UNCTAD World Investment Forum 2016
Investing in Sustainable Development

PROJECT PROFILE
Rwanda continues to have one of the fastest growing ICT Sectors in Africa. The country is targeting growth of a robust ICT industry to create wealth, jobs and entrepreneurs in sub-sectors like e-commerce and e-services, mobile technologies, applications development and automation.

Rwanda’s ICT competitive advantages include:

• Cheap labor compared to other countries in the Region
• Young and dynamic workforce (98% of the population is under 50 years and 43% is under 16 years)
• Most favorable business environment in the Region (8th best place to do business in the world 2012)
• Low levels of corruption - zero tolerance
• World class ICT infrastructure
• Strong and visionary leadership
• Bi-lingual business environment (French and English)

Rwanda has installed extensive fiber optic infrastructure covering the whole country and 4G LTE deployment is on track to provide fast internet access to 95% of citizens by 2017.

According to the World Bank Doing Business Report 2016, Rwanda is Africa’s second easiest place in which to do business. Based on this level of preparedness, Rwanda launched Kigali Innovation City - its flagship initiative to catapult the country into a knowledge based economy.

**PROJECT DESCRIPTION**

Kigali Innovation City is an Africa-focused innovation hub comprising three inter-dependent platforms which will enable the innovation hub to sustainably deliver digital products and services for accelerated digital transformation of Rwanda’s economy and for export to other African economies.

The three inter-dependent platforms of Kigali Innovation City are:

• The digital innovation platform of technology clusters in which technology companies establish and operate innovation labs within a technology cluster aligned with their intellectual property;
• Human capital development platform to supply the required scale of professional talent to the technology companies, and to up-skill the employed talent in a range professional industry skills required throughout employment; and
• Innovation-friendly financing platform to nurture technology companies within the innovation hub throughout their stages of growth.

The institutions anchoring these three platforms are the community of Kigali Innovation City.

COMMUNITY OF KIGALI INNOVATION CITY

Technology Companies

Kigali Innovation City is the natural home where indigenous Rwandan technology companies can innovate and serve the whole market of the African continent.

It is also the best home in Africa for multinational technology companies to domicile their subsidiaries, bring their technologies and skills, and conduct the innovation necessary to create optimized products and services for the African market.

Some of the best startups from the region and from anywhere in the world will also find their natural home in the community of Kigali Innovation City.

All technology companies operating in Kigali Innovation City are assured of a scalable supply of high caliber engineers, mathematicians and scientists from co-domiciled higher learning research institutions whose postgraduates are picked from the best on the whole African continent.

This high grade pool of professional talent will also be able to rapidly up-scale their industry skills through the convenience and efficiency of being co-domiciled with a world-class industry skills academy.

All technology companies in Kigali Innovation City can access innovation-friendly financing from the co-domiciled Rwanda Innovation Fund.

Higher Learning Research Institutions

The ecosystem is anchored by world-renowned higher learning institutions supplying a critical mass of world class engineers, mathematicians and scientists.

Carnegie Mellon University is the anchor tenant of Kigali Innovation City, producing the next generation of technology leaders and innovators in Africa.

Consistently ranked #1 in Computer Science and #4 in Engineering by U.S. News & World Report, CMU has been a birthplace of innovation with over 1,000 companies started by faculty and students transforming research innovation into commercially viable enterprises.

The African Institute for Mathematical Sciences also domiciled in Kigali Innovation City will provide a critical mass of Africa’s best mathematicians.

From its African home in Kigali, the International Centre for Theoretical Physics will supply top scientists. Altogether amounting to the highest concentration of talent to drive innovation within Kigali Innovation City.
Industry Skills Academy

Kigali Innovation City will house an industry skills academy in the form of many-academies-in-one:

- Many notable academies of multinational technology companies either supporting their domiciled subsidiary or supporting domiciled strategic partners using their technology platforms to create products optimized for the African market.
- Facilities to support delivery of programs for business/entrepreneurial capacity building.

Rwanda Innovation Fund

Growth of the ecosystem will be measured in terms of the number of new technology companies and how big they become. It will be achieved through locally domiciled innovation-friendly financial capital, supporting technology companies through all stages of growth.

The Rwanda Innovation Fund occupies a critical part of the financing value-chain, starting at the early stage of growth and nurturing companies through growth stage till initial public offering (IPO).

The Government of Rwanda is co-investing in this fund alongside private investors.

Preceding the Rwanda Innovation Fund are other forms innovation-friendly funding, including public, philanthropic, and angel funding, supporting companies during incubation/accelerator stages of growth.
PROJECT MILESTONES

2016 -  
- First closing ($100 million) of the Rwanda Innovation Fund (September)

2017 -  
- Completion of Carnegie Mellon University campus housing (July)
- Carnegie Mellon University post-graduate programs and research
- Innovation labs center shared by technology companies
- Industry Skills Academy shared by the innovation community for sustained up-skill of the professional talent employed in the community
- Second closing of the Rwanda Innovation Fund (Timeline TBD)

2018 - 2022  
- Completion of office buildings to house startups, fast-growing small and medium-sized enterprises, local operations of multinational companies as well as new partners for skills development and funding.
- Completion of support facilities such as shopping centers, apartments and hotels to make Kigali Innovation City a mixed-use livable 24-hour city.
- Assistance in business establishment (One Stop Center, Special Economic Zone status application).
- Entrepreneurial development including incubator and capacity building programs.
- High quality urban environment, state-of-the-art infrastructure (roads, electricity, and water) and ICT facilities including bandwidth and highly reliable electricity supply.
- Commercial buildings and private housing.

