



# **STRATEGIC PLAN**

## **(2019 – 2024)**

**Approved by the board**



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## *Abbreviations and Acronyms*

<b>S/No</b>	<b>Abbreviations</b>	<b>Meaning</b>
1.	CHIC	Champion Investment Corporation
2.	EAC	East Africa Community
3.	EDPRS 2	The second Economic Development and Poverty Reduction Strategy (EDPRS 2)
4.	EICV	Enquête Integrale sur les Conditions de Vie
5.	GDP	Gross Domestic Product
6.	GoR	The Government of Rwanda
7.	ICT	Information and Communication Technology
8.	MINOCOM	Ministry of Trade and Industry
9.	NST-1	National Strategy for Transformation (2017-2024)
10.	NCIP	Northern Corridor Integration Project
11.	PESTEL	Political, Economic, Social, Technological, and Environmental Factors
12.	PPU	Public Private Dialogue
13.	RITEP	Rwanda International Trade Fairs and Exhibitions Park
14.	RPF	Rwanda Patriotic Front
15.	RURA	Rwanda Utilities Regulatory Authority
16.	SDGs	Sustainable Development Goals
17.	SMART	Service-oriented, Modern, Accountable, and Real-Time (SMART))



18.	SPIU	Special Project Implementation Unit
19.	STEM	Science, Technology, Engineering and Mathematics
20.	SWOT	Strengths Weaknesses, Opportunities and Threats



## *1. The Executive Summary*

Private Sector Federation was incorporated in the year 1999. Its mission is to “Advocate effectively and reinforce members' businesses” while its vision is to “Strengthen Rwanda’s economy through a private sector led development by representing the Profitable businesses for a prosperous Rwanda”. It operates on five core values, which are trust, ownership, member focus, shared vision and transparency.

The Federation recognizes the need to respond to the changing environment and to reshape it’s priorities through the development of a strategic plan. PSF has implemented its past strategic plan and now seeks to develop its strategic priorities for the next Five (5) years. (2019 to 2023). The development of the strategic plan adopted a consultative approach; this included assessed its performance and an analysis of its operating environment. The findings coupled with resolutions made by the Federations leadership were used to propose these strategic initiatives. The Board and Senior Management of the Federation deliberated on and validated the strategic priorities

The Federation has proposed three strategic pillars. One being research advocacy. The Federation aims to realign its operations to focus on member needs and concurrently support the government achieve its mission of having a private sector led economy. Key action points under this pillar include business research, advocacy planning, public-private dialogue and an annual direct engagement with members.

The second pillar is governance and member management, which will be achieved through, streamlined member registration and service management. Additionally, enhanced communication with members and within PSF structures will be key to enhance coherence and transparency in the Federation. The action points to enhance communication will include establishment of communication platforms, consolidation and availability of information, and development of communication plans with thematic messages. The Board will also provide updates to the members every six months on the progress of the Federations in implementation of this plan.



Lastly, the Federation aims at developing the capacity of the private sector. Action points to achieve this will be introduction of mentorship and coaching programs for the business people, increased access to finance for PSF members through various partnerships and linkages and opening up export markets for the business. Construction of a world class expo ground will be the key in resource mobilization action points for the Federation. Digital literacy programs, introduction of entrepreneurial skills in the school curricula and implementation of novel idea awards will stimulate innovation and digital operations in the economy.

The implementation of the plan in the next five years will require significant resources estimated at Rwf 61bn of which circa Rwf 52bn will be dedicated to the construction of the new world class trade and fair facilities. The Federation's Board and its members will be required to have concerted efforts to achieve this ambition.

The Federation has identified key risk factors to the implementation of this plan and proposed corresponding measures. Key risks being resistance to change, lack of internal capacities to support realization of the set targets and failure to meet the financial budget of Rwf 61 billion to implement the plan. To counter this, successful implementation is dependent on key enablers that include an enhanced secretariat that will provide relevant technical capacity, technology-centric operations to enhance efficiency, finance raising throughout the implementation period. To counter the risk of failure to raise adequate finance, an analysis of the cost implications for every initiative and partnership with other stakeholders will facilitate the availability of funding.



## ***2. Context of Strategic Plan***

### ***2.1. Background information about the organization***

The Private Sector Federation - Rwanda (PSF) is a professional organization, dedicated to promote and represent the interests of the Rwandan business community. It was established in December 1999, replacing the former Rwanda Chamber of Commerce and Industry.

PSF's head office is in Kigali but with 30 branches across the country. PSF is purely a Private entity, governed by Board of Directors elected from business community at the grassroots level to represent and advocate for members interest. The Secretariat drives the operations of the Federation, through coordination of Chambers and Professional Associations that represent business owners across the country.

The Private Sector Federation (PSF) has registered successes since its creation in 1999. Beyond a strong brand and membership base, PSF pioneered Business Development Services (BDS), registered wins in advocacy and played a strong national and regional role. The notable ones are:

- The Federation was key in formation of collective investment vehicles such as Champion Investment Corporation (CHIC) a private venture entity that brings together traders to invest in the big enterprises. Such vehicles provides a platform for business people to pool their financial resources together and invest in sizeable venture while seeking avenues for international funding.
- In collaboration with Kigali City Council, PSF launched Kigali Investors forum in 2008 tasked with highlighting investment opportunities in and around the city. This forum also facilitates provision of solution to private business problems as it brings together heads of private business and parastatals, security organs, development partners and districts and government. Collective investments most prominent in construction of modern markets such as Musanza have materialized because of PSF.



- Further PSF's advocacy efforts were key on the removal of withholding tax on transport, review of the VAT law on taxes on bonus airtime, lifting the ban on right hand tracks and review of the electricity tariffs to favor industrial production in Rwanda.
- Through the international trade fair organized by the Federation there has been direct foreign investments with some of the exhibitors finding opportunities to set up shop in Rwanda. Examples include Azam, Bakheresa. Local producers have also received invitation to attend other expos in the region to show case the made in Rwanda products and have the exposure to other markets.

With the registered successes above, the Federation has challenges around how to ensure that the membership is engaged and that financial challenges are contained. A summary of this position is as below:

- As of 2018 PSF organs deals with only 9,445 Members which represent less than 10% of the total businesses in Rwanda with less than 4,000 regular paid up members. Only 8 Associations are on track and have managed to mobilize at least more than 30% of businesses in their respective sectors
- With the above only 9 associations out of 75 are financially viable. The remaining 58 associations need special attention and support in membership mobilization.
- From a regional perspective 6 districts can finance at least 6-month salary and office rent, 6 districts can finance at least 3-month salary and office rent, 5 districts have debts which can be transformed into court cases and 13 districts have cannot finance even 2 months of the office rent and staff salary.

The Federation recognizes the need to respond to the changing environment, the challenges above and reshape their priorities through the development of a strategic plan. The plan incorporate input from with various member and stakeholder interviews as well as the Board agreed on 18 resolutions a summary of which is attached in the annex of this plan.





## ***2.2. Strategy development approach.***

In development of strategic Plan for Private Sector Federation, the Board and management adopted an approach aimed at creating strategic initiatives that will position PSF for growth over the next five years. The approach also ensured proper alignment of each of the identified initiatives to the overall Federation’s mission. In detail, the approach adopted to development the strategic plan is as follows:

1. An assessment of the past performance of the Federation, aimed at understanding success in realisation of existing mandate and objectives;
2. Validation of changes that have taken place in the Federation’s external operating environment and the implications of these changes on desired growth;
3. Review of challenges in the Federations internal operating environment; internal and external
4. Building on findings from the operating environment assessment, identification of strategic growth thematic areas of the Federation aligned to its vision;
5. Identification of strategic objectives (initiatives) to support realisation of the preferred growth areas; and
6. Development of a strategy implementation roadmap, focusing on short term (0-6 months), medium term (6-12 months) and long term (1-5 years)

This Strategic Plan documents the results of consultations with business community, senior management and Board validations on the future strategic direction of Private Sector Federation. The Plan will guide the process to cascade the Federation’s strategic direction to the Clusters, Associations and Districts.

## ***2.3. Operating Environment Analysis***

The Federation analyzed several factors on it internal (SWOT) and external (PESTLE) environment and their impact to it strategic initiatives. According to an analysis of the environment outlined below, PSF has made corresponding plans and



strategies. The Federation aims at making the best use of strengths while overcoming weaknesses, taking good advantage of opportunities while removing threats.

### ***2.3.1. PESTLE Analysis***

This assessment aimed at assessing changes that have taken place in the Federation's external operating environment and the impact of these changes on the desired strategic direction of PSF. Analysis and deliberations held focused on the following key drivers that are likely to affect the Federation's operations:

- a. Political;
- b. Economic;
- c. Social;
- d. Technological; and
- e. Environmental factors.

#### ***Political factors***

Rwanda has experienced political stability under a strong central government after the 1994 genocide. The country is a presidential republic led by President Paul Kagame, the Chairperson of the Rwanda Patriotic Front (RPF) who was re-elected in August 2017.

