

## Entrepreneurship and incubation: Driving transformation and job creation in Rwanda's agricultural sector

### Introduction

Over half of young people (16-30) employed in the country work in the agricultural sector.<sup>1</sup> Pathways into agricultural entrepreneurship present a huge opportunity for Rwanda to support its large youth population, creating opportunities for new and more fulfilling employment that will help to transform the sector. Rwanda's TVET institutions are increasingly focused on promoting a culture of innovation and entrepreneurial thinking to strengthen the relevance and responsiveness of their training and research to better equip young graduates with the knowledge, skills, and attitude to enable them to fulfil roles in the agricultural sector. Several have established incubation centres to nurture interest in entrepreneurship and business ideas, whilst entrepreneurship education is mandatory for all third year TVET students. However, a more cohesive and sector-wide approach is required if entrepreneurship education and incubation centres are to play their part in strengthening skills development and employment opportunities as Rwanda is growing its knowledge-based economy.

*This briefing paper highlights findings from SEAD's support for entrepreneurship and incubation in Rwanda's education institutions. It is informed by programme documentation and research such as SEAD's Entrepreneurship and Incubation Stocktaking report (2019), the week-long entrepreneurship and incubation training in Spring 2020 and discussions with the implementing team and key stakeholders between June and September 2020.*

### Key findings

#### **Students' perceptions of entrepreneurship are a barrier to uptake as a career option**

Most students do not consider starting their own business as a viable post-studies option. From a young age many are taught that they will grow up and work for someone else, and there is limited access to information explaining the process for setting up your own business, either in course materials or practical assignments. A lack of role models who can show what is possible is also cited.

#### **Information on what incubation centres offer students exacerbate this perception**

A lack of coordination and communication between incubation centre staff and staff in education institutions and limited communication from centres to students means students are not aware of what centres can offer. Staff (neither non-teaching, nor non-specialist) do not generally signpost their students to centres.

#### **Entrepreneurship education and training is largely supplementary**

Although modules on entrepreneurship are compulsory, they are identical regardless of the course students take and often take place in the third and final year. As such, students are generally pre-occupied with passing their overall course and entrepreneurship modules are largely considered to be supplemental, rather than an integral part of the course. Even in institutions with relatively well-established entrepreneurship and incubation capacity, there are limited opportunities for practical assignments or coaching to learn more about entrepreneurship, both of which are viewed as key aspects of entrepreneurship training.

#### **Incubation centres operate independently from each other and sometimes within their respective institutions**

There seems to be a disparity between how the centres function and how Rwanda Polytechnic believes they should be used, but there is no overarching strategy or guidance that attempts to coordinate a clear direction for all of them. Each one is at a different point in their operation and at various levels of capacity and resources, with no consistent ways of working and little collaboration between them. For example, IPRC Ngoma's incubation centre is open to all students whereas the incubation centre at IPRC Musanze only accepts five students, one from each subject department a year. Some centres even operate somewhat independently from the institution they are attached to.

*“SEAD has helped [IPRC Ngoma’s Business Incubation Centre] to achieve more through training and support.”*

Frodouard Nambajimana, IPRC Ngoma’s Business Incubation Officer

### Access to finance is one of the main barriers to entrepreneurship for many students

Access to finance is difficult as financial institutions are generally quite risk averse and reluctant to invest in either new ideas or students’ businesses. Many students do not have the finances to start and develop a business, and for those that do, they struggle to continue it after graduation due to a limited investment and financing environment.

### Private sector engagement with entrepreneurship and incubation support is low

Private sector engagement with incubation centres and opportunities for graduates to showcase their work and network with others is limited and generally confined to personal or alumni networks. There is some indication that this is because graduates are generally understood as competitors rather than as potential partners or investors for new products.

## Recommendations

Global evidence suggests that incubation centres are invaluable spaces for innovative ideas to be scaled up. Rwanda Polytechnic’s own strategy – aligned to the ESSP and national strategies where agriculture is a priority economic sector – highlights the importance of entrepreneurship to equip young people with the skills and understanding they need to start their own, or join existing, agribusinesses.

### Review and update national curriculum for entrepreneurship training:

Rwanda Polytechnic and the University of Rwanda should lead a review of the modules on entrepreneurship and update the course along with its supporting materials. This includes focusing on how and where to access appropriate sources of funding and further support after graduation, but also ensuring practical experience is weaved into the course – perhaps through linkages with relevant incubation centres.

### Incorporate creative thinking and practical guidance into entrepreneurship curricula:

Rwanda Polytechnic should ensure that creative thinking is woven into the curricula, not only in modules for entrepreneurship. For example, a greater focus on the practical application of theoretical learning and more practical support around topics such as alternative financing and how to develop an idea with limited resources.

### Develop a consistent approach for entrepreneurship education and incubation centre operations:

Rwanda Polytechnic and the University of Rwanda should ensure consistency in the delivery of entrepreneurship education across the country. In doing so, all students, regardless of their institution, will have foundational knowledge of entrepreneurship and there will be greater opportunities for centres to connect and become a network of hubs where a shared, national culture of innovation and business can thrive.

### Train and coach staff to foster creative thinking and better understand the practicalities of entrepreneurship:

TVET institutions should support staff to develop more hands-on training methods to encourage creative thinking so students become accustomed to more entrepreneurial thinking. In addition, staff should be well equipped to signpost students to incubation centres and relevant resources to help them take this thinking further and pursue their idea and/or network with established entrepreneurs.

### Foster a network of innovation and entrepreneurship:

The private sector should take a strategic view of helping to nurture and grow a national culture of entrepreneurship and innovation. It provides an opportunity to build networks, gain access to quality graduate talent, develop constructive competition and open new markets.

### Establish relationships with the private sector to strengthen the impact of entrepreneurship education and incubation:

Rwanda Polytechnic should draw on private companies’ industry expertise for policy development and institutional strategy; IPRCs shall get the industries to tap into existing local and alumni networks to gain practical experience and networking experiences for students, as well as bring in teaching staff with experience of setting up their own business or working in lean start-ups.

### Create and support access to finance for young entrepreneurs:

Rwanda Polytechnic and the University of Rwanda should foster and encourage stronger linkages between incubation centres and student entrepreneurs, and finance advisors and investors. As key national education institutions, they should also aim to promote and advocate for financial investment in young entrepreneurs from financial institutions and from other, established entrepreneurs. This could also include a platform or network that links the centres and their affiliate education institutions with finance providers.

### Monitor and evaluate the effectiveness of incubation centres’ activities and graduates:

TVET institutions should evaluate trainers who support those participating in centre programmes and give feedback on good practice training methods. In addition, centres, along with their institutions, should develop a formalised tracing system for graduates to track their success and help to strengthen alumni connections that can inform a wider network around the institution.

<sup>1</sup> NISR (May 2020) estimate national youth unemployment to be approximately 25%, while a report from the Office of the UN’s Secretary General Youth Envoy estimate youth underemployment in Rwanda to be 60%.