

OCTOBER 2008

# VOICES

of Women Entrepreneurs in Rwanda



**International  
Finance Corporation**  
World Bank Group

## About IFC's Gender Program:

IFC supports the participation of women as well as men, as an important part of its mission to foster sustainable private sector growth in developing countries. Recognizing that aspiring businesswomen are often prevented from realizing their economic potential because of gender inequality, IFC is committed to creating opportunities for women in business.



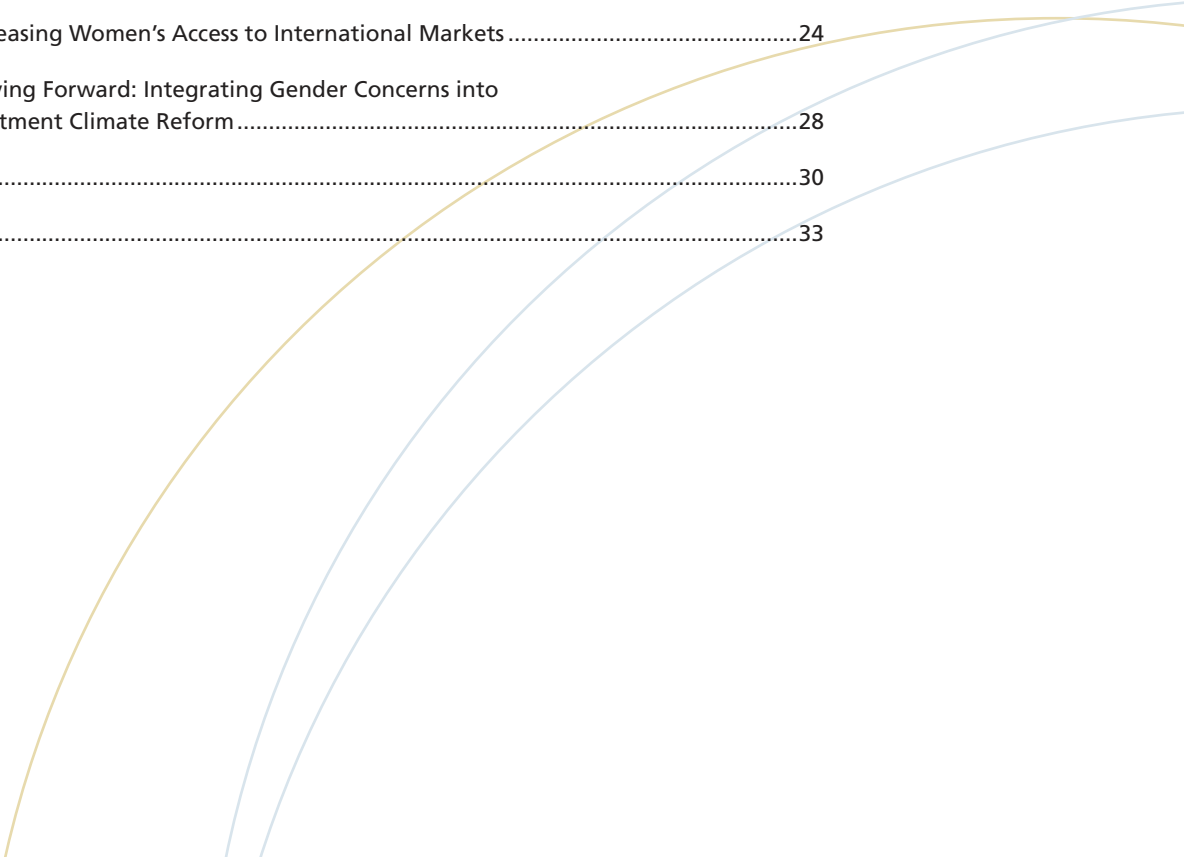
## About the Chamber of Women Entrepreneurs:

The Chamber of Women Entrepreneurs is one of nine chambers of the Rwanda Private Sector Federation. The mission of the Chamber of Women Entrepreneurs is to foster women's entrepreneurship through the promotion of training, creativity and competitiveness at the national, regional and international level.



# TABLE OF CONTENTS

Abbreviations and Acronyms .....	2
Acknowledgments .....	3
IFC Foreword .....	4
Rwanda Chamber of Women Entrepreneurs of the Private Sector Federation Foreword .....	5
Executive Summary .....	6
Chapter 1: Women Entrepreneurs in Rwanda’s Economy .....	8
Chapter 2: Formalizing a Business and Dealing with Licenses and Taxation .....	13
Chapter 3: Access to Land and Finance.....	18
Chapter 4: Increasing Women’s Access to International Markets.....	24
Chapter 5: Moving Forward: Integrating Gender Concerns into Rwanda’s Investment Climate Reform.....	28
Endnotes.....	30
References .....	33



# ABBREVIATIONS AND ACRONYMS

AGOA	African Growth and Opportunity Act
CAPMER	Center for Support to Small and Medium Enterprises in Rwanda
CIDA	Canadian International Development Agency
CSO	Civil Society Organization
DB	Doing Business
DHS	Demographic and Health Survey
DFID	Department for International Development (UK)
EICV	Household Living Conditions Survey
GDP	Gross Domestic Product
GEM	Gender Entrepreneurship Markets
FIAS	Foreign Investment Advisory Service (World Bank/IFC)
ICA	Investment Climate Assessment
ICT	Information and Communication Technology
IFC	International Finance Corporation
IMF	International Monetary Fund
LLC	Limited Liability Company
MDG	Millennium Development Goal
MIGEPROF	Ministry of Gender and Family Promotion
NGO	Non-governmental Organization
PC	Personal Computer
RIMS	Rwandan Industrial and Mining Survey
RIEPA	Rwanda Investment and Export Promotion Agency
RRA	Rwanda Revenue Authority
RwF	Rwandan Franc
SME	Small and medium-sized enterprise
UBPR	Union des Banques Populaires du Rwanda
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
US	United States
VAT	Value-Added Tax

## CURRENCY EQUIVALENTS

(October 20, 2008)

Currency Unit = Rwanda Franc (RwF)

RwF 550.55 = US\$1

## ACKNOWLEDGMENTS

This report was prepared by Jozefina Cutura, Consultant, IFC. It was prepared on the basis of in-depth interviews with women entrepreneurs in January 2008, who are profiled in this report, and desk research carried out in conjunction with a parallel gender review of legal and regulatory obstacles facing women in business.

The author thanks the many individuals who have given valuable feedback on earlier drafts,

including Zouera Youssoufou, Natalie Africa, Carmen Niethammer, Ignace Rusenga Bacyaha, Mark Blackden and Sevi Simavi. A particular debt of gratitude is owed to the women entrepreneurs who gave so generously their valuable time to share their insights and experiences as women entrepreneurs in Rwanda, and to highlight successes and challenges.

## IFC FOREWORD

Africans are known to be resourceful and creative when it comes to starting businesses that can alleviate poverty and lead to a better life. Women entrepreneurs in Rwanda are no exception. This report considers the importance of entrepreneurship by women and its contribution to economic growth. The role of women entrepreneurs is being increasingly recognized around the world. Entrepreneurship provides opportunity while creating new jobs, which is essential in a country with high unemployment rates, especially among women and youth.

Rwanda is a world leader in promoting gender equality, providing an encouraging example of how countries affected by conflicts can seize the reform momentum in its aftermath to support the empowerment of women. Today more than half of Rwanda's parliament is female—the first country in the world to have a female-dominated parliament—and the labor force participation rate of women approaches 80 percent. Women are viewed as key to the country's recovery and development following the genocide that ravaged the country more than a decade ago.

This report helps recognize the important role businesswomen play in the country's economy, shedding light on the challenges they face. It also celebrates their successes and demonstrates the potential of business activity for job and income generation. It is hoped that this important effort will help create a better understanding of the characteristics, contributions, and challenges that women entrepreneurs face.

This publication is a joint product of the Rwanda Chamber of Women Entrepreneurs of the Private Sector Federation and IFC, which promotes women's private sector participation through its Gender Entrepreneurship and Markets (GEM) Program. I applaud the efforts of the research team and the entrepreneurs for sharing their experiences that create a report that encourages greater awareness and understanding of businesswomen in Rwanda. IFC is eager to support the effort to focus attention on overcoming issues and challenges facing Rwandan women in business.

**Jean Philippe Prosper**

Director

Sub-Saharan Africa Department

East & Southern Africa Hub

# RWANDA CHAMBER OF WOMEN ENTREPRENEURS OF THE PRIVATE SECTOR FEDERATION FOREWORD

The 1994 genocide was a turning point for Rwanda and the voices of women began to resound louder. In the aftermath of the tragedy, women constituted a high proportion of the population. Impoverished and challenged to take charge of their destiny, they were called upon to play a key role in reshaping the country's direction.

In 2003, the New Constitution granted women a minimum 30% representation in all decision making organs of the state. This political milestone greatly benefited businesses. The new constitution also granted women the right to ownership and inheritance of land and property. Research shows that Rwanda fares better than its neighboring East African states in the number of women that own land and property in their own names.

Women have made great strides in terms of starting new businesses alone or in partnership often with people other than their spouses, and making progress towards formally registering their ventures. The number of women going into businesses is increasing. Rwandan women entrepreneurs are also entering non-traditional sectors such as ICT and dealerships in petroleum products.

This report samples a few stories. It also high-

lights remaining challenges as more progress needs to be made for women to become fully aware of the opportunities presented by the legal reforms, have more access to finance, trade more across borders and develop skills in lucrative areas of business.

The Government of Rwanda continues to lead initiatives that promote the status of women in Rwanda and improve the way of doing business in Rwanda in general. This report recommends to stakeholders to devote more efforts in upgrading the skills and economic opportunities for women entrepreneurs.

The Rwanda Private Sector Federation has multiplied its efforts to play an advocacy and capacity building role primarily for its membership and the Chamber of Women is proud to lead and see more women entrepreneurs drive this change. The ultimate goal of the Chamber is to see women entrepreneurs contribute significantly to the economic growth of Rwanda. IFC, through its Rwanda Entrepreneurship Program (REDP) and Gender Entrepreneurship Markets Program (GEM), continue to play a supportive role and the Chamber appreciates this collaboration towards the attainment of its objective.

