Republic of Rwanda
Ministry of Youth and Arts

EUROPEAN UNION

UNDP

TRACER STUDY REPORT

AGUKA / YOUTHCONNEKT

BENEFICIARIES

TRACER REPORT (2022 – 2025)

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ACRONYMS

AGUKA	Accelerating Growth of Youth Enterprises in Kigali and Across Rwanda
BDF	Business Development Fund
BK	Bank of Kigali
CSO	Civil Society Organization
FGD	Focus Group Discussion
ICT	Information and Communication Technology
KII	Key Informant Interview
KIIs	Key Informant Interviews
LFS	Labour Force Survey
MINEMA	Ministry in Charge of Emergency Management
MINICT	Ministry of ICT and Innovation
MININFRA	Ministry of Infrastructure
MIFOTRA	Ministry of Public Service and Labour
MoYA	Ministry of Youth and Arts
NEET	Not in Education, Employment or Training
NISR	National Institute of Statistics of Rwanda
NST2	National Strategy for Transformation, Phase Two
NVivo	Qualitative Data Analysis Software
PSF	Private Sector Federation
RCA	Rwandan Community Abroad
RRA	Rwanda Revenue Authority
RMF	Road Maintenance Fund
RTDA	Rwanda Transport Development Agency
RWF	Rwandan Francs
SME(s)	Small and Medium Enterprise(s)
STATA	Statistical Analysis Software
TEF	Tony Elumelu Foundation
ToC	Theory of Change
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
VSLA	Village Savings and Loan Association
WASH	Water, Sanitation and Hygiene

EXECUTIVE SUMMARY

The AGUKA Program, funded by the European Union and implemented by UNDP in partnership with the Government of Rwanda, was launched to unlock the entrepreneurial potential of youth, women, and refugees in Rwanda. Through training, incubation, mentorship, and access to finance, the AGUKA program has contributed significantly to employment creation, income growth, and community transformation. This tracer study, conducted in mid-2025, evaluates the program's outcomes. A total of 1,903 beneficiaries were consulted using a structured questionnaire, and 14 key informant interviews (KIIs) with government, private sector, and development partners were also conducted. The evaluation of program outcomes also involved a compilation of 50 key selected successful case studies of the youth enterprises supported by the Aguka program.

The findings revealed that by May 2025, most of the businesses that benefited from the Aguka program were reported to have received business capital of over RWF 50 million (42.7%). One in three (626) of the respondents indicated that their business entities had received business capital ranging between one and five million. 15% (285) of all respondents indicated that they received business capital ranging between RWF 100K and 500K.

The findings show that AGUKA has had a significant and transformative impact on Rwanda's job creation landscape. Employment opportunities increased steadily from 5,428 jobs in 2022 to 78,191 in 2024, and by May 2025, 36,628 jobs had been created, reflecting program maturity and transition. Over the four years, AGUKA interventions generated a total of 128,485 cumulative jobs from 2022 to May 2025. Of these, 7,119 (5.5%) were permanent positions lasting more than six months, while 23,155(18.0%) were short-term contracts of six months or less. The majority, 96,218 jobs (74.9%), were casual paid roles, complemented by 2,105 (1.6%) non-personnel roles (family and community contributions) and 1,903 informal jobs reported through AGUKA-supported enterprises. Overall, these results highlight AGUKA's strong contribution to both formal and informal employment growth, underscoring its central role in expanding Rwanda's local job market and supporting inclusive economic participation.

Income and profitability outcomes also improved substantially. Between 2022 and May 2025, beneficiary enterprises generated a cumulative RWF 34.04 billion in total income, with profitability strengthening as enterprises scaled. Profit before tax reached RWF 12.18 billion, translating into RWF 9.92 billion in net profits, confirming strong enterprise viability. Over the same period, total tax contributions amounted to RWF 2.25 billion, including RWF 371.5 million in local taxes, reflecting increased formalization, compliance, and integration of supported enterprises into Rwanda's fiscal system.

The programme also stimulated significant private investment by beneficiaries. Between 2022 and May 2025, enterprises undertook 1,561 capital investments, including machinery, vehicles, ICT tools, land, and production facilities. Operational investments expanded rapidly, particularly in marketing and promotion, which increased from RWF 11.6 million in 2022 to RWF 61.0 million in 2024, and further to RWF 116.5 million by May 2025. These trends indicate a growing orientation toward business sustainability, competitiveness, and professional enterprise practices.

At the community level, AGUKA generated broad spillover effects. The program beneficiary businesses stimulated indirect socioeconomic opportunities along the value chains for each of the beneficiary business enterprises. Beneficiaries observed an induced effect in the following industries, with 47.3% beneficiaries noting expansion in retail, 43.6% in transportation, 35.8% in food vending and 15.4% in construction. Nearly 90% of respondents agreed that the program contributed positively to community development, underscoring its role in fostering resilience, livelihoods, and social cohesion beyond direct beneficiaries.

Key lessons and challenges encountered from the tracer study highlight the importance of continuous support of program beneficiaries. While the program demonstrated youth employment potential, the sustainability of established businesses requires structured mentorship and coaching, affordable financing, and stronger institutional coordination. Finance remains a major bottleneck, with collateral and affordability challenges limiting access despite support from the Business Development Fund (BDF) and other financial institutions. Inclusivity efforts must be strengthened, particularly for refugees and women entrepreneurs, who continue to face barriers in accessing markets and affordable credits. Innovation and ICT start-ups show promise, but connectivity and market alignment challenges need to be addressed. The other challenge related to the coordination and monitoring of the implementation of program interventions is the lack of an integrated beneficiary database reflecting their periodic performance and aftercare learnings.

The study recommends establishing a national program beneficiary database to consolidate all data related to all program business beneficiaries. Structured mentorship hubs, supported by TEF, Norrsken, and Universities, should provide aftercare and peer-to-peer learning. Financing mechanisms should be diversified, including portfolio guarantees and blended finance, while financial literacy should be mainstreamed into all trainings (the accompaniment programs for start-ups). Inclusivity can be deepened through targeted financing for women and refugees. Finally, digitizing payment systems, expanding rural connectivity, and embedding resilience training would enhance program efficiency and long-term impact.

The analysis of Aguka and related interventions demonstrates strong potential for driving job creation, enterprise growth, and formalization, but also reveals structural challenges, notably limited access to affordable finance, the dominance of casual and short-term employment, high operational costs, and gender gaps in formal employment. Addressing these challenges requires a coordinated strategy that integrates targeted financing, pathways to sustainable jobs, strengthened business development, and deliberate inclusion mechanisms. By implementing these recommendations through flagship programs such as YouthConnekt, Road Maintenance Program, and Art Rwanda – Ubuhanzi Initiative, and integrated mentorship initiatives, Rwanda can significantly enhance the quality, stability, and inclusiveness in the job creation agenda, ensuring that skills development and employment interventions translate into enduring economic transformation.

Challenges and lessons learned

Youth employment potential clearly exists, but it can only be realized at scale when young people receive structured and sustained support. Access to start-up capital alone is insufficient; it must be complemented by ongoing mentorship, continuous skills upgrading, and reliable market linkages to enable youth-led enterprises to grow, create jobs, and remain competitive over time.

Access to finance remains one of the most binding constraints to enterprise growth. Youth- and refugee-led businesses continue to face limited availability of affordable credit, stringent collateral requirements, and low levels of financial literacy. These challenges restrict investment, slow expansion, and reduce the ability of enterprises to transition from survival to growth-oriented ventures.

Evidence shows that mentorship and aftercare play a decisive role in enterprise sustainability. Enterprises that benefit from structured mentorship, regular follow-up, and business advisory services demonstrate stronger resilience, improved management practices, and better long-term performance compared to those that receive one-off training without continued support.

While inclusivity is often emphasized, refugees, women, and persons with disabilities continue to face persistent barriers in accessing markets, finance, and decent employment opportunities. These realities point to the need for more targeted, differentiated, and inclusive programme designs that address the specific constraints faced by each group rather than relying on uniform interventions.

Innovation and digital solutions offer significant promise for job creation, particularly through ICT-driven enterprises. However, their growth is constrained by systemic challenges such as weak market research, connectivity gaps, and limited incubation and acceleration capacity. Addressing these bottlenecks is essential to unlocking the full potential of digital entrepreneurship.

Programme outcomes are strongly shaped by mindset and institutional alignment. Sustainable impact depends not only on resources but also on responsive institutions and a shift in youth mindsets away from dependency on short-term support toward long-term enterprise building, self-reliance, and growth orientation.

Key Recommendations

Strengthening financial literacy and business management should be treated as a high priority. A structured programme is needed to address persistent gaps in pricing, profit calculation, expenditure tracking, and tax compliance. Practical workshops, complemented by simple bookkeeping tools, quarterly coaching, and clearer guidance on taxation, will enable beneficiaries to make more accurate, informed, and sustainable business decisions.

Enhancing gender-responsive enterprise support is equally critical. Women entrepreneurs continue to face structural constraints in business formalisation, access to finance, and enterprise growth. Introducing flexible training schedules, women-focused mentoring, targeted digital and leadership skills development, simplified formalisation support, and stronger gender-disaggregated monitoring will help reduce gender gaps and improve women's economic participation.

Improving access to finance through financial readiness support should remain a high priority. Low loan uptake is driven by documentation gaps, fear of rejection, and limited financial confidence. Loan-readiness clinics, standard templates for business plans and cash-flow statements, mock loan interviews, and simplified guides on interest rates and collateral requirements will strengthen preparedness and increase access to affordable capital.

Job quality can be improved through basic human resource support and should be addressed as a medium priority. Most jobs created remain casual and unstable, limiting productivity and worker security. Providing simple HR tools, such as job description templates, employment contracts, and payroll guides, alongside basic training on labour standards and pathways for transitioning reliable casual workers into more stable roles will contribute to better job quality and enterprise performance.

Providing structured aftercare and growth support for enterprises is a high priority, given its strong influence on sustainability. Evidence shows that enterprises receiving layered support, including coaching, business diagnostics, and market linkages, perform better over time. Quarterly coaching, targeted market access initiatives, digital marketing support, participation in trade fairs, and guidance on product and market diversification will help enterprises overcome early-stage challenges and strengthen resilience.

Expanding practical support for business formalization and compliance should be pursued as a medium priority. Formalization remains low due to perceived complexity and limited awareness of benefits. Visual registration guides, one-to-one clinics, simplified tax education, compliance calendars, and hands-on support with e-registration will make formalization more accessible and attractive to enterprises.

Finally, strengthening monitoring, data quality, and reporting systems is a high priority for improving programme effectiveness. Standardized tracking tools, digital record-keeping, periodic verification, harmonized reporting formats, and dashboard summaries will reduce errors and support adaptive management. Establishing a centralized beneficiary database will enable regular updates, real-time tracking, and stronger evidence-based decision-making.

1 INTRODUCTION

1.1 Background Context

According to the National Institute of Statistics of Rwanda (NISR, 2025), the youth unemployment rate stood at 18% in the fourth quarter of 2024, higher than the national average of 14.7%. For the first time in seven years, the share of youth aged 16-30 years who are Not in Education, Employment, or Training (NEET) fell below 30% in 2024, reaching 28.4%. However, gender disparities remain stark, with 35.2% of females classified as NEET compared to 21.3% of males (NISR, LFS, 2024[1]).

The Finscope Youth Thematic Survey (2024) indicates that the financial exclusion rate among Rwandan youth dropped significantly from 13% (260,000) in 2020 to 6% (200,000) in 2024. Access to other formal financial services increased from 55% in 2020 to 72% in 2024, while the share of banked youth remained stagnant at 18% during the same period. Encouragingly, 81% of youth (2.9 million) reported saving in the past 12 months, although a persistent 10% gender gap in favour of males exists in the use of formal financial services. Similarly, while 54% of youth have accessed credit, only 18% of this was formal credit, with a 6% gender gap in access to formal loans in favour of males (Finscope, 2024[2]).Recognising the central role of youth in implementation of the objectives envisaged in the Rwanda's Vision 2050 and the National Strategy for Transformation (NST1 and forthcoming NST2), the Government of Rwanda has prioritized entrepreneurship as a strategic pathway to create sustainable employment opportunities (GoR, 2020; GoR, 2017). Emphasis is placed on promoting youth-led Micro, Small, and Medium Enterprises (MSMEs), which account for nearly 90% of all businesses in Rwanda and are critical drivers of job creation and economic resilience. Despite notable growth, these enterprises continue to face challenges, including limited access to affordable financing, mentorship, and market linkages, which hinder their scalability and long-term survival (EU & UNDP, 2021[3]).

Gender inequalities further compound these challenges faced by the growth and development of entrepreneurship in Rwanda. Young women entrepreneurs face structural barriers such as restrictive socio-cultural norms, unequal access to productive resources, and gaps in financial inclusion albeit the establishment of strong policy and legal frameworks that enhance gender equality and women empowerment. Despite these barriers, women represent a growing and dynamic segment of Rwanda's entrepreneurial ecosystem. Tailored programmes by the Government and partners; including targeted training, microfinance, and mentorship; have proven effective in empowering young women, advancing gender equality, and promoting inclusive economic growth (UNDP, 2022[4]).

In response to these aforementioned challenges, the Government of Rwanda, in partnership with the European Union (EU) and the United Nations Development Programme (UNDP), launched the AGUKA/YouthConnekt Programme. This flagship initiative equips young Rwandans; particularly those in NEET and emerging entrepreneurs; with critical entrepreneurial skills through tailored trainings, mentorship, and access to finance. The programme supports youth across the entire entrepreneurial journey: ideation, pre-incubation, incubation, and post-incubation (EU Delegation to Rwanda, 2023[5]).

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1 National Institute of Statistics of Rwanda (NISR). (2025). Labour Force Survey, 2024.

2 Finscope Rwanda. (2024). Youth Thematic Survey 2024. Kigali: Access to Finance Rwanda (AFR)

3 European Union (EU) & United Nations Development Programme (UNDP). (2021). AGUKA/YouthConnekt Project Document. Kigali: EU–UNDP.

4 UNDP Rwanda. (2022). Gender and Youth Entrepreneurship in Rwanda

5 European Union Delegation to Rwanda. (2023). EU Support to Youth Employment and Entrepreneurship

The EU-funded AGUKA Programme has supported a range of youth empowerment initiatives aimed at strengthening skills, entrepreneurship, employment, and inclusion across sectors. These include the:

a) YouthConnekt Bootcamp and Awards, which identify, train, and recognize high-potential youth entrepreneurs while linking them to mentorship, financing, and national platforms for growth.

b) The TVET Youth Challenge promotes innovation and self-employment among technical and vocational graduates by supporting practical, market-driven business ideas.

c) Art Rwanda- Ubuhanzi Initiative, creative youth are supported to professionalize their talents, access markets, and generate sustainable incomes in the cultural and creative industries.

d) The programme has also provided targeted support to vulnerable groups, including refugees and persons with disabilities, to improve their access to skills development, entrepreneurship opportunities, and livelihoods.

e) Tony Elumelu Foundation (TEF) Ideation and Pitch Programme, coupled with awards, supports early-stage entrepreneurs to refine business ideas, build confidence, and access seed capital. In addition, mentorship programmes implemented by Norrsken and BPN strengthen enterprise growth through structured coaching, networks, and access to investment readiness support.

f) Employment-oriented interventions have included road maintenance and Caravane initiatives, which provide short-term income opportunities while building practical skills in public works and service delivery.

g) The Hanga Pitchfest offers a national platform for innovators and start-ups to pitch ideas, attract investors, and gain market visibility. Water supply management initiatives in rural areas engage youth in the operation and maintenance of water systems, creating jobs while improving access to essential services.

e) Finally, apprenticeship programmes support youth transitions from training to work by providing hands-on experience, employability skills, and pathways into formal employment or self-employment.

Evidence from programme evaluations shows that AGUKA has contributed significantly to reducing youth unemployment and NEET rates, and to strengthening Rwanda's entrepreneurial culture. Beyond measurable outcomes, the programme has also fostered a mindset shift among young people by promoting entrepreneurship, resilience, and innovation. Importantly, it has built upon and scaled earlier initiatives spearheaded by the Ministry of Youth, in collaboration with partners such as UNDP, KOICA, and the EU, thereby ensuring continuity and sustained impact in Rwanda's youth employment and empowerment agenda (MYCULTURE, 2022[6]).

1.2 Background of the AGUKA Programme

In 2022, the European Union signed a four-year funding agreement worth €8 million with UNDP to implement the AGUKA Programme. This initiative was designed to unlock the potential of youth-led Micro, Small, and Medium Enterprises (MSMEs) in Rwanda by providing comprehensive support throughout the entrepreneurial journey, from ideation and business model development to growth, sustainability, and investment readiness.

The AGUKA Programme has been offering a range of integrated services to youth-led enterprises, including training, business planning, mentorship, and access to potential investors. It followed a phased approach encompassing pre-incubation, incubation, and post-incubation stages, tailored to address the diverse needs of young entrepreneurs.

6 *Ministry of Youth & Culture (MYCULTURE). (2022). YouthConnekt Africa and Rwanda Country Report*

Aligned with the YouthConnekt agenda, AGUKA has been strengthening and synergizing with existing national initiatives supporting youth entrepreneurship, such as incubation hubs and business development programs. The Programme aimed to directly empower 6,600 young entrepreneurs with business development skills and provide seed funding to 5,320 youth-led SMEs, contributing to the creation of over 100,000 jobs for Rwandan youth.

To ensure maximum impact and sustainability, AGUKA adopted a holistic and collaborative approach. Strategic partnerships have been forged with key players in the entrepreneurship ecosystem, including the Tony Elumelu Foundation, Norrsken, and the African Management Institute. These partnerships aimed to create a robust, end-to-end business support value chain, further reinforcing Rwanda's innovation and entrepreneurship ecosystem.

The Aguka/YouthConnekt Programme has been focusing on three phases:

- Ideation Phase: The Tony Elumelu Foundation (TEF) was engaged to combine resources to empower Rwandan youth with business ideas through capacity building, mentoring, access to start-up support and seed capital funding. The outcome of this partnership was to catalyze a new crop of innovative enterprises that were expected to boost Rwanda's socioeconomic progress through TEF's flagship entrepreneurship programme for Rwandan entrepreneurs.
- Pre-Incubation and Incubation Phase: AGUKA has been supporting the scaling up of the reach of established impact-oriented interventions within YouthConnekt and other related programme for the pre-incubation and incubation phases. With the aim of reaching every youth segment in Rwanda, customized economic opportunities were developed for young entrepreneurs in all sectors, artists, TVET students, engineers, vulnerable groups, youths with disabilities, and environmental activists, among many others. All set to strengthen youth-led businesses across the country, for sustainability, job creation and expansion.
- Post Incubation: In partnership with Norrsken and BPN, Rwanda has been providing advanced mentorship services to the identified potential youth-led SMEs from YouthConnekt and Hanga Pitchfest programmes and business mentorship in districts. The focus has been empowering selected youth-led SMEs through an intensive programme involving advanced entrepreneurship capacity building, financial start-up support, one-on-one business mentorship, and linkage to investment opportunities.

1.3 AGUKA Theory of Change

The AGUKA Theory of Change illustrates the pathway through which the intervention seeks to reduce youth unemployment and promote entrepreneurship in Rwanda. It identified the root causes, such as high poverty levels and a lack of socio-economic opportunities, which lead to immediate challenges like limited access to information, inadequate entrepreneurship skills, restricted access to financial and non-financial resources, and a persistent skills mismatch. These, in turn, create broader problems, such as low levels of entrepreneurship among vulnerable youth, weak business survival rates, and limited access to decent employment opportunities. To address these issues, the AGUKA model focuses on a series of strategic outputs: increasing awareness among youth on entrepreneurship, increasing the number of youth-led SMEs in Rwanda, expanding access to incubation services for youth-led SMEs, and providing post-incubation support, including access to investment opportunities.

These outputs collectively drive the achievement of two expected outcomes: (1) increased levels of entrepreneurship among young people in Rwanda, with particular focus on the most vulnerable, and (2) enhanced capacity of youth-led businesses and cooperatives to access skills and financial resources necessary for growth. The realization of these outcomes contributes directly to the overall impact, the creation of decent jobs for youth. The AGUKA Theory of Change, therefore, provides a coherent framework that links problem diagnosis with targeted interventions, ensuring that the empowerment of youth through entrepreneurship development becomes a sustainable driver of inclusive economic transformation in Rwanda.

1.4 Objective of the assignment

The primary objective of this assignment was to conduct a comprehensive tracer study to collect updated qualitative and quantitative data on past beneficiaries of the AGUKA and YouthConnekt initiatives. The study systematically gathered data on the entrepreneurial journeys of AGUKA/YouthConnekt beneficiaries and evaluated their broader contributions to Rwanda's socio-economic development. It generated critical insights into the economic and social outcomes experienced by beneficiaries, contributing to the final impact assessment of the AGUKA Programme. The insights derived from this study will be instrumental in refining program strategies, enhancing impact, and ensuring the sustainability of established business entities.

Moreover, this study aimed to comprehensively assess the impact of the AGUKA/YouthConnekt program by evaluating business establishment and sustainability, job creation outcomes, changes in income levels, and the economic resilience of beneficiaries. Using a rigorous mixed-methods approach, including triangulation of data collected using structured surveys, key informant interviews, field visits, and observations, the study ensured a well-rounded understanding of the program's outcomes and beneficiary experiences.

A strong emphasis was placed on methodological rigor to ensure the collection of high-quality, reliable, and actionable data to inform evidence-based decision-making and the design of future entrepreneurship support programmes.

1.5 Scope of the Assignment

The assessment focused on program cohorts from 2022 to 2024 and included beneficiaries from different Aguka components. The scope of work covered a diverse range of AGUKA and YouthConnekt programme. Some beneficiaries benefited from multiple streams, with the Bootcamp Awardees and Bootcamp and Competition beneficiaries being absorbed by the YouthConnekt components and beneficiary. Table 1 highlights the number of beneficiaries who benefited from the interventions and the percentage they make of the total number of beneficiaries targeted in the study. It is important to note that some of the beneficiaries benefited from more than 1 intervention, hence the total (1,994) exceeds the number of beneficiaries (1,903).

Table 1: AGUKA targeted beneficiaries per category of intervention

Implementer	Intervention	COUNT (n = 1903)	Percent (%)
MOYA	YouthConnekt (Awards/Bootcamp)	1148	57.5
Imbuto Foundation	Art Rwanda – Ubuhanzi Initiative	261	13.1
MOYA/MIMICT (Consultancy: TEF and BPN)	TEF Ideation & Pitch Program / Aguka Ideation Programme	146	7.3
MOYA	Youth Apprenticeship Program	114	5.7
RTDA	Road Maintenance Program	88	4.4
RP	TVET Youth Challenge	75	3.8

Implementer	Intervention	COUNT (n = 1903)	Percent (%)
MOYA, MINICT	Youth-led SMEs Supported	70	3.5
MOYA	Caravane Initiative (YouthConnekt component)	35	1.8
MOYA / MINEMA (Consultancy: BIOCOR AJEPRODHO)	Support Refugees	24	1.2
WASAC	Water Supply Management in Rural Areas	21	1.1
MOYA	Bootcamp and Competition (YouthConnekt component)	8	0.4
MOYA	Post-Incubation Support	4	0.2
TOTAL		1994	100

Source: AGUKA Tracer Study July 2025

1.6 Responsibilities of PMS in Conducting the Tracer Study

PMS was responsible for designing and executing the full tracer study to evaluate the outcomes and impact of the AGUKA and YouthConnekt programmes through 1,903 respondent beneficiaries across Rwanda.

i. Tool design and pre-testing: In collaboration with MOYA and UNDP, PMS designed both quantitative and qualitative data collection tools tailored to the objectives of the tracer study. These tools assessed key variables such as employment outcomes, business growth, financial performance, skills acquired, challenges faced, and the extent of behavioural and social transformation. PMS also led the pre-testing of the instruments to ensure clarity, relevance, and usability. Feedback from the pilot phase was used to refine the tools before full-scale deployment.

ii. Enumerator training and field deployment: A critical part of the assignment involved recruiting and training a team of competent enumerators. PMS ensured that enumerators were thoroughly trained on the study objectives, ethical research practices, use of data collection technology (e.g., tablets or mobile-based tools), and effective interviewing techniques. Upon completion of training, enumerators were deployed across the country to conduct in-person interviews, supported by field supervisors to ensure quality control and daily tracking of data collection progress.

iii Data collection and validation: Enumerators carried out structured interviews the targeted validated beneficiaries using the approved tools (Questionnaire Survey with both quantitative and qualitative information; Success Story Forms). In addition to surveys, PMS conducted focus group discussions and in-depth interviews with a representative sample of beneficiaries to gather rich qualitative insights. Special attention was given to capturing both the personal and entrepreneurial journeys of the beneficiaries, before and after joining the programme, focusing on aspects such as business management skills, product/service quality improvement, job creation, exposure to markets and networks, and self-confidence. To enhance credibility, PMS verified the information provided by beneficiaries using secondary documentation, such as business registration certificates, financial records, photos of activities, awards received, and testimonials from local stakeholders.

iv Data entry, compilation, and analysis: All collected data was compiled into a structured Excel-based matrix, aligned with templates provided by UNDP and MOYA. The quantitative data was cleaned and analysed using sound statistical methods to generate descriptive and comparative insights across time periods, programme components, and beneficiary profiles. Qualitative data was coded and analysed thematically to draw out key narratives, emerging trends, and patterns related to the impact of AGUKA and YouthConnekt interventions.

v Reporting and recommendations: Based on the data collected and analysed, PMS produced a comprehensive final report. The report presented:

- A summary of key findings across all programme components
- Detailed findings from all programme components
- A compilation of success stories and transformative journeys
- Documentation of challenges encountered by beneficiaries and gaps in programme delivery
- Evidence-based recommendations to guide MOYA, UNDP, and partners in improving future programming
- Insights into impact attribution (changes that could be linked directly to AGUKA and YouthConnekt support)

The report is supported by annexes, statistical summaries, photos, and beneficiary quotes to enrich the presentation and usability of findings.

1.7 Limitations of the Aguka Tracer Study

The Aguka Tracer Study encountered some limitations that may have affected the scope, depth, and accuracy of its findings, although measures were undertaken to mitigate their impact wherever possible.

- Incomplete historical records: Many youth beneficiaries lacked systematic documentation of their activities. This resulted in prolonged data tracing and reliance on beneficiary recall, introducing a risk of approximation and recall bias. To address incomplete historical records, enumerators used recall aids such as project timelines, milestone calendars and reference events to help respondents recall information more accurately.
- Estimation of casual workers: The overall computation of casual workers engaged by beneficiary enterprises may have been overestimated due to inconsistencies in reporting and recall by respondents. This limitation should be considered when interpreting employment-related findings. PMS applied conservative estimation methods by comparing self-reported employment figures with sector averages and verified cases.
- Income, profits, and tax computations: Income, profit, and tax data were mainly based on oral responses rather than verified financial records or books of accounts. This reliance on self-reported data increases the risk of inaccuracies in the economic performance indicators presented. To address potential inaccuracies, enumerators guided respondents through step-by-step income and expense reconstruction for the most recent operating month. Patterns were checked for internal consistency and compared across similar enterprises.

These limitations do not undermine the overall value of the study but should be considered when interpreting the findings. The study's conclusions and success stories are intended to inform policy dialogue, programme refinement, and the strategic development of Rwanda's entrepreneurial ecosystem.

2 METHODOLOGY

2.1 Design and Approach

The tracer study adopted a mixed-methods approach, combining both quantitative and qualitative research techniques. PMS applied international best practices in tracer and impact assessments, tailoring them to the AGUKA and YouthConnekt tracer study context. The data collection tools were aligned with the programme's Theory of Change (ToC) to evaluate how project actions, results, and effects influenced youth-led small and medium enterprises (SMEs) in Rwanda.

