

# Country note: Rwanda

## Table of content

|  |           |
|--|-----------|
| <b>List of Abbreviations .....</b>   | <b>2</b>  |
| <b>1. Introduction .....</b>   | <b>4</b>  |
| 1.1 Context .....  | 4         |
| 1.2 Overview (cartography) of the support to private sector development by the Belgian development cooperation ..... | 8         |
| 1.3 Methodology .....  | 14        |
| <b>2. Main Findings .....</b>  | <b>19</b> |
| <b>3. Main findings by evaluation question.....</b>  | <b>23</b> |
| 3.1 Q1 - Strategy.....   | 23        |
| 3.2 Q2 – Operational Model .....   | 26        |
| 3.3 Q3 – Relevance of the interventions.....   | 28        |
| 3.4 Q4 - Coordination and complementarity .....  | 40        |
| 3.5 Q5 – Results and sustainability.....   | 45        |
| <b>Annexes .....</b>   | <b>50</b> |
| Annex 1 : Project fiches .....   | 50        |
| Annex 2 : List of persons met .....  | 71        |
| Annex 3 : Bibliography .....   | 73        |
| Annex 4 : Real-time survey .....   | 77        |
| Annex 5 : Pictures .....   | 82        |
| Annex 6 : List of projects .....   | 86        |

This country note will form an annex to the final report of this (global) thematic evaluation

## List of Abbreviations

|           |   |
|-----------|---|
| BDF       | Business Development Fund                           |
| BNR       | National Bank of Rwanda                             |
| CSOs      | Civil Society Organizations                         |
| DDPs      | District Development Plans                          |
| DIP       | Decentralization Implementation Plan                |
| DMRS      | Domestic Market Recapturing Strategy                |
| DRC       | Democratic Republic of the Congo                    |
| EDPRS     | Economic Development and Poverty Reduction Strategy |
| GDP       | Gross Domestic Product                              |
| GEA       | Gestion des Exploitations Agricoles (Afdi)          |
| GoR       | Government of Rwanda                                |
| ICT       | Information and Communication Technologies          |
| IPRC      | Integrated Polytechnic Regional Centre              |
| LCF       | Local Competitiveness Fund                          |
| LED       | Local Economy Development                           |
| LG        | Local Government                                    |
| LODA      | Local Administrative Entities Development Agency    |
| M&E       | Monitoring and Evaluation                           |
| MINAGRI   | Ministry of Agriculture and Animal Resources        |
| MINALOC   | Ministry of Local Government                        |
| MINECOFIN | Ministry of Finance and Economic Planning           |
| MINEDUC   | Ministry of Education                               |
| MINICOM   | Ministry of Trade and Industry                      |
| MININFRA  | Ministry of Infrastructure                          |
| MSME      | Micro, Small and Medium Enterprises                 |

|       |  |
|-------|--|
| NAEB  | National Agricultural Export Development Board       |
| NES   | National Export Strategy                             |
| NGO   | Non-Governmental Organization                        |
| NICI  | National Information and Communication Plan          |
| NIP   | National Industrial Policy                           |
| NISR  | National Institute of Statistics of Rwanda           |
| ODA   | Official Development Assistance                      |
| PSDS  | Private Sector Development Strategy                  |
| PSF   | Private Sector Federation                            |
| RALGA | Rwandese Association of Local Government Authorities |
| RCA   | Rwanda Cooperative Agency                            |
| RDB   | Rwanda Development Board                             |
| RDSF  | Rwanda Decentralization Strategic Framework          |
| RDSP  | Rwanda Decentralisation Support Programme            |
| RGB   | Rwanda Governance Board                              |
| RLSDF | Rwanda Local Development Support Fund                |
| RwF   | Rwandan Francs                                       |
| SACCO | Savings and Credit Cooperative                       |
| SMEs  | Small and Medium Enterprises                         |
| TEVSA | Technical and Vocational Schools Association         |
| TVET  | Technical and Vocational Educational Training        |
| US\$  | United States Dollar                                 |
| VCD   | Value Chain Development                              |

# 1. Introduction

## 1.1 Context

### 1.1.1 National context

After the 1994 events, Rwanda was economically and socially devastated. Since then, the economic recovery of the country has been remarkable, given adverse conditions, such as a small internal market characterised by a low purchasing power and that the country has neither access to the sea, nor possesses any significant natural resources. In 2000, the Rwandan government adopted its Vision 2020 programme, a long-term national development perspective aimed at upgrading Rwanda's economic status to a middle-income country by the year 2020. While it is highly unlikely that this overarching target will be achieved, various ambitious sub-targets were achieved indeed (i.e. on primary school enrolment). The current (draft) Vision 2050 aims at a status of upper-middle income country by 2035.

The IMF (2017) concluded that "Rwanda has made notable progress in the past two decades, anchored by its carefully considered development strategy. This includes steady progress on structural transformation, high and inclusive growth, reduced poverty and gender inequality and attractive business environment. The sustained focus on high and inclusive growth, combined with maintenance of macroeconomic stability, has achieved tangible results: growth rates have averaged around 7.5 percent per year (5.9% in 2016), close to doubling per capita income in a decade. At the same time, concerted policies have reduced gender inequality to the lowest level in Sub-Saharan Africa (SSA), reduced poverty from around 60 percent to under 40 percent, and lowered income inequality, with the Gini coefficient dropping from 0.52 in 2005 to 0.45 in 2014<sup>1</sup>" (IMF 2017:4). The IMF also observed that "Despite the notable achievements, the Rwandan economy remains vulnerable to external shocks. [...] To reach the goal of upper-middle income status, it will be important to boost the role of the private sector to serve increasingly as the main engine for growth and investment in Rwanda."

The Vision 2020 was 'translated' into 5-year Economic Development and Poverty Reduction Strategies (national development plans) setting ambitious performance targets for (amongst others) private sector development. Although the official policy and strategy is to attract Foreign Direct Investment, and to boost local private investment through an improvement of the enabling environment to establish a company, there are major constraints as well: the country counts with a strong government and dominant public sector that does not guarantee a level playing field to private sector activities. To date, over 70% of the Rwandan population works in agriculture, while the need for public infrastructure such as roads, electricity, water, schools, health care, etc. has been and continues to be high. That implies that additional employment is mainly generated by (and

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<sup>1</sup> Standards for measuring poverty differ. Using national (Rwandan) standards, the Poverty headcount ratio for 2013 is 39.1%, while using the International standard the Poverty Headcount ratio (at USD 1.90 PPP) in 2013 would be 60.4%. According to World Bank estimates the Gini index would have improved at a slower rate, being 0.504 (in 2014). Source: World Bank Poverty and Equity Portal, Rwanda; consulted 27-12-2017.

in) the public sector and the limited export opportunities in combination with high imports and high public spending leads to a substantial deficit on the current account of the balance-of-payments.

In relation to private sector development the most recent 5-year development plan (EDPRS) the following outcome performance indicators were set:

**Table: PSD outcome performance indicators EDPRS 2**

| Outcome                                    | Performance Indicator                | Target set for 2016/17 | Performance latest available |
|--|--------------------------------------|------------------------|------------------------------|
| Export growth                              | Exports to GDP (%)                   | 27.2                   | 15.3                         |
| Private Investment and financing           | FDI to GDP (%)                       | 4.0                    | 4.1                          |
|  | Private investment to GDP            | 14                     | 13.3                         |
| Entrepreneurship and business development  | New SMEs registered                  | 15,000                 | 13,600                       |
| Off-farm employment                        | Off-farm jobs created                | 200,000                | 150,000                      |
| Exporter's access to international markets | Non-traditional share of exports (%) | 60                     | 57.5                         |
| Credit to SMEs                             | Credit to SMEs share of GDP (%)      | 6.6                    | 7.8                          |

Source: PSDYE Sector Working Group Secretariat (2017). *(Draft) Private Sector Development Strategy 2 (PSDS 2) 2018-2024*.

### Characteristics of the private sector in Rwanda

Rwanda employs a broad definition of "private sector", encompassing a range of operators and organisations from large corporations, medium enterprises, small owner-managed firms to micro-enterprises and even livelihood activities operated on a part-time basis, be they in the formal or informal economy. Civil society operators such as business associations also fall within this definition.<sup>2</sup> The Private Sector Development Strategy 2018-2024 defines private sector development (PSD) as "a set of interventions and policies aimed at establishing the critical elements required to achieve a well-functioning, private business sector. This represents Government's commitment to develop a well-functioning enabling environment. Government will work in partnership with other stakeholders including the private sector itself, towards the development of a strong private sector in return for economic growth, superior return on investments and social transformation".<sup>3</sup>

The Small and Medium Enterprise (SME) sector<sup>4</sup>, including formal and informal businesses, comprises 98% of the businesses in Rwanda and 41% of all private sector employment.

<sup>2</sup> Source: PSDYE Sector Working Group Secretariat (2017). *(Draft) Private Sector Development Strategy 2 (PSDS 2) 2018-2024*.

