **International Labour Organization** has a number of toolkit-type publications and online resources, designed mostly for public sector stakeholders and entrepreneurial support



organizations. They include a training package/resource kit entitled “GET ahead for women in enterprise,” for entrepreneurship educators, and an online Gender Learning and Training Module, designed for public sector stakeholders to use when developing gender-aware policies and programs. The ILO has an office of Women’s Entrepreneurship Development and Gender Equality (WEDGE) that helps to coordinate these efforts.

The **Ewing Marion Kauffman Foundation**, while founded originally to support entrepreneurship research and policy in the United States, has been getting more involved in global entrepreneurship issues, including helping to foster Global Entrepreneurship Week and launching a web site, <http://www.entrepreneurship.org/>, that brings together information and research on entrepreneurship issues. The site’s Resource Center page includes information targeted to business owners on such topics as accounting, human resources, marketing and operations.

The **National Foundation for Teaching Entrepreneurship**, established in 1987 to help inner city youths see a pathway toward economic independence, has broadened its focus and geographic reach in recent years—and now has affiliates in 11 countries. They have developed a series of curriculum materials, aimed at different ages, which are available for purchase. Their curriculum web page lists the titles and details.

**TechnoServe**, a business development and technical assistance organization established in 1968, focused first on rural individuals, then on agricultural cooperatives. It now operates in 30 countries. They recently received a \$47 million grant from the Bill & Melinda Gates foundation to launch a coffee initiative in East Africa, including Rwanda. The organization runs business plan competitions and provides entrepreneurship training to individual business owners as well as a train-the-trainer program. Their Resource Library, while not containing examples of curricula, lists some useful articles.





## ACCESS TO FINANCE

In most countries, women generally experience more difficulties than men in obtaining decent jobs as employees. This is often due to discriminatory practices, especially in the private sector, and gender barriers embodied in social norms and existing labor market institutions. To combat these challenges, many women turn to self-employment and entrepreneurship as a means of economic survival and to ensure income-generating opportunities for themselves and their families. In Rwanda, the vast majority of women became entrepreneurs primarily for survival. Although women turn to entrepreneurship as a viable employment opportunity, they nonetheless face significant challenges in starting and growing their businesses. In almost every part of the world access to finance is considered one of the biggest obstacles to business growth for women entrepreneurs involved in all enterprise levels (micro, small, medium, and large). In Rwanda in particular, a recently concluded assessment of the needs of women and young entrepreneurs reveals that access to finance is a “dominant challenge that needs immediate attention.”<sup>8</sup>

Women entrepreneurs face serious constraints as they often have minimal or no influence on policy reform. Women often have smaller amounts of personal capital available for start-up, have a greater need for external funding, yet have difficulty obtaining such funds. Previously reviewed studies and assessments indicate that women business owners (WBOs) have difficulty in obtaining financing for the following reasons:

**Lack of knowledge:** Quite often women fear banks due to the ambiguity of their structure, services, and procedures. This lack of knowledge about available options and the costs of getting such information (measured in time, money, energy) serve as a hindrance to many women entrepreneurs.

**Inaccurate perceptions:** Society as well as lending institutions often do not view women as viable business people, and have inaccurate perceptions of women’s borrowing and entrepreneurial behavior. Banks need to realize the market potential of women clients and design

financial products that address the financial needs of WBOs.

**Onerous rates and terms:** High interest rates, short repayment rates and lack of collateral are primary impediments to business financing. Women often do not have adequate collateral to obtain financing when housing and land are in the husband’s name.

- 82 percent of women business owners in Rwanda self-finance their firms
- 38 percent have bank credit
- 14 percent have a loan from a MFI
- 90 percent of firms owned by young entrepreneurs are self-financed

## INVESTIGATION AND ANALYSIS

Women are a significant force in Rwanda’s private sector. Women head 42 percent of enterprises and comprise 58 percent of enterprises in the informal sector, which accounts for 30

<sup>8</sup> World Wide Initiatives, *Consultancy on a Targeted Needs Assessment for Women and Youth Entrepreneurs* (Draft report submitted to the Private Sector Federation) (April 2009).

**“Poverty has a female face in Rwanda.”**

percent of Rwanda’s GDP.<sup>9</sup> As the Minister of Gender and Family Promotion stated: “The root of our problems in Rwanda lie in the lack of economic empowerment for women. There is a clear need for income generation in addition to economic empowerment for women.” It is clear that access to finance is a crucial component for female entrepreneurs at both the start-up and growth phases. Yet obtaining funding is a significant constraint for nearly all WBOs in Rwanda regardless of the size of their business, the length of time they have been in business, and the sector in which they are engaged.

During our in-country design study, we spoke with government officials, banks, microfinance institutions, donor agencies, service providers, and women business owners themselves—both individually and in focus group-type discussions. Women entrepreneurs consistently raised access to finance as a major issue for both starting businesses as well as expanding their business. Several key themes emerged from our meetings and discussions with respect to access to credit.

- **Challenging financial sector:** To date the banking sector is small, weak, and reluctant to finance commercial activities that are not proven models for success. According to the recent IFC report, access to finance is a constraint on all businesses in Rwanda and over 85 percent of those in the informal sector have no access to any form of external financing.<sup>10</sup> Given that 58 percent of women-owned enterprises comprise the informal sector, it is clear that women entrepreneurs are particularly challenged when it comes to accessing finance to start or grow their businesses. Additionally, commercial banking is primarily centered in Kigali and primarily available in a few sectors (trade, tourism, and manufacturing). Agriculture received only 2 percent of direct bank credit in 2003, yet women make up a large margin of those employed in the agricultural sector. According to the IFC’s *Voices of Women Entrepreneurs*

in Rwanda, 86.3 percent of women are employed as agriculture and fisheries workers, compared to only 71.2 percent of men.<sup>11</sup> Compounding the problem is bank personnel’s lack of understanding of business and in particular lack of understanding of women in business and their successful repayment rates. This results in impeding rapid access to working capital that is greatly needed by Rwandan women business owners. The recent Private Sector Foundation (PSF)-sponsored study of women entrepreneurs<sup>12</sup> notes a need for greater innovation on the part of women business owners, but the women entrepreneurs with whom we spoke also pointed to a lack of appreciation of innovation on the part of lenders and in fact failure to lend if there was innovation—saying that banks were often only comfortable lending to the same types of businesses with a proven track record of success. A promising entrepreneur brought a new idea to a bank only to be told that if she wanted to obtain funding to start a business she should start another floral shop like the one across the street. This story was repeated with slight variations throughout the trip.

There are six commercial banks and approximately 200 microfinance institutions in Rwanda. While commercial banks are reluctant to lend, development banks and microfinance institutions across Rwanda are willing to provide credit access to entrepreneurs, and in particular to women. During the course of our trip, we encountered many women entrepreneurs who had successfully obtained lending from microfinance institutions such as Duterimbere and from development banks such as Urwego Opportunity Bank. MFIs are more comfortable and willing to lend to women entrepreneurs, but constraints to providing credit still apply given the overall poor quality of business expertise and business plans. The lack of lending

<sup>9</sup> IFC, *Voices of Women Entrepreneurs in Rwanda*, October 2008, p. 6.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> World Wide Initiatives, *Consultancy on a Targeted Needs Assessment for Women and Youth Entrepreneurs*.

by commercial banks creates a gap for women who want to grow their business past the micro stage or who are already successful in a medium or large business and want to expand. These are the businesses most likely to employ others and to contribute to the economy.

- **High borrowing costs and short repayment terms:** The cost of borrowing in Rwanda now stands on average between 18 percent and 24 percent in commercial banks and between 13 percent and 20 percent among microfinance institutions.<sup>13</sup> Many of the women entrepreneurs we interviewed stated a need for ongoing investment in order to maintain or grow their businesses, but found the interest rates charged for loans or lines of credit to be too high. Even when female entrepreneurs do qualify for loans, short repayment terms are a critical constraint. Many of the women entrepreneurs who attended our focus group discussions (in Kigali, Huye, Musanze, and Rwamagana) and had successfully obtained lending from financial institutions highlighted short repayment terms as one of their main challenges. Some institutions expected loans to be repaid within a few months, which entrepreneurs found difficult to adhere to and would prefer to secure longer repayment terms upwards of a year or two so that investments in plant and equipment can be made.
- **Burdensome collateral requirements:** According to the Private Sector Federation's 2008 Business and Investment Climate Survey, women-run businesses in Rwanda report a lack of collateral or a high collateral requirement as a significant barrier to accessing credit. Most lending in Rwanda has a high collateral requirement which limits women's access to finance. For the majority of women, particularly those at the lower end of the economic spectrum, the key assets of most households (e.g., land, houses, livestock) are



usually owned by men, making formal bank credit inaccessible to many women, rendering it difficult to start or grow a business. Numerous women entrepreneurs with whom we met stated lack of collateral as a major issue, and also noted that often their husbands had already mortgaged the equity in the home for their own businesses making it unavailable for use as collateral. Despite far-reaching reforms to matrimonial, land, and succession laws undertaken in Rwanda, husbands can still mortgage properties without the signatures of their spouses. Lack of collateral is particularly challenging for WBOs involved in the services sector as they often do not have movable or immovable property that can serve as collateral.

Since lending to solidarity groups is dependent on peers, WBOs involved in group lending are not constrained by collateral issues. Collateral is mainly a challenge for entrepreneurs who are either involved in cooperatives or seek credit on an individual basis. According to the IFC,<sup>14</sup> in the

<sup>13</sup> "Eighty Percent of Entrepreneurs Lack Business Skills," *Enterprise: Private Sector Federation Magazine*, Issue 07 (January–March 2009), p. 18.  
<sup>14</sup> *Ibid.*

MFI sector, women account for 70 percent of group lending where personal security is not required; however, that leaves another 30 percent who are dependent on the availability of collateral to access MFI lending. With limited control over land, a move towards non-land asset-based lending would be of particular benefit to women. Development of a secured transaction system that makes it easier for women to use other types of collateral such as future purchase orders, warehouse receipts, vehicles, equipment, and livestock would improve women entrepreneurs' ability to access credit.