The Government have achieved significant advances in poverty reduction and economic development through a strong vision for the transformation of Rwanda. The government has ambitious plans for economic growth, including transforming Rwanda into a technology and service hub through its long-term development goals.

Rwanda has established a migration policy to foster sustainable economic growth in line with the Country's Vision 2020 with the National Strategy for Transformation linking it to Vision 2050. It has established programs within its immigration policy aimed at attracting skilled workers, entrepreneurs and tourists. The programs also strive to bridge the existing skills gap in order to foster the labour market and establish an



enabling business environment as well as competitive investment and tourist destination.

The outlook is broadly positive and a government keen to promote new investment opportunities do certainly exists. A strong police and military provide a security umbrella that provides a safe environment for businesses to thrive.

***Economic factors***

Rwanda’s economy grew by 6.1% in FY 2017/18 from 5.9% in 2016/17 based on the Rwanda 2018-19 Budget. Based on the latest National Bank of Rwanda 2018 publication the growth for the first half has been set at 10%. Over a three-year period, this has been largely driven by the service sector, the agricultural sector and the industry sector. As depicted in the Annex 1 all key sectors where the Federation is represented has shown growth and set’s it for further acceleration on the implementation of this plan.

<b>Economic Sector</b>	<b>Period</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
					<b>Q1</b>
GDP		8.9	5.9	6.1	10.6
Agriculture		5.0	4.0	7.0	8.0
Industry		9.0	7.0	4.0	7.0
Services		10.0	7.0	8.0	12.0

The overall budget deficit is projected at 4.9% of GDP for the FY 2018/19, and is projected to decline to 4.6% of GDP by 2020/21. The decline in the overall budget deficit is in line with the government’s effort towards self-reliance.



The agriculture sector is expected to grow moderately at 5.6% in 2018/19 and 4.5% in FY 2019/20 due to unpredictable weather patterns in some parts of the country. The industrial sector is expected to contribute 8.3% in FY 2018/19 and 13.5% in 2019/20 from 4% in 2017/18. This will be boosted by mining and construction. The ongoing improvement in international mineral prices as well as planned investments in the mining sector are expected to support domestic production. The construction sector is expected to pick up and grow at 5.2% in FY 2018/19 mainly due to the construction of Bugesera Airport and other private sector projects. The services sector is expected to remain strong, growing at 7.6 % in FY 2018/19 and 7.8% in 2019/20. The forex market is expected to depreciate but a normal rate and below 5% p.a due to increase in export receipts and a moderate increase in imports. This situation will reduce inflationary pressures whilst allowing the central bank to continue to support the foreign exchange market.

Results of the 2013/14 EICV indicate substantial progress in poverty reduction and improvement in other socio-economic and demographic indicators in the last three years. The survey shows that poverty is at 39.1% as of 2013/14, down from 44.9% as was reported in 2010/11. During the same period, extreme poverty dropped from 24.1% to 16.3%.

Inflation declined to 4.9% in 2017 from 5.7% in 2016. This was mainly due to the ease in exchange rate pressures, completion of various development and construction projects and the significant fall in food inflation. For 2018, the inflation will remain below 5% as exchange rate pressures; global inflation, international commodity prices and aggregate demand remain broadly subdued.

In the Financial Services Sector, the authorised loans between the year 2013 and 2016 increased by an average rate of 16%. With the years 2013 having the total value of authorised loans reduce by 4%. The amount of outstanding loans increased from 253,974,730 Rwfs in 2015 to 1,377,636,544 Rwf. Private investments in Rwanda have demonstrated instability in the growth rate, increasing by 77% in 2012 and by 22% in 2013, this later reduced by 62% in 2014 followed by an increase of 116% in 2015.



These investments have translated to an average rate on increase of jobs creation of 31% in the same period. Jobs attributed to private investment demonstrated growth by 143% 2012 followed by a reduction of 67% in 2013 and an increase of 23% in 2014 and the same growth rate in 2015.

According to National Institute of Statistics of Rwanda Statistical Yearbook 2017, Rwanda's highest source of investment was United Kingdom in 2016 with a value of 181.1 million dollars this led to employment of 734 nationals. United States of America came top in 2015 through two projects that employed 1304 nationals and were cumulatively valued at 218.9 million US dollars. In 2014, United States of America remained top of the investors with nine (9) projects valued at 166.7 million US dollars. The nine (9) projects created employment for 978 nationals. Additionally, China invested in six (6) projects in 2014, which provided 4538 employment opportunities.

Non-nationals arriving in Rwanda by land and air between the year 2015 and 2016 increased by 28% while the number of accommodation facilities in the same period increased by 13%. This indicates potential of private sector investment on the hospitality industry. The average number of registered vehicles in Rwanda increased by an average rate of 12% between the year 2012 and 2016. Statistics from Rwanda Revenue Authority indicate that the highest category of vehicles being motors, followed by cars, jeeps, pickups, mini buses, trucks and buses. Notably there were no forklift registered in Rwanda between the year 2011 and 2016.

According to statistics provided by RURA, the rate of internet subscription has been increasing by an average rate of 27% between the years 2013 and 2016. The total number on internet subscribers in Rwanda was 4,119,928 in 2016, 3,784,896 in 2015, 3,122,992 in 2014 and 2,068,179 in 2013. The number of mobile subscriptions also demonstrated an upward trend over the four years increasing at 10%. The year 2016 had 8,921,533 mobile subscriptions, a 2% increase from 8,759,619 in 2015. The year 2015 had a 13% growth from 7,747,019 in 2014, which had grown by 16% compared to the 6,689,354 subscribers in 2013. By 2016, Rwanda had 99.14% geographical



network coverage, with 99.92% of the population being covered by mobile cellular network. The country has 31 radio broadcasters and three (3) Pay TV operators.

The National Strategy for Transformation (NST1) was developed as implementation instrument for the remainder of Vision 2020 and for the first four years of the Vision 2050. It also integrates far sighted, long-range global and regional commitments by embracing the Sustainable Development Goals (SDGs), the Africa Union Agenda 2063 and its First 10-Year Implementation Plan 2014-2023 as well as the East African Community (EAC) Vision 2050. Allocation of resources in the budget for 2018/19 fiscal year and the medium term is guided by interventions in NST1 as follows:

- Economic transformation was allocated 57% of the total budget. The overarching objective of the Economic Transformation pillar is to accelerate inclusive economic growth and development founded on the Private Sector, knowledge and Rwanda's Natural Resources.
- Social transformation was allocated 27% of the budget. The overarching goal for the Social Transformation Pillar is to develop Rwandans into a capable and skilled people with quality standards of living and a stable and secure society.
- Transformational governance was allocated 16% of the budget. The overarching goal for the Transformational Governance Pillar is to consolidate Good Governance and Justice, as building blocks for equitable and sustainable National Development.

Rwanda became a full member of the EAC on 1<sup>st</sup> July 2007 and together with the other EAC member states, they signed the EAC Common Market 2 Protocol, which came into force on July 1<sup>st</sup> 2010. This protocol is envisaged to cover, trade in services and the free movement of persons. The EAC is a market of over 130 million people, with rapid growth in GDP and population. This provides a dynamic foundation for future growth. However, this has to be kept in perspective, as the combined GDP of the EAC is still small. Second, the countries of the region produce many of the same goods, and



so opportunities for trade growth in goods are more limited than for less similar, more complementary economies. It is with this recognition that Rwanda is looking for a broader market by signing on to the African Continental Free Trade Area Agreement. The Federation is keen to steer its members in taking advantage of this.

Rwanda continues to be one of the highest-ranking countries in Africa with the World Bank Doing Business Index at 41. Notably risk based inspections that has increased quality control during construction and improvement to the property registration process that has led to reduction on time taken to transfer property.

The corruption index in Rwanda is also low by the standards of the continent. According to the Corruption Perception Index (CPI) 2017 Rwanda is the least corrupt country in East Africa and 48th globally out of 180 countries studied. Rwanda leads the East African region, followed by Tanzania ranked 103th, Kenya 143rd, Uganda 151st and Burundi 157th globally.

### ***Social factors***

Competing claims for land and the history of conflict in Rwanda has been putting pressure on the informal land ownership system when former refugees who had fled the horrific 1994 Rwandan genocide were returning to the country, and population growth was accelerating. The Rwandan government established the Land Tenure Regularization (LTR) program me to register and administer land ownership in Rwanda. Consequently, 10.4 million parcels of land were successful recorded into the national land registry by 2012. Introduction of New land reforms led to effective processing and transaction handling of land titles. Previously, it would take up to one month to process a land title but with the new administration processes in place, this elapsed time was reduced to three days. The World Bank's annual Doing Business Index showed that on the indicator "Measurement of the ease of registering property", Rwanda had jumped from 61<sup>st</sup> place in 2012 to fourth in the world in 2017. Further more women than men officially own a plot of land with an official title document. In 2016, 63.7 percent of titles were owned by women or co-owned by men and women.



