

Contributions Of Non - Financial Support Services To Project Success In Rwanda. A Case Study of Business Development Fund (BDF)

Alain Ngoga¹, Jaya Shukla², Zenon Mbera³

¹Kenyatta University of Agriculture and Technology, Kigali, Rwanda.

²Jomo Kenyatta University of Agriculture and Technology, Kigali, Rwanda.

³Jomo Kenyatta University of Agriculture and Technology, Kigali, Rwanda.

ABSTRACT: *Research studies have shown that availability of money, financial knowledge, and awareness of good business practices create a multiplier effect that further helps individuals and families lift themselves out of poverty. However, people have believed that without money they cannot operate a business and therefore they end up poor. The purpose of this research work is to identify the non-financial services offered by various MFIs and to examine the impact of these services project success of the beneficiaries. The specific objectives were to study the adequacy of non-financial support services to projects in Rwanda, identify the categories of beneficiaries of non-financial support services to projects in Rwanda, to study the effect of non-financial support services on project success in Rwanda and to find out the relationship between non-financial support services and project success in Rwanda. The researcher targeted 275 BDF clients in 3 districts of Kigali City. The researcher has also selected 5 senior employees of BDF who are directly responsible for project development. However, out of 275 clients 73 of them were selected to form a sample size. The researcher used a random sampling method to collect the data from the beneficiaries. Purposive sampling was used to collect information from the staff because they were few. The researcher used questionnaires to collect the data from the beneficiaries and interview to collect information from the staff. The data was been analyzed using descriptive statistics whereby Pearson correlations were used to establish the relationship between variables. The study found that BDF is involved in pre and post financing stages such as the facilitation of the process of business development, from conceptualization, business planning, access to finance, and post financing support in terms of strengthening managerial capacity of SMEs, accountability, to mention but a few of the challenges that most small enterprises face. It was also established that the relationship between non-financial services and project success lies on the ability of entrepreneur to mitigate, to meet client satisfaction and management of sustainable growth of the business. On the other hand majority of the respondents also believe that this relationship goes to a greater extent in terms when it comes to the profitability, realistic planning and competitiveness of an entrepreneur. The study recommends that although such non-financial services are practical and successfully affects the SMEs performance, there is little information about such services in the market. Many people still do not know about the existence of these services and therefore BDF need to improve their sensitization strategies in order to reach to more audience.*

KEYWORDS: Non-Financial Support Service, Project Success

INTRODUCTION

There are various support teams or groups which offers project assistance all over the world. Such assistance might either be in financial or non-financial form. Their intentions are basically to facilitate the projects in attaining their objectives and grow. Most of these projects are tailored towards promoting small and micro enterprises (SMEs) to grow.

According to the development literature, non-financial services were defined as this package of services that is offered by governments, intermediaries and/or donor agencies (and at times by financial-service offering agencies) at different stages of project life. Those (non-financial) service comprise training components, advice and consulting, supply of information, technical advice and technological transfer, and networking the beneficiary enterprises in interactive relationships to the benefit of all engaged parties (Abdelhamid, 2007).

The definition of SMEs in every country varies. In most cases financial institutions are the main support providers but currently there are other support teams which have been formed independently or maybe in association with the financial institutions. According to European Union Support Programmes for SMEs (EUSPS, 2009) the European Union provides support to European small and medium-sized enterprises (SMEs). SMEs can also benefit from a series of non-financial assistance measures in the form of programmes and business support services.

According to the Westley (2007) “Microfinance Plus” is the provision of non-financial services in coordination with financial services. This synergistic approach to microfinance is predicated on the idea that human development and poverty alleviation occur not only through access to financial resources but also through access to basic services that allow poor people to improve their quality of life. This model leverages existing structures already used to provide financial services to also offer a wider range of services for the human and social development of clients. MFIs target very poor populations, which tend to be the most excluded from healthcare, education, and training, as well as from traditional financial services. Thus, it is beneficial to provide these disenfranchised groups with as many of the basic services as possible.

There are many countries which have indeed succeeded in uplifting themselves out of poverty using MFIs. One of the examples is Bangladesh whereby in 1972, the Bangladesh Rural Advancement Committee’s (BRAC) goal was an enlightened Bangladesh free from poverty and hunger (www.brac.net). Today, the organization serves all 64 districts of Bangladesh and has expanded its outreach to assist Sri Lanka and Afghanistan. BRAC is now one of the largest and most dynamic organizations committed to poverty alleviation. As of 2005, it served over four million active borrowers, 97 percent of whom were women (www.brac.net).

BRAC takes a holistic approach, realizing that ameliorating and alleviating the burdens of poverty is a multifaceted problem that requires a multifaceted approach. Thus, it has always opted for a “credit plus...” approach, where loans are given to poor women in combination with various forms of skills and business training, elementary education for the children of participants, health care, social development services, and the creation of grassroots

organizations for the poor. BRAC has some of the most extensive non-financial services of any MFI in the world, including health, education, and social development programs that exist as separate entities but act in harmony with its microfinance programs (Hassan, 1999).

