

Agro-industrial Development Policies

What Nexus to Climate, Food
Security, and Trade?

Rwanda

John Bosco Kanyangoga



This study is published as part of the project “Promoting Agriculture, Climate and Trade linkages in the East African Community – Phase 2” (PACT EAC2). Led by CUTS International Geneva in collaboration with CUTS ARC Nairobi, the project aims to build the capacity of individuals, networks and institutions to identify and promote appropriate policies for climate-aware, trade-oriented, food security-enhancing agro-processing in the EAC region.

Authored by:

John Bosco Kanyangoga

Published by:



CUTS INTERNATIONAL, GENEVA

Rue de Vermont 37-39
1202 Geneva, Switzerland
www.cuts-geneva.org

Funding support



This publication should be cited as: KANYANGOGA, J. (2017). “Agro-industrial Development Policies: What Nexus to Climate, Food Security, and Trade? - Rwanda”. Geneva. CUTS International, Geneva.

Cover image: © Dominic Chavez/World Bank

© 2017.

The material in this publication may be reproduced in whole or in part and in any form for education or non-profit uses, without special permission from the copyright holders, provided acknowledgment of the source is made. The publishers would appreciate receiving a copy of any publication, which uses this publication as a source. No use of this publication may be made for resale or other commercial purposes without prior written permission of the copyright holders.

ISBN: 978-81-8257-248-5

#1703

Agro-industrial Development Policies: *What Nexus to Climate, Food Security, and Trade?*

Rwanda

Contents

Acknowledgements	i
Note on Authors	iii
Acronyms	v
Executive Summary	vii
1. Introduction and Background	1
1.1. Purpose and Objectives.....	3
1.2. Methodology	3
2. Scope of Agro-industrial and Related National and Regional Policies	4
2.1. Key Provisions in Industrial Policy and the Master Plan	4
2.2. Best Practices including Gender Perspectives	4
2.3. National Alignment with EAC Strategies	5
2.4. Linking Agricultural Production to Agro-industry	6
3. Policies on Agro-processing, Climate Change, Food Security, and Trade	8
3.1. What is there at the National Level?	8
3.2. What is there at the EAC Regional Level?	9
3.3. Existing Linkages of Relevant Policies	12
3.4. Fixing the Missing Links	12
3.5. Advocating for Agro-value Addition	12
4. Overcoming Challenges to Maximise Opportunities.....	13
4.1. Production for Food or for Trade?	13
4.2. Agro-processing Sector Potential (Case Studies).....	14
4.3. Key Opportunities in Agro-industry	17
4.4. Overcoming Challenges and Maximising Opportunities	18
4.5. Assessing the Effectiveness of Support Services and Facilities	19
4.6. Does Rwanda Need a Specific Agro-industrial Policy and Strategy?.....	20
5. Conclusion and Recommendations	22
Annex 1: List of persons interviewed	26
Annex 2: Materials/Sources of information	27
Endnotes.....	28

List of Figures

Figure 1: Map of Rwanda showing the country’s four major provinces and Kigali City 1

Figure 2: Gross Domestic Product (GDP) per capita and total output by sector in Rwanda 2

Figure 3: Transformation of economic activity in Rwanda 2011-2020 2

Acknowledgements

This study was carried out to look at policy dynamics with a view of attempting to find out how agro-industrial policies at the regional and national levels currently address climate change, food security, and trade. While assessing the missing links, the analysis also focused on the role of gender issues in climate change, food security, trade linkages in agro-industrialisation, challenges and opportunities of the agro – industrial sector and then pointed out appropriate recommendations. The main objective was to identify and fill knowledge gaps in relevant policies of agro industrial development, which ensures sensitivity to climate change, food security, and trade linkages in Rwanda.

As a consultant, I consulted various sources of information and held interviews with various people in different institutions. I carried out the entire assignment under the direct supervision of ACORD Rwanda. In this light, I gratefully acknowledge the inputs of all those who served as interviewees and respondents to the questions put forward to them. I am indeed greatly indebted to all the institutions and organisations that volunteered to provide the information that has created a basis for this study.

Specifically, I am thankful to the entire staff team at ACORD Rwanda for all the support throughout the duration of carrying out the study. I acknowledge the guidance of the ACORD Rwanda Country Director, Mr. Francois MUNYENTWARI for his daily supervision throughout the period and his efforts to arrange interview appointments. Also, the inputs of all the members of the Rwanda National Reference Group (NRG) are highly appreciated.

Again, I am grateful for the contribution and information shared by all those who volunteered to be interviewed, particularly the representatives of the following organisations and companies; Ministry of Trade, Industry and East African Community Affairs (MINEACOM), Ministry of Agriculture (MINAGRI), ACORD Rwanda, BN Producers, Cooperative Mbakungahaze, Renewgreen Ltd, Hollanda Fairfoods and SOSOMA Industries Ltd.

I hope that this study provides rich and relevant information that will contribute to effective advocacy and appropriate policy making. It is my hope that the study will be helpful to relevant stakeholders to have a clear understanding on the issues herein presented, and also assist in regard to agreeing on the best way forward in ensuring tangible contribution to Rwanda’s development agenda.

John Bosco KANYANGOGA
Lead Consultant

Note on Authors

John Bosco Kanyangoga is a Rwandan International Trade Lawyer and Independent Consultant specialising in International Trade Negotiations, Regional Integration, Trade Policy Analysis and Trade-Related issues. He is based in Kigali, Rwanda. He has a Masters Degree in International Transactions and Comparative Law (LLM) from the University of San Francisco, School of Law, California, USA in 2004. He also earned his Bachelor of Laws Degree (LLB) from the National University of Rwanda in 2000. Before launching into full time consultancy, John Bosco served as Director of Trade and Policy Advocacy for the Rwanda Private Sector Federation. Prior to this, he worked as an expert on Regional Economic Integration, and he was one of the key Rwandan negotiators that negotiated for Rwanda's accession to the EAC. In his capacity, he set up and coordinated the Secretariat for the Regional Integration Committee. He coordinated sectoral areas of negotiations, including trade, investments, fiscal and monetary issues, as well as movement of persons.

In his career of more than 15 years, he has been actively involved in major trade-related negotiations that Rwanda has been engaged in bilaterally, regionally and at the multilateral level. He is also a member of the National Trade Policy Forum (NTPF) and among the lead technical negotiators that articulated Rwanda's interests in the EAC-EU Economic Partnership Agreement (EPA) and the COMESA-EAC-SADC Tripartite Free Trade Area (TFA). In this light, he occasionally advises the Rwandan Ministries of Trade and EAC Affairs on trade and regional integration-related issues. While working with various Rwandan institutions, as well as regional and international organisations, he has carried out and written a number of studies, briefs, research and policy papers on a number of topics, including on; trade in services, movement of persons, free movement of goods, export promotion, free trade agreements, among others.

Current Contacts;

John Bosco Kanyangoga

P.O. Box 6454

Kigali – Rwanda

Phone: +250-788307012

E-mail: jkanyangs@yahoo.com

Acronyms

AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
BDF	Business Development Fund
CAADP	Comprehensive Africa Agriculture Development Programme
CDF	Common Development Fund
CFTA	Continental Free Trade Agreement
CMP	Common Market Protocol
CIP	Crop Intensification Program
COMESA	Common Market for Eastern and Southern Africa
DRC	Democratic Republic of Congo
DRM	Disaster Risk Management
EAC	East African Community
EAC-ARDP	EAC Agriculture and Rural Development Policy
EALA	East African Legislative Assembly
EBA	Everything But Arms
EDPRS	Economic Development and Poverty Reduction Strategy
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
FONERWA	Fund for Environment and Climate Change
FRW	Rwandan Franc
FSAP	EAC Food Security Action Plan
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GoR	Government of Rwanda
HIMO	Haute Intensité de Main-d'œuvre
ICT	Information Communication Technology
IFAD	International Fund for Agricultural Development
KP	Kyoto Protocol

LDC	Least Developed Country
MEA	Multilateral Environmental Agreement
MFI	Monetary Financial Institution
MINAGRI	Ministry of Agriculture and Animal Resources
MINECOFIN	Ministry of Finance and Economic Planning
MINICOM	Ministry of Trade and Industry
MSME	Micro, Small and Medium Enterprises
NAEB	National Agricultural Export Development Board
NISR	National Institute of Statistics
NRG	National Reference Group
PASP	Post- Harvest and Agribusiness Support Project
PPP	Public Private Partnership
RAB	Rwanda Agriculture Board
RDB	Rwanda Development Board
RIE	Regional Implementing Entity
RIF2	Second Rural Investment Facility
RLSDF	Rwanda Local Development Support Fund
RRA	Rwanda Revenue Authority
SADC	Southern African Development Community
SCT	Single Customs Territory
SME	Small and Medium-sized Enterprise
TFTA	Tripartite Free Trade Area
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
USA	United States of America
USD	United States Dollar
VUP	Vision 2020 Umurenge Programme
WB	World Bank
WBG	World Bank Group
WDA	Workforce Development Authority
WTO	World Trade Organization

Executive Summary

Agro-processing in Rwanda is approached and pursued in a way that promotes industrialisation while addressing food security concerns. Indeed, food processing offers Rwanda a wealth of opportunity for industrialisation, economic development, and poverty alleviation. Though capacity, financial, technological, and other related constraints remain to be addressed, political motivation has already been demonstrated by the establishment of the agencies necessary to construct, support, and regulate this sector. The involved private players working in the sector are doing it with optimism. While pursuing related support policies and measures, Rwanda is mindful of the need to enhance agro-processing in a manner that promotes sustainable trade for the preservation of the environment.

With these objectives in mind, it is important to take into account the linkages between climate, food security, and trade while developing agro-industrialisation policies, to ensure the sustainability and efficiency of the sector. This study attempts to engage these issues and related dynamics from the policy perspective and practices in Rwanda. The study also draws from the regional perspective of the East African Community (EAC), where the need to embark on agro-industrialisation by converting raw agricultural products into value-added products for enhanced food security, poverty reduction, and overall economic development is recognised by Partner States.

With regard to food security, the Rwandan Government considers agriculture and rural development to be crucial for national poverty reduction and the improvement of welfare for the vast majority of Rwandans. Comprehensive strategies for structural reform of the agricultural sector and the enhancement of food security are currently in place and being implemented. Along the implementation path, the challenges to overcome include the difficult dynamic of high rural population density and growth rates, limited availability and lessening fertility of land, low production technology level, and a strong subsistence orientation.

