



BRIEFING PAPER & REPORT | RWANDA FIELD STUDY | 2-7 APRIL, 2016

Understanding the Role of Women Smallholders & Cross-Border Trade in Tackling Poverty

1. COUNTRY OVERVIEW

Twenty years after the Rwandan Genocide, Rwanda has made considerable progress in economic and social development, with the reconciliation process generally considered a great success.

Rwanda's achievements in reducing corruption, increasing competitiveness and improving gender equality are illustrated through several social and economic indicators. Since 2011, the economy has grown at an average of 7% on average per year,¹ and Rwanda's poverty rate fell from 45% to 39% between 2011 and 2014, with 146,000 new off-farm jobs created each year.² Rwanda now ranks as the third easiest country to do business in Africa, and 64% of its parliamentarians are women, the highest in the world.³

However, Rwanda is still a low income, food deficit and least developed country. It is ranked 163 (out of 188 countries) on the 2014 Human Development Index. It has one of the highest population densities in Africa, with 416 people per square kilometre. Its population increases at an annual rate of 2.6% and the total population stands at 11.2 million.

2. TRADE AND POVERTY REDUCTION IN RWANDA

Rwanda is generally considered to be an open economy. It is a member of several regional groupings, whose main objectives are to promote trade between their members and integrate their economies. These are:

- The East African Community (EAC)⁴
- The Common Market of Eastern and Southern Africa (COMESA)⁵
- The Economic Community of the Countries of the Great Lakes (CEPGL)⁶

Trade is recognised by the Rwandan Government as a driver of economic growth and poverty reduction. Being a landlocked country, trade facilitation and regional integration is crucial to boosting Rwanda's economy by linking it to regional and global markets. Key linkages between increased trade flows and poverty reduction include:

- **Consumer prices.** High trade costs have a direct impact on the price consumers need to pay for basic commodities. Rwanda's poverty line is defined by access to 2500 kcal per day, which according to the latest household survey costs RWF 105,064 per person per year at local market

¹ NISR National Accounts, BNR Statistics for goods exports. Services exports from www.trademap.org

² EICV3 (Household Survey 2010/11) and EICV4 (Household Survey 2013/14)

³ http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/2015/CN_data/CN_Long_EN/Rwanda_GB_2015.pdf

⁴ Burundi, Kenya, Rwanda, Tanzania and Uganda.

⁵ Burundi, Comoros, D.R. Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe.

⁶ Burundi, RD Congo and Rwanda.

prices. This price is 50% higher than if food commodities were traded seamlessly across borders and within the country.

- **Export competitiveness.** Being landlocked, Rwanda remains one of the most expensive and time-consuming destinations in the world for shipping a container. Freight and insurance add roughly 20% to the cost of trade to and from Kigali. These costs stifle the ability of firms to grow and therefore have a negative effect on employment.
- **Attracting Foreign Direct Investment.** Rwanda has had some success in promoting its position as “land-linked” to the rest of its neighbours. Market integration with the EAC is seen as a way to overcome the relatively limited size of its internal market. “Thick” borders hampers Rwanda’s ability to do so.

2.1 Informal Cross-Border Trade and Women Traders

A vast proportion of trade in Rwanda, and in Africa more generally, is undertaken informally. This trade is by definition not systematically recorded, but it plays an essential role in maintaining livelihoods of the border communities. It is also a highly gendered phenomenon.

Informal Cross Border Trade (ICBT) co-exists at border crossings with formalised trade, and faces its own set of challenges, such as incidences of harassment, bribes and extortion at the borders. The Rwandan Government estimates that ICBT represents 14% of Rwanda’s total exports.

In terms of products, ICBT is dominated by local agricultural products (40%) and livestock (26%). Processed food items (beverages, maize and wheat flour), as well as fast-moving consumable goods, and re-exports of paraffin are also traded.

