

**NON BANK FINANCIAL INSTITUTIONS AS A FINANCING OPTION FOR SMALL
AND MEDIUM ENTERPRISES IN RWANDA
A CASE STUDY OF SMES IN EASTERN PROVINCE**

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ABSTRACT

The aim of this study is to explore non-bank financial options as a financing alternative for SMEs in Eastern Province with particular emphasis to achieve the following objectives: to review the challenges faced by SMEs in accessing finance from the traditional commercial banks in Rwanda and to investigate Non-Bank Financial options available as an alternative financing for SMEs. The study would enable the business entrepreneurs and indeed the policy makers of the banks and financial institutions to be aware of funding constraints of SMEs in the Eastern Province of Rwanda and also be able to know other non-bank funding sources available for SMEs in a view to making strategic decisions. A multiple-method strategy was adopted for this study to reduce the possibility of personal prejudice by not depending on only one method of approach or response coming from only one firm, both the inductive and deductive research strategy was used in a variety of ways, relying largely on secondary data from previous literatures that expresses the financial challenges of SMES in the Rwanda and other countries. Finding indicate that some SMEs do not easily get financing from banks due to their high risk and lack of collateral and as a result turn to friends, colleagues for financial support.