<sup>3</sup> Source: *ibid.*

<sup>4</sup> The Rwandan Ministry for Trade and Industry uses the World Bank 2004 characteristics for defining 'SMEs' (see. Small and Medium Enterprises (SMEs) Development Policy, 2010). The Rwanda Revenue Authority (RRA) applies a different definition of SMEs for tax purposes.

The formalized sector employs approximately 300,000 persons only. Most micro and small enterprises employ up to four people. The manufacturing sector has been one of the key contributors to GDP growth over the last decade, driven by a rapid increase in the construction material sector, which is the largest manufacturing sector generating USD 700 million with over 65 firms registered in 2015 (compared to just two in 2006). This is a spin-off of the booming construction sector in Kigali mainly (both public and private investments in real estate). But companies are of medium size only: overall, the ten largest companies employ over 1,500 full time staff.

The Government of Rwanda's Private Sector Development Strategy (PSDS) is at the centre of its Economic Development and Poverty Reduction Strategy (EDPRS-II), 2013 to 2018. The private sector is perceived as the engine of growth of the economy and is supposed to create an additional 200,000 off-farm jobs per year. The government has implemented measures to improve the business environment and competitiveness. The 2017 World Bank's Doing Business survey ranks Rwanda 56 out of 190 countries; being the number 2 in Africa after Mauritius. For example, online business registration has reduced the time to start a new business down to 4 days, and an electronic case management system for judges and lawyers helped reduce the time for contract enforcement to 230 days, shorter than many more advanced economies. For competitiveness and productivity, the 2016/17 World Economic Forum's Global Competitiveness Index ranks Rwanda as the fourth most improved country in Africa compared to two years earlier, garnering the highest scores for improving its institutional quality and labour market efficiency while diversifying the economy. Rwanda is currently ranked at 52 out of 138 countries, outperforming SSA averages in almost all areas (IMF 2017:5).

### **Bilateral trade relations**

Trade relations between Rwanda and Belgium are modest, at the best. To Belgium Rwanda is the 112<sup>th</sup> export destination (for EUR 60.3 million in 2016) and the 136<sup>th</sup> supplier (for EUR 8.1 million in 2016).<sup>5</sup> To Rwanda, Belgium is the 8<sup>th</sup> export destination, but represents only 3% of total exports. Most important export destinations are the Democratic Republic of Congo (32% of total exports), Kenya (16%) and the United Arab Emirates (14%).<sup>6</sup>

### **Strong leadership, fragile democracy**

Although Rwanda has a strong economy and pursues stability oriented macroeconomic policies, it is listed as a country in a situation of fragility. The situation of fragility is mainly due to the political context. The political and security instability in the Great Lakes region is an obstacle to international trade and investment. The Democratic Republic of Congo is the first trading partner of Rwanda, but at the same time there are tensions between the two countries. Another context aspect of the political fragility is the strong presidential leadership combined with absolute power that does not allow opposition or criticism. President Kagame runs Rwanda since his Rwandan Patriotic Army (RPF) entered the country in 1994 (first as minister of Defence and vice-president; and since 2000 as president). To his admirers he is a visionary leader, who brings peace and stability, but he can be criticised for controlling both the executive and the legislative powers (Parliament), while the judicial power has been made instrumental to the executive. He also controls the army (commander-in- chief), while all mass media are state controlled. Freedom House qualifies the country as 'not free', with an extreme low index of just 24 out of 100.<sup>7</sup>

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<sup>5</sup> Source: Belgian Foreign Trade Agency.

<sup>6</sup> Source: Rwanda Economic Update, World Bank, August 2017.

<sup>7</sup> Source: <https://freedomhouse.org/report/freedom-world/2017/rwanda>.

Human Rights Watch<sup>8</sup> reports that civil society organisation in Rwanda is very weak, due to many years of state intimidation and interference. The government remains hostile to criticism of its human rights record and strongly favours service-delivery over independent human rights reporting or advocacy. Both registered and several unregistered opposition parties continue to face serious challenges, including arrests and harassment of members, preventing them from functioning effectively. Several opposition party members remain in prison. In relation to the private sector, the authorities rounded up street vendors, sex workers, and street children, and detained them in so-called transit centers across the country. The conditions in these centers are harsh and inhumane. The government opened several designated market places for former street vendors and imposes fines on street vendors and their customers operating outside these places.

### 1.1.2 The Belgian development cooperation with Rwanda

Since the re-start of the Belgian development cooperation in 1995, virtually all public development cooperation (with its origin in DGD resources and some regional funds) is implemented by (semi-) public agencies and entities. Although a significant number of the interventions is not implemented through direct bilateral development cooperation, but by autonomous organisations (NGOs - ACNG), in terms of finance this represents 7% only. This high degree of public agency implementation has not changed over the last decade.<sup>9</sup>

During the period considered (2013-2016) the two largest projects with Rwanda - at least in terms of financial resources-, are managed by BTC and concern the agricultural development (EUR 11,3 million, started in 2011) and decentralisation and support to sub-national administration (EUR 6,5 million, started in 2015). Both projects deal with local economic development (LED) in a broad sense.<sup>10</sup> With over EUR 25 million disbursed during the period 2013-2016, Rwanda pertains to the 10 most important beneficiaries of activities in the area of PSD within the Belgian development cooperation.

#### Division of labour

In response to the Accra Action Plan on Aid Effectiveness (2008), the government of Rwanda defined a division of labour among the multilateral and bilateral donors operating in the country. Rwanda is among the very few countries that adheres strictly to the concepts of the Action Plan. According to the division of labour, Belgium supports Rwanda in Decentralisation, Health and Energy.<sup>11</sup>

This has implications for the active involvement in Sector Working Groups. With the launch of the large scale BTC programme for decentralisation and district administration (RDSP), Belgium joined the ranks of the Decentralisation Group (with i.e. Germany and the Netherlands, and the Ministry of Local Government [MINALOC] in the chair), while it had taken over the position of the Netherlands in the Renewable Energy Group. This implies that Belgium is no member of the Sector Working Group for private sector development. Its voice however, is heard through delegation to the British DfID. Most other Development Partners in Rwanda do not consider Belgium as an actor active in private sector development.<sup>12</sup>

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<sup>8</sup> See : [www.hrw.org/world-report/2017/country-chapter/rwanda](http://www.hrw.org/world-report/2017/country-chapter/rwanda).

<sup>9</sup> See : FOD Buitenlandse Zaken, Buitenlandse Handel en Ontwikkelingssamenwerking, 2008 : 16.

<sup>10</sup> Corresponds to no. 2 of the typology presented in the Desk Report: 'promotion de systèmes économiques compétitifs'.

<sup>11</sup> Belgium also forms part of the PFM Reform partners.

<sup>12</sup> Interviews with KfW, DfID, GIZ and Embassy of the Kingdom of the Netherlands.

## 1.2 Overview (cartography) of the support to private sector development by the Belgian development cooperation

The PRISMA database (2013-2016) is the main source for the inventory of interventions related to private sector development. The general overview has been presented in the Desk Report. A further disaggregation for Rwanda leads to the inventory presented in continuation.

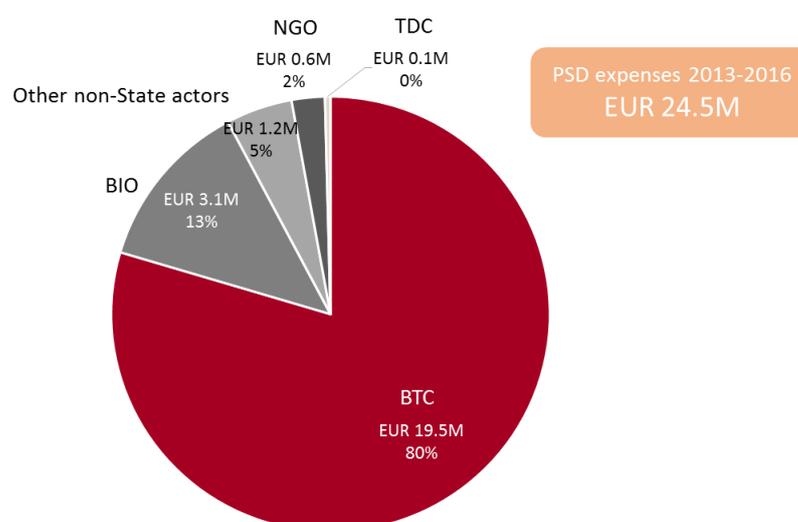
### Methodology

The PRISMA database (dated June 2017) provides, at project level, the amounts disbursed by Belgian actors, considered as Official Development Assistance (ODA). In absence of a "private sector" marker or other categorisation system for PSD-related projects in the database, the support to PSD was not identifiable directly. For categorisation, a step-by-step approach (keywords, type of actors, sectors, etc.) has been applied to identify projects related to PSD. Subsequently, the inventory was verified with the major actors of Belgian cooperation's support. The cartography is made up of amounts disbursed between 2013 and 2016 and hence may deviate from the current 'state of affairs'.

### 1.2.1 Breakdown by actor

Over the period 2013-2016, the Belgian support to PSD in Rwanda summed to EUR 24.5 Million. BTC realised over three-quarters of this support. The share of BIO investments (13%) in Rwanda is modest as compared to BIO's 49% share in support to PSD at global level.