**Thérèse Bibonobono**

Director, Rwanda Chamber of Women Entrepreneurs  
Private Sector Federation

## EXECUTIVE SUMMARY

**Rwanda is recognized as a world leader in promoting gender equality and offers an encouraging example of how post-conflict countries can seize the reform momentum after conflict ends to support women's empowerment.** Radical reforms in the aftermath of the genocide have set the platform for transforming women's role in society. The 2003 constitution outlaws discrimination based on gender. Reformed matrimonial, inheritance, and land laws have opened opportunities for women's economic independence. Today more than half of Rwanda's parliament is female and women's labor force participation rates are a high 79.5 percent.

**Women entrepreneurs are a significant force in Rwanda's private sector.** Women head 42 percent of enterprises. They comprise 58 percent of enterprises in the informal sector, which accounts for 30 percent of GDP.

The majority are engaged in the retail sector (82 percent), with the rest focusing on services (16 to 17 percent) and manufacturing (1 to 2 percent) sectors.<sup>1</sup> Many women's businesses are successful and large, and Rwandan women are increasingly branching out into non-traditional sectors such as information and communication technologies (ICTs) or dealing in fuel.

**Yet inequalities persist.** Men are moving out of agricultural employment at faster rates than women, and 86.3 percent of women continue to be employed as agriculture and fisheries workers, compared to 71.2 percent of men.<sup>2</sup> Women are also under-represented in managerial positions. In manufacturing firms they occupy only 17 percent of management positions.<sup>3</sup> In addition, women's businesses report lower average earnings than men's businesses.

As the data in Figure 1.2 illustrate, the difference in monthly earnings between male and female proprietors is about 7,000 RwF (US\$ 12.75) in men's favor.

**Available data indicate that women's share of business ownership decreases as the degree of formalization increases.**

While women own 58 percent of informal enterprises, they own only 40 percent of partially formal or formal enterprises. This is a high figure in light of Rwanda's past when married women needed the consent of their husbands to engage in business. Yet the fact that women's share of business ownership decreases as formalization increases suggests that they face particular challenges with the process.

**Women entrepreneurs, especially successful businesswomen, are increasingly able to purchase or inherit land, and secure bank loans.** Yet households headed by women have smaller landholdings than men. Women are also less likely than men to use land for their enterprise development. When they do use land, it is primarily land from the state, and financing still remains a major barrier for women entrepreneurs.

**Women in Rwanda perceive tax rates as a top business constraint.** Both male and female entrepreneurs highlight taxation as a severe obstacle, but research has found that a burdensome tax system disproportionately hurts small businesses and women in particular.<sup>4</sup> An informality survey found that Rwandan women were less likely to register their business for tax purposes - 22.3 percent of businesses represented by women declared their businesses compared to 27.6 percent of businesses represented by men.<sup>5</sup>



**Women-owned businesses indicate the need for management and technical skills and better access to training facilities to grow their businesses.** New initiatives are starting to respond to this need. Expanding such training to a wider range of women would help address their clear desire for greater skills development and training.

**The report is informed by an in-depth legal and regulatory analysis, but also reflects the**

**successes and challenges highlighted by the women interviewed.** While this report documents barriers facing women in the private sector, it also showcases Rwanda as a success story and in many respects a model for others to follow. The stories of the businesswomen in Rwanda illustrate how women are overcoming the tragedy of genocide and becoming even stronger, as they create new hope and opportunities while rebuilding their society.



# CHAPTER 1

## WOMEN ENTREPRENEURS IN RWANDA'S ECONOMY



Rwanda is a world leader in promoting gender equality. In just over a decade reforms in the political and legislative arena have placed women's empowerment at the forefront of government's priorities and granted women in Rwanda sweeping rights. In the aftermath of the genocide, they were seen as key to the country's recovery and development.

Changes to matrimonial, inheritance, and land laws have sought to give women the right to inherit land. Unlike in many neighboring countries, the new laws override customary law, which often denied women property rights. The constitution stipulates that women should make up 30 percent of representatives not only in parliament, but in all decision-making bodies. This has resulted in unprecedented representation of women at all levels of government: 49 percent in the lower chamber of parliament, 30 percent in the senate, 44

percent in the Supreme Court; and 40 percent of provinces are governed by women.<sup>6</sup>

**This remarkable progress in the political arena is paralleled by the success and strength of women in business.** Women's labor force participation is significant, with participation rates at a high 79.5 percent, and over 50 percent of the labor force.<sup>7</sup> Rwandan women head 42 percent of all enterprises. They also comprise 58 percent of enterprises in the informal sector, which accounts for 30 percent of GDP, and they make a significant contribution to the country's economy through their business activities, which are well distributed across sectors (Figure 1.1).<sup>8</sup> This strong participation of women in the informal sector is mirrored in other post-conflict countries, such as Liberia, where recent research found that women entrepreneurs were much more likely than men to own completely informal enterprises.<sup>9</sup> The authorities nonetheless recognize that more progress is needed for women on the economic front.

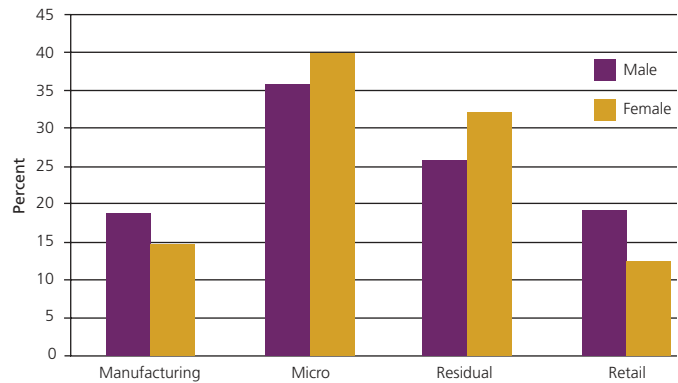
**Women entrepreneurs are relatively young, and many turned to business in the years following the genocide.** In fact, of the small enterprises operating in Rwanda, almost 70 percent were established within the last 10 years.<sup>10</sup> In contrast to their East African neighbors, many businesswomen are sole owners or have partners in business that do not include their husbands or families. In fact, interviews with women entrepreneurs revealed a marked absence of men in their businesses.

A 2002 study of women entrepreneurs found that the majority are engaged in the retail sector (82 percent), with the rest focusing on services (16 to 17 percent) and manufacturing (1 to 2 percent).<sup>11</sup> Many of their businesses are successful and large, and as some of the case studies in this report illustrate, Rwandan women are increasingly branching out to non-traditional sectors such as Information and Communications Technology (ICTs).

**Women's entrepreneurship is thriving, but inequalities in employment persist.** Men are moving out of agricultural employment at faster rates than women, and 86.3 percent of women continue to be employed as agriculture and fisheries workers, compared to 71.2 percent of men.<sup>12</sup> Also, women are under-represented in managerial positions. In manufacturing firms, they occupy only 17 percent of management positions.<sup>13</sup>

**Women's businesses report lower average earnings than males.** As the data in Figure 1.2 illustrate, the difference in monthly earnings between male and female proprietors is about 7,000 RWF (US\$ 12.75 equivalent) in men's favor (Figure 1.2). The difference in earnings is even more marked in the labor force in general, with women workers receiving, on average, 22,239 RWF, compared to 42,956 RWF for men in weekly earnings.<sup>14</sup>

Figure 1.1: Enterprise Distribution by Sector and Gender



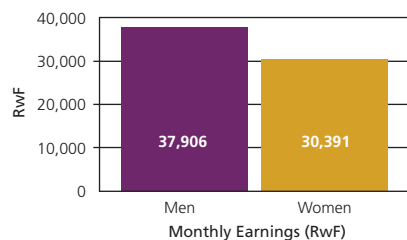
Source: World Bank, n.d.

I decided to become an entrepreneur because there is not much employment here and salaries are low. I like to be free to plan and decide things on my own.

—Christina Rwayitare, Mode Savane

**The government's emphasis on cooperatives has had a positive impact on women's enterprise development.** The government of Rwanda views cooperatives as important to the country's development, and it designed a national policy to assist the movement in 2004, which includes targets for strengthening women's participation. As of 2004, there were about 300 cooperatives in Rwanda, which receive support from government, including business ideas, premises, training, and advice

Figure 1.2: Monthly Earnings of Informal Proprietors, by Sex (RwF)



Source: Republic of Rwanda, 2007a.



**Rwanda has made great progress in educating girls, but more is needed to ensure appropriate skills, especially at higher education levels and in business.**

The country attained MDG#2 in relation to parity in primary education, with gender parity rates of 100 percent. While at the secondary level the enrolment rate used to be slightly in favour of girls, it is now slightly higher for boys (10.6 percent) than for girls (9.5 percent) (Table 1.1).<sup>16</sup>

on issues such as securing financing.<sup>15</sup> This government policy has helped create income for women, especially in rural areas, and women now comprise about 50 to 60 percent of cooperative members (Box 1.1).

Women in the labor force are relatively well educated. They have, on average, 10.3 years of education compared to 9.2 years for men.<sup>17</sup> Overall, Rwanda is on par with its neighbors in promoting gender equality in education (Table 1.2).<sup>18</sup>

**BOX 1.1: GOVERNMENT IS ENCOURAGING WOMEN'S INVOLVEMENT IN COOPERATIVES, BLANDINE KAMUYUMBU, NGWINO UREBE ASSOCIATION**

**B**landine was running a savings scheme with a group of women in Byumba to encourage savings and help curb domestic violence when the women decided to start a joint business. "We started thinking about forming a cooperative. I saw that maracuja (passion fruit) juice was expensive and was a good opportunity. We decided to start production." The 36 women savings members formed their cooperative in 2001, which now has 45 members, including several men. According to Blandine, "we encourage men to join us in this enterprise as we want to work together." The cooperative sells their maracuja juice in the region. "As we have a very good product, it has not been hard to find the market," says Blandine. They buy the fresh fruit that grows in abundance in the area from the locals, thereby helping the local economy.