The 1994 genocide plunged 80% of the population mainly women under poverty line. The women in general were left in an awkward social status where they had to be the heads of their households requiring them to earn to fulfill their family needs. The GoR recognized women as key players in the reconstruction and development of the country and this resulted to introduction of several policies, laws and programs and approaches to maximize the participation of women and advancing their economic status and well-being. These include, Vision, National Constitution (2003) and New Civil Code, Ministry of Gender and Family Promotion, Economic Development and Poverty Reduction Strategy (2008-2012), National Gender Policy, Gender Monitoring Office, National Women Council, and The Forum of Rwandan Women Parliamentarians. Successful implementation of the above policies and programs left tremendous impact on the rural and urban women's lives. Consequently, poverty among women reduced, women secured more political seats, maternal, mortality rate decreased, and life expectancy nearly doubled.

Rwanda has one of the youngest populations in Africa where the youth population (under 14 years old) consists of 43 per cent of the total population. To connect the growth of the youth population to the nation's economic and social development, effective education and training systems are being developed. Rwanda is one of the most densely populated countries in Africa with 445 people per square kilometer<sup>1</sup>. In addition, it is facing high population growth per annum. With an average urbanization growth rate of 6.4% per annum. Urbanization in Rwanda is concentrated in Kigali City, which has a 9% urbanization growth rate. This poses economic pressures in the distribution of wealth and economic opportunities in one city. There is an opportunity for intervention to promote a more inclusive development approach. In order to provide a more balanced urban system, the Government of Rwanda announced, through EDPRS 2, the creation of six secondary cities. The goal being to ensure balanced urban growth by encouraging the unfolding of secondary economic poles of growth. Anticipated benefits include connection of more people to efficient water supply sources and electricity, thus positively influencing the quality of their lives.





## *Technological factors*

Vision 2020 aims to transform Rwanda into a middle-income country and transition her agrarian economy to an information-rich, knowledge-based one by 2020. The Government of Rwanda (GoR) strongly believes that Information and Communication Technology (ICT) can enable Rwanda start on the key stages of industrialization. Rwanda is currently pursuing the Smart Rwanda Master Plan (SRMP), with an overarching goal of transforming Rwanda into a knowledge-based economy. This goal of SRMP is also aligned with all the three pillars of the NST-1 National Strategy for Transformation (2017-2024) which is aiming at Economic, Social and governance transformation.

Rwanda's Vision 2020 focus is on using ICT infrastructure to attract investment and create high-value service-related jobs. The future success of Rwanda's ICT initiatives will thus depend on attracting private investment and creating a skilled labor force that can take advantage of Rwanda's competitive, business-friendly policy environment. As such, GoR has integrated ICT as a key driver for socio-economic development to fast track Rwanda's economic transformation, and consistently strives to align the country's development agenda to global trends in order to be competitive.

Rwanda aims to achieve digital transformation thorough three enablers. The three SMART (Service-oriented, Modern, Accountable, and Real-Time (SMART)) enablers are ICT Capability & Capacity, Secure & Shared Infrastructure as well as Governance & Management. The country plans to achieve end-to-end digitization, which provides seamless and integrated services for all. It aims at all its citizens fully enjoying “zero trip - zero paper,” cashless, and convenient services.

Rwanda strives to leverage ICT in all sectors of the economy and is registering tremendous progress. The Country is ranked 41 among 190 economies in the ease of doing business. This has largely been as result of several reforms including online business registration, aimed at making the business environment more conducive.



Internet penetration in Rwanda is increasing steadily where it increased from 7% in 2011 to 39.76% in mid-2017. The ICT Sector Strategic Plan 2018 – 2024 aims to increase internet penetration to 80% by 2024. This will be achieved through activities such as creating free internet zones in strategic and residential areas.

### ***Environmental factors***

Protection and management of the environment is among the pillars of the “Vision 2020”. From 2002 to the year 2020, the Government of Rwanda intends to build a nation where the pressure on natural resources, especially land, water, biomass, biodiversity, is reasonably reduced and the process of pollution and degradation of environment is controlled.

The less urbanized areas of the country and the secondary cities in the early stages of development offer a strategic opportunity to adopt a green development approach. Different green solutions could be applied to the infrastructure sector to reduce the inevitable environmental impact of urbanization and increased human activities. This way, Rwanda would be demonstrating its ability to establish a new development model, linking economic growth, sustainability and social inclusiveness.

The fight against poverty can be overcome by a sustained economic growth and it is easy to identify potential contributions of the environment in that growth. The exploitation of natural resources has an immediate impact on the quality of the environment. The link between the degradation of environment and poverty reduction are clearly established. In fact, the people living below the poverty line rely directly on natural resources and services for their survival and they are often more affected by environment degradation namely deforestation, reduction of soil fertility, erosion and water pollution. Poverty reduction cannot succeed without taking effective and real consideration of the environmental dimension.

Rwanda has established a climate change investment fund locally known as Fonerwa. The fund invests in initiatives that put environment and climate change at the Centre of development. It is currently helping over 35 projects that brings about several benefits such as helping to restore watersheds, combating erosion and connecting off-



grid families to clean energy. The flexibility of the fund enables the provision of resources for all kinds and sizes of initiatives, and across all sectors of the society. In 2017, the fund reached an impressive landmark the creation of more than 100,000 jobs.

### ***2.3.2. SWOT Analysis***

The internal environment aspects are captured in an analysis of Strengths, Weaknesses, Opportunities and Threats that characterizes the Federation.

#### ***Strengths***

*Operational Public Private Dialogue (PPU Unit):* All the Chambers, Associations and 30 districts of Rwanda have an operational PPU unit with elected leaders. This will enhance private sector participation in providing viable solutions on policy and governance challenges experience by the business community.

*Active PSF leadership:* Leader at the National level all the way to the District level share mutual interests regarding the future of the Private sector business in Rwanda and a willingness to collaborate for change.

*Operational PSF District offices:* This creates an interaction point with members and propels grassroots advocacy approach for the federation.

*The Special Project Implementation Unit (SPIU):* The unit established with support from the World Bank and MINOCOM (Ministry of Trade and Industry) serves as a mechanism for collaboration with development partners. It enhances implementation of projects beyond the conception stage.

*Partnership with the GoR and Development* –The Federation has support from the government and key stakeholders. This provides buy in and credibility for their operations. The GoR aims at having a private sector led economy a strategic goal that is in line with the Federation’s mandate



*Trust influence* in representing private sector business in Rwanda at the National and Internal Level. This avoids duplication of effort and time.

*Regional partnership;* The Federation has established key relationships with similar organization's in the East African Community (EAC), this allow for collaboration and synergy in business operations.

### ***Weaknesses***

*Limited clarity in the value proposition to the PSF members:* The Federation is perceived as serving government needs and donor expectations and neglecting the member needs.

*Financial instability for the Federation.* This is caused by low membership fees collection and heavy reliance on donor funds. See the executive summary on the status

*Inaccurate registration of members:* The Federation does not have a comprehensive register of members and their categories. There is therefore no basis for justifying the operations of the Federation as a member-based organization.

*Inadequate capacity for the Secretariat:* The Secretariat does not have adequate workforce nor does it have the relevant specialist technical skills to execute the mandate of the Federation. There is little specialization on the key advocacy areas such as policy administration.

*Untapped capacity of PSF structures:* There is low utilization of the PSF structures such as District offices. The structures have potential of serving as focal communication points with members.

*Inadequate performance evaluation to measure:* The Federation does not have clearly outlined mechanisms to measure the performance of the organization as a whole, The



Board of Directors, leaders in the Federation and the Secretariat staff.

### ***Opportunities***

*Rwanda is an expanding economy:* The economic growth will stimulate investment opportunities in public private partnerships and may attract foreign direct investments. The Government of Rwanda has strategies to have a Private sector led economy. This will propel development of policies and strategies favorable for the private sector business.

*Functional partnerships:* The Federation has nurtured integral relationships with Government of Rwanda, Ministries and agencies that will be key in the achievement of its strategic objectives and fueling advocacy efforts.

*Regional Integration:* Private sector federations, associations and chambers regionally and internationally are willing to collaborate with PSF. This will propel PSF efforts in managing regional business challenges. There is excellent political goodwill of the East Africa Community Heads of State. This has led to Northern Corridor Integration Project (NCIP) and East Africa Community (EAC).

### ***Threats/ Challenges***

*High costs of doing business in Rwanda:* The costs are compounded by limited access to finance, high interest rates, energy costs, transport costs and Non-Tariffs Barriers to Trade.

*Inadequate capacity in the private sector* caused by low skills base leading to low productivity.

A laggard business climate reform process in the regional markets. This leads to slow legal harmonization.



### ***3. What will success look like?***

In view of analysis and the aspirations of members, stakeholders and leadership of the Federation, below we outlined an enhanced mission and vision.

