

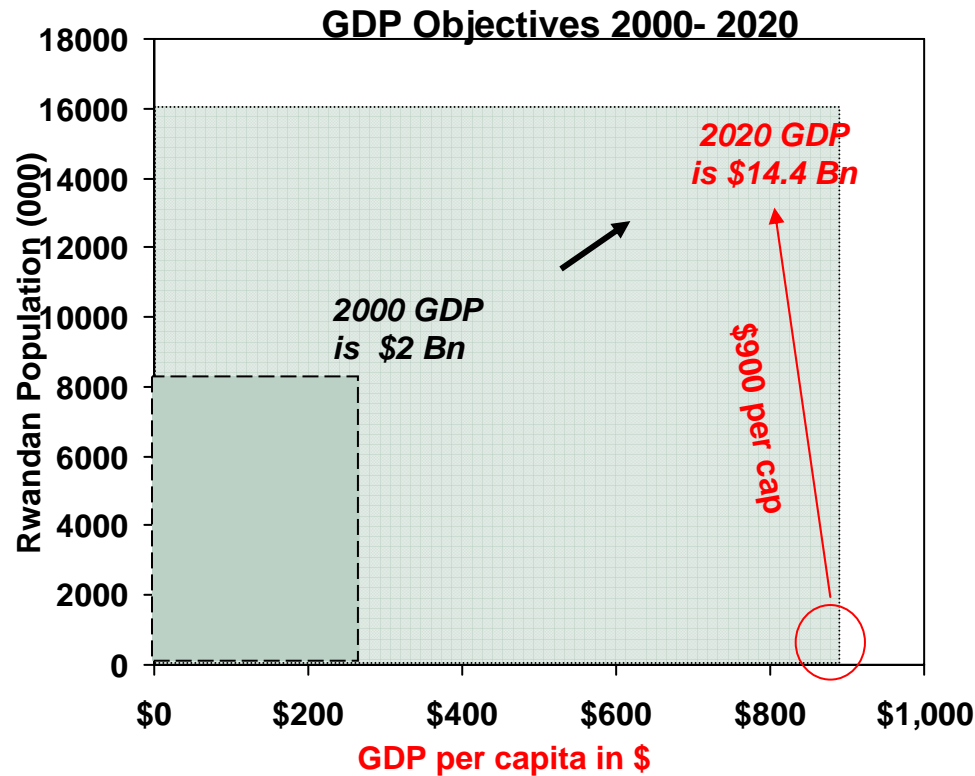


Development Partners Conference:  
**December**

Rwanda Private  
Sector Federation

# Rwanda must grow its economy 7X to raise GDP per capita from \$250 to \$900 in 2020

Rwanda's Export Sectors – and thus the private sector – must be supported in order to reach the Vision 2020 goals



## GDP Growth

- Rwanda's economy will need to grow 7-fold in order to reach the Vision 2020 \$900 per capita income
- Growth is promised from the Export Sectors

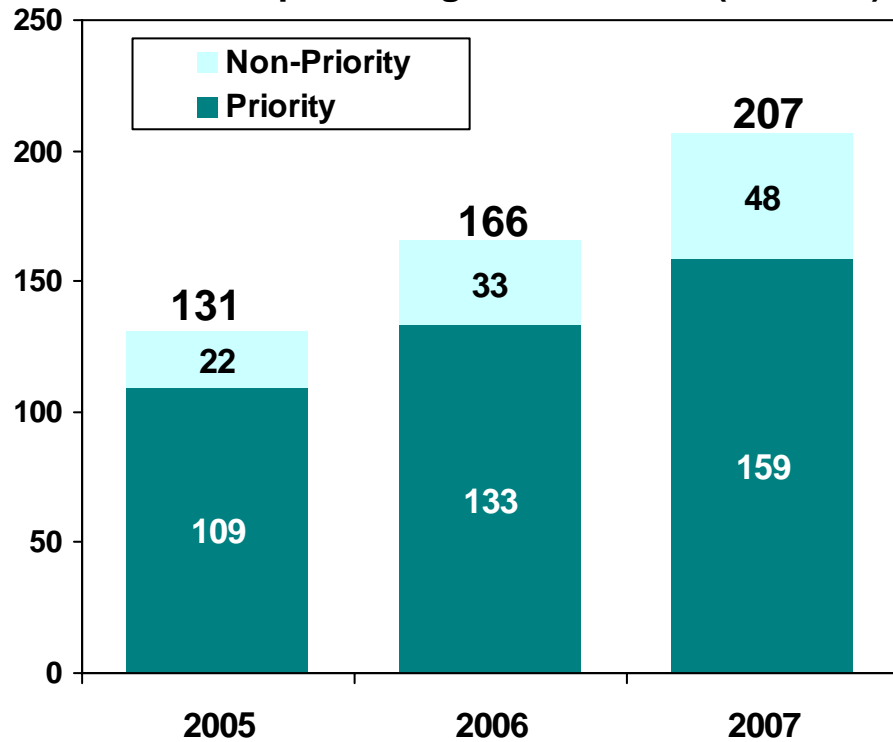
## Export Sector Constraints

- Financial Capital
- Human Capital & Skill Development
- Organizational Development
- Favorable Environment for Investment
- Infrastructure