ICBT contributes significantly to poverty reduction. More than 80% of ICBT takes place in Rwanda’s Western Province, where nearly 50% of the population are considered to be in poverty.⁷ The World Bank, when studying ICBT between the DRC and Rwanda, has also estimated that ICBT has a more direct effect on incomes and household revenue than formal trade.⁸

ICBT trade is dominated by women. In Rwanda, women accounted for 64.6% of ICBT traders in 2013, and accounted for 74% of traders in the Great Lake region.⁹ Women traders take on specific roles in ICBT, trading lower-value-added goods than men, and face greater constraints than their male counterparts when producing goods and trading them across borders.

Specific constraints faced by women traders include the lack of formal legal status, opaque policies, physical insecurity and abuse, customs and trade barriers, as well as lack of access to inputs (e.g. logistics, market information, skills, production inputs). Removing the barriers to trade faced by women, and actively promoting women’s participation in trade can contribute to income generation, employment, and improved social status of women at the home.

2.2 Government Policy

Rwanda is at the forefront in designing policies which recognise the prevalence and potential of ICBT and Women Traders. Three main policy documents detail the government’s approach to women trader’s role in the economic sphere with reference to trade:

- **The National Gender Policy** (introduced in 2004, revised in 2010): the objective of the National Gender Policy is to provide the Government and its partners a framework to guide the mainstreaming of gender-related activities into national development processes and outcomes. It aims to integrate gender into focus areas and sectors such as poverty reduction, health,

⁷ Rwanda Ministry of Trade and Industry National Cross-Border Trade Strategy 2012

⁸ World BANK (2011), Facilitating Cross-Border Trade between the DRC and Neighbors in the Great Lakes Region of Africa: Improving Conditions for Poor Traders, Report n°: 62992-AFR

⁹ Rwanda Ministry of Trade and Industry National Cross-Border Trade Strategy 2012

education, agriculture and food security, human rights, gender-based violence, governance and many more. It specifies that a gender perspective should hence be included in all policies, activities and budgets in all sectors and levels.

- **Rwanda's National Trade Policy** states that special attention is to be paid to supporting women farmers and entrepreneurs as well as rural-based exporters.¹⁰ It aims to use trade policy as a tool for social development, as it believes that trade can disproportionate affect certain groups, and that vulnerable groups such as women, can be left out of the benefits.
- **Rwanda's Cross-Border Trade Strategy** calls for the setup of, amongst others, financing facilities in border markets specifically targeted at women, and support provisions for women-run cooperatives.

3. AGRICULTURE IN RWANDA

Rwanda's main sector is agriculture, which forms the backbone of the economy. It accounts for 39% of gross domestic product (GDP), 80 percent of employment, 63% of foreign exchange earnings, and 90% of the country's food needs.

The sector is challenged by land constraints due to population pressure, poor water management, small average land holdings, lack of public and private capacity, and limited commercialization constrained by poor access to output and financial markets. In 2012, the country's average annual income of \$550 per capita reflected a rural poverty rate of 49%, a figure that soared to 76% for families whose main source of income was agriculture.¹¹

Bananas, plantains, cassava, beans, maize, sweet potatoes, wheat and rice are the staple foods grown. Tea (25%) and coffee (19%) make up the majority of export earnings, with quality improving in both sectors. Horticulture crops (avocado, tomato, cabbage, leeks), pyrethrum, and skins are also exported.¹²

Poor animal genetic resources, inadequate feed, pests and diseases, and poor management have been blamed for keeping livestock productivity low. Much of Rwanda's livestock were also destroyed during the genocide. However, following the implementation of the government's 'one cow per family programme' in 2006, the cattle population has grown and milk production has more than doubled in the past six years, triggering investments in milk collection and processing facilities.

Reliant on rain-fed agriculture, Rwanda is highly vulnerable to climate change. Increases in temperature and changes to rainfall patterns, resulting in floods, landslides and droughts, significantly reduce crop yields, negatively impacting livelihoods, food security and export earnings. Rising temperatures are also predicted to increase the spread of pests and diseases, while the yield of some crops (including maize and rice) is forecast to drop by 10-15% for every one degree Centigrade rise in minimum temperature. And as temperatures rise, the altitudes at which tea and coffee can be grown will also rise, which may affect the land available to grow these crops, due to differing soils and steeper slopes, and lead to conflict over land.