Qualitative methodologies included key informant interviews, focus group discussions, and case studies, which provided expert perspectives and personal narratives that enriched the overall understanding of the AGUKA and YouthConnekt programmes. Quantitative methodologies consisted of structured surveys, financial benchmarking, and financial trend analysis to capture measurable outcomes and highlight business growth patterns.

2.2 Data Collection Techniques

Data collection was conducted exclusively through face-to-face interviews in the locations where beneficiaries operated their businesses or activities. Conducting interviews in familiar environments encouraged open and honest discussions on the challenges and successes experienced, thereby enhancing the quality of responses. This approach enabled the study to capture nuanced qualitative insights that were essential for assessing the sustainability and long-term impact of the interventions.

The stakeholder mapping process was jointly validated by UNDP, MOYA, and the Private Sector Federation (PSF) to confirm and finalize the list of beneficiaries engaged in the programme.

Table 2: Aguka Beneficiaries Respondents per Province

PROVINCE	SEX OF RESPONDENT					
	COUNT (n=1 903)			Percent		
	Total	Male	Female	Total	Male	Female
City of Kigali	741	368	373	38.9%	49.7	50.3%
Eastern Province	313	192	121	16.4%	61.3%	38.7%
Northern Province	195	100	95	10.2%	51.3%	48.7%
Southern Province	369	219	150	19.4%	59.4%	40.7%
Western Province	285	169	116	15.0%	59.3%	40.7%
Total	**1 903**	**1048**	**855**	**100%**	**55.1%**	**44.9%**

Source: AGUKA Tracer Study July-August 2025

2.3 Data Collection Methods

2.3.1 Beneficiary Survey

Target population. The target population comprised all beneficiaries (no sampling was done) enrolled in the AGUKA/YouthConnekt programmes between 2022 and 2024. A full beneficiary registry was provided by Implementors totalling 2,038 individuals. Out of the 2,038 beneficiaries, 1,903 (93.4%) participated in the study. The remaining 135 (6.6%) were not interviewed[7].

Structured Questionnaire Interviews: The tracer study employed structured questionnaire interviews to collect data disaggregated by gender, age, disability status, and year of participation. This approach generated robust statistical insights into participants' demographic, socioeconomic, and business characteristics, with particular emphasis on identifying gender-related challenges and opportunities.

2.3.2 Key Informant Interviews (KIIs)

KIIs were conducted as part of this Tracer Study captured perspectives from critical institutions and partners engaged in the design, coordination, and implementation of AGUKA and YouthConnekt programmes. In total, 14 KIIs were conducted until thematic saturation was reached. These interviews provided valuable insights into the programme's achievements, challenges, and sustainability prospects, while also shedding light on lessons learned and recommendations for the future. The institutions consulted include: the Ministry of Infrastructure (MININFRA), the Ministry of Public Service and Labour (MIFOTRA), the Ministry in Charge of Emergency Management (MINEMA), the Ministry of ICT and Innovation (MINICT), the Road Maintenance Fund (RMF), the Rwanda Transport Development Agency (RTDA), the Tony Elumelu Foundation (TEF), Norrsken, the Business Development Fund (BDF), the Bank of Kigali (BK), and Equity Bank. Together, these organizations illustrate the breadth of engagement spanning public institutions, development partners, and private-sector actors.

2.3.3 Case Studies

Case studies played a pivotal role in the AGUKA/YouthConnekt tracer study by offering in-depth and contextualised insights that could not be fully captured through quantitative methods. These case studies provided a nuanced exploration of the entrepreneurial journeys of young people, especially women, highlighting both their challenges and successes. A total of 50 case studies were developed, focusing on the best-performing beneficiaries who demonstrated sustained commitment to their businesses beyond the initial support received through grants or technical assistance. The selection of beneficiaries was based on clearly defined criteria that reflected resilience, innovation, and measurable progress.

Selection Criteria: A criterion-based scoring system (7 components; 0–100 total) was applied to all surveyed beneficiaries and ranked them by a Composite Success Story Score; the top 50 highest-scoring enterprises balanced for sector, geography, and inclusion, were invited for consented, in-depth case studies. Each beneficiary was evaluated against seven pre-specified criteria with maximum weights summing to 100 points.

a) Business progression (20) - enterprise active (not closed), RRA registration, presence of written records.

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7 The tracer survey successfully completed 1,903 surveys out of the targeted 2,000 beneficiaries for the Aguka/Youth Connekt tracer study. The shortfall of 97 surveys is attributed to the following challenges:

i. Some respondents were unreachable during the data collection period as they did not answer phone calls.
ii. A number of beneficiaries have changed their mobile numbers and could not be contacted.
iii. Certain individuals declined to participate in the survey.
iv. Some refugee respondents were unavailable and difficult to trace.

c) Financial performance (20) – Commercial bank/MFI account, loan uptake/use, reported income growth.

d) Employment creation (20) - number of staff recruited in the past 12 months, use of computers by employees, plans for further recruitment.

e) Sustainability and scalability (15) - introduction of new products/services/technologies.

f) Community transformation (10) - indirect jobs supported within the community.

g) Commitment beyond the Grant (10) - mobilisation of non-grant financing, maintained banked status, or other external funding secured.

h) Inclusion and diversity (5) -enterprises led by women, persons with disabilities, or refugee-programme participants.

1.11 Reporting

After data collection, PMS applied a systematic approach to data analysis to ensure the integrity and quality of findings. Both quantitative and qualitative data were compiled, cleaned, and triangulated across surveys, FGDs, and KIIs.

a. Data cleaning and management: Survey data was collected electronically using Kobo Collect, which allowed real-time validation and reduced entry errors. The cleaned datasets were transferred into STATA v17 for coding, transformation, and statistical analysis.

b. Quantitative analysis: Quantitative data was analyzed using descriptive statistics (means, percentages, standard deviations) to profile respondents and inferential statistics (e.g., chi-square tests) to examine relationships between variables such as gender, access to finance, and business outcomes. Financial benchmarking and trend analysis were also applied to assess performance over time. Results were visualized through charts and tables for clarity.

c. Qualitative analysis: Qualitative data from KIIs, FGDs, and case studies were transcribed and subjected to thematic analysis to capture emerging patterns and narratives on youth entrepreneurship, gender dynamics, and programme impacts. NVivo software was used to manage and code unstructured data systematically.

d. Reporting and dissemination: Findings were consolidated into a tracer study report in English, complemented by a PowerPoint presentation summarizing preliminary results, conclusions, and recommendations. These were shared with stakeholders for validation and feedback before finalization.

e. Quality assurance Rigorous quality assurance measures were integrated at every stage:

- Training and standardization: Enumerators were trained in gender-sensitive data collection and ethics.
- Data validation: Multiple checks and cross-verifications ensured accuracy and consistency.
- Expert oversight: Analysis and interpretation were peer-reviewed by subject-matter experts.
- Stakeholder engagement: Feedback from government, UNDP, and local stakeholders was incorporated throughout.
- Final editing: The report underwent professional editing for clarity, coherence, and accuracy.

Through these measures, PMS ensured that the AGUKA/YouthConnekt tracer study was reliable, valid, and relevant, producing evidence-based insights on youth entrepreneurship, gender equality, and community transformation.

3 TRACING BENEFICIARIES AND CHARACTERISTICS

1.12 Demographic Characteristics of respondents

The respondent profile indicates that the tracer study reached a large and predominantly non-disabled population, with 95.6 percent (1,819 respondents) reporting no disability, while 4.4 percent (84 respondents) identified as persons with disabilities (PWDs). Although the proportion of PWD respondents is relatively small, their inclusion provides an important basis for assessing inclusivity within the programme and identifying disability-specific barriers and outcomes.

From a gender perspective, the overall sample was slightly male dominated, with 55.1 percent male (1,048 respondents) and 44.9 percent female (855 respondents). Among persons with disabilities, female respondents (5.3 percent of all female respondents) were proportionally slightly more represented than male respondents (3.9 percent of all male respondents), suggesting that women with disabilities were comparatively better reached within the surveyed population.

Among respondents without disabilities, the gender distribution broadly mirrors the overall sample, with 96.1 percent of males and 95.0 percent of females reporting no disability. This indicates that disability status does not significantly alter the overall gender balance of respondents but highlights the continued underrepresentation of PWDs relative to the total beneficiary population.

Table 3: Respondent by sex and disabilities

RESPONDENT	COUNT (n=1903)			PERCENTAGE		
	Total	Male	Female	Total	Male	Female
PWD	84	41	43	4.4%	3.9%	5.3%
Without Disability	1,819	1,007	812	95.6%	96.1%	95.0%
Total	**1,903**	**1,048**	**855**	**100.0%**	**55.1%**	**44.9%**

Source: AGUKA Tracer Study July-August 2025

Table 4 presents the distribution of AGUKA beneficiaries by highest level of education and sex. The education profile of respondents shows that the majority possess at least secondary-level education, indicating a relatively strong human capital base among programme beneficiaries. Nearly three-quarters of respondents (75.3 percent) have completed upper secondary or tertiary education, suggesting that the programme largely reaches youth with moderate to high educational attainment, which is conducive to entrepreneurship, skills absorption, and employment readiness.

Upper secondary education is the most common level attained, accounting for 39.0 percent (743 respondents) of the sample. This group shows a slight male majority (56.3 percent male, 43.7 percent female), reflecting a relatively balanced gender distribution at this level. Respondents with tertiary education constitute a substantial 36.3 percent (690 respondents); however, this group is strongly male dominated, with 68.3 percent male compared to 31.7 percent female, highlighting a significant gender gap in access to or completion of higher education.

At lower education levels, a contrasting gender pattern emerges. Among respondents with primary education (10.7 percent) and lower secondary education (13.5 percent), females are more heavily represented, accounting for 74 percent and 61.3 percent respectively. This suggests that women in the beneficiary pool are more concentrated at lower education levels, which may influence the types of economic activities they engage in, their earnings potential, and their access to finance and formal employment.

Only a very small proportion of respondents (0.5 percent) reported having no formal education, indicating that extreme educational exclusion is limited within the sample. Overall, the analysis points to persistent gender disparities in educational attainment, particularly at tertiary level, underscoring the need for gender-responsive programme design. Targeted skills upgrading, tailored business support, and differentiated financing and mentorship approaches will be critical to ensure that women with lower levels of education are not disadvantaged in accessing programme benefits or achieving sustainable economic outcomes.

Table 4:Highest Level of Education

LEVEL OF EDUCATION	COUNT (n=1903)			PERCENTAGE		
	Total	Male	Female	Total	Male	Female
None	10	7	3	0.5%	70.0%	30.0%
Primary Education	204	53	151	10.7%	26.0%	74.0%
Lower Secondary	256	99	157	13.5%	38.7%	61.3%
Upper Secondary	743	418	325	39.0%	56.3%	43.7%
Tertiary Education	690	471	219	36.3%	68.3%	31.7%
Total	**1,903**	**1048**	**855**	**100.0%**	**55.1%**	**44.9%**

Source: AGUKA Tracer Study July-August 2025

Table 5 below shows the areas of specialization among respondents with lower secondary, upper secondary, and tertiary education. The distribution of areas of specialization shows a strong concentration in a few dominant fields, which together account for the majority of respondents. Combined sciences represent the largest share at 21.1 percent, indicating a broad science-based educational background among beneficiaries that can be leveraged for innovation, technical entrepreneurship, and cross-sector applications. This is followed by arts at 17.4 percent, reflecting the growing importance of creative industries and cultural enterprises as viable employment and income-generation pathways for youth. The prominence of this field aligns well with initiatives that promote the creative economy and youth-led innovation.

Engineering and engineering trades, accounting for 14.2 percent, form another significant cluster, highlighting a strong base of technical and practical skills relevant to construction, manufacturing, energy, and infrastructure-related activities. This group has high potential for job creation through skilled self-employment and enterprise development. Business and administration make up 10.7 percent of respondents, suggesting a sizeable cohort with foundational knowledge in management, entrepreneurship, and enterprise operations. This group is well positioned to benefit from advanced business development services, access to finance, and market linkages.

Lastly, computing (6.2 percent) and agriculture, forestry and fishery (6.2 percent) represent important emerging and traditional sectors, respectively. Computing reflects growing engagement in digital and ICT-related pathways, while agriculture-related specializations point to continued relevance of agri-enterprise and value chain development for youth employment. Overall, the concentration in these higher-percentage fields suggests that programme interventions can achieve the greatest impact by prioritizing science-based, creative, technical, business, digital, and agri-enterprise pathways, while aligning skills development, financing, and market access support to these dominant specialization areas.

Table 5: Area of Specialisation for those with lower and upper sec. & ter. Education

AREA OF SPECIALIZATION	COUNT(n=1689)	PERCENT
Combined sciences	356	21.08
Arts	293	17.35
Engineering and engineering trades	239	14.15
Business and administration	180	10.66
Computing	105	6.22
Agriculture, forestry and fishery	104	6.16
Humanities	86	5.09
Manufacturing and processing	58	3.43
Teacher training and education science	42	2.49
Architecture and building	37	2.19
Journalism and information	36	2.13
Health	31	1.84
Life sciences	29	1.72
Social and behavioural science	18	1.07
Personal services	17	1.01
Law	16	0.95
Veterinary	14	0.83
Physical sciences	12	0.71
Environmental protection	9	0.53
Transport services	6	0.36
Security services	1	0.06
Total	**1,689**	**100**

Source: AGUKA Tracer Study July-August 2025

Table 6 indicates that the majority of respondents are not currently attending any trade or technical course, accounting for 81.8 percent (1,556 respondents) of the sample. This suggests that most beneficiaries are outside formal skills-upgrading pathways at the time of the survey, which may limit their ability to continuously adapt to labour market demands or upgrade technical competencies relevant for enterprise growth and employability.

Only 18.2 percent (347 respondents) reported that they are currently attending a trade or technical course, pointing to relatively low engagement in ongoing vocational or technical training. Among those enrolled, males are more represented (58.2 percent) than females (41.8 percent), indicating a gender gap in participation in technical and vocational learning opportunities. The results highlight a significant opportunity for programmes to strengthen linkages between youth employment initiatives and TVET or short-course training providers. Expanding access to flexible, modular, and market-relevant technical training, particularly for women,could enhance skills upgrading, productivity, and long-term employment outcomes for beneficiaries.

Table 6: Current Attendance of Technical Course by Gender

	COUNT (n=1903)			PERCENT		
	Total	Male	Female	Total	Male	Female
Not attending any trade or technical course	1556	846	710	81.8%	54.4%	45.6%
Currently attending any trade or technical course	347	202	145	18.2%	58.2%	41.8%
Total	**1903**	**1048**	**855**	**100**	**55.1%**	**44.9%**

Source: AGUKA Tracer Study July-August 2025

The distribution of award years shows a strong concentration in the most recent programme cycles, indicating a rapidly expanding scale of support over time. Awards received in 2024 account for the largest share at 38.7 percent, reflecting a peak period of programme activity and outreach. This is followed by 2025, which represents 32.4 percent of award recipients, demonstrating continued momentum and sustained investment in youth support initiatives. Together, awards granted in 2024 and 2025 comprise over 71 percent of all awards, highlighting the programme's recent intensification and growing coverage.

Earlier cohorts are smaller in comparison, with 20.9 percent of awards received in 2023 and only 8.0 percent in 2022. This pattern suggests that earlier phases of the programme were more limited in scale, while later years benefited from expanded resources, improved implementation capacity, and broader beneficiary reach. Overall, the trend underscores the importance of tracking post-award outcomes over time to assess sustainability and longer-term impacts across different award cohorts.

Table 7: Year in which beneficiary received funding

Year in which the award was received	COUNT (n=1090)	PERCENT
2022	87	7.98%
2023	228	20.92%
2024	422	38.72%
2025	353	32.39%
Total	**1090**	**100%**

Source: AGUKA Tracer Study July-August 2025

1.13 Economic Activities

The distribution of main economic activities shows a strong concentration in a limited number of sectors, with the top activities accounting for a significant share of respondent engagement. Agriculture, forestry, and fishing emerge as the largest economic activity at 17.5 percent, underscoring the continued importance of agri-based livelihoods and value-chain activities for youth employment and income generation. The arts sector, at 14.9 percent, represents the second-largest area of engagement, highlighting the growing role of creative and cultural industries as viable economic pathways for youth. This is closely followed by all other services at 12.4 percent, reflecting diversified service-based activities that typically require lower entry barriers and offer flexible self-employment opportunities.

Other manufacturing, accounting for 11.8 percent, indicates a substantial presence of small-scale and light manufacturing enterprises, which have strong potential for job creation if supported with access to finance, technology, and markets. In addition, creative, arts, and entertainment activities represent 9.4 percent of respondents, reinforcing the significance of the creative economy as a major source of livelihoods. The top sectors of agriculture, arts, services, manufacturing, and creative industries, account for more than two-thirds of all economic activities reported. Their dominance suggests that programme support should prioritize productivity enhancement, market access, and skills upgrading in these high-participation sectors to maximize employment outcomes and enterprise sustainability.

Table 8: Main Economic Activities (n=1903)

MAIN ECONOMIC ACTIVITIES	COUNT (n=1903)	PERCENT
Agriculture, forestry & fishing	332	17.5%
Arts	283	14.9%
All other services	236	12.4%
Other manufacturing	225	11.8%
Creative, arts and entertainment activities	178	9.4%
Civil engineering (Roads, utility project)	118	6.2%
Hotels, restaurants, bars, cafes... Info	95	5.0%
Wholesale (agricultural products, food)	85	4.5%
Manufacturing other food products	62	3.3%
Retailing (excluding motor vehicles and	55	2.9%
Education	40	2.1%
Construction of buildings	38	2.0%
Wholesale (not elsewhere specified)	31	1.6%
Transport services, travel and tour operator	24	1.3%
Health and social care	19	1.0%
Specialized construction (Plumbing and	18	1.0%
Financial & insurance activities	11	0.6%
Manufacturing of beverages and tobacco	11	0.6%
Petroleum products	9	0.5%
Sports activities and amusement and rec	10	0.5%
Tea or coffee processing	9	0.5%
Mining & quarrying	6	0.3%
Libraries, archives, museums and other	3	0.2%
Mineral processing	3	0.2%
Gambling and betting activities	1	0.1%
New or second-hand motor vehicles	1	0.1%
Total	**1,903**	**100.0%**

Source: AGUKA Tracer Study July-August 2025

The sectoral distribution of respondents' economic activities shows a clear dominance of the services sector, which accounts for 53.7 percent (1,022 respondents) of all engagements. This reflects the growing role of service-based activities, such as trade, hospitality, creative industries, and other personal and business services, as accessible entry points for youth employment and entrepreneurship, often requiring lower start-up capital and offering quicker income opportunities.

The industry sector represents 28.4 percent (540 respondents), indicating a significant presence of manufacturing, construction, and related industrial activities. This share highlights the importance of light manufacturing, processing, and infrastructure-related work as drivers of job creation, with strong potential for productivity gains if supported by skills development, access to finance, and technology.

The agriculture sector, while still important, accounts for a smaller share at 17.9 percent (341 respondents). This suggests a gradual shift of youth economic engagement away from traditional agriculture toward industrial and service-oriented activities. Nonetheless, agriculture remains a critical livelihood sector, particularly when linked to value addition, agribusiness, and agro-processing, underscoring the need for targeted support to improve incomes and resilience in rural areas.

Table 9: Main Economic Sectors (n=1903)

Economic Sector	COUNT (n=1903)	Percent (%)
Agriculture	341	17.9 %
Industry	540	28.4 %
Services	1 022	53.7 %
Total	**1 903**	**100.0 %**

Source: AGUKA Tracer Study July-August 2025

Table 10 shows the operational status of AGUKA beneficiaries at the time of the study, reflecting the level of business activity among the 1,903 beneficiaries surveyed. The working status of respondents indicates a generally high level of economic activity and enterprise continuity. A large majority, 84.2 percent (1,603 respondents), reported that they are working or operational, suggesting that most supported enterprises or livelihood activities remain active at the time of the survey.

However, 9.6 percent (182 respondents) indicated that their activities were temporarily closed, pointing to short-term shocks or constraints such as cash-flow challenges, seasonal fluctuations, market access issues, or personal circumstances. This group represents a critical target for time-bound recovery support, including working capital, mentorship, and market re-entry assistance. A smaller but notable share, 6.2 percent (118 respondents), reported that their activities were permanently closed. While relatively limited, this level of business closure highlights underlying vulnerabilities within early-stage enterprises and underscores the importance of strengthened aftercare, risk mitigation, and sustainability-focused support to reduce long-term attrition and improve enterprise survival rates.

Table 10:Operational status of AGUKA beneficiaries at the time of the study.

Working Status	COUNT (n=1903)	Percent (%)
Working / Operational	1 603	84.2 %
Temporarily Closed	182	9.6 %
Permanently Closed	118	6.2 %
Total	**1 903**	**100.0 %**

Source: AGUKA Tracer Study July-August 2025

Table 11 shows the distribution of respondents reporting secondary economic activities. The pattern of secondary economic activities shows that diversification is an important livelihood strategy among respondents. All other services constitute the largest share at 20.6 percent, indicating that many beneficiaries supplement their primary activities with service-based engagements that offer flexible income opportunities and lower entry barriers.

Agriculture, forestry, and fishing account for 14.3 percent of secondary activities, highlighting the continued role of agri-based work as a complementary source of income, particularly for households seeking to manage risk and seasonal fluctuations. This is followed by wholesale of agricultural products, food, and beverages (6.9 percent), reflecting linkages between production and trade within local value chains. Secondary engagement in manufacturing and construction is also notable. Other manufacturing and construction of buildings each account for 6.2 percent, suggesting that some respondents combine entrepreneurial or service activities with more capital- or labor-intensive work to stabilize incomes. Arts-related activities represent 6.0 percent, pointing to the use of creative skills as supplementary income streams.

The distribution indicates that secondary economic activities are largely concentrated in services, agriculture, trade, light manufacturing, construction, and arts. This diversification underscores both resilience and vulnerability: while multiple income sources help households cope with shocks, it also suggests that primary activities alone may not yet provide sufficient or stable income, reinforcing the need for productivity enhancement and growth-oriented support.

Table 11: Secondary Economic Activities

SECONDARY ECONOMIC ACTIVITIES	COUNT (n=481)	PERCENT
All other services	99	20.6%
Agric, forestry & fishing	69	14.3%
Wholesale (agric products, food, beverages)	33	6.9%
Other manufacturing	30	6.2%
Construction of buildings	30	6.2%
Arts	29	6.0%
Manufacturing other food products	25	5.2%
Education	23	4.8%
Wholesale (not specified elsewhere	21	4.4%
Hotels, restaurants, bars, cafes	19	4.0%
Tea & Coffee processing	17	3.5%
Civil Engineering	17	3.5%
Creative, arts & entertainment	17	3.5%
Retailing (excluding motor & petrol)	13	2.7%
Transport services, travel & tour	14	2.9%
Specialized construction	7	1.5%
Health & Social care	8	1.7%
Mining & Quarrying	6	1.2%
Mineral Processing	6	1.2%
Manufacturing beverages & tobacco	6	1.2%

New/Secondhand motor vehicles	4	0.8%
Financial & insurance activities	4	0.8%
Petroleum Products	1	0.2%
Libraries, archives, museums & others	1	0.2%
Gambling & betting activities	1	0.2%
Sports & amusement & recreation	1	0.2%

Source: AGUKA Tracer Study July-August 2025

Businesses were classified as formal or informal based on two to three criteria: (1) registration with the Rwanda Development Board (RDB) or Rwanda Cooperative Agency (RCA), (2) registration with the Rwanda Revenue Authority (RRA)/payment of PAYE/TPR or (and) (3) maintaining written records of accounts[8].

The results in table 12 reveal a strong predominance of informal economic engagement, with 68.2 percent (1,298 respondents) operating in the informal sector, compared to 31.8 percent (605 respondents) in the formal sector. This highlights the continued reliance on informal employment and enterprise models, which often offer ease of entry but limited access to finance, social protection, and growth opportunities.

Clear gender disparities are evident in the level of formality. Among female respondents, only 20.7 percent (177 women) operate in the formal sector, while a substantial 79.3 percent (678 women) remain in informal activities. This indicates that women face greater barriers to business formalization, including limited access to capital, regulatory knowledge gaps, and time constraints linked to unpaid care responsibilities. Contrary, male respondents demonstrate a higher level of formal participation, with 40.8 percent (428 men) engaged in formal economic activities and 59.2 percent (620 men) operating informally. While informality remains significant among men, their higher formalization rate suggests comparatively better access to resources, networks, and compliance mechanisms. The findings underscore a pronounced gender gap in economic formalization. Addressing this gap will require targeted interventions, including simplified registration processes, tailored financial products, gender-responsive training and mentorship, and incentives that make formalization more accessible and beneficial, particularly for women entrepreneurs.

Table 12: Formal and Informality of businesses per gender

Gender	COUNT (n=1903)		PERCENTAGE		Total
	Formal	Informal	Formal	Informal	
Female	177	678	20.7%	79.3%	855
Male	428	620	40.8%	59.2%	1,048
TOTAL	**605**	**1,298**	**31.8%**	**68.2%**	**1,903**

Source: AGUKA Tracer Study July-August 2025

The distribution of economic activities by formality reveals clear sectoral patterns in how enterprises operate. Overall, informality dominates across most activities, with 68.2 percent of all respondents operating informally. However, levels of formality vary significantly by sector, reflecting differences in regulation, capital intensity, skills requirements, and market structures.

8 *Establishment Census 2023, June 2024, National Institute of statistics of Rwanda, Government of Rwanda*

Sectors with high levels of formalization are predominantly infrastructure and regulation intensive. Civil engineering (roads and utility projects) stands out, with 89.8 percent of activities operating formally, followed by construction of buildings (68.4 percent) and manufacturing of beverages and tobacco (63.6 percent). These sectors typically require licenses, contracts, compliance with safety standards, and engagement with public or large private clients, which incentivizes or necessitates formal registration.

A mixed formal–informal structure is observed in sectors such as manufacturing of other food products, sports and recreation, health and social care, transport services, and education, where formality ranges between roughly 40–57 percent. This suggests partial formalization, often with enterprises registering some aspects of their operations while still relying on informal labor, cash transactions, or unregistered market channels. Highly informal sectors dominate the employment landscape. Activities such as arts, creative, arts and entertainment, agriculture, forestry and fishing, hospitality, retail trade, and general services show informality levels exceeding 70 percent, and in some cases above 85 percent. These sectors are typically characterized by low entry barriers, small-scale operations, irregular incomes, and limited incentives or capacity to formalize.

Notably, some niche activities, including tea or coffee processing, libraries and cultural activities, and motor vehicle trading are entirely informal in this sample, albeit with very small respondent numbers. While these figures should be interpreted cautiously due to low counts, they nonetheless point to gaps in regulatory inclusion and support for smaller or emerging subsectors. The analysis highlights that formality is strongly correlated with sector structure and regulatory exposure rather than enterprise size alone. The findings underscore the need for sector-specific formalization strategies, combining simplified registration, tailored compliance support, access to finance, and clear value propositions for formalization, particularly in agriculture, creative industries, services, and retail, where informality remains structurally entrenched.