According to Beck, Demirci-Kunt and Peria (2008) MFIs in Africa are increasingly providing non-financial services to SMEs. They argued that the majority of MFIs view the SME sector as a sizable market with good business prospects. Their finding suggests that MFIs are to make significant investments in developing SME business units and creating sophisticated products and services to meet the banking needs and preferences of SMEs. This might be evident by definition of SMEs in Africa which is characterized by larger percentage falling in this category.

According to MINICOM (2012), 92.6 percent of all establishments can be classified as being micro in size. However, it also asserted that the larger the firm size the fewer the number of establishments. In Rwanda, there are various institutions which offer support to such a huge group of SMEs. One of them is the business development fund (BDF) which believes that a vibrant private sector is the one that needs to sustain a growing investment trend and this requires an advisory service provider that can deliver across the entire project preparation to project implementation including restructuring. They offer investment advisory services such as project identification, project preparation, resource mobilization, project evaluation, project implementation, project monitoring, project restructuring and project management. Corporate advisory services include audit services, facilitating access to loans, and training on management skills, capacity building and also the use of information and communication technology (BDF, 2012).

Statement of the Problem

There is this notion which has been built that finance is the ultimate support form of business in order to grow. However, people have overwhelmingly believed in this notion to an extent that they do not see the relevance of non-financial aspect kind of support in business success. This might be the reason why many small entrepreneurs borrow loans to start business but eventually end up closing without breakeven. They end up struggling repaying the loans or even fail to pay them at all. People have believed that without money they cannot operate a business and therefore they end up poor (Wistley, 2007).

Wistley further argued that the availability of money, financial knowledge, and awareness of good business practices create a multiplier effect that further helps individuals and families lift themselves out of poverty. The purpose of this research is to identify the non-financial services offered by various MFIs and to examine the impact of these services on MFI clients—specifically to determine whether MFIs succeed in providing basic services to their clients. One compelling reason to further examine this topic is the wealth of evidence linking positive outcomes for individuals and families with participation in microfinance programs. Positive outcomes range from empowerment, to increases in children's nutrition and health, and to increases in income and consumption smoothing in order to reduce vulnerability. This study seeks to address this seemingly missing gap by looking at the appreciation of non-financial services on project success.

RESEARCH OBJECTIVE

General Objective

The general objective of the study is to study the contribution of non-financial supports on project success.

Specific Objectives

The following are the specific objectives of the study;

- i. To find out the forms of beneficiaries of non-financial support services to projects in Rwanda
- ii. To determine the adequacy of non-financial support services to projects in Rwanda
- iii. To establish the effect of non-financial support services on project success in Rwanda.
- iv. To determine the relationship between non-financial support services and project success in Rwanda.

Research Questions

The study seeks to address the following research questions;

- i. Which forms of non-financial support services are provided by BDF to SMEs in Rwanda?
- ii. What is the adequacy of non-financial support services to projects in Rwanda?
- iii. What is the effect of non-financial support services on project success in Rwanda?
- iv. What is the relationship between non-financial support services and project success in Rwanda?

Research Design

In order to carry out the research, descriptive and research design methods were applied to investigate and collect quantitative data. Descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way shall be used (Kothari, 2004). Statistics has been applied for analyzing the relationship between non-financial support services and project success in Rwanda. In general, the study seeks to find out the appreciation of non-financial support on project success.

Target Population

This study has targeted both the clients and employees of BDF in Kigali city. This is because BDF recognizes its role in the implementation of SME policy by bridging the gap existing between lenders and off farm SMEs. Although the number of clients may be identified, it has been a challenge to identify each one of them. The researcher chooses to use interview method to get the target population which was composed by both the employees and the clients of BDF. This population has ideally be considered as heterogeneous. The researcher

has therefore targeted 275 clients and 5 employees of BDF who are directly responsible for project support programs.

Sample Design and Sample Size

The sample size was derived from a population of 275 respondents using a Solvin's formula (1960) with a margin of error of 10% as follows:
$$n = \frac{N}{1 + N(e)^2}$$

“n” is the minimum sample size. N is the population from which the sample shall be drawn estimated at 275 customers.