Despite impressive economic recovery, with an annual GDP growth of 7.2% since 2010, household food insecurity continues to be a major challenge. According to the December 2015 Comprehensive Food Security and Vulnerability Analysis, the prevalence of chronic malnutrition among children under five years of age is still high at 37%, despite a significant improvement from 43% in 2012. The northern and western areas of the country, bordering Lake Kivu and along the Congo Nile Crest, are the most affected areas.¹³

3.1 Smallholder agriculture, food insecurity, and poverty

The Comprehensive Food Security and Vulnerability Analysis conducted in 2012 by the World Food Programme, in collaboration with the Rwanda National Institute of Statistics, indicated that one in five

¹⁰ P. 10, (2010)

¹¹ <http://www.worldbank.org/en/results/2013/01/23/agricultural-development-in-rwanda>

¹² New Agriculturalist, Rwanda Country Profil (July 2012) <http://www.new-ag.info/en/country/profile.php?a=2694>

¹³ <http://documents.wfp.org/stellent/groups/public/documents/ep/wfp270017.pdf>

Rwandan households (21%) had insufficient food consumption and could be considered to be food insecure. Over 80% of food insecure households and households with stunted growth in children live in rural villages.

Low income agriculturalists, agricultural workers and unskilled daily labourers (among the main livelihood activities in the country) have a lower food consumption on score than households that are relying on livelihoods such as employment and business, agropastoralism, agriculture with medium/high income, selling of agriculture products, and those involved in informal selling.

In Rwanda, households that are not involved in agriculture at all are relatively better off than those that are. However, 85% of households in Rwanda cultivate land and rely on agriculture or livestock as the main (and often only) livelihood activity. For many of these households, access to productive land is a problem. The smaller the plot they cultivate, the more likely they are to have a low food consumption score. 60% of farming households cultivate plots smaller than 0.5 ha (26% below 0.2 ha) often on steep slopes with poor soil fertility.¹⁴

3.2 Women in smallholder agriculture

The genocide of 1994 has led to a change in the country's demographic structure: women today account for about 54% of the Rwandan population, and many households are headed by women and orphans. 29% of the total rural population are in households headed by women.¹⁵

A majority of women, and particularly women in rural areas, are care-givers at home and in their communities. They are responsible for the nutrition of their children, from gestation through weaning and throughout the critical period of growth. In addition, they are the principal food producers and preparers for the rest of the family. Occupied by housework and caring for dependents, women are often time-constrained in pursuing economic opportunities, at times even without sufficient time to produce enough crops to feed their families and secure a surplus for sale.

Women in Rwanda have traditionally been in a weaker social position. Despite political efforts and concrete legal advances in promoting gender equality, this deeply entrenched gender discrimination, together with traditional norms for women in Rwandan society, still bears consequences today for Rwandan women and particularly for their land rights.

Customary law often undermines their right to inherit land. Women are often pressured to relinquish their land ownership to their brothers. When women do assert their land rights, they face restrictions on women's access to dispute resolution institutions. More secure rights for women in Rwanda are critical not just for women's economic empowerment, but also to help Rwanda achieve a host of development goals.

Rwanda's Vision 2020, the country's plan for economic development, is based on two pillars, one of which is the transformation of agriculture into a productive, high value, market-oriented sector. This cannot be achieved without better support for, and protection of women's land rights. Research shows that when women have resources, such as land, they are more likely than men to use those resources to benefit their children and help their family climb out of poverty.

3.3 Government policy

Government of Rwanda policy-makers have identified smallholder-led agriculture as a key sector for growth and poverty reduction in the country: agricultural transformation has been identified as the main pillar for achieving economic development and food security.