Table 13: Formality and Informality of businesses per economic activities

ECONOMIC ACTIVITY	COUNT (n=1903)		PERCENTAGE		TOTAL
	Formal	Informal	Formal	Informal	
Gambling and betting activities	1	0	100.0%	0.0%	1
Civil engineering (Roads, utility projects...)	106	12	89.8%	10.2%	118
Construction of buildings	26	12	68.4%	31.6%	38
Manufacturing of beverages and tobacco	7	4	63.6%	36.4%	11
Manufacturing other food products	35	27	56.5%	43.5%	62
Sports & recreation	5	5	50.0%	50.0%	10
Health and social care	9	10	47.4%	52.6%	19
Transport services, travel and tour ops	11	13	45.8%	54.2%	24
Education	16	24	40.0%	60.0%	40
Specialized construction (Plumbing, electrical)	7	11	38.9%	61.1%	18
Financial & insurance activities	4	7	36.4%	63.6%	11

ECONOMIC ACTIVITY	COUNT (n=1903)		PERCENTAGE		TOTAL
	Formal	Informal	Formal	Informal	
Mineral processing	1	2	33.3%	66.7%	3
Wholesale (agricultural products, food, etc.)	28	57	32.9%	67.1%	85
Wholesale (not elsewhere specified)	10	21	32.3%	67.7%	31
Other manufacturing	71	154	31.6%	68.4%	225
Hotels, restaurants, bars, cafes...	28	67	29.5%	70.5%	95
Agriculture, forestry & fishing	93	239	28.0%	72.0%	332
All other services	63	173	26.7%	73.3%	236
Retailing (excl. motor vehicles & petrol)	13	42	23.6%	76.4%	55
Mining & quarrying	1	5	16.7%	83.3%	6
Arts	44	239	15.5%	84.5%	283
Creative, arts and entertainment activities	25	153	14.0%	86.0%	178
Petroleum products	1	8	11.1%	88.9%	9
Libraries, archives, museums, cultural	0	3	0.0%	100.0%	3
New or second-hand motor vehicles	0	1	0.0%	100.0%	1
Tea or coffee processing	0	9	0.0%	100.0%	9
TOTAL	**605**	**1,298**	**31.8%**	**68.2%**	**1,903**

Source: AGUKA Tracer Study July-August 2025

Table 14 highlights clear sectoral differences in the level of business formalization among AGUKA beneficiaries. Overall, the business landscape is predominantly informal, with 68.2 percent of enterprises operating informally and only 31.8 percent formally registered. This confirms that informality remains the dominant mode of economic participation for youth-led enterprises supported under the programme.

The industry sector shows the highest level of formalization, with 55.0 percent (297 enterprises) operating formally and 45.0 percent (243 enterprises) remaining informal. This reflects the more regulated nature of industrial activities, including manufacturing, construction, and processing, where compliance with licensing, safety standards, and contractual requirements is often necessary to operate.

The services sector is overwhelmingly informal. Only 21.1 percent (215 enterprises) operate formally, while 78.9 percent (807 enterprises) remain informal. Given that services account for the largest share of economic activities, this finding is particularly significant and points to structural barriers to formalization in trade, hospitality, creative industries, and personal services. The agriculture sector also exhibits high levels of informality, with 72.7 percent (248 enterprises) operating informally and only 27.3 percent (93 enterprises) formally registered. This reflects the small-scale, household-based nature of many agricultural activities and limited incentives or capacity for formal registration.

Table 14: Formality and Informality of businesses per, main sectors

Economic Sector	Formal (n)	Informal (n)	Formal (%)	Informal (%)	Total (n)
Agriculture	93	248	27.3 %	72.7 %	341
Industry	297	243	55.0 %	45.0 %	540
Services	215	807	21.1 %	78.9 %	1 022
TOTAL	**605**	**1 298**	**31.8 %**	**68.2 %**	**1 903**

Source: AGUKA Tracer Study July-August 2025

Table 15 shows a highly uneven distribution of business capital among respondents, with a strong concentration at both the lower and upper ends of the capital spectrum. A significant share of enterprises operate with relatively modest capital levels, while a sizeable proportion report very large capital holdings. At the lower end, 20.9 percent of businesses have capital below RWF 1 million, with 14.98 percent clustered in the RWF 100,000–499,999 range. This indicates that a notable segment of enterprises remains undercapitalized, which can constrain productivity, limit growth potential, and increase vulnerability to shocks.

The largest proportion of respondents, 32.9 percent, report business capital in the range of RWF 1–4.9 million, suggesting that many enterprises are operating at an early to lower-middle growth stage. These businesses are typically positioned to benefit most from targeted working capital, financial management support, and market expansion assistance. A substantial 42.7 percent of respondents report business capital exceeding RWF 50 million, pointing to the presence of a relatively small number of highly capitalized enterprises within the beneficiary pool. While this group reflects successful scaling or capital-intensive activities, it also suggests wide disparities in capital access and enterprise maturity across participants.

The analysis on capital distribution underscores the dual structure of the enterprise landscape, where a large number of small and emerging businesses coexist with a smaller but dominant group of highly capitalized firms. This highlights the need for differentiated support strategies, ranging from micro-capital and basic business development services for undercapitalized enterprises to growth financing, investment readiness, and advanced market linkages for more established businesses.

Table 15: Current Business Capital Amount

Business Capital amount	Number (RWF).	Percent
0 - 99,999	17	0.89
100,000 - 499,999	285	14.98
500,000 - 999,999	95	4.99
1,000,000 - 4,999,999	626	32.9
5,000,000 - 9,999,999	42	2.21
10,000,000 - 19,999,999	16	0.84
20,000,000 - 50,000,000	9	0.47
+ 50 000,000	813	42.72
Total	**1903**	**100**

Source: AGUKA Tracer Study July-August 2025

Table 16 shows that the majority of beneficiaries received funding or awards in the most recent programme years, reflecting a clear scaling-up of AGUKA support over time. The largest share of beneficiaries, 38.7 percent (422 respondents), received funding in 2024, indicating a peak period of programme outreach and award disbursement. This is followed by 2025, which accounts for 32.4 percent (353 respondents), demonstrating sustained momentum and continued expansion of beneficiary coverage. Together, awards granted in 2024 and 2025 represent more than 71 percent of all funding recipients, underscoring the programme's intensified implementation in recent years.

Earlier cohorts are comparatively smaller, with 20.9 percent (228 respondents) receiving awards in 2023 and only 8.0 percent (87 respondents) in 2022. This trend suggests that initial programme phases were more limited in scale, while later years benefited from increased resources, refined delivery mechanisms, and broader reach. The distribution also highlights the importance of cohort-based analysis to assess differences in performance, sustainability, and outcomes between earlier and more recent beneficiaries.

Table 16: Year in which beneficiaries received funding/Award

Choose the year in which you received funding/ Award	Freq.	Percent
2022	87	7.98
2023	228	20.92
2024	422	38.72
2025	353	32.39
Total	**1090**	**100**

Source: AGUKA Tracer Study July-August 2025

The distribution of funding amounts by year as indicated on table 17, shows a clear expansion in both the scale and depth of financial support over time. In 2022, funding was relatively limited and concentrated in the RWF 1–4.9 million range (59 beneficiaries), with very few recipients receiving higher amounts. This reflects the pilot or early implementation phase of the programme, when support was more cautious and narrowly targeted.

In 2023, the number of beneficiaries increased significantly, particularly within the RWF 1–4.9 million category (150 beneficiaries), alongside a modest rise in smaller funding brackets. This suggests a deliberate focus on supporting early-stage enterprises with moderate capital injections as the programme scaled up.

The year 2024 marks a major expansion in both beneficiary reach and funding diversity. A large share of beneficiaries received RWF 1–4.9 million (301 recipients), while higher funding brackets, including RWF 5–9.9 million and RWF 20–50 million, became more prominent. This indicates growing confidence in enterprise capacity and a shift toward supporting scaling and more capital-intensive activities. In 2025, funding shows a more balanced distribution across lower and mid-range brackets, with notable increases in the RWF 100,000–499,999 category (133 beneficiaries) and a sharp rise in the RWF 500,000–999,999 range (80 beneficiaries). This pattern suggests a strategic emphasis on reaching a larger number of early-stage or emerging enterprises, possibly to broaden inclusion while maintaining support for growth-oriented businesses.

The trend reflects a progressive evolution of the funding model, from smaller, more cautious allocations in early years, to diversified and larger funding packages in 2024, followed by a recalibration in 2025 toward wider coverage and inclusion. This underscores the importance of tailoring funding instruments by enterprise maturity and maintaining flexibility to balance scale with impact.

Table 17:Funding Received by AGUKA Beneficiaries

	Year Funding was received				
	2022	**2023**	**2024**	**2025**	**Total**
0 - 99,999	0	6	6	5	17
100,000 - 499,999	13	57	82	133	285
500,000 - 999,999	5	5	5	80	95
1,000,000 - 4,999,999	59	150	301	116	626
5,000,000 - 9,999,999	3	4	21	14	42
10,000,000 - 19,999,999	5	6	2	3	16
20,000,000 - 50,000,000	2	0	5	2	9
Total	**87**	**228**	**422**	**353**	**1090**

Source: AGUKA Tracer Study July-August 2025

> ***Through AGUKA support, my business moved from a small informal activity into a registered company with national certification. Securing the Rwanda Standards Board (RSB) S-Mark instantly boosted our credibility, expanded our markets, and marked our transition into the formal sector."***
>
> **- Janviere Ingabire; Igisura Company Ltd (Food Processing)**

> ***What started as a few employees in an informal setup has now grown into a formal enterprise with over thirty staff, all of whom receive health insurance and structured training. AGUKA enabled us to provide stable, formal jobs while contributing to community development.".***
>
> **- Didier Niyogushimwa; Green Harvest Rwanda Ltd (Agribusiness)**

> ***Today, my company is not only producing and selling locally, but also paying taxes, contributing to social security, and promoting Made in Rwanda products. This transformation from an informal idea to a formal business was made possible by the AGUKA programme."***
>
> **- Manirakiza Philemon; Agro Crop Machinery Ltd (Agriculture/Engineering)**

4 IMPACT OF THE AGUKA PROGRAM INITIATIVES

The AGUKA/YouthConnekt programme has had a demonstrable impact on financial inclusion, employment creation, enterprise growth, and community transformation. Quantitative evidence shows strong gains in access to finance, job creation, profitability, and investment. At the same time, testimonies from beneficiaries highlight both the transformative nature of the support and the persistent barriers that require policy attention.

2.1 Access to Finance

Table 18 indicates a high overall level of financial inclusion among respondents, with 86.6 percent (1,647 respondents) reporting ownership of a bank, MFI, or SACCO account. This suggests that the majority of beneficiaries have at least basic access to formal financial services, which is a positive foundation for savings, credit access, and enterprise growth. However, gender disparities in account ownership remain evident. Among male respondents, 49.1 percent of the total sample report having an account, compared to 37.5 percent of female respondents. While both groups show high uptake relative to their population shares, men are more likely than women to own a financial account, reflecting persistent gender gaps in access to and use of formal financial services.

Notably, 13.5 percent (256 respondents) do not have any formal financial account, with women accounting for a slightly higher share of the unbanked population (7.5 percent of the total sample) compared to men (6.0 percent). This indicates that women remain more vulnerable to financial exclusion, which can limit their ability to save securely, access credit, and participate fully in formal economic activities. The findings highlight the need for targeted financial inclusion measures for women, including simplified account opening procedures, tailored financial literacy programmes, and partnerships with MFIs and SACCOs to design gender-responsive products. Strengthening women's access to and control over financial services will be critical for improving enterprise formalisation, resilience, and long-term economic empowerment.

Table 18: Gender analysis of account ownership

Do you have a bank/MFI/SACCOs Account	Female	Male	Total
No	142 (7.46%)	114 (5.99%)	256 (13.45%)
Yes	713 (37.47%)	934 (49.08%)	1647 (86.55%)
Total	855 (44.93%)	1048 (55.07%)	1903 (100.00%)

Source: AGUKA Tracer Study July-August 2025

Table 19 shows that enterprise use of financial services is heavily concentrated in basic transaction accounts, with limited uptake of more advanced financial products. The vast majority of respondents, 90.7 percent (1,565 enterprises), report using a current account, indicating that most enterprises engage with formal financial institutions primarily for day-to-day transactions rather than for savings, investment, or risk management. Use of savings accounts is comparatively low at 9.1 percent (157 enterprises), suggesting limited emphasis on capital accumulation, liquidity buffers, or long-term financial planning. This may reflect low profit margins, irregular cash flows, or limited financial literacy among enterprises, particularly those operating informally.

Uptake of credit-related services remains very limited. Only 2.5 percent (43 enterprises) report having obtained a loan, underscoring persistent barriers to accessing finance such as collateral requirements, documentation gaps, perceived risk, and fear of indebtedness. This low loan usage contrasts sharply

with the expressed need for capital among many enterprises and highlights a critical financing gap. Similarly, the use of insurance products is low at 4.2 percent (72 enterprises), indicating weak risk mitigation practices and high vulnerability to shocks such as illness, accidents, climate events, or business disruptions. More sophisticated trade and financial instruments, including foreign exchange services and letters of credit, are almost non-existent, reflecting the small scale of most enterprises and limited engagement in cross-border trade. The findings point to a narrow depth of financial inclusion, where access exists but usage is shallow. Strengthening financial literacy, promoting savings and insurance, and improving access to affordable credit will be essential to support enterprise resilience, growth, and formalisation.

Table 19: Types of Financial Services Used by Enterprises

Financial Services used	COUNT (n=1725)	PERCENT
Current Account	1565	90.7%
Savings Account	157	9.1%
Foreign Exchange	6	0.4%
Letters of Credit	3	0.2%
Got any loan	43	2.5%
Insurance	72	4.2%

Source: AGUKA Tracer Study July-August 2025

The findings show that loan application rates are relatively low among respondents, despite high levels of account ownership. A large majority, 82.2 percent (1,564 respondents), reported that they have never applied for a loan related to their business, indicating limited engagement with formal credit as a financing option. Clear gender differences are evident. Among female respondents, only 93 out of 855 women (10.9 percent) have ever applied for a business-related loan, compared to 246 out of 1,048 men (23.5 percent). This suggests that women are significantly less likely than men to seek external financing, potentially due to lower financial confidence, limited collateral, risk aversion, or perceptions of low approval chances.

Only 17.8 percent (339 respondents) of the total sample have applied for a loan, highlighting a substantial gap between access to financial institutions and actual use of credit products. These results underscore the need for targeted loan-readiness and confidence-building interventions, particularly for women, including financial literacy training, simplified loan application processes, mentorship, and partnerships with lenders to develop more inclusive and gender-responsive financing products.

Table 20: Beneficiaries who ever applied for a loan related to their business by Gender

Have you ever applied for a loan related to your business	Female	Male	Total
No	762	802	1564
Yes	93	246	339
Total	**855**	**1048**	**1903**

Source: AGUKA Tracer Study July-August 2025

The distribution of loan types shows that enterprises rely overwhelmingly on short- and medium-term bank loans, which account for 75.6 percent (251 loans). This indicates that when businesses do access credit, it is primarily for working capital needs, short-cycle investments, or immediate operational requirements rather than long-term expansion. Long-term bank loans represent 22.0 percent (73 loans), suggesting more limited access to financing for capital-intensive investments such as equipment, infrastructure, or business scaling. The relatively low share of long-term credit reflects stricter eligibility requirements, higher collateral demands, and greater risk exposure associated with longer repayment periods.

Use of alternative financing instruments remains minimal. Trade credit accounts for only 1.8 percent (6 loans), while credit cards or overdraft facilities are almost negligible at 0.6 percent (2 loans). This highlights a narrow range of financing options available to enterprises and limited integration into supplier or value-chain financing arrangements. The findings suggest that enterprise financing is short-term and risk-averse in nature, with limited diversification of credit instruments. Expanding access to longer-term finance, promoting value-chain and trade credit solutions, and improving financial readiness could enable enterprises to invest more strategically and support sustainable growth.

Table 21: Type of Loan requested

Type of Loan	COUNT (n=332)	Percent (%)
Short & Medium-Term Bank Loan	251	75.6 %
Long-Term Bank Loan	73	22.0 %
Credit / Card / Overdraft	2	0.6 %
Trade Credit	6	1.8 %
Total (2022–2025)	**332**	**100.0 %**

Source: AGUKA Tracer Study July-August 2025

The year-by-year distribution of loan types shows a clear dominance of short- and medium-term bank loans across all years, reinforcing their role as the primary source of formal credit for enterprises. Loan uptake increased steadily from 2022 (44 loans) to a peak in 2024 (125 loans), before declining in 2025 (72 loans), mirroring broader trends in programme scale and beneficiary outreach over time. In 2022, borrowing was relatively modest and balanced, with 27 short- and medium-term loans and 16 long-term loans, indicating early-stage financing focused on both working capital and basic investment needs. By 2023, total loans more than doubled to 91, driven largely by growth in short- and medium-term lending (69 loans), while long-term loans remained limited (19 loans).

The year 2024 represents the high point of lending activity, with 125 loans, including 100 short- and medium-term loans and 21 long-term loans. This reflects increased confidence among enterprises and lenders, as well as stronger programme support for credit access. Trade credit also appeared more prominently in this year, though at a modest scale (4 loans), suggesting early experimentation with alternative financing mechanisms. In 2025, total loan uptake declined, with 72 loans, primarily in short- and medium-term products (55 loans), while long-term loans remained relatively stable (17 loans). The absence of credit/overdraft and trade credit in 2025 may indicate tightening lending conditions or a strategic shift back toward conventional bank products. The trend shows that while access to credit expanded significantly over time, financing remains heavily skewed toward short-term instruments, with limited diversification. Strengthening access to long-term and alternative financing options will be critical to support enterprise scaling and sustainable investment.

Table 22: Loan requested over years (counts)

Year	Short & Medium-Term Bank Loans	Long-Term Bank Loans	Credit / Overdraft	Trade Credit	Total
2022	27	16	1	0	44
2023	69	19	1	2	91
2024	100	21	0	4	125
2025	55	17	0	0	72
Total	251	73	2	6	332

Source: AGUKA Tracer Study July-August 2025

The insurance profile shows a strong concentration in medical and/or life insurance, with 688 respondents reporting coverage. This indicates relatively high awareness and uptake of personal risk protection, likely driven by perceived necessity, affordability, and the availability of simplified health and life insurance products. In contrast, insurance coverage for business-related assets remains very limited. Only 45 respondents reported motor vehicle insurance, while other property insurance was reported by just 41 respondents. This suggests that most enterprises operate without adequate protection for productive assets, leaving them highly exposed to shocks such as accidents, theft, fire, or natural hazards.

The overall findings point to a significant gap in enterprise risk management. While personal insurance is relatively well adopted, low uptake of asset and property insurance underscores the need for targeted awareness, affordable insurance products tailored to small businesses, and stronger integration of insurance with enterprise financing and formalisation efforts.

Table 23: Types of Insurance held by Businesses /Enterprises

Type of Insurance	COUNT
Motor vehicles	45
Medical &/Life Insurance	688
Other property	41
Others	13

Source: AGUKA Tracer Study July-August 2025

Table 24 shows that approved loans are unevenly distributed across economic activities, with a clear concentration in a few dominant sectors. Agriculture, forestry, and fishing account for the largest share of approved loans at 20.5 percent (68 loans), reflecting both strong demand for working capital and the sector's central role in livelihoods and value-chain activities. Civil engineering and utility-related activities follow at 14.2 percent (47 loans), highlighting the higher bankability of infrastructure-related enterprises, which typically operate under formal contracts and predictable cash flows. All other services represent 11.4 percent (38 loans), indicating that diverse service-based businesses also constitute an important share of credit demand and approval.

Manufacturing and hospitality-related activities receive a moderate share of loans. Other manufacturing accounts for 8.1 percent (27 loans), while manufacturing of other food products represents 5.1 percent (17 loans), signalling lender willingness to finance value addition and light industrial activities. Hotels, restaurants, cafés, and information and communication services together account for 6.6 percent (22 loans), reflecting the need for short- to medium-term financing in customer-facing enterprises.

The arts and creative economy collectively account for a notable portion of approved loans, with arts (6.0 percent) and creative, arts, and entertainment activities (3.9 percent). While still relatively small, this suggests growing recognition of creative enterprises as viable recipients of formal credit. Retail, wholesale, education, transport, and construction activities each account for smaller shares, while highly specialized or niche sectors receive minimal loan approvals. The distribution indicates that credit access is strongest in agriculture, infrastructure, services, and selected manufacturing subsectors, while many smaller-scale and informal activities remain under-served. These findings underscore the need for sector-tailored financial products, risk-sharing mechanisms, and enhanced loan-readiness support to broaden access to finance across a wider range of economic activities.

Table 24 :Loan requested and accepted per economic activities

Main Economic Activity	Approved Loans	Percent of Total (%)
Agriculture, forestry & fishing	68	20.5
Civil engineering (Roads, utility projects, ...)	47	14.2
All other services	38	11.4
Other manufacturing	27	8.1
Hotels, restaurants, bars, cafes, Information & communication	22	6.6
Arts	20	6.0
Wholesale (agricultural products, food, beverages & tobacco)	18	5.4
Manufacturing of other food products	17	5.1
Creative, arts and entertainment activities	13	3.9
Retailing (excluding motor vehicles and petrol stations)	12	3.6
Education	9	2.8
Transport services, travel and tour operations	7	2.1
Specialized construction (Plumbing and electrical installation)	7	2.1
Construction of buildings	5	1.5
Wholesale (not elsewhere specified)	4	1.2
Mining & quarrying	3	0.9
Manufacturing of beverages and tobacco	3	0.9
Financial & insurance activities	2	0.6
Health and social care	2	0.6
Petroleum products	2	0.6
Sports activities and amusement, and recreation	2	0.6
Tea or coffee processing	1	0.4
Gambling and betting activities	1	0.3
Libraries, archives, museums and other cultural activities	1	0.3
Mineral processing	1	0.3
New or second-hand motor vehicles	0	0.0
TOTAL	332	100.0

Source: AGUKA Tracer Study July-August 2025

Table 25 shows that loan approvals are concentrated in the services sector, which accounts for the largest share of beneficiaries with approved loans at 45.8 percent (152 beneficiaries). This reflects the dominance of service-based enterprises within the overall beneficiary pool and their relatively higher demand for short- and medium-term financing to support working capital, service delivery, and market expansion. The industry sector accounts for 33.7 percent (112 beneficiaries) of approved loans, indicating strong lender engagement with civil engineering, construction, and manufacturing activities. These enterprises are generally more capital-intensive and formalized, making them more attractive to financial institutions despite higher entry requirements.

The agriculture sector, while central to livelihoods, accounts for a smaller share of approved loans at 20.5 percent (68 beneficiaries). This lower proportion reflects persistent challenges in agricultural financing, including seasonal cash flows, climate risks, and limited collateral, which continue to constrain credit access despite high financing needs. The distribution highlights a sectoral imbalance in access to finance, with services and industry benefiting more from loan approvals than agriculture. The findings underscore the need for tailored financial instruments, such as blended finance, guarantees, and climate-resilient agricultural finance products to expand credit access for agricultural enterprises while sustaining support to service and industrial sectors.

Table 25: Beneficiaries with loan approval per economic sector (2022-2025)

Sector		Beneficiaries with Approved Loans	Percent of Total (%)
Agriculture	Agriculture, forestry & fishing; Mining & quarrying; Mineral & tea/coffee processing	68	20.5 %
Industry	Civil engineering; Construction; Manufacturing (food, beverages, petroleum,	112	33.7 %
Services	All services, education, health, finance, hospitality, retail/wholesale, arts, transport	152	45.8 %
Total		**332**	**100.0 %**

Source: AGUKA Tracer Study July-August 2025

The findings show an almost even split in access to start-up or business finance among respondents. Just under half of the beneficiaries, 49.2 percent (936 respondents), reported that they did not have any start-up or business finance, highlighting the significant number of enterprises that were initiated or operated without external financial support. Conversely, 50.8 percent (967 respondents) indicated that they had access to start-up or business finance, suggesting that programme support, personal savings, or other financing sources have enabled a substantial share of beneficiaries to mobilize initial capital. The near parity between the two groups underscores both progress in expanding access to finance and the persistence of financing gaps. The results point to the need for strengthened early-stage financing mechanisms, particularly for first-time entrepreneurs. Expanding seed funding, improving loan readiness, and linking beneficiaries to appropriate financial products will be critical to ensuring that lack of start-up capital does not remain a binding constraint to enterprise creation and growth.

Table 26: Did you have Startup/Finance

	COUNT (n=1903)	PERCENT
Did not have Startup/Finance	936	49.2%
Had Startup/Finance	967	50.8%
Total	1903	100%

Source: AGUKA Tracer Study July-August 2025

Table 27 shows that enterprises rely heavily on informal and internal financing sources, with very limited use of formal financial instruments. Equity capital is the most commonly reported source, used by 30.5 percent (581 respondents), suggesting that many beneficiaries depend on personal equity contributions or owner-invested capital to start or sustain their businesses. Friends and family financing is the second most prevalent source at 16.9 percent (322 respondents), underscoring the importance of social networks in bridging financing gaps, particularly where access to formal credit is constrained. Sales of assets (3.5 percent) and shareholders or related enterprises (2.2 percent) further indicate reliance on personal or relational resources to mobilize capital.

The use of formal financial products is extremely limited. Short- and medium-term bank loans are used by only 2.3 percent of respondents, while long-term bank loans (0.5 percent), microfinance loans (0.4 percent), overdrafts and credit cards (each 0.7 percent), and subsidized bank loans (0.2 percent) remain marginal. Trade credit is also negligible (0.2 percent), and no respondents reported using hire purchase agreements. The overall findings highlight a shallow depth of financial intermediation, where enterprises primarily self-finance or rely on informal sources rather than structured financial markets. This underscores the need for improved financial literacy, strengthened loan-readiness support, and innovative financing instruments, such as blended finance, guarantees, and value-chain financing, to expand access to appropriate and affordable capital for youth-led enterprises.

Table 27: Have you ever used the following sources

	COUNT (n=1903)	PERCENT
Equity capital	581	30.5%
Bank Overdraft/ Line credit	13	0.7%
Credit Card	13	0.7%
Subsidized bank loan	3	0.2%
Short- & medium-term bank loan	43	2.3%
Long term bank loan	10	0.5%
Microfinance loan	8	0.4%
Trade credit	3	0.2%
Hire purchase agreements	0	0%
Retained earnings	31	1.6%
Sales of assets	66	3.5%
Shareholders & related enterprises	41	2.2%
Friends & Family	322	16.9%

Source: AGUKA Tracer Study July-August 2025

Over the years, the AGUKA Program has significantly boosted beneficiaries' confidence and financial literacy, particularly in navigating the loan application process. This is evident in the dramatic increase in loan applications from just 88 in 2022 to 1,154 in 2025, representing a more than thirteen-fold growth. The cumulative total of 1,787 applications over the four years reflects growing engagement with formal financial systems.

Despite this upward trend, the outcomes of these applications reveal both progress and persistent challenges. A substantial number of applications remain unprocessed, with 541 applications pending in 2025 alone, contributing to a total of 749 across the four years. Rejections also remain high, with 469 in 2025 and a cumulative 674, suggesting that while demand has surged, access is still constrained possibly due to procedural bottlenecks, risk aversion, or quality issues in applications. Successful applications include 190 full approvals (100%) from 2022 to May 2025, rising from 34 in 2022 to 62 in 2024, with 50 approvals recorded by May 2025.

Additionally, 32 beneficiaries received partial approvals of 75% or more, while 15 received less than 75%. Affordability challenges have also intensified, with the number of applications refused due to high credit costs increasing sharply from 5 in 2022 to 87 in May 2025, totalling 127. This highlights the growing importance of cost-related barriers. The AGUKA Program has played a pivotal role in empowering beneficiaries to seek financial support. However, the high rates of pending and rejected applications, alongside affordability concerns, underscore the need for simplified lending procedures, enhanced loan appraisal capacity, and inclusive and flexible financial products tailored to small and emerging enterprises. These steps are essential to convert rising credit demand into meaningful financial inclusion and sustainable business growth.

Table 28: Loans application and approval between 2022-May 2025

Loan Application	2022	2023	2024	Till May 2025	Total
Application pending	6	16	186	541	749
Received 100%	34	44	62	50	190
Received 75% or more	4	10	13	5	32
Received less than 75%	0	3	10	2	15
Refused because of the high cost	5	5	30	87	127
Was rejected	39	44	122	469	674
Grand Total	**88**	**122**	**423**	**1,154**	**1,787**

Source: AGUKA Tracer Study July-August 2025

Despite the growing need for capital to expand their enterprises, many AGUKA beneficiaries opted not to approach formal financial institutions. Their reluctance reflects a combination of structural, institutional, and behavioral barriers that limit access to credit for youth and women led microenterprises. The most common reasons include lack of collateral and secure property rights, limited financial literacy, and complex loan procedures. Additionally, high interest rates, unsuitable loan products, and perceived discrimination further discourage applications. As a result, many beneficiaries rely instead on informal and community-based financing mechanisms such as VSLAs, family support, or supplier credit, which are faster and more flexible though often smaller and costlier. These are some of the key points raised by beneficiaries.