TDC, Agricord, Ex-Change Expertise asbl and Exchange vzw are present in Rwanda, but PRISMA database does not provide detailed disaggregation for Rwanda. TDC sources identify 5 interventions in the country, for a total of approximately EUR 110,000 in disbursements (EUR 340,000 in commitments).

**Figure: Distribution of support to PSD by actor, 2013-2016****Table: Belgian support to private sector development by (financing) actor**

| Actor                  | # Contracts | Amount (EUR Million) | %           |
|------------------------|-------------|----------------------|-------------|
| BTC                    | 10          | 19.5                 | 79%         |
| BIO                    | n/a*        | 3.1                  | 13%         |
| Other non-State actors | 3           | 1.2                  | 5%          |
| NGO                    | 3           | 0.6                  | 2%          |
| TDC                    | 5           | 0.1                  | 1%          |
| <b>Grand Total</b>     |             | <b>24.5</b>          | <b>100%</b> |

Source: ADE, based on PRISMA and TDC data.

\* Note: In Rwanda, during the period under review there were two active loan contracts (both with Rwanda Mountain Tea) and 10 contracts under the special BIO Fund for Small and Medium Enterprises. Additional loan agreements were signed in 2017 (also in the tea sector: Rubaya-Nyabihu Tea Company Ltd; see Annex 1).

### 1.2.2 Breakdown by sector

Almost half of the Belgian cooperation support to PSD was destined to agriculture (46%), followed by governance and civil society (27%) and secondary education (all mainly funded through BTC). BIO has provided loans for the agricultural sector, the energy sector (the same client), investment banks and investment funds.

**Table: Belgian support to private sector development by sector**

| Sectors/Actors           | # Contracts | Amount (EUR Million) | %          |
|--------------------------|-------------|----------------------|------------|
| <b>311 - Agriculture</b> |             | <b>11.4</b>          | <b>46%</b> |
| BTC                      | 3           | 11.1                 |            |

|   |     |             |             |
|---|-----|-------------|-------------|
| NGO                                       | 1   | 0.3         |             |
| BIO <sup>13</sup>                         | n/a | 0           |             |
| TDC                                       | 5   | 0.1         |             |
| <b>151 – Government and civil society</b> |     | <b>6.6</b>  | <b>27%</b>  |
| BTC                                       | 1   | 6.6         |             |
| NGO                                       | 1   | 0.1         |             |
| <b>113 – Secondary education</b>          |     | <b>3.2</b>  | <b>14%</b>  |
| BTC                                       | 1   | 1.8         |             |
| Other non-State actors                    | 2   | 1.1         |             |
| NGO                                       | 1   | 0.3         |             |
| <b>230 - Energy</b>                       |     | <b>2.8</b>  | <b>11%</b>  |
| BIO                                       | 1   | 2.8         |             |
| BTC                                       | 3   | 0           |             |
| <b>Other sectors</b>                      |     | <b>0.5</b>  | <b>2%</b>   |
| BIO                                       | n/a | 0.2         |             |
| Other non-State actors                    | 1   | 0.1         |             |
| BTC                                       | 2   | 0.1         |             |
| <b>Grand Total</b>                        |     | <b>24.5</b> | <b>100%</b> |

Source: ADE, based on PRISMA and TDC data.

### 1.2.3 Main implementing actors

#### BTC

*Table: BTC support to private sector development*

| Sector                             | # Contracts | Amount (EUR Million) | %   |
|------------------------------------|-------------|----------------------|-----|
| 311 - Agriculture                  | 3           | 11.1                 | 57% |
| 151 – Government and civil society | 1           | 6.6                  | 34% |

<sup>13</sup> The data base refers to the period 2013-2016. In 2017 BIO signed a new loan contract for the Project Rubaya-Nyabihu Tea Company Ltd. (RNTC). See Annex 1.

|  |           |             |    |
|--|-----------|-------------|----|
| 113 – Secondary education                      | 1         | 1.8         | 9% |
| 230 - Energy                                   | 3         | 0           | 0% |
| 160- Other social infrastructures and services | 1         | 0           | 0% |
| 321 - Industry                                 | 1         | 0           | 0% |
| <b>Grand Total</b>                             | <b>10</b> | <b>19.5</b> |    |

Source: ADE, based on PRISMA.

## TDC

The list below presents TDC interventions in Rwanda (all in agriculture):

| Organisation                                      | Sector | Project   | Expenditure (EUR Million) | Region   |
|---|--------|---|---------------------------|--|
| Coopérative des caféiculteurs de Gishoma (COCAGI) | Café   | Coaching marketing  | 0.0147                    | Rusizi district, Western province                        |
| Dukundekawa                                       | Café   | Coaching marketing  | 0.0268                    | Musasa community, Northern province                      |
| Koakaka cooperative                               | Café   | Coaching marketing  | 0.0137                    | Huye, Nyamagabe  |
| Ten Senses Africa (TSA)                           | Noix   | Establishing a Fairtrade and Organic macadamia supply chain | 0.0541                    | Kayonza, Ngoma and Nyagatare districts; Eastern Province |
| ABATERANINKUNGA BA SHOLI                          | Café   | Coaching marketing  | 0                         | Muhanga, Southern province                               |

Source: ADE, based on TDC data.

## BIO

| Sector                            | Amount (EUR Million) | %   |
|-----------------------------------|----------------------|-----|
| 230 - Energy                      | 2.8                  | 90% |
| 240 – Bank and financial services | 0.2                  | 5%  |
| 321 - Industry                    | 0.1                  | 3%  |
| 250 –Business and other services  | 0.1                  | 2%  |

|                                 |            |             |
|---------------------------------|------------|-------------|
| 311 - Agriculture <sup>14</sup> | 0          | 0%          |
| <b>Grand Total</b>              | <b>3.1</b> | <b>100%</b> |

Source: ADE, based on PRISMA

## Other non-State actors

Interventions of non-State actors (except NGO) focus on secondary education (APEFE) and social infrastructure.

| Sectors/Actors                                 | # Contracts | Amount (EUR Million) | %           |
|--|-------------|----------------------|-------------|
| 113 - Secondary education                      | 2           | 1.1                  | 89%         |
| 160- Other social infrastructures and services | 1           | 0.1                  | 11%         |
| <b>Grand Total</b>                             | <b>3</b>    | <b>1.2</b>           | <b>100%</b> |

Source: ADE, based on PRISMA.

## NGOs

NGOs present in Rwanda and supporting PSD by interventions in secondary education (*Via Don Bosco [ex DMOS/COMIDE]*), agriculture (*Dierenartsen zonder grenzen - DZG*), and government and civil society (*Duterimbere asbl - Association pour la promotion de l'entreprenariat féminin*).

| Sectors/Actors                     | # Contracts | Amount (EUR Million) | %   |
|------------------------------------|-------------|----------------------|-----|
| 113 - Secondary education          | 1           | 0.3                  | 44% |
| 311 - Agriculture                  | 1           | 0.3                  | 42% |
| 151 - Government and civil society | 1           | 0.1                  | 14% |
| <b>Grand Total</b>                 | <b>3</b>    | <b>0.6</b>           |     |

Source: ADE, based on PRISMA.

## Agricord

Agricord was established in 2003 and is an initiative of professional organisations in agriculture (OPA) from Belgium, Canada, Finland, France, the Netherlands, Philippines, Senegal and Sweden. The OPA are mandated by so-called agri-agencies in their respective countries. These agri-agencies are non-governmental organisations active in strengthening

<sup>14</sup> Ibid.

producer organisation (cooperatives, producer associations and the like) in developing countries. In consequence, it is Agricord's s 'raison d'être', to be active in agriculture and livestock only. Different agri-agencies may support different producer organisations within the same country. In Rwanda, nine interventions have been implemented over the period 2013-2016, amounting to €1.45m, but since each agri-agency counts with its own financier(s), there is no direct attribution of Belgian resources to these interventions. A list of Agricord activities in Rwanda (from the website of the network) is provided in annex 6.

## Ex-Change Expertise asbl and Exchange vzw

Ex-Change Expertise asbl and Exchange vzw have each their own intervention strategy and way of operation. While both supply short-term Belgium technical and management expertise to organisations and companies, Ex-Change Expertise asbl focusses more on development organisations, while Exchange vzw deals more with medium-term coaching in change processes. According to Ex-Change asbl, 53 assignments were provided to Rwanda during the period 2013-2016, while Exchange vzw has indicated 11 assignments (but over the shorter period 2015 and 2016 only). The budget and portfolio of these organisations is at global level. There are no specific pre-defined country allocations, neither in terms of finance, nor in terms of number of assignments.

| Sector   | Number of contracts Ex-Change asbl | Number of contracts Exchange vzw (2015, 2016 only) |
|--|------------------------------------|--|
| Services                                       | 20                                 |  |
| Agriculture                                    | 10                                 | 1  |
| Development (incl. management support to NGOs) | 10                                 | 1  |
| Industry                                       | 7                                  | 2  |
| Public administration                          | 1                                  |  |
| Trade  | 1                                  |  |
| Health   | 1                                  |  |
| Craft, fashion and design                      | 1                                  | 1  |
| Energy, water                                  | 1                                  |  |
| Waste recycling                                |                                    | 1  |
| Not specified                                  | 1                                  | 5  |
| <b>Grand Total</b>                             | <b>53</b>                          | <b>11</b>  |

Source: ADE, based on Ex-Change Expertise asbl data.