- **Lack of credit tracking system:** While access to formal finance services is critical, reliable information on borrowers is equally as important. In Rwanda, like in many other developing countries, information on a business' or individual's credit track record is not tracked or simply unavailable. As a result, banks and other lending institutions often focus on large commercial clients and top retail clients, which pose lower lending risks given their substantial reserves and available collateral. In addition, it is equally burdensome to provide a large loan or a small loan as the paperwork requirement remains the same, although the benefit is greater to the bank for the larger loan. Loans to underserved populations, which typically have neither substantial reserves nor collateral, are then viewed as risky and are either priced out of the lending market or interest rates are high to offset the perceived higher risk.

To date there are no private credit bureaus in Rwanda, and the public credit bureau managed by the National Bank of Rwanda has very limited coverage and utility. Establishment of a reliable private credit bureau or credit tracking systems would help to offset lending imbalances by allowing banks and other lending institutions to collect and share data on

#### OTHER GUARANTEE FUNDS

- The U.S. Small Business Administration has several loan guaranty funds that typically guarantee from 50 percent to 90 percent of the value of the loan. Some loans have a 100 percent loan guarantee. While there is not a specific Women's Guarantee Fund, between one-fourth to one-half of the borrowers of various SBA-guaranteed loans are women. More information is available at <http://www.sba.gov/services/financialassistance/sbaloan topics/snapshot/index.html>.
- USAID's Development Credit Authority helps to mitigate the risk for banks and has lower collateral requirements. This is a model for loan guarantees.

potential borrowers, thereby facilitating the exchange of information on creditworthiness and the sorting of good from bad borrowers. This would benefit women more than men, as women consistently have a higher repayment rate than men. While the actual repayment risk is less, banks routinely perceive women as more risky borrowers so a verifiable track record could help women get to that next level of funding. However, in order for any credit bureau to be effective, the underlying legal framework in Rwanda must be established to adequately support any improvements in this area.

- **Dearth of financial and accounting acumen:** Women entrepreneurs require the requisite business skills that will allow them to both fully understand their financing options and how to approach lending institutions with viable business plans. Many of the women with whom we spoke desired more business-focused financial education to allow them, once funding is obtained, to more properly manage their finances. Women business owners would also benefit from technical assistance in such as areas as bookkeeping, business planning, marketing, and management. Banks explained that women could

not explain their business plan at the loan application time, even when they had one that was well drawn up. This raised doubts in lender's minds about the ability of the women and their businesses.

During the course of our field study, we came across a variety of entities that offer both financing and financial technical assistance to women entrepreneurs:

## GOVERNMENT SOURCES

- **Women's Guarantee Fund:** Established in 1998 under the auspices of the Ministry of Gender, the Women's Guarantee Fund is a 250M Rwf<sup>15</sup> guarantee fund that has met limited success for a variety of reasons. Initially, the fund gave out money without a great deal of restrictions or due diligence by the lenders with the goal of distributing funds quickly. This resulted in borrowers comingling funds and using them for personal purposes without a true understanding of the purpose of the funds. Thereafter, loans were much more strict and with a very high collateral rate. Commercial banks get a 50 percent guarantee on their loans to individuals and a 70 percent guarantee on loans made to associations/cooperatives. Entrepreneurs can access the guaranteed funds through a variety of banks, and we were told that to date nearly 84 percent of the funds in the guarantee had been expended, although reports varied and it was difficult to obtain a consistent figure regarding the number of loans made. According to an IFC report, only about 17 loans under this scheme had been made since its inception.<sup>16</sup> However, when discussing this guarantee fund, across the board from government officials to private sector stakeholders to women entrepreneurs, the consensus is that the Women's Guarantee Fund has not met with success, particularly with regard to the individual woman entrepreneur. In addition, many of the women entrepreneurs with whom we

met were simply unaware of its existence. Despite the lack of success to date, a guarantee fund for women is a good idea and has been successful in a number of countries. Looking at other successful funds as models and including a more advantageous collateral requirement would assist with the development and growth of women-owned businesses. There was a Development Credit Authority microfinance project that was operational from 2003 to 2007 and worked well according to banks that used it, enabling the banks to finance projects where collateral would have otherwise been insufficient. The Women's Guarantee Fund will not be effective until it changes its collateral requirement.

## PRIVATE SECTOR SOURCES

- **Commercial Banks:** Most of the WBOs that participated in our focus groups and interviews stated that accessing finance from commercial banks is extremely challenging. The cost of credit and the short repayment terms expected by commercial banks is onerous for entrepreneurs both in the start-up phase as well as in the growth phase. In addition, many WBOs encountered bank staff who neither understood basic business concepts nor were willing to take a risk on financing new and innovative strategies. All too often the banks fund business models that are proven, which causes problems in terms of market saturation as well as stifling innovation. As well, banks do not offer sufficient products and services to meet the needs of entrepreneurs. One commercial bank, Bank Populaire, however, did stand out as the preferred commercial bank for WBOs. It is also the bank most used by the majority of the people.
  - **Bank Populaire:** Bank Populaire started its operations in 1975 as a cooperative and recently became a commercial bank with funding and support from Rabobank. Despite being commercial, this bank operates in many

<sup>15</sup> At the time of the Report, the exchange rate was 1 RWF to 0.001792 USD; therefore, the 250M RWF fund was worth \$448,101 as of May 1, 2009

<sup>16</sup> "Rwanda: Review of the Legal and Regulatory Framework for Business from a Gender Perspective," IFC Gender Program, p. 19.

## SNAPSHOT OF FINANCE INSTITUTIONS

### Bank Populaire (Women's Branch)

- Commercial bank
- **Women = 77% of clientele**
- Branch is Kigali-based
- 670 borrowing clients (504 women, 164 men)
- 8,900 depositors (70.5% women, 29.4% men)
- Loans by sector:
  - Trade = 75%
  - Transport = 6%
  - Residential Housing = 6%
  - Agriculture = 0.5%
  - Education = 0.1%

### Urwego

- Development bank
- **Women = 88% of clientele**
- Represented in 27 of 30 districts
- 30,000 borrowing clients
- 17,000 depositors
- Lending model = group & individual
- Average loan size = US \$125
- Average group lending Timeframe = 16 weeks
- Average default rates = 0.54%

### Duterimbere MFI

- Microfinance institution (under the umbrella NGO Duterimbere ASBL)
- 7,000 members
- **Women = 80%**, Men = 20%
- Lending model = groups of 5
- Collective lending
- Loan per borrower =
  - Initial = ~ US \$180
  - Second = ~ US \$269
  - Third = ~ US \$538
- Interest rate = 2%/month
- Repayment timeframe = 6 months

ways like a development bank, given that it considers the needs of WBOs as a focal point for its business. To begin, Bank Populaire has a women's branch in Kigali that caters specifically to women, and it plans to develop and roll out loan products that are more tailored for women by year's end. When meeting with the manager of Bank Populaire's Kigali branch, Ms. Nadine Mutabaruka, we asked for details regarding the women-specific products referenced but she was unable to provide any additional details at the time.

- **Microfinance Institutions (MFIs) and Development Banks:** This segment of the finance sector is more attuned to what women entrepreneurs need in terms of both financing and technical assistance. MFIs and development banks have tailored their financing models to better cater to women entrepreneurs and also offer technical assistance to borrowers that may be customized for start-ups to mature, large organizations. Many of the women entrepreneurs with whom we met and participated in our focus groups have successfully obtained financing from various microfinance institutions and development banks.

- **Urwego:** This development bank, which is owned by four international NGOs, is the only licensed bank focused on microfinance in Rwanda. The bank provides both financing and training to assist entrepreneurs in starting a small business. Prior to lending, Urwego requires four weeks of pre-borrowing training and continues to train its borrowers throughout the lifetime of the lending process. Urwego's model focuses on moving its lenders from solidarity lending, during which lenders can benefit from the support of their solidarity groups, to graduating to individual lenders once it is determined they are comfortable with borrowing on their own.
- **Duterimbere:** The NGO Duterimbere ASBL was founded in 1991, and it created a microfinance entity in 2004, which provides collective lending opportunities for women entrepreneurs as well as providing technical assistance and training. Duterimbere has developed a very successful training module offered in Kinyarwanda, French, and English that covers all aspects of business development and expansion

including business planning, marketing, bookkeeping, and market expansion.

and are required to pay back the loan at a reasonable interest rate. For example, in one association members agreed to donate 20,000 RwF (~US \$36) per month so that the fund stood at 7M RwF (~US \$12,547). Members can then borrow for a term of three-months and a 4.5 percent interest is charged, a rate that is significantly below the commercial lending rate. In addition, many associations and cooperatives actively sought opportunities for technical assistance in the areas of business development.