- **Comprehensive Africa Agriculture Development Programme (CAADP):** Rwanda was the first signatory to the (CAADP) in March 2007, thus confirming malnutrition and food insecurity as one

¹⁴ Comprehensive Food Security and Vulnerability Analysis and Nutrition Survey Rwanda 2012

<http://documents.wfp.org/stellent/groups/public/documents/ena/wfp255690.pdf>

¹⁵ <http://www.ruralpovertyportal.org/country/home/tags/rwanda>

of the Government's key priorities. CAADP has resulted in increased investment in the agriculture sector and subsequent increases in productivity and production.

- **Vision 2020:** The major purpose of the programme is to transform Rwanda into a middle income country. Rwanda plans to attain a per capita income of USD 1,240 by the year 2020 from the current level of USD 644.¹⁶ Good governance, productive and market oriented agriculture, and regional and international economic integration are three of the six pillars of the Rwanda Vision 2020.
- **Economic Development and Poverty Reduction Strategy II (EDPRS2):** aims to implement Rwanda's Vision 2020 from 2013-2018. Its main targets relate to: strategic infrastructure investment for exports; more private sector financing to increase exports; urbanisation; a green economy approach to sustainability; and rural development. The Government plans to shift the agrarian-based economy over the next five years to a knowledge-based economy, underpinned by an annual economic growth of 11.5%.

4. REPORT

Sunday 3 April

On Sunday 3 April 2016, the delegation hosted an informal dinner with representatives from civil society organisations and social enterprises working on smallholder agriculture and informal trade issues. Guests in attendance were: Josh Rugema, H2O; Angelique Tuyisenge, Technoserve; Jonathan Bower, Aegis Trust; Aime Nzoyihera, Trademark East Africa; and Sara Bilson, One Acre Fund.

During the dinner, the guests highlighted their organisations' achievements and provided background information to the delegates in preparation for the meeting with DFID and the Government of Rwanda (GoR).

The guests viewed that whilst the Ministry of Agriculture was to be credited for its clear vision and high ambition for developing the sector, it still struggles to see its ambition being implemented due to the lack of technical capability, at the district and community level. The Rwandan Agriculture Board's problematic implementation of its subsidy programme was highlighted as an example.

Overall, the GoR was recognised to be open and receptive to work in partnership with these organisations and examples of how relevant departments had integrated new ideas and pilot programmes into their work were discussed.

When asked for their assessment of how DFID operates, the guests identified the 'log-frame' mentality and rigidity compared to other donors as an impediment to their ability to effectively respond to local needs.

Monday 4 April

The delegation met with the British High Commissioner Will Gelling OBE, and representatives from DFID's Head of Office, including Laure Beaufils, Head of DFID Rwanda, Mark Davies, Livelihoods and Nutrition Advisor, and Kato Kimbugwe, Private Sector Development Advisor.

The High Commissioner's presentation to the delegation made the following points:

- UK-Rwanda trade relations have strengthened as the Rwandan economy has grown.
- Following the conclusion of the December referendum regarding the constitution, President Kagame's tenure in office could theoretically last for another 17 years.

¹⁶ Ibid.

- It has been 22 years on since the genocide. Reconciliation is still a work in progress.
- National unity has been achieved via a concerted effort to reduce poverty and develop the economy. Economic and social rights have been prioritised above civil and political rights.
- Rwanda's political stability might be more fragile than what appears to be. The UK has a role to play in supporting stability in the Great Lakes region and the Kigali-Bujumbura office is important.
- The so-called 'second generation' development issues are surfacing. Access to education has largely been achieved, and the challenge is now to maintain its high quality. Quite clearly, the astonishing trajectory that Rwanda has enjoyed over the past 22 years might taper. The knock-on effects for political stability, of a 'drop-off' in development could be a concern.
- Elections are scheduled in 2017; the High Commission anticipates that the political space will shrink.
- The Rwandan Parliament is largely deferential to its Executive. Opposition parties are subject to stringent regulations which are designed to prevent the resurgence of ethnically-driven political parties, but these rules also curtail dissent.
- There is a high level of loyalty and commitment to the GoR's vision for Rwanda. This is instilled in the performance plans of civil servants where there is a focus on results and accountability. Each civil servant and every district has a performance plan.
- Corruption is exceptionally low; there is a zero tolerance attitude and moral repugnance towards the potential waste of government resources.
- Rwanda is often discussed as the 'role model' country for the region.
- Recent Human Rights Watch reports have drawn attention to the high cost of this model. In 2014 there was a spate of disappearances of outspoken political opponents.
- At the regional level, there are concerns with the role of Rwanda in the conflicts in DRC and Burundi.