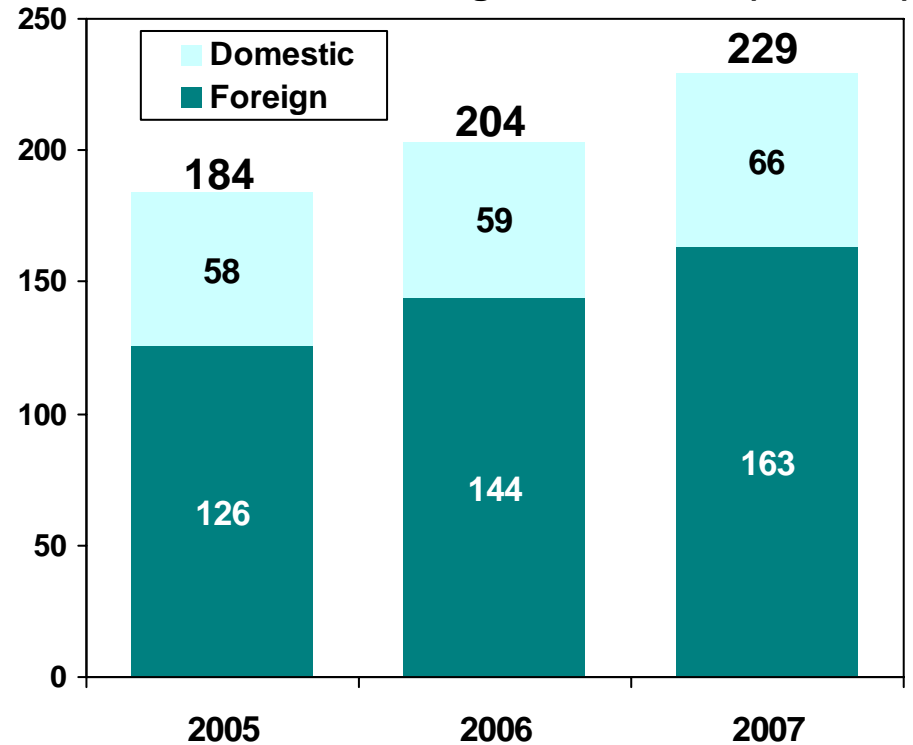
**National goals translate into \$US 616MM in Investments and \$US 504MM in exports over the 2005-2007 period.**

---

**Rwanda Exports Targets 2005-2007 (\$US MM)**

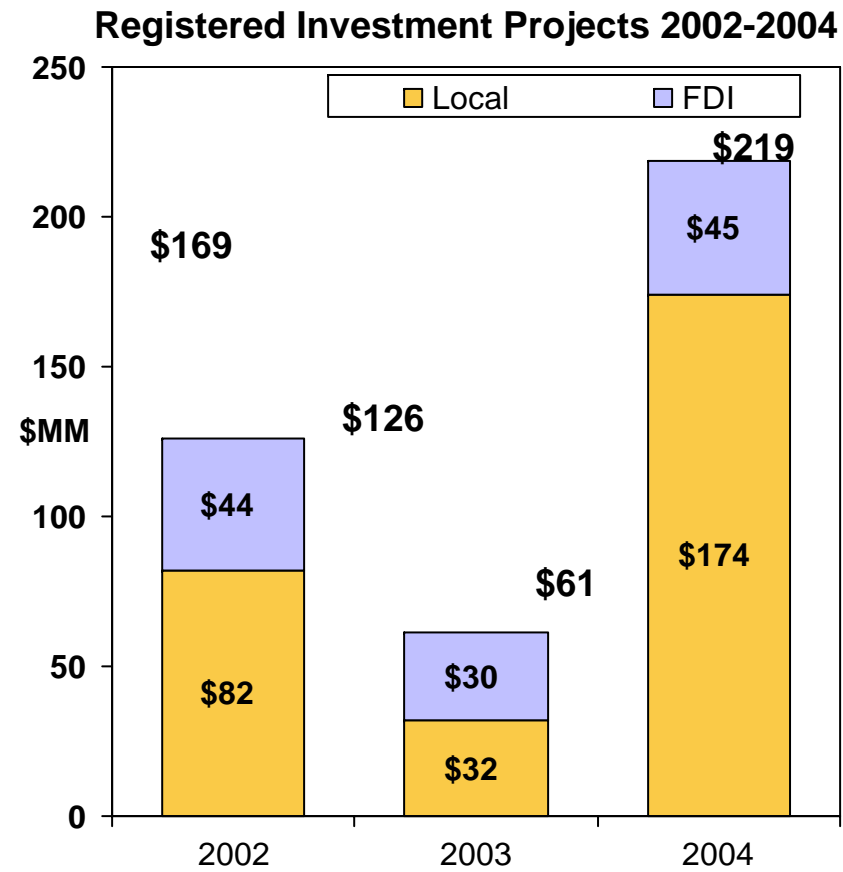
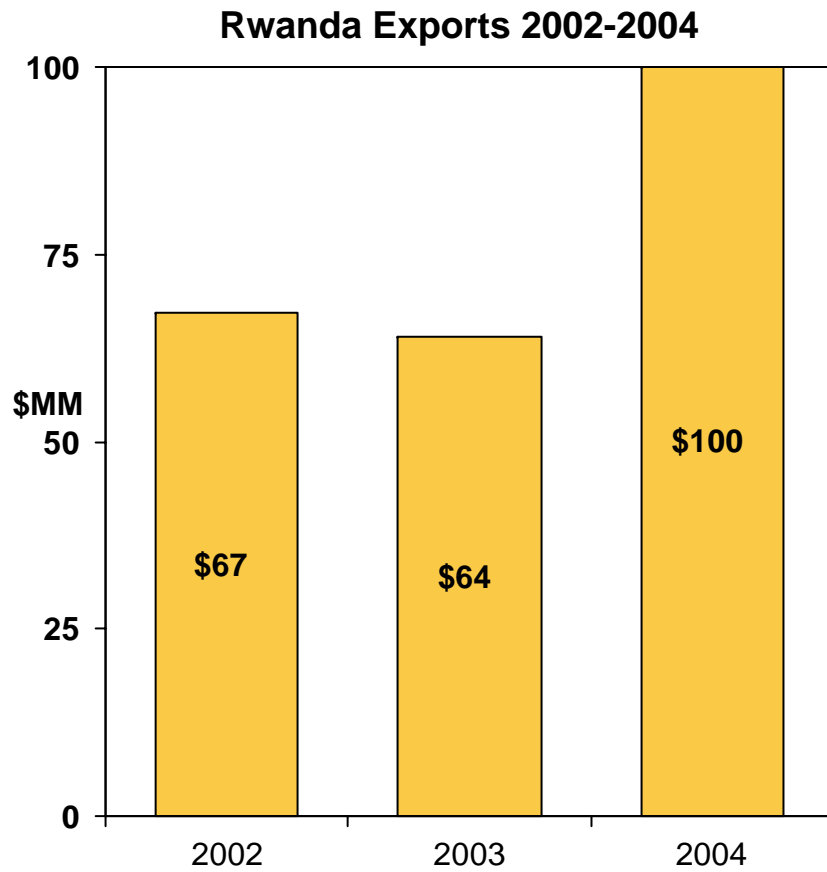