## NON-GOVERNMENTAL SOURCES

- **Associations and Cooperatives:**

Members of many associations and cooperatives have organized development of their own revolving fund, in which members donate a set amount per month to the fund. Those members that require short-term financing can then borrow from their own association's or cooperative's fund

## RECOMMENDATIONS

RECOMMENDATIONS FOR ACTION IN ACCESS TO FINANCE				
Area of Focus	Specific Recommendation	LENGTH OF ENGAGEMENT		
		Short-Term (12–18 mos.)	Mid-Term (18 mos. to 4 yrs.)	Long-Term (5+ yrs.)
Loan guarantee funds	Provide alternative models for developing and instituting successful loan guarantee funds for women	X	X	
	Identify best practices associated with designing and implementing an optimal loan guarantee program for Rwanda, including a case study on the U.S. Small Business Administration (SBA). This research would result in a best practices report.	X		
Loan guarantees	Design study tour for key Rwandan stakeholders to visit U.S. SBA and/or other non-U.S. loan guarantee facilities to learn about their loan guarantee programs	X		
Training for government officials	Develop training program and provide training to government officials on risk management, portfolio lending, and best practices in lending to women	X		
Training for employees of banks and lending institutions	Develop training program and provide training to key employees of banks and other lending institutions on risk management, portfolio lending, and best practices in lending to women	X		
	Deepen the outreach of lending institutions so they are reaching all regions (e.g., rural areas), where currently businesses have to rely on savings circles or money lenders, which charge extremely high interest rates.	X		

## RECOMMENDATIONS FOR ACTION IN ACCESS TO FINANCE

Area of Focus	Specific Recommendation	LENGTH OF ENGAGEMENT		
		Short-Term (12–18 mos.)	Mid-Term (18 mos. to 4 yrs.)	Long-Term (5+ yrs.)
Credit bureau	Design and support the development of a credit bureau and reliable credit tracking system		X	
Financial management and business skills tied to lending	Develop new and strengthen existing technical assistance programs to provide financial management training for WBOs, training them in business planning development, bookkeeping, financial management, and other necessary financial literacy courses.	X	X	
ICT for finance	Create a development strategy to place developed or to-be developed technical assistance and training materials related to lending and access to credit on the Internet for wider dissemination and usage. In particular, leverage opportunities that the newly laid fiber optic cable will soon provide.	X	X	
	Analyze the current mobile telephony structure to look at mobile finance for women.	X		





## ACCESS TO MARKETS

One of the biggest challenges for women business owners (WBOs) revolves around finding a suitable market for their product or service and, with business expansion, finding new markets and moving products and services into those markets. Most business owners seek to expand and scale up their existing market activities; however, one of the most common difficulties facing both new and established entrepreneurs is how to expand their products and/or services to new markets, whether to domestic, regional, or international markets or to new sets of customers (from consumers to businesses to selling to public sector agencies). Understanding how women can effectively access markets and then enabling them to successfully enter into new markets is critical for fostering inclusive economic growth.

Reducing barriers to market access and enhancing women's productivity benefit both economies and households; increased exports have a high potential to create employment and income for women. To encourage this, a business environment in which market access is unrestricted, information flows freely, and competition is fostered is necessary. At the macro level, the government has a responsibility to foster a business-enabling environment in which barriers to market access are minimized or ideally removed. This includes simplifying customs and trade logistics, and encouraging investment in trade-related infrastructure. Additionally, it is imperative that market diversification be encouraged so that women entrepreneurs have opportunities to expand beyond what is considered more traditional markets for women entrepreneurs (e.g., handicrafts, textiles, and agriculture). This is not to say WBOs should not be involved in more traditional markets, but women entrepreneurs should also be encouraged and supported to enter into markets less penetrated by women (e.g., construction, transportation, IT services) if there are market opportunities.

In addition to a challenging business-enabling environment, some of the common difficulties

“Rwanda’s economy has risen up from the genocide and prospered greatly on the backs of our women,” said Agnes Matilda Kalibata, minister of state in charge of agriculture. “Bringing women out of the home and fields has been essential to our rebuilding. In that process, Rwanda has changed forever...We are becoming a nation that understands that there are huge financial benefits to equality.”

facing both women and men who wish to expand into new markets, both non-geographically and geographically, are: (1) access to capital to fund growth, (2) inadequate market and business information, (3) lack of market diversification opportunities, and (4) insufficient linkages and opportunities for export promotion.

## INVESTIGATION AND ANALYSIS

Women-run businesses in Rwanda can be found across a wide variety of sectors including agriculture, transport, tourism, travel services, information services, florists, wedding boutiques, and handicrafts, among others. During the course of our visit, we met with a variety of women entrepreneurs both individually and in focus group settings.

Consistently the message we received is that women business owners want greater opportunities for market diversification as well as to expand their markets geographically, but are hindered by a wide array of barriers. One of the biggest barriers was lack of information on markets. Small changes can have a large impact on the women entrepreneurs in Rwanda. Many of these enterprises are very small scale and their challenges are to get the goods to the nearest local market. Most transportation is done by foot over the “thousand hills in Rwanda” so this complicates matters. Understanding the local context is important in identifying challenges and opportunities.

### FINANCING

- **Insufficient financing to support business expansion:** As covered in the Access to Finance section of this report, WBOs are significantly constrained by insufficient financing options. Many of the women entrepreneurs with whom we met expressed frustration at not being able to expand their businesses activities into other markets, given they could not access additional funding. This limits them in both achieving both market diversification and moving into other geographical markets. One WBO stated that she would like to expand into other markets but without sufficient funding to cover advertising and marketing costs, she is unable to grow outside her current market.

### MARKET INFORMATION

- **Inadequate market and business information:** Many WBOs stated that they have limited or no way to obtain much-needed information on both local and international markets. There does not exist a place or site to link entrepreneurs to this information. Women with their dual obligations of taking care of a family and ensuring that the family has water and energy have less time to access or find information, so having clearly identified locations that provide this local information would have a large impact on women entrepreneurs. Especially

Coffee-washing stations were established to impose strict quality control, sorting beans by grades and disposing of the poorest crops. Tasting laboratories—staffed largely by women, who scientists say have more taste buds than men—added to the quality. The best of Café de Maraba’s production has become hugely popular among fair-trade coffee distributors in the United States and Europe, with exports growing from 20 tons in 2002 to an estimated 80 tons in 2008.

Theophile Biziyaremye, Café de Maraba executive director, said that male coffee growers in the cooperative have been too set in their ways. “They keep saying, ‘We’ve done it our way all our lives, our fathers and grandfathers have done it this way, so why should I change and use your way to grow coffee now?’” he said. “The women are different. They have not done it before, so they are adapting and growing the better-quality coffee. That also means they are making more money than the men.”

at the most local level, there is a lack of information on Rwandan internal markets, let alone regional East African markets or international markets. In addition, entrepreneurs lack information on product competitiveness. In order for businesses to grow and successfully move into other markets, owners need information on market share, alternative products, competition, demand, pricing, etc. And if the goal is to move into or operate in regional and international markets, information on export performance, tariffs, and quality standards are also necessary. A variety of organizations have developed market analysis tools that are available via the Internet to help business owners access market information. For example, USAID and other donors have supported the free distribution to developing countries of a package of tools that the International Trade Centre has developed.<sup>17</sup> These tools include a trade map, a market access map, an investment map, a trade competitiveness map, and a product map and help to enhance the transparency of global trade and market access and to assist

<sup>17</sup> The tools can be found at [www.intracen.org](http://www.intracen.org).

business owners in their market analyses. In order to make these as widely available to women entrepreneurs as possible, it would be ideal to allow women to access such tools via Internet at the BDS centers. The newly laid fiber optic cable is an opportunity to put these tools and other basic Internet tools in the hands of women entrepreneurs.

- In conjunction with access to information, WBOs also want better ways of sharing information about programs and services that are available to all businesses, such as government procurement opportunities that can help them access new markets, as well as provide opportunities for international trade.

## MARKET DIVERSIFICATION

- **Insufficient sector and product analyses in Rwanda:** Analyzing where women are in the local and the global supply chain and documenting the resources they use provide valuable information about how to strengthen local economies and maximize forward and backward linkages. All too often WBOs spend too much time on developing and maintaining their internal supply chains as opposed to growing their businesses. This can be attributed to their lack of understanding on how to market and/or because they are focused on meeting the immediate needs of their businesses or their subsistence and do not have the time and resources to focus on “non-immediate” needs. One very successful Rwandan WBO (founder and owner of Gahaya Links) stated during our interview that she would “like all of her ‘grassroots’ (e.g., internal supply chain) issues taken off her plate so she could concentrate on expanding into new markets.”

## EXPORT PROMOTION

- **Transport and logistics issues:** The opportunity to develop new market links is extremely important to Rwandan entrepreneurs; however, trading across borders

is both expensive and challenging. Rwanda’s recent entrance into the East African Community (EAC) will help to facilitate regional trade. However, numerous challenges exist that hinder market access as trading across borders remains costly and difficult in Rwanda. According to the World Bank’s 2009 *Doing Business* report, Rwanda ranked 168 in the Trading Across Borders indicator. Both transport costs and customs issues are seen as major constraints to trade. There is a great need for the Rwanda Revenue Authority (RRA) to implement continuous training of clearing agents to simplify customs procedures and time spent at customs.

- **Trade shows and market expos:** Several women business owners with whom we met are trying to break into regional and international markets. However, our team learned that these entrepreneurs are often uninformed and/or not invited to attend trade fairs, shows, conferences, etc.—and even when invited to attend, all too often the marketing investment costs (e.g., renting space, design and construction of trade displays, travel, accommodations, promotional materials) are a major barrier for entrepreneurs. Women business owners expressed great interest in securing invitations and finding financing prospects to attend such shows and expos, which would provide them with much needed networking opportunities with the private sector. Linking into USAID’s East Africa Hub to promote women would be a good use of resources.
- **Necessary quality and standards certifications:** In order to export goods, businesses need to meet the trade quality and standards of the country to which they are exporting. The women business owners we met who are involved in produce and food processing found this an especially challenging hurdle to overcome. The expenses related to meeting the necessary quality and standards (e.g., sanitary phytosanitary standards (SPS), Hazard Analysis and Critical Control Points, commonly



known as HACCP,<sup>18</sup> European standards (EuroGAP),<sup>19</sup> International Organization for Standardization (ISO)<sup>20</sup> are often too much for many businesses to incur. Required certification training and equipment are both costly. The Women's Chamber of Commerce could access the Private Sector Federation's materials on these issues to disseminate to the BDS.