Laure Beaufigli, Head of DFID, Rwanda made the following interventions:

- ODA makes up 40% of the GoR budget: ODA has contributed significantly to the successes of last 20 years.
- DFID is the second largest bilateral donor; the World Bank, EU, and African Development Bank are also sizeable players.
- President Kagame is keen to reduce Rwanda's dependence on ODA, working hard to increase Burundi's own tax base.
- DFID does not give sector budget support or general budget support. Instead, UK ODA is spent on 'non-budget support financial aid' which is earmarked for poverty reduction via individual departments.
- DFID spends £70m per annum in Rwanda. In 2015/16 it spent £77m – the increase was to support Burundian refugees in Rwanda.

Parliamentary Agriculture Committee

The delegation met with the Parliamentary Agriculture Committee (PAC). The cross-party Committee is made up of eight members, five of whom are women. The PAC has responsibility of oversight of agriculture, forestry, and the environment. This portfolio's remit extends to land, habitat, and research and development.

The PAC is mandated to: scrutinise draft legislation and budgets, analyse national sector policies, and receive public petitions. Over the course of their third term, the PAC has made field visits to all the districts to review how relevant programmes are being implemented. They have also made specific visits to review the controversial hillside irrigation programme and the 'one family, one cow' GIRINKA initiative. The PAC has called the Minister of Agriculture to give evidence on three occasions, to respond to concerns about the GoR's irrigation initiatives and R&D programmes.

Committee members discussed the challenge of conducting oversight over such a broad portfolio; they identified the PAC's collective limited technical expertise over issues such as climate change, the time-intensive nature of district visits, and the lack of administrative or operational support as particular problems. Members described the GoR as 'very dynamic' and the President as a leader who 'pushes ahead'. They expressed concern that though they 'must follow', they do not have the resources to exercise sufficient levels of scrutiny.

Ministry of Trade

The delegation met with the Minister for Trade and his Permanent Secretary, supported by the Cross Border Trade unit. The Minister outlined the role of trade in the Rwandan economy, stressing that Rwanda being landlocked places great importance on trading relations with its neighbours, trade policy took on a particular importance.

Specifically and with regard to ICBT, the Minister and his staff made the following points:

- ICBT comprises mainly of agricultural, agro-processed and light manufactured products. The main export market for informal traders is the DRC. The Ministry estimates that 20,000 to 30,000 people cross the Gyseni-Goma border each day.
- The Ministry further explained that informal trade data is captured through surveys and censuses. The Ministry understood the importance of small-scale traders for the livelihoods of vulnerable groups early on and attempted to get a grasp of the scale and nature of the phenomenon. The Ministry is looking into the rolling out of Open Data Kit software at borders. The software will allow for continuous monitoring of activity at Rwanda's borders.
- The scale of the challenge is compounded by the fact that out of the 53 major border crossing points with neighbours, only 18 are official.
- The Minister explained that with regard to ICBT, gender based constraints mainly consisted of harassment and violence at border crossings. The Ministry's approach has been to support the organisation of women traders into groups, which can later voice grievances to customs officials and feed into the policymaking process.
- Ministry staff explained that problems with gender based violence and informal women traders were prevalent on the DRC side of the border, something they had less influence on.

