

Affordable small business financing in Rwanda

Context

- Capital is needed for small business growth and development.
- Flexible terms are required to adapt to business and development conditions.

Strategy/Opportunity

- Create a partnership loan structure that pays back on the basis of gross revenues.
- Loan is secured by asset being financed and corporate guarantee.
- Payback is a multiple of loan, but less than traditional equity.

Need/Challenges

- Loans are expensive and short term.
- Equity is limited and takes ownership.

Project and Partners

- ICT Chamber in Kigali and the Rwandan Capital Market Authority can sponsor project and financial structure.
- DFI and market rate investors are blended
- Portfolio of partnership loans can be securitized and sold on capital market.