Their model is illustrative of government support for cooperative development in Rwanda. "CAPMER helped us by teaching us how to make the juice. They also helped us produce a business plan. We have been really encouraged by the government," says Blandine. Their factory used to be an abandoned government building, which the Ministry of Infrastructure gave them to use, free of charge. The cooperative has also received funding from the EU to rehabilitate their factory space, and funds from CIDA to buy machines for processing the juice.

The quality of processing machines remains a persistent problem. "We went to an expo in 2005 and got an order from Kenya for 1,000 cartons of juice, but since the machines did not work well we could not meet it." Packaging is also a challenge. "Now we have plastic bottles that we bought from Indian suppliers, but it is hard to find good packaging." The cooperative has ambitious plans for its future. It is looking to improve its product labeling and add nutritional information, strengthen product quality, and branch out to producing wine and jam.



**Women-owned businesses indicate that the lack of management and technical skills and lack of access to training facilities are obstacles to their business success.** Few of the women interviewed for this study benefited from any training programs. Though nearly all expressed interest in training, as well as mentoring, and learning exchanges, indicating the need for such initiatives to fill existing gaps and enhance the skills of women in business.

**Their disproportionate burden inside the home means that many women may have less time to devote to their business.** Women work, on average 49 hours per week, compared with 41 for men. While men spend more hours on economic work than women (35 hours per week compared with 28 hours per week), women spend a larger share of their time on domestic work (21 hours per week compared with 7 hours per week) (Figure 1.3). Some Rwandan women may start a business, rather than working for someone else, so as to manage more easily their responsibilities in the home. While precise data on the reasons for Rwandan women to enter business are lacking, data from the U.S., for example, indicate that ‘work and life balance’ were the primary motivating reason for women to start a business.<sup>19</sup>

In addition to having less free time, busy working women have to struggle with the lack of childcare options. In a survey in preparation of the Draft Master Plan for Kigali, citizens were asked to rank their land use and infrastructure needs in order of priority. “Child care facilities” was voted as the second highest priority. Addressing this issue might help ease women’s work burdens and might therefore help facilitate women’s business success (Box 1.2).

**Table 1.1: Net Secondary Enrolment Rate, by Gender and Location**

	EICV1			EICV2		
	Male	Female	All	Male	Female	All
City of Kigali	24.9	22.7	23.6	29.2	29.0	29.1
Other urban	7.4	11.3	9.3	12.6	14.9	13.8
Rural	4.5	5.4	5.0	8.9	7.0	7.9
National	6.2	7.5	6.9	10.6	9.5	10.0

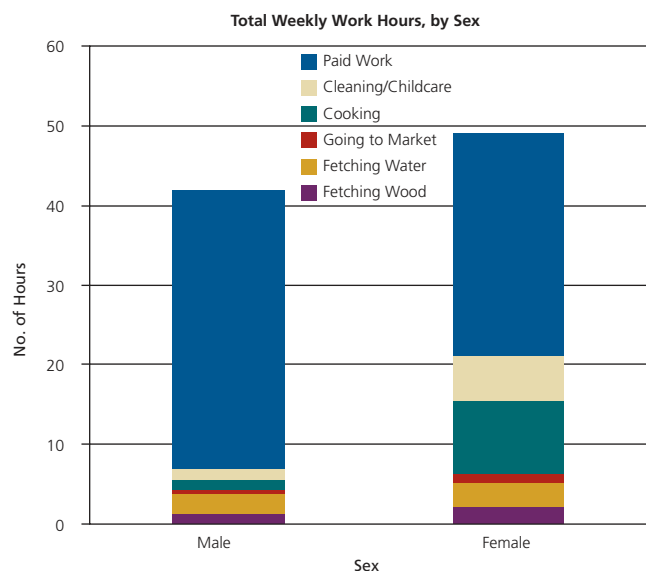
Source: Republic of Rwanda. 2007b.

**Table 1.2: Primary Attendance and Secondary Enrolment, Eastern Africa. 2000–2005**

Country	Primary School Net Attendance Ratio (2000–2005)		Secondary School Gross Enrolment Rates (2000–2005)	
	Male	Female	Male	Female
Kenya	79	79	50	46
Tanzania	71	75	6	5
Uganda	87	87	18	14
Rwanda	75	75	15	14

Source: UNICEF website. 2007.

**Figure 1.3: Time Use of Men and Women**



Source: Republic of Rwanda. 2007b.

### BOX 1.2: UMURERWA (FYFY) KIMENJI, AFRI.COM

In 1989 Fyfy was a young woman living on the border between the Democratic Republic of Congo and Rwanda when she entered the world of business. "I started with importing items from Dubai and selling them in the Congo as I live close to the border. In 1995 I opened a gas station. This is how I got into the world of petrol. We import petrol from Kenya and transport fuel." She has not stopped there. Fyfy also built a transport society and opened a jewelry boutique in Kinshasa.

To finance her success, Fyfy always relied on her own funds rather than bank loans, and has closely involved her husband and family members. Working in a highly unusual area for a woman, Fyfy always wanted to be self-employed. "I detest working for someone else. As a woman you have limited time, and not all doors are open. I always counsel other women to start their own private business."

Fyfy says that running her business has been challenging, but has allowed her the flexibility to raise a family. She delegates work, which allows her more time with her two children. "It is tiring to have been in business for so long," she says. Going forward, with another child on the way, Fyfy is hoping to rest and devote more time to family.



# CHAPTER 2

## FORMALIZING A BUSINESS AND DEALING WITH LICENSES AND TAXATION



**T**hough formalizing a business can lead to many benefits for an entrepreneur, women's businesses in Rwanda are less likely to be registered than men's.

In Rwanda only 0.3 percent of businesses are registered as limited liability companies (LLCs), and 39 percent are under individual ownership (Table 2.1). Even though few businesses - either male or female - are registered, available data indicates that women's share of business ownership decreases as the degree of formalization increases. While women own 58 percent of informal enterprises, they own only 40 percent of partially formal or formal enterprises. This is a great accomplishment in light of Rwanda's past when married women needed the consent of their husbands to engage in business activities. Yet the fact that women's share of business ownership decreases as formalization increases suggests that they may face particular challenges with this process.

### **Lack of relevant information and low levels of post-primary education among women are associated with greater informality.**

For established women's businesses in Kigali business registration does not appear difficult, but it is a bigger problem for women who lack relevant information, particularly in more remote areas of the country. An informality survey conducted by FIAS found that 22 percent of women in formal or partially for-

**Table 2.1: Legal Status of the Private Sector in Rwanda**

	Percent
Groups and associations	42
Individual ownership	39
Cooperatives	12
Family ownership	0.4
Limited liability companies	0.3

Source: World Bank, 2004.

mal enterprises had post-primary education, compared to 12 percent in informal enterprises.<sup>20</sup> The FIAS survey also found that freely available and helpful information was the most important factor in firms formalizing. Campaigns targeted at women on the benefits of business registration may prove helpful in increasing formalization among women.

**Business registration was not a problem. I used a lawyer and the process took a couple of weeks. RIEPA has a one-stop-shop [for this purpose].**

—Janet Nkubana, *Gahaya Links*

**The small size of women's enterprises may also be a reason why women's businesses are less likely to register.** Many women run micro or small enterprises, and may enjoy running the business from home to more easily combine work with their domestic responsibilities. Given women's longer work hours, the time it takes to register a business may be an additional deterrent to formalizing their enterprises. Tax implications of registering, further discussed below, are also a deterrent for many women.

**Rwanda's government is committed to simplifying business formalization.** The government's focus is on simplifying documentation and procedures to reduce the time and cost of business registration. Reforms include:

- A new Companies Act, which simplifies the registration procedure for companies.
- Rwanda Commercial Registration Services Agency: The reformed system for company registration enables a single registration and issue of a certificate of incorporation.
- The Business Registration Act imposes compulsory decentralized registration

requirements on all corporate entities and individuals engaged in business. It removes the current requirement to register with the Courts, and confers a right to engage in business for those who are registered.

- The new Cooperative Act and the Cooperative Agency Act set up a streamlined regime for cooperative governance and regulation.

These reforms are important in facilitating women's business registration. Additional steps to address gender concerns include:

- Appropriate opening hours for the new registry that enables women to attend.
- Provide female staff to create confidence among women users.
- Target outreach programs for women with information on why and how to register.
- Balance registration cost recovery considerations with the desire to encourage registration by cash-constrained women.

**Rwanda is also embarking on licensing simplification, a process which women are likely to benefit from.** Rwanda is ranked at 90 in Doing Business 2009 in the dealing with construction permits indicator of the Doing Business report, a substantial improvement (+35) over the previous year. Still, obtaining a construction permit remains a lengthy process, and women's businesses interviewed for this study note numerous lengthy procedures and delays in getting construction permits (Box 2.1).

To simplify procedures further, IFC's Investment Climate Reform Project is conducting a comprehensive inventory of business licenses, with the aim to abolish unnecessary or unduly onerous ones. Initial research suggests that there are about 200 business license require-



## BOX 2.1: IMMACULEE KALISA, RWANDA NETWORK COMPUTER

Immaculee Kalisa was living in Paris and looking for business opportunities that would contribute to employment and development in her native Rwanda when the idea for a computer company occurred to her. With ICT being a major government objective in Rwanda's *Vision 2020* strategy, Immaculee returned to Rwanda to contribute to her country's development. Her company is proof that women are breaking out of traditionally female sectors, and has the ambitious goal of "providing each Rwandan citizen with ICT tools and enabling them to acquire necessary related skills at a low cost."

Rwanda Computer Network provides computer assembly, computer parts sales, development of computer programs, network installation and configuration, and offers various courses on IT. Its main product is *Gorilla 1000*, a computer named after one of Rwanda's proudest trademarks. Though the company started operations only five years ago, it has already built an impressive set of facilities on a large company campus, with assembly, storage and training rooms for computer courses that the company offers. Immaculee's clients include government ministries and large banks. Following an order from the Ministry of Education to supply 4,000 computers to secondary schools, *Gorilla 1000* can now be found in schools throughout Rwanda.