## 1.3 Methodology

The methodology for the country studies was elaborated in the Desk Report. In sum, it contained the following components:

- Elaboration of an inventory of interventions supported by the Belgian development cooperation in Rwanda.
- Gathering and compiling secondary material (strategic notes, project appraisal documents, evaluation reports, financial data) of the interventions selected.
- Elaboration of a semi-structured interview guide (standard questions for different stakeholders).
- Identification of possible organisations and stakeholders to be approached for interview in Rwanda. In collaboration with the local consultant, the elaboration of a tentative programme for field visits and arrangement of appointments prior to departure to Rwanda.
- The field visit was realised from 25<sup>th</sup> September – 6<sup>th</sup> October, 2017. It was led by Willem Cornelissen (Erasmus University Rotterdam, member of the evaluation core team) and Anicet Munyehirwe (national consultant). Starting point was the review of six selected projects, but gradually more attention was paid to the wider context of support to PSD in Rwanda. During the first week the mission was accompanied by Cecilia De Decker, Special evaluator of the Belgian Development Cooperation.
- In Rwanda, briefing by the embassy of the Kingdom of Belgium. As product of the briefing, modifications were made to the tentative selection of projects to be analysed (Exchange vzw as added; one coffee cooperative disregarded and other PSD activities added, like Trademark East Africa).
- Field visits were made to (almost) all selected projects (including visits to enterprises and companies) enabling *direct observation* of activities deployed and results obtained, as well as to interview direct beneficiaries (not in all cases).
- During field visits and interviews in Kigali alike, use was made of the *semi-structured interview* list, allowing some *triangulation* among stakeholders. In practice, the time available for interviewing various stakeholders in relation to the same intervention was too short to fully deploy triangulation techniques.
- a "*mini-survey*" was conducted during the field visits with support of tablets and smartphones. An *on-line survey* to embassies and BTC representatives in 20 (current and former) partner countries of Belgian cooperation is being conducted in parallel. The survey also invited the Embassy of the Kingdom of Belgium and BTC staff in Rwanda.
- Gathering additional documentation, background reports, government strategies and the like.
- Team reflection sessions and one reflection session with a key informant not directly related to the interventions. Debriefing session at the Embassy of the Kingdom of Belgium.

A sample from the total portfolio of projects in Rwanda was taken for evaluative assessment. The criteria for selection have been presented in the Desk Report. The sample is not statistically representative, neither in terms of funding allocated, nor in terms of number of projects, nor in terms of subject matter. The sample does however, provide an insight in the variety of stakeholders and in the spread of different subjects related to private sector development.

The following projects were subject to further analysis and were visited during field visit in Rwanda:

| Financially responsible actor | Partner organisation                                    | Sector  | Project / services   | Budget ('000 EUR)  | Region   |
|-------------------------------|---|---|--|--|--|
| BTC                           | Local Administrative Entities Development Agency (LODA) | Administrative decentralisation; local economic development | Finance in multi-donor basket;<br>Direct grants;<br>Technical assistance | Commitment LED 6,550.5<br>Commitment direct grants 2,400.0<br>Allocated 1,049.6<br>Disbursed total: 7,024.7* | National; focus on Gakenke, Rutsiro, Rulindo and Muhanga districts |
| TDC                           | Koakaka cooperative                                     | Coffee  | Coaching marketing   | Committed 55.0<br>Disbursed 13.7   | Huye, Nyamagabe  |
| TDC                           | Ten Senses Africa (TSA)                                 | Macademia nuts  | Finance; Establishing a Fairtrade and Organic supply chain               | Committed 124.9<br>Disbursed 54.1  | Kayanza, Ngoma and Nyagatare districts; Eastern Province           |
| Exchange vzw                  | Manumetal Agruni  | Industry<br>Waste processing                                | Technical assistance   | Not applicable   | Kigali   |
| BIO                           | Rwanda Mountain Tea                                     | Tea factory, hydro-energy                                   | Loan, expertise  | Contracted loan 1,205.6<br>Expertise 250.0   | Nyabihu; Rubaya (North Western region).                            |
| Agricord                      | Imbaraga through Agri-agency Afdi                       | Smallholder agriculture;<br>Production and advocacy         | Finance  | Disbursed 30.0   | National   |

\* Note: Disbursements up to June 2017. Source: correspondence ADE - BTC.

The desk report presented a typology of PSD strategies as distinguished in international literature. The six projects assessed in Rwanda have been classified in accordance to that classification, as follows:

| Categories   | Approach   | Project         | Explanation   |
|--|--|-----------------|---|
| 1. Creating the foundations for private investment in developing countries                         | 1.1 Business Environment Reform  |                 |   |
|  | 1.2 Development of local financial institutions                          | BIO             | BIO provided support to financial institutions (activity not selected)  |
|  | 1.3 Infrastructure finance   | BIO             | BIO senior loans to Rwanda Mountain Tea (tea factories and hydro energy generation)   |
| 2. Country-based programmes and initiatives to promote competitive economic systems and structures | 2.1 Industrial policy support  |                 |   |
|  | 2.2 Market systems development/ Making markets work for the poor         | BTC<br>TDC      | The RDSP LED components focused on the improvement of social and productive infrastructure in districts, creating an environment considered to be conducive for private sector development and investment   |
|  | 2.3 Value chain development  | TDC, BTC        | Koakaka Coffee cooperative and Ten Senses macadamia company. TDC support these actors in the development of their respective value chain by support to production characteristics (certification) and niche marketing techniques.<br>Both components of the RDSP (LED and LCF) do have elements related to value chain development: from carpenters and metal-mechanic workshops in the district industrial areas to shoemaking cooperatives and beekeeping cooperatives as clients of the LCF. |
|  | 2.4 Local economic development   | BTC             | The largest component of the RDSP is entirely destined to LED and encompasses the improvement of local infrastructure, the provision of new services (slaughter houses for example) and the improvement of the local administrative capacities and human capabilities.  |
|  | 2.5 Strengthening innovation systems                                     | TDC<br>Exchange | Through the provision of technical support services   |
|  | 2.6 Market structuring initiatives                                       | TDC             | Mainly in establishing the linkages between Koakaka coffee cooperative with a larger marketing cooperative in the coffee chain  |
| 3. Engaging the international private sector   | 3.1 Engagement around the productive investments of individual companies |                 |   |
|  | 3.2 Leveraging private sector finance                                    |                 |   |

| Categories                                       | Approach   | Project                            | Explanation   |
|--|--|------------------------------------|---|
| 4.Targeted support to local business development | 4.1 Entrepreneurs development and micro-enterprise support | BTC<br>TDC<br>Exchange<br>Agricord | Agricord enables the training of small farmer in considering their undertaking as small businesses. TDC support and trains social economy <sup>15</sup> actors in entrepreneurial activities. BTC does the same, in particular with users of the LCF. Exchange provides direct support o management of SMEs |
|  | 4.2 SME development  | Exchange<br>BTC,<br>Agricord       | Exchange in a very direct form (support to management, coaching), Agricord in a more indirect form (destined to small farmers) and BTC through its grant system to SMEs: all aim at SME development.  |
|  | 4.3 Vocational training                                    | BTC                                | In the context of the RDSP. Another project (not selected) funded by the Belgian development cooperation is APEFE, devoted to TVET  |

Source : ADE.

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<sup>15</sup> There is no unique definition of 'social economy' (see the website of the [Social Economy Hub](#). 'Alliance de recherche universités-communautés en économie sociale [ARUC-ÉS](#)). The Social Economy puts "people before profits". Usually, it is understood as "rooted in local communities and independent from government; social economy organizations are democratic and/or participatory, pull together many types of resources in a socially owned entity, and prioritize social objectives and social values. While they may intend to make a profit, they do so in a context that sees profit as a means to meet social goals, not primarily as a means to create individual wealth. They may rely on volunteer labour as well as, or instead of, paid employees. The social economy is characterized by mutual self-help initiatives, and by initiatives to meet the needs of disadvantaged members of society." (L. Brown, MSVU, 2008). The lines between the private-public and social economy sectors are often thin.