**Rwanda Investment Targets 2005-2007 (\$US MM)**



# Rwanda Private Sector has played a strong role in both exports and direct investments

---



Source: MINECOFIN, Rwanda Investment and Export Promotion Agency

## The Competition is Coming

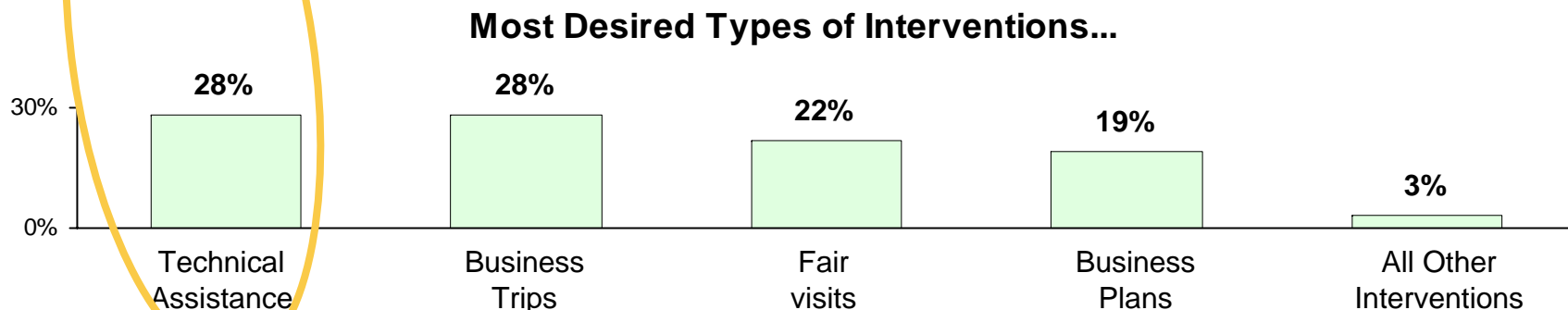
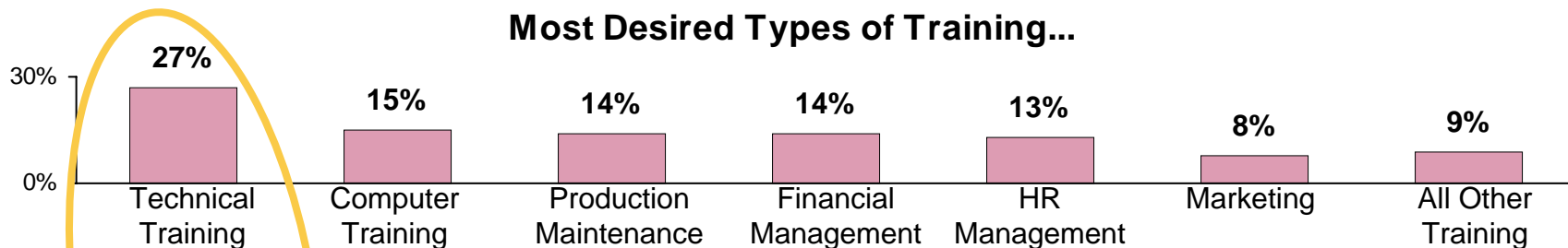
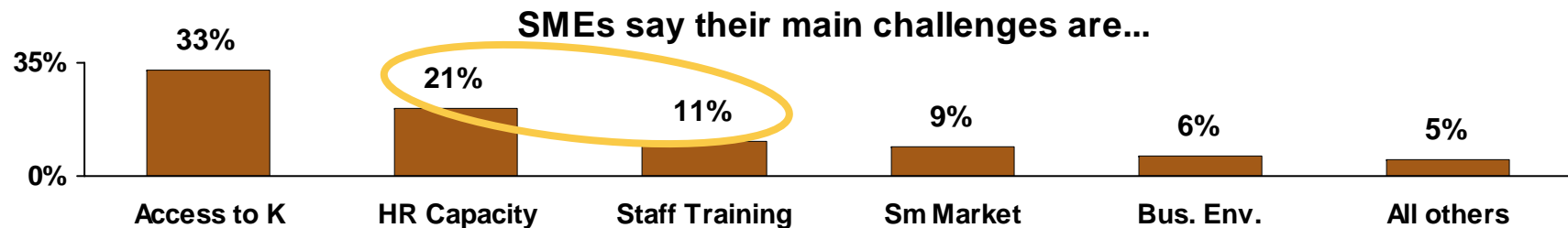
*As COMESA Approaches, Rwandese SMEs Face Increased Pressure*

---

**Rwandan SMEs stands to gain by protecting their current market shares and taking advantages of new opportunities through capacity building**



## As exporters and investors, Private Sector especially SMEs require a lot of assistance especially in training and business development services



- SMEs seem to be mostly struggling with technical issues related to the the efficient running of their equipment and machinery...
- ...but they are also trying to find time to strengthen their core functional business skills in Computers, Finance, HR, and Marketing management.