Yet it took her one year to get the construction permit to build the facilities. "Each time we went and followed up {with the relevant authorities}, they told us there were more procedures and rules." Another big challenge for Immaculee was "to convince the people of Rwanda that *Gorilla 1000* functions like any other computer." Because the computers are manufactured locally, she is able to sell them more cheaply than her competition. This has enabled her to attract customers. Marketing has also been a challenge, though the company has sponsored radio shows and advertisements to convince skeptical minds. Immaculee has ambitious plans for her company. She wants to focus on energy saving projects and is working on a mini PC, which takes up less space and consumes less energy than traditional computers.



ments in Rwanda, of which 20 have been identified for immediate review. Sex-disaggregating the data in the project's monitoring and evaluation framework will help better understand the differential impact that certain licensing requirements may have on women's businesses as well as the impact of potential reforms on women and men (Box 2.2).

**Female entrepreneurs in Rwanda perceive tax rates as a top business constraint.** Though Rwanda is ranked at the high number 56 in the Paying Taxes indicator of the Doing Business 2009 report, both male and female entrepreneurs highlight taxation as a severe obstacle (Figure 2.1). Research has found that a burdensome tax system disproportionately hurts small businesses and women in particular.<sup>21</sup>

The FIAS informality survey found that women in Rwanda were less likely to register their business for tax purposes - 22.3 percent of businesses represented by women declared

their businesses compared to 27.6 percent of businesses represented by men. The survey also found that, when asked to choose the most important reason for becoming partially formal, enterprises pointed to the realization that taxes were not actually as high as they thought and that administration was fair. An attempt to avoid the tax burden might therefore be a big reason why women's businesses are more likely to be in the informal sector.

**Tax policy in Rwanda is undergoing changes.** The country has implemented a new tax code for direct taxation and a new investment promotion code. A new schedule for investments under the customs legislation had also been drafted.<sup>22</sup> An electronic filing project is underway, with the pilot program focusing on large tax payers.

Moreover, the government is recognizing the particular challenges that women face in meeting tax obligations and is proactive about

### BOX 2.2: SYLVIE MUKAMUSONI, BAMBINO SUPER CITY

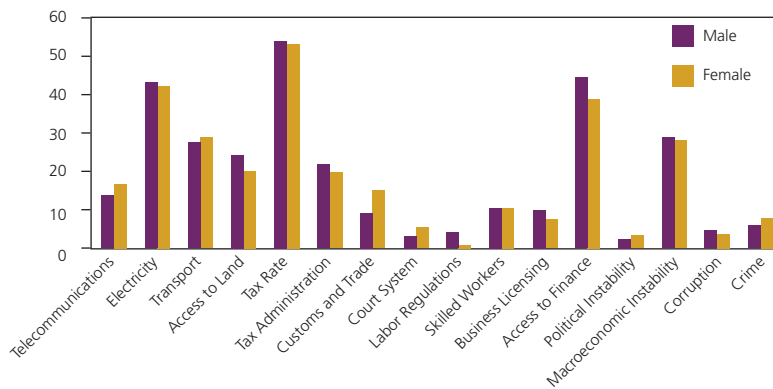
A dynamic woman with a passion for children and gender issues, Sylvie was an active member of the Chamber of Women Entrepreneurs in Rwanda when she developed the idea for her business. She wanted to build a play destination for children, and initiated construction at a site on the outskirts of Kigali in 2002. Seven other women joined her as partners, turning the business into an association in which she holds the majority stake. Bambino Super City is today a family destination, with a variety of activities for both children and adults. The business fills a gap in the city, and customers flocked to the site with their eager children soon after the site was opened. The site caters to local NGOs, government, and other institutions that need conference space. Marriage ceremonies have also taken place at the grounds.



To start operations Sylvie had to get a number of licenses, and the process associated with these has significantly hampered her business success. Given the lack of suitable equipment in the region, Sylvie had to import the bright-colored rides such as carousels from China. The equipment was imported at great expense, funded through a loan from a local bank. The business also needed the authorization from the Rwandan Bureau of Standards, which was received following a visit of government authorities to her site in 2005. As soon as the site was opened, business surged, as families from across the region flocked to the park grounds. However, only two months later the amusement park was abruptly shut down. Sylvie was informed that her permit was not valid as the Bureau had not brought to the inspection a qualified engineer. Unfortunately, no such engineer could be found in the country. It took two years for the government to finally fly one to Rwanda from Germany. Sylvie is optimistic that she will now finally receive her license, and despite the delays is grateful for the government efforts to secure the engineer at last.

Amidst all the delays, Sylvie was still saddled with bank debt, and needed to continue paying off her bank loan at high interest rates. Yet with the children’s section of Bambino City closed, the number of visitors and revenues dropped dramatically. Still, Sylvie remains hopeful that she will receive the needed permit, and is looking forward to entertaining again large numbers of visitors.

Figure 2.1: Ranking of Business Constraints by Gender



Source: World Bank. n.d.

addressing the issue. In an effort to reach out to businesswomen, the Rwanda Revenue Authority has gathered views of women entrepreneurs on paying taxes and suggestions on how best to improve their services.<sup>23</sup>

**The Rwanda Revenue Authority (RRA) has evaluated our performance and we are getting a special clearance through a facilitation program to boost exports. RRA officials have come here to teach us how to benefit from their programs.**

—Janet Nkubana, Gahaya Links

**Yet in particular industries there remains a significant amount of confusion as to the appropriate tax rates and available concessions.** Tourism, which is an increasing source of income for women in handicrafts, retail and related service sectors, is a good example of this issue. Tourism businesses benefit from zero customs and excise duties on imports of tour operator vehicles, hotel shuttles and other specialized vehicles. Entrepreneurs working in the sector are supposed to benefit from VAT concessions and reductions, but the reality can be different. The large degree of confusion among businesspeople surrounding the system, despite tax education campaigns, means that many businesses many not be taking advantage of this (Box 2.3 and Box 2.4).<sup>24</sup>

### BOX 2.3: CONFUSION ABOUT TAX RATES PERSISTS IN THE TOURISM SECTOR, JACQUI SEBAGENI, THOUSAND HILLS EXPEDITIONS

**W**e are a young company in a young industry. I started the business in 2005," says Jacqui Sebageni, the owner of Thousand Hills Expeditions, a tour operator based in Kigali. The company offers a comprehensive package of services to tourists in Rwanda, from hotel accommodations and transport, to guides and permits to visit the country's national parks.

Jacqui was determined to have her own business as soon she returned to Rwanda from Canada, and she wanted to combine her experience abroad in tourism with her passion for her country's landscape. "We have so much to offer. Nature and scenery have made Rwanda an easy sell for us. I am in a fortunate position to be doing what I am passionate about." According to Jacqui, the small size of the country is an advantage for tour operators, as many of the destinations are easily accessible. Demand seems high too. Jacqui doubled her tourist figures between 2005 and 2006. She now has 10 employees and an office located at the Hotel des Mille Collines. While Jacqui has been placing ads and networking through the tourism industry, she also gets a lot of walk-in business from the hotel.

The biggest issue facing her business are the unclear regulations on taxation of the tourism sector. "It's not very clear what you are getting taxed for," she says. "As a tour operator, which part of tax should we pay? For example, it's obvious we have to pay VAT, but the details are not obvious." Since many of the other tour operators are facing similar confusion, the association did some ground work and contacted the Rwanda Revenue Authority. "We went through an association but I do not think the matter has been solved yet," says Jacqui. To remedy the problem, she suggests producing clearer taxation guidelines targeted to specific sectors.



### BOX 2.4: CECILE RUSANGAMIHIGO, IMPRIMERIE SELECT GRAPH

**C**ecile had a friend who worked for a printing company when she got the idea to establish one herself. "With our small means we bought a printing machine in Europe," Cecile says about her company's beginnings. Started in 1995, she and her husband now employ 40 people and own a large factory in Kigali. "We need a lot of space for our machines," she says. "This is why we have such a big factory." Since working with machines demands strength and force, the majority of Cecile's employees are men.

As the leading printing firm in the country, Imprimerie Select Graph clients include government ministries, NGOs, and the private sector. When the firm was first established, there were not many other players in the field of printing. But, according to Cecile, competition has increased, and she has hired a marketing agent who works on securing new clients.

While she has been able to receive financing from a bank, she notes that high interest rates and the guarantee requirements are a burden. To get their bank loan, she and her husband provided their house as collateral. Yet, taxes are an even bigger problem for her. "The tax rate is too high and procedures are too difficult," she says.

Cecile's vision for her company is to expand further, and increase her product offering. She would welcome learning exchanges with other countries to find out how the printing business is done elsewhere, as well as ideas on business development in an increasingly competitive marketplace.





# CHAPTER 3

## ACCESS TO LAND AND FINANCE

### Increasing Women's Access to Land in Rwanda - A Success Story, with Some Challenges

**Rwanda has made great strides in granting women land ownership.** Prior to the late 1990s, women could not inherit land, and ownership was transferred from father to son. Women had no rights to their husband's land on divorce and had merely guardianship rights over their sons' land. A childless widow could only claim user rights on her husband's land if she married one of his brothers. While women could gain access to land from their fathers, only their sons could inherit it.

In a remarkable break with the past Rwanda changed its matrimonial and succession law in 1999, giving women property rights, including the right to inherit land from their parents. The new Inheritance and Marital Property Law enshrines the principle of non-discrimination and overrides customs that exclude women from land ownership. Rwanda adopted the Organic Land Law in 2005,

which lays out the framework for land relations and stipulates that women and men have equal rights to land.

**How did these substantial reforms come about?** Following the genocide, women in Rwanda made up 70 percent of households. They found themselves as heads of families and were the main income earners in society. These reforms were therefore a priority considering the need to reconstruct Rwanda's economy and ensure livelihoods.