“E” is the margin of error estimated at 10%. Substituting in the above formula, the sample size is determined as;

$$n = \frac{275}{1 + 275(0.10)^2} = \frac{275}{1 + 275(0.01)}$$

$$n = 73 \text{ respondent}$$

Sampling Techniques

The target population of this research was comprised of two population categories, the beneficiaries or clients of non financial support and the staffs from BDF. For the clients a list of projects supported by BDF has been obtained from the office. Out of the population of 275 beneficiaries, the researcher used a random sampling technique to get 73 respondents. BDF facilitates the beneficiaries by providing them with an exhibition stations/points after they have successfully undergone training programs and have obtained financial support to start their business. The researcher therefore obtained the information from the 3 BDF business exhibition points in the three districts within Kigali city. The researcher visited them at Nyarugenge station situated at St. Michel in Kiyovu, Kagame station in Kicukiro district and Kimironko market in Gasabo district. Out of each station, the researcher sampled 24 beneficiaries of BDF support. A simple random sampling was used to get the respondents who participated in answering research questions. The researcher also obtained the information from 5 BDF staff using purposive sampling method because they were considered to give relevant information.

DATA COLLECTION

Data collection Instruments

Amin, (2005) defined questionnaire as a research instrument consisting of a series of questions for the purpose of gathering information from respondents, and they are always designed for interpretation and statistical analysis. This was used to collect the data from the beneficiaries of BDF support programs. However, the researcher conducted an interview to collect information from the 5 senior staff who are directly concerned with non financial support programs.

Data analysis

After data collection, the researcher has evaluated the data by analysis and presentation in a more organized and systematic way, in order to draw a corresponding conclusion.

Quantitative data analysis

Quantitative data has been entered into appropriate analysis program, preferably statistical package for social sciences (SPSS) from which analysis were done using proportions (percentages), rates and descriptive statistics. Descriptive statistics were used to estimate the mean and standard deviations of certain variables to ascertain how close or wider the sample statistics are spread from the mean and inferential statistics were applied wherever applicable. Quantitative data were presented in tables, charts, graphs and narratives.

Qualitative data analysis

Qualitative data were entered into a compilation sheet from which themes were identified. Each theme was transferred into a master sheet from which final analysis was done in relation to objectives of this study. Qualitative data were presented in form of narratives with verbatim reporting so that some strong feelings of respondents can be reported as high, moderate and low.

DATA ANALYSIS, PRESENTATION OF FINDINGS**Introduction**

In this chapter the researcher presents the analysis of the data using tables and charts. Also the descriptive statistics were also used to summarize the objectives. Frequencies and percentages were also used in order to present the majority response on each variable.

Table 4- 1 Bio-data of the respondents

	Frequency	Percent
Male	24	32.9
Female	49	67.1
Total	73	100.0

Source: Primary data

The study indicates that 67.1% of the sampled population was female and 32.9% were male. This indicates that there is higher likeliness to find women entrepreneurs engaging in SMEs activities as compared to male. This is because in most cases women are able to assist each other with other close friends in doing certain business in order to uplift their economic development as compared to male who like doing things independently.

Highest level of Education

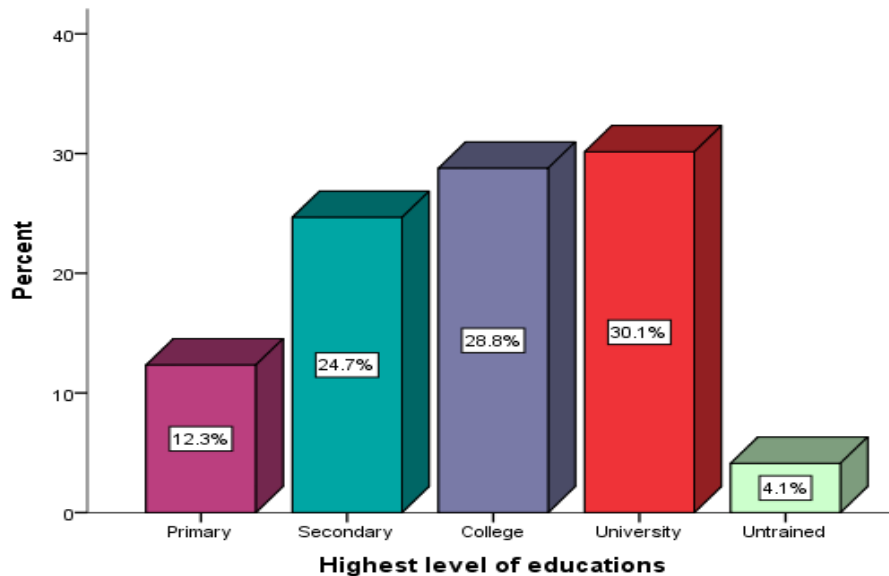
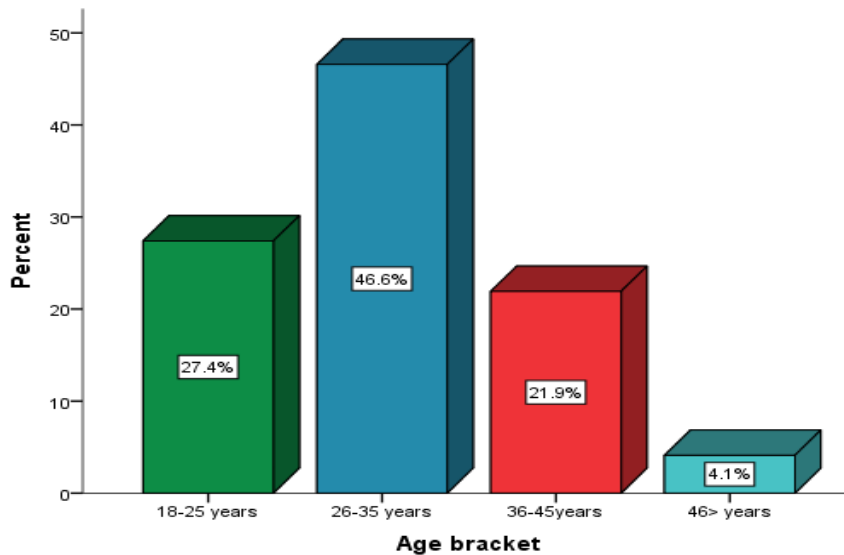