# The RPSF Strategic Priorities naturally translate into critical areas of Rwanda's PRSP Program

## PRSP Priority Areas

- **Rural Development and Agricultural transformation**
  - Intensify small-scale agriculture
- **Human development**
  - Skills development
- **Economic Infrastructure**
  - Rehabilitate rural road network to promote trade
- **Governance**
  - Ensure transparency at all levels
- **Private Sector Development**
  - Encourage Investment
  - Reduce costs and risks of doing business
  - Export promotion
- **Institutional capacity-building**
  - Support institutional structures to encourage development in public and private sectors

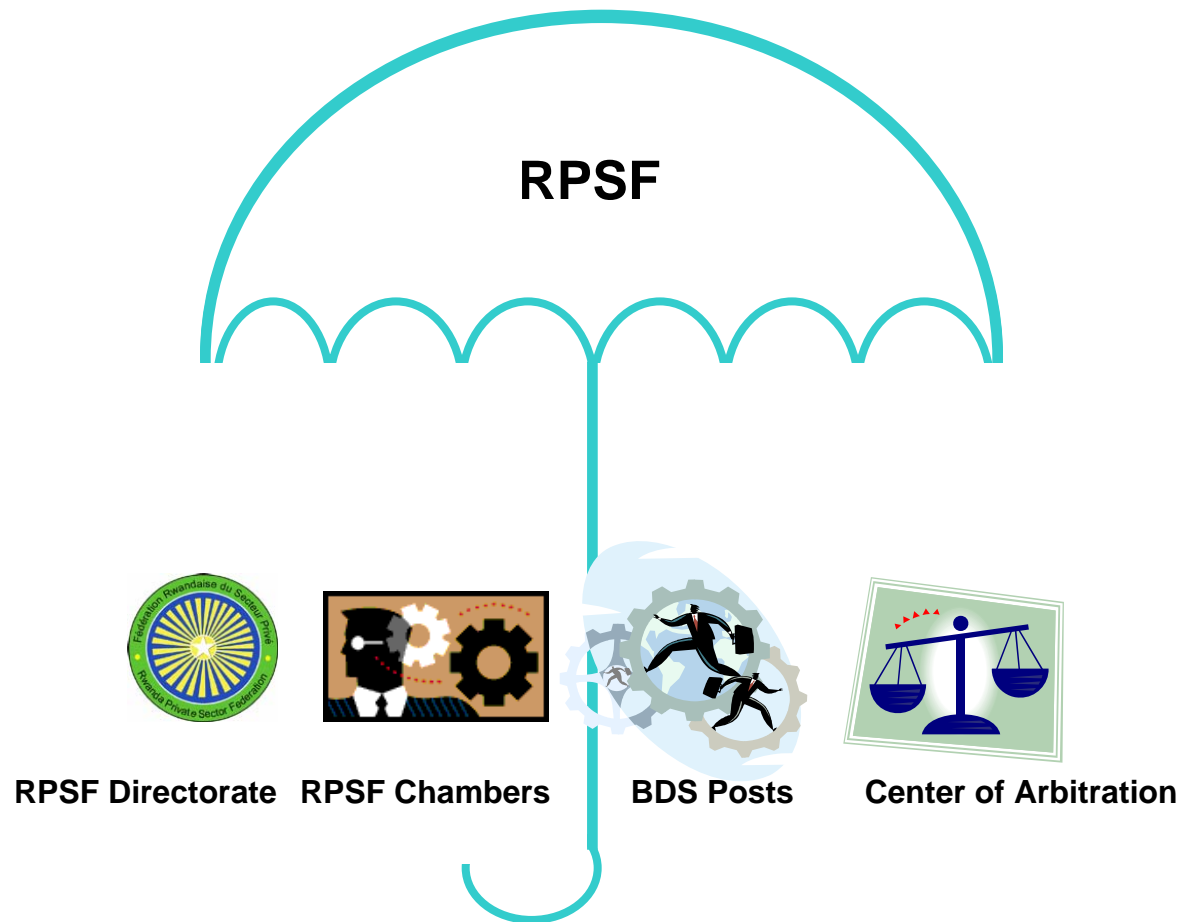


## RPSF Strategic Priorities

- **Strengthen Private Sector Companies and Operators in Rwanda**
  - Establish a National BDS network of development services
- **Build Human Capacity for Rwanda's Private Sector**
  - Provide both technical and management training
  - Establish Employment initiative (Youth, Women and Tripartite)
- **Facilitate Sustainable Funding for SMEs**
  - Implement an SME financing fund for firms
- **Perform Advocacy in Public Private Partnership + Provide dispute arbitration and business challenge assistance**
  - Annual Economic week with H.E the President
  - Quarterly PPP Forum with Prime Minister
  - Arbitration and assistance in government related challenges
- **Increase RPSF Effectiveness through Infrastructure and Communication**
  - Educate private sector through mass media
  - Build Rwanda Private Sector infrastructures
  - RPSF staff training
- **Develop Vibrant Private Sector Associations**
  - Strengthen private sector member associations

**As the umbrella organization for Rwanda's Private Sector, the RPSF is developing a network of institutions to serve its members**