#### ***3.1. Mission***

Our mission is to “Advocate effectively and reinforce members' businesses”

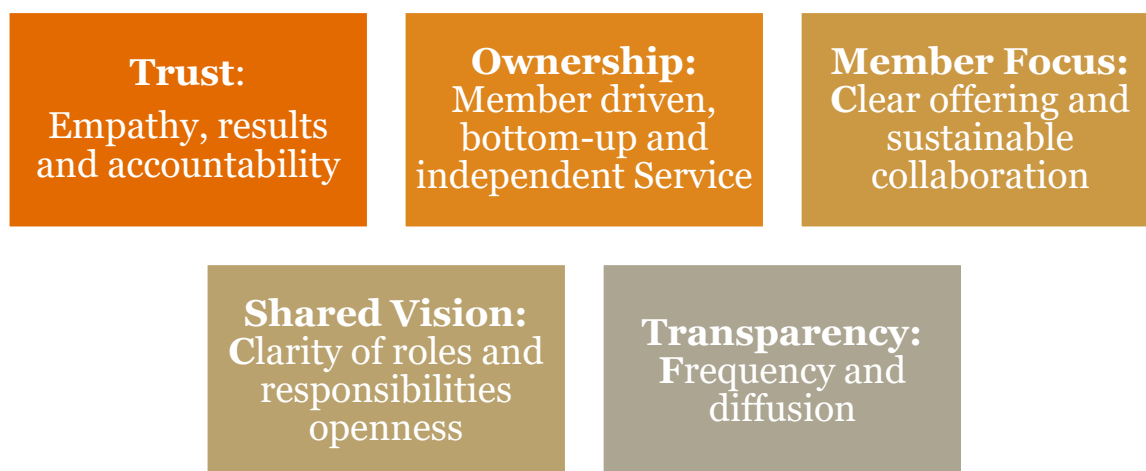
#### ***3.2. Vision***

Our vision is to “Strengthen Rwanda’s economy through a private sector led development by representing the Profitable businesses for a prosperous Rwanda”

#### ***3.3. Values***

Core values are the ideals and enduring principles that underpin our performance and culture. To effectively deliver on its mission and vision, the Federation embraces the following core values:

*Figure 3:1 PSF's Values*





### *3.4. Strategic Objectives*

Review of the PSF's external and internal operating environments and a consideration of the key resolution made by the Federation provided a foundation against which the strategic growth objectives were developed. The following strategic pillars will help the Federation to achieve its goals within the period of this plan:

1. Research and advocacy
2. Membership management and governance
3. Capability development for the private sector.

#### *3.4.1. Strategic Pillar 1: Research and Advocacy*

The Federation is cognizant of the need to realign its efforts and operations to member's expectations and support the government economic development goals concurrently. PSF is a member-based organization but its key efforts come across as influenced by the government and donor priorities. The proposed action points aim at enhancing its research and proactive advocacy efforts.

1. **Business Research:** The Federation plans to enhance its research prowess on issues of relevance to the Rwandan business community. The research findings will be the basis for evidence-based advocacy and will guide the Federations activities. They will be aiming at improving the business environment in Rwanda for the businesses to be competitive locally and internationally.

Implementation of this initiative will involve:

- a) Implementation of the revised secretariat structure with an enhanced research function acting as one stop center for business research in Rwanda;
- b) Identification of all laws, polices and legislative changes or reforms affecting the business community



- c) Identification of key research focus areas based on the member needs and economy projections by having an inventory of all fundamental issues affecting the business community;
- d) Conduct research internally by the Federation and externally by outsourcing specialist research areas to experts: and
- e) Proactive publications and issuance of white papers or position papers across various business matters based on surveys, studies and researches.
- f) Promote business research fund locally and to the donor agencies and business community
- g) Develop a business research knowledge management portal maintained by the Federation.

2. **Effective Advocacy:** Development of a plan to guide the advocacy efforts of the Federation will establish objectives and key focus areas. The advocacy plan will quantify goals and establish a means of measuring success. The plan will also ensure advocacy efforts are consistent with the values and priorities of members.

Advocacy planning will follow these key steps:

- a) Identify the generalist problems the business community is facing. Conduct an annual member engagement survey and based on the findings identify those that need advocacy and the probable impact on changes in policy, changes legislation or changes practice. Rank the advocacy issues based on priority. The prioritization will determine the short term action points, intermediates action points and long-term action points.
- b) Conduct an evaluation of the identified issues based on the legal situation, policy makers and other advocacy efforts done on the issues on the past. The evaluation will form a basis of establishing possible partners (donors or government) and the level of public participation required. This will result in





the publication of position papers, advocacy briefs, issue briefs and policy briefs.

- c) Develop an advocacy and communication policy manual that articulates how to outline the call to action, prioritize identified issues including the timeline roles and responsibilities for each party.

The proactive bottom up approach will provide PSF with an opportunity to meet and exceed member expectations, strengthen relationships with key stakeholders and boost value to the members through advocacy.

3. **Public Private Dialogue:** Policy and governance challenges demand private sector participation in order to generate viable solutions. Public Private Dialogue is a means to catalyze reforms and promote inclusive policymaking. The Federation will promote Public Private Dialogue (PPD) through holding quarterly forums under sector working groups and quarterly follow ups on advocacy issues that require input from districts and associations. PSF would like to enhance its engagement and involvement of stakeholders in the implementation of this strategic plan and building the private sector led economy. The implementation of this strategy will be done through the following:

- a) Private Public Partnership
- b) Development Partners and stakeholder's partnership

**4. Decent work Promotion:** PSF as an employer organization need to put in place mechanisms that allows Rwanda and the Private sector to comply with international ratified Conventions and laws regulating labor in Rwanda. This strategic plan provides appropriate framework contributing to the creation of favorable labor conditions and protecting the rights and interests of employers and employees. Therefore, PSF is



committed to strengthen the capacities of its member to solve challenges in the labour market and promote descent work and off farm jobs increment in Rwanda.

The implementation of activities related to this program will involve following Activities:

- a) Employment promotion for youth, women, people with disability, etc.
- b) Improve Productivity through impactful social dialogue
- c) Enhance entrepreneurship and enterprise development
- d) Improved safety and health conditions at work place

**5. Business Advocacy Forum:** The Federation will organize an annual conference to promote interactive learning between the business community and policy makers. Based on the extensive research conducted by the Federation, the conference will provide a platform for persuading the different stakeholder to adjust their positions. It will allow policy makers and bureaucracies to analyze correctly the expected responses to changes in economic policy. This will lead to identification of state and private sector actions that are complementary. The state will learn about the private sectors problems and their view of issues while the information provided by the government will provide the private business people with increased predictability and visibility that will inform their business strategies.



### ***3.4.2. Strategic Pillar 2: Governance and Member Management***

Good governance is essential to run Federation's organs that are independent and vision driven. This in turn will provide mechanisms to grow a broad membership base and institute a robust financial management system. The overall results will be provision of streamlined membership services and effective representation of the needs of the members for a financially sound Federation.

This pillar will be focused on enhancing coherence and transparency in the Federations operations and will cover Board management, membership management, diversity, and regional leadership. The pillar aims to enhance the collaboration within the organs and restore the visibility of the Federation to the public. An expected output of implementation of initiative in this pillar would be to increase the contribution from members which currently accounts for 15% of the Federation income while PSF had an average of 64% of members not remitting their membership fees between the years 2012 and 2017.

To achieve the above-mentioned Pillar the Federation will focus on the following initiatives:

**1. Member registration and service management:** In a bid to enhance member centricity PSF will focus on:

*a) Establishment of a member management System (MMS):* PSF will first define who is a target member and map the businesses that meet the definition. The Federation will subsequently establish a robust computerized system to keep an accurate record of the number and categorization of the Federation's members. The member categories will include the Associations, Golden Circle, registered business and ordinary members. This will form a basis for member recruitment drives and guide the Federation's plan to enhance mandatory membership from the business community.

*b) Membership services:* The federation will ensure that its activities are informed by the member needs and expectations. Cross cutting services will



be provided by PSF secretariat, Districts and sector specific services will be provided through Associations and Chambers.

To improve member service delivery, PSF will conduct regular member engagement surveys which will allow PSF to know member satisfaction and measure fluctuations in engagement as well as developing new membership service package.

c) *Membership fee collection:* The Federation will centralize membership fees collection. To drive transparency and accountability, PSF will levy fees directly to members according to one account guidelines and procedures policy and this will improve efficiency in membership fee collection and mobilization. The membership fees will provide a stable source of income for all organs of the Private Sector Federation and reduce dependence on donors. The Federation aims at automating the membership fee collection and its internal financial management process.