- Access to formal finance is constrained by multiple, interrelated factors. Many enterprises lack acceptable collateral or secure property rights, limiting their ability to meet bank lending requirements. In addition, minimum loan sizes set by banks are often too large for micro and small businesses, making formal credit misaligned with their actual financing needs.
- High interest rates and hidden charges further discourage borrowing, especially for enterprises operating on thin margins. These challenges are compounded by documentation gaps, including lack of valid identification, business registration, or tax history, which are often prerequisites for loan approval. Low financial literacy and weak bookkeeping practices also undermine creditworthiness, as many entrepreneurs are unable to present clear financial records or cash-flow projections.
- Procedural barriers play a significant role, with lengthy and bureaucratic application processes deterring applicants who need quick access to capital. As a result, many entrepreneurs show a strong preference for faster, informal financing sources, such as family, VSLAs, or supplier credit, despite their limitations. Gender-specific constraints remain pronounced, as women are more likely to lack control over assets that can be used as collateral. Finally, perceived or actual discrimination by lenders, based on age, informality, or enterprise size, further reduces confidence in engaging with formal financial institutions.

Table 29 shows that across interventions, most beneficiaries have attempted to apply for loans but face significant barriers, with the majority either still pending (749 cases) or rejected (674 cases), and only a small proportion securing full approval (190 cases). YouthConnekt, Art Rwanda–Ubuhanzi, and TEF Ideation have the highest numbers of applicants, yet they also record the highest rejections and refusals due to high costs, showing that while interest in financing is strong, affordability and access remain limited. Refugee and apprenticeship beneficiaries appear particularly disadvantaged, with very few approvals and high rejection rates, while the Road Maintenance Program stands out with comparatively better loan uptake, likely due to its tangible and structured nature.

Table 29: Loans application and approval between 2022-2025 per interventions

Intervention	Application Pending	Received 100%	Received ≥75%	Received <75%	Refused (High Cost)	Was Rejected	Grand Total
Art Rwanda – Ubuhanzi Initiative	157	14	3	0	10	87	271
Support Refugees	18	18	0	2	5	121	164
TEF Ideation & Pitch Program	51	8	5	1	6	102	173
Post-Incubation Support	7	3	2	1	2	14	29
Road Maintenance Program	28	21	3	1	4	25	82
Caravane Initiative	15	3	0	1	1	17	37

Intervention	Application Pending	Received 100%	Received ≥75%	Received <75%	Refused (High Cost)	Was Rejected	Grand Total
Youth-led SMEs supported under YouthConnekt and Hanga Pitchfest Programmes	10	5	1	0	2	7	25
Water Supply Management	12	2	0	0	0	7	21
Apprenticeship Program	84	3	0	0	1	38	126
YouthConnekt (incl. Bootcamp Awardees + Competition)	343	106	16	8	88	386	947
Others	24	7	2	1	8	36	78
TOTAL	749	190	32	15	127	674	1,787

Source: AGUKA Tracer Study July-August 2025

Table 30 shows a clear expansion in the value and composition of loans received by beneficiaries between 2022 and May 2025, with notable shifts across loan types over time. Overall, the data indicate growing access to formal finance, particularly bank loans, alongside increasing diversification in financing instruments. In 2022, borrowing was relatively modest and concentrated in short- and medium-term bank loans (RWF 64.1 million) and long-term bank loans (RWF 41.6 million), suggesting early-stage financing largely focused on working capital and basic investment needs. The presence of credit lines or overdrafts (RWF 24.0 million) indicates limited but emerging use of flexible financing products.

By 2023, there is a substantial increase in long-term bank loans (RWF 141.6 million) and credit lines/ overdrafts (RWF 43.0 million), pointing to improved lender confidence and stronger enterprise capacity to absorb larger, longer-tenure financing. The appearance of the "other" loan category (RWF 1.2 million) suggests some diversification beyond standard bank products. The year 2024 marks a significant scaling-up of financing volumes, driven primarily by short- and medium-term bank loans (RWF 190.6 million) and long-term bank loans (RWF 140.0 million). This pattern indicates strong demand for both operational liquidity and capital investment, alongside increased programme maturity and financial readiness among beneficiaries. Small amounts of trade credit (RWF 0.5 million) also emerge, signaling early adoption of value-chain financing mechanisms.

In 2025 (up to May), lending remains substantial, particularly through short- and medium-term bank loans (RWF 141.8 million) and long-term loans (RWF 30.8 million). Notably, there is a sharp spike in credit lines or overdrafts (RWF 200.0 million), suggesting a growing preference for flexible, revolving credit facilities that can respond quickly to cash-flow needs. The continued use of trade credit (RWF 0.5 million), though limited, reinforces gradual diversification. The table highlights a progressive deepening of access to finance, with increasing loan volumes, stronger reliance on bank lending, and gradual experimentation with flexible and alternative financing instruments. This trend underscores the importance of sustaining loan-readiness support, promoting diversified financial products, and ensuring that enterprises can effectively manage larger and more complex financing over time.

Table 30: Loan Type received between 2022-May 2025

Loan type received	2022	2023	2024	till May 2025
Other		1,205,300	7,000,008	6,300,000
Credit line or card or overdraft	24,000,000	43,042,000		200,000,000
Long term bank loan	41,570,800	141,600,000	140,000,000	30,800,000
Short and medium-term bank loan	64,050,000		190,600,000	141,800,000
Trade credit			500,000	500,000

Source: AGUKA Tracer Study July-August 2025

AGUKA grant funding, coaching, mentorship, and training interventions have played an important role in improving beneficiaries' access to finance, financial literacy, and overall confidence in engaging with formal financial institutions. Through targeted capacity building, many youth and MSMEs have strengthened their understanding of financial management, improved record-keeping practices, and gained greater awareness of available financial products and requirements, enabling them to interact more effectively with banks, MFIs, and SACCOs.

However, despite these gains, systemic barriers continue to limit meaningful financial empowerment. High borrowing costs, stringent collateral requirements, lengthy and complex loan processing procedures, and limited diversification of financial products constrain the ability of youth- and MSME-led enterprises to translate improved readiness into actual credit uptake. These constraints are particularly binding for early-stage, informal, and women-led enterprises, which often lack assets, stable cash flows, or tailored financial solutions that match their scale and risk profiles. Addressing these challenges will require a stronger focus on tailored youth and MSME finance products, including smaller ticket loans, flexible repayment structures, and sector-appropriate instruments. In parallel, risk-sharing mechanisms, such as guarantees, blended finance, and portfolio insurance, are critical to crowding in lenders, reducing perceived risk, and expanding access to affordable capital. Strengthening these elements will be essential to ensure that the gains achieved through AGUKA's non-financial support translate into sustained enterprise growth, job creation, and long-term economic empowerment.

2.2 Barriers to Accessing Finance

Table 31 highlights that cost- and process-related barriers are the dominant reasons beneficiaries did not obtain loans or credit between 2022 and May 2025. High interest rates are by far the most significant constraint, cited by 72.6 percent (347 respondents), indicating that the cost of borrowing remains prohibitively high for most youth- and MSME-led enterprises, particularly those operating on thin margins. Complex application procedures were reported by 16.7 percent (80 respondents), underscoring how lengthy, bureaucratic processes discourage applicants and delay access to much-needed capital. Closely related to this, poor communication or weak follow-up from financial institutions affected 14.0 percent (67 respondents), suggesting gaps in customer engagement and transparency that further undermine trust in formal lenders. Supply-side and eligibility constraints were cited less frequently but remain relevant. The loan amount requested being too high accounted for 12.1 percent (58 respondents), pointing to misalignment between enterprise needs and available financial products. Inadequate business records or financial statements (4.6 percent) and low or no credit history (1.9 percent) highlight ongoing capacity gaps, particularly among early-stage and informal enterprises.

Collateral-related barriers also persist, with lack of a guarantor (1.9 percent) and failure to meet eligibility criteria (1.9 percent) limiting access for some applicants. A small share of respondents cited over-indebtedness (1.5 percent) or having their business deemed too risky (0.8 percent), indicating that risk perceptions, while present, are less binding than cost and procedural issues.

The overall findings show that high borrowing costs, administrative complexity, and weak lender engagement are the primary obstacles to credit access. Addressing these constraints will require lowering the effective cost of credit through subsidies or guarantees, simplifying application processes, improving lender–client communication, and aligning loan products more closely with the scale and realities of youth- and MSME-led enterprises.

Table 31: Reason for Not Getting a Loan or Credit between 2022-May 2025 (n=478)

Reason for Not Getting a Loan or Credit	Count (n)	Percent (%)
High Interest rates	347	72.59
Complex application procedures	80	16.74
Inadequate business records or financial statements	22	4.60
Low or no credit history	9	1.88
Lack of guarantor	9	1.88
The loan amount requested was too high	58	12.13
The business or activity was considered too risky	4	0.84
Did not meet eligibility criteria	9	1.88
Poor communication or follow-up from the financial institution	67	14.02
Already over-indebted or existing unpaid loan	7	1.46
Other reasons	7	1.46

Source: AGUKA Tracer Study July-August 2025

Overall, the findings indicate that while demand for credit among AGUKA beneficiaries is increasing, structural barriers such as lack of collateral and high interest rates remain the primary obstacles to accessing finance. Addressing these challenges through tailored financial products, risk-sharing mechanisms, simplified procedures, and improved financial literacy would significantly enhance beneficiaries' access to credit and strengthen their ability to grow sustainable enterprises.

"I did not apply to the bank because I don't have land or a title to pledge. The forms are long, and I was afraid the interest would eat my profit." AGUKA Beneficiary

This sentiment was echoed repeatedly among AGUKA beneficiaries, highlighting the persistent barriers that limit access to finance and the ability to expand businesses. The most frequently mentioned challenges include:

Lack of collateral and formal documentation: Many youth-led microenterprises remain informal, lacking land titles, formal registration, or financial records required by banks for collateral.

- High cost of borrowing: Both real and perceived high interest rates, combined with additional fees and fear of penalties, discourage youth from seeking formal loans.
- Complex loan application procedures: Lengthy and paperwork-heavy processes requiring tax records, business plans, and bank statements pose challenges for small operators with limited financial literacy.
- Mismatch between financial products and business needs: Most bank loan products are designed for medium or large enterprises, while youth-run microenterprises need smaller, flexible, and short-term credit or working capital.
- Limited financial literacy and business planning capacity: Many beneficiaries lack bookkeeping skills, financial management experience, and the ability to prepare bankable business plans.
- Risk aversion and fear of asset loss: The fear of losing personal property or facing reputational damage in case of default makes youth hesitant to engage with formal lenders.
- Preference for informal financing: Beneficiaries often rely on VSLAs, family, or suppliers, which offer quicker, simpler, and more flexible credit; despite higher costs or limited loan sizes.
- Negative past experiences: Previous loan rejections, strict enforcement measures, or perceived bias from financial institutions have eroded trust and deterred future borrowing attempts.

Gender disparities in job creation and access to finance

Gender disparities in job creation and access to finance remain evident among AGUKA beneficiaries. While account ownership is relatively high overall, women lag behind men by 5.7%, with 83.4% of females owning accounts compared to 89.1% of males. This gap is compounded by structural and cultural barriers such as lower income levels, limited asset ownership, and care responsibilities that restrict women's interaction with financial institutions. Access to credit shows an even wider disparity. Only 10.9% of female beneficiaries have ever applied for a business-related loan compared to 23.5% of males. These figures highlight persistent gender-based constraints in leveraging financial services for enterprise growth, which may stem from collateral requirements, high interest rates, and perceived discrimination. Addressing these gaps requires targeted interventions that promote inclusive financial products, simplify loan procedures, and strengthen women's financial literacy and asset control.

2.3 Income and Profit Outcomes

Table 32 demonstrates a robust overall performance of AGUKA-supported enterprises between 2022 and 2025, with strong income generation, sustained profitability, and significant tax contributions. Over the four-year period, total income reached RWF 34.04 billion, underscoring the scale of economic activity generated by programme beneficiaries and the programme's contribution to enterprise growth, market participation, and formal economic engagement. Income expanded markedly from RWF 5.51 billion in 2022 to RWF 5.96 billion in 2023, before peaking at RWF 14.63 billion in 2024, reflecting enterprise maturation, scale-up effects, and improved market access. The decline to RWF 7.94 billion in 2025 should be interpreted cautiously, as it most likely reflects partial-year reporting rather than a structural slowdown.

Profitability trends broadly mirror income performance, indicating that revenue growth translated into meaningful earnings. Cumulative profit before tax amounted to RWF 12.18 billion, with the highest level recorded in 2024 (RWF 4.10 billion). Although profits declined to RWF 3.44 billion in 2025, this remains substantially higher than levels observed in 2022 and 2023, suggesting that enterprises have strengthened their operational capacity and resilience. Net profit across the four years reached RWF 9.92 billion, confirming the overall financial viability and sustainability of AGUKA-supported businesses, even amid year-to-year fluctuations.

Tax contributions increased alongside income and profits, highlighting rising formalization and compliance among beneficiary enterprises. Total taxes paid over the period reached RWF 2.25 billion, including RWF 371.5 million in local taxes. The sharp rise in total taxes in 2024 (RWF 771.4 million) aligns with peak income and profitability, demonstrating deeper integration of enterprises into the national tax system. Local tax payments show a general upward trend, increasing from RWF 68.7 million in 2022 to RWF 132.7 million in 2024, before a slight dip in 2025, again likely linked to partial-year data.

The results from the analyzed data confirm that AGUKA-supported enterprises are generating substantial income, sustaining profitability, and contributing meaningfully to domestic and local revenue mobilization. At the same time, observed fluctuations, particularly between peak and partial-year periods underscore the importance of continued programme support in financial management, cost control, and market diversification. Strengthening enterprise resilience and deepening formalization will be critical to stabilizing profits, sustaining growth, and maintaining positive trends in tax compliance over the long term.

Table 32: Income, Profits and Taxes (2022-2025)

	Total Income (RWF)	Profit before Tax (RWF)	Total Taxes (RWF)	Local Taxes (RWF)	Net Profit (RWF)
2025	7,942,278,556.00	3,437,563,193.12	580,994,338.83	126,826,376.00	2,856,568,854.28
2024	14,630,225,825.28	4,100,703,182.63	771,412,197.88	132,736,339.00	3,329,290,984.75
2023	5,959,313,411.00	2,479,561,533.70	464,929,606.34	43,299,980.00	2,014,631,927.36
2022	5,505,133,946.00	2,160,000,069.45	437,495,199.87	68,668,375.00	1,722,504,869.57
Total	**34,036,951,738.28**	**12,177,827,978.90**	**2,254,831,342.92**	**371,531,070.00**	**9,922,996,635.97**

Source: AGUKA Tracer Study July-August 2025

Table 33 highlights clear gender-based differences in financial performance among AGUKA-supported enterprises, reflecting underlying disparities in enterprise scale, access to resources, and market opportunities. Over the period under review, female-led enterprises generated total income of RWF 12.69 billion, while male-led enterprises generated RWF 21.35 billion. Although male-led enterprises account for a larger share of aggregate income, the data also show that women-owned businesses contribute a substantial 37 percent of total income, underscoring their significant role in programme-supported economic activity rather than marginal participation.

Profitability patterns reveal a wider gender gap. Profit before tax for male-led enterprises amounted to RWF 9.07 billion, nearly three times the RWF 3.11 billion recorded by female-led enterprises. This disparity points to differences in average firm size, sectoral positioning, access to finance, and cost structures, which tend to favor male-led enterprises in achieving higher margins and faster scale-up. Nevertheless, the fact that female-led enterprises generated over RWF 3.1 billion in pre-tax profits confirms their strong commercial viability within the programme.

Tax contributions closely follow income and profitability trends, highlighting differential integration into the formal economy. Male-led enterprises contributed RWF 1.75 billion in total taxes, compared to RWF 500.3 million from female-led enterprises. Local tax payments show a similar pattern, with RWF 268.7 million paid by male-led enterprises versus RWF 102.9 million by female-led enterprises. These gaps largely reflect differences in turnover and profit levels but may also indicate varying degrees of formalization and access to compliant accounting and tax advisory services.

In terms of net profitability, male-led enterprises generated RWF 7.32 billion in net profit, while female-led enterprises generated RWF 2.61 billion. Both groups are clearly profitable, but the scale gap underscores persistent structural constraints faced by women entrepreneurs, including limited access to growth capital, lower asset ownership, and concentration in lower-margin or more competitive sectors. The findings suggest that women-owned enterprises under AGUKA are economically active, profitable, and fiscally contributing, but tend to operate at a smaller scale. Closing this gap will require targeted gender-responsive interventions, including tailored financing instruments, advanced business development support, strengthened market linkages, and policy measures that address structural barriers to growth for women entrepreneurs.

Table 33: Finances by Gender

Gender	Total Income	Profit before Tax	Total Taxes	Local Taxes	Net Profit
Female	12,688,168,681.00	3,106,076,743.39	500,310,727.41	102,862,766.00	2,605,766,015.98
Male	21,348,783,057.28	9,071,751,235.50	1,754,520,615.51	268,668,304.00	7,317,230,619.99
Grand Total	34,036,951,738.28	12,177,827,978.90	2,254,831,342.92	F 371,531,070.00	9,922,996,635.97

Source: AGUKA Tracer Study July-August 2025

Table 34 summarizes the distribution of profits before tax over the period 2022–2025 and highlights both improving aggregate performance and pronounced variability among AGUKA-supported enterprises. Across all years, the large gaps between minimum and maximum profit values point to a highly heterogeneous enterprise landscape, where a large number of small or early-stage firms coexist with a relatively small number of very high-performing businesses. This pattern suggests that average profitability figures are strongly influenced by top performers, while many enterprises operate at much lower profit levels.

In 2022, the mean profit before tax stood at RWF 3.68 million across 586 observations, with a very high standard deviation of RWF 11.03 million, indicating substantial dispersion in performance. While a number of enterprises reported zero or negligible profits, a few achieved profits of up to RWF 200 million, significantly pulling the average upward. This reflects an early programme portfolio characterized by wide differences in enterprise scale, maturity, and market access.

Profitability improved in 2023, with the mean rising to RWF 4.49 million across 551 observations. At the same time, variability increased further, as reflected in a higher standard deviation of RWF 13.93 million. This suggests that while some enterprises experienced meaningful profit growth, gains were unevenly distributed, with stronger firms consolidating their advantage. The persistence of very high maximum profits (nearly RWF 200 million) reinforces the presence of a small group of high-performing enterprises driving overall results.

In 2024, programme coverage expanded significantly, with the number of observations more than doubling to 1,130 enterprises. The mean profit before tax moderated slightly to RWF 3.63 million, while the maximum profit increased sharply to RWF 274.4 million. The continued high standard deviation (RWF 12.63 million) indicates that rapid scale-up brought greater diversity into the portfolio, including many smaller or newer enterprises with modest profits alongside a few exceptionally strong performers. The appearance of negative minimum values also suggests that some enterprises faced losses during this expansion phase.

In 2025, average profitability appears to soften, with the mean profit declining to RWF 2.42 million across 1,420 observations. Although the standard deviation remained high (RWF 13.11 million), the lower mean likely reflects a larger share of early-stage enterprises, increased competition, and partial-year reporting effects. At the same time, the maximum profit rose further to RWF 378.2 million, confirming that top-performing firms continued to scale rapidly despite broader moderation in average outcomes. The results in general, show that while AGUKA-supported enterprises generate positive profits on average, profitability is highly uneven and sensitive to enterprise scale, maturity, and sectoral positioning.

Table 34: Profits before Tax summary

Year	Count (Obs)	Mean Profit Before Tax	Standard Deviation	Minimum	Maximum
2022	586	3,679,727	11,032,187	-	200,000,000
2023	551	4,491,959	13,929,330	-	199,999,999
2024	1130	F 3,625,732	12,629,097	- 340,000	274,423,218
2025	1420	2,419,115	13,114,549	-250,001	378,208,686

Source: AGUKA Tracer Study July-August 2025 (RWF)

> ***"With training and support, I shifted from subsistence farming to running a profitable agribusiness that pays taxes and supports my family."***
>
> **- Irudukunda Medine, Medine Fashion Shop**

> ***"My revenues increased threefold after investing in new machinery and marketing. I now contribute taxes regularly."***
>
> **-Manirakiza Philemon, Agro Crop Machinery**

Table 35 highlights pronounced geographic variation in enterprise performance, income generation, and tax contributions across districts, reflecting differences in urbanization, enterprise density, market access, sectoral composition, and levels of formalization among AGUKA-supported enterprises. Overall, performance is strongly concentrated in urban and peri-urban districts, particularly within Kigali City, while a number of rural districts also demonstrate notable pockets of enterprise dynamism.

Within Kigali City, Gasabo, Kicukiro, and Nyarugenge clearly dominate in absolute financial terms. Gasabo emerges as the strongest performer overall, generating RWF 5.27 billion in total income and RWF 2.34 billion in profit before tax, alongside substantial tax contributions (RWF 332.8 million in total taxes). Kicukiro records the highest total income (RWF 6.16 billion) but comparatively lower profitability (RWF 799.2 million in profit before tax), suggesting higher operating costs or lower margins despite scale. Nyarugenge combines strong income (RWF 2.45 billion) with high profitability (RWF 1.11 billion) and robust tax payments, reinforcing the concentration of high-performing, formalized enterprises within Kigali's commercial core.

Beyond the capital, several non-urban districts exhibit strong enterprise performance, demonstrating that growth is not confined to major cities. Kamonyi stands out with RWF 2.83 billion in income and RWF 1.15 billion in profit before tax, coupled with very high tax contributions (RWF 445.9 million), indicating both scale and strong compliance. Nyabihu, Kirehe, and Gisagara also post profits before tax in the range of RWF 358–708 million, reflecting successful enterprise scaling in agribusiness, trade, and mixed rural–urban value chains. These districts illustrate the potential for AGUKA-supported enterprises to thrive outside primary urban centers when market linkages and productive sectors are present.

A broad group of mid-performing districts, including Bugesera, Musanze, Rubavu, Gatsibo, Karongi, Ruhango, Nyamagabe, and Rutsiro record profits before tax generally between RWF 300–480 million. These districts tend to host diversified enterprise ecosystems combining agriculture, services, tourism, and light manufacturing. While their absolute income and tax contributions remain below those of top-performing districts, the figures indicate solid commercial viability and growing formal economic participation.

In contrast, several districts show relatively low income and profit levels, including Ngororero, Nyamasheke, Ngoma, Rwamagana, Gicumbi, and Nyaruguru, where profits before tax are typically below RWF 120 million. Tax contributions in these districts are modest, and in some cases local tax payments are particularly low, pointing to small enterprise size, limited market reach, and persistent informality. Structural constraints such as remoteness, weaker infrastructure, thinner markets, or concentration in low-margin activities likely limit enterprise scaling in these areas.

The district-level results confirm that AGUKA-supported enterprises generate substantial income (RWF 34.04 billion), strong profitability (RWF 12.45 billion before tax), and meaningful tax contributions nationwide, but with sharp spatial disparities. These patterns underscore the importance of place-sensitive programme design: advanced growth, finance, and market-expansion support in high-performing districts; targeted productivity, aggregation, and value-chain interventions in mid-performing areas; and foundational business formalization, infrastructure linkages, and market access support in lagging districts. Such a differentiated geographic approach will be critical to balancing efficiency with inclusiveness in enterprise growth outcomes.

Table 35: Profits per top Districts (RWF)

Distict	Total Income	Profit before Tax	Total Taxes	Local Taxes	Net Profit
Gasabo	5,270,488,004.00	2,340,123,377.31	332,831,801.35	447,512,413.47	2,007,291,575.96
Nyarugenge	2,449,589,840.00	1,108,112,552.51	172,545,329.86	158,638,313.57	935,567,222.65
Kamonyi	2,827,413,963.00	1,146,456,377.08	445,927,349.61	35,503,905.99	700,529,027.48
Kicukiro	6,162,655,000.00	799,182,553.95	116,968,790.46	43,441,247.24	682,213,763.49
Nyabihu	1,734,451,032.00	707,834,487.54	136,741,491.11	129,454,537.73	571,092,996.43
Bugesera	1,014,318,053.00	482,795,701.41	19,346,508.70	31,159,504.41	463,449,192.71
Rubavu	546,232,880.00	444,532,071.48	34,862,382.69	67,104,604.91	409,669,688.79
Musanze	1,087,330,000.00	457,271,627.98	81,487,227.92	52,819,743.01	375,784,400.06
Gatsibo	783,481,594.28	397,657,160.19	28,665,797.55	45,203,857.33	368,991,362.64
Karongi	890,398,000.00	364,537,092.80	23,331,824.99	16,549,886.93	341,205,267.81
Kirehe	2,018,247,252.00	471,267,177.50	135,238,003.59	72,530,153.24	336,029,173.91
Rutsiro	371,934,737.00	359,392,874.59	37,530,558.49	57,551,459.93	321,862,316.10
Ruhango	521,359,480.00	319,579,127.89	32,501,948.80	7,299,887.65	287,077,179.09

Nyamagabe	856,094,000.00	320,245,000.00	37,657,571.44	4,937,516.96	282,587,428.56
Gisagara	1,088,969,550.00	358,862,751.69	82,131,571.79	23,174,373.85	276,731,179.89
Rulindo	350,500,000.00	297,862,003.25	24,114,560.23	53,806,710.88	273,747,443.03
Nyagatare	442,424,256.00	195,955,978.43	25,830,328.22	22,048,205.60	170,125,650.21
Gakenke	332,080,500.00	205,356,412.06	38,553,539.35	26,786,827.24	166,802,872.71
Kayonza	711,194,290.00	184,313,321.45	40,540,492.94	2,767,583.39	143,772,828.51
Rusizi	447,219,690.00	203,027,026.35	65,372,618.90	34,596,834.76	137,654,407.45
Huye	568,706,348.00	173,146,387.72	47,744,006.82	8,907,704.47	125,402,380.90
Burera	670,023,349.00	191,545,033.00	73,029,702.00	1,265,000.00	118,515,331.00
Nyanza	466,284,953.00	158,931,016.23	54,301,119.96	50,055,922.52	104,629,896.27
Ngororero	137,283,874.00	118,137,983.44	14,092,164.43	19,543,413.09	104,045,819.00
Nyamasheke	267,290,000.00	115,766,839.39	17,604,290.82	5,500,331.16	98,162,548.57
Muhanga	680,700,026.00	156,061,373.19	60,289,633.13	66,005,005.91	95,771,740.05
Ngoma	369,587,318.00	115,200,791.68	27,290,601.57	14,172,220.75	87,910,190.11
Rwamagana	472,330,700.00	112,189,809.28	25,835,435.85	56,160,084.25	86,354,373.43
Gicumbi	310,471,049.00	75,611,264.00	9,253,002.00	2,571,262.00	66,358,262.00
Nyaruguru	187,892,000.00	72,575,732.75	11,081,207.19	7,264,070.65	61,494,525.55
Grand Total	**34,036,951,738.28**	**12,453,530,906.12**	**2,252,700,861.77**	**1,564,332,582.91**	**10,200,830,044.35**

Source: AGUKA Tracer Study July-August 2025

Table 36 illustrates clear differences in financial performance across AGUKA interventions, highlighting how programme scale, design, and target groups shape economic outcomes. Overall, the results confirm that interventions combining wide coverage, structured financing, and strong market linkages generate the largest aggregate impacts, while smaller and more targeted initiatives play an important catalytic and inclusion-focused role within the broader enterprise ecosystem.