The study proposes the following recommendations as the best ways forward:

- a) *Formulation and implementation of an agro-processing policy and strategy:* According to the majority of people consulted while conducting this study, there is general consensus on the need to have a policy and strategy that is dedicated to support and promote a vibrant agro-processing sector in Rwanda. The main argument advanced in support of this position maintains that agro-processing cannot be enhanced by only the implementation of the existing policies. Therefore, there is a need for a specific policy and strategy to address specific dynamics and concerns to directly support agro-processing activities.
- b) *Mainstreaming gender in trade policy:* It is important to ensure that gender is mainstreamed within trade policy. In this regard, some specific considerations should include: the integration of gender issues in trade policy formulation; implementation in trade negotiations at national, regional, and international levels; increased awareness among women of emerging trade opportunities at national, regional, and international levels; identifying sectors where the female workforce is particularly significant; designing trade policies that enhance production

and trade opportunities in such product sectors; increasing access for women to train and gain entrepreneurial skills, including managing and financing; and training for women entrepreneurs in rural areas.

- c) *Mainstreaming environment in agriculture and trade policies:* The need to focus on sustainable agriculture production, including organic agriculture, is one option. Rwanda should also seek to gain from attracting new investments under the clean development mechanism of the Kyoto Protocol (KP), which provides special and differentiated treatment for LDCs, although to date very few of them been able to take advantage of this.
- d) *Improved coordination of related policies and strategies:* There is a need to improve the coordination of government policies and strategies which complement each other, especially in the promotion of agriculture, commerce, industry, and the protection of environment.
- e) *Strengthened linkages and stakeholders forum:* Better linkages of stakeholders in order to access and share key information about the agro-processing sector is very important and should be strengthened. Again, a national forum for stakeholders in agro-processing development should be promoted.
- f) *More capacity building to farmers:* There is a need to promote more professional farmers in order to improve production. This is very important to, especially, enhance farmers' capacities in contract farming and negotiating with stakeholders along product value chains.
- g) *Enhancing efforts to combat industrial pollution:* There is a need to adopt cleaner production by reducing quantities of untreated industrial waste produced by industry; by developing partnerships between industry and government to find affordable ways of meeting waste treatment obligations; and continued promotion of cleaner production in the industrial sector by seeking technical assistance for cleaner production based on best practices in systems that already exist in other countries.
- h) *Expediting efforts at the EAC level:* At the regional level, the EAC has in place a number of relevant policies and strategies that take cognizance of national development policies, plans, strategies, and programmes of respective Partner States on addressing climate change issues. The region also has appropriate institutional structures and systems in place; thus, what is urgently needed is to expedite the implementation of measures and actions already in place as well as those being implemented.

Chapter 1

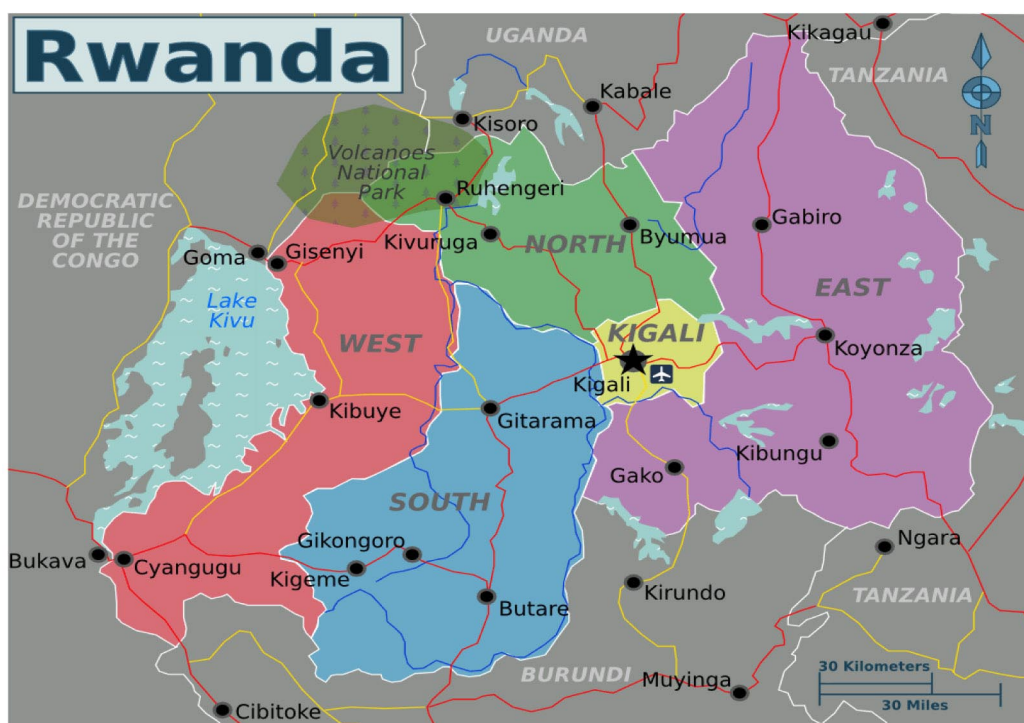
Introduction and Background

Rwanda is a landlocked country situated in central Africa. Also known as ‘the land of a thousand hills’ for its terrain, Rwanda has five volcanoes and 23 lakes with a relatively tropical climate, affording the country with fertile soils. The country lies 75 miles South of the equator in the Tropic of Capricorn, 880 miles West of the Indian Ocean, and 1,250 miles East of the Atlantic Ocean, situating Rwanda in the heart of Africa. Rwanda is bordered by Uganda to the North, Tanzania to the East, Burundi to the South and the Democratic Republic of Congo to the West. In light of the country’s policies related to decentralisation, Rwanda has four provinces

(eastern, western, southern and northern provinces) and the city of Kigali (Figure 1).

In the last decade, Rwandan agriculture has made major advances in terms of productivity and the production of a number of crops, which have sharply increased and improved rural incomes. According to the Ministry of Agriculture and Animal Resources (MINAGRI), transforming the sector towards commercial farming, including agro-processing, import substitution, and increased exports, is an efficient usage of Rwanda’s scarce land and is also a means to achieving the country’s Vision 2020.

Figure 1: Map of Rwanda showing the country’s four major provinces and Kigali City

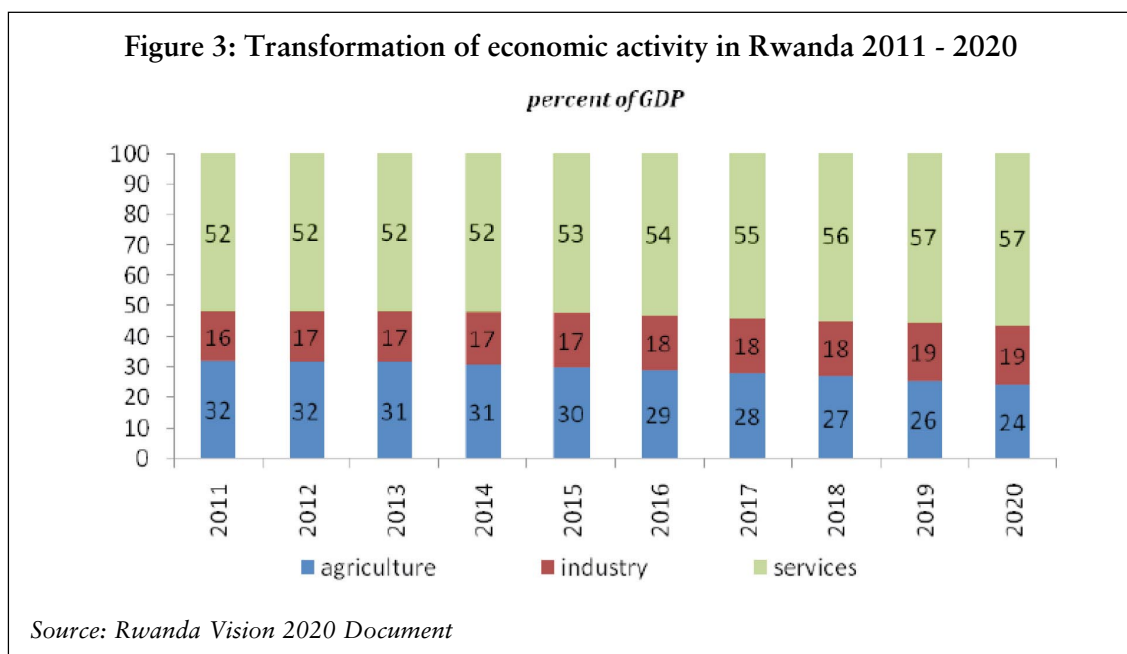
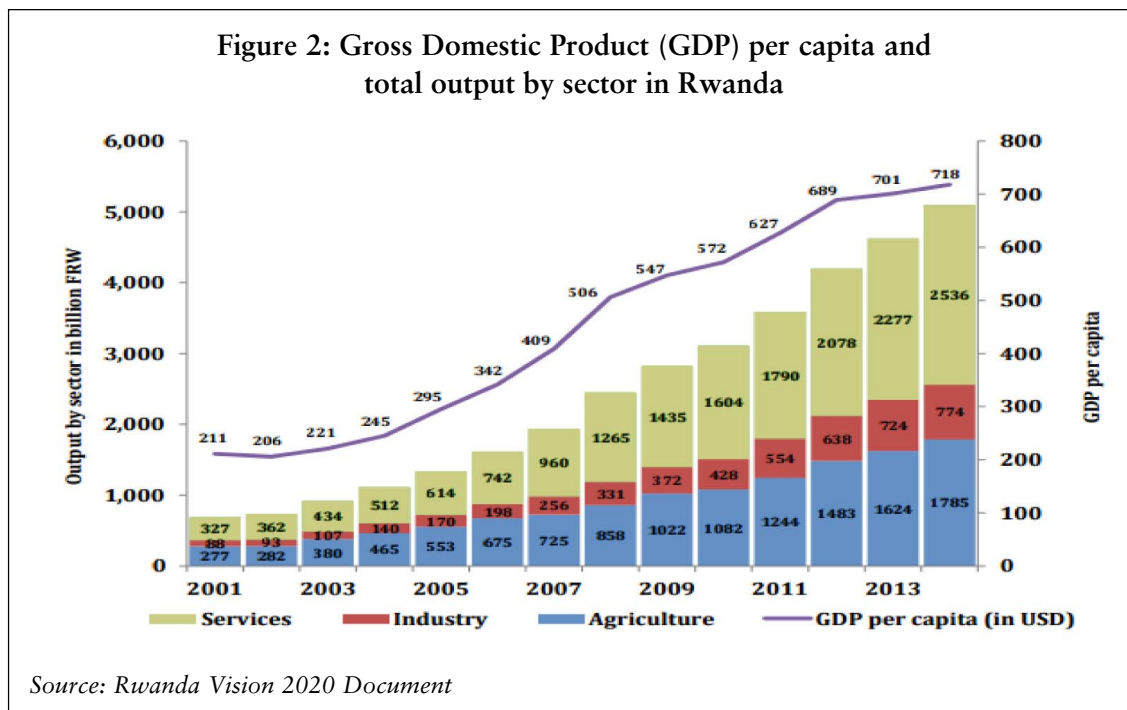


Source: Internet

In its early stages, agro-processing tends to be limited to a few export crops while the majority of agricultural products are consumed after minimal forms of processing performed within the agricultural sector. The Vision 2020 recognises that value chain development and initiatives to attract private investments should support the growth of agro-processing and value addition. In this light, other related efforts by the government are in place, including the support of ventures that add value to agricultural produce, such as the Climate Resilient Post-

harvest and Agri-business Support Project (PASP), which provides financial support to farmers to reduce post-harvest losses and ensure stakeholders benefit more from agro-enterprises.