Figure 4-1 level of education

Source: primary data

The study indicated that in average, majority of the people who are able to start an SME have their highest level of education at a university level as indicated by 30.1%, 28.8% at college level, 24.7% at secondary school level, 12.3% at primary level and 4.1% untrained. This shows that majority of the people who operates SMEs have a higher level of education. Due to high rate of unemployment, you find that people have nowadays tends to shift their mindset from seeking for employment upon finishing their studies towards starting their small businesses. Majority of them may start a business without better understanding about market dynamics and therefore BDF has been able to identify this gap and is able to provide SMEs with proper assistance particularly in nonfinancial support services.

Age bracket of the respondents**Figure 4-2 Age bracket**

Source: primary data

The research also indicates that majority of the respondents who operate SMEs companies are aged between 26-35 years and it consisted of 46.6% of the sampled population, 27.4% were aged between 18-25 years, 21.9% aged between 35-45 and finally 4.1% are above 46 years of age. This implies that in average majority of them are people less than 35 years of age and therefore are categorized as youth. In recent times, youths and women have been considered as the most vulnerable group to be subjected to poverty and unemployment particularly in African context because of the mixture of cultural dynamics and increased population and poor curriculum which, instead of training student to become job creators they become job seeker. Eventually, you find that there a lot of degrees chasing over few jobs. In that case, BDF has been on the forefront to sensitize youth to engage in activities like competing in business plan writing and whoever comes up with brilliant idea is able to be sponsored and provided with both financial and nonfinancial support.

Categories of Non-financial Support Services Provided by BDF to SMEs in Rwanda

The following data were obtained from the questionnaire to assess if whether the respondents are aware of non-financial support services offered by BDF.

Table 4- 2 Respondents awareness on Non Financial Support Services (NFSS)

	Frequency	Percent
Yes	66	90.4
No	7	9.6
Total	73	100

Source: Primary data

The researcher wanted to find out the types of non-financial services offered by BDF and the extent at which clients' benefits from them. The information was analyzed by observing the mean response on how the respondents rated between 1 which represented those who indicated that non-financial support service has assisted to a great extent, 2 representing those who said it has somewhat assisted, 3 representing those who said it has contributed very little and 4 representing those who indicated that the suggested non-financial support has not contributed to their project success at all. The table therefore shows a representation of these values where 1 is the minimum degree of response and 4 is the maximum degree of response.

Table 4- 3 Identification of non-financial services offered by BDF (N=73)

	Mean	Std. Deviation
Information on market opportunities	1.48	.784
Exhibiting in trade fairs	1.48	.784
Facilitating the process of accessing finances from banks	1.42	.780
Business cooperation and networking	1.38	.793
Dealing with national technical standards	1.58	.896
Staff training	1.56	.866
Business or professional advice	1.55	.867
Valid N (listwise)		

Source: Primary data

The study indicated that in average, a large major of the respondents agreed strongly and the majority of the rest agreed normally that other nonfinancial services may include the provision of information on market opportunities to SMEs with a mean of 1.48 and a standard deviation of .784.

The study indicated that in average, a large major of the respondents agreed strongly and the majority of the rest agreed normally that other nonfinancial services may be in form of exhibiting in trade fairs for SMEs products with a mean of 1.48 and a standard deviation of .784.

The study indicated that in average, a large major of the respondents agreed strongly and the majority of the rest agreed normally that another facilitating the process of accessing finances from banks to SMEs with a mean of 1.42 and a standard deviation of .780.

The study indicated that in average, a large major of the respondents agreed strongly and the majority of the rest agreed normally that business cooperation and networking is another kind

of nonfinancial support service which can be provided to SMEs with a mean of 1.38 and a standard deviation of .793.

