

RWANDA

RWANDA CONNECTING EASTERN AND CENTRAL AFRICA TRADE



2019-2020 BUDGET
US\$10,320,987



SUPPORTED PROJECTS
26



DONORS
•BELGIUM •USAID •UKaid
•EUROPEAN UNION



MISSION
**GROWING PROSPERITY
THROUGH TRADE**

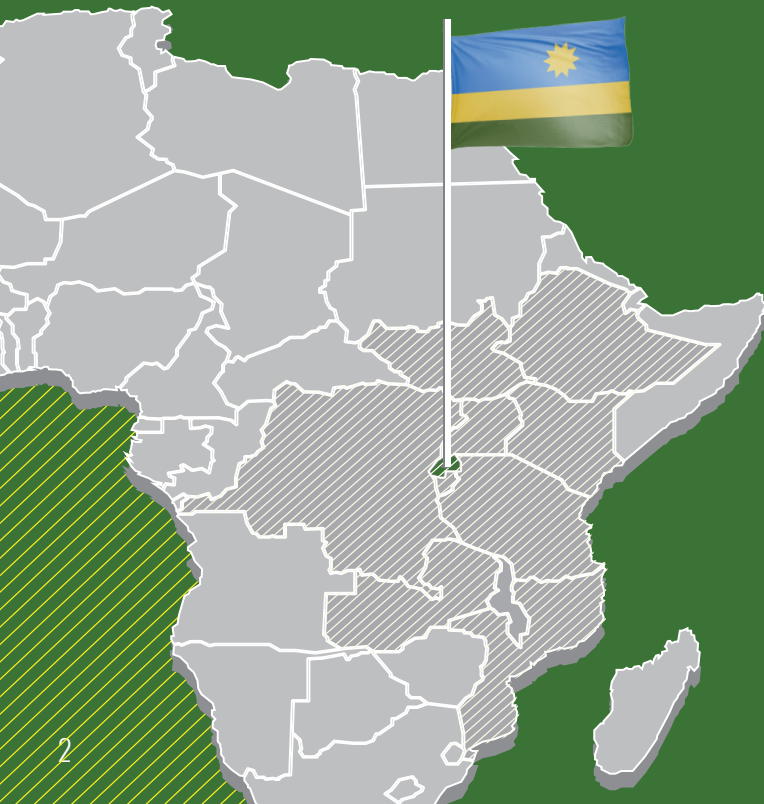
FEATURED PROJECTS



40 RWANDA EXPORT FIRMS LINKED TO MARKETS



4 LAKE KIVU PORTS TO CHANGE RESIDENTS JOB FORTUNES



RWANDA CONNECTING EASTERN AND CENTRAL AFRICA TRADE

Rwanda derives its competitive advantage from its land links and position at the heart of Africa, thus connecting it to Eastern and Central Africa. Lying 1,661km away from the port of Mombasa and 1,281km away from the port of Dar-Es-Salaam, Rwanda is a promising dry land logistics centre if physical infrastructure is developed and trade processes are improved through digitisation.

Rwanda's Vision 2050 succeeds Vision 2020 to guide national development, steered by four essential and interdependent drivers that include innovation, integration, agglomeration and competition. Rwanda Vision 2050 aspires to achieve upper-middle-income status by 2035 and high-income status by 2050.

TMEA Rwanda has aligned its programming to support government priority of increasing private sector productivity so as to accelerate economic growth and create 214,000 jobs annually.

Other priorities include establishing Rwanda as a globally competitive knowledge-

based economy, promoting industrialisation and elevating export of high-value goods and services, and promoting sustainable management of the environment and natural resources to transform Rwanda into a green economy.

In the last year, we focused on improving trade logistics i.e. transport mechanisms on Lake Kivu, enhancing cross-border trade between Rwanda and her neighbours, particularly the Democratic Republic of Congo, facilitating industrial growth through the development of trade and logistics clusters, improving trade processes, informing and strengthening trade policy, building stronger export capacity in sectors with high potential, facilitating greater inclusion of women in trade, and mainstreaming climate change in programming.

We continued digitisation of key trade processes and believe this will contribute to reduction of greenhouse gas emissions by reducing number of trips by traders to process documents and decongest borders through faster crossing of trucks.