This recognition was coupled with a dramatic increase in women's political participation, and powerful female advocates backed women's issues in parliament. The Forum of Rwandan Women Parliamentarians, which promotes gender equality and reviews discriminatory legislation, was a powerful ally, as was a strong women's movement that could lobby and advocate on the issue. The Constitutional requirement for women to hold at least 30 percent of decision-making posts means that women are represented on bodies that make

Table 3.1: Landholdings by Size and Sex of Household Head (2000/01) EICV 1 Data

	Rural Group 1 (hh landholding below 0.3 ha)		Rural Group 2 (hh landholding between 0.3 ha and 1 ha)		Rural Group 3 (hh landholding above 1 ha)		Urban	
	FHH	MHH	FHH	MHH	FHH	MHH	FHH	MHH
Number of households	206,475	383,084	153,639	321,737	112,048	274,065	14,177	32,214
% of households out of the total headed by that sex	42%	38%	32%	32%	23%	27%	3%	3%
% of households out of the total in that group	35%	65%	32%	68%	29%	71%	31%	69%

Source: Daley 2008.

decisions on land administration and allocation through the National, City of Kigali and District land commissions, and sector and cell land committees.

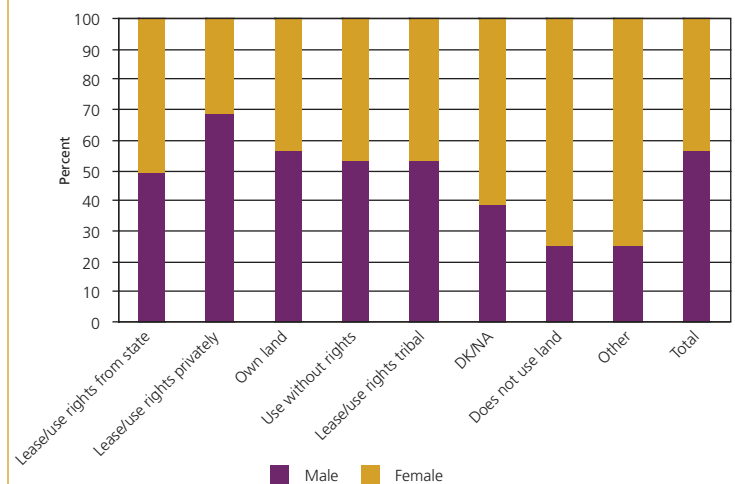
Table 3.1 above indicates that, while women's land ownership is not comparable to men's, their landholdings are substantial, especially in comparison to neighboring countries such as Kenya or Uganda, where women own far less land in their own name. This positive story indicates the importance of women's political participation in ensuring equality for women in legislation.

**These are powerful changes, but implementation challenges remain, particularly in rural areas where customary traditions prevail.** Women entrepreneurs, especially successful businesswomen, are able to purchase or inherit land under their own name and use this asset for securing bank loans. Yet households headed by women have smaller landholdings than men. Women are also less likely than men to use land for their enterprise development. When they do use land, it is primarily land from the state (see Figure 3.1).

Moreover, the new laws that grant women land rights apply to legally registered marriages, which are uncommon, indicating the need for the law to expand to 'consensual

unions,' and the need for continued education on women's new rights.<sup>25</sup> The newly initiated Rwanda Women's Network project on increasing awareness about women's land rights should help in this goal. Rwanda has made substantial progress in 2008-09 on the Registering Property Doing Business indicator, moving from a ranking of 138 in 2008 to a ranking of 60 in 2009 (Table 3.2), largely by substantially reducing registration costs. This does not explicitly address the extent to which women, as distinct from men, find it easier

Figure 3.1: Land Use by Gender



Source: Government of Rwanda and FIAS. 2006. DK/NA = Don't know or not available.

Table 3.2: Registering Property

Registering Property Data	Doing Business 2008	Doing Business 2009
Rank	138	60
Number of Procedures	5	4
Time to Register Property (days)	371	315
Cost to register property (as % of property value)	9.4%	0.6%

Source: World Bank 2008. Note: Rankings have been adjusted from the 2008 report to take account of: (i) changes in the methodology; and (ii) the addition of three new countries to bring the total to 181.

to register property, but this is nonetheless a welcome development (Box 3.1).

#### Access to Finance is a Top Barrier for Women

**Both women and men cite access to finance as a top constraint.** Rwanda has 6 commercial banks and 200 microfinance institutions.

Over 30 percent of households have accounts with financial institutions, which compares favorably to other countries with similar levels of development.<sup>26</sup> Yet, of all Rwandans who access credit, 72.8 percent access it from informal and only 27.2 percent from formal sources.<sup>27</sup> Informal sector firms, where the

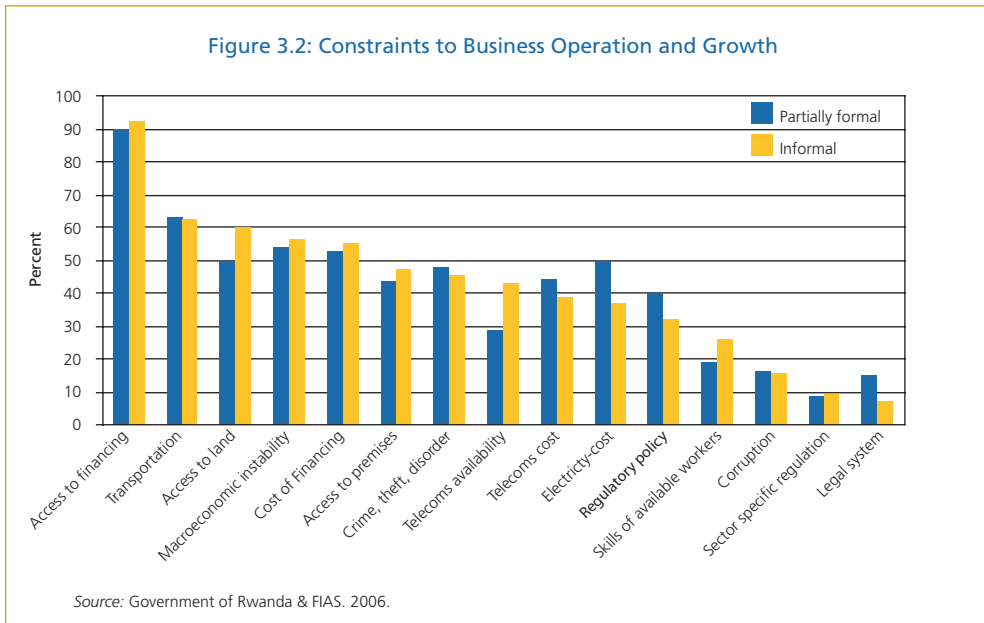
#### BOX 3.1: SYMPHROSE MUKAMAZIMPAKA, HOTEL LE PETIT PRINCE

As a young girl, Symphrose loved reading the book *Le Petit Prince*. After her husband died in the genocide, she read the book to her children, as a symbol of hope. To Symphrose, the hero portrayed in the book “was a young man full of spirit, just like my husband.” Years later, when she was considering a name for her newly built hotel in Butare, the name *Le Petit Prince* seemed like an obvious choice and a remembrance to her husband. The hotel was formally opened in early 2007, with a large statue of a “Petit Prince” greeting visitors at the entrance.

Even prior to the war, Symphrose was an entrepreneur, running a hardware store together with her husband. She fled to Burundi during the war with her four children. When she returned to Rwanda she was a widow, and her hardware business was destroyed. Yet she was determined to work hard and rebuild her life. She reopened the hardware store and started a trucking business, transporting a variety of goods in the region. The idea of building a hotel occurred to her soon later. “I realized that in Butare there are few hotels and they are of poor quality,” she says. Her newly built property has 25 rooms, a restaurant, a bar, seminar facilities and a large, meticulously groomed garden. Her clients are NGOs, universities and government institutions which often hold seminars at her premises. She once even hosted Rwanda’s President, Mr. Paul Kagame, and his wife during their visit to the region.

Symphrose started the hotel with her own funds. She asked for funding from the Bank of Kigali but was initially denied. “I was told the project was not viable,” she says. When the bank director changed, she got the financing. She used her own house as a guarantee for the bank as well as the initial building that she had constructed with her savings. The fact that some of her clients take a long time to pay creates burdens. According to Symphrose, “state institutions do not pay in a timely manner, which creates cash flow problems. They usually take about a month to settle a bill.” Symphrose is interested in exchange visits with other countries, to learn more about the hotel industry and practices. She would like to further expand the hotel premises, build a swimming pool and a VIP area for special guests.





majority of women's businesses are, cite access to finance as the biggest obstacle to business operation and growth (Figure 3.2).<sup>28</sup>

**Banks are still very old fashioned. The whole banking system in Rwanda is really old. But banks have started to change over the last few years. Initially it was hard to be even listened to, but now it's a whole lot easier.**

—Jacqui Sebageni, Thousand Hills Expeditions

Highlighting the problem, Rwanda ranks a low 145 out of 181 under the World Bank's Doing Business indicator for Getting Credit in the 2009 Doing Business Report. Detailed and sex-disaggregated data on women's access to finance is lacking, but a planned *FinScope* Survey on the usage of financial services in Rwanda is expected to shed more light on the subject and help devise appropriate measures.

**New matrimonial, inheritance and land laws have paved the way for increasing women's access to finance.** In fact, since

women in Rwanda are more likely to own property than in some of the neighboring countries, some women entrepreneurs are able to provide the collateral needed for bank loans. Also, many new businesses are established by women who lived abroad for a period of time and came back with enough initial capital for their business start-up. Even without land as security, women cooperative members can borrow from UBPR, which provides loans to cooperatives without requiring collateral (Table 3.3) (Box 3.2).

**Table 3.3: Breakdown of Credits provided by UBPR, end 2003 (%)**

Agriculture	11.3
Wage earners other than teachers	34.5
Traders	21.9
Teachers	12.6
Handicrafts	7.4
Cooperatives and firms	4.7
Public sector	7.6

Source: Samen 2005.