## **2. Enhance communication with members, stakeholders and within PSF**

**Structures:** To enhance the levels of transparency in the Federation, PSF will:

- a) *Establish communication platforms:* between the organs, the members of the Federation and external stakeholders. This will enhance flexibility and save money and time. The platforms will involve revamped social media platforms and online platform to facilitate publication and newsletters for the Federation. These will be Facebook and Twitter accounts, SMS, PSF Website to have interactive features with online chat ability, email address and contact numbers etc. Lastly there should be a media monitoring tool.
- b) *Establish a dedicated community broadcasting mechanism:* Most of the members face the challenge of advertising and communicating about their products. Therefore, the Federation plan to explore the avenue of establishing a



business community broadcasting including radio, online, television, focusing on advocacy, awareness of policies and laws, entrepreneurship and business development in Rwanda.

- c) *Avail information:* PSF will consolidate all data and reference material to create a central library of information. The library will have all research papers, position papers, previous publications and policies worked on by the Federation including digital versions being available to all members.
- d) *Communication plan:* This will outline key messages the Federation would like raise awareness on and inform the public about. The plan will define the annual communication goals, target audiences, key messages, methods of communicating, and methods to monitor and evaluate the implementation of the communication plan.

The channels of communication will include Publications such as PSF Magazine on a quarterly basis and monthly newsletters on PSF's website, to outline the achievements and progress of the activities in the Federation and Board members accountability updates to members on what they have achieved and funds raised for the businesses.

**3. Organs coordination and monitoring:** PSF aims at enhancing the level of coherence within its structure through:

- a) *Lean Board with a diverse matrix of skills:* Based on the governance recommendation on the Federation's Board composition. After the next elections in 2020, The Federation's Board will be composed of Directors with different professional backgrounds, seven (7) Non-Executive Directors: Six (6) local and one (1) expatriate. The expatriate Board member will be a specialist in export business and will be responsible opening up markets outside Rwanda.



- b) *Implementation of revised overall structure:* The Federation aims at enhancing coordination and collaboration between its organ's operations. To achieve this it will implement the revised structure: Key changes in the structure being elimination of provincial operations and introduction of clusters (replacing chambers previously) to coordinate Association operations. The Associations will be categorized into three clusters, namely: Trade, Service and Industry and the clusters operations will be coordinated by Managers and Officers at the Secretariat. The clustering will enhance self-regulation within the federation and increase cross sector investment within the economy.
- c) *Enhance the Secretariat's capacity to implement the proposed strategy:* Have a broad-based Secretariat, with personnel with a comprehensive knowledge and understanding of all aspects that affect the business community in Rwanda such as policies and taxes. Develop a strong well-functioning secretariat with defined operational processes and systems. The Secretariat will have techno centric operations using information technology as an enabler for all service provision. The Secretariat will also have monitoring and evaluation function reporting directly to the Board in a bid to boost the monitoring mechanism within PSF.
- d) *Capacity building:* For an effective governance and sustainability, PSF will conduct a capacity building program for its leaders, managers and staff about Business member organization management and encourage all organs to have their own offices.
- e) *Strong monitoring and evaluation system:* PSF will put in place a monitoring and evaluation framework for all its organs. Review existing policies to accommodate all changes. For a smooth implementation of the strategic plan, there will be a review of existing and development of new policies to ensure coherence and transparency in the Federations operations.



f) *Promote gender accountability and equity*: For mainstreaming gender in private sector, a policy will be developed to ensure gender equality and equity actions are implemented and monitored.



### 3.4.3. Strategic Pillar 3: Capability development for the private sector

1. **Entrepreneurship Promotion**: Rwanda has set out to attain middle country status by 2020. Entrepreneurship plays an influential role in the quest for economic growth. PSF will facilitate this growth through the following action points:

- *Capacity building for the business community*: This will enhance transfer of skills from more experienced business people to private businesses in Rwanda.

The Federation will achieve this through:

- a. Champions for mentorship and coaching - Appoint champions with a unique blend of business and life experience within PSF structures to mentor other business owners. The Federation will establish a database of business participants and business mentors on a volunteer basis and will provide incentives for mentors such as awards and educational visits.
- b. Training session for the business community through the established Business Institute: The Federation aims at enhancing the technical capacity of the business community by organizing training programs. This will involve soft skills and technical aspects of running a business such as financial management. Further Federation will provide the businesses with trainings on methods to automate their business operations. The established Business Institute will also serve as a platform to train in company trainers and through partnerships, ensure the skills shortfalls are addressed in the business community of Rwanda.
- c. Drive collective investment schemes to pull in entrepreneurs with common interest.
- d. Motivational talks and encouragement by experienced business leaders within the region.
- e. Practical sessions through mentorship and internship initiatives and promote TVET programmes throughout the country. This could also





entail linkage to businesses of up-coming entrepreneurs to provide services of supply goods.

- f. Create forums or linkages with financial institutions or seed-money providers for small businesses
- g. Periodical review of the substantiality of the entrepreneurial programme and action areas of improvement.

2. **Assess to Finance**: The latest statistics in Annex III by BNR at 2018 H1 indicate that new lending has declined to Frw 402.7 bn compared to the prior periods i.e. Frw 416.7 bn in H1 2017 and Frw 426.7 bn in H1 2016 respectively putting pressure on Federation members funding needs. With this the Federation aims at taking a holistic approach to address the bottleneck in access to finance for private sector business in Rwanda. It aims at mobilizing investment from the government and donors to promote finance related support for private businesses.

The key tactics under this initiative will involve three aspects:

- a. Training sessions and seminars on financial literacy for business. These will cover access to finance and business financing strategy aimed at getting the businesses investment ready. The training will also focus on forecasting financial needs, compiling adequate documentation and preparing business plans for a business. The Federation will identify suitable training partners to conduct such trainings.
- b. Provision of guidance to the business on identifying the right source of funding and partners. Through evaluation of alternatives and selection on the most appropriate source of funds based on the company's context.
- c. Matchmaking of businesses with funders such as foreign direct investors or foreign partners by the Secretariat to help find the right link between business and source of finance.



- d. Identify providers of seed capital that can support the start-ups and other bankable projects.

With a knowledgeable membership base the Federation aims to see a decline in the current rate of non-performing loans shown in Annex IV. This is more so for the trade, manufacturing and hotel sectors are significantly impacted.

**3. Access to trade and export market:** PSF aims at enable the private sector businesses in Rwanda to internationalize their business. The Federation aims at helping businesses access foreign markets and find new business partners across borders.

PSF will ensure:

- *Access to market information:* The Federation will conduct market research on trending products and services and subsequently disseminate to members through the information on the portal and website or through face to face forums to inform the members on available opportunities within and outside the country.
- *Enterprise network:* The Federation will organize networking events with key development partners and other business with international operations to provide a platform for networking
- *Champion trade missions and trade fairs* hosted by PSF internally or those hosted by others outside to drive export promotion.
- *Support the national, regional and international trade and at the same time focus on operationalization of the National Exporters Forum.* This will be achieved through organized Rwanda Trade Fair, Made In Rwanda products, Provisional and sector specific expos.
- *Establish a one-stop shop* for Rwandan products in selected regional markets as well as initiating a one stop outsourcing office within PSF structures.



#### **4. Resource Mobilization and Investment** in the Federation will involve:

- *Construction of Rwanda International Trade Fairs and Exhibitions Park (RITEP)*: an expanded, world-class conference and exhibition Centre. This will play a key role in guarantying a higher return on investment and collection of revenue from expo activities during the execution phase of this plan. So far Rwanda International Trade Fair has been a major success for PSF and influenced the start of business by Azam Brakhrase in Rwanda. The number of exhibitors in the Trade Fair have demonstrated a steady growth of 0.14% in 2015, 0.08% in 2016, a slight reduction by 0.02% in 2017 and a growth by 0.04% in 2018. The revenues from the expo shows an upward growth trend by 12% in 2014, 2% in 2015, 21% in 2016, 4% in 2017 and 5% in 2018. The year 2016 had the highest number of foreign exhibitors totaling to 171 for the five years span. This translated to the highest revenue collection a growth of 21% compared to the previous year
- The Federation is currently experiencing space limitations and a growing profile of exhibitors who demand world-class facilities from the Federation. RITEP offers the opportunity to introduce flexible space and enable hosting of multiple events concurrently. PSF will have the ability to attract largescale events, attracting additional interstate and international delegates and other visitors. This will generate new revenue for PSF and facilitate profitable business resulting in an increase in the economic benefit contributed by the Federation to the Rwandan economy.
- *Partnerships with stakeholder for development of projects*: PSF will aim at mobilizing resources through grants, sponsorship, and donations. These are viable source of funds and will be vital in accelerating community development in the key economic growth areas. An average of 27% of the Federation's income is from donor contribution with 48% in 2013, 26% in 2014, 22% in 2015, 9% in 2016 and 31% in 2017. Focus on activities that support member needs but also in line with donor expectations would play a



key role increasing donor revenue to the Federation. On a need basis evaluate the need for a separate project unit for key projects as determined by the board.