YouthConnekt emerges as the flagship intervention by a wide margin. It generated RWF 19.36 billion in total income, RWF 6.30 billion in profit before tax, and RWF 1.11 billion in total taxes, accounting for well over half of total income, profits, and tax revenues across all interventions. Its strong performance reflects extensive outreach, a robust enterprise pipeline, and an integrated support model combining finance, mentorship, incubation, and market access. YouthConnekt's dominant contribution underscores its central role in driving programme-wide economic and fiscal results.

A second tier of high-impact interventions includes the Road Maintenance Programme and the TEF Ideation and Pitch Programme. The Road Maintenance Programme generated RWF 5.44 billion in income and RWF 1.79 billion in profit before tax, alongside substantial tax contributions (RWF 575.3 million), reflecting its contract-based structure, predictable cash flows, and relatively high levels of formalization. The TEF Ideation and Pitch Programme stands out for its high profitability relative to income, generating RWF 1.13 billion in profit from RWF 1.82 billion in income, indicating strong business viability and efficient cost structures among participating enterprises.

Mid-sized interventions such as the Caravane Initiative and Art Rwanda, Ubuhanzi Initiative demonstrate solid and diversified performance. The Caravane Initiative generated RWF 2.59 billion in income and RWF 1.05 billion in profit before tax, while Art Rwanda generated RWF 977.7 million in income and RWF 530.8 million in profit. Art Rwanda's strong net profitability highlights the economic potential of the creative and cultural industries when supported through targeted capacity building and market access interventions.

A group of smaller but strategically important interventions, including Youth-led SMEs supported under YouthConnekt and Hanga Pitchfest, Bootcamp Awardees, TVET Youth Challenge, Apprenticeship programmes, and Imali Bootcamp participants, generate lower absolute income and profits but consistently record positive net returns and growing tax contributions. These initiatives function as early-stage pipelines, nurturing emerging entrepreneurs, skills-based enterprises, and youth-led businesses that may later scale into larger, higher-impact programmes.

Finally, Water supply management in rural areas and Support to Refugees interventions generate comparatively modest income and profits but serve a critical dual role: creating livelihoods while delivering essential public or community services. Their lower local tax contributions reflect the social and service-oriented nature of these interventions rather than weak economic performance. Similarly, post-incubation support through Norrsken and small accelerator initiatives contribute limited aggregate income but play an important role in supporting innovation and high-potential firms at critical growth stages.

The overall intervention-level results support a portfolio approach to AGUKA programming. Large-scale flagship interventions such as YouthConnekt drive aggregate economic and fiscal impact, while mid-sized and smaller interventions promote inclusion, sector development, skills formation, and territorial balance. Maintaining this mix while strengthening linkages between early-stage pipelines and high-impact programmes, will be essential for sustaining growth, broadening participation, and maximizing long-term development outcomes.

Table 36: Total Income, Profit before tax and total taxes per intervention (RWF)

Interventions	Total Income	Profit before Tax	Total Taxes	Local Taxes	Net Profit
TVET Youth Challenge	407,188,630.67	162,339,359.54	19,558,868.99	8,789,666.67	142,780,490.54
Art Rwanda- Ubuhanzi Initiative	977,689,673.00	530,830,733.05	54,590,987.92	9,347,424.67	476,239,745.13
Support Refugees	136,336,413.33	97,527,009.25	20,823,371.62	1,717,600.00	76,703,637.64
TEF Ideation and Pitch Programme	1,821,821,422.00	1,133,302,250.40	110,997,614.41	20,700,008.00	1,022,304,635.99
Bootcamp Awardees	950,013,079.33	279,979,689.58	49,025,281.15	11,543,632.00	230,954,408.43
Post-Incubation Support Beneficiaries from Norrsken	152,705,462.50	37,781,731.46	18,106,374.78	15,350,000.00	19,675,356.68
Road Maintenance Program	5,436,566,470.28	1,788,764,312.13	575,327,526.49	29,045,648.00	1,213,436,785.64
Imali Bootcamp and Competition Participants (Imbuto Foundation)	258,235,000.00	107,125,186.61	21,800,649.19	6,754,720.00	85,324,537.42
Caravane Initiative Participants	2,587,863,263.00	1,045,458,389	155,399,068	27,545,000	890,059,321

Youth-led SMEs supported under YouthConnekt and Hanga Pitchfest Programmes	1,051,847,509.33	407,235,077.09	63,664,820.85	20,098,600.00	343,570,256.23
Ai-Accelarator	10,000,000.00	2,125,000.00	187,500.00	215,000.00	1,937,500.00
Water supply management in Rural Area	652,177,854.00	138,724,251.10	49,991,910.81	2,633,862.00	88,732,340.29
Apprenticeship program	230,690,000.00	144,243,555.72	8,874,214.20	1,072,000.00	135,369,341.52
YouthConnekt	19,363,816,960.83	6,302,391,433.35	1,106,483,154.37	216,717,908.67	5,195,908,278
Grand Total	34,036,951,738.28	2,177,827,978	2,254,831,342	371,531,070	9,922,996,635

Source: AGUKA Tracer Study July-August 2025

Table 37 reveals pronounced sectoral differences in income generation, profitability, and tax contributions among AGUKA-supported enterprises, reflecting variations in enterprise scale, capital intensity, productivity, and market structure. Overall, construction, manufacturing, and agriculture emerge as the main drivers of aggregate economic and fiscal outcomes, while several smaller and niche sectors demonstrate high profitability relative to scale.

The civil engineering sector (roads and utility projects) is the single largest contributor in absolute terms, generating RWF 7.22 billion in total income and RWF 2.76 billion in profit before tax, alongside the highest total tax contribution (RWF 676.6 million). It's very high local tax payments (RWF 464.2 million) presents strong formalization and close engagement with local authorities, consistent with its contract-based, public-facing nature. While operating costs and taxes reduce net profits to RWF 2.08 billion, civil engineering remains a cornerstone of programme-wide economic impact.

Manufacturing and agriculture-related activities also play a central role. Other manufacturing generated RWF 4.11 billion in income and RWF 1.65 billion in profit before tax, translating into RWF 1.47 billion in net profits, highlighting the importance of value addition and processing. Similarly, agriculture, forestry, and fishing recorded RWF 3.11 billion in income and RWF 1.72 billion in profit before tax, resulting in RWF 1.57 billion in net profits. These strong margins confirm the profitability of agribusiness and agro processing when supported by improved productivity, aggregation, and market access. The construction of buildings sector also stands out, generating RWF 3.43 billion in income and RWF 1.67 billion in profit before tax. It is the second largest contributor to total taxes (RWF 498.4 million), which explains why net profits (RWF 1.17 billion) are lower than in agriculture and manufacturing despite comparable pre-tax earnings. This pattern reflects higher compliance, payroll costs, and regulatory obligations in formal construction activities.

Service-oriented sectors show mixed but generally positive performance. All other services generated RWF 1.66 billion in income and RWF 911.6 million in profits before tax, while hotels, restaurants, and information & communication (IT) activities recorded RWF 1.62 billion in income and RWF 659.7 million in profits. These sectors demonstrate solid profitability but relatively moderate tax contributions, consistent with smaller average firm size and varying degrees of informality. Transport, wholesale, retail, and financial services generate substantial turnover but thinner margins, particularly in retail trade, which earned RWF 1.31 billion in income but only RWF 341.2 million in profit before tax, reflecting structurally low margins typical of retail businesses. The creative and cultural economy shows strong

efficiency despite smaller scale. Arts generated RWF 746.8 million in profit before tax from RWF 1.25 billion in income, while creative, arts, and entertainment activities produced RWF 213.6 million in profit from RWF 435.6 million in income, resulting in high net profit ratios. These results underscore the high value potential of creative industries when demand, branding, and market access are effectively supported.

Several smaller and specialized sectors contribute modestly to aggregate income but show notable profitability patterns. Tea or coffee processing demonstrates particularly high profitability relative to income, confirming the value of niche agro-processing. Education shows lower margins and comparatively high local tax payments, indicating stronger engagement with local authorities but limited commercial returns. Health, mining, sports, and petroleum-related activities contribute smaller absolute amounts but remain consistently profitable.

In general, sectoral results confirm that construction, manufacturing, and agriculture are the primary engines of income, profits, and tax revenues within the AGUKA portfolio, while creative industries and specialized processing deliver high margins at smaller scale. These findings support a sector-differentiated strategy: scaling high-impact sectors with strong fiscal returns; improving productivity, formalization, and margins in services and retail; and nurturing high-profit niche sectors such as creative industries and agro-processing to diversify growth and enhance resilience.

Table 37: Total Income, Profit before tax and total taxes per sector activities (RWF)

Sector activities	Total Income	Profit before Tax	Total Taxes	Local Taxes	Profits
Civil engineering (Roads, utility projects,...)	7,217,125,206.28	2,755,453,195.43	676,555,900.97	464,154,592.01	2,078,897,294.47
Agriculture, forestry & fishing	3,112,217,825.00	1,718,791,991.60	147,486,901.23	114,560,375.61	1,571,305,090.37
Other manufacturing	4,105,900,406.00	1,652,792,626.21	178,842,094.31	170,845,419.34	1,473,950,531.90
Construction of buildings	3,428,472,590.00	1,666,532,986.02	498,429,889.89	107,827,001.20	1,168,103,096.13
All other services	1,662,236,936.00	911,641,213.87	142,309,835.54	57,061,925.72	769,331,378.33
Arts	1,252,685,672.00	746,789,238.58	90,438,633.61	70,314,841.57	656,350,604.97
Hotels, restaurants, bars, cafes... Information & communication (IT)	1,617,313,001.00	659,729,054.21	65,356,018.28	24,483,386.46	594,373,035.93
Manufacturing of other food products	6,415,090,000.00	482,094,617.65	101,629,433.70	213,973,471.21	380,465,183.94
Retailing (excluding motor vehicles and petrol stations)	1,312,599,106.00	341,164,082.60	53,664,018.83	49,455,859.12	287,500,063.77

Creative, arts and entertainment activities	435,561,000.00	213,596,903.79	21,210,027.80	11,543,566.60	192,386,875.99
Specialized construction (Plumbing and electrical installation,etc.)	504,482,372.00	245,146,626.85	57,005,281.98	55,695,711.12	188,141,344.87
Wholesale (agricultural products, food, beverages & tobacco)	869,843,901.00	214,277,118.65	31,305,883.10	48,418,181.30	182,971,235.54
Transport services, travel and tour operations	465,834,200.00	177,126,264.58	49,288,935.66	66,719,364.42	127,837,328.92
Manufacturing of beverages and tobacco	264,600,000.00	101,563,979.74	7,485,835.75	4,196,159.19	94,078,144.00
Education	513,700,900.00	141,645,360.80	50,010,304.05	77,972,789.81	91,635,056.76
Tea or coffee processing	166,000,000.00	122,820,000.00	38,230,000.00	1,300,000.00	84,590,000.00
Wholesale (not elsewhere specified)	196,340,000.00	71,968,034.88	17,858,442.62	10,333,637.33	54,109,592.26
Financial & insurance activities	143,655,000.00	53,510,113.99	1,985,062.80	3,497,648.06	51,525,051.19
Health and social care	112,255,933.00	52,529,780.44	9,707,514.86	3,088,892.50	42,822,265.59
Mining & quarrying	83,700,000.00	37,730,000.00	4,897,279.51	1,546,192.83	32,832,720.49
Sports activities and amusement and recreation activities	61,320,000.00	34,080,483.90	1,502,252.70	378,461.85	32,578,231.20
Petroleum products	57,417,690.00	24,367,232.31	3,961,314.59	3,768,105.67	20,405,917.72
Mineral processing	17,300,000.00	14,780,000.00	3,360,000.00	3,125,000.00	11,420,000.00
Libraries, archives, museums and other cultural activities	8,100,000.00	8,400,000.00	180,000.00	72,000.00	8,220,000.00
Gambling and betting activities	12,000,000.00	5,000,000.00	-	-	5,000,000.00
New or second-hand motor vehicles	1,200,000.00	-	-	-	-
Grand Total	34,036,951,738	12,453,530,906	2,252,700,861	1,564,332,582	10,200,830,044

Source: AGUKA Tracer Study July-August 2025

2.4 Employment Outcomes

Table 38 shows a very strong and rapidly expanding employment impact between 2022 and May 2025, with a total of 128,485 cumulative jobs created across all staff categories. The sharp increase over time reflects both programme scale-up and growing enterprise activity, particularly from 2024 onward. Employment creation is heavily concentrated in casual and short-term jobs. Casual paid personnel account for the largest share, with 96,218 jobs, representing roughly three-quarters of all employment generated. This category expands dramatically in 2024, when over 64,000 casual jobs were created in a single year, indicating labor-intensive activities such as construction, agriculture, road maintenance, and service delivery. While this demonstrates strong job absorption capacity, it also points to job quality and stability challenges, as most opportunities are short-term and insecure.

Jobs with contracts of six months or less form the second-largest category, totaling 23,155 positions. The steep rise in this category from 2024 onward suggests that enterprises increasingly rely on temporary labor to manage scale-up, seasonal demand, or project-based work. Together with casual jobs, these short-term arrangements dominate employment outcomes, highlighting the programme's strength in rapid job creation, but also its limited impact on employment security. More stable employment remains relatively limited but shows gradual improvement. Permanent jobs or contracts exceeding six months total 7,119, with steady growth each year and a notable increase by May 2025 (3,106 positions). This trend suggests that as enterprises mature, some are transitioning toward longer-term employment relationships, although this shift remains modest relative to overall job creation.

Unpaid labor, including family members and unpaid supporters, accounts for 2,105 positions, a small share of total employment. While limited in scale, its persistence indicates that some enterprises still rely on informal household labor, particularly in early-stage or micro-enterprises. The analysis highlights AGUKA's strong contribution to employment generation at scale, particularly through labor-intensive sectors. However, the dominance of casual and short-term jobs underscores the need to strengthen job quality, including pathways from casual to more stable employment, basic HR support for enterprises, and incentives for longer-term contracts. Balancing employment quantity with quality will be critical for achieving more sustainable and inclusive labor market outcomes.

Table 38: Cumulative Staff Recruited 2022 – May 2025

TYPE OF STAFF RECRUITED	2022	2023	2024	25-May	TOTAL CUMULATIVE JOBS
Permanent & with >6 months contract	683	1,146	2,184	3,106	7,119
Equal to or less than 6 6-month contract	332	519	11,084	11,108	23,155
Casual Personnel (paid)	4,222	6,261	64,183	21,552	96,218
Unpaid (members, family, unpaid supporters)	191	312	740	862	2,105
Total	5,428	8,238	78,191	36,628	128,485

Source: AGUKA Tracer Study July-August 2025

Table 39 highlights pronounced gender differences in employment outcomes generated between 2022 and May 2025, both in terms of volume and job type. Overall, 128,485 cumulative jobs were created, of which 85,604 jobs (66.6 percent) went to men and 42,881 jobs (33.4 percent) to women, indicating a

significant gender gap in employment absorption. In permanent jobs or contracts exceeding six months, men hold a larger share with 4,096 positions compared to 3,023 for women. While the gap is narrower in this category than in others, it still suggests that men are more likely to access stable, longer-term employment opportunities. Women's representation, however, remains substantial, accounting for over 42 percent of permanent positions, indicating some progress toward more inclusive employment.

Short-term employment (contracts of six months or less) shows near gender parity, with 11,575 jobs for women and 11,468 for men. This balance suggests that when jobs are temporary or project-based, women and men participate at similar rates, particularly in service, trade, and light manufacturing activities. The largest disparity appears in casual paid employment, where men account for 69,168 jobs, more than double the 27,050 jobs held by women. This reflects sectoral segmentation, as casual labour is heavily concentrated in male-dominated sectors such as construction, road works, and certain industrial activities. As a result, women benefit less from large-scale, labour-intensive job creation.

Contrary, non-personnel or unpaid work, including family and friends, is more common among women (1,233 positions) than men (872 positions), pointing to women's greater reliance on unpaid or informal labour arrangements. This underscores persistent gender norms and care responsibilities that shape women's economic participation. The analysis show that while AGUKA has generated substantial employment for both genders, women are disproportionately concentrated in unpaid, short-term, or less secure jobs, while men dominate casual and permanent employment in labour-intensive sectors. Addressing these gaps will require gender-responsive employment strategies, including targeted skills development for women in non-traditional sectors, incentives for enterprises to formalize and stabilize women's employment, and supportive measures to reduce unpaid and informal work.

Table 39: Total Cumulative Jobs per gender between 2022-May 2025

Job Type	Female	Male	Total
Permanent & with >6 months contract	3,023	4,096	7,119
Equal to or less than 6 6-month contract	11,575	11,468	23,043
Casual Personnel (paid)	27,050	69,168	96,218
Non-personnel (e.g., family, friends)	1,233	872	2,105
TOTAL JOBS (2022–May 2025)	42,881	85,604	128,485

Source: AGUKA Tracer Study July-August 2025

Gender disparities in Job creation

The significantly higher number of male jobs compared to female jobs is largely driven by the gendered distribution of employment across sectors. The sector-level data in Table 38 shows that industries with the highest volumes of employment (civil engineering, road works, utilities, construction of buildings, and other engineering-related fields) are overwhelmingly male-dominated. For example, in civil engineering, men account for 60,083 casual positions compared to 18,154 for women. Such sectors rely heavily on casual and short-term labour, especially during peak construction periods, and research consistently shows that such roles are predominantly filled by men, due to long-standing gender norms and occupational segregation within engineering and construction fields. In contrast, permanent positions show much smaller gender gaps across most sectors, indicating that the overall disparity is driven mainly by casual, labour-intensive work streams where male participation is structurally higher.

Table 40: Job Creation Per Economic Activity

Main Economic Activity	Permanent Female	Permanent Male	Permanent Total	Contract Female	Contract Male	Contract Total	Casual Female	Casual Male	Casual Total
Agriculture, forestry & fishing	456	394	850	241	132	373	3,241	2,008	5,249
All other services	240	396	636	98	115	213	669	647	1,316
Arts	148	197	345	167	162	329	512	623	1,135
Civil engineering (Roads, utility...)	475	877	1352	10,310	10,451	20761	18,154	60,083	78,237
Construction of buildings	136	202	338	121	119	240	1,033	1,137	2,170
Creative, arts & entertainment	176	195	371	37	36	73	212	266	478
Education	43	88	131	18	28	46	104	134	238
Financial & insurance	17	13	30	3	0	3	35	36	71
Gambling & betting	6	6	12	0	0	0	0	0	0
Health & social care	35	42	77	6	10	16	26	32	58
Hotels, restaurants, bars, cafes, ICT	133	172	305	64	51	115	312	414	726
Libraries, archives, museums	6	7	13	0	0	0	0	0	0
Manufacturing (beverages & tobacco)	39	46	85	9	8	17	144	47	191
Manufacturing (other food products)	174	189	363	66	67	133	835	502	1,337

Main Economic Activity	Permanent Female	Permanent Male	Permanent Total	Contract Female	Contract Male	Contract Total	Casual Female	Casual Male	Casual Total
Mineral processing	4	8	12	5	6	11	7	12	19
Mining & quarrying	3	18	21	7	8	15	43	60	103
New/used motor vehicles	0	0	0	0	0	0	0	0	0
Other manufacturing	451	578	1029	158	159	317	609	1,216	1,825
Petroleum products	14	5	19	3	6	9	281	205	486
Retailing (excluding vehicles & fuel)	151	78	229	3	8	11	104	103	207
Specialized construction	141	159	300	10	23	33	256	340	596
Sports & recreation	11	33	44	1	1	2	39	28	67
Tea/coffee processing	6	10	16	1	2	3	25	18	43
Transport services & tours	47	78	125	43	42	85	153	132	285
Wholesale (agric., food, beverages)	158	200	358	72	81	153	668	498	1,166
Wholesale (not elsewhere specified)	26	32	58	47	38	85	111	104	215
	3,096	4,023	7,119	11,490	11,553	23043	27,573	68,645	96,218

> ***I started with two employees; today, I provide jobs to 30 young people in my community."***
>
> **-Djihadi Haridi, Fortis Hardware Ltd**

> ***From working alone, I now employ 15 casual staff during harvest seasons. The programme gave me the tools to grow and share opportunities."***
>
> **- Karangwa Felice, Coffee Connects Centre**

> ***As a refugee, I never imagined I could create jobs for others. Now, my small enterprise supports 5 employees."***
>
> **-Appolonie Niyongabire, Daily & Delivery**

Table 41 shows that job creation between 2022 and May 2025 is highly concentrated in industry and services, with agriculture playing a smaller but still important role. Of the 128,485 cumulative jobs created, industry accounts for half of all employment (64,396 jobs), followed by services (40,975 jobs) and agriculture (23,114 jobs). The industry sector is the dominant source of employment across all job types. It generates the highest number of permanent jobs (3,587), short-term contracts (11,540), and casual paid jobs (48,215). This reflects the labour-intensive nature of construction, manufacturing, road works, and processing activities, which have strong capacity to absorb large numbers of workers quickly. However, the dominance of casual employment also highlights challenges related to job stability and working conditions within industrial activities.

The services sector contributes 40,975 jobs, with a more balanced distribution across job types. It accounts for 2,250 permanent jobs, 7,366 short-term contracts, and 30,692 casual jobs. While services generate fewer jobs than industry, they provide relatively more opportunities for women and youth in trade, hospitality, creative industries, and personal services, though many positions remain informal or short-term. The agriculture sector generates 23,114 jobs, the majority of which are casual and seasonal (17,311 jobs). Permanent employment in agriculture remains limited (1,282 jobs), reflecting the seasonal nature of agricultural production and the prevalence of smallholder and household-based activities. Non-personnel labour is also more visible in agriculture, indicating continued reliance on family or unpaid labour.

The analysis portrays that employment growth has been rapid but skewed toward casual and short-term work, particularly in industry and agriculture. While this demonstrates strong labour absorption capacity, it underscores the need to improve job quality, including pathways from casual to permanent employment, stronger labour standards, and enterprise incentives to create more stable jobs, especially within industry and services where scale and productivity gains are more feasible.

Table 41: Cumulative Jobs created per economic sector between 2022-May 2025

Economic Sector	Permanent (>6 mo)	Contract (≤6 mo)	Casual (Paid)	Non-Personnel	Sector Total
Agriculture	1,282	4,137	17,311	384	23,114
Industry	3,587	11,540	48,215	1,054	64,396
Services	2,250	7,366	30,692	667	40,975
TOTAL (2022–May 2025)	7,119	23,043	96,218	2,105	128,485

Source: AGUKA Tracer Study July-August 2025

Table 42 presents the distribution of decent work opportunities—defined as permanent jobs and six-month contracts—created across AGUKA interventions between 2022 and May 2025. In total, 30,162 decent work jobs were generated, comprising 7,119 permanent positions and 23,043 six-month contracts, highlighting meaningful progress toward more stable employment outcomes beyond casual labor.

YouthConnekt, including Bootcamp Awardees and competitions, is the largest contributor to decent work creation, generating 16,580 jobs (over half of the total). Its strong performance reflects scale, structured enterprise pipelines, and integrated support that enables businesses to transition from short-term labor to more stable employment arrangements. A second tier of interventions shows solid and balanced contributions. Road Maintenance Program created 2,383 decent jobs, while Youth-led SMEs supported under YouthConnekt and Hanga Pitchfest generated 2,305 jobs, and Water Supply Management created 2,273 jobs. These interventions demonstrate that infrastructure-linked and enterprise-focused models can produce stable employment when paired with predictable financing and operational continuity.

Entrepreneurship-focused initiatives such as the TEF Ideation & Pitch Program (2,123 jobs) and Mentorship Programme (1,524 jobs) show strong conversion of enterprise support into decent work, underscoring the importance of sustained coaching and post-award follow-up. Similarly, the Caravane Initiative (1,368 jobs) and Art Rwanda – Ubuhanzi Initiative (849 jobs) illustrate how creative and market-access interventions can contribute to stable employment, even in non-traditional sectors. Smaller but strategically important contributions come from the TVET Youth Challenge (565 jobs) and support to refugees (192 jobs), reflecting targeted inclusion efforts that prioritize employability and stability over scale.

Table 42: Decent work Job Creation per interventions

Intervention	Permanent	Six-Month Contract	Total Decent Work
YouthConnekt (incl. Bootcamp Awardees + Competition)	3,541	13,039	16,580
TVET Youth Challenge	165	400	565
Art Rwanda – Ubuhanzi Initiative	213	636	849
Support Refugees	42	150	192
TEF Ideation & Pitch Program	617	1,506	2,123
Mentorship Programme	541	983	1,524
Road Maintenance Program	677	1,706	2,383

Intervention	Permanent	Six-Month Contract	Total Decent Work
Caravane Initiative	354	1,014	1,368
Youth-led SMEs supported under YouthConnekt and Hanga Pitchfest Programmes	617	1,688	2,305
Water Supply Management	352	1,921	2,273
TOTAL	7,119	23,043	30,162

Source: AGUKA Tracer Study July-August 2025

Table 43 shows that AGUKA interventions have generated a substantial number of indirect jobs, totaling an estimated 9,823 positions, reflecting spillover effects along value chains, local services, and supporting activities. YouthConnekt is the largest driver of indirect employment, accounting for 4,340 jobs (44.2 percent). This dominance reflects the programme's scale and its strong multiplier effects through supply chains, subcontracting, and induced demand in local economies. Enterprises supported under YouthConnekt not only create direct jobs but also stimulate additional employment in input supply, logistics, and services.

Infrastructure and service-oriented interventions also show strong indirect employment effects. Water Supply Management generated 1,235 indirect jobs (12.6 percent), while the Apprenticeship Program accounted for 1,135 jobs (11.6 percent). These interventions have wide community reach, creating demand for maintenance services, materials, trainers, and local suppliers beyond direct beneficiaries. Mid-level contributors include the TEF Ideation & Pitch Program (545 jobs; 5.5 percent), Road Maintenance Program (420 jobs; 4.3 percent), and support to refugees (360 jobs; 3.7 percent). These programmes demonstrate that targeted enterprise and infrastructure support can generate meaningful secondary employment even when direct job numbers are modest.

Smaller but still important spillovers are observed in Post-Incubation Support, Youth-led SMEs under YouthConnekt and Hanga Pitchfest, Art Rwanda – Ubuhanzi Initiative, TVET Youth Challenge, and the Caravane Initiative, each contributing between 1.9 and 3.5 percent of indirect jobs. While individually smaller, collectively these interventions reinforce the programme's broad-based employment multiplier effect.

Table 43:Estimated Indirect jobs created per intervention

Intervention	Estimated Indirect Jobs Created (n)	Share (%)
YouthConnekt (incl. Bootcamp Awardees + Competition)	4,340	44.2 %
TVET Youth Challenge	295	3.0 %
Art Rwanda – Ubuhanzi Initiative	260	2.6 %
Support Refugees	360	3.7 %
TEF Ideation & Pitch Program	545	5.5 %
Post-Incubation Support	310	3.2 %
Road Maintenance Program	420	4.3 %
Caravane Initiative	190	1.9 %
Youth-led SMEs supported under YouthConnekt and Hanga Pitchfest Programmes	340	3.5 %
Water Supply Management	1,235	12.6 %
Apprenticeship Program	1,135	11.6 %

Intervention	Estimated Indirect Jobs Created (n)	Share (%)
Others	393	4.0 %
TOTAL	**9,823**	**100 %**

Source: AGUKA Tracer Study July-August 2025

Table 44 shows fluctuations in salaries and wages paid by beneficiaries between 2022 and May 2025, reflecting changes in employment structure, reporting coverage, and the nature of jobs created over time. Staff costs remained relatively stable in 2022 (RWF 1.31 billion) and 2023 (RWF 1.34 billion), suggesting consistent wage payments during the early and consolidation phases of programme implementation. These figures align with steady enterprise activity and gradual employment expansion in those years.