PROJECTED IMPACT

• Highly skilled ICT jobs in Rwanda will ramp up to 4,500 by 2022
• Export earnings up to an estimated UD$180 million by 2022.
• Top 10 companies generating combined annual revenues of $500 million by 2025
• By 2030, Rwanda will have attained at least 90% self-reliance in skilled human capital and in financial capital required to sustain its digital transformation.

INVESTMENT INCENTIVES

Fiscal and non-fiscal incentives include among others:

• Preferential corporate income tax rate of zero percent (0%)
• Preferential corporate income tax rate of fifteen percent (15%)
• Corporate income tax holiday of up to seven (7) years
• Corporate income tax holiday of up to five (5) years
• Exemption of customs tax for products used in Export Processing Zones
• Exemption of Capital Gains Tax
• Value Added Tax refund
• Accelerated depreciation
• Immigration incentives
## OPPORTUNITIES in KIGALI INNOVATION CITY

### 1. Your Home in Technology Clusters of Kigali Innovation City

Establish an Innovation Lab focusing on any of these technology clusters, initially housed in the new Carnegie Mellon University campus opening in July 2017, and later move into a dedicated Innovation Labs Centre.

<table>
<thead>
<tr>
<th>Technology Cluster</th>
<th>Description</th>
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</table>
| **FinTech** | Powered by high security data centers and cyber security of the highest international standards for FinTech. Opportunities include:  
  - Deployment of the physical infrastructure for FinTech grade data center  
  - Deployment and operation in such a data center of cyber security systems also of international FinTech grade  
  - Deployment and operation in such a data center of FinTech systems with scope for international mobile transactions. |
| **BioMed** | A technology cluster built around the Center of Excellence in Biomedical Engineering which is being established with an initial fund of $18 million provided by the African Development Bank to strengthen the synergy between the academia, the Government and the Private Sector while harnessing the transformational power of biomedical engineering and Information and Communication Technology (ICT) for cost-effective healthcare service provision in the East African Community. Three other centers of excellence are being similarly established in Kenya, Uganda and Tanzania, covering other areas of health services.  
  - Opportunities exist for technology companies with technologies and know-how in biomedical engineering to join this technology cluster by establishing an innovation lab in which they can optimize their technologies for deployment in the developing economies of Africa. |
| **Data Knowledge Content** | • The establishment of Rwanda’s Big-Data platform including analytics, covering all sectors of the economy.  
  • Development and deployment of digital content for Rwanda’s learner-centric curriculum. |
| **Cyber Security** | • Invest and establish extensive commercial grade cyber security services to support the digital transformation of economies of the region. |
| **Smart Energy** | • Set up an innovation lab in a shared micro-grid research center of excellence. |

### 2. Invest in the Rwanda Innovation Fund

<table>
<thead>
<tr>
<th>Round</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>$100 million</td>
</tr>
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</table>
| Public | $30 million,  
  Private | $70 million |
| First closing | September 2016 |

• Investment proposals are also welcome in Smart Logistics and AgriTech.
Indicative terms

<table>
<thead>
<tr>
<th>Structure:</th>
<th>Close-ended, privately managed fund of US$100 million, 70% from private investors, including GP commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Partners</td>
<td>GoR, and Private investors</td>
</tr>
<tr>
<td>Term:</td>
<td>10 years (+2) from Final closing date (planned for Q3/Q4)</td>
</tr>
<tr>
<td>Investment Period</td>
<td>4 years (can be extended by up to 1 year)</td>
</tr>
<tr>
<td>Geography Focus</td>
<td>Rwanda and the rest of East Africa Community</td>
</tr>
<tr>
<td>Target</td>
<td>Early growth high impact tech-enabled sectors, with potential to scale regionally: EnergyCleanTech &amp; Energy Access solutions, Smart Transport &amp; Logistics, ecommerce, AgricTech, Digital Health, Medical and Technology devices, and Inclusive Fin-tech, EdTech.</td>
</tr>
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3. Develop and Own Real Estate in Kigali Innovation City

Stage 1 of the Kigali Innovation City real estate:

- Construction of all the additional buildings in the precinct dedicated to Carnegie Mellon University;
- Construction of key the buildings (estimated investment of $150 million):
  - Innovation Labs Centre catering for all technology clusters of Kigali Innovation City
  - Industry Skills Academy building
  - Smart Rwanda Centre
  - Corporate Centre building to be shared by technology companies domiciled in Kigali Innovation City, until they move to their own headquarters elsewhere within Kigali Innovation City
  - Innovation Growth Centre building housing the Rwanda Innovation Fund and an accelerator hub for startups

Stage 2 of real estate development (estimated investment - $850 million):

- To be scoped and constructed commensurate with demand within the innovation hub.

Estimated Project Lifetime: 10 years

4. Secure Your Career in Kigali Innovation City

A career in Kigali Innovation City is an opportunity of a life time for the best engineers, mathematicians, and scientists from Africa and beyond.

Prepare yourself by enrolling for a postgraduate (Masters and or PhD) programs in one of the three world-renowned higher learning and research institutions:

- Carnegie Mellon University:
  - The anchor tenant of Kigali Innovation City, producing the next generation of technology leaders and innovators in Africa. Consistently ranked #1 in Computer Science and #4 in Engineering by U.S. News & World Report, CMU has been a birthplace of innovation with over 1,000 companies started by faculty and students transforming research innovation into commercially viable enterprises;

- African Institute of Mathematical Sciences also domiciled in Kigali Innovation City and developing Africa’s best mathematicians.

- International Centre for Theoretical Physics which from its African home in Kigali develop top scientists for the ecosystem of Kigali Innovation City.
Special thanks to:

RDB RWANDA DEVELOPMENT BOARD

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