It is important to note that national development policies and efforts lean towards the services sector in Rwanda, neglecting agricultural and industrial sectors. For example, Figure 2 and Figure 3 show the services sector leads in terms of GDP total output, as well as in regard to Vision 2020 projections.



It is worth noting that an important feature of agro-processing industries is that they are a major source of employment and income, thus providing access to food and other necessities for large groups of the population. Therefore, they are, therefore, essential elements in the attainment of food security goals. However, for Rwanda, however, there are still challenges to the development of the agro-processing industry according to the MINAGRI. These include the supply of raw materials, the lack of market linkages, financing of agricultural enterprises which are perceived as risky, as well as the lack of appropriate technology.

Generally, agro-industrialisation offers immense opportunities for income generation, employment, food security, and overall economic development, but it can also exacerbate the already fragile climate environment. Agro-industry can lead to massive amounts of harmful Green House Gas (GHG) emissions, such as carbon dioxide, into the atmosphere. Carbon dioxide emissions are linked to deforestation where forests and wetlands are cleared to make room for fields and pastures. GHGs lead to increased global temperatures, which in turn lead to food insecurity by climatic changes that affect low harvests and decrease trade owing to agricultural production scarcity. The need for huge amounts of water consumption for agricultural activities addressed through the construction of dams can also lead to loss of biodiversity.

With regard to trade, it is worth noting that trade-related activities also exert a lot of pressure on the environment. In an effort to produce on a large scale so as to remain competitive or take advantage of international markets, large areas of land are cleared, predominantly forests and wetlands. Moreover, chemicals, such as pesticides that degrade soil, affect water sources, and harm local ecology are used to improve crop yields, and others, which all have a negative impact on the environment. Because of these realities, it is apparent that climate change, food

security, and trade are, and should be, interlinked with agro-industrialisation policy and activities.

Therefore, while developing agro-industrialisation policies, it is important to take into account the linkages between climate, food security, and trade to ensure sustainability and efficiency of the sector. This study will attempt to engage these issues and related dynamics from the policy perspective and practices in Rwanda. The study will also draw from the regional perspective of the EAC, where the need to embark on agro-industrialisation by converting raw agricultural products into value-added products for enhanced food security, poverty reduction, and overall economic development is recognised by Partner States.

1.1. Purpose and Objectives

The main objective of this study is to identify and fill knowledge gaps in relevant policies of agro-industrial development, which ensures sensitivity to climate change, food security, and trade linkages in Rwanda. The study will also look at policy dynamics at the EAC regional level, attempting to find out how agro-industrial policies at the regional and national level currently addresses climate change, food security, and trade. While assessing the missing links, the analysis will also focus on the role of gender issues in climate change, food security, trade linkages in agro-industrialisation, challenges and opportunities of the agro-industrial sector, as well as make appropriate recommendations.

1.2. Methodology

This study is based on secondary research as well as contributions from the members of the Rwanda National Reference Group (NRG)¹. Assessments are based on various related policies, deliberations by the NRG on the main issues, as well as one-on-one interactions with some actors in the sector for further clarification of practices.

Chapter 2

Scope of Agro-industrial and Related National and Regional Policies

2.1. Key Provisions in Industrial Policy and the Master Plan

Generally, Rwanda's industrial sector is small and has seen its share remaining at around 15 percent of GDP over the past decade. This means it is currently less than half the size of the services and agricultural sectors. Construction makes up 52 percent of industrial output, manufacturing at 42 percent, mining and quarrying at 4 percent, with the remainder 1 to 2 percent in utilities, such as electricity, gas, and water. Within manufacturing, food, beverages, and tobacco make up around two-thirds of output, with a number of smaller sectors making up the remainder². Each of these sub-sectors of manufacturing have seen growth in the past 8 years, but from such small bases, they are still of little significance to the Rwandan economy as a whole. The Rwanda National Industrial Policy was approved in 2011, and articulates relevant measures for upgrading, modernising, and expanding the industrial sector in Rwanda. According to the Ministry of Trade and Industry (MINICOM), the objective is to create and build momentum behind transformational industrial growth that would make Rwanda regionally and internationally competitive. This ambitious goal is in line with the national Vision 2020 that targets industry as well as services in economic activities.

Specifically on agro-processing, the sector or sub-sector is also at a level that reflects the general realities of the entire industrial sector, which is

still in its infancy. With very few factories in the processing of Foods and Beverages, and few entrepreneurs such as Small and Medium Enterprises (SMEs) involved in adding value to agricultural products, it is evident that there is still much to be done to fully develop the potential of agro-processing in Rwanda.

According to Rwanda's Industrial Policy, manufacturing provides both demand and supply stimuli for the growth of agriculture and modern services. It is often the largest customer for banking, transport, insurance, communications, advertising, and utilities, fuelling markets for services and skills in these areas. The agricultural sector gains through better equipment and inputs, improved storage, transport, distribution and processing facilities, as well as richer consumers.

2.2. Best Practices including Gender Perspectives

In line with Rwanda's development vision, the role of agro-industry as a sector of the economy has multiple facets and will change in the course of its development. In the early stages of growth, industrial processing of agricultural products tends to be limited to a few export crops, while the majority of agricultural products are consumed after minimal forms of processing that are performed entirely within the agricultural sector. The MINICOM is at the forefront in terms of facilitating major related initiatives, and is embarking on an aggressive strategy to

strengthen the agro-processing sector in Rwanda. With its various intertwined services, the MINICOM facilitates the strengthening of agro-industrial capabilities and linkages that improve opportunities for added value, serving as effective means of achieving economic transformation and sustainable livelihoods. The scope of this assistance goes beyond urban agro-industries to reach poor and marginalised rural populations as well as communities in need of services such as skills development, emergency supplies of agro-equipment, and the rehabilitation of food industries.

It is also important to note that the Ministry provides advice on techno-economic development options for strengthening the agro-industrial sector and fostering the equitable integration of agro-enterprises into market-oriented systems. Special emphasis is given to technical feasibility studies, assessments of potential economic and environmental impacts, and organisational linkages. Furthermore, the Ministry supports capacity-building at institutional and industry levels as a critical means of enhancing industrial productivity and marketing performance.

With regard to gender-related issues, Rwanda has, to a large extent, mainstreamed related legal and policy requirements to ensure equality. The national laws and policies in Rwanda endorse equal rights for women and men. Gender is mentioned as the first cross-cutting issue of Vision 2020 and in the Economic Development and Poverty Reduction Strategy (EDPRS).

Indeed, Rwanda is among one of the countries that has made progress towards gender equality. The high political will and commitment to gender equality forms a good foundation for mainstreaming gender in the agriculture sector. Rwanda has a legal framework supporting gender equity and equality as enshrined in the Constitution of 2003, which not only grants equality to marginalised groups but also empowers the State and other actors to provide resources to promote gender equality. The Constitution reinforces the principles of gender equality, the elimination of all forms of

discrimination against women, and outlines quotas requiring at least 30 percent participation of women in decision-making structures.

Specifically to agriculture and agro-processing, the Government of Rwanda, through the MINAGRI, introduced the Agriculture Gender Strategy to take into account gender-related issues within the agricultural sector. This is important because the main stakeholders within the agricultural sector are poor women, estimated at 86 percent, with the lowest levels of schooling and highest rates of illiteracy estimated at 23.3 percent³. As a result, women remain trapped in subsistence agriculture, as they receive low prices for their products owing to a lack of market intelligence; they lack certain capacities to participate in agri-businesses; and are employed in low paid positions in secondary agriculture. It all results in a vicious cycle of poverty that transcends generations. The Agriculture Gender Strategy provides a framework to address gender-related challenges in the agricultural sector.

However, the Strategy is considered a work-in-progress to effectively translate the laws and policies in real practice. Fully integrating gender-responsive programming requires considerable commitment and interest at all levels, from policy development to implementation. This commitment and interest can be developed through capacity enhancement, where people have the opportunity to understand the issues and also acquire the necessary skills to do the job. In addition, such programmes require significant human, material, and financial resources.

2.3. National Alignment with EAC Strategies

The EAC has developed an Agriculture and Rural Development Strategy which outlines the strategic interventions identified for the acceleration of the agricultural sector's development. The interventions are designed towards improving food security by improving the performance and the contributions of

agriculture as a major entry point of development.

The EAC Common Market Protocol, particularly in Article 45, covers key areas of cooperation in the broader agricultural sector for the Common Market. The key running theme in these instruments is the desire to enhance production and productivity of the sector so as to contribute to food security, generate income, and ultimately offer a way out of poverty. In April 2011, the Summit endorsed the EAC Food Security Action Plan (FSAP) and Climate Change Policy in which these two sectors are featured.

Amongst the sub-sectors covered, EAC objectives include the promotion of livestock production and productivity within the Community to meet the demands of the rapidly increasing human population and create surplus for export. To achieve this, the EAC aims to:

1. Promote appropriate policies to enhance livestock trade and marketing;
2. Encourage the development of a commercially-oriented, efficient, and internationally competitive livestock industry;
3. Adopt effective trans-boundary animal disease control measures;
4. Support the emergence of a more diverse structure of production, with a large increase in the numbers of successful smallholder livestock producer enterprises;
5. Adopt effective livestock extension and research strategies;
6. Conserve livestock resources, and put in place policies and institutions for sustainable resource development and use; and
7. Promote investment in the dry lands of East Africa so as to encourage a market-oriented livestock sector and diversification for improved welfare of East Africans.

Indeed, the EAC integration process has achieved a number of key milestones, starting with the full implementation of the EAC Customs Union (2005), and the operationalised EAC Common Market Protocol (2010). The following

programmes and initiatives of the EAC were considered pertinent to the development of agro-industries in the region:

- EAC Agricultural and Rural Development Policy and Strategy;
- The Third EAC Development Strategy– Promote Value Addition, Productivity and Competitive Agricultural Supplies to Realise Cross-Border Trade for Sustainable Food Security; and
- EAC Food Security Action Plan 2011 – 2015.