In 2024, reported staff costs dropped sharply to RWF 306 million, despite a significant increase in total jobs created during the same period. This apparent divergence likely reflects the predominance of casual and short-term employment, lower average wages, or partial/incomplete reporting during a rapid scale-up phase, rather than an actual contraction in employment-related spending. In 2025 (to May), staff costs rebounded to RWF 1.32 billion, indicating a return to higher wage outlays as enterprises stabilized operations, engaged longer-term workers, or improved reporting accuracy. This recovery suggests improving job quality and remuneration levels, even as employment numbers remained high. The trends point to a shift toward large-scale, lower-cost employment in 2024, followed by rebalancing toward more stable and better-paid work in 2025. These findings reinforce the importance of tracking both job quantity and wage levels to assess the quality and sustainability of employment outcomes over time.

Table 44: Salaries/Wages Trends for beneficiaries (2022– May 2025)

Year	Staff Costs
2022	RWF 1,310,000,000
2023	RWF 1,340,000,000
2024	RWF 306,000,000
2025	RWF 1,320,000,000

4.5 Investment Outcome

Table 45 shows that AGUKA-supported enterprises made 1,561 capital investments between 2022 and 2025, indicating strong reinvestment behaviour and a shift toward asset accumulation and business expansion. The most common investment was machinery purchase (444 investments), highlighting a clear focus on improving productivity, efficiency, and value addition, particularly in manufacturing, agro-processing, construction, and technical services. This suggests that many enterprises are moving beyond subsistence operations toward more capital-intensive and scalable models.

Significant investment is also observed in ICT and digital tools (250 investments) and furniture and fittings (239 investments). These investments point to business formalization, improved service delivery, and adoption of digital systems for accounting, marketing, and operations, especially among service and creative enterprises. Real asset accumulation is evident through investments in land (147) and housing (142), which may serve both productive and collateral purposes, strengthening long-term business security and creditworthiness. Construction investments (108) and storage facilities (69) further indicate enterprise expansion and improved supply-chain and inventory management, particularly in agriculture and trade.

Transport-related investments, such as delivery bicycles (36), motorcycles (33), and vehicles (22),

reflect efforts to enhance last-mile delivery, market access, and operational mobility, especially for small-scale traders and service providers. The investment profile shows a balanced mix of productive, digital, physical, and logistical assets, signalling growing enterprise maturity. These patterns underscore the importance of continued access to finance, asset protection, and technical support to ensure that capital investments translate into sustained productivity gains, job creation, and resilience.

Table 45: Number and type Capital Investments made (2022-2025)

Type of Investment (n)	Count
Machinery purchase	444
ICT & Digital tools	250
Furniture & Fittings	239
Land	147
House	142
Construction	108
Other	71
Storage Facilities	69
Delivery bicycles	36
Motorcycle	33
Vehicle	22
Total	**1 561**

Source: AGUKA Tracer Study July-August 2025

The table below shows a strong increase in operational investments over time, reflecting growing business activity, scale, and sophistication among AGUKA-supported enterprises. Total operational spending rose from RWF 151.9 million in 2022 to RWF 301.5 million in 2023, peaking sharply at RWF 778.2 million in 2024, before moderating to RWF 452.0 million up to May 2025. The 2025 figure likely reflects partial-year reporting rather than a full-year decline.

Marketing and promotion expenditures increased dramatically, from RWF 11.6 million in 2022 to RWF 61.0 million in 2024, and further to RWF 116.5 million by May 2025. This trend indicates a strategic shift toward market expansion, brand visibility, and customer acquisition, particularly through digital and mass-media channels. Spending on utilities (water, electricity, internet) rose steeply, especially in 2023 (RWF 255.5 million) and 2024 (RWF 581.9 million), reflecting increased production, expanded premises, and greater reliance on digital connectivity. The lower utility spending in 2025 (RWF 117.3 million) again likely reflects the partial-year period.

Rent expenditures show steady growth across all years, increasing from RWF 18.4 million in 2022 to RWF 47.6 million by May 2025, suggesting gradual formalization and movement into dedicated business premises rather than home-based operations. Investment in business training and skills upgrading remained minimal in the early years but rose sharply in 2024 and 2025, reaching RWF 14.2 million and RWF 15.4 million respectively. This indicates growing recognition among enterprises of the importance of skills development in sustaining growth and competitiveness. The demonstrate a transition from basic operational survival toward market-oriented and growth-focused spending. The data suggest increasing enterprise maturity, but also rising operating costs, underscoring the importance of productivity gains, cost management, and continued access to finance to sustain profitability as businesses scale.

Table 46:Operational Investments between 2022- May 2025

Type of operational investment	In Million RWF			
	2022	2023	2024	up to May 2025
Business training or skills upgrading (e.g., customer care, financial literacy)	0.90	0.93	14.23	15.39
Marketing and promotion (e.g., posters, online ads, radio slots)	11.55	20.62	61.02	116.50
Rent (for non-owned business premises)	18.41	24.48	33.72	47.58
Utility bills (water, electricity, internet)	71.13	255.50	581.90	117.30
Other	49.95	0.00	87.31	155.20
TOTAL	**151.94**	**301.53**	**778.18**	**451.96**

> ***Buying land and building a storage facility was my dream. With Aguka's support, I made it a reality, and now I can store my produce safely and sell at better prices."***

-Bora Uzima Peter, agripreneur (refugee youth)

> ***Before, I only had manual tools. Now I own machines that allow me to expand production and serve bigger clients. Investment in equipment is what turned my idea into a business."***

- Djihadi Haridi, Fortis Hardware Ltd

> ***I invested in ICT tools to digitalise my classes. Technology has become the bridge between me and my students, and it allowed me to reach beyond the refugee camp."***

-Niyonizeye Abdulrahman, SmartClass Ltd

“Through Aguka, I managed to rent a space and invest in modern fittings. My restaurant now attracts more clients, and I can employ young women from my community.”

-Umuhuza Salama, Tourism & Hospitality

“Investing in machinery for processing coffee was a turning point. It reduced my costs, improved quality, and opened doors to international buyers.”

-Karangwa Felice, Coffee Connects Centre

“I bought delivery bicycles and motorcycles to improve logistics. This has helped me expand my customer base and build trust as a reliable supplier.”

- Appolonie Niyongabire, Daily & Delivery

“Part of my profits went into building a small house for my family. Aguka did not only give me a business, but it also gave me stability and dignity.”

-Irudukunda Medine, agripreneur

AGUKA enabled youth to move from survivalist entrepreneurship to growth-oriented investment, building both business and household assets. Investments in land and housing signal long-term stability, while machinery, ICT tools, and storage facilities demonstrate commitment to productivity and competitiveness. For refugee and vulnerable youth, these investments also represent a pathway to dignity, independence, and social integration.

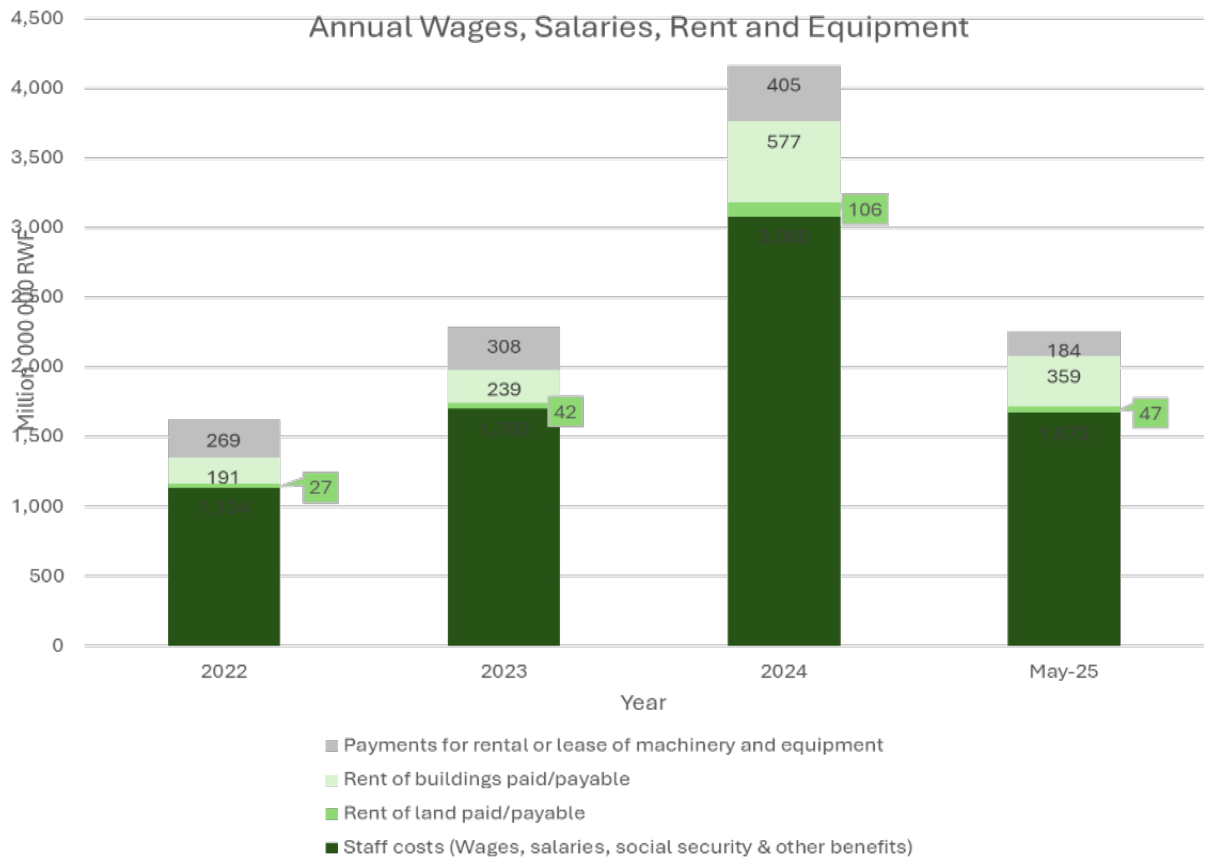
4.6 Expenses Trends

The chart illustrates a clear upward trend in enterprise operating expenditures between 2022 and 2024, followed by a moderation in May 2025, reflecting both business scaling and partial-year reporting. Staff costs (wages, salaries, and benefits) consistently account for the largest share of expenditure across all years. They rise from RWF 1.13 billion in 2022 to RWF 1.70 billion in 2023, peaking sharply at RWF 3.08 billion in 2024. This surge aligns with the substantial increase in employment, particularly casual and short-term labor, during programme scale-up. By May 2025, staff costs decline to RWF 1.67 billion, which is still high relative to earlier years and likely reflects the partial reporting period rather than reduced employment intensity.

Rent for buildings shows a steady and sustained increase, from RWF 191 million in 2022 to RWF 239 million in 2023, and further to RWF 577 million in 2024, before moderating to RWF 359 million by May 2025. This pattern suggests progressive business formalization and expansion into dedicated premises, moving away from home-based or informal operating spaces. Payments for rental or leasing of machinery and equipment also increase steadily, from RWF 269 million in 2022 to RWF 308 million in 2023, reaching RWF 405 million in 2024, before easing to RWF 184 million in May 2025. This reflects growing reliance on productive assets and mechanization, particularly in manufacturing, construction, and agro-processing activities.

Rent for land, while the smallest cost component, shows a gradual rise, from RWF 27 million in 2022 to RWF 42 million in 2023, RWF 106 million in 2024, and RWF 47 million by May 2025, indicating expanding operations that require land access, especially in agriculture and production-oriented enterprises. The analysis shows a period of rapid enterprise expansion in 2024, characterized by sharp increases in labor, premises, and equipment costs. The decline observed in May 2025 is best interpreted as a partial-year effect, not a contraction. Collectively, these trends point to rising enterprise scale and formality but also underscore increasing cost pressures, reinforcing the importance of productivity gains, revenue growth, and access to affordable finance to sustain profitability as businesses grow.

Figure 1: Total expenses (Wages, Salaries, Rent and Equipment)



Source: AGUKA Tracer Study July-August 2025

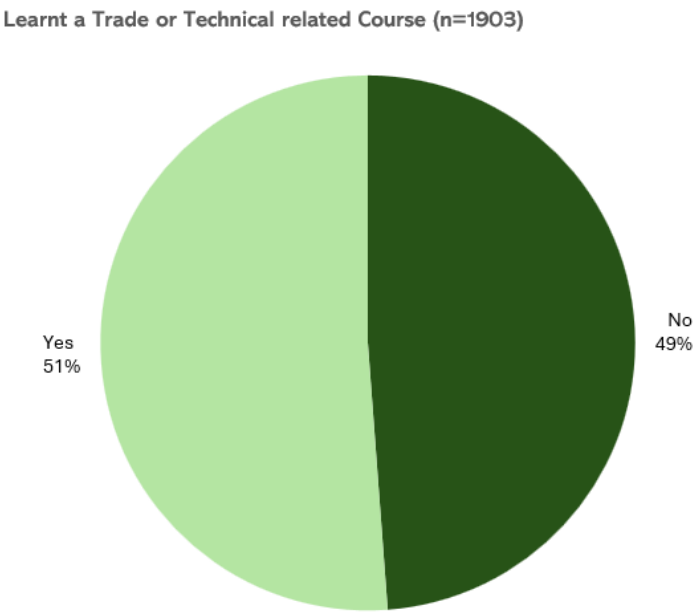
The table 47 indicates that across the interventions, total reported expenses on staff land, buildings, and machinery rental amounted to RWF 10.9 billion, with the largest share going to staff costs (RWF 7.99 billion, 73%), followed by building rent (RWF 1.49 billion, 14%), and machinery/equipment rental (RWF 1.22 billion, 11%), while land rent accounted for a very small proportion (RWF 226 million, 2%). YouthConnekt recorded the highest overall expenses at RWF 4.77 billion, mainly driven by staff salaries and building rents, reflecting its large-scale operations. The Road Maintenance Program also incurred very high costs (RWF 3.97 billion), with substantial spending on staff and machinery rental, consistent with its labor and equipment-intensive nature. Other programs such as Caravane Initiative (RWF 537 million), Water Supply Management (RWF 254 million), and Apprenticeship Program (RWF 62 million) had comparatively smaller expense profiles, reflecting more modest operational requirements. Overall, the data shows that the bulk of program expenditures are absorbed by human resource costs, with capital-intensive programs like road maintenance and large-scale initiatives like YouthConnekt driving the highest overall expenses.

Table 47: Total expenses per interventions

Intervention	Staff Costs (RWF '000)	Rent of Land (RWF '000)	Rent of Buildings (RWF '000)	Payment rental of machinery/ equipment (RWF '000)	Total expenses (staff + land + buildings + machinery) (RWF '000)
TVET Youth Challenge	135,994.12	9,230.12	8,202.60	5,020.12	158,446.96
Road Maintenance Program	2,943,599.51	52,908.11	202,240.11	767,358.86	3,966,106.60
Caravane Initiative	356,914.23	10,750.00	146,553.67	23,247.60	537,465.50
Water supply management	220,197.43	2,200.00	19,555.00	12,305.00	254,257.43
Apprenticeship Program	39,457.50	360.00	17,980.00	4,225.00	62,022.50
YouthConnekt	3,419,045.50	118,939.81	873,121.91	362,229.19	4,773,336.40
Others	875,507.21	31,718.00	221,546.78	43,827.49	1,172,599.48
TOTAL	7,990,715.51	226,106.05	1,489,200.08	1,218,213.26	10,924,234.90

Source: AGUKA Tracer Study July-August 2025

Figure 2: Learnt trade or technical related course(n=1903)



4.7 Skills and Learning among Aguka Beneficiaries

The Aguka program sought to understand the extent to which its beneficiaries might have built and improved their skills by attending trainings in various trade, technical, and business management skills. This assessment was critical for evaluating beneficiaries undertaking skills development interventions and how it contributed to improving their livelihoods and enterprise growth.

The findings indicate that just over half of Aguka/YouthConnekt beneficiaries (51.2%) reported having attended a trade or technical-related course, while 48.8% had not participated in such training. This relatively balanced distribution suggests that the program has made notable progress in extending training opportunities but still leaves a considerable proportion of beneficiaries without exposure to formal technical or vocational learning. The fact that nearly half of the participants did not access such training highlights the need to expand outreach and inclusiveness, ensuring that more individuals are equipped with technical skills that are essential for productivity and employability.

For those beneficiaries who participated in training, the majority were engaged in short-term programs. Almost half (48.2%) undertook training lasting between three to six months, and another 23.6% participated in training that lasted less than a month. A further 17.9% received training between one to three months, while only a small fraction engaged in longer-term courses such as one year (5.1%), two years (1.1%), or three years and above (4.1%).

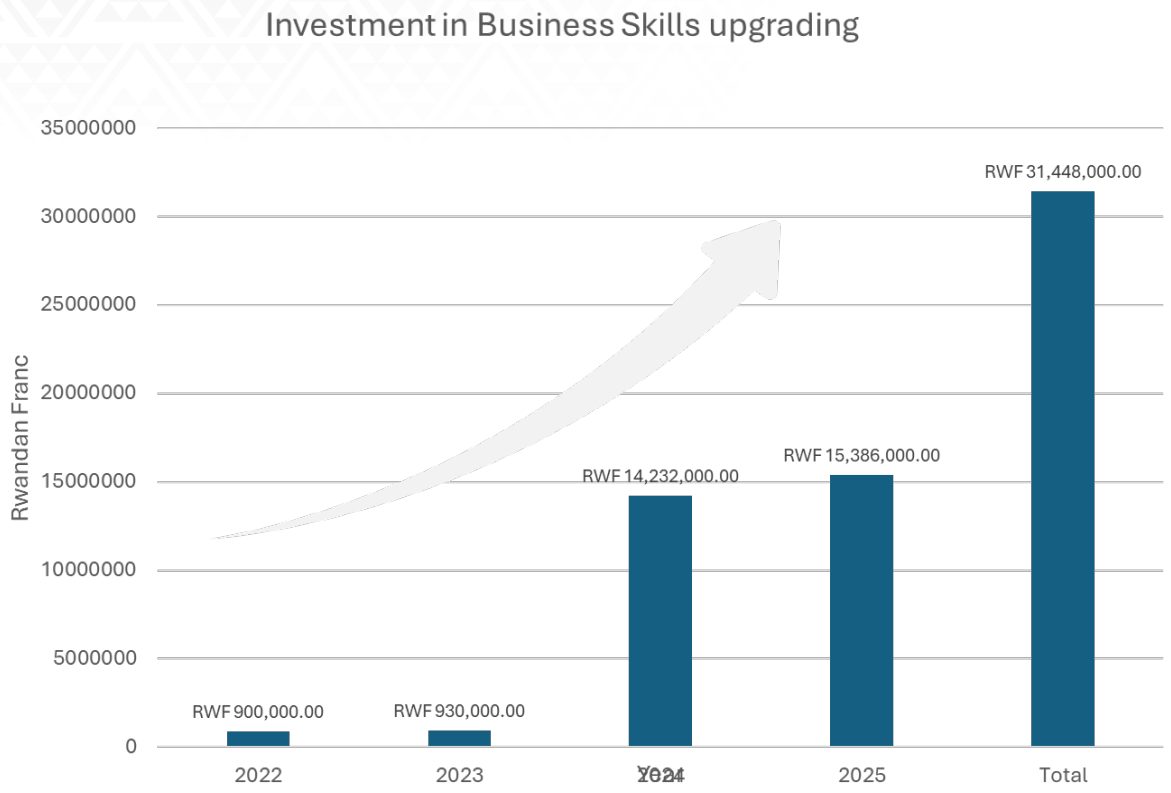
Table 48: Duration of the training

	COUNT (n-974)	Percent
Less than one month	230	23.6%
1–3 Months	174	17.9%
3–6 Months	469	48.2%
1 Year	50	5.1%
2 Years	11	1.1%
Three years or more	40	4.1%

Source: AGUKA Tracer Study July-August 2025

The data reveals a striking trend in the level of investment dedicated to business skills upgrading over the program's implementation period. Between 2022 and 2023, the financial allocations remained modest, ranging from RWF 900,000 in 2022 to RWF 930,002 in 2023. However, beginning in 2024, there was a sharp and unprecedented increase in investment, with allocations rising to RWF 14.2 million in 2024 and RWF 15.4 million in May 2025. Altogether, the total investment over 2022–May 2025 amounted to RWF 31.4 billion, with more than 90% of this concentrated in the last two years of the period.

Figure 3: Investment in Business Skills Upgrading



Source: AGUKA Tracer Study July-August 2025

Table 49 shows that training interventions have had a strongly positive effect on business management practices among beneficiaries. A clear majority, 57.1 percent (1,086 respondents), reported that training improved their business management significantly, indicating that the content was relevant, practical, and directly applicable to day-to-day enterprise operations. An additional 33.0 percent (628 respondents) indicated that their management practices improved slightly, suggesting that while the impact may have been incremental for some, training still contributed positively to decision-making, record-keeping, and operational efficiency. Together, nearly 90 percent of respondents experienced some level of improvement as a result of training.

The analysis shows that only 6.6 percent (126 respondents) reported no change, while an extremely small proportion (0.1 percent) perceived a decrease in management effectiveness. The share of respondents who were uncertain (3.2 percent) is minimal, indicating that most beneficiaries were able to clearly assess the impact of training. The analysis demonstrate that training is a highly effective intervention for strengthening enterprise management capacity. The results reinforce the value of continued investment in practical, context-specific training, particularly when combined with follow-up coaching and mentorship to translate skills into sustained business performance improvements.

Table 49: Training provided changed management of business

	COUNT (n=1903)	Percent
Don't know	61	3.2%
Improved significantly	1,086	57.1%
Improved slightly	628	33.0%
No change	126	6.6%
Decreased	2	0.1%
Total	1,903	100%

Source: AGUKA Tracer Study July-August 2025

4.8 Impact on the Community Development

The results show that Aguka beneficiaries' businesses and projects have created significant spillover effects, stimulating new or expanded economic activities within their communities. The most common induced opportunities perceived by beneficiaries were in retail shops 47.3% of respondents noticing an expansion of the sector, followed by transportation services 43.6%. These sectors are typically vital in local economies, providing daily necessities and facilitating mobility, thus reflecting how beneficiary enterprises helped strengthen essential services.

In addition, food vending (35.8%) and motorcycle taxi services (20.3%) also emerged as major perceived induced opportunities, indicating that the program supported the growth of livelihood activities that are both accessible and highly demanded in rural and peri-urban communities. The construction sector (15.3%) also benefitted, suggesting increased demand for infrastructure and housing improvements linked to enhanced household incomes. Smaller but notable contributions were observed in creating more vibrant villages (7.3%) and other businesses (23.3%), showing that beneficiaries' economic progress has a multiplier effect across diverse local activities.

Overall, these findings underscore that the Aguka/YouthConnekt program has gone beyond direct support to individual beneficiaries; it has stimulated broader community-wide economic vitality, fostered employment opportunities and improved access to goods and services.

Table 50: Induced Economic Opportunities in the Community

New or expanded businesses have you observed in your community	COUNT (n=1903)	Percent
Retail shops	900	47.3%
Transportation	829	43.6%
Food vendors	681	35.8%
Others	444	23.3%
Motorcycle taxis	386	20.3%
Construction	293	15.4%
Vibrant Village	139	7.3%

Source: AGUKA Tracer Study July-August 2025

Beneficiaries were also asked to directly assess the impact of the Aguka program on community development. Using a 4 stage likert scale of Strongly Agree, Agree, Neutral and Disagree, a clear majority expressed positive views, with 51.7% strongly agreeing and 38.3% agreeing, to show that the program has had a positive effect on community development that the program made a meaningful contribution. Meaning 90% of respondents recognised Aguka as having improved their communities. Only 9.1% of participants were neutral, indicating they did not perceive major changes, and less than 1% (0.89%) disagreed, suggesting very limited negative perceptions.

The overwhelmingly positive assessment indicates that the program is not only empowering individuals but also strengthening social and economic cohesion at the community level. Beneficiaries' businesses are seen as catalysts for local development, improving livelihoods, creating jobs, and supporting essential services that enhance the overall wellbeing of the community. The findings demonstrate that Aguka/YouthConnekt has had a multiplier effect extending well beyond its direct participants. By stimulating new and expanded economic activities such as retail trade, food vending, transportation, and construction, the program has reinforced community resilience and local economic vibrancy. Beneficiaries themselves strongly affirm these contributions, with nearly nine in ten acknowledging the program's positive role in advancing community development. This highlights Aguka's dual achievement of empowering individuals while fostering broader structural change within local economies.

4.9 Comparative analysis of award recipient vs non-recipients

The comparative analysis of AGUKA programme participants between 2022 and May 2025 reveals clear performance gaps between grant recipients and non-recipients. Grant recipients demonstrate significantly stronger financial outcomes, with an average income of RWF 21.11 million compared to RWF 12.08 million for non-recipients, representing a 74.7% differebce. Profit differences are even more pronounced, with recipients earning RWF 6.00 million versus RWF 2.61 million for non-recipients, a 130.2% increase. These figures suggest that grant support is strongly associated with improved revenue generation and profitability.

Employment structures also differ substantially. On average grant recipients employ more permanent staff (3.81 vs 2.67) and short-term workers (1.95 vs 0.79), indicating a trend toward formalization and capacity to manage seasonal demand. Conversely, reliance on casual labor is slightly lower among recipients (13.78 vs 15.15), and unpaid personnel are less common (0.89 vs 1.15), signaling reduced dependence on informal arrangements. A workforce quality index shows permanent staff account for 19.5% of paid workers among recipients compared to 14.35% for non-recipients, a 5.15 percentage point improvement. These patterns imply that grant instruments not only enhance financial performance but also promote more structured employment practices.

Table 51:Comparative analysis of award recipient vs non-recipients

	Grant Recipients	Non-Grant Recipients
Average Income (2022-2025) per beneficiary	21,109,836.36	12,082,660.29
Average Profit (2022-2025) per beneficiary	6,001,534.98	2,606,656.00
Average staff employed Permanent with a contract of more than 6 months	3.81	2.67
Average workers employed with contracts of 6 months or less for the year	1.95	0.79
Average casual personnel (paid) for the year	13.78	15.15
Average Non paid personnel (Family members, interns, apprentice...)	0.89	1.15

Source: AGUKA Tracer Study July-August 2025

This sub-chapter presents a cross-cutting equity analysis of the tracer study findings, with a specific focus on differences by sex and disability status. The analysis applied Chi-square tests of independence ($\alpha = 0.05$) to examine whether observed differences between male and female respondents, and between respondents with disabilities and those without, were statistically significant. The assessment was conducted across the seven core analytical domains of the tracer study: access to finance; employment outcomes; income and profit outcomes; investment outcomes; expenditure trends; skills and learning among AGUKA beneficiaries; and broader impact and community development.

Access to finance: Gender-based differences were most evident at the level of basic financial inclusion and the depth of financial service use. Men were significantly more likely than women to hold a bank, MFI, or SACCO account (89.1 percent versus 83.4 percent; $p = 0.0003$). Among users of financial services, men also reported higher utilization of current accounts (92.1 percent versus 88.9 percent; $p = 0.0336$). In contrast, women reported higher insurance uptake than men (5.4 percent versus 3.3 percent; $p = 0.0381$), possibly reflecting gendered risk perceptions or differential product targeting. No statistically significant gender differences were observed for savings accounts, foreign exchange services, letters of credit, or loan and credit products. Similarly, no statistically significant differences by disability status were detected across any access-to-finance indicators.

Employment outcomes: Men demonstrated greater diversification of economic activities. Among all respondents, 29.4 percent of men reported at least one secondary economic activity, compared to 20.2 percent of women ($p < 0.001$). Engagement in multiple secondary activities (more than one) was also more common among men (1.1 percent versus 0.2 percent; $p = 0.041$). These patterns suggest broader activity portfolios among male-led enterprises, which may enhance resilience to sector-specific shocks. No statistically significant differences by disability status were observed in secondary economic activity participation.

Income and profit outcomes: Analysis of income and profit indicators revealed no statistically significant differences by sex or disability status. The absence of measurable gaps suggests that, once engaged in economic activity, beneficiaries experience broadly inclusive income and profitability outcomes across demographic groups.