## 2. Main Findings

| Findings   | Source   |
|--|--|
| <p>The private sector in Rwanda is characterised by a large number of micro and small enterprises. A few larger enterprises operate in the construction sector (including construction material manufacturing). Public sector regulation of the (formal) private sector is strict. Most small enterprises are related to the agricultural sector (processing); most micro-enterprises are of an artisanal nature.</p> <p>Government and Development Partners have identified various constraints to private sector development and implement activities to overcome these.</p> <p>Development partners indicate that two fundamental constraints merit more attention (and are not openly discussed) being the constraints related to factors of the political economy; and the upgrading of human capabilities (both in general and in terms of trade and commerce – TVET).</p>   | <p>Rwanda Private sector development PSDS2, 2017</p> <p>Interviews</p>                   |
| <p>Private Sector Development is not a core activity of the Belgian development cooperation in Rwanda. Nevertheless, Belgium is supporting various activities directly or indirectly related to PSD at national, regional and company level.</p> <p>In Rwanda, the Belgian support to activities and interventions in the field of PSD are hardly motivated by – or justified by- private sector considerations; the main perspective is either income generation in general or the support to productive organisations (cooperatives).</p> <p>Exception to the above are the interventions by BIO (loans to investment banks, investment funds, larger commercial enterprises and a cooperative) and by Ex-Change Expertise asbl and Exchange vzw. The activities of three agencies are specifically justified by needs at company level.</p> <p>In general, the Rwandan private sector actors play hardly a role of significance in either the design, the implementation or monitoring of interventions aimed at facilitating the private sector with Belgian support.<sup>16</sup></p> | <p>Country Indicative programme 2011-2014</p> <p>Field study; desk study, interviews</p> |
| <p>In autumn 2017, the Rwanda Country Indicative programme 2011-2014 was still being implemented. In consequence, the Strategic Note on private sector development 2014 had not been made operational in the formulation of interventions. The same applies to</p>   | <p>Field study; desk study, interviews</p>   |

<sup>16</sup> With exceptions, such as the RDSP component LCF, of which the investment committee is co-chaired by the Rwandan Private Sector Federation; or the activities by BIO and Exchange asbl and vzw.

|  |   |
|--|---|
| <p>the Note Digital 4 Development, 2016 ; and the Strategic Note 'Agriculture et Sécurité alimentaire para la Coopération belge au développement', 2017. In practice however, at project level, attention is paid to PSD components largely in accordance to the Strategic Note 2014. PSD components and related activities are supported more frequently than reflected in the inventory made (based on the PRISMA data base) in this report.</p>   |   |
| <p>In practice, those Belgian supported interventions aimed at PSD in Rwanda do address identified needs. Identified needs at (either) the national, district or company level. Each individual intervention is relevant in relation to particular identified needs.</p>   | <p>Rwanda Private sector development PSDS2, 2017;<br/>Dalberg, 2016<br/>Interviews</p>    |
| <p>The opportunities for a Private Sector for Development (PS4D) approach in Rwanda, and in particular when it refers to Belgian-Rwandese private sector relationships, are restricted to some specific 'niches'. Current trade relations between Rwanda and Belgium are modest at the best. However, trade and commerce in the region (i.e. with DRC) -Rwanda's current policy- provides opportunities. The current Belgian support to trade with neighbouring countries (Trademark East Africa) does not (yet) encompasses matching facilities with companies in neighbouring countries.</p> | <p>Rwanda Private sector development PSDS2, 2017.<br/>Interview Trademark East Africa</p> |
| <p>Literature about PSD (see desk report) refer to the synergy among three actors: the private sector, the public sector and knowledge institutes. Knowledge institutes are of importance for innovation and permanent upgrading of both technical and managerial / organisational aspects.</p> <p>Knowledge centres are largely absent in the Belgian supported interventions related to PSD in Rwanda.</p>   | <p>Field study; desk study, interviews</p>  |
| <p>The intervention in the field of PSD are 'project – based' with pre-defined interventions. An exception is Exchange vzw that has started with medium-term coaching. This more programmatic approach opens opportunities for establishing partnerships and twinning between SMEs, producer organisations (agri-agencies) and Fair Trade organisations in Belgium.</p>  | <p>Interviews, Country Strategy (draft) Exchange vzw</p>                                  |
| <p>The institutional structure of the Belgian development cooperation is not conducive for coordination or integration at country level. While contacts among the agencies do exist at country level, the various Belgian agencies act within their own domain and are predominantly managed from their respective headquarters at central level (Belgium). The matrix planning of interventions (country indicative programme) is obsolete (2011-2014) and does not contain PSD.</p>  | <p>Field visit, interviews</p>  |
| <p>A project that may stand model for successful PS4D in the field of private sector development is the support by TDC to the social company Ten Senses Africa. This experienced Kenyan company aims at expanding its production in macademia nuts, while exploring opportunities for high-priced certified products from Rwanda. The company brings knowledge; quality seedlings to be multiplied in Rwandan nurseries; a high-technology production, processing</p>  | <p>Annual Narrative Report TSA, 2017</p>  |

|   |  |
|---|--|
| <p>factory, marketing and sales facility, enabling producers to keep track of the marketing of their production in real time; and trains own and partner extension workers. It is a foreign, regional, social enterprise that has taken the lead. TDC provides technical assistance in certification and marketing.</p> |  |
|---|--|



### 3. Main findings by evaluation question

#### 3.1 Q1 - Strategy

##### **To which extent exists a solid support strategy to the private sector, that addresses the priority needs of the private sector?**

*This evaluation question refers to the contents and adequacy of the Belgian cooperation's overall strategy in supporting the private sector to eliminate the constraints to its development and to create an environment in which it can prosper. The evaluative question has been further disaggregated as follows:*

- *Q1.1 To what extent is there is a sound strategy for Belgium's support to the private sector?*
- *Q1.2 Does the strategy respond to private sector and partner country priorities and needs?*

*This question focuses essentially at the general, headquarters level. Nevertheless, it also aims at verifying at country level whether the Belgian cooperation has had a strategic approach to supporting the private sector.*

In order to assess whether strategies address priority needs, one should be acquainted with these priority needs. Private sector needs and concerns can be identified and classified at three levels: the national, sub-national (district) and company level.

##### a) National level

At the national level the Ministry of Trade and Industry<sup>17</sup> identifies the following main constraints:

- Lack of access to affordable finance (both for investment and working capital);
- Low labour productivity an access to skills;
- Lack of (legal) enforcement of contracts of small businesses;
- High costs of (international) trade (landlocked country, high haulage costs) and regulatory compliance;
- Insufficient access to (and cost of) infrastructure;
- Inefficiencies in the internal market, both for raw materials and final products;
- Small internal market for consumption products; low purchasing power;
- Lack of access to, knowledge of, and adherence to (international) standards and technology.

While all these constraints do play a role, most development partners identify two major constraints (often 'off the record'), being shortcomings in human capabilities (general level of education, lack of management experience and skills) and the political economy combined with a very prominent, regulatory and controlling presence of the public sector.

<sup>17</sup> Ministry of Trade and Industry. Sector Strategic Plan 2018-2024. PSDS2. September 2017.

### b) Sub-national (district) level

In the case of Rwanda inventories exist of the constraints to private sector development at district level.

A study in 10 districts (but based on a relatively small sample) was conducted by Dalberg (2016), while the Belgian supported Rwanda Decentralisation Support Programme funded and supported the elaboration of District strategies.

Some main constraints at district level identified are:

- Infrastructure barriers, mainly lack of access to energy; poor secondary roads.
- Lack of access to finance. Although financial institutions have been decentralised, the physical presence at district level does not overcome the constraints that are product of the borrowing conditions.
- Congestion of workshops and retail outlets in the centres of the District Capital leading to a high demand for services such as water supply, sewerage, and garbage disposal. These services are not always sufficiently available.
- Lack of skills at job-entry level and lack of technical skills.
- Lack of management skills and knowledge how to run a business.
- Low purchasing power of potential clients is an impediment to quality improvement.

### c) Company level

At company level, the main constraints vary by company, but most are listed above. Exchange vzw added to that list the constraints to change processes and transition (lack of innovation, organisational change processes, organisational upgrading).

At the time of the field visit in autumn 2017, the Rwanda Country Indicative programme 2011-2014 was still being implemented. In consequence, neither the Strategic Note on private sector development 2014, nor the Note Digital 4 Development 2016, nor the Strategic Note on Agriculture and Food Security 2017 had been made operational in the formulation of interventions. In practice however, at project level, attention is paid to PSD components largely in accordance to the Strategic Note 2014.

## 3.1.1 Contents and adequacy of the strategy

Since the Independence of Rwanda in 1962, there are long-standing bilateral relations between Belgium and Rwanda. The Embassy of the Kingdom of Belgium has a vast knowledge of the country, while Belgian presence in society is noteworthy. Nevertheless, the presence in the private sector is modest at the best. No (federal) Belgian strategy exists for enhancing the economic relations between Rwanda and Belgium through either economic diplomacy, special incentive schemes for trade promotion<sup>18</sup> or twinning relations between either public or private institutions. The promotion of international economic relations is a competence of the Belgian regional agencies (Flanders Investment and Trade; *Agence wallonne à l'Exportation et aux Investissements Etrangers*).

The Belgian embassy represents the Federal State in the Board of the Rwandan Development Bank and has in consequence an insight in the structure of the private sector in Rwanda, the financing opportunities and its constraints. This knowledge is however, not reflected in any specific approach towards support to private sector development.