- **Language barriers:** One challenge to Rwanda that presents an obstacle to WBOs moving into regional markets is language. Both Kinyarwanda and French are historically the predominant languages of business in Rwanda, but with the ongoing regional and global trends, English is becoming the main language for business. In addition, several institutions that provide much-sought-after entrepreneurial training (e.g., Business Council for Peace, Peace Through Business, Goldman Sachs) only conduct training in English, requiring that women entrepreneurs have a certain level of English abilities before being allowed to apply. We met a number of women entrepreneurs who were planning to take English classes to overcome this language barrier, but studying a language is both time- and cost-intensive, both of which many women business owners do not possess.

We did encounter a range of organizations and initiatives that are working to improve women entrepreneurs' access to markets.

## GOVERNMENT ENTITIES AND INITIATIVES

- **Rwanda Investment and Export Promotion Agency (RIEPA)** was founded in 2004 and recently rolled into the Rwanda Development Board. RIEPA's mission is to promote investment opportunities with local and foreign investors in addition to facilitating business development and export promotion. During the course of our trip, RIEPA's **One Stop Center** was referenced numerous times and seems to have significantly reduced the timeframe for

company registration, investment registration, and visa and work permit procurements, among others. (According to its website, the process of company incorporation was reduced from 21 days to a maximum of 3 days by the One Stop Center.)

- With the recent rollout of **Trade Point Rwanda**, access to market information should improve. Trade Point is an ICT project jointly managed by PSF, RIEPA, UNCTAD, and district municipalities to allow access to market and other forms of information to local communities at outlets known as Trade Points that are well situated within the BDS centers found in municipalities across Rwanda. Trade Point will help entrepreneurs to access global business information and markets and to seek information on how to access financial assistance for business development.
- The Agaseke Promotion Project was established in 2007 in the city of Kigali in partnership with the **Imbutu Foundation** and RDB/RIEPA. The vision of the project is to provide opportunities to vulnerable women by empowering them to create their own employment and thereby improve the livelihoods for them and their families. The project, which is focused on developing women's skills in handicrafts, is working with 16 cooperatives. These cooperatives are comprised of more than 3,000 members, all of which have been trained in weaving different types of handicrafts. The future development of the Agaseke Promotional Center, which will provide a central venue to promote the handicrafts in Kigali, as well as the development of incubation centers in each district of Kigali will help women who have received training move into new markets.

## PRIVATE SECTOR ENTITIES AND INITIATIVES

- The **Private Sector Federation (PSF)** has devised a new initiative known as a "cluster" approach to promote alignment of a chain of related businesses in

<sup>18</sup> HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.

<sup>19</sup> European Good Agricultural Practices

<sup>20</sup> <http://www.iso.org/iso/home.htm>

the sectors that correspond with their specific chambers (including financial services, craft art and artisans, industry, tourism, commerce and services, agriculture and livestock) in addition to the cross-cutting chambers of Women Entrepreneurs and ICT. These resources are available to the Women’s Chamber of Entrepreneurs (which is part of the PSF), but there are no resources to disseminate the material to

women. The recently completed **Needs Assessment Study** conducted for the PSF focused on women and youth and identifies market access as a key priority. Providing technical assistance to entrepreneurs with respect to market identification/analysis, product design and standards, and provision of a resource database of subject-matter experts are some of the key recommendations made in the report.

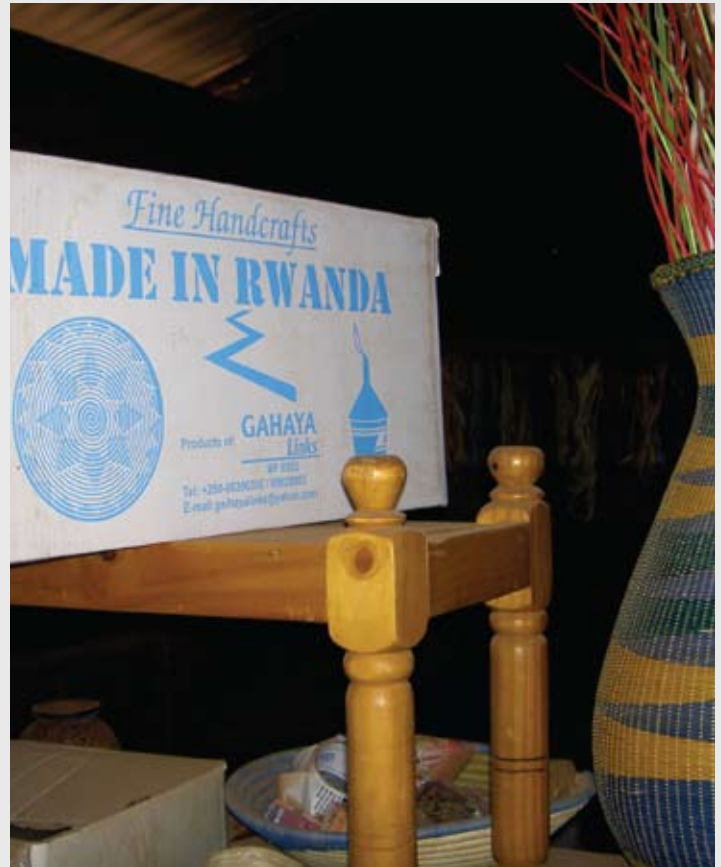
## RECOMMENDATIONS

RECOMMENDATIONS FOR ACTION IN ACCESS TO MARKETS				
Area of Focus	Specific Recommendation	LENGTH OF ENGAGEMENT		
		Short-Term (12–18 mos.)	Mid-Term (18 mos. to 4 yrs.)	Long-Term (5+ yrs.)
Access to information	Identify mechanisms to provide business owners market data and necessary information about local, regional, and international markets and help the Women’s Chamber disseminate such information	X	X	
Trade shows and fairs	Identify trade shows and expos and recommend opportunities for how to include women entrepreneurs and work with existing programs such as the East African Hub	X	X	X
Market promotion	Design a trade promotion policy on Fair Engendered Trade to promote Women-Owned Businesses to investors	X		
Market analyses	Conduct in-depth competitive analyses of select products and sectors related to markets	X	X	X
	Conduct in-depth value chain analyses for key sectors, including transport and logistics	X	X	
Quality and standards	Identify and establish a support mechanism to help potential and current exporters develop the capacity to meet export certification standards	X	X	X
Training for customs officials	Provide training to customs officials on customs procedures and policies to improve regional trade opportunities		X	X
Language training for women business owners	Work with local organizations to develop training materials for an English for Business Owners class and offer classes through organizations such as the BDS centers	X	X	

## BEST PRACTICE: WE CONNECT INTERNATIONAL

In response to the growing visibility of women-owned businesses in the United States starting in the mid 1990s, and a growing interest among corporations in utilizing them as suppliers, the **Women's Business Enterprise Council (WBENC)** was born. Established in 1997 by corporate supplier diversity professionals, this best practice organization in the area of increasing access to markets has established relationships with 14 regional certification organizations, which conduct independent, third-party certification to validate majority ownership and daily control of women's business enterprises (WBEs). WBENC's annual conference also provides a rich opportunity for mid- and high-level women business owners to network with one another, attend growth-oriented workshops, and have meetings with corporate purchasing representatives. WBENC also has an annual awards banquet, at which leading corporations are honored for their commitment to supplier diversity.

Corporate interest in doing business with WBEs as suppliers is spreading around the world, driven initially by U.S.-based international corporations; thus **WE Connect International** was established in 2008. This new entity will take the WBENC model of third-party certification and market matchmaking to the global level. **WE Connect UK** was launched in late 2008, and **WE Connect Canada** is soon to be launched. Other countries, such as China and India, will follow.





## COORDINATION AND NETWORKING

As has been noted throughout this report, the government of Rwanda has made extraordinary progress in setting up systems to support enterprise development. Many new laws have been passed, making it easier and less costly to start and register a business; both laws and procedures have been adjusted for greater harmony with those of neighboring countries in the EAC; and government agencies themselves have been restructured and regrouped to improve oversight and coordination. Over time, these changes will very likely bear the fruit of increased growth among existing businesses and an increasing number of new business formations and registrations among both women and men.

During our investigation, as we spoke with government officials, members of the donor community, entrepreneurial support providers, and women business owners, we found that, while significant progress has been made with respect to setting up policies, procedures, and systems, the next step in that process—“connecting the dots” with better organizational linkages, communication, and coordination—has not yet begun taking place on a systematic basis.<sup>21</sup>

So, too, as Rwanda’s economy is still largely dependent on foreign aid, better coordination and collaboration among donor organizations would be helpful—especially and particularly with respect to women’s enterprise development. And, finally, undertaking a more concerted and focused effort to provide networking opportunities for women business owners would widen their vision, further ignite their passion, and fuel them with new ideas and improved support networks.

### INVESTIGATION AND ANALYSIS

During our diagnostic trip, we purposely met with a variety of players in a number of key areas of women’s enterprise development, small business policy, women’s leadership, and politics. We spoke as well to several donor organizations and to women business owners—singly

and in groups. It is clear from our meetings and discussions that:

- ***There is very little coordination or information-sharing in the donor community:*** Rwanda has attracted a good deal of interest and support from the international donor community, not only because of the special support and attention that was needed after the horrific conflict and genocide that occurred, but because of a tremendous amount of political will on the part of President Kagame and government officials to move the country forward, and the government’s zero tolerance position on corruption. This is true as well with respect to women’s enterprise in particular, with a number of international groups supporting targeted activities. However, there was little or no knowledge among those with whom we spoke about what others were doing or supporting.
- ***There is much promise in the entrepreneurial support infrastructure, but coordination should be strengthened:*** The amount of restructuring and creation of government agencies, from the point of view of enterprise support and policy and women’s enterprise development, is quite impressive. There is a new Rwanda Development Board under which small business program coordination

<sup>21</sup> Better coordination of gender-related governmental activities is a key component of the impending National Gender Policy and a companion implementation strategy document—with the new Gender Monitoring Office and a yet-to-be-established National Gender Steering Committee playing central roles in making that happen.

will take place, and a brand new Gender Observatory. However, these systems are all quite new and not yet fully operational.