**5. Innovation and digital economy:** Governments in many countries are increasingly aware of the importance of harnessing the benefits of the digital economy for innovation, growth and social prosperity. This awareness comes as the cost of data collection, storage and processing continues to decline dramatically. While computing power increases, social and economic activities are increasingly migrating to the Internet. Technologies, smart applications and other innovations in the digital economy can improve services and help address policy challenges in a wide range of areas, including health, agriculture, public governance, tax, transport, education, and the environment, among others. Indeed, information and communication technologies (ICTs) contribute not just to innovation in products, but also to innovation in processes and organizational arrangements.

The innovation and digital economy have a tremendous potential to enhance growth, to tap into this potential the Federation will introduce:

- Digitize the Federation processes, these will include digitizing the membership cards, integration of all payment systems including mobile and online payment services.
  
- *Digital literacy programs:* The Federation will liaise with stakeholders to establish ICT skills programs that will develop expertise on the most on-demand ICT skills according to the Rwandan master plan 2020. The ICT programs will help business people learn how to gain the full benefits of the technology revolution. The programs will teach essential digital skills to enable the beneficiaries compete in the international job market and operate their business using technology. The programs will offer beginner courses without any



requirement of prior degree or work experience in ICT and advanced courses with specific criteria for registration. The courses will also offer skills on how to incorporate technology on day-to-day business operations.

- *Capacity building for the future workforce in partnership with ICT sector:* by stimulating proactive thinking about future capabilities and market demands to bridge the gap between the business and education.

Underinvestment in Science, Technology, Engineering and Mathematics (STEM) education has resulted to skills mismatch between the demands of the formal employment sector and skills available. The Federation aims at strengthening and addressing this mismatch by supporting the STEM studies. This objective will involve shared responsibility between businesses, education and government. PSF will strive to influence government's education and skills policy to add entrepreneurial skills to school curricula and stimulate development of computerized learning.

Key metrics for measuring innovation in business operations will be inclusive of but not limited to;

- a. Establish Business driven Accelerator and Incubation Center,
- b. The sets of data for a business placed online,
- c. Internal and external operations for a business conducted online
- d. Statistics on use and impact of cloud computing; and
- e. Use social media and mobile technology in operations.



#### ***4. Implementation Framework***

To ensure that PSF is able to implement these initiatives in a timely and structured manner this strategic plan should be supported by an efficient and effective structures both at the Federation level and the Secretariat with exercise being conducted in phase 2.

### 4.1. Overall Implementation Framework

Strategic objectives (Pillars)	Specific objectives (Programme)	Activities	Indicators (targets)	TIMEFRAME										Budget (Rwf)	Unit in charge		
				2019		2020		2021		2022		2023					
				1st Sem	2nd Sem	1st Sem	2nd Sem	1st Sem	2nd Sem	1st Sem	2nd Sem	1st Sem	2nd Sem				
<b><i>Pillar 1: Research and Advocacy</i></b>	<b>Establishing a Business Research Centre under PSF Structures</b>	Identify laws, policies and legislative changes or reforms that are affecting the business community	Matrix issues and position papers produced.														Research Dept

		Inventory of all Fundamental issues affecting the business community.	Research papers on issues affecting the business community.													Research Department -
		Create Space for the center within existing infrastructure Develop a research Manual for the centre	Space for the centre created Number of research papers related to private sector published													Research Department -





			in international journals											
		Hire Researchers on a need basis for to support the existing R&D Unit	Researchers hired to support the R&D Unit										30,000,000	Research Dept
		Annual design projects to be used in attracting and sourcing funds for R&D Unit.	Availed Project proposals designed for mobilisation of funds											Research Dept
		Conduct surveys, studies and	Research reports produced										10,000,000	Research



		research strategies.	timely (Quarterly and annually).																			Dept	
		Create and manage a steering executive committee consisting of high-level management and representatives from all key participating agencies.	Monthly and Quarterly Steering Executive Committee meetings organized providing feedback on progress of the secretariat's activities																				Research



			specifically on advocacy business research.											
		Promote business research fund locally and to donor agencies and the business community.	Potential investment sources of funds identified locally and internationally											Researc h
		Develop a Business Research Knowledge Management Portal.	Knowledge management portal in place.										5,000,000	Researc h Dep t



	<b>Effective Advocacy</b>	Annually conduct a member engagement survey based on the findings & identify those that need advocacy.	Matrix of Issues produced.												2,500,000	Advocacy
		Develop an advocacy and communication policy, strategy and manual	An advocacy & communication policy, strategy & manual developed.													-



		Sector Working Groups to rank and prioritize identified issues.	Monthly reports from Sector Working Groups.																-	Advocacy
		Develop Position Papers, Advocacy Briefs, Issue Papers and policy briefs.	Position Papers, Advocacy briefs, Advocacy Briefs, Issue Papers and Policy briefs developed.																20,000,000	Advocacy



	<b>Public private dialogue</b>	Quarterly conduct Forums under Sector Working Groups. (Tax, Standards, logistics, environment etc.	Reports from the various forums and action plans													50,000,000	Advocacy
		Quarterly coordinate and follow up on advocacy issues needing further research from Districts level															30,000,000



		and associations.													
		Strengthening Public private partnership at central and decentralized levels	Signed MoUs											60,000,000	Advocacy
		Establishment of forum that regroups all PPP Focal point	2 Meetings /year											20,000,000	Advocacy
		Create an effective relationship with partner institutions to streamline	Signed MoUs											50,000,000	Advocacy



		mutual cooperation														
		Coordinate the Corporate social responsibility at national level (CSR)	Number of interventions per year												150,000,000	Advocacy
		Organize sensitization meetings for PSF members on existing and newly published laws related to business	Report indicating the number of sectors that have attended the meeting												20,000,000	Advocacy





	<b>Business Advocacy Forum</b>	Organize the annual advocacy conference												650,000,000	Adv oca cy	
		Co-organize Continental Free Trade Area conference													120,000,000	Adv oca cy
		Co-champion regional integration initiatives													200,000,000	Adv oca cy
		Participate in regional and international for a													25,000,000	Adv oca cy



	<b>Descent work Promotion</b>	Employment promotion for youth, women & Disability	Number of compliance audits conducted															135000000	Advocacy	
		Enhance entrepreneurship and enterprise development	Number of labor policies and legislation reviewed																152,550,000	Advocacy
		Improve Productivity through impactful social dialogue	Number of collective bargaining agreements signed																45000000	Advocacy
		Improved safety and health	Number of workers and employers																112,500,000	Advocacy



		conditions at work place	informed on Occupational safety and health (OSH) regulations														
<b>Total Cost under Governance and Member Management Pillar</b>														<b>1,887,550,000</b>			
<b>Pillar 2: Governance and Member Management</b>	<b>Member registration and service management</b>	Membership Management System (MMS to coordinate information sharing, interaction and data from all PSF organs and partners)	MMS operationa l; at least 50,000 businesses registered													40,000,000	Operations



		Definition of expectation and benefits to members	Conduct a pulse survey on services yearly										10,000,000	Operations	
		Internal financial management	Creation of consolidated PSF account											-	Finance
	<b>Organs coordination and monitoring</b>	Enhance the secretariats capacity to implement the proposed strategy												-	Board
		Implementation of revised												-	Board



		overall structure													
		Lean board with a diverse mix of skills													Board
	<b>Enhance communication with members, stakeholders and within PSF Structures:</b>	Social Media platforms (Twitter, Facebook, Instagram, WhatsApp, YouTube channel, Flickr)	60,000 followers											10,000,000	Operations
Improve PSF Website (interactive features)		Daily visitors multiplied by 10.											2,500,000	Operations	



		Weekly e-newsletter covering all PSF organs and partners programs	270 e-newsletter sent															12,000,000	Operations
		Monthly TV shows	54 TV shows done															162,000,000	Operations
		Weekly radio talk show involving all PSF organs	243 radio talk shows done															486,000,000	Operations
		Publish quarterly magazine	20 magazines published															60,000,000	Operations
		Publish Monthly	60 UMUCUR															60,000,000	Operations

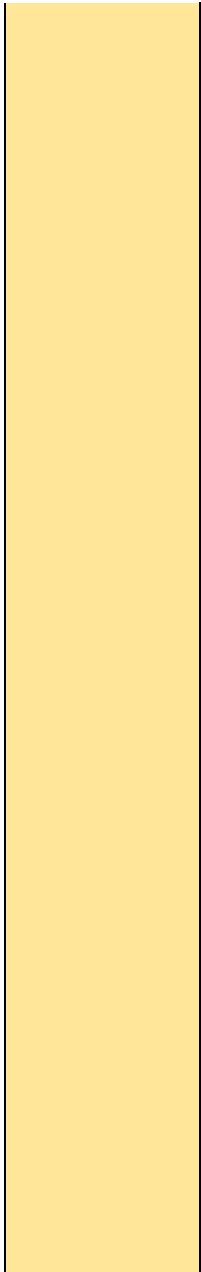


		UMUCURUZ I	UZI published											
		Revamp PSF hotline	Hotline operationa l										5,000,000	Ope rati ons
		To introduce a PSF media monitoring tool	Tool operationa l										10,000,000	Ope rati ons
		PSF Community radio	Radio Operationa l										70,000,000	Ope rati ons
		Introduce SMS tool to facilitate members	The tool operationa l										10,000,000	Ope rati ons
		Publishing profiler	2 profilers published										70,000,000	Ope rati ons