The study indicated that in average, a large major of the respondents agreed strongly and the majority of the rest agreed normally that dealing with national technical standards is a non-financial support service which may be accessed by SMEs in order to facilitate their project success. The mean rating of this variable was 1.58 and a standard deviation of .896.

The study indicated that in average, a large major of the respondents agreed strongly and the majority of the rest agreed normally that staff training is a form of nonfinancial support service given to SMEs with a mean of 1.56 and a standard deviation of .866.

Table 4- 4 Correlation between Categories of Support and Project Success

		Satisfies need	Sustain Projects
Information on market opportunities	Pearson correlation	0.743	0.724
	Sig.(2-tailed)	0.009	0.007
	N	73	73
Exhibiting in trade fairs	Pearson Correlation	0.074	0.083
	Sig.(2-tailed)	0.072	0.066
	N	73	73
Facilitating the process of accessing finances from banks	Pearson Correlation	0.077	0.024
	Sig.(2-tailed)	0.133	0.832
	N	73	73
Business cooperation and networking	Pearson Correlation	0.501	0.833
	Sig.(2-tailed)	0.056	0.021
	N	73	73
Dealing with national technical standards	Pearson Correlation	0.627	0.855
	Sig.(2-tailed)	0.058	0.073
	N	73	73
Staff training	Pearson Correlation	0.739	0.805
	Sig.(2-tailed)	0.081	0.060
	N	73	73
Business or professional advice	Pearson Correlation	0.722	0.985
	Sig.(2-tailed)	0.024	0.003
	N	73	73

Source primary data

Pearson's r is close to 1 in most of all non financial support categories except Exhibiting in trade fairs and Facilitating the process of accessing finances from banks.

This means that there is a strong relationship between the two variables. This means that changes in all categories of support are strongly correlated with changes in the needs satisfaction and project sustainability except Exhibiting in trade fairs and Facilitating the process of accessing finances from banks where there is weak relationship because r is less than 0.1. Furthermore, Pearson's r is positive (+). This means that as one variable increases in value, the second variable also increase in value. Similarly, as one variable decreases in value, the second variable also decreases in value.

The adequacy of non-financial support services to projects in Rwanda

Table 4- 5 Descriptive Statistics

Likelihood	Mean	Std. Deviation
Project identification	1.27	0.607
Project implementation	1.99	0.717
Project monitoring	1.16	0.441
Project restructuring	1.05	0.229
Project Audit services	1.16	0.373
Loan Guarantee	1.3	0.639
Capacity building	1.21	0.552
Valid N (listwise)		

Source primary data

The study established that in average majority of the respondents confirmed that p BDF provides project identification as one of the non-financial support services to its clients. Majority of the respondents indicated that indeed it contributes to the project success in great extent because out of the 73 respondents, the mean rating was 1.27 with a standard deviation of .607. It implies that majority of the respondents tend to strongly believe that BDFs' assistance in project identification is very important.

On the aspect of project implementation, majority of the respondents believe that it is a sort of non-financial service but it only contributes somewhat to project success. Majority of the respondents rated this variable with a mean of 1.99 with a standard deviation of .717 which implies that majority of the respondents tend to have selected the value 2 which represents "somewhat" in the questionnaire. This may also imply that implementation of the business project may not be directly influenced by nonfinancial support offer rather depends on individual business owner.

On the issue of project monitoring, majority of the respondents indicated that indeed it is one of the nonfinancial supports which contribute to the project success in a greater extent because out of the 73 respondents, the mean rating was 1.16 with a standard deviation of .441. It implies that majority of the respondents strongly believe that BDFs' assistance in project monitoring contributes to business success to a great extent.

On project restructuring, the study indicated that a large majority of respondents indicated that it is a non-financial support service offered by BDF to its clients to facilitate project success to a greater extent. This was evidently shown by a mean ration of 1.05 and a standard deviation of .229. This means that nearly all the respondents highlighted the first figure in the rating stale. Business restructuring needs expertise experience and therefore BDF support business owners through these steps. One course of action often considered is whether a business should be restructured in order to achieve required performance levels. Before pursuing this strategy, a business restructuring plan should be thoroughly evaluated. Important discussion points will normally include why restructuring might be needed, what is required and how to implement the resulting strategies.

On project auditing services, majority of the respondents also indicated that it contribute to a greater extend in project success. The statistics shows that the mean rate of response was 1.16 and a standard deviation of .373. Project audits can help identify when a project is about to go off-course. it also beneficial in improving project performance, save costs, provide early problem diagnostics, clarify performance/cost/schedule relationships, identify future opportunities for improvement and evaluate performance of the project team.

