The Government of Rwanda has approved the merger of Business Development Fund (BDF) and the Development Bank of Rwanda (BRD) in a strategic move aimed at expanding access to finance and accelerating private sector growth.

The decision, announced this week, brings together BDF's broad outreach to small and medium-sized enterprises (SMEs) with BRD's capacity to finance large-scale investments and its experience across key sectors. Government officials said the merger will create a stronger, unified institution better positioned to serve entrepreneurs, investors and businesses across the country.

"This merger is part of the government's broader commitment to improving service delivery and enhancing the efficiency of public financial institutions," a government statement said.

The new institution is expected to speed up the loan approval process, reducing the time required for businesses to access financing through banks and microfinance institutions. This is intended to ease a common barrier faced by many small and emerging businesses, particularly those operating outside major urban centers.

Officials say the merger will also make financing more responsive to the needs of individual clients. Entrepreneurs at various stages of growth — from startups to scaling businesses and large investment projects — will benefit from a wider range of tailored financial products.

The reach of the new institution is also expected to expand nationwide. Using digital platforms, services will be accessible in both urban and rural areas, helping to close the financial inclusion gap that often leaves rural communities behind.

The reform is aligned with Rwanda's National Strategy for Transformation (NST1) and Vision 2050, both of which emphasize inclusive economic growth and support for the private sector as a driver of development.

To date, BDF has backed more than 40,000 projects, primarily among small-scale entrepreneurs. BRD, meanwhile, has provided financing in critical sectors such as agriculture, manufacturing and infrastructure. By combining these strengths, the government aims to enhance coordination and impact across Rwanda's development financing landscape.

Once operational, the merged institution will continue to serve as the country's

leading development finance entity, supporting sustainable investment and contributing to the growth of an inclusive economy.