



**PARJE**  
Parc des Jeunes Entrepreneurs

**Creativity - Innovation - Entrepreneurship**

**SEARCH  
FOR COMMON  
GROUND**

**SESSION ON THE ECONOMIC AND NETWORKING  
PREOCCUPATIONS OF YOUNG PEOPLE IN THE URBAN  
COMMUNE OF MUKAZA ON THE THEMES :  
« ACCESS TO FINANCE AND GOVERNANCE OF BUSINESSES »**



by

**Session consultants:**

IGIRUKWISHAKA Jean Bosco

NIRAGIRA Didace

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## I. INTRODUCTION

The session was organised in the urban commune of Ntahangwa on 23 April 2021 under the theme: " Access to finance and governance of businesses ". The participants in the session were young entrepreneurs with income-generating initiatives.

## II. PROCEEDINGS OF THE SESSION

The session took the form of an open conference-debate in which each theme was broken down into small open questions that the participants answered in groups. The young participants presented the results of their groups before starting a discussion for each presentation. Group work was organised to obtain commitments and recommendations from the participants.

### **ACCESS TO FINANCE AND GOVERNANCE OF BUSINESSES**

#### **1. Statement of the problem**

To adequately finance a company or any other institution, it is important to be familiar with the various financing methods available and to know how to make a technically sound choice of financial structure that respects financial equilibrium and minimises the cost of financing, thereby maximising the value of the organisation.

This choice needs to be complemented by sound budget management, with the aim of making the allocation of resources to uses a reality in the technical phase, and thus informing day-to-day operations.

When setting up a business, you need to think about how it is going to be financed, once you have inventoried its needs. The first strategy is to divide the total financing into two parts: debt and equity. Hybrid securities also play a role in financing companies. Within each category, you need to think about the technique for raising the funds.

This will be easier if the company has a solid organisational structure based on relevant legislation.

However, in Burundi, apart from the lack of an entrepreneurial culture, people find it difficult to raise finance for their businesses, particularly young people. Their business structures are much more fragile. Young people suffer from a general lack of entrepreneurial knowledge and skills.

#### **2. Why is this a problem in our community?**

Burundian culture does not encourage entrepreneurship among people in general and creativity among young people in particular. As a result, a young person who wants to start an entrepreneurial activity does not easily find support, even at family level. Similarly, the fact that people are not in the habit of joining forces to undertake a business means that everyone wants to work individually and is unable to mobilise the necessary investment for his or her business.

In Burundi, among the multitude of banks that have existed for over fifty years, there was not really an investment bank until 2020. The banks or microfinance institutions (MFIs) that do exist

are only there to rake in money from their clients, who are generally civil servants working for the state and international organisations. The loans they offer, subject to the presentation of a guarantee and/or mortgage, do not allow businesses to start up or grow because of their small size and higher interest rates. Young people, who are generally unemployed, do not even have bank accounts, nor do they have guarantees or mortgages, which limits their access to finance.

As far as organisational management and corporate governance are concerned, the regulations are in place but are not publicised so that everyone knows what they are before starting a business. Young people no longer obtain useful information; they often confuse (profit-making) companies with non-profit-making associations.

### 3. What benefits do we expect?

The participants, especially the young people, have had time to evaluate themselves, which has led them to make commitments (as shown in the table above). They are also aware of the existence of organisations that can support them in strengthening their entrepreneurial activities and the existence of the BIJE, the only better source of funding for young people.

Annexes

- Photos of activities





Young people eager to learn more about BIJE