### BOX 3.2: BERTHILDE NIYIBAHO AND GERTRUDE MUKANTABAMA, BN PRODUCERS

**B**erthilde was growing mushrooms at her home to contribute to her family's income, and decided to scale up her efforts after rave reviews and increasing demand from her neighbors. In just one year, she managed to set up an association of women mushroom producers in five regions surrounding Kabuye. The company was founded in December 2006, but it already employs 30 workers and sells its dried mushrooms to large clients such as the Novotel Hotel, Hotel de Mille Collines, and Union Trade Centre (UTC). The groups produce about 30kg of mushrooms per day.

With the mushroom cultivation process requiring a set of complicated processes, BN Producers had to build a large production facility. Berthilde received a loan in the amount of 1,800,000 from the Banque Populaire and used the funds to construct new production and storage facilities. According to Berthilde, "our project was good, so it was not hard to get the financing." Yet financing still remains a key issue for the organization. "Women (in Rwanda) need more financing. Without financing women can't advance. It's very difficult, and the repayment terms are onerous."

Training on mushroom cultivation from the Ministry of Agriculture helped BN Producers understand the basics of the growing process. However, Berthilde and her staff hope for more training. Their marketing efforts, for example, have been quite limited to date and need improvement. With the assistance of CAPMER, BN Producers took part in an expo, which helped them attract many clients. Yet the mushrooms are still sold in basic plastic containers, without any tags or nutritional information, an issue that the group is aware they need to address. The association is now also researching new production methods and looking to expand both production and sales.



**Even established businesswomen struggle with getting larger bank loans for business expansion and complain of the high cost of finance.** The 2005 Rwanda Industrial and Mining Survey showed that 54 percent of firms identify the cost of finance as a constraint to business. In particular, high interest rates are a persistent complaint among women entrepreneurs. In 2004, the average annual

interest rate on loans was 17 percent, and the average term of the loan was 36 months.<sup>29</sup> Bank errors and delays in processing payments were highlighted by the cooperative groups interviewed for this study.

**We are told that a lot of financing is available, but I do not seem to know how to access it. It took me three years to finally get financing. Even now that I have a loan, the interest rates are prohibitive.**

—Symphrose Mukamazimpaka, Hotel Le Petit Prince

To help increase women's access to finance, the Ministry of Gender and Women in Development, in collaboration with the Commercial Bank of Rwanda, established a Women's Guarantee Fund in 1998. However, the initiative has suffered from weak implementation and only 17 loans have been made under this scheme since its inception.

**Non-land asset based lending and leasing could help expand women's access to finance.** The government is enacting a new law and putting into place a regime to simplify the law and practice on non-land asset based lending. It will enable all possible moveable assets to be used as collateral, which would particularly benefit women since they use less land in their enterprises.

Leasing is another tool that could increase women's access to finance. While it is currently underdeveloped in Rwanda, the government is eager to support it and IFC has initiated a multi-year program to develop leasing (Box 3.3). Draft leasing legislation has been prepared, and the Rwanda Revenue Authority is reviewing the appropriate tax regime to comply with best practice.



### BOX 3.3: IFC SUPPORTS LEASING IN RWANDA

IFC's Rwanda Competitiveness and Enterprise Development Project, Leasing Development Program was launched in 2007 to create new financing opportunities for businesses by promoting leasing as an alternative financing mechanism. Program components include:

- **Legislative Review:** enhancing the legislative, tax and accounting environment for leasing.
- **Capacity Building:** providing training sessions for lessors, lessees, government officials and other stakeholders in the leasing industry.
- **Business Development:** creating opportunities for new local and foreign investment in leasing.
- **Public Education and Support to Rwanda Leasing Association.**

For more information, visit: <http://www.ifc.org/ifcext/rwandaleasing.nsf/Content/home>





# CHAPTER 4

## INCREASING WOMEN'S ACCESS TO INTERNATIONAL MARKETS

**Increased exports have a high potential to create employment and income for women**

Rwanda is experiencing strong trade performance, and exports have been growing at an average of 12.5 percent per year since 2001.<sup>30</sup> Exports reached about US\$152 million in 2006, dominated by coffee, tourism, and tea. ICT, horticulture and handicrafts, which create significant employment for women, are identified as main drivers of diversification.<sup>31</sup> The government estimates that tourism will grow at an annual compounded rate of 40 percent and will create 280,000 jobs by 2012.<sup>32</sup> This growth could have significant positive effects for both women as employees in associated industries as well as women entrepreneurs providing tourism-related services.

**Women's contributions to Rwanda's exports are garnering international attention and increasing women's incomes.** Coffee growing and handicrafts are examples of how the story

of Rwandan women has helped capture the minds and wallets of international consumers. In Rwanda there are about 500,000 coffee farmers, usually organized into cooperatives, 20 percent of whom are widows since the genocide. The revitalization of the coffee industry and the government's focus on premium coffee is paying off for the country as a whole, but also for women small-scale farmers. With exports increasing, incomes have more than doubled and a pound of coffee sells for as much as \$3.50. One highly visible buyer of Rwanda's coffee has been the global gourmet coffee chain, Starbucks, which has targeted women in particular and committed to growing and supporting women coffee traders through training and technical assistance.<sup>33</sup>

*My biggest challenge is to have a market. When I have a market I will be able to teach and employ more women.*

—Christina Rwayitare, Mode Savane

Rwandan handicrafts have also captured international attention, causing a surge in incomes for women. Following a major order by U.S. department store Macy's, within just a few years thousands of women have become employed in making traditional peace baskets for sale abroad and to tourists. The additional income has helped improve children's education and nutrition, provide access to clean water and assist with reconciliation efforts.<sup>34</sup>

**Yet trading across borders remains difficult in Rwanda.** The country is ranked at number 168 in the Trading across Borders indicator of the 2009 Doing Business report. Operating in a landlocked country, Rwandan producers incur huge trade logistics costs for exports and imports. The process for an exporter takes, on average, 42 days, and costs US\$3,275 per container (Table 4.1). Some of these costs and delays are explained by poor infrastructure, but about 60 percent of the time is due to procedural delays caused by assembling and processing trade documents, customs clearance and technical control agencies' regulations.<sup>35</sup>

**Rwanda's government has made a number of improvements to facilitate imports and exports.** In 2005 Rwanda restructured the Rwanda Investment and Export Promotion Agency (RIEPA). While this year's Doing Business ranking reflects a poor performance, there have been reforms since the previous year, when the process required 14 documents, lasted 60 days and cost US\$3,840. Improvements in the trade logistics regime have reduced border clearance times, improving Rwanda's Trading across Borders ranking by twelve points.

In 2007 IFC initiated a comprehensive program of activities to simplify trade logistics, and a number of positive reforms have been already carried out (Box 4.1), which should

Table 4.1: Trading Across Borders in Rwanda

Trading Across Borders Data	Doing Business 2008	Doing Business 2009
Rank	170	168
Documents for export (number)	9	9
Time for export (days)	47	42
Cost to export (US\$ per container)	2975	3,275
Documents for import (number)	9	10
Time for import (days)	69	42
Cost to import (US\$ per container)	4970	5,070

Source: World Bank 2008. Note: Rankings have been adjusted from the 2008 report to take account of: (i) changes in the methodology; and (ii) the addition of three new countries to bring the total to 181.

ultimately help reduce the time and costs for import and export transactions (Box 4.2).

#### Women Exporting – the Example of Rwanda's Peace Baskets

Rwanda's century-old basket weaving tradition has been dominated by women who pass on the skill from mothers to daughters. Since 2005 basket weaving has garnered significant international attention when media started to capture the story of the women weavers and caused a surge in demand. The booming tourism sector in Rwanda has helped further spur demand for the baskets, which are one of the country's trademarks and are widely available at local gift shops as souvenirs. Rwanda's crafts and garments are eligible for duty-free entry into the U.S. market under AGOA, and by 2005 three companies – Modis International,

#### BOX 4.1: TRADE LOGISTICS

The trade logistics component of the IFC investment climate reform program focuses on:

- Simplification and harmonization of documentation procedures.
- Technical support to improve efficiency in customs and technical clearance.
- Pro-active encouragement of investment in key tradable sectors.
- Capacity building on risk-based management practices for inspections.

#### BOX 4.2: COST OF TRANSPORT IS HIGH, JEANNE MUTAKWAYIRE, NEJA COSMETICS

Stocked with internationally recognized beauty products, such as facial creams from L’Oreal and Bioderma, Neja Cosmetics is a go-to destination for beauty needs in Kigali. “There was a need for such a cosmetics store,” says Jeanne. “There are not many others like this that are specialized [in Kigali]. She opened the store in 1995, after running a hair salon for 6 years and working as an accountant. Neja Cosmetics has done well, and employs 20 workers in its three branches in Kigali. While most of Jeanne’s clients are well off, she has introduced more affordable products such as the 500 RWF lip gloss that is affordable to a wider range of clients.



The biggest challenge facing Jeanne’s business is the high cost of transporting her products from international markets to Rwanda. She imports her products mainly from Europe and Dubai and obtained an import/export license to do so. “[The process] now takes about two days, and is not costly,” says Jeanne. “But it used to be difficult. Women used to not be allowed to get a license without their husband’s permission until 1995.” Ideally, for cost saving and volume reasons, she ships her goods via containers. But this takes a lot of time. “If I ship goods via a container, it takes three months for them to reach me here.” According to Jeanne, shipping by air is faster, but much more expensive.”

Jeanne is a founding member of the Women’s Chamber, and was its president from 1995 until 2001. Her future plans include expanding her shops into other parts of Rwanda, and specializing to offer professional beauty advice to clients.

Gahaya Links, and AVEGA Gahoza - had taken advantage of this opportunity to export to the Macy’s department store.<sup>36</sup>

Recognizing the potential of the product, the government has initiated a program of support to the sector. The government has established handicrafts centers and organized women into cooperatives, while providing training to help improve their skills. One highly visible program, supported by the First Lady, Mrs. Jeannette Kagame and the Mayor of Kigali, has been the *Agaseke* Promotion Program, which has employed over 3,000 impoverished women.