---



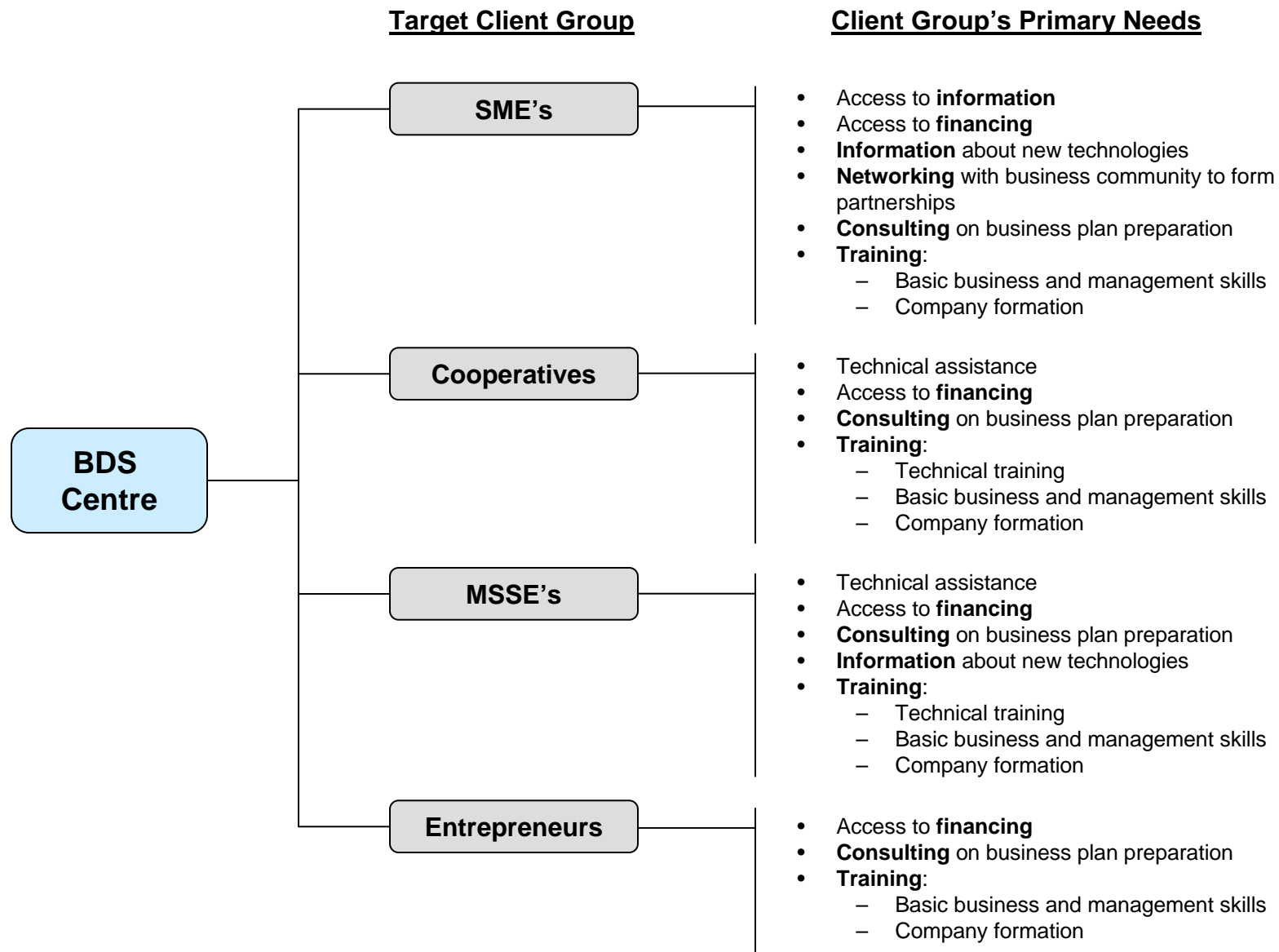


## The RPSF needs RwF 7.4 billions (\$12.6 millions or €9.8 millions) to implement 12 programs

Strategic Priority	Programs	Budget (RwF bn)	Budget (USD MM)	Budget (Euro MM)	New Activity
Strengthen Rwanda's Private Sector Companies	<b>Create a National Network of Business Development Services (BDS)</b>	<b>3.0</b>	<b>\$5.1</b>	<b>€ 3.9</b>	Y
Build Human Capacity for Rwanda's Private Sector	<b>Design / and implement training programs—sector, business, rural</b>	<b>0.9</b>	<b>\$1.5</b>	<b>€ 1.2</b>	Y
	<b>Establish Employment Initiative (i.e., Youth, Women and Tripartite)</b>	<b>0.7</b>	<b>\$1.2</b>	<b>€ 0.9</b>	Y
Facilitate Funding Sources for Private Sector	<b>Implement an SME financing fund for firms and entrepreneurs</b>	<b>0.5</b>	<b>\$0.9</b>	<b>€ 0.7</b>	
Develop Vibrant Private Sector Member Associations	<b>Strengthen private sector member association</b>	<b>0.2</b>	<b>\$0.4</b>	<b>€ 0.3</b>	
	<b>Perform quarterly association development training for elected leaders</b>	<b>0.2</b>	<b>\$0.3</b>	<b>€ 0.2</b>	
Provide dispute arbitration and business challenge assistance	<b>Form a strong private sector team to address disputes and provide business challenge assistance</b>	<b>0.2</b>	<b>\$0.3</b>	<b>€ 0.2</b>	Y
Perform Advocacy in Public Private Partnership	Represent Rwanda's Private Sector in national and international forums	<b>0.1</b>	\$0.2	<b>€ 0.1</b>	
	Produce Private Sector position on Doing Business in Rwanda and Economy	<b>0.1</b>	\$0.2	<b>€ 0.1</b>	Y
Increase RPSF Effectiveness	Build RPSF Infrastructures—headquarters, permanent expos and warehouses	<b>0.9</b>	\$1.5	<b>€ 1.2</b>	Y
	<b>Educate Rwanda's Private Sector through communication campaign</b>	<b>0.3</b>	<b>\$0.6</b>	<b>€ 0.4</b>	Y
Overhead Expenses		<b>0.4</b>	\$0.8	<b>€ 0.6</b>	
<b>TOTAL</b>		<b>7.4</b>	<b>\$12.8</b>	<b>€ 9.8</b>	

# The BDS Centers will serve the entire private sector, and will begin by offering services demanded by all target client groups

---



# The BDS Centres will be a first point of reference for training, information access to finance, networking and consulting services

## BDS VISION: First point of reference for private sector

### TRAINING

**Objective:** Build capacity through training and mentoring

**Services:**

- Basic management techniques \$
- Business idea elaboration \$
- Technical training \$
- Regulatory issues \$
- Accessing financing \$
- Clustering and partnering
- Saving and investment

### INFORMATION

**Objective:** Provide and create relevant information for private sector

**Services:**

- Library of basic materials
- Custom research \$
- Computer / internet access \$
- Company formation and regulatory issues
- Monthly newsletter

### FINANCE

**Objective:** Facilitate easier access to financing

**Services:**

- Maintain database of finance sources and terms
- Referral to consultants for business plan development
- Connect clients with CEDP business plan competition
- BRD representative in each office \$