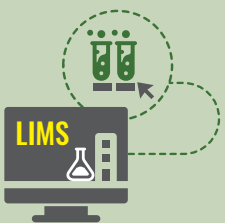
Patience Mutesi,
Country Director



PROGRESS TOWARDS RESULTS

1. In partnership with Rwanda Transport Development Agency (RTDA), construction of the Lake Kivu harbours in Rubavu, Rusizi, Karongi and Nkora Districts started. Additional investment of US\$ 5 million was secured from Netherlands Enterprise Agency (RVO) because of TMEA's initiative. The project will now entail development of four ports on Lake Kivu at Rubavu.

2. 2010-2018 National Trade Policy and National Cross Border Trade Strategy were reviewed and validated by Ministry of Trade and Industries (MINICOM). Additionally the validated Trade in Services Strategy will guide in development of sector policies and strategies.

3.  Upgrade of Rwanda Standards Board (RSB) laboratory information management system (LIMS) started, and a prototype developed and now undergoing trials. LIMS will reduce paperwork and trips made by producers to RSB therefore reducing costs and time.

4. Automation of processes to make customs proactive were completed. They include: Advance ruling module, AEO, advance passenger information (API) and Rwanda Regional Electronic Cargo Tracking System (RECTS).

- a. The advance ruling module enables traders to access all the information they need to know about goods they are importing prior to importation.
- b. API module will help reduce revenue leakages at airports by using airline manifests to capture information on imports pre-arrival.
- c. AEO II automation has digitised the recognition of traders with AEO certificates enabling their validation across the region without presentation of any additional paperwork.

5. Two priority NTB's were removed including the Tanzania Food and Drug Authority requirements for EAC certified products to register, re-label and retest; and the requirement for foreign exhibitors to have trading licenses to participate in the Kenya Expo.

- 6.



20 SME's targeted for export capacity enhancement were reached, with 18 export plans developed and 4 market linkage events conducted.

7. The PSF advocacy manual was also completed.

- 8.



A cumulative total of 8,631 farmers including 720 heads of cooperatives were trained by East Africa Exchange (EAX) to adopt best practices to access export markets.

9. Two projects to support women entrepreneurs were started with PSF, Chamber of Women Entrepreneurs, and Profemme Twese Hamwe (PFTH). The projects aim at increasing access to export markets and facilitating recapturing of the domestic market for women entrepreneurs and increasing the export capacity for high potential women-led businesses. 770 informal cross-border traders were sensitised on Simplified Trade Regimes, EAC trading requirements, gender-based violence (GBV) rights and reporting and cooperative governance.

COVID-19 RESPONSE MEASURES

As COVID-19 spread, TMEA-Rwanda partnered with private and public sectors to adopt a coordinated approach in mitigating the spread of the disease.

Critical protective equipment such as masks, gloves, handwashing stations, soaps, sanitisers and protective gear were distributed to staff working at the four prioritised border crossings of Rusumo, Kagitumba, La Corniche (Rubavu) and Rusizi II.

Thermal imaging sensors/fever scanners that detect potentially infectious diseases were distributed, and fact-based communication campaigns done. We supported implementation of consistent protocols at the borders and other key trade nodes such as movement of transit traffic, quarantine, cleaning, hygiene and curfews.

Notably, a Fleet Management Systems and GPS-enabled App was developed and integrated with the Regional Electronic Cargo Tracking System Platform to facilitate

smoother flow of traffic across borders. Other successes include:

1. Coffee sorting tables to the National Agricultural Export Board to enable coffee sorters maintain COVID-19 preventive measures such as social distancing.
2. Rwanda Private Sector Foundation advocated for a waiver worth FRWU 5 Billion in tax fines and arrears that had accrued for their severely hit members. PSF also advocated for waiver of fees and penalties on up to 2000 Rwandan containers held at the port of Dar.
3. Profemme Twese Hamwe advocated for waiver of rent for women cross-border traders working at Rubavu Cross-Border Market. It was a relief for the women whose businesses and livelihoods had been affected by COVID-19.



FEATURED PROJECT EXPORT DEVELOPMENT PROGRAMME (EDP)

PERIOD OF IMPLEMENTATION
2019 - 2022

BUDGET
US\$1.35 MILLION

PURPOSE
INCREASE EXPORT CAPACITY
OF RWANDAN BUSINESSES

DONORS
•USAID •UKaid



RWANDA FIRMS LINKED TO EXPORT MARKETS

The Export Development Programme aims to improve the export capacities of 40 Rwandan firms engaged in non-traditional export sectors of horticulture, ICT, handicrafts and new value chains. Linking the firms to export markets will lead to a direct increase in export sales by US\$3 million and harness up to US\$2 million in debt, equity and/or grant financing.