While the government is addressing the lack of organization in the sector by supporting

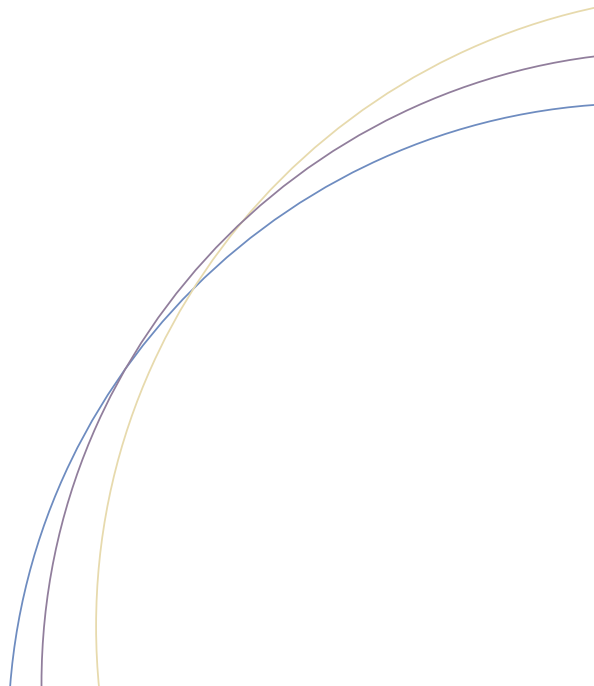
cooperatives, challenges remain. Continued lack of technical know-how and quality control means that many of the budding basket-weaving cooperatives are struggling to make a product that will meet international buyer requirements. Poor marketing and over-saturation of the product are also issues that limit the market size. While some companies such as Gahaya Links have found a long-standing buyer in the Macy’s department store (Box 4.3), others are struggling, and having to rely on one-off orders. Moreover, lengthy export procedures in Rwanda mean that international orders have to be planned well in advance, and the high cost of transporting the goods can add significant mark-up costs to the product.

### BOX 4.3: JANET NKUBANA, GAHAYA LINKS

Janet Nkubana and her sister Joy Ndungutse have turned Rwanda's long basket weaving tradition into a profitable business that employs about 3,000 women from across Rwanda and that generated \$300,000 in sales in 2007. Sold by Macy's and promoted by U.S. media personality Oprah, Rwanda's delicately woven peace baskets are finding their way into American homes and hearts.

This extraordinary success was marked by difficult beginnings. The sisters registered their business in 2004, and started by selling the baskets at American flea markets and to tourists visiting Rwanda. But Janet soon seized opportunities and linked up with organizations such as USAID and the World Bank. While participating at a New York sources trade show with USAID sponsorship, Janet made links with Fair Winds Trading Inc, which eventually became their U.S. partner and helped secure the contract with Macy's. Winning a World Bank business plan competition helped secure start-up funds. While Gahaya Links had trouble meeting client demand, it has built its capacity over time. A big challenge for Janet has been "organizing the women and getting the required quality from them." Janet has worked with the government to organize the women weavers into cooperatives, and Gahaya Links provides extensive training to help ensure quality.

Gahaya Links demonstrates how an export-based business can successfully overcome challenges to trading across borders in a landlocked country. Janet has not found the paperwork associated with exporting to be burdensome. She usually manages to get the needed invoice and certificate of origin within one day. Moreover, the government has been helpful, and willing to share information about any services available. Today, Gahaya Links is the biggest Rwandan exporter under AGOA. However, it takes two months for the basket shipments to arrive in the U.S. Gahaya Links is now looking to diversify its product offering. "We have to keep the customer interested and experiment with new products," says Janet, dangling in her hand a beautifully woven black and white earring that she plans to test out on the American market.



# CHAPTER 5

## MOVING FORWARD: INTEGRATING GENDER CONCERNS INTO RWANDA'S INVESTMENT CLIMATE REFORM



**R**wanda offers an encouraging example of how post-conflict countries can make gender issues a priority and support women's empowerment.

Reforms in the aftermath of the genocide have set the platform for transforming women's role in society. The government has integrated gender issues into major frameworks and policies, such as the *Economic Development and Poverty Reduction Strategy* or its *Vision 2020* strategy.

**The government has done all that they can to ensure equality for women before the law. Now the ball is in our court to develop the self-confidence and make something out of it.**

—Jeanne Mutakwayire, Neja Cosmetics

These achievements have been helped by civil society organizations that advocate for women's issues. Strong organizations include the Rwanda Women's Network and CSO PRO-FEMME Twese Hamwe, an umbrella group for 43 women's organizations that played a critical role in advocating for the incorporation of

gender equity in the Constitution. For women in business, the Chamber of Women Entrepreneurs, operating under the Private Sector Federation, offers training and networking.

Encouragingly, various government initiatives and organizations that promote private sector development, such as CAPMER, the Public-Private Dialogue Taskforce, and the Private Sector Federation have integrated gender concerns into their work, and seem committed to further addressing gender inequalities. CAPMER, for example, has funded women's participation at trade expos, and helped with training, business plans, and securing financing for both individual women entrepreneurs and women's cooperatives (Box 5.1). As Rwanda's government continues major reforms to its business environment, it seems well placed to integrate gender concerns.

**Donors and international groups are also increasingly encouraging women's economic empowerment.** Some initiatives, such as the Millennium Villages project, focus on impoverished women in rural areas (Box 5.2).

### BOX 5.1: CHRISTINA RWAYITARE, MODE SAVANE

A well-known artist in Rwanda, Christina has channeled her gift into an arts and crafts business. Her company, Mode Savane focuses on interior design, including home and garden decorations, tailoring, and production of exquisite hand-embroidered paintings using traditional, semi-abstract African images.

Christina came back to Rwanda from Germany in 1995, and during an upcountry visit to her brother met women who were doing embroidery. "Their embroidery was not well done, so I offered to teach them how to do it better," she says. Christina had worked in a fashion house in Germany for two years and was eager to apply and transfer the skills she had learned while working there. Now she trains small groups of women in six-month training programs, and has a team of 25 women from rural areas who produce fine art and embroidery for her business. While she has sold individual pieces to France or Canada, her market is mainly local, and items are bought as gifts or house decorations. "The best way to get a bigger market is to get access to exhibitions and do advertisements," Christina says. She has already been able to benefit from opportunities offered by the government. She has attended exhibitions in Rwanda and Dubai, and was part of the Rwanda delegation at the 2007 Uganda Commonwealth Heads of Government Meetings.



Others, such as *Bpeace* or *Women for Wealth*, are targeting more developed businesswomen. This focus by donors on women in business in Rwanda is a break with previous aid practices to conflict-affected countries, which tended to often ignore women's economic potential and focus instead largely on women's political contributions or human rights.

Rwanda is also being used as testing ground for innovative initiatives. For example, in early 2008 Goldman Sachs and the University of Michigan announced a partnership with the School of Banking and Finance in Kigali to train 30 women on how to start and operate successful businesses. The program is part of the new Goldman Sachs 10,000 Women Initiative, which focuses on educating businesswomen in developing countries.<sup>37</sup> Expanding such training to a wider range of businesswomen would help address the women's clear desire for greater skills development and training.

While this report documents remaining challenges facing women in the private sector, it also showcases Rwanda as a success story and, in many respects, a model for others to follow. The stories of the businesswomen in Rwanda illustrate how the women are overcoming the

### BOX 5.2: DONORS ARE ENCOURAGING WOMEN'S ENTREPRENEURSHIP MILLENNIUM VILLAGE PROJECT

Spearheaded by Nobel Prize winner Jeffrey Sachs, Millennium Villages are a donor-funded initiative designed to demonstrate what it takes to reach the MDGs in five years in rural African villages. Rwanda is one of the program's focus countries. To reach MDG#3 on gender equality, in this Rwandan village of Mayange the project has focused on giving women skills in business by starting the Imirasire Cooperative with 110 women basket weavers.

Both donors and the government have provided significant support to the women. At the inception of the program RIEPA provided training to the weavers to improve their skills. The staff of the Millennium Village project has assisted women cooperative members in establishing a bank account, marketing their products abroad and securing orders.

The approach is paying off. Total sales from July to December 2007 were US\$10,000. For every US\$10 basket, the women make US\$6. With the weaving so profitable, women are now increasingly contracting out their housework so that they can focus more on the baskets. "The biggest difference has been to see the amount of confidence that women have gained through this project," says Candice Franklin, the business development consultant for the project. The project has also linked up with a tour operator. For a fee tourists can visit the village and see the women's work firsthand.

Yet the group's concern remains ensuring a market for the women's work. Key to the sales so far has been a good support network of donors, many of whom are private wealthy individuals intrigued by the story of Rwanda's women. International staff employed by Millennium Villages has helped attract buyers and coordinated marketing efforts, but ensuring sustainability after their project ends is a major challenge.

tragedy of genocide and becoming even stronger, as they create new hope and opportunities while rebuilding their society.