Trademark East Africa

Delegates met with TradeMark East Africa (TMEA), a DFID-supported organisation working to improve the trading environment in the EAC. TMEA's Rwanda office works with a USD 60 million budget in the country. It seeks to achieve three overarching objectives:

- Increased physical access to markets
- Enhanced trade environment
- Improved business competitiveness

TMEA explained that overall their interventions have achieved strong results in the country, amongst which a 20% reduction of transit time for cargo from Kenya and Tanzania, a drastic reduction in border clearance time in Rwanda, and improved cargo tracking via GPS.

Table 1 below summarises some of TMEA's results over the 2010-2015 in Rwanda:

Thematic area	Key projects	Expected results by 2017	Results to date
Increased Physical access to markets	Kagitumba-Mirama Hills One Stop Border Post	30% reduction in time to cross the border	The OSBP and the bridge have been completed
	Trade and Logistics Hub	Reduction in truck turnaround time from 3 to 1 day	PPP transaction concluded to attract operator and \$40M investment
Enhanced trade environment	Rwanda Electronic Single Window	Reduction in time to clear goods	Reduction from 7 days to 1 generating \$15M/annual savings for businesses
	Rwanda Standards Board	Reduction in time to test export products	85% reduction in average time from 45 days to 7 days
Improved Business Competitiveness	Giving a voice to the private sector	No. of advocacy initiatives that led to policy changes	Removal of a road levy on Rwandan trucks in Tanzania leading to \$800,000 annual savings. Eliminating delays in VAT reimbursements for coffee exporters
	Export Capacity Enhancement	Increased export turnover by \$5M/year	Training support to 50 companies on market linkages and food safety
	CBT with DRC, particularly women	Increase CBT trade, particularly women traders	Increase in trade volumes by \$70,000 for 9 women co-operatives.

As can be seen in Table 1, TMEA has been working with Women Cross-Border Traders with the DRC during its first phase of operations (2010-2015). Generally, the AfT community is attempting to increase its awareness of gender and women's issues in its work. TMEA's Rwanda programme can offer interesting lessons for these efforts.

TMEA staff outlined how they had identified the importance of women traders early on as a crucial way of improving the gender profile of their intervention portfolio. In light of this, they worked with Pro-femmes, a Rwandan civil society organisation with a long history of working on women's empowerment issue, to identify a set of interventions that would empower WICBTs and improve the environment they face at border crossings. The interventions supported in the past years have included the support and establishment of women traders' cooperative, allowing WICBTs to organise and have formal representation with government and a legal entity to refer to. This also has a positive impact on the ability of WICBTs to access credit, and increase value addition of the products traded.

Further, WICBT representative are now represented on border management committees, held at major border crossings between government agencies and the trading community. This allows gender-specific issues to be raised, such as the lack of appropriate toilets at crossings, harassment or corruption.

In their second Strategy, TMEA is looking to scale-up their programme in Rwanda to the rest of the EAC and ensure that their operations across the region take full account of the gendered dimension of trade. TMEA hopes to reach 250.000 WICBTs over the next 7 years,

Ministry of Agriculture

Delegates met with several Director Generals in the Ministry of Agriculture (MoA). They described how the GoR views agriculture as a key driver of economic growth and poverty reduction and an increasingly important sector in light of Rwanda's growing population.

The GoR's sector strategy includes targets that focus on the professionalization and commercialisation of agriculture. The MoA is delivering programmes that address value addition, productivity, extension services, climate change, and land degradation.

Rwanda has comparative advantage in coffee, tea, silk, horticulture, macadamia nuts, and essential oils. The Ministry is investing in upscaling these specialty markets, for example by investing in coffee washing stations. The GoR is focussing on value addition to maize, Irish potatoes, and rice for export to the East African Community.

All land in Rwanda is registered and mapped. The average plot size is 0.5ha. The MoA is therefore involved in devising contract farming models, encouraging farmers to lease their land for commercial use.