### NETWORKING

**Objective:** Create a stronger regional and national business community

**Services:**

- Regular networking events
- Mentoring program
- Bulletin board
- Showcase speakers and regional BPC winners
- Annual business award

### CONSULTANT MONITORING

**Objective:** Ensure quality of consultant services

**Services:**

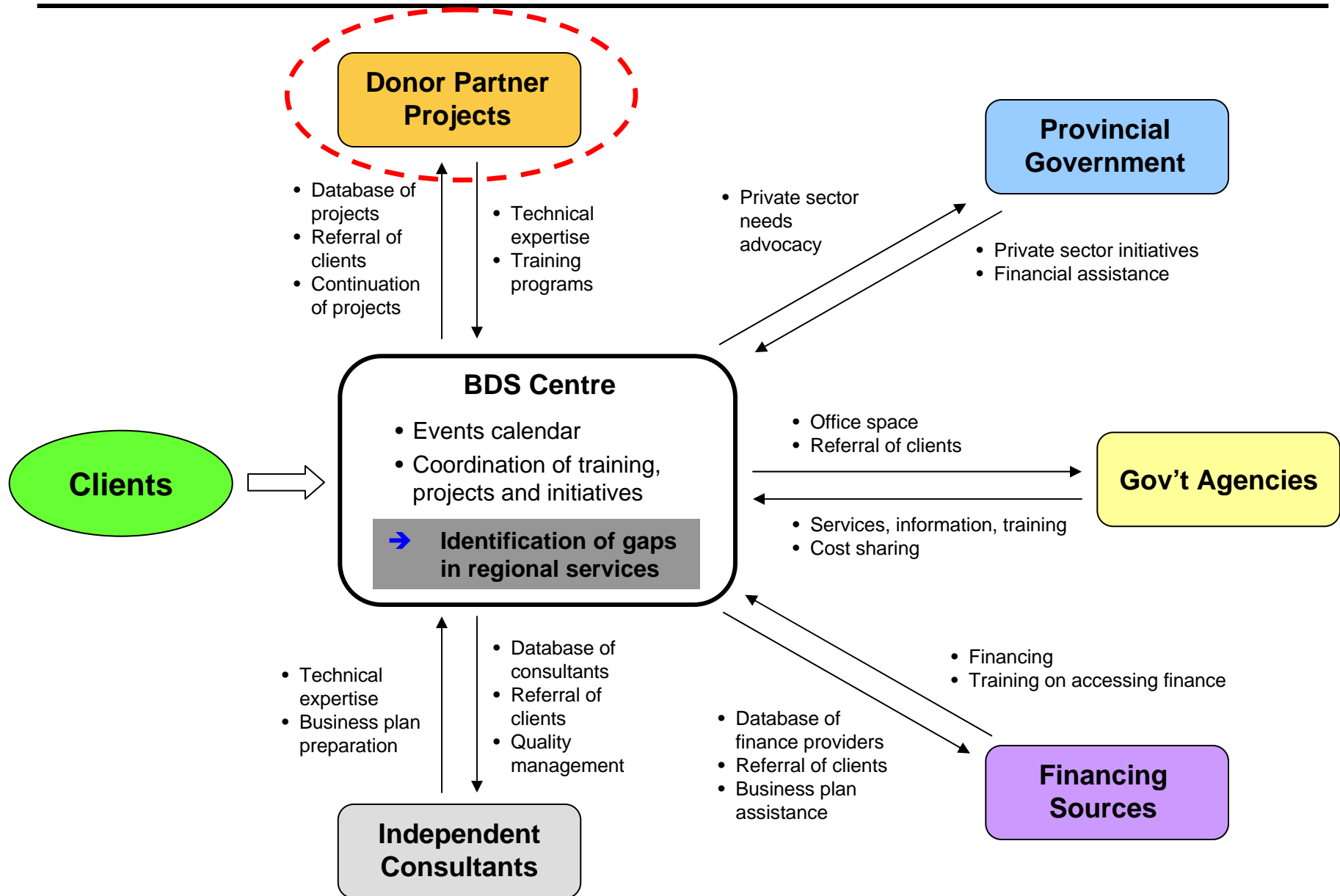
- Maintain database of "certified" consultants \$
- Assist clients to access consultants and structure engagement \$
- Monitor quality of consultants and client satisfaction

### Coordination with Partners

- Maintain consolidated calendar of events, maintain database of regional services, refer clients to partners, establish regional working group, and ensure continuation of NGO and government projects