- **Women business owners currently have very few networking opportunities:**

While there are some focused efforts at bringing women business owners together, with national conferences and a recently held regional conference, women business owners are still operating very much in isolation, with few opportunities to interact with one another.

- **The government wants to support the private sector and in particular women in the private sector but does not know how:**

While the government is putting the legal framework in place, it still does not understand what the private sector needs. This mutual understanding of the roles of the private and public sector in establishing a positive business environment comes from communication with each other through public-private dialogue. Rwanda does not yet have a forum to promote this interaction. This is critical for the growth of a competitive private sector mentality, for both the government's understanding and the private sector's desire to expand and grow. This applies generally, but even more importantly when it comes to women who have different burdens. Many of the hurdles that exist in Rwanda, such as infrastructure, electricity, water, and communication, adversely affect women-owned businesses. The government needs to understand the priority of those reforms for women to properly put into place governmental policies and reforms.

Most of the structures are being put into place to provide much stronger support to the existing business community, and to increase outreach efforts to potential entrepreneurs. However, in the “ready, set, go” process, Rwanda stands at the “set” point, with more support needed to arrive at “go.” Some focused support on fostering greater coordination and

The National Gender Cluster “brings together development partners, sector ministries and the civil society organisations, and the private sector. It plays a significant role in advocating for the implementation of the national gender policy.”

*(National Gender Strategy (Draft III March 2009), p. 34)*

networking can move things from “set” to “go” in a much more efficient and effective manner. There are three key target populations of interest: the donor community, the women business owner community, and the public sector. This section will focus on the first two; the third will be covered in more detail in the “From Policy to Implementation” section.

## COORDINATING THE DONOR COMMUNITY

Between 1994 and 2000, 100 percent of Rwanda's budget came from direct foreign aid. While that has been reduced significantly, Rwanda received \$603 million USD in direct foreign aid in 2006, which represents 27 percent of Rwanda's GDP and over half of its national budget.<sup>22</sup>

In fact, since there is so much foreign aid coming into the country, the government asked the United Nations to help with aid coordination. Thus, since 2005 an Aid Coordination Unit has operated within the United Nations office in Rwanda, with a goal not only to coordinate incoming project support through a “basket fund” (contributed to by Belgium, Canada, the Netherlands, Switzerland, Sweden, the United Kingdom, and UNDP), but to build operational capacity within a dedicated External Finance Unit within Rwanda's Ministry of Finance and Economic Planning (MINECOFIN).<sup>23</sup>

There is also a Gender Cluster, comprised of representatives of development groups that are working in Rwanda on projects affecting women. It has only met once, and was not widely referred to in our discussions. Indeed, our meetings and conversations revealed a lack

<sup>22</sup> See [http://www.undp.org/rw/Aid\\_Coordination\\_project.html](http://www.undp.org/rw/Aid_Coordination_project.html).

<sup>23</sup> Ibid.



of knowledge among donor groups of what types of projects the other donor groups are engaged in, and a dearth of information-sharing between the relatively new government agencies in Rwanda and donor groups.

### **PROVIDING MORE STRUCTURED NETWORKING OPPORTUNITIES FOR WBOS**

As discussed in the previous section of this report, imparting specific knowledge and skills to nascent, new, and established women business owners is an extremely important investment in the future strength of the Rwandan economy. Also very important is offering business owners the chance to join formal business networks and associations and to give them the means by which they can form their own personal support networks.

As covered earlier in this report, the topic of organizational capacity building, especially for the Chamber of Women Entrepreneurs and Pro-Femmes/Twese Hamwe, focused particularly on entrepreneurship training and education. Support for these two organizations is also needed with respect to increasing their ability to communicate with their members (through the development of organizational websites and the publication—electronically and in print—of newsletters) and to provide more opportunities for their members to get together face to face. Another organization that has been active in this area has been a small unit within The Centre for Support to Small and Medium Enterprises (CAPMER). This organization relocated in February 2009, within the new Rwanda Development Board. Within CAPMER is an office of women's enterprise, currently staffed with two people, whose mission is to oversee government efforts to support the growth and development of women-owned enterprises. As this restructuring and reorganization is still ongoing, it has not yet begun significant operations. The government is eager to find international partners to help build organizational capacity to provide



business development services, project oversight, and coordination activities. The three organizations need to work collaborating to provide the support needed.

At least two business conferences have convened with women from Rwanda and other EAC nations: a workshop event sponsored by the International Finance Corporation held in Kigali in October 2007, and a more recent conference with a reported 300 women attending held in Uganda in January 2009, underwritten by the IFC and the World Bank. While those conferences offered an excellent opportunity for a number of women business owners to get together, they did not reach many women business owners outside of Kigali, nor in all likelihood did they reach women business owners who do not speak English.

Finally, with respect to network formation, in our conversations with women business owners, we discovered that they do not rely to any great extent on any boards of advisors or even informal networks of fellow business owners (male or female) with whom they can share the trials and tribulations of making business decisions. Rwanda has a rich history of informal, small scale entrepreneurship but lacks a history of small successful companies growing and

becoming successful in the formal economy. There are no role models or media coverage of successful women business owners of small, medium or large companies. This means that most Rwandan business owners had no business owner role models they could observe as they were growing up. Further, years of conflict and the period of genocide have broken up family- and community-based support structures and have left many citizens reticent to open up and share with one another.

An effort to provide visible role models to nascent and new women business owners in Rwanda would go a long way to breaking down the barriers of hesitancy and a lack of role models. Such an effort is underway in England: called the Women’s Enterprise Ambassadors Network,<sup>24</sup> it consists of established women business owners who have agreed to speak at school, community, and women’s business events, and to speak to the media and be a visible example of what a woman business owner looks like.

## RECOMMENDATIONS

Taking these findings into consideration, we make the following recommendations with respect to what investments are needed to improve communication and coordination among donor groups, and networking opportunities for women business owners in Rwanda:

RECOMMENDATIONS FOR ACTION IN COORDINATION AND NETWORKING				
Area of Focus	Specific Recommendation	LENGTH OF ENGAGEMENT		
		Short-Term (12–18 mos.)	Mid-Term (18 mos. to 4 yrs.)	Long-Term (5+ yrs.)
Improve donor coordination of women’s entrepreneurship-focused activities	Help to convene the existing Gender Cluster	X		
	Set organizational goals and a regular schedule of meetings	X	X	
Enhance communications/ coordination activities among women’s business groups	Increase staffing capacity for a communications person to write/ disseminate newsletters	X		
	Enhance organizational websites	X	X	
Increase access of women business owners to networking activities	Set up a program of local networking events	X		
	Establish an Entrepreneurial Women Ambassadors program (these women could speak at the local networking events)	X		
Public-private dialogue and bridge-building on the empowerment of women	Create a public private dialogue framework that will address the economic empowerment of women, particularly in business, to guide the government and the private sector on suggested interaction to create policies and programs to support women entrepreneurs	X		

<sup>24</sup> See <http://www.womensenterprise.co.uk/ambassadors.asp> on the United Kingdom’s National Women’s Enterprise Task Force website.

## WOMEN'S BUSINESS ASSOCIATIONS: THE "THIRD LEG" OF THE ENTERPRISE DEVELOPMENT STOOL

It can be said that the "women's enterprise development stool" is built with three major support structures, or legs: (1) public policies that have a specific focus on fostering the growth and development of women-owned enterprises, (2) private sector players (non-profit groups, educational institutions, corporations, and financial institutions) that provide support to women business owners and target them as desired customers or suppliers, and (3) women business owners themselves, most predominately as they gather together and form business associations. Further, it is often noted that the foundation for any support system is fact-based information, which—in this case—would be sex-disaggregated data on women business owners and their enterprises.\*

Women's business associations can be a major advocate for policy and programmatic change, as they have been in the United States, or an important by-product of public sector support for women's enterprise development, as women find one another at meetings, conferences, or entrepreneurial training programs.

Here are some examples of active women's business associations, and the work they undertake:

- **AMMJE, the *Asociación Mexicana de Mujeres Empresarias*:** Founded in 1965, AMMJE is one of the longest-standing women's business associations in the world. In recent years the association has grown exponentially, with chapters in 20 Mexican states. Their annual conference is also very well attended. They, like 42 other national women's business associations, are members of FCEM, Les Femmes Chefs d'Entreprises Mondiales, the World Association of Women Entrepreneurs.
- **FCEM, *Les Femmes Chefs d'Entreprises Mondiales*:** Founded in 1945, FCEM, the World Association of Women Business Owners, is an umbrella organization with 42 member and observer countries from nearly every continent (17 in Europe, 14 in Africa, 6 in Latin America and the Caribbean, 3 in North America, and 2 in the Asia-Pacific region). Both AMMJE and NAWBO are members, as are most active national women's business associations.



- **KAWBO, the *Kenya Association of Women Business Owners*:** Founded just four years ago, the association is hosting its first conference this May and expects 400 women business owners from the country and the region to attend.
- **NAWBO, the *National Association of Women Business Owners*:** Established in 1974, NAWBO has a long-standing legacy of advocacy. NAWBO is the voice for more than 10 million women-owned businesses across all industries and every corner of the United States. Its members were the central driving force behind the passage of the Women's Business Ownership Act of 1988, which launched the women's business center program, extended business credit to women, expanded the business census to include more women-owned firms, and established the National Women's Business Council. It, too, is a member of FCEM.

As women's business associations in Rwanda build membership and capacity, developing linkages with other similar associations in the region or globally would enhance their sustainability and increase their impact.