## ENDNOTES

- <sup>1</sup> Cited in World Bank. 2007. "Rwanda Country Economic Memorandum." Volume 2. Poverty Reduction and Economic Management, Africa Region. World Bank, Washington, D.C.
- <sup>2</sup> Republic of Rwanda. 2006. "Preliminary Poverty Update Report: Integrated Living Conditions Survey 2005/2006." National Institute of Statistics, Rwanda, Kigali.
- <sup>3</sup> Temesgen, Tilahun, Kene Ezemenari, Louis Munyakazi and Emmanuel Gatera. 2006. "The Rwandan Industrial and Mining Survey (RIMS), 2005: Survey Report and Major Findings." The World Bank and National Institute of Statistics of Rwanda.
- <sup>4</sup> World Bank. 2007. *Doing Business in 2008*. World Bank, Washington, D.C.
- <sup>5</sup> Government of Rwanda and FIAS. 2006. "Sources of Informal Activity in Rwanda." Washington, DC.
- <sup>6</sup> Umutoni, Christine, 2007. "Walking the Talk: 22-23 February, Rwandan Women Parliamentarians Host an International Conference on 'Gender, Nation-building, the Role of Parliaments.'" Background Paper. UNDP, Kigali.
- <sup>7</sup> Republic of Rwanda. 2006. "Rwanda Demographic and Health Survey 2005." National Institute of Statistics, Ministry of Finance and Economic Planning, Kigali.
- <sup>8</sup> World Bank, 2006. Rwanda Investment Climate Assessment (in preparation); Government of Rwanda & FIAS. "Sources of Informal Activity in Rwanda." Washington, DC.
- <sup>9</sup> Niethammer, Carmen, Mark Blackden and Henriette von Kaltenborn-Stachau. 2008. "Creating Opportunities for Women Entrepreneurs in Conflict-affected Countries." Smart Lessons, IFC, Washington, D.C.
- <sup>10</sup> World Bank. 2007. "Rwanda Country Economic Memorandum." Poverty Reduction and Economic Management, Africa Region. World Bank, Washington, D.C.
- <sup>11</sup> Cited in World Bank. 2007. "Rwanda Country Economic Memorandum." Volume 2. Poverty Reduction and Economic Management, Africa Region. World Bank, Washington, D.C.
- <sup>12</sup> Republic of Rwanda. 2006. "Preliminary Poverty Update Report: Integrated Living Conditions Survey 2005/2006." National Institute of Statistics Rwanda, Kigali.
- <sup>13</sup> Temesgen, Tilahun, Kene Ezemenari, Louis Munyakazi and Emmanuel Gatera. 2006. "The Rwandan Industrial and Mining Survey (RIMS), 2005: Survey Report and Major Findings" The World Bank and National Institute of Statistics of Rwanda.
- <sup>14</sup> Ibid.
- <sup>15</sup> Ministry of Commerce, Industry, Investments Promotion, Tourism and Cooperatives. 2006. "Sector Strategies Document: Cooperatives Sector." Kigali.
- <sup>16</sup> Republic of Rwanda. 2007. "Economic Development and Poverty Reduction Strategy 2008-2012." Ministry of Finance and Economic Planning, Kigali.
- <sup>17</sup> Temesgen et al. op. cit.
- <sup>18</sup> Huggins, Allison and Shirley Randell. 2007. "Gender Equality in Education in Rwanda: What is Happening to Our Girls?" Paper presented at the South African Association of Women Graduates Conference on "Drop-outs from School and Tertiary Studies: What is Happening to our Girls?" Capetown, May 2007.
- <sup>19</sup> Yang, Jae and Alejandro Gonzalez. 2007. "Work and Life Balance Motivates Female Entrepreneurs." December 11, USA Today. Data are from the *Make Mine a*



## ENDNOTES

- Million Business Survey* of 1,162 female business owners.
- <sup>20</sup> Republic of Rwanda. 2007. "Survey of the Informal Sector 2006: Micro and Small Enterprises in Rwanda." Ministry of Finance and Economic Planning, Rwanda National Institute of Statistics, Kigali.
- <sup>21</sup> World Bank. 2007. *Doing Business in 2008*. World Bank, Washington, DC.
- <sup>22</sup> FIAS. 2006. "Rwanda Sector Study of the Effective Tax Burden." FIAS, Washington, DC.
- <sup>23</sup> Rukundo, Steve. 2008. "Rwanda: Women Discuss Paying Taxes." Focus Media, Kigali. Available online: <http://allafrica.com/stories/200803260710.html>
- <sup>24</sup> FIAS. 2006. "Rwanda Sector Study of the Effective Tax Burden." FIAS, Washington, DC.
- <sup>25</sup> Brown, Jennifer and Justine Uvuza. 2006. "Women's Land Rights in Rwanda: How Can They Be Protected and Strengthened as the Land Law is Implemented." Rural Development Institute, Seattle.
- <sup>26</sup> IMF. 2005. "Rwanda Financial System Stability Assessment." IMF, Washington, DC.
- <sup>27</sup> Republic of Rwanda. 2006. "Preliminary Poverty Update Report: Integrated Living Conditions Survey 2005/2006." National Institute of Statistics Rwanda, Kigali.
- <sup>28</sup> Government of Rwanda & FIAS. 2006. "Sources of Informal Activity in Rwanda." Washington, DC.
- <sup>29</sup> World Bank. 2007. "Rwanda Country Economic Memorandum." Volume 2. Poverty Reduction and Economic Management, Africa Region. World Bank, Washington, DC.
- <sup>30</sup> Republic of Rwanda. 2007. "Economic Development and Poverty Reduction Strategy 2008-2012." Ministry of Finance and Economic Planning, Kigali.
- <sup>31</sup> Samen, Salomon. 2005. "Rwanda Diagnostic Trade Integration Study." World Bank, Washington, DC.
- <sup>32</sup> Republic of Rwanda. 2007. "Economic Development and Poverty Reduction Strategy 2008-2012." Ministry of Finance and Economic Planning, Kigali.
- <sup>33</sup> Fraser, Laura. 2006. "Coffee, and Hope, Grow in Rwanda." August 6. New York Times.
- <sup>34</sup> Macy's website: <http://www.macys.com/campaign/rwanda/index.jsp>
- <sup>35</sup> IFC TAAS-PDS Approval Document. November 2007.
- <sup>36</sup> RIEPA. 2006. *Export Guide*. Kigali.
- <sup>37</sup> Youssef, Jennifer. 2008. "Institute to Train Rwanda Women." March 22, Detroit News. Available online: <http://www.detnews.com/apps/pbcs.dll/article?AID=/20080322/BIZ/803220329>

## REFERENCES

- Brown, Jennifer and Justine Uvuza. 2006. "Women's Land Rights in Rwanda: How Can They Be Protected and Strengthened as the Land Law is Implemented." Rural Development Institute, Seattle.
- Daley, Liz. 2008. "Background Paper on Land Issues in Rwanda." Unpublished.
- Fraser, Laura. 2006. "Coffee, and Hope, Grow in Rwanda." August 6. New York Times. Available online: [http://www.nytimes.com/2006/08/06/business/yourmoney/06coffee.html?\\_r=1&ei=5087%0A&en=865a44b7560bd07b&ex=1155096000&pagewanted=all&oref=slogin](http://www.nytimes.com/2006/08/06/business/yourmoney/06coffee.html?_r=1&ei=5087%0A&en=865a44b7560bd07b&ex=1155096000&pagewanted=all&oref=slogin)
- Government of Rwanda and FIAS. 2006. "Sources of Informal Activity in Rwanda." Kigali and Washington, D.C.
- Huggins, Allison and Shirley Randell. 2007. "Gender Equality in Education in Rwanda: What is Happening to Our Girls?" Paper presented at the South African Association of Women Graduates Conference on 'Drop-outs from School and Tertiary Studies: What is Happening to our Girls?' Cape Town, May.
- IFC. 2008. *Rwanda: Review of the Legal and Regulatory Framework for Business from a Gender Perspective*, Discussion Draft, Gender Entrepreneurship Markets, International Finance Corporation, Washington, D.C. September.
- IMF. 2005. "Rwanda Financial System Stability Assessment." IMF, Washington, D.C.
- Ministry of Commerce, Industry, Investments Promotion, Tourism and Cooperatives. 2006. "Sector Strategies Document: Cooperatives Sector." Kigali.
- Niethammer, Carmen, Mark Blackden and Henriette von Kaltenborn-Stachau. 2008. "Creating Opportunities for Women Entrepreneurs in Conflict-affected Countries. Smart Lessons, IFC, Washington, D.C.
- Republic of Rwanda. 2007a. "Survey of the Informal Sector 2006: Micro and Small Enterprises in Rwanda." Ministry of Finance and Economic Planning, Rwanda National Institute of Statistics, Kigali.
- Republic of Rwanda. 2007b. "Economic Development and Poverty Reduction Strategy 2008-2012." Ministry of Finance and Economic Planning, Kigali.
- Republic of Rwanda. 2006a. "Preliminary Poverty Update Report: Integrated Living Conditions Survey 2005/2006." National Institute of Statistics Rwanda, Kigali.
- Republic of Rwanda. 2006b. "Rwanda Demographic and Health Survey 2005." National Institute of Statistics, Ministry of Finance and Economic Planning, Kigali.
- RIEPA. 2006. *Export Guide*. RIEPA, Kigali.
- Rukundo, Steve. 2008. "Rwanda: Women Discuss Paying Taxes." Focus Media, Kigali. Available online: <http://allafrica.com/stories/200803260710.html>
- Samen, Salomon. 2005. "Rwanda Diagnostic Trade Integration Study." World Bank, Washington, D.C.
- Temesgen, Tilahun, Kene Ezemenari, Louis Munyakazi and Emmanuel Gatera. 2006. "The Rwandan Industrial and Mining Survey (RIMS), 2005: Survey Report and Major Findings." World Bank and National Institute of Statistics of Rwanda.

## REFERENCES

- Umutoni, Christine. "Walking the Talk: 22-23 February 2007, Rwandan Women Parliamentarians Host an International Conference on Gender, Nation-building, the Role of Parliaments." Background Paper. UNDP, Kigali.
- World Bank. 2008. *Doing Business in 2009*. World Bank, Washington, D.C.
- World Bank. 2007. *Doing Business in 2008*. World Bank, Washington, D.C.
- World Bank. 2007. "Rwanda Country Economic Memorandum." Poverty Reduction and Economic Management, Africa Region. World Bank, Washington, D.C.
- World Bank. 2004. "Review and Assessment of Micro and Small Scale Enterprises in Rwanda." World Bank, Washington, D.C.
- World Bank, n.d. Rwanda Investment Climate Assessment (in preparation).
- Yang, Jae and Alejandro Gonzalez. 2007. "Work and Life Balance Motivates Female Entrepreneurs." December 11, USA Today.
- Youssef, Jennifer. 2008. "Institute to Train Rwanda Women." March 22, Detroit News. Available online: [http://www.detroitnews.com/apps/\[bcs.dll/article?AID=/20080322/BIZ/803220329](http://www.detroitnews.com/apps/[bcs.dll/article?AID=/20080322/BIZ/803220329)



**International  
Finance Corporation**  
World Bank Group

2121 Pennsylvania Avenue, NW  
Washington, DC 20433 USA  
(202) 473-1000  
[www.ifc.org](http://www.ifc.org)