Land use consolidation initiatives are also encouraged, smallholders are advised on which crops to grow so that extension services, buyers, and farmers can act efficiently.

The MoA is anticipating the introduction of a new agri-finance strategy to tackle the perception that agriculture is a 'high-risk' investment. Under the new strategy banks will be encouraged to lend to smallholders; the MoA is being supported by DFID on this stream of work. Some progress has already been made: the GoR has lifted VAT from crop insurance, a business development fund already supports farmers to raise money against existing collateral, and Rural Investment Facilities provide some support.

The MoA also operates a subsidy scheme for smallholders to buy seed and fertiliser at a reduced rate. Eligibility is determined by centralised criteria which is implemented by 'cell managers' at the local level. Subsidies are offered for: white maize, wheat, beans, Irish potatoes, and cassava.

Rwanda's food security is stronger than other countries in the region. Malnutrition is still a big problem and is a result of the superfluity low quality or low nutrition food in the diet. The GoR's 'one cow, one family' programme is designed to address malnutrition, as are school feeding programmes, and small livestock programmes (e.g. poultry and goats), for the most vulnerable households.

Tuesday 5 April

The delegation travelled to Muhanga district to visit a cooperative farm supported by the World Food Programme (WFP).

The Cyeza cooperative was registered with the Rwanda Agriculture Board in 2009; it has 30 hectares and 504 female farmers and 307 male farmers. WFP have worked with this cooperative since August 2015 when they accepted WFP's offer to introduce the cooperative to buyers directly. Previously, the cooperative had grown crops from seeds provided by the RAB. When the seed supply came to an end and before the WFP relationship began, the cooperative grew maize for their own consumption.

The cooperative is highly structured with a number of 'leaders' responsible for different areas of work (e.g. auditors, gender leaders, etc) who report to an executive committee.

The cooperative grow maize in the first season, then beans and vegetables in the second. Farmers use hoes and rely on rainfall for irrigation.

Each member of the cooperative has their own plot, following the harvest the yield is coded as per the plot it came from. Individual members of the cooperative are 'paid' accordingly.

The partnership with WFP has given the cooperative contract security, access to training, and has eased their access to financial products and agricultural equipment via USAID.

From Muhanga, the delegation travelled to Rubavu District and to the Gisenyi-Goma border to visit the main border crossing.

Wednesday 6 April

The delegation met with women who are informal cross-border traders and members of cooperatives supported by Pro-Femmes/Twese Hamwe.

Pro-Femmes supports traders by supporting them to register in cooperatives, giving members training in financial management, and advocating on their behalf to central government. For more established cooperatives, Pro-Femmes supports access to finance. Ultimately, Pro-Femmes aims to develop the informal trading value chains and professionalise the trading relationships.

Traders may make up to six border crossings a day, carrying fruit and vegetables, sorghum, beans, maize, clothes, or shoes across the border to sell on to stores, or wholesalers. Fresh produce is sourced from farmer cooperatives in the district.

Cooperatives will tend to specialise in one particular supply chain but individual traders will be in charge of their own particular business, calculating income, expenditure, transport costs, and exchange rates. Traders will, on occasion, be employed by other traders as porters.

74% of cross border traders are women. The income they bring into the family is used to feed and educate children. The women the delegates met spoke of how they aspire for their children to join the family business, but only if they are educated and trading becomes a more professional occupation.

The traders identified lack of information about market prices and the imposition of so-called 'informal taxes' as particular problems. For example, in Goma 'officials' will often demand on-the-spot payments from traders. As DRC is not a member of the East African Community, there are no protocols in place to curb this behaviour.

The traders described how, before they became members of the cooperative, they would often be exposed to cash smuggling and intimidated by police. If this happens now, the cooperative gives them access to legal redress and tools such as a complaints hotline.

When asked about the impact of the Single Taxation Regime (STR), the traders could not identify how the STR had impacted their work. Taxes are low in DRC, but the fact that 'informal' taxes could be levied without warning created additional expense and risk.