\*See a short commentary on the necessary conditions for a women's enterprise ecosystem at: <http://www.nwbc.gov/documents/briefsupportforWBOs.pdf>

## WHAT MAKES A BEST PRACTICE FOR SUPPORTING WOMEN'S ENTREPRENEURSHIP?

What makes a “best practice” organization or initiative in the field of women’s enterprise? It is an important question, and one that the National Women’s Business Council undertook to analyze in the United States back in 2004. During their investigation, NWBC researchers interviewed key thought leaders, service delivery organizations, government policy officials, and association leaders for guidance and recommendations. The resulting report, *Best Practices in Supporting Women’s Entrepreneurship in the United States: A Compendium of Public and Private Sector Organizations and Initiatives*, was shared at an international women’s enterprise conference that year. The report provides profile information on 24 organizations that met the selection criteria: 9 non-profit organizations, 8 membership associations, 3 government agencies/offices, 2 for-profit initiatives, and 2 educational/academic initiatives. In addition, 10 other initiatives of worthy of mention but either too new, too narrowly focused in terms of geography, or otherwise not quite meeting the selection criteria were included.

How were the organizations selected? They needed to meet four basic selection criteria:

- Extensive coverage—preferably national but at least regional reach across the country;
- An exclusive or at least primary focus on women’s enterprise development;
- The provision either of direct services to women who wish to start or grow a business enterprise, or efforts that results in significant improvement in the environment for women business owners; and
- A significant and sustainable track record of performance.

The report profiled each of the organizations, including a brief organizational history, growth milestones, and lessons learned. The report ends with several recommendations, garnered largely from conversations with the leaders of the best practice organizations:

- A greater recognition of supporting women’s enterprise development as a *business* issue—with economic benefits



being seen as a more sustainable argument/benefit than social justice;

- The need for more fact-based information on program outcomes and benefits;
- The need for more sustainable, long-term support and the encouragement of private-public partnerships—with government providing “seed capital” much as it does with Women’s Business Centers;
- Greater collaboration among organizations to increase collective impact and reduce duplication of effort;
- Assessing needs looking forward, to ensure that programs continue to meet the changing demands of their women business owner customers; and
- The need for continued activism by women business owners, as it is their voices that can drive change at the policy level, which in turn will impact program design and delivery.



## MOVING FROM POLICY TO PRACTICE

Rwanda has done an exemplary job of instituting women-friendly policies and placing a significant number of women in positions of decision-making authority. Due both to proactive efforts and the quota for 30 percent of decision-making positions going to women laid out in the 2003 Constitution, over half of the elected members of parliament are women, many women head up government ministries or departments, and women are found in local decision-making positions as mayors. There is a new coordinating body for women's affairs—the Gender Monitoring Office—as well as the National Women's Council, which represents a strong political network ranging from the grassroots to the capital city of Kigali.

“There are a ‘good number’ of women in decision-making positions, but more change needs to be reflected on the ground. Good governance has a women’s face, but poverty also has a women’s face.”

*Jeanne d’Arc Mujawamariya, Minister of Gender and Family Promotion*

Despite this growing network of authoritative and powerful women, and the establishment of strong policies for enterprise development and for women's empowerment, significant changes have not yet been seen by the average woman business owner. In the words of Jeanne d’Arc Mujawamariya, Rwanda’s Minister of gender and family promotion, “There are a ‘good number’ of women in decision-making positions, but more change needs to be reflected on the ground. Good governance has a women’s face, but poverty also has a women’s face.”<sup>25</sup>

Thus, there is a strong need for policy implementation support, that is, rendering assistance focused on moving from having good policies on paper to implementing those policies and setting up ongoing management, monitoring, and evaluation of those policies. This section describes the recent restructuring of some of the government ministries that have oversight responsibility for women and for business development, the existence of some cross-cutting structures that could

be employed in a coordinating function, and some of the next steps recommended to move Rwanda from good policy to excellent practice with respect to women's enterprise development.

### INVESTIGATION AND ANALYSIS

From a broad-based policy perspective in support of women, Rwanda has made tremendous strides. It has had a Ministry of Gender (with different names and slightly varying remits) since the 1990s, with the new Ministry of Gender and Family Promotion (MIGEPROF) restructured in 2003. The country now also has a gender budgeting strategy, put into place in 2004, and is in the process of developing a new Gender Law, which is still being finalized.<sup>26</sup> (See the Best Practices article at the end of this chapter for some examples of other women's enterprise-focused government strategies.) The National Women's Council, which sits within MIGEPROF and is comprised of women leaders at the local level, has played an important role in the law's development and will certainly play an important role in its implementation. There is also a new Gender Coordinating Unit (also being referred to as a Gender Observatory), which was established at the beginning of 2009. Its mandate has been written into Rwanda's national Constitution,<sup>27</sup> and is structured to play an evaluative ombudsman role, even though it, too, is housed within MIGEPROF.

<sup>25</sup> Direct quotation taken from her remarks during our meeting with her on April 21, 2009.

<sup>26</sup> Validation meetings have/are being conducted. A timeline for implementation, and draft documents, can be found at [http://www.migeprof.gov.rw/index.php?option=com\\_docman&task=cat\\_view&gid=72&Itemid=136](http://www.migeprof.gov.rw/index.php?option=com_docman&task=cat_view&gid=72&Itemid=136).

<sup>27</sup> Provision 185.



Narrowing the focus to women’s enterprise development in particular, we were pleased to discover that there is an office for women’s enterprise development within CAPMER (now a part of the Rwanda Development Board), a Chamber of Women Entrepreneurs within the

The key strategies in the National Gender Policy with respect to women’s enterprise development are:

- 1) Developing gender capacity building programs for program managers and policy makers;
- 8) Equip vulnerable groups with self-employment skills;
- 12) Transform subsistence agriculture into business enterprises, focusing especially on women;
- 17) Remove barriers to access by women to productive resources such as finance, property and technology; and
- 19) Support capacity-building programs for increasing women’s participation in the paid economy.

*(From among 22 key strategies outlined in the National Gender Strategy (Draft III March 2009), pp. 21–24)*

PSF, and an umbrella organization, Pro-femmes/ Twese Hamwe, which represents a number of local cooperatives and other women’s groups. As was mentioned in the **Coordination and Networking** section, however, there is not enough coordination between these two policy communities: women’s policy and enterprise policy. In addition, there is no formal linkage between the women’s business community and national enterprise policy—as both entities are in the early stages of their development. (See Best Practices article, “Implementing Policy: The Example of NWBC & OWBO in the United States,” at the end of this chapter for a case study of how coordination between the women’s business community and federal policy makers is accomplished in the United States.)

During our meetings with the leaders of these important stakeholders groups—policy makers, support providers, and women business leaders alike—we heard the following nearly universal observations and suggestions:

- From the policy-making and support provider communities, we heard, “**There has been enough planning, assessment and preparation; it’s time for action.**” Parliamentarians and ministry officials feel they have a framework for action given all of the restructuring and passage of laws and strategies, but they are now just finding and hiring staff, and figuring out how to prioritize needs and how best to deliver services.
- From the women’s business community, we heard, “**We don’t know where to go for information, help, or to make our voices heard.**” Women business owners are becoming aware that laws are changing to make it easier to start or register a business, but they do not know the details, nor do they feel that there is an established channel for communications—either one to them from the government or one for them to share ideas and suggestions with policy makers.

- Finally, from all sides, we heard **a desire for more solid information**—to guide action, measure progress, and assess needs. Business census information is not currently sex-disaggregated, newly

established offices have not yet established monitoring or evaluation systems, and membership associations do not have a sense of the demographic characteristics or issue priorities of their members.

## RECOMMENDATIONS

Below are our recommendations with respect to what investments could best be directed at helping to move Rwanda’s promising new gender policies into practice, and how to create channels for information sharing and advocacy, and what research, monitoring, and evaluation activities would be most useful for all stakeholders in women’s enterprise development:

RECOMMENDATIONS FOR ACTION IN MOVING FROM POLICY TO PRACTICE				
Area of Focus	Specific Recommendation	LENGTH OF ENGAGEMENT		
		Short-Term (12–18 mos.)	Mid-Term (18 mos. to 4 yrs.)	Long-Term (5+ yrs.)
Coordinate government programs for women’s enterprise	Establish a Women’s Enterprise Cluster similar to the donor-focused Gender Cluster	X		
Ensure public feedback mechanisms	In keeping with Gender Policy Strategy, <sup>28</sup> convene a women’s enterprise feedback system	X		
Gather sex-disaggregated business statistics and surveys	Ensure that the national business census enumerates women-owned enterprises	X	X	X
	Establish program monitoring and evaluation processes for all government-managed business support services	X	X	
	Ensure that all PSF surveys offer sex-disaggregated analysis	X		

<sup>28</sup> Rwanda’s Gender Policy, March 2009 draft, p. 24: “Putting in place an effective system to harmonise and coordinate various interventions related to gender including a communication strategy that provides community dialogue on gender issues...”

## BEST PRACTICES

### GENDER POLICIES AND FRAMEWORKS SUPPORTING WOMEN'S ENTERPRISE DEVELOPMENT

Establishing gender-aware public policies often starts at a high level and with a broad view, and the desire for fostering gender equality often influences the foreign aid activities of donor nations in developing economies. (See, for example, the resource page on the International Finance Corporation's gender program office's website listing some of the gender policies of donor nations.) Such support can foster ministerial capacity-building (such as UNIFEM's support of Rwanda's **Ministry of Gender and Family Promotion** and the government's gender budgeting efforts), and lead to the establishment of cross-cutting offices such as Rwanda's Gender Observatory, which was launched in January 2009. Rarely, however, have gender-aware efforts led to the development of strategic frameworks to support women's enterprise development in particular. There are three such international efforts of note, which can provide useful guidance to establishing specific policies and programs supporting women's enterprise development in Rwanda:

- In 2003, the British Government's Small Business Service within the Department of Trade and Industry (now the Department for Business Enterprise and Regulatory Reform) published *A Strategic Framework for Women's Enterprise*. The launch of this framework led to increased attention on women's enterprise, greater support to Regional Development Agencies for women-friendly program development, the establishment of a national **Women's Enterprise Task Force**, and—in March 2008—to the launch of an **Enterprise Strategy** in which women's enterprise programs played a central role.
- Taking a page from the U.K. effort, a group of female members of parliament in Canada led an effort to uncover international best practices and establish specific recommendation for policy action to support women's enterprise development. This effort led to the publication, in October 2003, of a *Report and Recommendations of the Prime Minister's Task Force on Women Entrepreneurs*. Unfortunately, shortly thereafter the prime minister passed the party leadership torch to another prime minister, and thus many of the recommendations were not implemented—pointing out the challenge of maintaining momentum in times of political transition. (Visit <http://www.international.gc.ca/businesswomen-femmesdaffaires/documentation/statistics-statistique.aspx?lang=eng> for a listing of Canadian women's enterprise reports, including—near the bottom of the Research Reports section—the task force report.)
- In 2006, the government of South Africa, with the support of the International Finance Corporation, launched a series of consultative workshops across the country that resulted in the publication of a *Strategic Framework for Women's Enterprise Development*. (Visit <http://www.thedti.gov.za/sawen/sawenmain.htm> for a link to the report.)