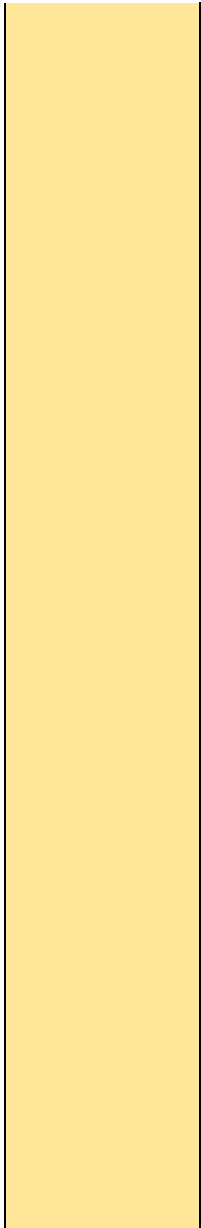


		Publishing directory	3 directories published								70,000,000	Operations
		Implement a lean Board with a diverse matrix of skills	New lean board in place									
		Review organizational structure	A centralized districts' operations and clusters structure in place									
		Promote business ethics and professionaliz	Business sectors' Self-regulation									

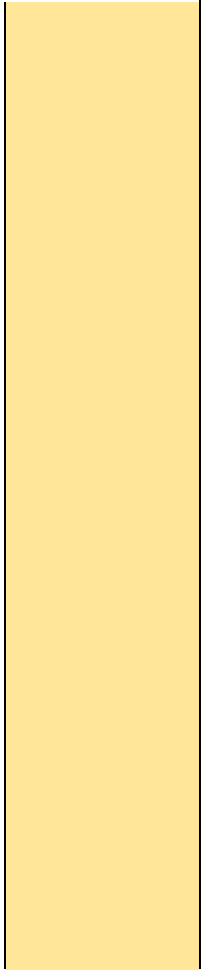




ation of associations	policies and harmonized association structure in place														
Put in place a strong operational PSF organs' coordination unit	A centralized coordination unit of district and clusters in place														
Implement the redesigned PSF organizational structure	New organizational structure in place														



Build the capacity of PSF organs in Business Member Organization Management and facilities	Number of capacity building program in Business Member Organizations Management implemented														
	Number District and associations owning their offices														



Promote gender accountability and equity in Private Sector	Gender mainstreaming policy in the private sector in place and implemented														
Establish a strong monitoring and evaluation framework for all PSF organs	A strong monitoring and evaluation unit in place														



	<p>Review existing policies to accommodate all changes. Eg: Revise the HR manual (job titles, roles, salary structure to align them to the new structure), Revise the current financial procedures; Develop performance</p>	<p>Policies reviewed and approved by competent organs</p>							
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		evaluation system; Develop election procedures, Review internal rules & regulations...)														
<b>Total Cost under Governance and Member Management Pillar</b>														<b>1,077,500,000</b>		
<b>Pillar 3: Capacity Development for the Private Sector</b>	<b>Entrepreneurship Promotion</b>	Facilitate / encourage collective investments between existing entrepreneurs of the same	Plan elaborated												7,500,000	Operations



		sector (to reap benefits of economies of scale).																		
		Promote start-ups and strengthen existing business through Business Management skills by establishing Incubation center which will provide hands on kills	50 businesses have been equipped with business management skills each year																45,000,000	Operations



		and business knowledge.													
		Define and set-up an appropriate forum for the organization of: Peer-to-peer learning and mentorship programs to enhance Business Management skills	Forum established and 40 peer - to-peer learning and mentorships organized											5.000.000	Operations
		Motivational talks and encouragement by	10 motivational talks organized											5.000.000	Operations



		experienced business leaders. (organized TED-Talks with successful entrepreneurs)													
	<b>Capacity Building</b>	Elaborate a plan of how to address the needs identified (trainings /assistance) through the members needs	Plan elaborated												Operations





		assessment study													
		Organize mentorship programmes for different sectors (e.g. through SES)	12 mentorships programmes conducted annually											12,000,000	Operations
		Establish Business Internship program	250 internees graduated from private companies in TVET Sector											50,000,000	Operations



		Conduct Experience recognition on TVET Sectors (for people who did not go to school but learnt by doing).	125 awarded certificates																	2,500,000	Operations	
		Conduct Access to finance forum	25 meetings organized.																		37,000,000	Operations
		Facilitate and link talented students to private business companies for creation of	30 students facilitated and linked to the companies and new																		1,500,000	Operations



		new products and services	products introduced											
		Mobilize skills financing fund from partners and donor	500,000,000 mobilized										3,000,000	Operations
		Conduct Business community Education program	2500 Business people attended										300,000,000	Operations
		Conduct Business sustainability study	1 study conducted										40,000,000	Advocacy
	<b>Resource Mobilization and Investment</b>	Create a separate project unit (SPIU) within	the team of 2 experts											Operations



		PSF with well-connected experts (2) with networking and collaboration skills to promote partnerships with stakeholders for resource mobilization for projects including the expansion of development partners	and 1 staff recruited													
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		Develop fundraising strategy (also for specific projects) which needs to be actively implemented by this unit													500,000	Operations
	<b>Construction of RITEP project at Gahanga</b>	Conduct studies and develop construction plans for construction of a world-class conference exhibition Centre.	1 study conducted												265,000,000	Operations



		Complete the design and necessary approvals to initiate construction of new expo ground.	Designs and available										27,500,000	Operations	
		Acquire all resources required. Professional constructor and building materials.	Constructi ons company hired											25,000,000	Operations
		Construction of RITEP	RITEP operationa l											51,401,225,640	Operations



	Access to finance	Conduct feasibility studies on the financials and funding needs for private business in Rwanda	Study report											55,000,000	Operations	
		Develop training programs on financial literacy for PSF members	Number of training programs developed												35,000,000	Operations
		Identify and mobilize training partners to	Number of partners mobilized												2,000,000	Operations



		finance the trainings													
		Conduct trainings on financial literacy	Number of training conducted (8)											30,000,000	Operations
		Design a funding institution map for member businesses	Number of funding institutions identified (20)											22,000,000	Operations
		Matchmaking of businesses with funders	Number of events organized (4)											5,000,000	Operations
		Support start-ups to develop viable/bankable business	Number of viable business											100,000,000	Operations





		plans (through Imanzi Business Institute or partners)	plans developed													
	<b>Access to Trade and export market</b>	Conduct a market intelligence/research on products, services & producers	One report produced												5,000,000	Ope rati ons
		Organize meetings to disseminate market research outcomes	Number of meetings organized (8)												40,000,000	Ope rati ons



		Organize inward and outward trade missions (including Rwanda Days)	Number of missions organized (10 inward and 10 outwards)											445,000,000	Operations
		Support in national, regional and international trade negotiation platforms	Number of Trade negotiation supported											10,000,000	Operations
		Operationalization of the National Exporters Forum	One high level meeting organized											50,000,000	Operations



		Organize workshops for members on business regulations	Number of workshops organized (10)											75,000,000	Operations
		Establishment of one stop shops for Rwandan products	Number of one stop shops established											1,500,000,000	Operations
		Organize outside trade exhibitions and business weeks	Number of exhibitions (20) and business weeks (5)											620,000,000	Operations
		Organize Rwanda International Trade Fair,	5 International, 5 Made in											4,530,000,000	Operations



		Made in Rwanda Expo, Provincial and sector specific Expos	Rwanda, 20 provincial and 3 sector specific Expos												
<b>Innovation and digital economy</b>	Digitalize PSF membership cards	PSF membership card digitalized												15,000,000	Operations
	Integration of all payment systems operational in Rwanda.	Integrated payment systems												25,000,000	Operations
	Integration of PSF services on Mobile	Platform created and												15,000,000	Operations



		payment platforms	operationa l											
		Integration of PSF services on online payment platforms	Online payments operationa l for PSF services										45,000,000	Ope rati ons
		Annual Campaign on cashless economy and e-commerce	5 campaigns										60,000,000	Adv oca cy
		Establish Business Accelerator & Incubation Center	Specialize d center operationa l										65,000,000	Ope rati ons



## 5. Risk and Mitigation Matrix

PSF faces several risks in implementation of this strategic plan. The matrix below gives a list of possible risks, as well as the strategies we will adopt to mitigate the risk.

