

ABSTRACT

This research conducted on loan financing and investment capacity building of the entrepreneurs in Rwanda. A case of Popular Bank for Women Promotion. The study had to fulfill the following objectives: 1) To highlight the factors of investment capacity of entrepreneurs in Rwanda; 2) To investigate the role of loans on the entrepreneurs' business investments ; 3) To ascertain the modalities of accessing financing by entrepreneurs. In conducting this research, self administered questionnaires and unstructured interview were used to gather primary data and different books and electronic research were utilized to gather secondary data. Research sample size was 110 including 108 entrepreneurs and 2 staffs. It was found that the number of borrowers increased as well as the amount of loans given out by bank 2008-2009. Conclusively, the study found that the major factors that affect investment capacity of entrepreneurs in Rwanda are interest rate, poor business management skills, nature of business and loan guarantee. It was found that many entrepreneurs cannot do businesses without borrowing (loan financing). The researcher recommended that BPF should provide more training to bank's clients and its staffs, hire professional expert in project analysis to help clients in project preparation and follow up the implementation of its clients' projects.