With respect to the EAC Industrialisation Framework, the following was achieved:

- Treaty for establishment of the EAC, under Articles 79 and 80, which stipulates that the Partner States: “shall take such steps in the field of industrial development that will: promote self-sustaining and balanced industrial growth; improve the competitiveness of the industrial sector; and encourage the development of indigenous entrepreneurs”.

With respect to priorities for regional collaboration, Rwanda is interested in the following:

- Market data and information;
- Development of win-win contract farming;
- Establishment of agricultural funds, agri-insurance, and loan guarantee schemes; and
- Strengthening of technical and vocational education and training programmes.

2.4. Linking Agricultural Production to Agro-industry

Agro-processing in Rwanda is best understood from the perspective of the importance and role of agriculture in Rwanda. Agriculture in Rwanda accounts for a third of Rwanda’s Gross Domestic Product (GDP), constituting the main economic activity for rural households, especially women, and remains the main source of income for Rwandans. The agriculture strategy in Rwanda is focused on the transformation and commercialisation of the sector, through

activities such as crop intensification, land consolidation, mechanisation, and value addition to commodities.

The agro-processing industry in Rwanda is crucial in integrating the agricultural marketplace and value chain for all stakeholders. This includes smallholder farmers, cooperatives, buyers, sellers, and other regular players in the marketplace. Ideally, agro-processing should facilitate improved food security through better storage, improved yields, and decreased post-harvest losses, which all play a critical role in agricultural transformation. Agro-processing is a viable strategy to move production from a subsistence to a more commercially-oriented venture, and in turn enhances the industrial potential of agro-processing.

Rwanda currently has few agro-processing industries, as agro-industry in the country is generally weak, except for tea, maize, and rice, though the latter is at a fairly rudimentary stage⁴. Processed food and manufactured products only account for 14 percent of new product exports.

Nevertheless, agro-processing industries account for more than 80 percent of the industrial sector, according to the 2014 Industrial Capacity Utilisation Report. Rwanda's agro-industry is mostly composed of SMEs, such as small maize millers, banana wine makers, and coffee washing stations, to name a few.

Rwandan firms have now developed the knowledge and capabilities to not only produce agro-products, but also export them. However, the main challenge is to bring the production of these to scale and ensuring their profitability. Rwanda's domestic production does not satisfy the current demand for inputs by agro-processing firms, both in terms of quantity and quality. The country has vigorously embarked on the introduction of new seed varieties, fertilisers, and new technologies in order to sustain the agro-processing sector's demands. This, however, is a long-term strategy as new technology requires intensive capital investment, be it through direct purchases from the market or research and development.

Chapter 3

Policies on Agro-processing, Climate Change, Food Security, and Trade

3.1. What is there at the National Level?

At the moment, there is no specific agro-processing policy in Rwanda. Relevant policies are spread out in different sectors, such as policies for industry and agriculture. This matter is further discussed in the later sections of this study where the majority of these policies are consulted and analysed.

As far as climate change policies in Rwanda are concerned, there are national measures in place that are in line with the country's international obligations. These include the National Strategy for Climate Change and Low Carbon Development, as well as National Communication Reports. Rwanda has also subscribed to the United Nations Framework Convention on Climate Change (UNFCCC). In terms of ensuring effective implementation, the following actions have been undertaken:

- The establishment of a fund for environment and climate change (FONERWA). This fund provides financial assistance to Government institutions and private sector entities to implement climate-proofing projects; and
- Climate change has been mainstreamed into national planning processes, including activity plans prepared by Government institutions and approved by the Ministry of Finance and Economic Planning (MINECOFIN), as well as ensuring that

climate change and the environment have been included in Districts' Development Plans.

With regard to food security, it is important to note that issues of agriculture, food security, and rural development are intertwined within Rwanda. Indeed, the Government considers agriculture and rural development to be crucial for national poverty reduction and as a means to improve the welfare of Rwandans. In this light, comprehensive strategies for the structural reform of the agricultural sector and the enhancement of food security are currently in place and being implemented. Along the implementation path, the challenges to overcome include the difficult dynamic of high rural population density and growth rates, limited availability and lessening fertility of land, low production technology levels, and a strong subsistence orientation.

From the perspective of trade, an important feature of the agro-processing industry is that it is a major source of tradable commodities, employment, and income; thus, agro-processing activities can provide greater access to food and other necessities to the wider population. The industry is therefore an essential element in the attainment of food security and poverty reduction goals. Rwanda's national Vision 2020 provides guidance towards effective regional and international economic integration through enhanced and competitive trade. The country's

active participation in the EAC aims to take advantage of regional markets while enhancing its competitiveness globally.

Rwanda's current trade policy formulation and implementation framework is implemented by various stakeholders. While MINICOM takes the lead in issues of trade policy, it is significant to note that trade policy is usually cross-cutting in nature. Therefore, in addressing these issues, Rwanda requires the input of other government institutions as well as private stakeholders. Social development is one of the specific focus areas targeted within trade policy.

Given that an export-led growth strategy alone is likely to lead to an enclave-type of growth, where the gains from increased exports are likely to benefit only a small portion of the population and are not beneficial to the most disadvantaged groups, including women; policy strategies utilise trade as an instrument to tackle social issues, including poverty alleviation, unemployment, under-employment, public health, and access to basic services. In recent years, trade policy in Rwanda has been geared toward opening market opportunities. Access to foreign markets and sustained economic growth has led to the development of productive capacities, more employment opportunities, and sustainable livelihoods in Rwanda. What is missing in Rwanda, as well as in most developing countries, is an assessment of the effects of trade liberalisation and trade agreements for women as a discrete sector of the population. Such an assessment is crucial to make trade an instrument of development for all.

While deliberating on these issues, the Rwanda NRG⁵ made the following observations and recommendations:

- There is a need to improve the coordination of government policies and strategies which complement each other, especially in the promotion of agriculture, commerce, industry, and the protection of environment;
- Ensuring a better interaction of stakeholders in order to access and share

key information about the agro-processing sector, and a national forum for stakeholders in agro-processing development should be promoted; and

- Promotion of more professional farmers in order to improve production, especially enhancing farmers' capacity in contract farming and their capacity to negotiate with stakeholders along the value chain.

3.2. What is there at the EAC Regional Level?

Agro-processing

The EAC has in place a number of policies geared towards ensuring an enhanced agro-processing industry to encourage industrialisation, value addition, and address food security-related issues. These policies include the following:

- Agriculture and Rural Development Strategy for the EAC (2005 - 2030), 2006;
- The EAC Industrialisation Policy (2012-2032), 2012; and
- The EAC Industrialisation Strategy (2012-2032), 2012
- The EAC Food Security Action Plan (2011 – 2015)

Under a proposed Regional Industry Promotion Scheme, agro-processing is earmarked as one of the region's priorities. For example, the Scheme states that "the EAC encourages investments in fertilisers and agro chemicals; agro processing; pharmaceuticals; petro-chemical and gas processing; iron ore and other mineral processing industries as well as energy and bio-fuels; which have been identified as priority regional industries." With a vision to attain globally competitive, environment-friendly, and sustainable industrialisation that is capable of significantly improving the living standards of the people of East Africa by 2030, the policy proposes the creation of a market-driven, regionally and internationally competitive industrial sector based on the comparative and competitive advantages of the EAC block.

The 2030 targets outlined within the EAC's Industrialisation Policy contribute to the transformation of the EAC economies to resemble middle-income economies, with increased per capita incomes of USD \$1,300 up from the current average of USD \$558. The targets are aim to increase the manufacturing industry's contribution to GDP, from its current contribution of 9.7 percent to at least 25 percent, and to contribute to a sustained manufacturing growth rate of 12 percent across EAC Partner States, from its current rate 4 percent.

The EAC Partner States fully acknowledge the importance of enhancing the agro-industry sector. This is because agro-industries create forward and backward linkages, leading to significant multiplier effects, generating demand for agricultural produce and associated inputs and services, creating on- and off-farm employment, enhancing incomes, contributing to value addition, and increased public sector revenues. Through the development of agro-industries, access to markets, finance, and technical assistance can be facilitated for smallholder producers by promoting their inclusion into modern and efficient value chains.

Furthermore, it is argued that expanded agro-industries in the EAC will contribute to poverty reduction through combined effects of employment gains, income enhancement, inclusiveness, and food security.

Climate Change

EAC Partner States have put in place a firm policy framework to address climate change-related issues and relevant instruments. These include the EAC Climate Change Policy and the EAC Climate Change Master Plan, both of which are implemented through the EAC Climate Change Strategy. The goal of the EAC Climate Change Strategy is to contribute to the successful implementation of the EAC Climate Change Policy through strategic interventions, aiming to enhance a coordinated regional response to climate change for sustainable development.

The strategic objectives aim to:

- i. Enhance climate change adaptation through vulnerability reduction, building socio-economic resilience, disaster risk reduction, and adaptation planning;
- ii. Enhance sustainable development through climate change mitigation measures, including through the green economy and low carbon development pathways;
- iii. Strengthen climate change knowledge generation through research, monitoring, detection, and prediction;
- iv. Enhance climate change education and public awareness through communication, training, information, knowledge management, and social empowerment, including gender;
- v. Build climate change response capacity through institutional strengthening, technology transfer, resource mobilisation, partnership building, and stakeholder involvement; and
- vi. Promote sustainable climate change financing mechanisms.

In addition, EAC Partner States have signed several regional and Multilateral Environmental Agreements (MEAs) as well as the relevant UNFCCC protocols and treaties, such as the KP. All the efforts in place are based on the fact the EAC Partner States strongly believe that climate is East Africa's most valuable natural resource. It is a natural resource that is a key determinant of the status of other natural resources, including water, land, plants, and animals, and on which the economic and social development of the region depends. In light of this reality, the Community therefore is and continues to be committed to ensure that climate change-related issues are addressed, as climate is paramount to the region's developmental aspirations.

Food Security

In the EAC region, the sector responsible for food production, processing, and preparation remains a key sector in the economies of EAC Partner States. It is estimated that between 70

to 80 percent of the labour force of the EAC is involved in the food sector. Between 24 and 48 percent of GDP of the EAC Partner States is attributed to the agriculture sector. These figures may be an under-estimate, because they often do not take into account livestock, fisheries, and other food supply systems.