Hand in Hand International & CARE Rwanda

Delegates visited a VSLA in Bugesera District which is supported by Hand in Hand and CARE Rwanda and discussed the programme with members of the association.

The organisations are working in partnership with local cooperatives to promote sustainable improvements in livelihood resilience and diversity by supporting smallholders to develop and grow small businesses that provide employment opportunities in their rural communities.

All the VSLA members the delegates met in Bugesera District are ranked in the highest poverty categories. With the support of the VSLA many members have moved to lower risk categories.

The delegates met Claudine, a community mobiliser and VLSA member. She used her savings to begin processing her soya bean crop. She bought equipment that enabled her to make soya milk and tofu. As a result, she now generates 6000 Rwandan Francs per kilo of soya beans.

Geraldine, another member of the savings association, secured a loan to pay for labourers to cut and cultivate her banana plantation to improve its production. Her savings enabled her to buy a cow, as a result she now cuts costs on fertiliser. The loan and her savings combined have enabled her to increase her crop yield.

Celestine also cultivates soya beans. She used her savings to secure a loan to invest in seeds. She now sells her beans onto another member of the association who processes them. With the profit from her smallholding she can now pay for health insurance on time, and with ease.

Leonce is a hairdresser. Before she joined the association she worked by herself and was restricted to her immediate locality. With business training and a loan she was able to move to a rented shop nearer to the market and hired two members of staff. She now brings home a good wage for her family and has been able to move out of the 'risk zone' where she used to live without access to water or electricity. She says she feels 'fat' and is proud that she has improved life for her family.

5. RECOMMENDATIONS

- The role of trade is key for African economies. It allows relatively small countries like Rwanda to tap into its neighbours' export markets and import critical consumer goods at a better cost, with concrete impacts on growth, jobs and livelihoods.
- In regions with often difficult relationships between neighbours, trade can also act as a lubricant between different communities by forging social and commercial ties. In Rwanda, it also has clear implications for gender relations in the households, with women in border communities taking on trade with the DRC as their main means of earning an income.
- The regulatory framework in place at borders meant to facilitate low-value trade is also clearly a work in progress. The women traders who the delegates interacted with in Gyseni reported mixed experiences with various protocols that aim to make their trade exempt of taxes and other regulatory burdens.
- Donors and the international community have a clear role to play. The UK government should support the inclusion of ICBT and gender-specific components in Aid for Trade programmes in order to increase the reach of its initiative to marginalised segments of society, especially women. This would also address some of the shortcomings of past Aid for Trade programmes formulated by the Independent Commission on Aid Impact (ACAI).¹⁷
- Trade and agriculture are complementary, especially in border areas where the market "pull" for producers and processors might very well be across the border, as is the case in Rwanda's northern West provinces with the DRC. There is scope to increase linkages between different donor-sponsored initiatives in this regard.
- Long-term rural poverty reduction in Rwanda will rely on women farmers going beyond subsistence farming to become participants in stable value chains. Policies for creating an enabling environment for small-scale agri-enterprises as a whole must therefore specifically focus on the unique barriers faced by women producers.
- Women need more dedicated recognition and support as farmers, before ICBT even takes place. Access to seeds, farming inputs, good land and training is more difficult for women farmers in Rwanda (as in much of sub-Saharan Africa), as they are routinely overlooked by service providers and extension workers in favour of male farmers.
- Women farmers have higher barriers to access finance, typically because they lack collateral (which usually relies on land titles). Improved land ownership rights would put Rwandan women farmers in a stronger position, enabling access to financial services and investment in their farming enterprises.

¹⁷ <http://icai.independent.gov.uk/report/dfids-trade-development-work-southern-africa/>

- Policies must recognise the relationship between ICBT and household food/nutrition security. Almost 65% of ICBT in Rwanda is carried out by women, and women are also primary care givers. Long-term health outcomes are therefore also linked to women's economic livelihoods.