Similarly, on loan guarantee, majority of the respondents also indicated that it contribute to a greater extend in project success as well. The statistics shows that the mean rate of response was 1.30 and a standard deviation of .679. The business support services come to reinforce the already developed BDF portfolio in financial support which includes among others guarantee funding, and the recently introduced quasi financing product. Under guarantee funding, BDF supports financially viable projects with insufficient collateral for accessing credit from commercial banks by guaranteeing the loans to up to 75 percent, a product that has seen the institution benefit thousands of SMEs ever since its inception.

On capacity building, majority of the respondents represented by mean of 1.21 and a standard deviation of .551 stated that it assist the project to succeed in a greater extent. Capacity building is one of the least understood yet most important aspects of development work. It is an ongoing process through which individuals, groups, organizations and societies enhance their ability to identify and meet development challenges.

Other types

It was also indicated that BDF is improving its services to cater for the needs of SME's both financially and in terms of nonfinancial support services involved in pre and post financing stages. One of the respondents wrote that BDF understands that if SMEs are to impact access to finance for small enterprises in Rwanda, there is need to escort these entities throughout the process of business development, from conceptualization, business planning, access to finance, and post financing support in terms of strengthening managerial capacity of SMEs, accountability, to mention but a few of the challenges that most small enterprises face. "We realize that even before considering how to access finance, there are various activities that a start-up needs to carry out in order to appeal to financiers", another respondent stated. However, most people have little understanding of some of this appraisal processes hence the need for BDF to offer an all-inclusive SME support mechanism.

Table 4- 6 Correlation between Adequacy of non-financial Support Services and Project Success

		Quality optimization	Projects Sustainability
Project identification			
Project evaluation	Pearson correlation	0.027	0.213
	Sig.(2-tailed)	0.143	0.071
	N	73	73
Project implementation	Pearson Correlation	0.512	0.744
	Sig.(2-tailed)	0.072	0.066
	N	73	73
Project monitoring	Pearson Correlation	0.889	0.800
	Sig.(2-tailed)	0.023	0.011
	N	73	73
Project restructuring	Pearson Correlation	0.933	0.833
	Sig.(2-tailed)	0.051	0.030
	N	73	73
Project Audit services	Pearson Correlation	0.312	0.722
	Sig.(2-tailed)	0.982	0.073
	N	73	73
Loan Guarantee	Pearson Correlation	0.961	0.931
	Sig.(2-tailed)	0.021	0.009
	N	73	73
Capacity building	Pearson Correlation	0.642	0.724
	Sig.(2-tailed)	0.031	0.013
	N	73	73

Source primary data

Where Pearson's r is close to 1 means that there is a strong relationship between the two variables. This means that changes in one variable are strongly correlated with changes in the second variable. In this research, Pearson's r is close to one in Project monitoring, Project restructuring and Quality optimization, Projects Sustainability. On the other hand there is a weak relationship between Project identification and Quality optimization. Also since the correlation is positive, there is a positive correlation which means that as one variable decreases in value, the second variable also decreases in value, similarly as one variable increases in value, the second variable also increase in value.

Effects of non-financial support services to projects in Rwanda**Table 4- 7 Effects of non-financial support services to project success**

	Mean	Std. Deviation
Improving overall business managerial skills	1.47	0.783
Improving financial management skills	1.38	0.793
Facilitating sound decision making	1.59	0.895
Facilitating the ability spot the opportunities and tapping them	1.56	0.866
Improve the innovativeness of clients	1.58	0.865
Improve the competitiveness of the client	1.16	0.553
Facilitate growth and sustainability of the business	1.44	0.781
Valid N (listwise)	73	

Source primary data

The study found that a large major of the respondents strongly agreed and the majority of the rest mildly agreed that one of the effects of non-financial support is improving overall business managerial skills. This variable was rated with a mean of 1.47 and a standard deviation of .783.

Improving financial management skills was rated with a mean of 1.38 and a heterogeneous standard deviation of .793 meaning that majority of the respondents strongly agreed with this variable.

Facilitating sound decision making was rated with a mean of 1.59 and a heterogeneous standard deviation of .895 meaning that majority of the respondents normally agreed with this variable.

Facilitating the ability spot the opportunities and tapping them was rated with a mean of 1.56 and a heterogeneous standard deviation of .866 meaning that majority of them also normally agreed with the variable. BDF support SMEs in project identification process and therefore this is an eye-opening experience for entrepreneurs. This is basically done through the process of encouraging young entrepreneurs to come up with a business plan which in turn can be supported by the institution.

Improve the innovativeness of clients was rated with a mean of 1.58 and a heterogeneous standard deviation of .865 which indicates that majority of them normally agreed. The modern technology has brought in another element of competitiveness whereby most entrepreneurs have been able to utilize this platform to place themselves at a competitive edge. BDF encourages its clients to adopt new modes of technology in order to reach out to globalized market and compete with other business people around the world. This is to encourage SMEs to learn and also come up with new ideas which can be used to improve business environment in Rwanda.