There are various regional policies, strategies, and action plans to address food security within the EAC region. The EAC Agriculture and Rural Development Policy (EAC-ARDP) recognises the importance of eliminating hunger and ensuring sustainable food security within the region as a necessary first step toward poverty eradication. This policy also aims to stimulate rational agricultural development and help realise the aspirations of the Treaty establishing the EAC. Indeed, the EAC-ARDP guides the development of strategies, programmes, and projects for the realisation of agricultural development-related goals of the EAC in line with the Comprehensive Africa Agriculture Development Programme (CAADP) principles. The action plan was developed to guide the implementation and actualisation of a regional food security objective.

The EAC Food Security Action Plan was developed through exhaustive consultations amongst EAC Partner States and its key stakeholders. This Action Plan is aligned to the continental CAADP framework and principles, with a focus on Pillar 3: Food Security.

According to the EAC Food Security Action Plan (2011 – 2015), the main purpose is to address food insecurity in the region. In this light, one of the key focus areas is on value addition through agro-processing. Value addition on food commodities has proven to be a significant contributor to ensure food security. Value-adding agro-processing of food commodities increases food security in four major ways, namely by:

- Reducing post-harvest losses, which are currently estimated by several organisations, such as the FAO and

UNIDO, to be as high as 30 percent in cereals, 50 percent in roots and tubers, and up to 70 percent in fruits and vegetables;

- Extending the shelf-life of food, making most food, especially perishable, tradable and easier to move over long distances from areas with surplus to areas with deficits;
- Enhancing incomes and facilitating the creation of employment along the food chain, from production to marketing; and
- Improving the quality and safety of food through appropriate certification, traceability systems, and the harmonisation of standards, thus improving access to markets.

Trade

The EAC aims to widen and deepen cooperation among the Partner States in political, economic and social fields for their mutual benefit. It is important to note that trade is embedded in almost every stage of EAC integration, and trade aspects are reflected in most of the protocols signed to date. To this end, the EAC Partner States established a Customs Union in 2005, a Common Market in 2010, and a Monetary Union is envisaged.

The Community's ambition of having a Single Customs Territory (SCT) is taking shape. A framework for the operationalisation of a SCT was finalised. The SCT Framework encompasses three pillars, including free circulation of goods, revenue management systems, and legal and institutional frameworks.

On the external front, the EAC is among the beneficiaries of the US African Growth and Opportunity Act (AGOA). The EAC is also engaged in negotiations for the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) Agreement, as well as the Continental Free Trade Agreement (CFTA). All EAC Partner States also hold membership to the World Trade Organisation.

3.3. Existing Linkages of Relevant Policies

EAC commitments to enhance trade, ensure food security, and sustainably address climate change-related issues are in line with the initiatives at national level of Partner States. This is rightly so because the regional policies and strategies are discussed, formulated, adopted, and eventually implemented by the Partner States themselves. In this light, the linkages are strong and clear.

In the areas of trade and food security, the regional positions and priorities are articulated by Partner States and reflect the individual development aspirations of each respective EAC Partner State.

With regard to climate change, there are clear coordination linkages between the regional approach at the EAC level and national approaches at the level of Partner States. This is reflected in research, monitoring, detection, attribution, and prediction. The linkages are further reflected in the cross-cutting issues, as well as priority sectors, which are similar and in some cases almost identical. The cross-cutting issues include capacity-building, communication, training, public awareness and participation, technology transfer, finance, mainstreaming, and policy negotiations. Priority sectors include water, agriculture, and food security; energy, wildlife, and tourism; coastal and marine areas; land use and soil; forestry and wetlands; human health; infrastructure, transport, and settlement; Disaster Risk Management (DRM); waste management; and industry.

3.4. Fixing the Missing Links

As highlighted above, there are linkages in the formulation, adoption, and implementation of all relevant policies at the regional level and at the national level of each respective EAC Partner State. This is because the regional policies and strategies are fully owned and driven by the Partner States. As a result, there is not much to consider in regard to missing links. The only issue that needs further attention is in the area of

financing relevant initiatives, including the mobilisation of resources for the established 'Funds'. The region tends to rely on foreign support when it comes to financing, which can slow down implementation processes. It is important to put more effort to mobilise resources at the local and regional levels, even if it means having the resources earmarked and set aside from the respective national budgets of Partner States.

3.5. Advocating for Agro-value Addition

According to the current policy framework in place, it appears that the EAC has sufficient policies and strategies in place to address relevant issues of climate change, food security, trade, and gender. Therefore, current efforts should focus on implementation rather than on policy changes and policy formulation. These efforts should also focus on agro-value addition. To summarise, the objective of the EAC Treaty regarding cooperation in agriculture and rural development is the achievement of food security and rational agricultural production. The EAC-ARDP aims to achieve food security through increased agricultural production, processing, storage, and marketing. The EAC Food Security Action Plan has been developed to address food insecurity in the region. In regards to trade policy, the EAC aims to ensure that commodities move from areas of production to areas where they are needed in a smooth manner. The EAC climate change strategy aims to enhance a coordinated regional response to climate change for sustainable development.

The few examples highlighted above show that the EAC has in place a sufficient policy framework that Partner States need to incorporate and implement. Facilitating value addition remains an urgent priority for EAC agricultural and industrial policy. This can be achieved by supporting the existing private operators engaged in agro-product value addition, and attracting greater investment into the sector by providing appropriate incentives.

Chapter 4

Overcoming Challenges to Maximise Opportunities

4.1. Production for Food or for Trade?

Favorable climatic conditions and fertile soils allow cultivation of a wide range of crops in Rwanda. Major food crops include maize, rice, banana (cooking, beer, and fruit), Irish potatoes, sweet potatoes, cassava, sorghum, and beans. Vegetables such as onions, cabbages, dodo, gourds, and eggplants are also widely grown. Cash crops such as coffee, tea, and sugarcane are grown on commercial scales for both export and domestic consumption in Rwanda. In contrast, the cultivation of food crops have long been produced for subsistence by smallholder farmers. As a result, on-farm productivity levels have been relatively low in Rwanda.

Historically, Rwanda has limited commercialisation and a narrow export base for the agricultural sector. Most of Rwanda's agricultural energies were and are devoted to food production, with little commercialisation, except for a few cash crops. Rwanda's high rate of population growth, in the absence of improved agricultural technologies, continues to put increasing pressure on the availability and fertility of arable lands.

Given the importance of agriculture in terms of GDP contribution and employment creation, Rwanda's current policy orientation is clearly driven towards ensuring that the agriculture sector produces for both domestic consumption

and trade. This is further reflected in the fact that agro-processing is encouraged as a way to add value to food products for longer preservation, food security, and export. According to the Rwanda Development Board (RDB), there is a vision of transforming the agricultural sector to move it towards commercial farming, agro-processing, import substitution, and export, which together are key to the efficient usage of Rwanda's scarce land and critical to achieving the Vision 2020.

These new developments mean that export-oriented production will no longer remain relevant to only cash crops, but will allow food crops such as maize, Irish potatoes, and sorghum, among others, to be considered for trade. This will be achieved and supported through enhanced yields and value addition via agro-processing. However, it is important to note that ensuring success will necessitate the overcoming of a number of related challenges. For example, owing to limited land resources and high demographic pressures on land, the intensification of existing production systems represents a tangible approach for increasing food production in the country. Recent efforts made by the MINAGRI, under a flagship Crop Intensification Programme (CIP), have revealed the potential of achieving food security. Having started in September 2007, the CIP focuses on six priority crops, namely maize, wheat, rice, Irish potatoes, beans, and cassava. Under this programme, farmers synchronise the cultivation

of crops in lands that are consolidated and rearranged to form larger and more rational holdings. Farm inputs, such as improved seeds and fertilisers, were imported and distributed to farmers through public-private partnerships, and extension services on the use of inputs and improved cultivation practices were rendered to farmers. As a result, crop productivity under the CIP has increased.

The rapid increase in food crop production in the recent years has highlighted the need to minimise losses that occur between harvesting and storage, and improve marketing capacities in rural areas. Significant gains can be made in total production and productivity in real terms if losses are prevented through improved harvesting, post-harvest handling (cleaning, drying and packing), and storage practices.

4.2. The Agro-processing Sector Potential (Case Studies)

Case Study 1: Cassava Value Chains

Cassava is the main crop proposed for intensification to improve food security, given its drought-resistant nature. The main constraint to cassava promotion is mosaic disease. However, significant progress has been made in introducing resistant varieties. For processing cassava crops, a new processing plant, “*Kinazi Cassava Processing Plant*”, was established and is expected to strengthen the development of the cassava value chain.

According to Ms. Cesarie Kantarama, a member of a cooperative called “*Cooperative Mbakungahaze*” which is the only cooperative of farmers that held a contract with the Kinazi Cassava Processing Plant, “Cassava has huge potential that should be enhanced through relevant support measures”. The contract later came to an end and was never renewed. She says that in her home district of Mayaga, the majority of the residents have depended on cassava since the 1980s. However, they were badly affected when the outbreak of mosaic disease in 2005 led to low productivity.

During the time when the farmers had a contract with the processing plant, it was a tripartite arrangement involving the Kinazi Cassava Plant, the farmer’s cooperative and the Rwanda Agriculture Board (RAB), representing the GoR. According to the contract, the farmers had a guaranteed market to which they could supply their products (raw cassava) to the processing plant, with the government standing as witness to the contract.

At the time, individual farmers sold their products to the factory, but there was no proper streamlined chain that was put in place and the contractual relationship did not in itself provide special or additional opportunities, such as financial support, credit lines, training, or pre-financing to the farmers. Despite the success of the contract, the contractual arrangement did not last. Following the end of the contract, the factory began sourcing cassava from wherever it was available.

In an attempt by the cooperative to secure finance, Ms. Cesarie says that they approached the BDF Ltd for support. Thereafter, BDF promised to provide support in project design that the farmer’s cooperative could use to obtain financing from banks; however, nothing has materialised to date. The farmers have returned to traditional practices with minimal yields, producing at a subsistence level.

Ms. Cesarie is of the view that the following should be considered to support the development of the cassava value chain:

- Continuation and expansion of research on new varieties of cassava resistant to diseases;
- Setting up a network of cassava cutting multipliers for diffusion of healthy planting material;
- Working with the private sector to expand cassava processing and value addition activities; and
- Collaboration with finance institutions to attract investors, develop agro-processing, and explore new markets.

Case Study 2: Banana Production

Bananas are a primary staple crop in much of East Africa, providing a perennial source of highly nutritious and high caloric food to supplement grain production. Bananas are consumed as a sweet fruit, as a starchy staple, and are also used for brewing beer and wine.