The Belgian development cooperation does not possess an overall strategy for private sector development in Rwanda. The choice for geographies, sector and themes is determined in the Rwanda country Indicative programme, which was under review in

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<sup>18</sup> Compare the Dutch Centre for the Imports from Developing countries (CBI) for example.

autumn 2017. The Country Indicative programme does not contain a specific strategy for private sector development. While gender aspects are being mentioned, this has no specific relation to private sector development.

Among the individual implementing agencies (BIO, BTC, TDC, Exchange vzw, Agricord) only Exchange vzw has a draft document labelled as 'Country Programme', but this was still in its incipient stage of elaboration.

In practice, most PSD related interventions are implemented in the rural areas and focus on the agriculture and livestock sectors.

Implementing agencies focus – in accordance to the Law on Development Cooperation- on social economy actors, with exception of BIO and Exchange vzw that supported 'larger' SMEs in transition processes (Ex-Change Expertise asbl provided support to the hospitality sector). BIO provided support to investment banks (Bank of Africa Group; Ecobank Transnational), Investment funds (AfricInvest, Grofin), commercial enterprises (KivuWatt) and a cooperative (Rwanda Mountain Tea).

Only a few ACNG / NGOs active in Rwanda develop activities related to PSD: the micro-credit organization Duterimbere (a women association that has an important microfinance component) which is supported by Broederlijk Delen; another microcredit organisation Agrogemap; Rikolto (ex Vredeseilanden / VECO) and Caritas in loans for nutrition and aquacultural endeavours; CESTRAR working with a Belgium trade union to improve the dialogue between the employees and employers of tea factories; and *Veterinaires sans frontières*, that support biogas installations and Vet-Pharmacy. None of the partners affiliated to the umbrella organisation 11.11.11 is active in the field of PSD Rwanda. The indirect support by Agricord to the cooperative Imbaraga is motivated by the previous union role of Imbaraga (advocacy).

Since there are no country strategies in the field of private sector development, the evaluation question concerning the extent to which the strategy responds to the needs identified cannot be addressed.

PSD components and related activities are supported more frequently than reflected in the inventory made (based on the PRISMA data base) in this report. The response to identified needs is direct in the various interventions<sup>19</sup>:

| Project, implementing agency   | Sector  | Level               | Response to needs   |
|--------------------------------|---|---------------------|---|
| RDSP                           | Administrative decentralisation; local economic development | District            | Support to the improvement of local infrastructure<br>Support to the improvement of access to finance (LCF)<br>Support to technical and vocational training |
| Support to Koakaka cooperative | Coffee  | District – National | Increase in production and productivity<br>Improvement of quality and hence marketing opportunities; overcoming marketing constraints                       |

<sup>19</sup> Note that Trademark East Africa does not pertain to the selected interventions for this assessment, but plays a pivotal role in the improvement of cross-border trade.

| Project, implementing agency                 | Sector  | Level                   | Response to needs   |
|--|---|-------------------------|---|
| Support to Ten Senses Africa                 | Macademia nuts                                      | District – National     | Increase in production and productivity<br>Enhancing marketing opportunities<br>Transfer of technical knowledge and business skills                               |
| Exchange vzw support                         | Industry<br>Waste processing                        | Company                 | Support and coaching in innovation and transition processes   |
| Financing of Rwanda Mountain Tea investments | Tea factory, hydro-energy                           | Company                 | Provision of access to finance<br>Overcoming restriction in infrastructure (energy)   |
| Support to Farmers' organisation Imbaraga    | Smallholder agriculture;<br>Production and advocacy | Company                 | Training of trainers for the increase in production and productivity in agricultural business.  |
| Trademark East Africa                        | International Trade                                 | National – cross border | Enhancing and facilitation international trade by elimination or reduction of barriers (i.e. international haulage costs and international regulatory conditions) |

### 3.1.2 Involvement stakeholders

Since there is no specific Belgian strategy for PSD, there has been no involvement of specific stakeholders (Belgian private sector actors or the Government of Rwanda) in its definition or elaboration. The Government of Rwanda formulated the Rwanda Decentralisation Support Programme, the largest programme related to PSD (at district level), which was supported by several Development Partners, including Belgium.

## 3.2 Q2 – Operational Model

### To which extent enables the operational model the implementation of the strategy?

*This evaluation question examines the appropriateness of the architecture of the various entities involved in the implementation of the strategy, their mandates, and possible gaps and overlaps (Q2.1) and the existence and usefulness of guidelines, rules and procedures for the implementation of the strategy (Q2.2).*

The Belgian operational model is characterised by financial resource allocation based on an administrative classification of budget holders<sup>20</sup>. That implies that resources are made

<sup>20</sup> This differs from a programmatic budget classification and resource allocation, where programmes and activities are being identified first and agencies suitable for implementation are contracted afterwards.

available to organisations (both public and private entities), that decide -with variable degrees of freedom – to which extent strategies are being implemented. Hence, each budget holder has its interpretation on how to make the PSD Strategic Note 2014 and the Agricultural and Food Security Strategy 2016 operational.

In accordance to the Law on Development Cooperation 2013, most budget holders implement strategies with either partners that are active in the enabling environment to PSD (the public sector) or social economy actors (cooperatives, social companies). It is mainly BTC that implements large-scale activities with the public sector. In Rwanda the large RDSP was functional to Local Economic Development, mainly in the provision of enabling infrastructure.

BTC, TDC and Agricord worked with social economy actors (cooperatives). In theory, BIO with its loans to Rwanda Mountain Tea (RMT) – formally a cooperative- did the same, but this is an exception, since its lending is to commercial banks, investment funds and commercial enterprises.<sup>21</sup> In addition, it is debatable whether RMT adheres to the characteristics of a social economy actor (see footnote 7). Exchange vzw provides support directly to companies. These companies are not real small companies, but in the context of Rwanda of sizeable magnitude. Direct support to companies (micro-companies) is also provided by the same RDSP through its special funding facility (LCF) that provides in-kind grants to selected SMEs.

In general, neither the Strategic Note on PSD 2014 nor the Digital 4 Development Note are known in Rwanda. And if known, these are not explicitly implemented. The Strategic Note on PSD 2014 is not supported by implementation Guidelines (that -hence- cannot be implemented neither). Stakeholders interviewed did not regret the absence of Guidelines, on the contrary, it provides 'room to move' as they indicated. Various activities take place in the spirit of these Notes, however.

The Embassy of the Kingdom of Belgium encourages the coordination among ACNG / NGOs through the development of a common strategy (Cadre Strategique Comun), but that effort hardly applies to activities in the area of private sector development (except the work with cooperatives in agriculture and livestock).

The operational model of using public resources for private sector development in developing countries is characterised in Rwanda by a weak involvement or even absence of private sector stakeholders (other than the direct beneficiaries) and knowledge institutes. In practice, activities supposedly in the benefit of the private sector are funded and implemented by actors from the public sector and development technical assistance, but hardly by private sector actors. There are exceptions to this general statement, such as the loan agreements by BIO to investment banks, investment funds and commercial firms, as well as the assistance delivered by Exchange vzw (private sector technical assistance) and the TDC project in support of macademia producers (largely implemented

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<sup>21</sup> Tea production in Rwanda is primarily organized into three types of farming systems: 1. Industrial blocks: these are large plantations integrated into a processing plant. They account for 31 percent of the area under tea cultivation and employ wage labour; Although most are commercial plants, this is not necessarily the case. Rwanda Mountain Tea is formally a cooperative, but acts as an industrial plant. 2. Coopthés: These are also plantations, but owned by cooperatives. They employ a mixture of family and wage labour. They account for 8 percent of cultivated area. 3. Thé villageois: these are smallholder tea plots essentially relying on family labour and account for 61 percent of the total area under tea cultivation. The majority of private smallholders are also organized under cooperatives. As with the coopthés, these cooperatives organize importation and distribution of fertilizers, and they facilitate access to credits and transportation of tea leaves.

by a social company from Kenya). In the BTC supported RDSP, the LCF component is coordinated with the Private Sector Federation<sup>22</sup>.

Among the various actors involved directly or indirectly in private sector development, PSD is not really a subject of concern in Rwanda. Although various stakeholders are fully aware of a change in paradigm towards more private sector for development (PS4D), the openings identified for such an incorporation are not abundant.

### 3.3 Q3 – Relevance of the interventions

#### To which extent are the interventions supported in line with the strategy and objectives of the Belgian Development Cooperation?

*This evaluation question intends to examine to which extent the interventions funded by the Belgian development cooperation are in line with the strategic priorities (Q3.1), have been selected according to the 8 intervention criteria listed in the PSD Strategy 2014 (Q3.2)<sup>23</sup> and have been formulated in line with good practice in response to the priority needs of the private sector in the country (Q3.3).*

Key findings for this question are that the six selected interventions in Rwanda i) were relevant regarding most of the strategic priorities and the criteria of the PSD Strategic Note 2014, although the Note was not necessarily taken into consideration, and ii) were relevant in terms of alignment to needs (3.1.1) and national policies.

#### 3.3.1 Coherence to the strategic priorities

The main components of the strategic notes have been listed and the selected projects were assessed against these lists.