Investment outcomes: No statistically significant differences were detected in investment patterns by sex or disability status, indicating relatively equitable investment behavior among AGUKA beneficiaries.

Expenditure trends: Expenditure patterns did not differ significantly by sex or disability status, suggesting similar cost structures and operational spending across groups.

Skills and learning among AGUKA beneficiaries: Women reported stronger historical engagement in vocational and technical skills development. A significantly higher proportion of women (54.7 percent) than men (48.3 percent) indicated that they had ever undertaken a trade or technical course ($p = 0.0059$). However, current enrolment in such training did not differ significantly by sex, and no statistically significant differences were observed by disability status.

Broader impact and community development: No statistically significant differences by sex or disability status were detected for broader impact and community development indicators, suggesting that wider social and community-level benefits of the programme are distributed equitably across beneficiary groups.

4.10 Estimation of the impact and efficiency of the AGUKA Programme (2022-May 2025)

To estimate the overall impact of AGUKA programme interventions, the analysis applied a simple proportional scaling method, using the programme's total budget and observed outcomes from the 2025 tracer study. Calculations are based on the amount of USD 482,971, per the tracer study scope and disbursement status.

4.10.1 Estimation AGUKA program's efficiency and Turnover

Table 52 presents efficiency metrics that illustrate the economic, employment, and fiscal returns generated per unit of investment, as well as the scaled outcomes achieved from the total RWF 628 million invested under AGUKA. Overall, the indicators confirm that the programme delivers very high value for money, combining strong job creation with substantial income, profit, and tax generation. On the employment dimension, AGUKA demonstrates strong labour intensity and absorption capacity. For every RWF 1 million invested, the programme generates an estimated 48 decent jobs (permanent or at least six-month contracts) and 204 total jobs. When scaled to the full investment envelope, this translates into 30,162 decent jobs and 128,485 total jobs, highlighting AGUKA's effectiveness as a large-scale job creation instrument, particularly for youth and other priority groups.

In terms of enterprise performance, each RWF 1 million invested generates approximately RWF 54.2 million in business income, indicating a very strong income multiplier. At scale, this corresponds to RWF 34.04 billion in total business income, underscoring the programme's substantial contribution to enterprise turnover, market participation, and local economic activity across sectors and districts. Fiscal returns are also significant. For every RWF 1 million invested, AGUKA-supported enterprises generate about RWF 3.59 million in tax revenue. At the aggregate level, this amounts to RWF 2.25 billion in total tax revenue, demonstrating that a meaningful share of public and donor investment is effectively recycled back into domestic revenue mobilization through increased formalization and compliance. Profitability outcomes further reinforce programme efficiency. Each RWF 1 million invested yields an estimated RWF 15.8 million in net profit, resulting in RWF 9.92 billion in total net profits across beneficiaries. This confirms that supported enterprises are not only generating revenue and jobs, but are also operating profitably, strengthening business sustainability, resilience, and reinvestment potential.

Taken together, the efficiency calculations show that AGUKA delivers high economic, employment, and fiscal returns relative to investment size. These results provide strong justification for scaling similar blended interventions that combine grants, skills development, mentorship, and market access. Such approaches offer measurable value for money while advancing inclusive growth, decent work, and domestic revenue generation.

Table 52:Efficiency Calculations and Scaled Estimates (RWF)

Metric	Per RWF 1,000,000 Invested	Total per RWF 628mil
Decent Jobs	48	30 162
Jobs Created	204	128 485
Business Income	54,198,967.73	34,036,951,738.28
Tax Revenue Generated	3,590,495.77	2,254,831,342.92
Net Profit	15,800,950.06	9,922,996,635.97

Source: AGUKA Tracer Study July-August 2025

The tracer survey results show that between 2022 and May 2025, the AGUKA Programme generated a total of 128,485 jobs across all economic sectors, demonstrating substantial employment impact at scale. In efficiency terms, every RWF 1 million invested resulted in the creation of 48 decent jobs and 204 total jobs, while also generating approximately RWF 46.57 million in business turnover, RWF 12.23 million in net profits for youth-led enterprises, and RWF 2.6 million in tax revenue returned to the Government.

These outcomes indicate that the AGUKA Programme delivered a strong return on investment, combining high labour absorption with significant enterprise growth and measurable fiscal contributions. The efficiency ratios underscore the programme's effectiveness in translating financial and technical support into jobs, profitable businesses, and domestic revenue generation, reinforcing its value as a scalable model for inclusive economic development and youth employment.

4.10.2 Quality of Employment and Decent Work Outcomes

A total of 30,162 decent jobs were identified across AGUKA-supported interventions, defined as positions with written contracts and salary payments made through banks or other financial institutions. Of these, 7,119 jobs (23.6 percent) were permanent or supported by contracts longer than six months, while 23,043 jobs (76.4 percent) were based on contracts of less than six months. Although the majority of decent jobs remain short-term, their formalization through written contracts and traceable wage payments represents a meaningful shift toward more structured and regulated employment relationships.

This progress reflects growing enterprise formalization and improved compliance with basic labour standards. However, the predominance of short-term contracts highlights the continued challenge of job stability and retention, particularly for young workers and women. While AGUKA has demonstrated strong efficiency and economic leverage, creating 48 decent jobs and over 200 total jobs per RWF 1 million invested and generating RWF 46.57 million in business income, the sustainability of these employment gains will depend on strengthening enterprise viability, productivity, and long-term growth prospects.

The persistence of casual and short-duration employment underscores the need to complement job creation with deeper investments in enterprise sustainability, value chain upgrading, and access to higher-value markets. In addition, observed gender imbalances in job distribution point to structural constraints that limit women's participation in more stable and productive employment. Addressing these gaps will require deliberate strategies to improve women's access to finance, productive assets, and growth-oriented enterprise opportunities, particularly in high-potential sectors.

Key takeaways include the need to: promote access to affordable finance through partnerships with SACCOs and MFIs supported by credit guarantees and youth- and women-focused financial products; expand business development services and financial literacy training to improve enterprise bankability and resilience; strengthen women's participation through targeted interventions, mentorship, and improved access to productive resources; encourage enterprise formalization by linking tax registration and digital payment systems to programme incentives; and integrate value chain and market linkage support to enable enterprises to transition from low-value, labour-intensive activities to more productive and income-generating opportunities.

4.10.3 Impact of awards and integrated support on job creation and business survival

The combined evidence from the regression analysis, descriptive data, and program performance indicators suggests that the Aguka support package; including financial awards, financial literacy training, coaching, and business development services; has contributed to improved business survival, gradual job creation, and increasing levels of formality. Although the overall impacts are moderate for most beneficiaries, the findings demonstrate that the timing of awards (award year), award status, and layered support delivery all play meaningful roles in shaping outcomes.

The analysis shows that the Aguka program; through its integrated package of funding/awards, financial literacy training, coaching, and business development support—has contributed positively to business survival, steady job creation, and progressive formalization, although impacts remain moderate for most beneficiaries.

A. Business Survival and Enterprise Resilience

Award status and the period of receiving the award play a meaningful role in strengthening enterprise continuity. Beneficiaries who received awards earlier exhibit higher levels of operational stability, having had more time to invest in equipment, reorganize business processes, and apply financial literacy skills. Survival outcomes are strongest among entrepreneurs who benefit from multiple forms of support simultaneously, as the combination of coaching, training, and funding enhances their capacity to manage risks, maintain cash flow, and adapt to market constraints.

B. Job Creation and Employment Stability

While award status alone is not a statistically significant predictor of job creation, beneficiaries who received awards; particularly earlier recipients; tend to show higher absolute job numbers and stronger employment stability. Award amounts have a small but measurable influence on job creation. Importantly, job creation is heavily shaped by economic sector dynamics, with labour-intensive sectors such as tea and coffee processing showing substantially larger employment gains compared to capital-intensive or low-growth sectors. The combined support package contributes to retaining existing jobs and enabling incremental expansion, even where dramatic employment jumps are rare.

C. Business Formalization

Training, coaching, and financial literacy demonstrate a strong influence on formalization behaviors. Beneficiaries report improved record-keeping, tax and license compliance, and increased confidence in engaging formal markets. Businesses that received awards earlier show higher likelihood of advancing toward formal status, supported by gradual revenue increases that create conditions conducive to registering, complying, and expanding.

These findings underscore the importance of integrated support models, timely award disbursement, and sector-sensitive programming. Strengthening follow-up coaching, increasing award sizes, and tailoring support to sector opportunities could further enhance the program's impact on job creation and formalization.

- Award status and awarding period contribute to job creation and enterprise stability, especially when combined with coaching and training.
- Sector characteristics strongly shape employment outcomes, influencing how far support can translate into job growth.
- Layered support (funding + training + coaching) consistently improves business resilience, job retention, and formalization.
- These findings highlight that the Aguka model is effective in facilitating incremental business strengthening, while underscoring the need for deeper, more sector-specific and sustained support to unlock larger-scale transformations.

5 BENEFICIARIES & IMPLEMENTORS' REFLECTIONS

LESSONS, CHALLENGES, & RECOMMENDATIONS

The Key Informant Interviews (KIIs) and success stories undertaken for this Tracer Study drew on perspectives from a broad range of AGUKA and YouthConnekt beneficiaries, implementers, partners, and stakeholders. These engagements highlighted the programme's role as a catalyst for economic and social transformation, while providing valuable insights into its achievements, operational challenges, and prospects for long-term sustainability. The findings also helped distil key lessons learned and inform practical, forward-looking recommendations to strengthen programme design and impact.

Institutions consulted included the Ministry of Infrastructure (MININFRA), the Ministry of Public Service and Labour (MIFOTRA), the Ministry in Charge of Emergency Management (MINEMA), the Ministry of ICT and Innovation (MINICT), the Road Maintenance Fund (RMF), the Rwanda Transport Development Agency (RTDA), the Tony Elumelu Foundation (TEF), Norrsken, the Business Development Fund (BDF), the Bank of Kigali (BK), and Equity Bank. Collectively, these institutions reflect the full scope of AGUKA's multi-stakeholder engagement, spanning government ministries, development partners, and private-sector actors, and provide a comprehensive view of the programme's implementation ecosystem.

Table 53: Beneficiaries and Implementors consolidated reflections

Thematic Area	Beneficiary Insight and Lesson / Positive Insight	Challenge / Issue / Gap Raised	Institutional
Finance & Markets	"With the grant I received, I started Fortis Hardware Company Ltd, today a trusted supplier in Kigali City Market." – Grants catalysed growth and job creation. Djihadi Haridi, 28 (Fortis Hardware, urban, construction)	Still faces financing gaps for scaling, limited access to large contracts, and working capital challenges.	MIFOTRA / BDF / Banks: Expand tailored financing, strengthen youth procurement linkages, and scale portfolio guarantees.
	"Aguka gave me more than funding, it gave me knowledge, confidence, and a network that transformed my small idea into a real agribusiness."Bora Uzima Peter, 24 (Agribusiness, refugee youth)	Growth constrained by insufficient capital, high input costs, and unstable market access.	MINEMA / Umutanguha / BK: Expand refugee-inclusive finance, provide risk-sharing, and build stable agribusiness market linkages.
	"Do not wait for the perfect moment. Start now. Support will come as you move forward." – Benefited from initial grant and networks. Karangwa Felice (Coffee Connects Centre, rural coffee sector)	Experienced delays in disbursement and insufficient funds for expansion.	BIOCOOR / AJPRODHO / RTDA: Streamline award/payment systems; strengthen coordination and monitoring.

Thematic Area	Beneficiary Insight and Lesson / Positive Insight	Challenge / Issue / Gap Raised	Institutional
Mentorship & Capacity Building	"Thank you for the trainings and financial support, as they increased my business activities and improved my standard of living." – Training improved confidence and livelihoods. Irudukunda Medine, 25 (Agribusiness, rural female)	Reported insufficient structured mentorship, weak follow-up, and lack of advanced skills to scale.	MIFOTRA / TEF / BPN: Institutionalise mentorship hubs; embed continuous coaching; expand gender-responsive capacity-building.
	"The YouthConnekt Award gave me the grant that transformed my ideas into a real business serving real customers." – Innovation emerged from solving local problems. Manirakiza Philemon (Agro Crop Machinery, rural innovator)	Faces weak R&D support, limited IP protection, and difficulties penetrating wider markets.	MININFRA / MINICT / Norrsken: Strengthen rural innovation hubs; support R&D; facilitate regional/international exposure.
Innovation & Technology	"AGUKA is a great platform for youth who want to create jobs. It provides training, networks, and funding." – ICT innovation inspired by refugee context. Niyonizeye Abdulrahman (SmartClass Ltd, ICT/ education, refugee)	Constrained by weak connectivity, ICT infrastructure gaps, and limited regional market access.	MINICT / RMF: Expand broadband; incubate ICT start-ups; support refugee-led edtech in regional networks.
	"As women we must believe in ourselves, think big, and learn from others. We are capable." – Women thrived when given support. Umuhuza Salama (Tourism & Hospitality, rural female)	Still faces gender stereotypes, limited tourism market access, and weak financial backing.	MINICOM / MINEMA / Women Partners: Provide gender-sensitive finance; link women-led enterprises to tourism fairs and networks.

Thematic Area	Beneficiary Insight and Lesson / Positive Insight	Challenge / Issue / Gap Raised	Institutional
Inclusion & Equity	"I believe disability is not a limitation but a unique perspective that can drive meaningful impact." – PWD entrepreneurs showed leadership and innovation. Mugisha Rusaro Kelly (Rusaro Autism Foundation, youth with disability)	Encountered stigma, exclusion from financing, and lack of inclusive entrepreneurial support systems.	MINEMA / AJPRODHO / CSOs: Mainstream disability-friendly finance; support social enterprises; strengthen CSO advocacy.
	"I believe we live in a beautiful country that truly cares for its people. As young people, we have to dream big and work hard to turn those dreams into reality." – Youth inspired to act as role models. Appolonie Niyongabire (Daily & Delivery, refugee youth, urban logistics)	Struggled with logistics constraints, low visibility, weak investor linkages, and barriers to scaling in urban markets.	MIFOTRA / PSF / BK: Build logistics incubators; improve visibility; create partnerships with e-commerce platforms.
Coordination and follow up	Beneficiaries valued seed grants, mentorship, networks, and exposure as catalytic for starting businesses and improving livelihoods. Cross-Cutting (all beneficiaries)	Reported delayed disbursements, insufficient financing to scale, weak follow-up mentorship, limited market access, digital/technology gaps, and persistent barriers for women, refugees, and PWDs. Beneficiaries highlighted delays, weak follow-up, and poor feedback mechanisms.	All institutions (MIFOTRA, MINICT, MINEMA, MININFRA, Banks, CSOs, Private Sector): Strengthen coordination, institutionalize aftercare, scale financing, expand digital and market access, and embed inclusive practices across all youth programmes.

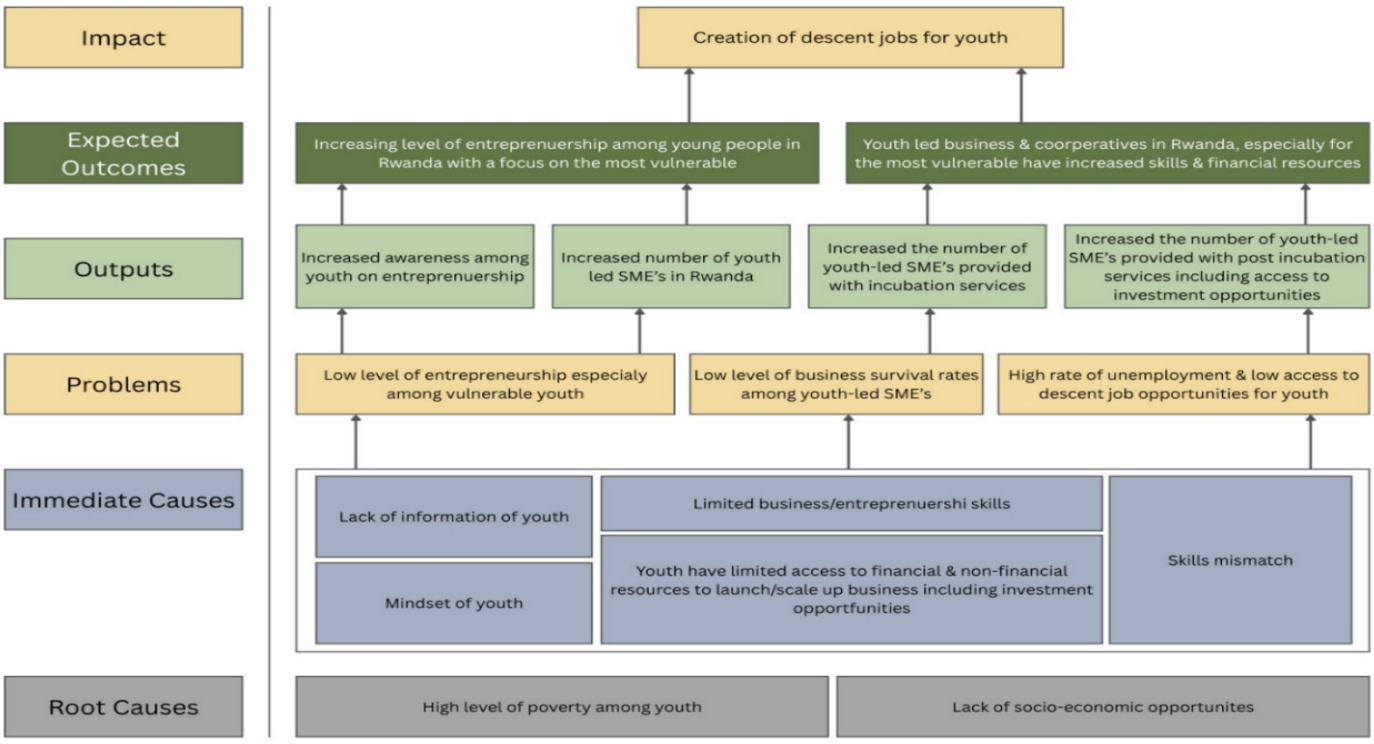
6 LINKAGES WITH THE THEORY OF CHANGE

The tracer study findings broadly support AGUKA's Theory of Change. At the output level, activities delivered as intended: entrepreneurship awareness increased, participants gained practical business skills, and many youth formalized or launched enterprises after incubation and mentoring. Beneficiaries consistently cited stronger confidence in business planning, record-keeping, marketing, and compliance, aligning with the ToC pathway from training and incubation to improved enterprise capability.

At the intermediate outcome level, results show meaningful progression for a substantial share of youth-led SMEs. Several companies expanded product lines, improved quality, accessed new customers, and began hiring, which is evidence that post-incubation support and market linkages can translate into enterprise growth and early job creation. Progress proved strongest where enablers were present (seed capital, working capital, supplier reliability, and ongoing mentorship). Where growth was slower, constraints were mainly external (finance costs and market volatility, among others) rather than weaknesses in the core capacity built by AGUKA.

Regarding the impact pathway (contribution to decent jobs for youth), the study finds a clear but graduated effect. New and improved jobs emerged, though intensity varied by sector and firm maturity. Overall, the causal logic holds, i.e., awareness - skills - enterprise capability - growth - jobs. The strength of each link improves when financial access, market entry, and aftercare mentoring are available, suggesting that AGUKA's ToC is sound and that scaling the complementary enablers can further help in amplifying results.

Figure 4: Theory of Change



5 CONCLUSIONS, LESSONS LEARNT, AND RECOMMENDATIONS

The AGUKA/YouthConnekt tracer study demonstrated that the program has been effective in equipping youth with skills, improving business management, creating jobs, and stimulating local economies. Beneficiary testimonies affirm that seed funding, mentorship, and networks have been catalytic in helping young people transform ideas into thriving enterprises. However, to sustain and scale these gains, there is a need to deepen training, strengthen coordination, institutionalise mentorship, and expand financial access. Integrating these lessons into Rwanda's broader policy frameworks (NST2, NESS, Youth Employment Strategy) will ensure that the AGUKA model continues to drive inclusive, sustainable, and community-centred employment promotion.

The findings from the AGUKA Tracer Study and related interventions reveal significant progress in advancing youth employment, entrepreneurship, and formalization, while also exposing persistent structural challenges. Key issues include limited access to affordable finance, a predominance of casual and short-term employment, high operational costs, and gender disparities in formal work. Addressing these gaps requires a well-coordinated, multi-layered strategy that combines targeted financing, pathways to sustainable employment, strengthened business development, and deliberate gender inclusion. Implementing such a strategy through flagship initiatives like YouthConnekt, TEF Ideation & Pitch, Road Maintenance Program, and Art Rwanda Ubuhanzi Initiative will enable Rwanda to enhance job quality, foster enterprise growth, and ensure that skills development translates into lasting, inclusive economic transformation.

5.1 Conclusions

Conclusion 1 - Financial Literacy and Business Management

The tracer study reveals significant gaps in financial literacy and basic business management among beneficiaries. Many enterprises struggle to distinguish revenue from profit, accurately track expenses, or understand tax obligations. This resulted in inconsistent financial reporting, including cases where reported taxes exceeded income. These weaknesses constrain business decision-making, undermine financial sustainability, and reduce the accuracy of self-reported data. Strengthening financial literacy is essential for improving enterprise performance and compliance.

Conclusion 2 - Gender Equality and Inclusion

Despite strong female participation in the programme, gender disparities persist in access to finance, formalisation, business growth, and job quality. Women-led enterprises remain more informal, access fewer financial products, and create fewer stable jobs compared to men-led enterprises. Structural barriers such as limited collateral, caregiving responsibilities, and lower digital/technical skills continue to limit women's economic advancement. Addressing these constraints requires more deliberate, gender-responsive programme components.

Conclusion 3 - Access to Finance and Financial Readiness

Although many beneficiaries received start-up support, sustained access to formal finance remains limited. Youth and women, in particular, face barriers such as collateral requirements, low creditworthiness, and limited banking relationships. Loan uptake remains disproportionately low relative to enterprise needs. Financial institutions also continue to perceive youth-led businesses as high risk. This gap indicates that existing financial readiness support is insufficient to prepare beneficiaries for successful financing.

Conclusion 4 - Employment Creation and Job Quality

The programme contributed significantly to employment creation; however, most jobs generated are short-term or casual, with limited evidence of transition into stable, long-term, or decent work. Casual labour dominates across sectors, reflecting the early-stage nature of many enterprises and their limited capacity to formalise employment relationships. This pattern indicates that while AGUKA successfully stimulates job creation, more targeted support is needed to elevate the quality and sustainability of employment.

Conclusion 5 - Business Survival, Growth, and Sustainability

A substantial proportion of supported enterprises remain operational and demonstrate growth in income, staff, or market reach. However, this growth is uneven, and enterprise sustainability is closely linked to the availability of continued support, such as mentorship, market linkages, and financial literacy. Businesses that received layered support performed better, underscoring the importance of integrated service delivery rather than stand-alone interventions.

Conclusion 6 - Business Formalisation and Compliance

Levels of business formalisation remain relatively low, particularly among women and micro-enterprises. Many beneficiaries struggle to navigate registration, tax compliance, and record-keeping requirements. Limited knowledge about formalisation processes and perceived administrative burdens deter youth-led enterprises from transitioning into the formal economy. This limits access to finance, markets, and decent job creation.

Conclusion 7 - Monitoring, Data Quality, and Reporting Practices

The evaluation identified inconsistencies in recall-based reporting, especially in financial and employment data, highlighting the need for more robust monitoring mechanisms. Enterprises lack standard record-keeping practices, and programme-level tracking systems do not consistently capture longitudinal changes. Strengthening data systems is essential for real-time performance monitoring, programme adaptation, and accountability.

5.2 Lessons Learnt

1. **Youth Employment Potential Exists but Requires Structured Support**: Access to capital is catalytic but insufficient for scaling. Youth consistently highlighted that small grants enabled them to start, but scaling remains blocked by limited financing, high input costs, and weak market access. AGUKA/YouthConnekt demonstrated that with targeted investment and institutional backing, youth can create jobs at scale. However, sustaining these jobs requires continued skills upgrading, mentorship, and access to finance.

2. **Finance is a Critical Bottleneck for Scaling Enterprises:** Youth consistently highlighted that small grants enabled them to start, but scaling remains blocked by limited financing, high input costs, and weak market access. Despite BDF guarantees and tailored banking products (e.g., BK's women-focused loans), many youth and refugees faced limited access to affordable capital due to collateral requirements, low financial literacy, and insufficient risk-sharing mechanisms.

3. **Mentorship and Aftercare are as Important as Start-up Support**: Entrepreneurship and technical training helped youth launch businesses, but sustainability was undermined by limited aftercare in the form of structured mentorship, weak aftercare, and minimal peer-to-peer learning. Entrepreneurship and technical training helped youth launch businesses, but sustainability was threatened by the lack of structured mentorship, weak aftercare, and minimal peer-to-peer learning.

4. **Inclusivity Efforts Need Strengthening**: While refugees were supported through MINEMA and UNHCR, challenges such as limited hiring, market access barriers, and financing gaps persisted,

limiting the inclusiveness of employment promotion efforts. Inclusive financing windows for women, refugees, and PWDs must be expanded through public–private partnerships, supported by tailored mentorship and employer engagement.

5. **Innovation and Digital Solutions Drive New Opportunities but Face Systemic Gaps**: Norrsken and TEF showed that ICT and start-up ecosystems can create sustainable jobs. However, inadequate market research, connectivity challenges, and overstretched incubation diluted outcomes.

6. **Mindset and Institutional Alignment Matter**: Payment delays, resistance from some institutions, and youth mindset challenges (e.g., dependency on short-term support) affected program impact, underscoring the need for institutional efficiency and continuous mindset reorientation.

5.3 Recommendations

The recommendations presented in this section arise directly from the conclusions of the tracer study and reflect the evidence gathered across all thematic areas. Each proposed action responds to a clearly identified performance gap, ensuring strong alignment between the conclusions and the practical measures outlined. The recommendations emphasise realistic, actionable steps that support enterprise growth, strengthen programme delivery, and enhance sustainability of results. Implementation remains feasible within **FY 2025/26 and FY 2026/27**, allowing a phased roll-out that fits within existing programme structures and available resources. This linkage between conclusions and recommendations ensures that identified challenges are addressed in a systematic and coherent manner, strengthening the overall effectiveness of future programming.