Banana is by far the dominant fruit crop in Rwanda in terms of value-added production. Four species of bananas are grown and consumed in Rwanda: cooking bananas, beer bananas, apple bananas (*kamaramasenge*), and plantains. Bananas are the second most widely grown crop in Rwanda. Significant yield gaps exist in banana production in Rwanda owing to poor plant quality and low use of best management practices.

Bananas are an important cash and food crop that has unlimited uses. Strategies for increasing yields and creating a more diversified crop system, as well as new technology for the production of banana plants and variants with the use of tissue culture, are being introduced to exploit the under-utilised potential of bananas. These strategies not only aim to improve food security and nutrition in the country, but also to improve livelihoods and increase income generation.

The transaction costs, including marketing, handling, and other operational costs for bananas, tend to be high, comprising a high proportion of the retail price both for fresh bananas as well as transformed products, such as banana beer. These costs can be reduced through the promotion of collective actions such as through producer groups, in order to economise on transaction costs, as well as achieve market power and representation in national policy fora. In some cases, producer groups exist, but may require some level of empowerment through capacity-building efforts. Overall, it is expected that related efforts will be boosted by the recently established Banana Processing Factory. Also, a banana community processing plant is under construction in Rwamagana Industrial Park.

Case Study 3: BN Producers

The BN Producers are categorised as an SME involved in agro-processing by adding value to various foodstuffs. The company currently operates a sizeable processing plant that facilitates modernised growing, drying, as well as packaging of mushrooms in addition to the processing of locally-grown banana wine. It was founded by a female entrepreneur, Ms. Berthilde Niyibaho. The company presents two interesting realities: the potential of female entrepreneurs, who should be further supported in line with the gender-friendly policies in Rwanda; and secondly, the potential of SMEs in playing an active role in poverty reduction efforts through employment creation, enhancing value chains that support small businesses, import substitution, and export promotion. Based on Ms. Niyibaho's story, there is no specific support received from the government based on her being a woman.

From humble beginnings to huge potential:

With some minimal government support through MINICOM, what was just a dream became a reality when Ms. Niyibaho secured an opportunity to undertake training in China and the Netherlands. Her efforts resulted in encouraging momentum after the installation of a laboratory to support modern mushroom growing as well as the installation of the production line to process banana wine at the processing plant. At present, the BN Producers premises boast a modern laboratory, in-housing facilities for mushroom growing, a production line for banana wine, packaging areas where various products are packaged, labeled, and stored prior to their transport to supermarkets for consumption. All this impressive progress is premised on humble beginnings where the company struggled with an initial lack of adequate financing and related capacities. Yet, the company's potential for success is based on the following:

1. The company's infrastructure is adequate in terms of size and technology. However, the surrounding public infrastructure is not impressive, as the busy unpaved road passing right in front

of the gates of the premises lets off so much dust into the premises which adds the burden of constant cleaning.

2. The company has a laboratory.
3. The company has well-structured personnel in key areas of technical operations, administration, and finance, supported by a pool of casual labourers.
4. The premises also have a sizable hall that serve as training place to provide hands-on training which helps in skills development with the potential to positively impact the surrounding community.
5. There are proper structures and systems in place that can effectively and productively utilise and absorb any available financial or technical supports.

What is needed to take BN Producers to another level? At a time when Rwanda is encouraging the “Made in Rwanda” drive, BN Producers as a company presents an opportunity for the government to support an existing initiative, rather than starting from scratch. The company has potential to contribute to the consumption of locally grown and produced products, and promote Rwandan exports through its line of own products. In this regard, there is a need for the government to provide support that can address some of the challenges facing the company, including access to finance and production capacity.

The following should be considered in support of BN Producers:

1. Access to finance: Despite the various initiatives and numerous promises of financial support through sources like the RDB, the BDF, and Hanga Umurimo Programme of MINICOM, among others, the company has not benefitted from any significant financial support. Accessing these funds is reportedly through cumbersome procedures. There is a need to simplify procedures so as to ensure promising companies, such as BN Producers, can access funding and thrive.
2. Capacity-building and training: There is also a need to increase the capacities of

the personnel through capacity-building and training in relevant skills. This can be done through both in-house training and special training, including study tours focusing on experiential learning.

3. Appropriate follow up by government institutions: For the government to better understand the realities on the ground and to better supply needed support packages; there is a need to monitor the activities of such ventures as BN Producers. This can be achieved through relevant institutions, including MINICOM, MINAGRI, RSB, RAB, and the National Agricultural Export Development Board (NAEB), among others.

Note: The processing procedures, techniques, and technology are all environmentally-friendly. For example, mushrooms are grown indoors (a form of greenhouse cultivation), and the processing plant does not emit any hazardous chemicals that can be environmentally risky to the surrounding areas.

Case Study 4: SOSOMA Industries Ltd

SOSOMA Industries Ltd processes flour from various food products, including maize meal flour, roasted soya flour, as well as red and white sorghum flour.

According to SOSOMA Industries, agro-processing should be given special treatment within the industry sector because the majority of the population in the country is in agriculture and that the sector is responsible for national food security. The specific treatment could include tax exemption and capacity-building to enhance technical capacities. They further call for a policy and strategies dedicated to agro-processing because the sector and its growth cannot be fully supported by only the implementation of existing agricultural and industrial policies. Hence, there is a need for a specific policy and strategy to address the specific dynamics and concerns relating to agro-processing. For example, in the area of taxes, there is a need for special exemptions and looking beyond business to take into account issues such as food security.

SOSOMA Industries argues that an agro-processing policy and strategy could address challenges such as expensive packaging requirements for Rwandan producers, especially following the ban of polythene bags and packaging materials which make them uncompetitive with similar products imported from China and other regional countries not affected by the ban. Other challenges include infrastructure-related issues, such as insufficient and expensive energy, poor roads in rural areas, and insufficient water supply, among others. Moreover, access to finance poses another challenge, especially for SMEs, of which the majority are owned and operated by women who lack investment capital.

SOSOMA Industries also commented on EAC integration, calling for a level playing field on the treatment of locally-produced products and imported products from EAC Partner States, especially on the issue of packaging to ensure fair competition. At the moment, there is a ban on certain packaging materials (polythene paper) for Rwandan products, and yet these materials are used on EAC imports to Rwanda, posing unfair competition. They also feel the need for temporary protection in order for local SMEs involved in agro-processing to take root and become competitive.

Finally, SOSOMA Industries, which is in the process of commencing exports to the Democratic Republic of Congo (DRC) and Uganda, calls for greater support of the value chains in agro-processing, especially from the low-end suppliers. SOSOMA Industries specifically points to post-harvest storage facilities, which are currently insufficient in number, which often results in wastage.

4.3. Key Opportunities in Agro-industry

The opportunities for the growth and development of agro-industry are based on the natural factors favouring agriculture in Rwanda,

and the government's will to support the sector through existing policies. According to the government, the intensification and commercialisation of the Rwandan agricultural sector will be essential in reducing poverty and driving growth. The second economic and poverty reduction strategy (EDPRS II) prioritises rural development and embraces the sector as a source of jobs and economic transformation.

Naturally, Rwanda's abundant rainfall, natural water sources, and diversified agro-climatic zones combining high, middle and low altitudes offer ideal conditions for growing a wide range of cash and food crops, including; fruits, vegetables, and flowers, throughout the year.

There is a clear ambitious vision and government commitment to modernise agriculture and to encourage value addition in Rwanda. A vibrant agro-industry can be one strategy that can achieve both these objectives. The GoR intends to transform agriculture through private investment, and has set itself ambitious investment and export targets. Towards this end, the Government and its development partners have focused on improving quality through fertiliser distribution and farmer training programmes to equip relevant players with the necessary means and capacities.

In addition, Rwanda's trade policies, which are liberal in nature, are designed to attract regional and international markets for Rwandan products, which would motivate a vibrant agro-industry with the capacity to produce for both domestic consumption and export. To date, Rwanda's trade and related policies have successfully created market opportunities for the country's agro-processed products. Producers have access to key markets under the European Union's (EU's) Everything But Arms (EBA) initiative, the US's AGOA, and the free trade areas under COMESA and EAC Agreements, as well as access to World Trade Organisation (WTO) Member countries' markets, given that Rwanda is a member.

4.4. Overcoming Challenges and Maximising Opportunities

The challenges of agro-industry in Rwanda are largely linked to the weaknesses of the supply chain. Moreover, agricultural growth has lagged behind industry and service sectors over the last decade, and there is limited private investment in the sector owing to high risk perceptions.

Although there has been significant development in land husbandry and irrigation, there has been a limited consideration of environmental sustainability. Therefore, a further challenge is the need to address soil erosion and water conservation while also increasing productivity.

Furthermore, diverse constraints affect agricultural value chains and thus limit the production and value addition potentialities of crops and livestock products. Challenges across value chains include:

- Quality and quantity issues with raw materials and inputs;
- Limited rural infrastructure with high costs;
- Lack of working capital and long-term credit;
- Low human capacity;
- High cost of packaging materials; and
- Small existing base of agro-processing.

In addition to the challenges on the supply side, it is essential that increased production is absorbed by markets. In the short run, domestic demand should continue to grow. Higher family incomes and population growth generate increased demand, and should support the increase in production.

Building on current efforts, there are a number of actions required to overcome the challenges while taking advantage of existing opportunities. These include the following:

1. Improving supply chains by increasing yields through irrigation: Given the impacts of climatic change, irrigation is likely to become more important for Rwandan agriculture. Since

increasing the irrigated area in Rwanda would positively influence agricultural productivity, public investments in large irrigation schemes should become a long-term strategy. Again, it is important to note that much can be achieved in small irrigation schemes for smallholder farms and in small groups of farms, where opportunities for sales of pumps, diesel engines, and related equipment would be created.

2. Increased access to finance: Facilitation of access to credit represents an important strategy in enabling agro-processing. The financial sector must be able to provide the necessary capital for entrepreneurs, the farming community, and other end-users. In this context, economic feasibility and profitability of various mechanisation options must be made available to the stakeholders (farmers, end users, entrepreneurs, private sector) involved in financing in Rwanda. A dedicated fund through a government-led initiative to promote agriculture is also an alternative, such as an agriculture development bank.

3. Implementation of environmental protection measures: Implementation of environmentally-friendly agro-processing practices that conserve natural resources such as land, water, and soil nutrients should be promoted. For example, mechanisation options that allow direct sowing, minimum/reduced tillage, land leveling, and the retention of crop residues will result in sustainable economic growth.

4. Encouraging agricultural mechanisation: Agricultural mechanisation for harvest, post-harvest handling, and storage processes would initiate the path towards commercialisation of agriculture. In addition to raising the competitiveness of agricultural products, it will also raise their profitability and sustainability.