Risk description	Primary consequence of risk	Risk mitigation measures in place	Risk owner
Failure to raise required capital to fund strategic initiatives	Poor strategy implementation, resulting in failure to achieve benefits from implementation of this strategy	<ul style="list-style-type: none"> <li>• Determine costs required to implement each of the strategic initiatives</li> <li>• Determine business capability to fund each of the options</li> <li>• Review possible funding vehicles to support proposed strategic investments</li> </ul>	Management and the Board
Federation's resistance to change	Delay and challenges in strategy implementation	<ul style="list-style-type: none"> <li>• Define the impact of implementing the strategy to business-as-usual</li> <li>• Continuous communication to staff and relevant stakeholders on benefits of implementing the strategy</li> <li>• Create ownership of the strategic initiatives by cascading to staff</li> <li>• Regular involvement of members, staff and key</li> </ul>	Board

	<p>stakeholder in the implementation process.</p> <ul style="list-style-type: none"> <li>• Through his capacity and existing relationship, the Chairman of the Board will lobby for stakeholder's support in successful implementation of this strategic plan</li> </ul>
<p>Lack of internal capabilities to support realisation of the set targets</p>	<p>Delayed or sub-optimal strategy implementation.</p> <ul style="list-style-type: none"> <li>• Alignment of the Secretariat's organization structure and capabilities to the requirements of the strategy</li> </ul> <p>Management</p>
<p>Challenge in balancing operations as usual and the initiatives identified in the strategy</p>	<p>Lack of ownership and follow through for some of the strategic initiatives</p> <ul style="list-style-type: none"> <li>• Through the PSF Project Management Implementation Unit, manage (monitor and advise on progress) implementation of the strategic initiatives</li> </ul> <p>While the business units own the strategic initiatives, the PIU will ensure timely, cost effective roll out</p> <p>Management</p>
<p>Challenge in implementing the mandatory membership and payment</p>	<p>Resistance to the whole strategic plan</p> <ul style="list-style-type: none"> <li>• Through the key relationship with the Government. The Chairman of the Board will lobby for Government support in</li> </ul> <p>Board</p>



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of different  
membership  
fees (To the  
Associations  
and to the  
Secretariat)

implementation of the  
mandatory membership.

- Vigorous business community sensitization programme to get buy in on the benefits to be obtained.



## ***Annex I: Federations Key Resolutions***

The Federation leadership agreed on specific key resolutions through a retreat held in March 2018. The findings during interviews with key stakeholders coupled with the resolutions outlined below have been key in informing strategic options:

### ***Strategic Pillar I: Research and advocacy***

*Revamp and develop a comprehensive strategic Plan and action plans that endorse strategic Planning within PSF structures;*

1. Develop, dispense and share Private Sector Federation Profile to members containing evidence advocacy achievements and other elements documented for the usage of member's consideration and mobilizing other incoming members; and
2. Strengthen mechanisms of sharing information, efficient and effective communication appliances with in PSF Structures.

### ***Strategic Pillar II: Membership management and governance***

1. Strengthen sustainable and formal partnership with government institutions that will help PSF structures to make membership payment compulsory;
2. Create a single membership fees collections and bank account for all PSF structures for accountability, transparency and responsibility;
3. Establish strategies that shall increase mobilization and reinforce mechanisms and channels that shall increase membership contributions and services;
4. Create a robust portal including Database system (MIS) that shall incorporate all PSF members across the country and in all sectors;
5. PSF shall have infrastructural facilities from national to grass root level that permit access to services to PSF members;
6. Reinforce PSF structures (from Cell to National level) to recruit competent Personnel's that shall support and provide efficient service deliveries to members;
7. Review and re-structure PSF Organizational structure that shall enable a more efficient PSF functionality and delivery;



8. Develop a self-regulation mechanism and advocate for a legal instrument for effective implementation and enforcement;
9. Strengthen a robust Monitoring and Evaluation system to enhance and follow-up activities and challenges within PSF Structures; and also organize frequent annual retreats to assess the implementation of the previous retreat resolutions and strategize on the way forward; and
10. Harmonize coordination mechanisms within intra and inter institutions and within PSF Structures;
11. Create an online portal that shall facilitate members and exclude non-members to publish their activities and businesses to the public.

### ***Strategic Pillar III: Capability development for the private sector***

1. Mobilize funds (fund raise) within members and non-members to construct Rwanda International Trade Fairs and Exhibitions Park (RITEP) and PSF HQ Offices located in Gahanga Sector that shall facilitate members and exhibitors in doing modern business in Rwanda;
2. Strengthen and deliver institutional & capacity development to PSF members;
3. Develop a sustainable financing mechanism for private sector skills development managed under PSF auspices;
4. Prioritize employment and tender opportunities to only PSF members for the purpose of attracting and building a strong membership at the Federation; and
5. Promote gender sensitive activities and mainstream PSF projects and programs.

## Annex II – GDP Growth Rate

	2015	2016	2017	2018
				Q1
<b>GDP</b>	<b>8.9</b>	<b>5.9</b>	<b>6.1</b>	<b>10.6</b>
<b>Agriculture</b>	<b>5.0</b>	<b>4.0</b>	<b>7.0</b>	<b>8.0</b>
Food crops	4.0	3.0	7.0	6.0
Export crops	14.0	2.0	2.0	46.0
Livestock & products	9.0	10.0	11.0	12.0
Forestry	4.0	4.0	3.0	4.0
Fishing	3.0	3.0	5.0	7.0
<b>Industry</b>	<b>9.0</b>	<b>7.0</b>	<b>4.0</b>	<b>7.0</b>
Mining and quarrying	- 5.0	10.0	21.0	3.0
Manufacturing	8.0	7.0	6.0	7.0
Electricity	8.0	14.0	8.0	10.0
Water and waste management	1.0	5.0	2.0	2.0
Construction	15.0	5.0	- 3.0	8.0
<b>Services</b>	<b>10.0</b>	<b>7.0</b>	<b>8.0</b>	<b>12.0</b>
Trade & transport	11.0	7.0	4.0	26.0
Maintenance and repair	5.0	7.0	4.0	6.0
Whole sale and retail trade	13.0	6.0	-	26.0
Transport services	10.0	8.0	11.0	28.0
Other services	10.0	7.0	9.0	8.0
Hotels and restaurants	9.0	11.0	10.0	6.0
Information and communication	18.0	9.0	12.0	24.0
Financial services	12.0	3.0	7.0	12.0
Real estate activities	5.0	6.0	5.0	3.0
Public administration and defence	5.0	12.0	4.0	15.0
Education	2.0	4.0	4.0	2.0



Human health and social work	10.0	6.0	6.0	7.0	
Cultural, domestic and other	19.0	7.0	9.0	13.0	
	14.0	4.0	-	4.0	17.0

### *Annex III – New lending*

<b>Frw bn</b>	<b>2013 H1</b>	<b>2014 H1</b>	<b>2015 H1</b>	<b>2016 H1</b>	<b>2017 H1</b>	<b>2018 H1</b>
Non classified	26.3	33.8	30.6	37.8	44.5	51.4
Agriculture, fisheries and livestock	4.1	3.4	6.7	6.3	4.9	5.7
Mining activities	0	0	0.3	1.7	0.6	0.3
Manufacturing	14.9	44.6	12.3	35.8	28.4	33.1
Water and Energy	0.4	16.1	1.3	8	8.8	0.2
Public works	43.5	68.7	119.6	89.9	105.2	101.8
Commerce, restaurants and hotels	107.5	132	144.3	216.1	169.3	145.3
Transport and warehousing & communication	14.9	15.5	24.3	18.7	38.2	48.4
OFI & Insurance	4.7	1.2	12.5	3.5	6.5	1
Services provided to the community	4.2	10.4	8.9	8.9	10.2	14.7
	<b>220.4</b>	<b>325.7</b>	<b>360.8</b>	<b>426.7</b>	<b>416.7</b>	<b>402.7</b>

**Annex IV – Non performing loans**

	<b>Jun-14</b>	<b>Jun-15</b>	<b>Jun-16</b>	<b>Jun-17</b>	<b>Jun-18</b>	<b>% share of total NPL</b>
Non classified	6.3	7.2	6.4	7.8	6.1	6.9
Agriculture, fisheries and livestock	17.3	14.9	16.9	18.2	7.2	1.4
Mining activities	-	2.8	0.9	-	0.6	-
Manufacturing	2.3	1.1	6.0	8.8	13.9	19.7
Water and Energy	0.2	2.6	0.2	0.1	-	-
Mortgage industries	5.4	4.5	5.1	5.8	5.3	26.1
Trade	6.3	7.1	6.9	8.8	11.5	26.6
Hotel	5.3	6.1	9.0	9.8	11.0	11.9
Transport and warehousing	4.5	4.0	3.1	3.0	2.6	3.4
OFI & insurance	0.8	4.2	4.2	0.4	0.4	0.1
Service sector	6.6	6.5	4.5	10.7	8.9	3.9