The programme links the companies to finance, provides them with business development services, training, bespoke export strategic plans, and direct market linkages – co-financing events, brokering services, and finding potential buyers. The firms will need financing, especially when COVID-19 eases out, to fulfil export orders and fund working capital like acquiring equipment such as cold storage trucks and dryers, increase their network of suppliers and restore their production levels to normal.



PROGRESS TOWARDS RESULTS

- 24 Firms (8 female owned, 5 first time exporters) enrolled.
- 16 export development plans developed.
- 3 market linkage events held.
- US\$120,000 worth of deals closed before COVID-19.

FEATURED PROJECT THE LAKE KIVU WATER TRANSPORT PROJECT


PERIOD OF IMPLEMENTATION
2019 - 2023

BUDGET
US\$24 MILLION

PURPOSE
REDUCE BARRIERS TO TRADE; CREATE JOBS

DONORS
•UKaid •BELGIUM


FOUR LAKE KIVU PORTS TO SHIFT RESIDENTS JOB FORTUNES

TMEA-Rwanda, in partnership with Rwanda Transport Development Authority (RTDA), initiated Lake Kivu Water Transport Project to build ports on Lake Kivu at Rubavu, Rusizi, Karongi and Rutsiro Districts.

The cargo and passenger ports will support growth of trade, maritime transport and tourism around the lake. Rubavu and Rusizi Districts are located next to the busiest border crossings between Rwanda and DRC and represent an estimated 70% of Rwanda's total cross-border trade volumes.

The ports will provide the transport infrastructure needed to increase cross-border trade between the two countries. The transaction advisory services on the project will help attract private sector investment in ferry operations, and establish the right legal, regulatory and institutional framework to increase activity on the lake.

According to the Planning Division Manager at RTDA, Fabrice Barisanga. Once complete the three major ports will start with about 1.5 million passengers per year, in 2020, and reach 2.8 million by 2036. The smaller Nkora Port in Rustiro will start with about

300,000 passengers per year in 2020 and rise to 400,000 passengers by 2036. The ports will be built to handle between 270,000 tonnes and 580,000 tonnes of cargo.



Improvement of the ports will reduce cargo and passenger transport costs with projections showing a 55% reduction in cargo transport between Rubavu and Rusizi from US\$28.4 per metric tonne by 2023. And a 43% reduction from US\$10.6 per metric tonne to US\$6 per metric tonne by 2023 between Rubavu and Karongi. Passengers using the Rubavu-Karongi route will enjoy a 75% drop in cost from US\$5.5 to US\$1.4 per person and a 74% reduction from US\$12 to US\$3.1 for Rusizi and Rubavu route passengers. Investing in tourism-based activities along Lake Kivu also hold economic potential.

Many cross-border traders have high expectations of the ports. Around 450 labourers currently work at Rusizi Harbor, but the number is likely to increase to 700 when the new port is constructed, says Ezra Musabyimana who is in charge of security at the harbor. Jean De Dieu Manyirakiza, an investment officer in Rubavu District, foresees an increase in employment saying “I also look forward to increased employment for Rubavu residents from around 320 workers to around 800, many permanent jobs, and formal trade and transport activities around the Lake.” For 15 years, Rubavu resident, Muzehe Hakizimana has been a boat helmsman on Gloria Boat, transporting oil, soya and rice from Rwanda to DRC. He says, “I hope the new boats and port will help improve our operations. The muddy shores where we dock wear down our boats, while offloading goods is difficult and expensive. We need a sturdier dock for our boats.”

Other partners in the project include Netherlands (RVO), who are funding 45% of the project.



COUNTRY CONTACTS

M&M PLAZA (HOUSE)
7TH FLOOR, KG, AV 6, NYARUTARAMA
KIGALI, RWANDA.
P.O. BOX 539
+250 788 380 730

Copyright

TradeMark East Africa

Find out more

info@trademarkea.com

www.trademarkea.com

 TradeMark East Africa

 @TradeMarkEastA

 TradeMark East Africa