Table 54: Recommendations

Conclusion	Detailed Recommendation	Key Activities to Implement the Recommendation	Priority
Conclusion 1 – Financial Literacy & Business Management Beneficiaries struggle to distinguish income from profit, track expenses, or understand tax obligations.	Introduce a comprehensive financial literacy and business management programme to strengthen entrepreneurs' financial literacy. This is needed because many businesses reported errors such as taxes exceeding income and inconsistent cost calculations, which undermine business planning, profitability and tax compliance. Strengthening financial literacy will help entrepreneurs understand their own numbers, set realistic prices, manage cashflow and meet tax obligations in a more informed way.	Conduct hands-on financial literacy workshops using real business examples. Provide simple bookkeeping tools (ledger books, Excel templates, mobile apps). Offer quarterly financial coaching and troubleshooting sessions. Train entrepreneurs on calculating profit, pricing products, and managing cashflow. Deliver guidance on tax obligations and avoiding common errors (e.g. taxes higher than income). Promote weekly or monthly record-keeping routines.	High

Conclusion	Detailed Recommendation	Key Activities to Implement the Recommendation	Priority
Conclusion 2 – Gender Equality & Inclusion Women-led enterprises remain less formalised and face structural constraints.	Embed gender-responsive entrepreneurship support to reduce gender gaps in formalisation, access to finance, and business growth. This is needed because women face barriers such as limited collateral, lower digital and financial literacy, and caregiving responsibilities, which constrain their ability to formalise, scale and access finance. Tailored support will enable women to participate fully, strengthen their business capabilities and close gender gaps in outcomes.	Provide flexible training schedules (evenings/weekends/online) that fit around caregiving and enterprise responsibilities. Create women's peer mentoring and business support circles for shared learning and confidence-building. Deliver targeted digital skills and leadership training for women-led enterprises. Offer simplified guidance on formalisation and loan access specifically tailored for women entrepreneurs. Strengthen gender-disaggregated monitoring for outcomes like income, formalisation, jobs and loans. Collect ongoing feedback from women to adjust programme design and support.	High
Conclusion 3 – Access to Finance & Financial Readiness Loan uptake is low due to documentation gaps, fear of rejection, and low confidence.	Strengthen financial readiness through structured coaching that prepares entrepreneurs to meet lender expectations. This is needed because many beneficiaries lack the documentation, financial statements and understanding of loan terms that lenders require, which leads to very low application and approval rates. Improving loan readiness will increase confidence, improve the quality of applications and expand access to growth capital.	Deliver "loan-readiness clinics" that walk entrepreneurs through real loan requirements. Provide templates for business plans, cashflow statements and loan application forms. Coach entrepreneurs on building creditworthiness (e.g. separating business and household finances, keeping records). Run mock loan interviews and lender simulations to build confidence. Develop simple guides explaining interest rates, collateral, repayment schedules and loan conditions in plain language. Support beneficiaries to organise and maintain the documentation lenders expect.	High

Conclusion	Detailed Recommendation	Key Activities to Implement the Recommendation	Priority
Conclusion 4 – Employment Creation & Job Quality Most jobs created are casual and may be unstable.	Support enterprises to improve job quality through practical HR capacity-building. This matters because heavy reliance on casual employment limits productivity, reduces worker security and can constrain enterprise growth. Strengthening basic HR practices will help entrepreneurs create more stable work arrangements over time and manage staff more effectively.	Provide simple templates for job descriptions, employment contracts and payroll records. Train entrepreneurs on basic labour standards and HR principles (e.g. working hours, leave, safety). Offer sessions on how to transition reliable casual workers into more stable roles when feasible. Share tools for tracking attendance, leave and performance in a simple way. Promote the business benefits of decent work (higher productivity, lower turnover, better reputation).	Medium
Conclusion 5 – Business Survival, Growth & Sustainability Growth is uneven. Enterprises with layered support perform better.	Implement structured aftercare and enterprise growth support for all beneficiaries. This is needed because the tracer study shows that enterprises receiving layered support (mentorship, coaching, market linkages) perform better than those that only received initial funding or training. Regular, structured aftercare helps businesses identify bottlenecks early, improve efficiency, reach new markets and build resilience.	Conduct quarterly coaching sessions and follow-up visits (in-person or virtual). Offer business diagnostics covering cost structures, inventory management, pricing and customer retention. Train entrepreneurs on digital marketing, e-commerce and customer acquisition tools. Facilitate participation in trade fairs, exhibitions and buyer–supplier networking events. Support product and service diversification to reduce vulnerability to shocks. Provide tools and guidance for medium-term growth planning and risk management.	High

Conclusion	Detailed Recommendation	Key Activities to Implement the Recommendation	Priority
Conclusion 6 – Formalisation & Compliance Formalisation levels remain low due to perceived complexity and fear.	Provide practical, step-by-step formalisation and compliance support to entrepreneurs. This is necessary because many enterprises see registration and compliance as difficult, time-consuming or risky, which limits their ability to access finance, contracts and formal markets. Clear, simplified guidance and hands-on support will make formalisation more manageable and attractive.	Create easy-to-understand visual guides showing each step of business registration and tax registration. Run “formalisation clinics” where entrepreneurs receive one-to-one help to complete forms or use online portals. Offer simplified explanations of tax categories, filing requirements and how to stay compliant. Introduce a basic compliance calendar highlighting key dates (tax filing, licence renewal, etc.). Share real case examples of how formalisation has helped enterprises access finance or contracts. Support entrepreneurs to use digital registration and e-tax systems where available.	Medium

Conclusion	Detailed Recommendation	Key Activities to Implement the Recommendation	Priority
Conclusion 7 – Monitoring, Data Quality & Reporting Data inconsistencies weaken decision-making and learning.	Strengthen monitoring systems using standard templates, simple digital tools and routine verification. The tracer study showed widespread inconsistencies in recall-based reporting, gaps in financial data, and uneven tracking of employment outcomes. Establishing a structured data ecosystem, supported by a central beneficiary database, will enhance the accuracy, frequency, and reliability of programme data. A unified system enables real-time tracking of beneficiary progress, early identification of risk, and evidence-based adjustments throughout implementation. This approach strengthens accountability, reduces reporting errors, and supports long-term programme learning.	Introduce standard templates for enterprises to track income, jobs and expenses regularly. Develop a beneficiary database capturing enterprise profiles, revenue trends, employment data, training participation, and formalisation status Provide mobile or digital tools for real-time or frequent record-keeping. Conduct periodic verification calls or mini audits to check reported data against records. Train entrepreneurs on how and when to update their records consistently. Harmonise reporting formats and requirements across all implementing partners. Develop simple dashboards or summary reports for regular internal performance reviews.	High

ANNEXES

Annex 1: Terms of Reference

To view the Terms of Reference, please **CLICK HERE**

Annex 2: Data Collection Tools

To view the data collection tools, please **CLICK HERE**

Annex 3: Analytical Tables

To view the database of cleaned raw data, please **CLICK HERE**

Annex 4: Implementing Partners' Perspectives on the AGUKA Programme

MININFRA

The Ministry of Infrastructure's contribution to the AGUKA/YouthConnekt Programme centered on enabling youth-led companies to participate in road maintenance and rural water supply management. Working closely with the Ministry of Youth, MININFRA developed guidelines to ensure that graduates from polytechnics and vocational training institutions could form cooperatives to deliver infrastructure services. Since its inception, over 484 youth companies have been engaged, employing more than 31,200 youth between 2022 and 2024. The programme has already demonstrated alignment with NST1 job creation targets, and under NST2 it is projected to scale further, with 64,383 youth expected to benefit from road maintenance activities.

While MININFRA acknowledges significant achievements, it emphasizes the importance of aligning youth training with market-relevant skills and ensuring closer monitoring of NST2 interventions. The ministry views youth-led infrastructure projects as a sustainable mechanism for both job creation and national asset maintenance, contributing directly to Rwanda's Vision 2050 goal of inclusive growth.

MIFOTRA

As the national coordinator of employment initiatives, MIFOTRA played a strategic role in the design and oversight of the AGUKA/YouthConnekt Programme. The Ministry supported the selection of beneficiaries, particularly through platforms such as YouthConnekt Awards, Hanga Pitchfest, and the Recovery Fund, and approved guidelines for financing mechanisms implemented via the Business Development Fund (BDF). Between 2019 and 2024, 345 youth companies accessed over RWF 1.16 billion in credit, creating more than 13,000 jobs.

Despite these achievements, MIFOTRA highlighted persistent challenges in data consolidation. The absence of a national beneficiary database results in overlaps where some youth benefit multiple times from different initiatives, while others are left out. Moreover, post-funding support has often been fragmented and unsystematic, limiting the sustainability of youth enterprises. The Ministry recommends establishing a central beneficiary tracking system and embedding structured mentorship, market linkage support, and aftercare services into future programmes.

MINEMA

The Ministry in Charge of Emergency Management played a unique role by ensuring refugee inclusion within AGUKA/YouthConnekt. With support from the EU, UNDP, and UNHCR, MINEMA facilitated entrepreneurship journeys for refugees; covering ideation, incubation, and seed capital disbursement. Between 2022 and May 2025, approximately 300 refugees received support, benefiting from mentorship and access to entrepreneurship pathways.

While policy frameworks enabling refugees to access formal work through national IDs are in place, MINEMA emphasized ongoing challenges, including limited post-incubation financing, employers' reluctance to hire refugees, and barriers in market access. The Ministry recommends designing tailored support pathways for refugees, with greater emphasis on financing and targeted job opportunities in both camps and urban settings.

MINICT

The Ministry of ICT and Innovation contributed to the initial design of the AGUKA/YouthConnekt Programme and championed the promotion of ICT-enabled entrepreneurship. One of its key initiatives, Hanga Pitchfest, provided a platform for youth to showcase innovative solutions, with the best projects receiving technical and financial support. Through these efforts, MINICT supported the growth of enterprises such as Afrifarmers, Murika Farm, and Umurava, which created jobs in agriculture value chains, digital health, and youth skilling.

Despite successes, MINICT noted weaknesses in market research, internet accessibility, and follow-up mechanisms. Many start-ups struggled with orientation due to limited connectivity or technical advisory services. To address these gaps, the Ministry recommended strengthening business accompaniment packages, integrating past beneficiaries as peer mentors, and expanding monitoring and field visits to ensure continuous support.

RMF (ROAD MAINTENANCE FUND)

The Road Maintenance Fund (RMF) aligned closely with AGUKA's objectives by prioritizing youth-led companies in road maintenance procurement. Between 2022 and 2024, more than 150 youth engineering firms were contracted, reducing road maintenance costs and promoting youth participation in infrastructure management.

However, RMF highlighted critical challenges, such as delayed payments due to bureaucratic processes, coordination gaps, and mindset issues among youth beneficiaries, some of whom expected payment before work completion. Recommendations included streamlining payment systems, enhancing inter-institutional coordination, and integrating mindset-shift training to strengthen the professionalism of youth contractors.

RTDA (RWANDA TRANSPORT DEVELOPMENT AGENCY)

Complementing RMF's role, RTDA provided technical support to youth-led companies engaged in road maintenance. This intervention helped ensure quality standards in infrastructure projects while simultaneously creating jobs for young engineers. Over 150 youth companies have benefited, contributing to reduced reliance on large contractors.

Nonetheless, challenges such as funding shortages, delayed payments, and resistance from certain local institutions were identified. RTDA's recommendations focus on securing sustainable financing, enhancing inter-institutional collaboration, and simplifying bureaucratic procedures.

TEF (TONY ELUMELU FOUNDATION)

Since 2022, the Tony Elumelu Foundation has led the implementation of the ideation phase of the AGUKA programme in collaboration with the ministry of youth and art, delivering business management training, seed funding, and one-on-one mentorship to young Rwandan entrepreneurs. Through this role, TEF contributed to 2,739 trained beneficiaries and supported enterprises that generated RWF 1.13 billion in profit, reflecting strong business viability among participating entrepreneurs.

The Tony Elumelu Foundation strengthened AGUKA's entrepreneurship pillar by delivering tailored training, mentorship, and co-financing to youth-led enterprises. Through its pan-African mentorship network, TEF connected Rwandan entrepreneurs with experienced business leaders and provided post-training follow-up sessions, including at the Kimisagara YEGO Center.

TEF's experience underscored that integrated approaches combining training, mentorship, and financing as more effective than stand-alone interventions. However, limited access to seed capital and post-training gaps remained significant barriers. The Foundation recommended institutionalizing long-term mentorship hubs, expanding affordable financing, and enhancing market access opportunities.

NORRSKEN

Norrsken supported AGUKA beneficiaries through its incubation and acceleration programmes, providing world-class training, mentorship, and access to regional and global entrepreneurial ecosystems. Its efforts enabled several start-ups to scale operations, attract partnerships, and create jobs.

The key challenge identified was the large number of selected beneficiaries, which diluted the quality of individualised mentorship and training. Norrsken recommends adopting a more selective intake model to ensure deeper, results-driven engagement with fewer participants.

BDF (BUSINESS DEVELOPMENT FUND)

The Business Development Fund served as a cornerstone of AGUKA's financial inclusion strategy by providing loan guarantees, matching grants, and coaching to young entrepreneurs. Through partnerships with all commercial banks in Rwanda, BDF facilitated youth access to credit despite collateral constraints.

Nevertheless, BDF noted resource limitations and delays in project implementation when working with partners with restricted capacity.

The Fund highlighted the value of integrated approaches and strong partnerships and recommended scaling training, capacity building, and collaboration with institutions that bring complementary resources and expertise.

BANK OF KIGALI (BK)

BK played a pivotal role in reinforcing AGUKA/YouthConnekt's financial empowerment objectives by offering customized financial products and mentorship initiatives, particularly for women and youth. Its programmes such as Kataza na BK, collateral-free loans for women entrepreneurs, WASH-focused lending, and the Urumuri Initiative demonstrated that tailored financial products, combined with mentorship, significantly enhance business outcomes.

BK identified gaps in financial literacy and limited risk-sharing mechanisms. Recommendations included embedding soft skills and financial education into entrepreneurship programmes and expanding portfolio guarantees to reach more youth and women.

EQUITY BANK

Equity Bank focused on enhancing access to finance, financial literacy, and business formalization for youth-led SMEs. By partnering with BDF, it mitigated loan risks and extended financing to businesses that lacked collateral. In addition, Equity Bank offered training on budgeting, savings, and tax compliance, helping youth transition from informal to formal enterprises.

Challenges included persistent informality, lack of collateral, and weak credit histories among youth. Equity Bank recommends simplifying business registration processes, incentivising formalisation, strengthening financial literacy programmes, and scaling risk-sharing facilities.

The Key Informant Interviews demonstrate that the AGUKA/YouthConnekt Programme has made significant progress in advancing Rwanda's job creation and entrepreneurship agenda. Government ministries and agencies ensured policy frameworks, financing, and technical support for youth-led enterprises, while development partners and private-sector actors provided mentorship, incubation, and tailored financial products.

Across institutions, common achievements included thousands of jobs created, hundreds of companies established, and expanded access to finance for youth and women entrepreneurs. However, recurring challenges were identified, particularly in relation to financing gaps, fragmented data management, limited mentorship, delayed payments, and business informality.

The collective recommendations converge on the need for integrated and sustainable support frameworks; combining financing, mentorship, technical assistance, and market access as well as robust coordination.

Biodiversity Conservation Organization (BIOCOOR)

The Biodiversity Conservation Organization (BIOCOOR) played a central role in the AGUKA Programme by training 200 youth in Huye and Nyaruguru districts. Its approach deliberately targeted 70% women and 30% men, while also ensuring the inclusion of youth with disabilities. This intervention was strongly aligned with BIOCOOR's broader mission of leveraging available resources and skills to contribute to Rwanda's socioeconomic transformation and development aspirations.

BIOCOOR participated in both the selection process and the delivery of training curricula, ensuring that young beneficiaries received the necessary skills to support their entrepreneurial journeys. Despite these achievements, challenges were noted. Limited involvement in mentorship and monitoring and evaluation (M\&E) processes reduced opportunities for problem-solving and adaptive support to youth. Furthermore, bureaucratic delays in award disbursement and weak inter-institutional coordination hindered smooth implementation.

To address these issues, BIOCOOR recommended strengthening inter-institutional coordination by involving all stakeholders in M\&E processes and streamlining award submission and disbursement mechanisms to reduce delays.

AJPRODHO-JIJUKIRWA

AJPRODHO-JIJUKIRWA supported the AGUKA Programme by training 200 youth across Gakenke and Nyabihu districts, with a focus on 60% women, 40% men, and the inclusion of youth with disabilities. The programme closely aligned with AJPRODHO's mandate to improve the social and economic conditions of young people in Rwanda, particularly through empowerment and capacity-building initiatives.

The organization worked hand-in-hand with the Ministry of Youth, MINALOC, and the Ministry of Infrastructure to coordinate youth selection and training delivery. However, its involvement was constrained by structural gaps similar to those experienced by BIOCOOR. Exclusion from mentorship and M&E limited the responsiveness of the programme to the specific needs of young people. Additionally, award disbursement faced significant bureaucratic delays, while weak institutional communication created further inefficiencies in implementation.

AJPRODHO recommended that institutional coordination mechanisms be improved and that CSO implementors be more actively engaged in M&E processes. It also highlighted the need to simplify award disbursement procedures to ensure timely access to resources for beneficiaries.

Umutanguha Microfinance Bank

In partnership with MINEMA Umutanguha Microfinance Bank facilitated access to seed capital for refugee youth-led businesses near Kigeme Camp, enabling them to establish formal banking relationships. Beneficiaries were linked to tailored financial services, with the Business Development Fund (BDF) providing guarantees of 50–75% to mitigate lending risks. This created a pathway for refugee entrepreneurs to access sustainable financing, despite their vulnerable status.

The Bank's coordination approach was highly collaborative, engaging stakeholders such as YouthConnekt, Hanga Pitchfest, incubator networks, and BDF. Beyond financing, Umutanguha provided mentorship, coaching, and financial linkages, helping beneficiaries design robust business and action plans. Lessons from implementation demonstrated that partnerships significantly enhanced programme effectiveness, particularly when technical training, financial access, and soft skills were

combined. However, persistent misconceptions about refugees' eligibility for loans and limited support beyond financial services remained key challenges.

To overcome these barriers, Umutanguha recommended embedding mentorship and soft skills development; including leadership, communication, and storytelling; into empowerment programmes. It further emphasized the importance of integrating financial literacy at early stages within schools, universities, refugee camps, and youth hubs. Other recommendations included enhancing the visibility of empowerment initiatives, expanding portfolio guarantees beyond the current 75% threshold, and strengthening partnerships with institutions such as MINEMA to broaden financial inclusion for refugees and women-led cooperatives.

Business Professionals Network (BPN)

BPN implemented business development services (BDS) under the AGUKA Programme, with a one-year project targeting 100 youth entrepreneurs. Its interventions focused on four components: coaching, training, networking, and business incubation. Each entrepreneur was expected to receive at least four coaching sessions, four training modules, and participate in three networking events.

Selection of beneficiaries was undertaken by the Ministry of Youth and UNDP, while BPN focused on delivering coaching, training, and networking. Regular quarterly and ad hoc coordination meetings were held with UNDP and the Ministry of Youth to align implementation. However, BPN noted that closer collaboration with other youth-focused programmes and stronger information-sharing mechanisms could improve ecosystem learning and reduce duplication.

Seven months into the programme, immediate outcomes were more evident than long-term impacts. Beneficiaries reported stronger business structures through the development of business models and business plans, clearer five-year visions, and improved market understanding. Some participants secured partnerships and expanded networks through exposure at Norrsken. Trainings and coaching also strengthened entrepreneurial skills in areas such as waste reduction, sales, customer engagement, and overall business management.

Some challenges emerged during implementation. some participants demonstrated low commitment, especially those with full-time jobs or limited interest in entrepreneurship.Inclusivity remained limited, with relatively few women, people with disabilities, and rural youth represented.structural barriers;such as access to finance, bureaucratic requirements for company registration, and limited innovation hubs outside Kigali; restricted young entrepreneurs' growth.

BPN proposed several improvements to strengthen youth entrepreneurship support. These include:

- Shifting to application-based selection to increase participant ownership and ensure only motivated entrepreneurs are included.
- Enhancing inclusivity by deliberately targeting women, people with disabilities, rural youth, and refugees.
- Embedding financial incentives and accessible financing mechanisms alongside training and mentorship, given that structural barriers to finance remain a major constraint.
- Expanding access to innovation hubs beyond Kigali to enable more young entrepreneurs to access working spaces and supportive ecosystems.
- Increasing youth involvement in programme design, ensuring interventions respond to their evolving needs and realities.

Strengthening ecosystem-level collaboration, including regular knowledge-sharing, joint advocacy, and dissemination of tracer studies to inform policy and improve programme design.

Annex 5: Additional Critical Tables

Table 55:Investment per interventions

Intervention	Machinery purchase	ICT & Digital tools	Furniture & Fittings	Land	House	Construction	Other	Storage Facilities	Delivery bicycles	Motorcycle	Vehicle	Grand Total
TVET Youth Challenge	14	7	5	1	0	3	6	1	2	1	1	41
Art Rwanda – Ubuhanzi Initiative	8	6	4	1	0	1	3	0	1	1	1	26
Support Refugees	11	9	7	2	1	2	5	2	1	2	1	43
TEF Ideation & Pitch Program	26	19	10	4	2	6	9	2	4	3	2	87
Post-Incubation Support	9	8	5	1	0	3	4	0	1	1	0	32
Road Maintenance Program	12	10	8	2	1	3	6	1	2	1	1	47

Caravane Initiative	10	8	6	1	1	2	4	1	1	2	0	36
Youth-led SMEs supported under YouthConnekt and Hanga Pitchfest Programmes	15	11	8	2	1	4	7	2	2	2	1	55
Water Supply Management	13	9	6	2	1	3	6	1	1	1	1	44
Apprenticeship Program	17	12	7	2	1	4	7	1	2	2	1	56
YouthConnekt (incl. Bootcamp Awardees & Competition)	58	43	29	8	3	14	21	5	7	6	5	199
Others	41	31	22	6	2	9	15	3	5	4	3	141
TOTAL	234	173	117	32	13	54	93	19	29	26	16	1,561

Source: AGUKA Tracer Study July-August 2025

Table 56:Formality and Informality of Beneficiary Enterprises per Districts

District	Formal	Informal	Total
Bugesera	27	28	55
Burera	11	7	18
Gakenke	10	65	75
Gasabo	71	368	439
Gatsibo	12	32	44
Gicumbi	20	5	25
Gisagara	25	36	61
Huye	22	50	72
Kamonyi	19	13	32
Karongi	28	48	76
Kayonza	9	11	20
Kicukiro	47	114	161
Kirehe	31	88	119
Muhanga	17	5	22
Musanze	24	29	53
Ngoma	14	5	19
Ngororero	4	11	15
Nyabihu	12	56	68
Nyagatare	22	7	29
Nyamagabe	13	49	62
Nyamasheke	16	8	24
Nyanza	13	11	24
Nyarugenge	48	93	141
Nyaruguru	13	49	62
Rubavu	15	39	54
Ruhango	20	14	34
Rulindo	17	7	24
Rusizi	3	28	31
Rutsiro	0	17	17
Rwamagana	22	5	27
TOTAL	**605**	**1,298**	**1,903**

Table 57: Acquired loan per economic activities

Main Economic Activity	Approved Loans	Percent of Total (%)
Agriculture, forestry & fishing	68	20.5
Civil engineering (Roads, utility projects, ...)	47	14.2
All other services	38	11.4
Other manufacturing	27	8.1
Hotels, restaurants, bars, cafes, Information & communication	22	6.6
Arts	20	6.0
Wholesale (agricultural products, food, beverages & tobacco)	18	5.4
Manufacturing of other food products	17	5.1
Creative, arts and entertainment activities	13	3.9
Retailing (excluding motor vehicles and petrol stations)	12	3.6
Education	9	2.8
Transport services, travel and tour operations	7	2.1
Specialized construction (Plumbing and electrical installation)	7	2.1
Construction of buildings	5	1.5
Wholesale (not elsewhere specified)	4	1.2
Mining & quarrying	3	0.9
Manufacturing of beverages and tobacco	3	0.9
Financial & insurance activities	2	0.6
Health and social care	2	0.6
Petroleum products	2	0.6
Sports activities and amusement and recreation	2	0.6
Tea or coffee processing	1	0.4
Gambling and betting activities	1	0.3
Libraries, archives, museums and other cultural activities	1	0.3
Mineral processing	1	0.3
New or second-hand motor vehicles	0	0.0
TOTAL	**332**	**100.0**

Table 58: Job Creation Per Economic Activity

Main Economic Activity	Permanent Female	Permanent Male	Permanent Total	Contract Female	Contract Male	Contract Total	Casual Female	Casual Male	Casual Total
Agriculture, forestry & fishing	456	394	850	241	132	373	3,241	2,008	5,249
All other services	240	396	636	98	115	213	669	647	1,316
Arts	148	197	345	167	162	329	512	623	1,135
Civil engineering (Roads, utility...)	475	877	1352	10,310	10,451	20761	18,154	60,083	78,237
Construction of buildings	136	202	338	121	119	240	1,033	1,137	2,170
Creative, arts & entertainment	176	195	371	37	36	73	212	266	478
Education	43	88	131	18	28	46	104	134	238
Financial & insurance	17	13	30	3	0	3	35	36	71
Gambling & betting	6	6	12	0	0	0	0	0	0
Health & social care	35	42	77	6	10	16	26	32	58
Hotels, restaurants, bars, cafes, ICT	133	172	305	64	51	115	312	414	726

Main Economic Activity	Permanent Female	Permanent Male	Permanent Total	Contract Female	Contract Male	Contract Total	Casual Female	Casual Male	Casual Total
Libraries, archives, museums	6	7	13	0	0	0	0	0	0
Manufacturing (beverages & tobacco)	39	46	85	9	8	17	144	47	191
Manufacturing (other food products)	174	189	363	66	67	133	835	502	1,337
Mineral processing	4	8	12	5	6	11	7	12	19
Mining & quarrying	3	18	21	7	8	15	43	60	103
New/used motor vehicles	0	0	0	0	0	0	0	0	0
Other manufacturing	451	578	1029	158	159	317	609	1,216	1,825
Petroleum products	14	5	19	3	6	9	281	205	486
Retailing (excluding vehicles & fuel)	151	78	229	3	8	11	104	103	207
Specialized construction	141	159	300	10	23	33	256	340	596

Main Economic Activity	Permanent Female	Permanent Male	Permanent Total	Contract Female	Contract Male	Contract Total	Casual Female	Casual Male	Casual Total
Sports & recreation	11	33	44	1	1	2	39	28	67
Tea/coffee processing	6	10	16	1	2	3	25	18	43
Transport services & tours	47	78	125	43	42	85	153	132	285
Wholesale (agric., food, beverages)	158	200	358	72	81	153	668	498	1,166
Wholesale (not elsewhere specified)	26	32	58	47	38	85	111	104	215
Total	3,096	4,023	7,119	11,490	11,553	23043	27,573	68,645	96,218

Annex 6: Definitions and glossary

Term	Definition
Staff (Permanent contract or ≥6 months contract)	Employees reported by respondents as holding either a permanent contract or a written contract of at least six months' duration.
Staff (≤6 months contract)	Employees are engaged for a period lasting six months or less.
Casual Personnel (Paid)	Individuals working on a daily basis without formal contracts (written or oral). Reported orally by respondents, often estimated monthly and then extrapolated for operational years (2022–May 2025), depending on the business start year.
Members of companies/cooperatives and family contributors (e.g., family, friends)	These are members of companies or cooperatives, but who are unpaid personnel or unpaid supporters
Total Cumulative Jobs	Sum of all hires/jobs reported as cumulated over the study period (2022–May 2025), based on annual reports by respondents.
Net Jobs Created (2022–2025)	This represents net change in employment at main Job from 2022 to May 2025. In other words, it is the difference between total jobs reported in May 2025 (or latest reporting year) and those reported in 2022. Serves as a proxy indicator of the net employment impact of the Aguka Program over the four years of its implementation.
Employment and Compensation of Employees	Employment data captured the average number of workers per day during the main operating period (2022-May 2025) wages/salaries plus in-kind benefits (e.g., food, and other canteen related services, health care).
Decent Work	To assess decent work creation through the AGUKA Program, the analysis applied criteria centered on job security and sustainability. Decent jobs were defined as those with written employment contracts and salary payments made through banks or other formal financial institutions. Additionally, jobs held continuously for at least six months were also considered decent, even in cases where no written contract was available, recognizing sustained engagement as a key indicator of employment stability.

Term	Definition
Formal Business	Businesses were classified as formal or informal based on two to three criteria: (1) registration with the Rwanda Development Board (RDB) or Rwanda Cooperative Agency (RCA), (2) registration with the Rwanda Revenue Authority (RRA)/payment of PAYE/TPR or (and) (3) maintaining written records of accounts.
Expenses	All business costs incurred during 2022–May 2025, including: (a) worker compensation, (b) rent for land/buildings, and (c) loan interest (if applicable); (d) other expenses
Income	Value of receipts from goods and services produced plus secondary activities.
Business Turnover	Business Turnover refers to the total value of business transactions generated during the period under review (2022–May 2025). It represents the gross receipts from sales of goods and services produced by the enterprise before deducting any expenses such as wages, rent, interest, or taxes. In this study, turnover was reported orally by respondents, typically based on their recall and estimates, rather than from formal financial statements.

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