### IMPLEMENTING POLICY: THE EXAMPLE OF NWBC & OWBO IN THE UNITED STATES

The United States is perhaps unique in the world in having two very synergistic programmatic and advisory bodies in the federal government focused exclusively on women's enterprise development. They are the Office of Women's Business Ownership, a program office located in the U.S. Small Business Administration (SBA), and the National Women's Business Council, an independent, bipartisan advisory body that provides input to the president, Congress, and the SBA. They work in very complementary ways to support the growth of women-owned enterprises in the United States.

- The **Office of Women's Business Ownership** (<http://www.sba.gov/aboutsba/sbaprograms/onlinewbc/index.html>) was established by a presidential Executive Order in 1978. Until 1988, however, it was more of a promotional or outreach office, with a small staff and no program oversight responsibilities. With the passage of the Women's Business Ownership Act of 1988, however, it began to manage federal funding of women's business centers. The program now provides partial funding and management oversight to 113 non-profit organizations that provide entrepreneurship training and technical assistance primarily to women, with the grants totaling \$13.5 million as of fiscal year 2009.
- The **National Women's Business Council** (<http://www.nwbc.gov>) came into being after the passage of the Women's Business Ownership Act of 1988. The council is an advisory body comprised of 15 women business owners and representatives of women's business organizations, and is charged with providing an annual report and policy recommendations to the president, Congress, and the administrator of the SBA. The chair is a presidential appointment position; she and all members serve three-year terms of office on a voluntary basis. The annual budget for the council is \$700,000. Over the years the NWBC has published insightful research studies and advocated in the halls of government on behalf of the nation's women-owned businesses. It served as a model for the recently constituted Women's Enterprise Task Force in the United Kingdom.

A more complete description of these two offices, including their histories and current activities, can be found on their websites (links above) or in the report, *Policy and Progress: Supporting the Growth of Women's Enterprise*, which charts the policy history of women's enterprise support in the United States and was published by the NWBC in 2004.





## CONCLUSION

The following chart summarizes the recommendations from each chapter, and notes the recommended priority for each action. Many of these actions can be taken by the government of Rwanda, but other recommendations would benefit from the assistance of donors. Where more than one area under duration is listed, it was considered that activities of both durations would be beneficial.

## SUMMARY OF FINAL RECOMMENDATIONS

INSTITUTIONAL STRENGTHENING				
No.	Focus	Specific Recommendation	Priority	Duration
1.	CAPMER/Office of Women's Enterprise (now situated within the RDB)	Conduct an assessment of the current office and identify staffing/resource gaps	Medium	Short Term
		Design new staffing plan for office	Medium	Short Term
		Develop and implement strategic communications plan with regard to the move to RDB and the effective dissemination of information on programs/services for WBOs	Medium	Short Term
2.	Gender Monitoring Office	Develop strategic plan for the new unit	Medium	Short Term
		Conduct organizational needs assessment and organizational design	Medium	Short Term
		Develop implementation and staffing plans	Medium	Short Term
		Develop strategic communications plan for unit to effectively coordinate with key internal stakeholders (e.g., Ministry of Gender) and with key external stakeholders (e.g., other ministries, private/civil sector entities)	Medium	Short Term
3.	Agaseke Promotion Project	Develop strategic plan for the project	Medium	Short Term
		Conduct an organizational assessment and design the optimal structure for the Agaseke Promotional Center	Medium	Short Term
		Conduct an assessment of optimal incubation models to identify best practices for set-up and implementation	Medium	Short Term
		Develop fundraising plan for the Agaseke Promotional Center	Medium	Short Term

## INSTITUTIONAL STRENGTHENING

No.	Focus	Specific Recommendation	Priority	Duration
4.	Chamber of Women Entrepreneurs	Develop a strategic plan for the chamber	High	Short Term
		Conduct an organizational assessment and design the optimal structure to support the chamber's strategic mandate	High	Short Term
		Design implementation and staffing plan for the chamber	High	Short Term
		Implement new design and staffing plans	High	Short Term
		Develop financial management plan to improve financial resources for the chamber	High	Short Term
5.	Centre for Gender, Culture and Development Studies	Develop a strategic plan for the center	Medium	Short Term
		Conduct an organizational assessment and design the optimal structure to support the center's strategic mandate	Medium	Short Term
		Design implementation and staffing plans for the center	Medium	Short Term
		Implement new design and staffing plans	Medium	Short Term Medium Term
		Develop a fundraising plan to ensure steady financial support for the center	Medium	Short Term
		Design strategic plan to develop center's new curriculum and coordinate and implement volunteer staffing plan	Medium	Short Term

## ENTREPRENEURIAL EDUCATION AND TRAINING

No.	Focus	Specific Recommendation	Priority	Duration
6.	Vocational training	Provide gap analysis on vocational training link to entrepreneurs	Medium	Short Term
7.	Focus on cooperatives	Evaluate potential of entrepreneurship education in existing USAID-funded SPREAD projects	Medium	Short Term
		Develop strategy with Rwanda's National Women's Council and Profemme Twese Hamwe to identify local cooperatives and form a business network	Medium	Short Term Medium Term
		Organize a meeting/summit of key stakeholders in Rwanda to discuss a special business-education initiative focused on cooperatives	Medium	Medium Term
		Focus much more attention on building entrepreneurial skills among local agricultural cooperatives—expanding the basic training provided by microfinance institutions and the crop/talent-specific skills taught by cooperative support agencies—and connect these grassroots structures to the national “value chain” of women's enterprise development.	Medium	Short Term Medium Term

## ENTREPRENEURIAL EDUCATION AND TRAINING

No.	Focus	Specific Recommendation	Priority	Duration
8.	Build capacity of two key coordinating bodies	Invest in capacity-building (more staff) for the Chamber of Women Entrepreneurs	High	Short Term
		Develop organizational strategy of engagement, project management, and coordination function for the office of women's enterprise within CAPMER	Medium	Short Term Medium Term
		Organize a study tour for the leaders of these two groups—to the United States, the United Kingdom, or Kenya—to meet with their counterparts, gain knowledge of best practices, and develop action plans for implementation	Low	Medium Term
9.	Make curriculum more widely available	Conduct inventory of current entrepreneurial training materials	High	Short Term
		Evaluate, translate, and disseminate appropriate curriculum materials	High	Short Term
		Develop and launch a website for such materials, in conjunction with KIE, the Ministry of Education, or another appropriate body	High	Medium Term
10.	Provide structure, and guidance to establishment of WBC programming	Consult with PSF and the Chamber of Women Entrepreneurs to develop programming and outreach initiatives at the local level, to be housed in the local BDS centers	High	Short Term
		Train and organize a group of trainers who would travel to these centers and conduct classes, workshops, networking events	High	Short Term Medium Term
11.	Increase mentoring opportunities for WBOs	Conduct inventory of current mentoring programs/services and identify gaps	Medium	Short Term
		Provide recommendations on additional opportunities for mentoring leveraging existing institutions	Medium	Short Term

## ACCESS TO FINANCE

No.	Focus	Specific Recommendation	Priority	Duration
12.	Loan guarantee funds	Provide alternative models for developing and instituting successful loan guarantee funds for women	High	Short Term Medium Term
		Identify best practices associated with designing and implementing an optimal loan guarantee program for Rwanda, including a case study on the U.S. Small Business Administration (SBA) model to learn about its loan guarantee program. This research would result in a best practices report.	Low	Short Term
13.	Loan guarantees	Design study tour for key Rwandan stakeholders to visit U.S. SBA and/or other non-U.S. loan guarantee facilities to learn about their loan guarantee programs	Low	Short Term
14.	Training for government officials	Develop training program and provide training to government officials on risk management, portfolio lending, and best practices in lending to women	High	Short Term
15.	Training for employees of banks and lending institutions	Develop training program and provide training to key employees of banks and other lending institutions on risk management, portfolio lending, and best practices in lending to women	High	Short Term
		Efforts should be made to deepen the outreach of lending institutions so they are reaching all regions (e.g., rural areas), where currently businesses have to rely on savings circles or money lenders, which charge extremely high interest rates.	High	Short Term
16.	Credit bureau	Design and support the development of a credit bureau and reliable credit tracking system	High	Medium Term
17.	Financial management and business skills tied to lending	Develop new and strengthen existing technical assistance programs to provide financial management training for WBOs, training them in business planning development, bookkeeping, financial management, and other necessary financial literacy courses.	High	Short Term Medium Term

### ACCESS TO FINANCE

No.	Focus	Specific Recommendation	Priority	Duration
18.	ICT for finance	Create a development strategy to place developed or to-be developed technical assistance and training materials related to lending and access to credit on the Internet for wider dissemination and usage. In particular, leverage opportunities that the newly laid fiber optic cable will soon provide.	High	Short Term Medium Term
		Analyze the current mobile telephony structure to look at mobile finance for women.	High	Short Term