5. Establishing and strengthening linkages: Smallholder farmers need to be sensitised on the importance of linkages with processors and market. This could be through awareness programmes emphasising the importance of post-harvest technologies on efficient processing

and its effect on prices. Appropriate use of mechanisation options in post-harvest handling, such as mechanical threshers, winnowing machines, shellers, de-hullers, driers (using heat from electrical power or crop residues such as rice husks), and motorised transportation can reduce post-harvest losses as well as improve the quality of agricultural produce. Such mechanisation options should be actively promoted.

6. Building entrepreneurship: Promoting agro-processing in Rwanda would require a supportive environment where the players who are entrepreneurs are enabled to sustainably carry out their activities. The enabling environment should encourage the creation of small- to medium-scale agro-processing industries in urban and rural areas that can provide employment in handling, packaging, processing, transporting, and marketing of agricultural commodities. In this regard, the financial sector and government should work with commercially-oriented farmers and entrepreneurs in order to strike the necessary financial deals that are required for agro-processing industries. The government should promote private investments in primary processing by establishing clear and special incentives, such as tax break. When considering special incentives to those in agro-processing activities, the government should take into consideration food security and related issues.

The entrepreneurship environment can further be improved through the development of industrial parks, setting up community processing centers to access technology, finances, skills and markets, and improved support facilities to reach SMEs in agro-processing.

4.5. Assessing the Effectiveness of Support Services and Facilities

There are some support services and special facilities in place for agro-processing and related activities. These include the Rwanda Local Development Support Fund (RLDSF), BDF Ltd, PASP, and the Second Rural Investment Facility (RIF2).

i. Rwanda Local Development Support Fund (RLDSF):

RLDSF was established by law n°41/2010 of 25/11/2010, merging the former Common Development Fund (CDF), Vision 2020 Umurenge Programme (VUP), HIMO (*Haute Intensité de Main-d'œuvre*) Programme, and UBUDEHE Programme. UBUDEHE is a Kinyarwanda word derived from a concept of communal efforts for mutual support. RLDSF focuses on local economic development and social protection.

RLDSF is a central level body responsible for coordinating and supporting the economic growth and poverty reduction at decentralised levels, and ensuring that these levels have the required skills and capacities to achieve sustainable development, as outlined in the Vision 2020 and the second EDPRS. The RLDSF is meant to support farmers to increase yields through the provision of capacity-building and farm inputs that would, in turn, provide inputs for the agro-processing sector. However, there are no available reports on the progress of these initiatives.

ii. Business Development Fund (BDF Ltd)

BDF Ltd is a company established to support SMEs in form of credit guarantees, lines of credit, matching grants, quasi-equity, as well as advisory services. BDF Ltd helps individual clients, start-ups, SMEs, associations, cooperatives, monetary financial institutions (MFIs), and Saccos to build value. It is an independent company that was created in collaboration with the GoR and the BRD, and is one of the implementing institutions of the National SME Development Policy which is mandated to implement the “Access to Finance” objective.

The fund acts as the Government’s investment instrument through which guarantees are provided to lending institutions, so as to ensure that investment projects in form of Micro-Small and Medium Enterprises (MSMEs) can access credit, despite their deficiency of adequate

collateral. BDF's role aims to encourage lending institutions to grant MSMEs credit by applying different guarantee mechanisms and advisory services.

In terms of tangible success stories of those who have been supported by BDF Ltd, they are yet to be reported. Most potential beneficiaries complain that, despite the good sounding mandate, access to funding is very complicated. According to one cooperative named “*Cooperative Mbakungahaze*”, the members approached BDF Ltd to seek financial support, but they only got a consultant whom they paid to formulate a business plan to take to the bank for a loan; however, the loan was not granted despite the advisory services.

iii. Post-harvest and Agri-business Support Project (PASP)

PASP is a project set up and financed by MINAGRI and IFAD that aims to address challenges in the sector of agro-business, including agro-processing. In an effort to support implementation of the financial services' component, PASP partnered with BDF. The objective of this partnership is for BDF to manage and provide incentives for financial institutions and entrepreneurs to co-finance PASP-facilitated business plans.

PASP provides a grant for a certain portion of an investment loan approved to a participating beneficiary who has obtained a loan from a licensed financial institution to co-finance the investment. The grants are awarded only to groups with business proposals strong enough to be awarded bank financing, who meet a substantial portion of the financing requirements, including viability and feasibility. BDF has been provided with financing of Rwf 1.6 billion for the grant component, and an additional Rwf 300 million for the credit guarantee portion.

iv. Second Rural Investment Facility (RIF2)

RIF2 was availed by the MINAGRI. RIF 2 is a grant programme worth USD \$10 million, and its main purpose is to provide incentives for both

financial institutions and for entrepreneurs to make productive investments in agriculture. RIF 2 provides a grant for a certain portion of an investment loan taken by a beneficiary to fund projects that represent investments along the agricultural value chain. Working capital or operating costs (e.g. fertiliser input costs or wages) do not qualify. The beneficiaries include individuals, farmer associations, primary and secondary marketing, productive cooperatives, and corporate bodies.

v. Effectiveness of Support Services and Facilities

As far as the effectiveness of these support services and facilities is concerned, the utilisation level is still low, despite the overwhelming need. This is largely owing to the fact that the procedures of access are complicated and the conditions still cumbersome for the intended beneficiaries. Also the scope of coverage for some facilities is very limited. For example, under the RIF2, the working capital or operating costs (e.g. fertiliser input costs or wages) do not qualify, and yet these are the real needs of the majority of rural farmers. Instead, the focus is put on technical assistance, which in most cases is not needed, especially for the common crops grown by many rural farmers.

Further, these facilities do not take into account the majority and most vulnerable groups involved in agriculture. For example, they do not provide special conditions of access or any other preferential treatment for women and youth, who tend to be the largest and most vulnerable categories among those involved in agriculture and related activities.

4.6. Does Rwanda Need a Specific Agro-industrial Policy and Strategy?

At the moment, policies and strategies on agro-processing in Rwanda are spread out in various policy documents with more significant information contained in the industrial development and agricultural-related policies and strategies. However, there is no policy or

strategy that is specific and exclusive to agro-processing. For example, the Rwanda National Industrial Policy was approved in 2011, and provides a roadmap for upgrading, modernising, and expanding the industrial sector in Rwanda. According to MINICOM, its objective is to create and build momentum behind the transformational industrial growth that would make Rwanda regionally and internationally competitive. Also, with regard to agricultural policies, there is not much content in terms of specifically addressing agro-processing issues.

In light of the above, there is a general consensus on the need to have a policy and strategy that is dedicated to support and promote a vibrant agro-processing sector in Rwanda. The main argument advanced in support of this position is that agro-processing cannot be enhanced by only

the implementation of existing policies. Therefore there is a need for a specific policy and strategy to address the dynamics and concerns with direct impact on agro-processing activities.

While supporting agro-processing in Rwanda, special and favorable treatment that the agro-industry deserves should look beyond the rest of the industrial sector, which is based on purely business considerations. Agro-processing should be viewed from the environmentally sustainable, food security, and poverty reduction perspective. Based on the fact that most business people can hardly invest in a venture with such perspective, the government should consider incentives such as tax breaks and subsidies to encourage and support investors venturing into agro-processing business.

Chapter 5

Conclusions and Recommendations

In conclusion, there is a sound policy framework in place to support a competitive, sustainable, and inclusive agro-industry and agribusiness in Rwanda. This would function as a pathway to increased economic growth and food security in the country, though provided by separated and scattered policies and strategies. Indeed, it is clear that agro-industrialisation offers immense opportunities for income generation, employment, food security, and overall economic development, but it can also exacerbate the already fragile climate environment. Agro-industry can lead to excessive amounts of harmful GHG emissions, such as carbon dioxide, into the atmosphere. Carbon dioxide emissions are linked to deforestation where forests and wetlands are cleared to make room for fields and pastures. GHGs lead to increased global temperatures which, in turn, lead to food insecurity owing to low harvests and decreased trade from product scarcity. In the enhancement of agro-processing, it is paramount that climate change-related issues be handled appropriately to ensure sustainable development.

In the area of trade, there is a need to also ensure inclusive measures to support social development. Rwanda's trade policy specifically targets social development as its primary focus. An export-led growth strategy alone is likely to lead to an enclave-type of growth, where the gains from increased exports are likely to benefit only a small portion of the population, excluding the most disadvantaged segments of the population, including women. Policy strategies are directed at making trade an instrument to tackle social issues, including poverty alleviation,

unemployment, under-employment, public health, and access to basic services.

Regional integration dynamics should be taken into account because as a Partner State, Rwanda's trade and development policies are intertwined with the EAC integration process.

In this regard, the following recommendations are hereby proposed for policy consideration:

1. Trade and Gender: During recent years, trade policy in Rwanda has been geared toward opening market potential. Access to foreign markets and sustained economic growth have led to the development of productive capacities, more employment opportunities, and sustainable livelihoods. What has been missing in Rwanda, as well as in most developing countries, is an assessment of the effect of trade liberalisation and trade agreements on women as a discrete sector of the population. Such assessment is crucial to make trade an instrument of development for all.

In this light, it is important to ensure that gender is mainstreamed in trade policy. Mainstreaming gender in trade policy requires the assessment of the impacts of trade policies on the well-being of men, women, and the household unit. Such an assessment will help in better understanding the specific challenges and opportunities that women face from market liberalisation, so that designing and implementing complementary policies aimed at maximising opportunities for women and facilitating the transition of women to more competitive and better rewarded

activities. Although not exhaustive, some specific considerations should include:

- Integration of gender issues in trade policy formulation, implementation, and in trade negotiations at national, regional, and international levels;
- Increased awareness among women on emerging trade opportunities at national, regional, and international levels;
- Identifying sectors where the female workforce is particularly significant, and design trade policies that enhance production and trade opportunities in such product sectors, including through the improvement of infrastructure to facilitate access to markets; removing of customs obstacles and other barriers to export; and encouraging entrepreneurship in such sectors; and
- Increasing access for women to gain training in entrepreneurial skills, including managing and financing, and training of female entrepreneurs in rural areas.

2. Trade and the Environment: The imperative of developing environment-friendly policies necessitates that development policies contribute to sustainable practices that protect the environment. As Rwanda is presently highly dependent on agriculture for exports, livelihoods, and economic development, there is a need for trade policy to mainstream measures that maximise opportunities and minimise costs arising from the interface between trade, environment, and sustainable development. The need to focus on sustainable agriculture production, including organic agriculture, is one option. Rwanda can also gain from attracting new investments under the Clean Development Mechanism of the KP, which provides special and differentiated treatment for LDCs, although to date very few LDCs have been able to take advantage of this.

