

Rwanda: Business Lifecycle Project

The challenge:

The Government of Rwanda has made significant efforts to increase automation in its business lifecycle in order to increase efficiency and cost savings for its business community. However, continuous efforts are needed to address remaining challenges that businesses still encounter in the registration process. Currently, mortgage registration is still a manual process which is only available at the headquarters in Kigali and is separate from the Natural Resources Authority Land Administration Information. Banks and microfinance institutions do not have online access to the electronic registry resulting in lengthy and costly procedures and leading to lack of information being shared.



Despite free online business registration in Rwanda, only 10% of businesses have made use of the electronic business registration system, which was established through a past ICF project in Rwanda, namely the Rwanda Investment Climate Project (RICP). Insolvency practice in Rwanda is also relatively low due to lack of awareness on insolvency in the business community and limited exposure to the practice.

The solution:

ICF is working with the Government of Rwanda to address remaining challenges that businesses face in the business lifecycle process. This will be done by strengthening the current system in order to include mortgage registration and enhancing the business lifecycle to include active insolvency practice. In order to facilitate mortgage registration, the electronic registry system will be integrated with the Rwanda Natural Resource Authority (RNRA) Land Administration Information System (LAIS). The project will cost a total of US\$ 1,700,000. Of this, ICF is providing US\$ 1,100,000 and the Government of Rwanda is providing US\$ 600,000.

Results:

- Reduce the time to register a business from 2 days to 6 hours and reduce business registration procedures from 2 to 1. It is now free to register a business online.
- Reduced the time to register a mortgage from 3 days to 6 hours, and reduced the cost by 50%.
- Trained 46 insolvency administrators, increased the number of insolvency cases filed in court from 5 to 14.
- 4 companies have been restructured through the new insolvency practice.

Project duration: February 2013 – December 2015.