Improve the competitiveness of the client was rated with a mean of 1.16 and a heterogeneous standard deviation of .553 which shows that majority of the respondents strongly agreed. Businesses environment is now changing very first and it needs a lot of strategic planning in

order to remain at a competitive edge. Competition is becoming tight and business people are always finding a way of reaching out to its targeted clients.

It facilitate growth and sustainability of the business rated with a mean of 1.44 and a heterogeneous standard deviation of .781 which indicates that majority of the respondents strongly agreed with this variable. One of the facilitators of non-financial support cited that *“So far one of the main successes we have recorded is that we have managed to see a good number of startups come to life despite the minimal non-performance in loan repayments for some. Most ideas before BDF begun would remain on paper and never see the light of day, but ever since our establishment, many of these good ideas have managed to come from paper to practice.”*

Table 4- 8 Correlation between the effects of non-financial support services and the project Success

		Project Profitability	Projects Sustainability
Improving overall business managerial skills	Pearson correlation	0.945	0.832
	Sig.(2-tailed)	0.546	0.004
	N	73	73
Improving financial management skills	Pearson Correlation	0.925	0.941
	Sig.(2-tailed)	0.022	0.011
	N	73	73
Facilitating sound decision making	Pearson Correlation	0.921	0.970
	Sig.(2-tailed)	0.003	0.001
	N	73	73
Facilitating the ability spot the opportunities and tapping them	Pearson Correlation	0.901	0.937
	Sig.(2-tailed)	0.011	0.001
	N	73	73
Improve the innovativeness of clients	Pearson Correlation	0.912	0.955
	Sig.(2-tailed)	0.001	0.001
	N	73	73
Improve the competitiveness of the client	Pearson Correlation	0.900	0.961
	Sig.(2-tailed)	0.021	0.009
	N	73	73
Facilitate growth and sustainability of the business	Pearson Correlation	0.920	0.924

Sig.(2-tailed)	0.031	0.013
N	73	73

Source primary data

The Pearson's r is close to 1 in all variables. This means that there is a strong relationship between the identified effects of non-financial support services variables and Project Profitability, Projects Sustainability. This means that changes in effects of non-financial support services variable are strongly correlated with changes in the corresponding project success variable identified in the previous table. Also the significance is positive which give a positive correlation, this means that as one variable increases in value, the second variable also increase in value. Similarly, as one variable decreases in value, the second variable also decreases in value.

Relationship between non-financial services and project success**Table 4- 9 Relationship between non-financial services and project success (N=73)**

	Mean	Std. Deviation
Risk mitigation	1.79	1.067
Realistic planning	1.23	0.677
Competitive edge	1.27	0.629
Client satisfaction	1.56	0.816
Management of sustainable growth	1.64	0.823
Valid N (listwise)	73	

Source primary data

The research reveals that in average majority of the respondents believe that there is somewhat relationship between risk non-financial services and project success in terms of risk mitigation, client satisfaction and management of sustainable growth by looking at the statistics of their mean of 1.79, 1.56 and 1.64 respectively. However, a significant number of respondents also believe that the relationship is of a greater extent.

On the other hand majority of the respondents also believe that this relationship goes to a greater extent in terms when it comes to the profitability, Realistic planning and competitiveness by looking at the mean response of 1.44, 1.23 and 1.27 respectively.

Table 4- 10 Correlation between non-financial services and project success

		Project Achievement	Project Profitability
Risk mitigation	Pearson correlation	0.934	0.832
	Sig.(2-tailed)	0.024	0.039
	N	73	73
Realistic planning	Pearson Correlation	0.921	0.970
	Sig.(2-tailed)	0.003	0.001
	N	73	73
Competitive edge	Pearson Correlation	0.943	0.977
	Sig.(2-tailed)	0.011	0.001
	N	73	73
Client satisfaction	Pearson Correlation	0.617	0.595
	Sig.(2-tailed)	0.041	0.044
	N	73	73
Management of sustainability	Pearson Correlation	0.940	0.981
	Sig.(2-tailed)	0.021	0.009
	N	73	73

Source primary data

The Pearson's r is close to 1 in most of variables this means that there is a strong relationship between impact on the business and project success variables. This means that changes in one variable are strongly correlated with changes in the second variable. In this research a weak correlation is only observed between client satisfaction and project achievement, project profitability where Pearson's r is below 0.650. Furthermore, the Pearson's r is positive (+) this means that as one variable increases in value, the second variable also increase in value. Similarly, as one variable decreases in value, the second variable also decreases in value.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The study found that BDF is involved in pre and post financing stages such as the facilitation of the process of business development, from conceptualization, business planning, access to finance, and post financing support in terms of strengthening managerial capacity of SMEs, accountability, to mention but a few of the challenges that most small enterprises face.