\$ – charge for service

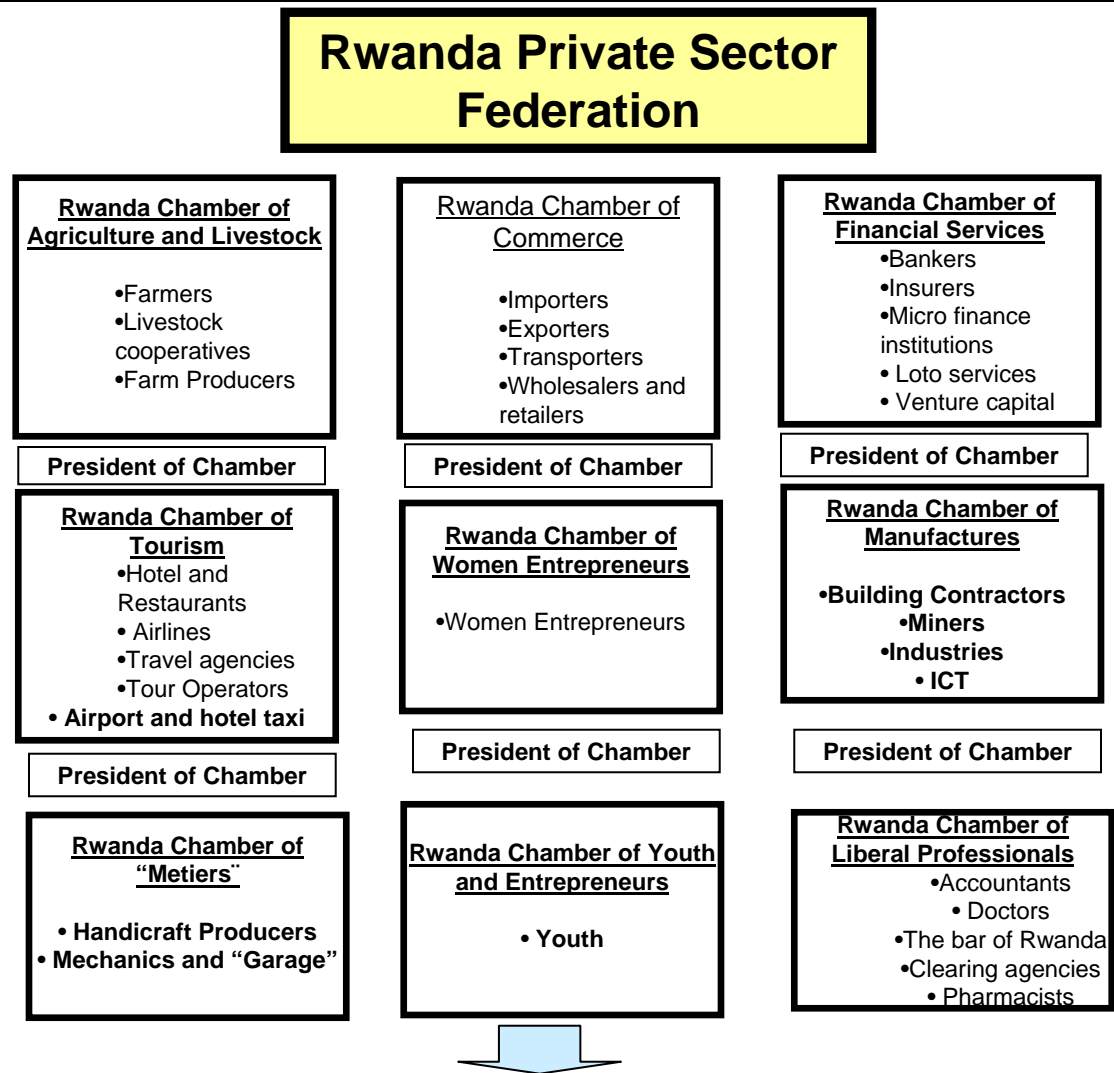
# The BDS Centres will coordinate with partner providers and utilize their expertise to service clients



## Initially the BDS Centres will operate on a “fee for service” model, and will share costs with partners

	Initial Capital Requirements		Annual Operating Activities		
<b>Uses of Funds</b>		RFr		RFr	
	Centre Construction	110,000,000	BDS Post Director Salary	6,000,000	
	Equipment:		Centre Manager Salary	4,800,000	
	• 12 Computers	7,800,000	Other Professional Salaries	13,800,000	
	• Networking	1,500,000	Support Staff Salaries	9,804,000	
	• Fax / printers / photocopier	2,725,000	Marketing	1,000,000	
	• Furniture	7,900,000	Utilities	1,200,000	
	• Software	3,000,000	Internet / Telephone	5,400,000	
	Marketing	2,000,000	Office Supplies	1,500,000	
	Car	15,000,000	Travel and Expenses	3,000,000	
Motorcycle	1,000,000	Maintenance	5,000,000		
Other	5,000,000	Training	3,000,000		
			Other	5,000,000	
	TOTAL	155,925,000	TOTAL	59,504,000	
<b>Sources of Funds</b>				Year 1	Year 3
	RSPF		Fee for service:		
	CAPMER		• Training	1,440,000	8,640,000
	World Bank		• Information	750,000	5,040,000
	National Government		• Consulting	450,000	900,000
	Provincial Government		• Other Services	500,000	1,500,000
	Development Partners		Cost Sharing:		
	Other		• Government	2,000,000	4,000,000
			• Partners	3,765,000	3,765,000
			• Other	2,000,000	5,000,000
		RSPF Contribution	48,599,000	30,659,000	
		TOTAL	59,504,000	59,504,000	

**Besides BDS, the RPSF is reorganizing the Private Sector into nine chambers to better perform advocacy and targeted capacity building**

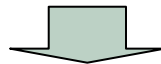
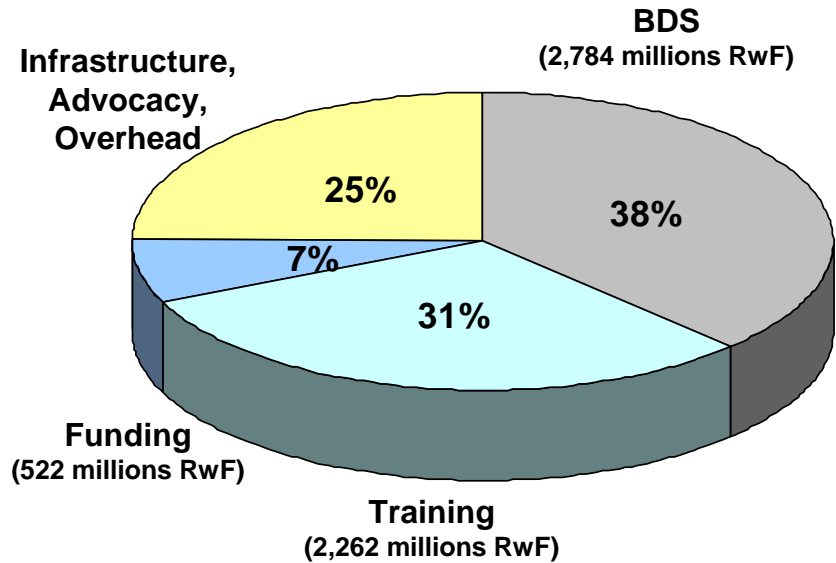


*All Enterprises will have to be members of chambers to become RPSF members; Chambers will regroup existing associations which will elect chambers leaders within themselves*