The table below details the findings.

|                                 | Not an objective | Taken into account | Priority | N/A | Comments   |
|---------------------------------|------------------|--------------------|----------|-----|--|
| Strategic axes of the 2013 Law  |                  |                    |          |     |  |
| Business and investment climate | BIO<br>Exchange  | BTC<br>TDC         |          |     | None of the 6 selected projects aimed at improving the national business climate. One project -not |

<sup>22</sup> The Private Sector Federation - Rwanda (PSF) is a professional organization, dedicated to promote and represent the interests of the Rwandan business community. It is an umbrella organization that groups 10 professional chambers. It was established in December 1999, replacing the former Rwanda Chamber of Commerce and Industry. Since Government replaced the Chambers of Commerce by the PSF (funded with public resources) as instrument in support of Vision 2020 and the EDPRS, it is debatable whether the PSF can be considered as 'real' private sector.

<sup>23</sup> Additionality, catalytic effect, development impact, respect for social norms and the environment, integral approach, creation of employment and gender.

|  | Not an objective | Taken into account     | Priority               | N/A      | Comments   |
|--|------------------|------------------------|------------------------|----------|--|
|  | Agricord         |                        |                        |          | sampled, Trademark East Africa-does. The BTC funded RDSP aims at improving the business climate at district level; the TDC project aims at improving the business climate in niche markets.  |
| Development of local private sector                            |                  | TDC<br>Agricord        | BTC<br>BIO<br>Exchange |          | All the projects were directly or indirectly dedicated to the support to either local private sector actors or to the enabling environment for private sector activities (e.g. through value chain development or marketing -TDC). The BTC project aimed at the enabling environment at district level (LED component) and direct financial support (LCF). Exchange vzw provides direct support to private actors, Agricord indirectly to agricultural entrepreneurs   |
| Fair and sustainable trade                                     |                  | BTC<br>Exchange<br>BIO | TDC                    | Agricord | Sustainable trade (economic, social and environmental dimensions) is a priority to TDC activities (certification coffee and macademia). It is not an explicit objective of the Agricord activity; to the others it is taken into consideration. For BIO it is indirect: the support to renewable energy provision to tea factories, saves firewood (although fuel wood is planted for that purpose). The support to Rwanda Mountain Tea led to an increase in cultivated area under tea by outgrowers. Part of that extension is possibly less sustainable, since tea was planted on soils marginally suitable for tea cultivation only. |
| International trade  | BTC<br>Agricord  | BIO<br>Exchange        | TDC                    |          | TDC supports through marketing knowledge coffee and macademia producers to improve their position in international markets. The tea produced by Rwanda Mountain Tea is an international commodity. The RDSP has no direct relation to international trade.   |
| Operational and sectoral priorities of the 2014 Strategic Note |                  |                        |                        |          |  |

|  | Not an objective            | Taken into account | Priority                                  | N/A | Comments   |
|--|-----------------------------|--------------------|---|-----|--|
| Capacity building of public institutions       | Agricord<br>BIO<br>Exchange | TDC                | BTC                                       |     | The BIO, Agricord and Exchange vzw projects do not involve, directly or indirectly, public institutions. TDC strengthens public entities by improving capacity on the legislative aspects of certified products. BTC works directly with many public institutions at both national (LODA) and district level, including those devoted to private sector development and local economy.   |
| Access to finance                              | Agricord<br>Exchange        | TDC                | BIO<br>BTC                                |     | Providing access to finance is the core business of BIO. Apart from the finance to RMT, BIO also supplies credit lines to commercial investment banks and funds in Rwanda.<br><br>BTC, through its component LCF provides direct funds (grants) to small and micro businesses at district level.<br><br>To Agricord, Exchange and TDC is access to finance not an objective, but in the networks involved figure financial partners. |
| Strengthening of capabilities of entrepreneurs |                             |                    | Agricord<br>BIO<br>Exchange<br>TDC<br>BTC |     | All the projects selected have, among their priorities, the strengthening of entrepreneurs and SMEs capacities (finance, training, organisation, productivity, marketing, environment)   |
| Support to trade                               | Agricord<br>Exchange        | BTC<br>BIO         | TDC                                       |     | Agricord and Exchange vzw activities do not directly aim at trade; BIO neither, but its client RMT commercializes 85% of its product at the international market through the Mombasa auction. BTC indirectly supports trade (as spin off or effect) through district industrial and commercial centres. TDC is focused on trade by the improvement of quality of products and niche marketing.                                       |

|  | Not an objective              | Taken into account                 | Priority               | N/A | Comments  |
|--|-------------------------------|------------------------------------|------------------------|-----|---|
| Social economy   | Exchange<br>BIO               |                                    | Agricord<br>BTC<br>TDC |     | Agricord and BTC projects work with and through social organisations (cooperatives, farmers groups) and associated organisations. This is not a requirement to BIO, although RMT is formally a cooperative. TDC works in Rwanda with social economy actors (cooperative and social enterprise)  |
| Other elements of the strategy defined since the 2014 Strategic Note |                               |                                    |                        |     |   |
| Involvement of Belgian companies                                     | Agricord<br>BTC<br>BIO<br>TDC |                                    | Exchange               |     | Involvement of Belgian companies has not been a requisite or priority. In the case of Exchange the technical assistance is provided (in part) by Belgian companies. In the case of two companies visited in Rwanda there were clear relations to Belgian companies (supply of equipment, technical innovation)  |
| SDGs (incl. Belgian companies)                                       |                               | Agricord<br>BTC<br>Exchange<br>TDC | BIO                    |     | In all activities, the SDGs are taken into account in one way or another, but more in the formulation (as eligibility criterion) than as explicit (sub-) objective. In the case of BIO (hydro energy) the argument of clean energy was used.  |
| Digitalisation   | Exchange<br>Agricord          | BTC                                | TDC                    | BIO | Digitalization plays is an important component of the Ten Senses macademia project. An App for the mobile phone was developed enabling each individual farmer to keep track of its own production and marketing results, including prices and costs. It contributes to the coherence and transparency of the enterprise. This component was not directly supported by TDC, but is related to the TDC marketing training. BTC has supported the digitalisation of M&E systems and information (MEIS) on production, marketing chains and services. This is used by LODA and districts. |

|  | Not an objective              | Taken into account | Priority | N/A | Comments  |
|--|-------------------------------|--------------------|----------|-----|---|
| Strategic Note on Agriculture and Food Security (2017) | BIO<br>BTC<br>TDC<br>Exchange | Agricord           |          |     | To none of the projects the Strategic Note on Agriculture has played a role.<br><br>However, the indirectly supported project Imbaraga trains and accompanies farmers in combining cash crop production in balance with food crops for household food security. |

Source: ADE

In sum, most of the interventions can be considered as relevant to the priorities set in the Law 2013 and Strategic Note 2014 and some are relevant to the Strategy on Agriculture and Food Security 2016.

All six projects studied were relevant to the development of the local private sector and all were relevant for the contribution to the strengthening of capabilities of entrepreneurs. Five of the six were relevant for fair and sustainable trade, four even at international level. Four of the six interventions were dealing with social economy actors, but only two out of the six provided access to finance and only one of the six involved Belgian companies.

### 3.3.2 Coherence to the selection approach

The Strategic Note PSD 2014 spells out a number of selection criteria for support to interventions in the field of private sector development. The criteria assessed are additionality, catalytic effect, development impact, respect for social and environmental norms, integrity, employment generation and innovation; and gender equality.

The assessment is based on activities implemented, not on the appraisal of intervention proposals. In fact, various interventions lacked documentation about a formal appraisal or the appraisal was made on different criteria, as is the case with interventions supported by Exchange vzw or BIO.

The selection criteria are described in the Strategic Note 2014, but are not uniformly applied, since implementing agencies may differ in their interpretation on how to put these criteria into practice. Concepts like additionality and catalytic effect may have a more restrictive meaning for financiers (as BIO) as they have for development agencies like BTC or TDC.