There are several forms of non-financial support services which can assist SMEs to grow their businesses. This includes: provision of information on market opportunities, facilitation to attend exhibiting in trade fairs, facilitating the process of accessing finances from banks, involving SMEs in business cooperation and networking, enabling the SMEs to deal with

national technical standards so that the project might succeed and finally facilitation through staff trainings rated.

BDF has been on the forefront on facilitating such kind of support to a very large extent in Rwanda. It facilitates SMEs to implement their business plan by providing necessary assistance and skills required to take them through the process of implementation. BDF also provides services such as project identification project monitoring, project restructuring, project auditing services, loan guarantee and also capacity building services to SMEs in Rwanda.

Such assistance have a significant effect on improving overall business managerial skills of an entrepreneur, improving financial management skills, facilitating sound decision making, facilitating the ability spot the opportunities and tapping them, improving the innovativeness of entrepreneur, improve the competitiveness of the entrepreneur and finally it facilitate growth and sustainability of the business.

The relationship between non-financial services and project success lies on the ability of entrepreneur to mitigate, to meet client satisfaction and management of sustainable growth of the business. On the other hand majority of the respondents also believe that this relationship goes to a greater extent in terms when it comes to the profitability, realistic planning and competitiveness of an entrepreneur.

RECOMMENDATIONS

The study recommends that although such non-financial services are practical and successfully affects the SMEs performance, there is little information about such services in the market. Many people still do not know about the existence of these services and therefore BDF need to improve their sensitization strategies in order to reach to more audience.

The study also shows that majority of the people who get out of schools lack job opportunities and therefore the government need to strengthen such programs to enable them to have enough capacity to handle the issues of youth coming out of the universities. They need to provide them with more finances and also assist BDF through sensitization process to popularize this institution. This will serve as a way of creating more jobs and improve the economy of the nation.

REFERENCES

- Abdelhamid D., (2007) *Non-Financial Services to the M/SMEs Sector in Egypt: Financial Services to the M/SMEs Sector in Egypt: Financial Services to the M/SMEs Sector in Egypt: A Truism or Hoax? A Truism or Hoax?*
- Amin, M. (2005). *Social Science Research, conception, methodology and Analysis, Kampala: Makerere University.*
- BDF, (2012) *Annual report.* The Business Development Fund Helping Small businesses meet their Capital Needs
- Beck, T., Demirgüç-Kunt, A., and Maksimovic, V. (2008) "Financing Patterns around the World: Are Small Firms Different?" *Journal of Financial Economics* 89(1): 467-87.

- Bhaskaran, K. & Pinedo, M. (1991). Dispatching. In: *Handbook of Industrial Engineering*. G. Salvendy (ed.), John Wiley, New York. Pp. 2182-2198.
- BRAC. www.brac.net (accessed November 2014).
- Bryman, A. (2004). *Social research methods*, second edition, Oxford University from <http://www.ryerson.ca/~mjoppe/rp.htm>.
- Hassan Z. (1999). "Assessing the Poverty and Vulnerability Impact of Micro Credit in Bangladesh: A case study of BRAC." Office of the Chief Economist and Senior Vice-President of the World Bank,
- ILO, (2008) financial education
- Jaafari, A (1990) 'What every top manager should know about organizational set ups and policies for successful project management' Proceedings of the 10th INTERNET World Congress on Project Management
- Johnston, R.B. and Brennan, M. (1996). "Planning of organizing: the impacts of theories of activity for management of operations". *Omega* 24 (4), 367-384.
- Joppe, M. (2000). The Research Process. Retrieved January 25, 2012,
- Jugdev, K., and Müller, R., (2005). A retrospective look at our evolving understanding of project success. *Project Management Institute*, 36 (4), 19-31.
- Kothari, C.R., (2004). *Quantitative Techniques*, New Delhi, Vikas Publishing House Pvt. Ltd., p.64, 1978
- MINECOFIN, (2012). Ministry of Finance and Economic Planning Report, 2009.
- Morris, P W G and Hugh, G H (2006) *Preconditions of Success and Failure in Major Projects* Templeton College, the Oxford Centre for Management Studies, Kington Oxford, Technical paper
- Morris, P. (1994). *The Management of Projects*. Thomas Telford, London. 358 p
- Press Inc., New York.
- Shadish, W.R., Cook, T.D., & Leviton, L.C. (1991). *Foundations of program evaluation*. Newbury Park, CA: Sage Publications
- Slovin et al. (1992), "Firm size and the information content of bank loan announcements", *Journal of Banking & Finance*, Vol. 16 No. 6, pp. 1057-71.
- Turner, J. R. (1993). *The handbook of project-based management*. McGraw-Hill, London. 540 p
- Westley M.,J. (2007) *Microfinance Plus: Non-financial Services Offered by Microfinance Institutions and their Impact on Predominantly Female Clients*