3. Enhancing Efforts to Combat Industrial Pollution: Economic activities are intrinsically linked with the physical environment. Externalities, unintended side-effects to economic activity, are a fundamental part of production. The waste produced by industrial

processes is harmful to the environment and to the businesses and people who rely on it. According to Rwanda's Industrial Policy, the majority of industrial activities have been based in the City of Kigali until now. While most industrial firms have traditionally been separated from dwelling houses, they have often been placed in the valleys or marshes bordered by heavily populated areas. Where toxic materials are produced as wasteges, it presents a danger of contamination of local water supplies, among other risks. However, these concerns are expected to be addressed by the establishment of special economic zones and industrial parks.

In this regard, it is important to appreciate the relocation of industries of designated areas, but these measures are not enough. So, in addition, there is a need to adopt cleaner production by ensuring the following:

- Increasing productivity by ensuring a more efficient use of raw materials, energy, and water;
- Reducing quantities of untreated industrial waste produced by industry by developing partnerships between industry and government to find affordable ways of meeting waste treatment obligations;
- Continued promotion of cleaner production in the industrial sector by seeking technical assistance in cleaner production based on best practices and systems that already exist in other countries.

4. Supporting and Promoting Agro-processing through Sustainable Agriculture: Some of the intrinsically related factors contributing to the poor agricultural performance in Rwanda include gender disparities, outdated technologies and methods of farming, as well as inadequate financing of the sector. In this regard, ensuring sustainable agriculture will require enhanced mechanisation of the sector, use of green energy, and empowering the women involved in agro-processing related activities. Increased mechanisation in agriculture will require that energy demands are met by increasing the availability of fuel and electrical power in rural areas. By creating higher grid power connectivity

for uninterrupted power supply, villages should be provided with increased electric power to conduct agro-processing activities on their premises.

In regard to empowering women, there is a need to enhance the involvement of female players by building their capacities to participate in regional and international trade, so as to take advantage of trade opportunities. Special attention should be paid to supporting the most vulnerable female farmers and entrepreneurs in rural areas.

Furthermore, there is a general consensus on the need to have a policy and strategy that is dedicated to support and promote a vibrant agro-processing sector in Rwanda.

5. Expediting the Implementation of Related EAC Regional Policies and Strategies: At the regional level, the EAC has in place a number of relevant policies and strategies that are cognisant of national development policies, plans, strategies, and programmes of each respective Partner State. Again, the appropriate institutional structures for implementation are in place and thus the following measures and actions should be expedited:

- The EAC should initiate the process of designating the EAC Climate Change Fund as a Regional Implementing Entity (RIE) to access funds from the Adaptation Fund and other bilateral and multi-lateral financing mechanisms;
- Partner States and the EAC Secretariat should increase their efforts and capacity in the preparation, negotiation, and participation in UNFCCC Conference of Parties (COPs) and other meetings of relevant conventions; and
- EAC Secretariat should facilitate interaction of the Working Groups on Agriculture, Industry, Environment and Natural Resources with the East African Legislative Assembly (EALA) Committee on Agriculture, Natural Resources and Tourism.

The effects of climate change are becoming a reality all around the world, and Rwanda is no exception. However, for Rwanda it is important to highlight that the government is mindful of this reality and is implementing a number of measures and initiatives to counter any related effects. For example, Rwanda's daily English newspaper "*The New Times*" of September 16th, 2016, reported that the government launched an initiative to promote the growing of grass for pasture in Nyagatare District on August 23 as a means to tackle drought effects on livestock.

Key Areas for Advocacy

In light of the above and based on the recommendations provided herein, the NRG members recommended that certain issues be highlighted for advocacy, while building on the current momentum in Rwanda. In this regard, the following issues were pointed out for advocacy:

1. **Increased irrigation country wide:** Given the impacts of climatic change, irrigation is likely to become more important for Rwandan agriculture. There is a need for a country-wide drive to encourage an increased and sustainable irrigation. The need for irrigation is great, and yet few related initiatives have lasted long enough to gauge and ensure the intended impact.
2. **Mainstreaming gender issues in trade related policies:** There is a need to design a strategy to ensure gender issues are mainstreamed within trade-related policies. Revisions of trade policy should be considered. Starting with the national trade policy, mainstreaming gender issues would ensure that other related policies and strategies on trade matters would also include gender issues in a more consistent manner.

3. *Enhancing efforts to combat industrial pollution:* The waste produced by industrial processes is potentially harmful to the environment. In this light, there is a need to adopt a national strategy on cleaner production by ensuring a more efficient use of raw materials, energy, and water. With consideration of the rapid rate of Rwanda's development, and the proliferation of growth associated with modern infrastructure, urban housing projects, industrial zones, and parks, this growth is accompanied by pollution of the environment. Therefore, a clear national strategy on cleaner production would serve as an important tool to mitigate any related effects.
4. *Maximising opportunities in agro-processing:* It should be done through a specific agro-processing policy and incentive measures (including a policy dedicated to the development of agro-processing, the National Agribusiness Strategy and Investment Framework, the establishment of a forum for agro-processors and other stakeholders, and capacity-building for farmers and stakeholders). Again, female entrepreneurs should be given special attention through targeted financing and skills development.

Annexures

Annex 1: List of persons interviewed

No.	Name of Contact	Institution/ Position	Contact Details
1.	Mr. Alex RUZIBUKIRA	Ministry of Trade and Industry (MINICOM)/Director General – Industry	0788307860
2.	Ms. Peace BASEMERA	MINICOM/Officer in Charge of Trade Negotiations	0788574322
3.	Laurence MUKARUGWIZA	MINICOM/Officer in Charge of External Trade	0788762846
4.	Louis UWIMANA	Ministry of East African Affairs (MINEAC)/Officer in Charge of Trade in Goods	0788784540
5.	Sylvie NIRERE	Ministry of Agriculture (MINAGRI) – Agriculture Policy Expert	0788824242
6.	Francois MUNYETWARI	ACORD Rwanda – Country Director	0788502420
7.	Eustache KABAYIZA	Private Consultant	0788441021
8.	Ms. Berthilde NIYIBAHO	BN Producers – Managing Director	0788479053
9.	Ms. Cesarie KANTARAMA	Cooperative Mbakungahaze – Founding Member	0788450957
10.	Prof. Donald D. Adams	Renewgreen Ltd	0783115279
11.	Pascal MURASIRA	Hollanda Fairfoods – Director	0788301147
12.	Mr. Thaddée MUSABYIMANA	SOSOMA Ltd – Director General	0788304189

Annex 2: Materials/Sources of information

Policies, Strategies and related Documents

1. Government of Rwanda – Ministry of Finance and Economic Planning: *The National Vision 2020*
2. Ministry of Finance and Economic Planning: *The Second Economic Development and Poverty Reduction Strategy “EDPRS II”*
3. Ministry of Trade and Industry: *The Rwanda Trade Policy (2010)*
4. Ministry of Trade and Industry: *National Cross Border Trade Strategy (2012)*
5. Ministry of EAC (MINEAC), Rwanda; “*The National Policy & Strategy on EAC integration*” 2012
8. Government of Rwanda – Ministry of Trade and Industry (MINICOM); “*Rwanda National Industrial Policy (2011)*”
9. Government of Rwanda – Ministry of Agriculture and Animal Resources (MINAGRI); “*Agriculture Gender Strategy (2010)*”
10. Government of Rwanda – Ministry of Agriculture and Animal Resources (MINAGRI); “*Strategies for Sustainable Crop Intensification in Rwanda (2011)*”
11. Government of Rwanda – Ministry of Agriculture and Animal Resources (MINAGRI); “*Strategic Plan for the Transformation of Agriculture in Rwanda Phase III (2013)*”

Other Materials, Studies and Reports

12. The East African Community (EAC) Secretariat; *The East African Treaty, 1999*
13. The East African Community (EAC) Secretariat; *The EAC Common Market Protocol, 2010*
14. The East African Community (EAC) Secretariat; “*Agriculture and Rural Development Strategy for the East African Community (2005 - 2030)*”, 2006
15. The East African Community (EAC) Secretariat; “*The East African Community Industrialisation Policy (2012-2032)*”, 2012
16. The East African Community (EAC) Secretariat; “*The East African Community Industrialisation Strategy (2012-2032)*”, 2012
17. The East African Community (EAC) Secretariat; “*The East African Community Food Security Action Plan (2011 – 2015)*”, 2011
18. The East African Community (EAC) Secretariat; “*The EAC Climate Change Policy*”, 2010
19. The East African Community (EAC) Secretariat; “*The East African Community Climate Change Master Plan (2011-31)*”, 2011
20. The East African Community (EAC) Secretariat; “*The East African Community Climate Change Strategy*”, 2011

Endnotes

- 1 National Reference group is constituted by stakeholders from Government, private sector, academia, NGO's, media, farmers, agro-processors and other relevant parties dealing with climate change, food security, agro-processing and trade linkages. The group meets periodically to discuss and advocate for positive change.
- 2 Government of Rwanda Ministry of Trade and Industry (MINICOM); "Rwanda National Industrial Policy (2011)"
- 3 Government of Rwanda Ministry of Agriculture and Animal Resources (MINAGRI); "*Agriculture Gender Strategy (2010)*"
- 4 Ministry of Finance and Economic Planning; *Second Economic Development and Poverty Reduction Strategy (EDPRS II)*
- 5 The NRG is constituted by a range of stakeholders on issues of climate change, food security, trade and agro processing. It includes government, private sector, academia, NGOs, media etc. The group meets periodically to deliberate on these issues and their linkages under the PACT EAC2 project

Agro-industrial Development Policies: What Nexus to Climate, Food Security, and Trade?

How can agro-processing development in Rwanda become more climate-aware, trade-driven and food security-enhancing? This study explores this question and provides policy options for coherently harnessing the full potential of Rwanda's still nascent agro-industry despite climate change.

In an ideal scenario, trade policies should ensure the availability of inputs despite climate change, markets for the processed products and access to cleaner technologies; while climate change policies support this effort through targeted adaptation and mitigation initiatives. The role of international trade and climate negotiations in framing the policy space for such policies should not be overlooked.

www.cuts-geneva/pacteac2

CUTS INTERNATIONAL, GENEVA

CUTS International, Geneva is a pro-trade, pro-equity southern NGO voice active in the policy making circles on trade, development and other related issues in Geneva. It aims to contribute to the achievement of development and poverty reduction through trade in its economic, environmental, social and political dimensions.



CUTS[®]
International

CUTS International, Geneva

37-39, Rue de Vermont, 1202 Geneva, Switzerland

Ph: +41.22.734.6080, Fax: +41.22.734.3914

Email: geneva@cuts.org, Web: <http://www.cuts-geneva.org>