**The RPSF will mobilize \$2.7M from its members, \$3.0M from government and \$7.1 from donors over 2005 2007**

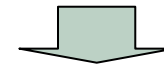
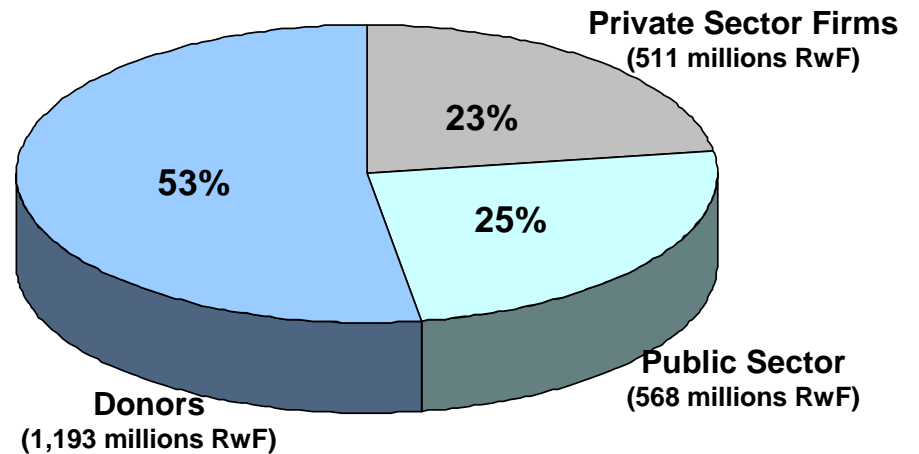
---

**RPSF 2005-2007 Budget Breakdown by Intervention**



- RPSF budget is not incremental vs. existing initiatives
- BDS, Training and Funding: 75% of budget

**RPSF 2005-2007 Budget Breakdown by Sources**



- Select Private Sector firms have pledged
- Public Sector has committed its part
- Development partners are already funding BDS and training initiatives

## **Donor Partners have a paramount role to play in supporting the development of Rwanda's Private Sector**

---

- **Support the unfolding Business Development Services (BDS) network**
- **Provide technical assistance to the RPSF directorate and its chambers**
- **Implement specific private sector support initiatives within priority sectors**
- **Address the GoR agenda especially capacity and infrastructure programs**
- **Consult with Rwanda's Private Sector while articulating assistance programs**



# Backup

---

# RPSF Strategic Action Plan 2005-2007

## Programs Requiring Assistance

### Priority 1—Strengthen Rwanda's Private Sector Companies

Program	Description	Impact	Budget	RPSF	Need
Create a National Network of Business Development Services (BDS)	<ul style="list-style-type: none"> <li>Rwanda's National BDS network increases the capacity of SMEs, Agribusiness and Exporters</li> <li>The Network will cover all Rwanda provinces by 2005</li> <li>This network will encompass the activities of CAPMER</li> </ul>	<ul style="list-style-type: none"> <li>Increased success rate of serviced firms</li> <li>Increased performance in Rwanda's export sectors</li> <li>Improved donor assistance to firms</li> </ul>	\$4.80M	\$1.50M	\$3.30M

### Priority 2—Build Human Capacity for Rwanda's Private Sector Companies

Program	Description	Impact	Budget	RPSF	Need
Design and Implement training programs through BDS network	<ul style="list-style-type: none"> <li>Rwanda's Private sector operators need both technical and business training</li> <li>The RPSF will offer targeted training in services, manufacturing, agricultural sectors through BDS</li> </ul>	<ul style="list-style-type: none"> <li>Greater Capacity in the Private Sector</li> <li>SMEs and employees are better trained</li> <li>Rwanda's competitiveness is increased</li> </ul>	\$1.50M	\$0.75M	\$0.75M
Establish a Youth Employment initiative to support Rwanda's youth	<ul style="list-style-type: none"> <li>Rwanda's youth are often struggling to find jobs.</li> <li>This program will offer both training and support to help youth under the Employability, Entrepreneurship, Equal Opportunity and Employment creation principles</li> </ul>	<ul style="list-style-type: none"> <li>Job creation for Youth in both rural and urban areas</li> <li>Support to often underprivileged fringes of population—women and youngsters</li> </ul>	\$1.5M	\$0.75M	\$0.75M

# RPSF Strategic Action Plan 2005-2007

## Programs Requiring Assistance

### Priority 3—Facilitate Sustainable Funding for Rwanda’s Private Sector

Program	Description	Impact	Budget	RPSF	Need
Establish a sustainable funding for firms and SMEs	<ul style="list-style-type: none"> <li>Rwanda’s SMEs often lack access to long-term finance.</li> <li>This pilot program will support the establishment of selected firms</li> </ul>	<ul style="list-style-type: none"> <li>Increased SMEs numbers</li> <li>Increased business performance</li> <li>Job creation</li> </ul>	\$1.50M	\$0.50M	\$1.00M

### Priority 4—Develop Vibrant Private Sector Association

Program	Description	Impact	Budget	RPSF	Need
Develop Vibrant Private Sector Associations	<ul style="list-style-type: none"> <li>Rwanda’s Private sector associations are in their infancy and need support in establishing themselves and building capacity</li> </ul>	<ul style="list-style-type: none"> <li>Greater Capacity in the Private Sector</li> <li>SMEs and employees are better trained</li> <li>Rwanda’s competitiveness is increased</li> </ul>	\$0.60M	\$0.20M	\$0.40M

### Priority 5—Increase RPSF Effectiveness

Program	Description	Impact	Budget	RPSF	Need
Educate Rwanda's Private Sector through communication	<ul style="list-style-type: none"> <li>Rwanda’s Private sector needs both information on business opportunities but also education on how it can access resources available</li> </ul>	<ul style="list-style-type: none"> <li>Private Sector motivation increased</li> <li>Private Sector access available resources</li> </ul>	\$0.30M	\$0.1M	\$0.2M