### ACCESS TO MARKETS

No.	Focus	Specific Recommendation	Priority	Duration
19.	Access to information	Identify mechanisms to provide business owners market data and necessary information about local, regional, and international markets and help the Women's Chamber disseminate such information	High	Short Term Medium Term
20.	Trade shows and fairs	Identify trade shows and expos and recommend opportunities for how to include women entrepreneurs and work with existing programs such as the East African Hub	High	Short Term Medium Term Long Term
21.	Market promotion	Design a trade promotion policy on Fair Engendered Trade to promote Women-Owned Businesses to investors	X	Short Term
22.	Market analyses	Conduct in-depth competitive analyses of select products and sectors related to markets	Medium	Short Term Medium Term Long Term
		Conduct in-depth value chain analyses for key sectors, including transport and logistics	Medium	Short Term Medium Term
23.	Quality and standards	Identify and establish a support mechanism to help potential and current exporters develop the capacity to meet export certification standards	Medium	Short Term Medium Term Long Term
24.	Training for customs officials	Provide training to customs officials on customs procedures and policies to improve regional trade opportunities	Medium	Medium Term Long Term
25.	Language training for women business owners	Work with local organizations to develop training materials for an English for Business Owners class and offer classes through organizations such as the Business Development Centers	Medium	Short Term Medium Term

COORDINATING AND NETWORKING				
No.	Focus	Specific Recommendation	Priority	Duration
26.	Improve donor coordination of women's entrepreneurship-focused activities	Help to convene and reinvigorate the existing Gender Cluster	Medium	Short Term
		Set organizational goals and a regular schedule of meetings	Medium	Short Term Medium Term
27.	Enhance communications/ coordination activities among women's business groups	Increase staffing capacity for a communications person to write/disseminate newsletters	Medium	Short Term
		Enhance organizational websites	Medium	Short Term Medium Term
28.	Increase access of women business owners to networking activities	Set up a program of local networking events	Medium	Short Term
		Establish an Entrepreneurial Women Ambassadors program (these women could speak at local networking events)	Medium	Short Term
29.	Public-private dialogue and bridge-building on the empowerment of women	Create a public private dialogue framework that will address the economic empowerment of women, particularly in business, to guide the government and the private sector on suggested interaction to create policies and programs to support women entrepreneurs	High	Short Term

MOVING FROM POLICY TO PRACTICE				
No.	Focus	Specific Recommendation	Priority	Duration
30.	Coordinate government programs for women's enterprise	Establish a Women's Enterprise Cluster similar to the donor-focused Gender Cluster	Medium	Short Term
31.	Ensure public feedback mechanisms	In keeping with Gender Policy Strategy, <sup>29</sup> convene a women's enterprise feedback system	Medium	Short Term
32.	Gather sex-disaggregated business statistics and surveys	Ensure that the national business census enumerates women-owned enterprises	Medium	Short Term Medium Term Long Term
		Establish program monitoring and evaluation processes for all government-managed business support services	Medium	Short Term Medium Term
		Ensure that all PSF surveys offer sex-disaggregated analysis	Medium	Short Term

29 Rwanda's Gender Policy, March 2009 draft, p. 24: "Putting in place an effective system to harmonise and coordinate various interventions related to gender including a communication strategy that provides community dialogue on gender issues..."



# ANNEX

## I. RWANDA'S BizCLIR INDICATORS

Since 2002, *Doing Business* has assisted countries in targeting where their regulatory environments may favor or interfere with economic growth.

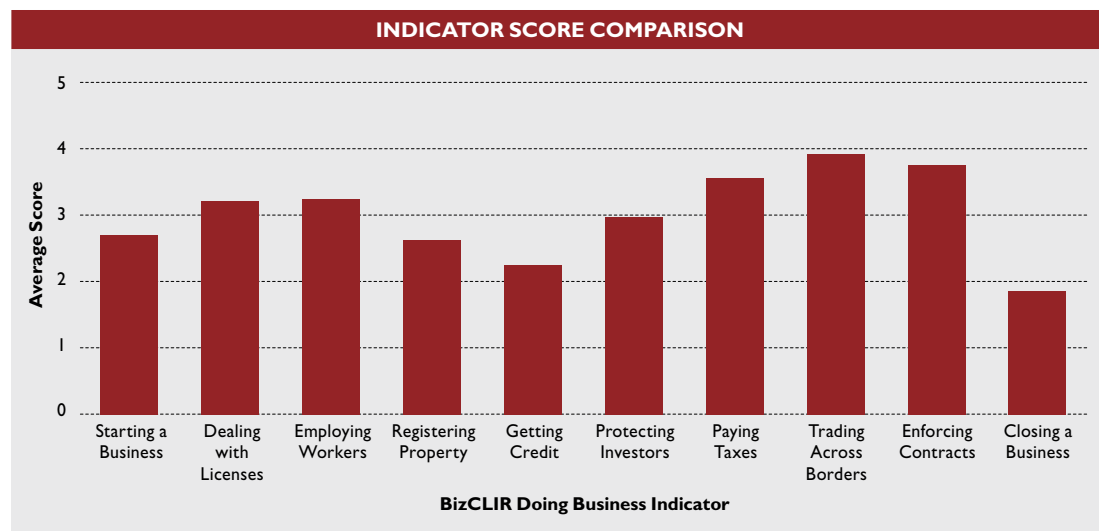
For each topic it examines, the World Bank considers a few key indicia of whether and how the environment for doing business is “working,” measured by such means as the number of procedures involved in achieving a goal, the number of days it takes, and the costs of the procedures in relation to per-capita income. The World Bank now gathers data from 181 economies and ranks each, thereby demonstrating how their respective regulatory environments compare to others throughout the world.

USAID’s BizCLIR indicators take the topics covered by *Doing Business* and delve deeper into their related legal frameworks, implementing and supporting institutions, and social dynamics to better understand *why* a country has a particular ranking. In short, BizCLIR regards the *Doing Business* findings as “the tip of the iceberg” and aims to assist countries in improving their *Doing Business* areas by addressing the *whole* iceberg. The BizCLIR indicators consider key business issues from a variety of perspectives, illuminating, for example, how certain business processes apply to rural communities,

### RWANDA'S RANKINGS IN THE WORLD BANK DOING BUSINESS CATEGORIES

	2010	2009	Change
<i>Doing Business Overall</i> (181 countries surveyed)	67	143	76
Starting a Business	11	64	53
Dealing with Construction Permits	89	88	-1
Employing Workers	30	113	83
Registering Property	38	59	21
Getting Credit	61	147	86
Protecting Investors	27	171	144
Paying Taxes	60	58	-2
Trading Across Borders	170	171	1
Enforcing Contracts	40	48	8
Closing a Business	183	183	0

micro-enterprises, and SMEs. The BizCLIR approach was chosen in light of recent demand for better understanding of the issues highlighted in the *Doing Business* initiative and the need to help donors and countries understand, with greater particularity, how to reform. Indicators for gender were not available for the previous Rwanda Agenda for Action report and are not reflected in its findings. The previous tables reflect the findings for the overall business enabling environment and were used as a backdrop and reference for this more specific gender investigation.



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### ORGANIZATIONAL WEB LINKS

Africa AHEAD	<a href="http://www.africaahead.org/">http://www.africaahead.org/</a>
Africare	<a href="http://www.africare.org/index.php">http://www.africare.org/index.php</a>
Banque Populaire du Rwanda	<a href="http://www.bpr.rw/">www.bpr.rw/</a>
Business Council for Peace (BPEACE)	<a href="http://www.bpeace.org/">www.bpeace.org/</a>
CARE International	<a href="http://www.care.org/">http://www.care.org/</a>
Chamber of Women Entrepreneurs (Rwanda)	<a href="http://www.cwe.org.rw/">http://www.cwe.org.rw/</a>
CHF International	<a href="http://www.chfinternational.org/">http://www.chfinternational.org/</a>
DFID	<a href="http://www.dfid.gov/uk">www.dfid.gov/uk</a>
Imbuto Foundation	<a href="http://www.imbutofoundation.org/">http://www.imbutofoundation.org/</a>
Institute for Economic Empowerment of Women	<a href="http://www.ieew.org">http://www.ieew.org</a>
International Finance Corporation	<a href="http://www.ifc.org/">http://www.ifc.org/</a>
Kigali Institute for Education	<a href="http://www.kie.ac.rw/">www.kie.ac.rw/</a>
Profemme Twese Hamwe	<a href="http://www.profemme.org.rw/">www.profemme.org.rw/</a>
Rwanda Chamber of Women Entrepreneurs	<a href="http://www.cwe.org.rw/">http://www.cwe.org.rw/</a>
Rwanda Development Board	<a href="http://www.rdb.rw/">www.rdb.rw/</a>
Rwanda Investment and Export Promotion Agency	<a href="http://www.rwandainvest.com/">http://www.rwandainvest.com/</a>
Rwanda Ministry of Gender and Family Promotion	<a href="http://www.migeprof.gov.rw">http://www.migeprof.gov.rw</a>
Rwanda Private Sector Federation	<a href="http://www.psf.org.rw/">http://www.psf.org.rw/</a>
Rwanda Revenue Authority	<a href="http://www.rra.gov.rw/">www.rra.gov.rw/</a>
10,000 Women	<a href="http://www.10000women.org/">http://www.10000women.org/</a>
Trade Point in Rwanda	<a href="http://www.tradepoint.org/">http://www.tradepoint.org/</a>
Urwego Opportunity Bank	<a href="http://www.uomb.org/">http://www.uomb.org/</a>
USAID SPREAD Project	<a href="http://www.spreadproject.org/">http://www.spreadproject.org/</a>
Women for Women International	<a href="http://www.womenforwomen.org/">http://www.womenforwomen.org/</a>





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