The table below details the findings:

|                             | Not taken into account | Limited consideration | Taken into account     | Priority         | N/A | Comments  |
|-----------------------------|------------------------|-----------------------|------------------------|------------------|-----|---|
| Additionality <sup>24</sup> | Agricord               |                       | Exchange<br>BTC<br>TDC | BIO<br>BTC (LCF) |     | <p>The BIO loans were additional in the sense that the opportunities for obtaining commercial funding for agricultural enterprises are negligible in Rwanda. BTC's support to RDSP (LED component) forms part of a basket funding. Whether that is additional cannot be judged (fungibility). Additionality is clear in the LCF component, that provides grant resources to small enterprises. Among the eligibility criteria of Exchange vzw figure that the beneficiary lacks financial means to contract consultancy services. In a broader interpretation however, it is no impediment to Exchange support if the same company receives technical assistance from comparable services from other countries, like Switzerland.</p> <p>For Agricord financial additionality is not a requisite; in the case of Imbaraga, Agricord funds were combined with resources from other donors.</p> <p>TDC activities are largely additional (but less in financial terms) since it provides a kind of services seldomly delivered by other agencies (marketing techniques and certification)</p> |

<sup>24</sup> Additionnalité : « pour les investissements (en facilitant la mobilisation d'autres capitaux et en diminuant ainsi le risque qu'un investisseur privé seul ne voudrait pas assumer) mais aussi sur le plan de la politique de développement durable et de la lutte contre la pauvreté, les inégalités et l'exclusion. »

|   | Not taken into account | Limited consideration | Taken into account          | Priority   | N/A | Comments  |
|---|------------------------|-----------------------|-----------------------------|------------|-----|---|
| Catalysing effect <sup>25</sup>                         |                        | Exchange              | BTC<br>Agricord<br>BIO      | TDC        |     | While BIO aims at a catalytic financial effect (attracting other financiers) this was partly successful only, since BIO provided a primary loan and not a subordinated loan. The effect of TDC is catalytic, but not in financial terms, but in the spread effect of certification. BTC has deployed its LED programme in a 4 districts and aims at a catalytic effect.   |
| Impact on development <sup>26</sup>                     |                        |                       | Exchange<br>BIO<br>Agricord | BTC<br>TDC |     | In all projects visited the impact was hard to assess. The best evidence of impact on development was the TDC macademia programme, in which a foreign enterprise has invested in knowledge, organisation and marketing, resulting in better access to markets, higher production, higher prices and increased technology. BTC's investments in rural infrastructure (basket funded with others) produce a potential impact that cannot be observed yet. |
| Respect of social and environmental norms <sup>27</sup> |                        | Exchange              | Agricord<br>BTC<br>BIO      | TDC        |     | All interventions respect the social and environmental norms indicated in the Law 2013. In the case of TDC this gets an extra dimension since ecologically sound production implies an advantage in niche markets.  |

<sup>25</sup> Rôle de catalyseur : « permettre d'attirer d'autres partenaires et prévoir autant que faire se peut la participation financière du bénéficiaire lui-même »

<sup>26</sup> « Impact sur le développement bien identifié et mesurable (...) dans une optique de 'croissance verte' et de durabilité sociale, environnementale et économique »

<sup>27</sup> « Normes sociales et standards internationaux en matière d'environnement (Conventions fondamentales de l'OIT, Principes directeurs pour les sociétés multinationales de l'OCDE, Principes directeurs de l'ONU relatifs aux entreprises et aux Droits humains, Déclaration de Rio) »

|                         | Not taken into account | Limited consideration | Taken into account     | Priority | N/A | Comments  |
|-------------------------|------------------------|-----------------------|------------------------|----------|-----|---|
|                         |                        |                       |                        |          |     | <p>In the case of BIO, the investors, including BIO itself, have to adhere to specific requirements in terms of environmental and social norms. BIO commissions Environmental and Social Due Diligence studies.<sup>28</sup> In the case of RMT and in accordance to the 2008 tea sector strategy, the area under cultivation was expanded by adding outgrowers. This expansion was not entirely voluntary (government 'mobilisation').</p> <p>Although Exchange vzw has no explicit requirements regarding social or environmental norms, it does provide priority to clean production companies or those involved in renewable energy or recycling.</p> |
| Integrity <sup>29</sup> |                        | BIO<br>Agricord       | BTC<br>Exchange<br>TDC |          |     | <p>In terms of governance integrity, all implementing agencies take that into consideration as a general norm. To none of the visited projects, this was an objective in itself, although management in aspects like transparency, anti-corruption and environmental awareness is enhanced in most or all activities of BTC, TDC, Exchange and BIO ('Know your client procedure').<sup>30</sup> In</p>  |

<sup>28</sup> This frequently leads to a frequently leading to an Environmental and Social Action Plan. This was not the case in the sampled support to RMT, but was done in the more recent 2017 loan (RNTC)

<sup>29</sup> « L'intégrité doit être la valeur clef de la culture des entreprises et associations partenaires: transparence, bonne gouvernance, lutte contre la corruption et redevabilité auprès des citoyens et des bailleurs, paiement des impôts locaux, non accaparement de terres ou autres ressources naturelles sont des défis permanents. »

<sup>30</sup> In general, the degree of intervention of BIO in the management of its clients is limited. BIO assesses the eligibility of its clients and assesses the risks of entering into a loan agreement, may put conditions to the loan, but does not interfere directly in the management of the client.

|  | Not taken into account | Limited consideration | Taken into account           | Priority               | N/A | Comments   |
|--|------------------------|-----------------------|------------------------------|------------------------|-----|--|
|  |                        |                       |                              |                        |     | the Agricord supported Imbaraga integrity has a different meaning: enhancing sound organisation forms.   |
| Employment generation and innovation <sup>31</sup> |                        | Agricord              | TDC (coffee)<br>BTC Exchange | BIO<br>TDC (macademia) |     | Through the value chain approach (coffee, macademia) jobs are being created, although hardly in permanent positions. The BIO support to RMT implied the incorporation of additional land under tea cultivation and hence additional producers at the industrial plant (also in the hydro-energy), but predominantly in the number of outgrowers (800) that deliver leaves. To the latter this is replacement of labour rather than additional labour. The BTC programme for LED aims at employment generation, but the effects cannot be measured yet. In the case of the Exchange support to two enterprises applies the same: it is the objective, but has not materialised yet. The employment generation in macademia is substantial with 250-300 new producers that have joined the cooperatives. |
| Gender <sup>32</sup>                               | Agricord               | Exchange<br>BIO       |                              | TDC<br>BTC             |     | Although on paper all projects pay attention to gender equity, this is the most pronounced in the TDC coffee cooperative (special  |

<sup>31</sup> « Initiatives non seulement créatrices d'emplois décents mais aussi les innovations, les regroupements en clusters, les collaborations entre les entreprises et la recherche scientifique, etc. »

<sup>32</sup> « Le rôle de la femme dans l'économie sera mieux reconnu et appuyé. En matière de genre, la coopération belge privilégie une approche intégrée (gender mainstreaming), ce qui n'exclut pas un appui direct aux femmes chefs d'entreprises et aux réseaux de femmes chefs d'entreprises. L'instauration ou le respect de droits fonciers pour les femmes sera une des préoccupations spécifiques. »

|            | Not taken into account | Limited consideration | Taken into account | Priority                      | N/A | Comments  |
|------------|------------------------|-----------------------|--------------------|-------------------------------|-----|---|
|            |                        |                       |                    |                               |     | <p>'lines' and prices for women) and the BTC programmes in LED and LCF support.</p> <p>For the BIO supported Rwanda Mountain Tea applies that the increased labour (mainly tea picking) is for women mainly. On outgrower tea plantations and thé villageois this replaces women's labour on their own (family) plots, mainly in food production. According to a 2015 World Bank study this does not change the labour conditions for women.<sup>33</sup></p> <p>Both BTC and Exchange pay attention to a typical 'female' line of production: fashion.</p> |
| Untied aid | Exchange               |                       |                    | Agricord<br>BIO<br>BTC<br>TDC |     | In principle, all Belgian support is untied. This applies less to Exchange vzw that recruits its expertise among Belgian companies and professionals. An implicit effect might be the establishment of a longer lasting relation between the Rwandan and Belgian partners.  |

Source : ADE

### 3.3.3 Response to needs and alignment to national policies

Since various programmes are centrally managed in Belgium (Exchange, TDC, BIO), the programme policies and strategies are of a general nature and formulated in such a way that these can be applied worldwide. Only three organisations have a permanent representative (Ex-Change Expertise asbl and Exchange vzw; and BTC) in Rwanda. Individual interventions are not necessarily aligned to national policies and strategies either since these are unknown or since these are not relevant to the intended activities. National policies and strategies serve, however, more as a 'frame' or mould. Intended interventions are not necessarily aligned to national policies, but should not conflict with the frame. In the appraisal of individual interventions by non-governmental organisations at national level, the national (government) policies and strategies hardly play a role. The alignment

<sup>33</sup> World Bank. Rwanda Green Leaf Price Reform Impact Evaluation. 2015.

of the BIO supported activities with the Rwanda Mountain Tea is to sector specific policies (A Revised Tea Sector Strategy for Rwanda – Transforming Rwanda’s Tea Industry).<sup>34</sup>

Comparably, various of the interventions are not underpinned by a Theory of Change, but are based on an intervention logic (in the case of BTC and TDC). Exchange vzw has recently started using simple intervention logics for its assignments. Agricorn does not apply intervention logics at project level. The reasons are obvious: with a small intervention of possibly EUR 30,000 small precise results can be obtained, but not structural change be triggered.

|                                | Not at all | Limited              | Mainly | Fully      | N/A | Comments  |
|--------------------------------|------------|----------------------|--------|------------|-----|---|
| Alignment to national policies |            | Exchange<br>Agricorn | BIO    | BTC<br>TDC |     | The Agricorn and Exchange interventions are not necessarily guided by national policies and strategies, but are also no contradictory to these. BIO financing takes national policies as an eligibility criterion and activities to be funded should not contradict national strategies, but these strategies are not guiding or decisive for the financing decision. <sup>35</sup> Both the BTC RDSP programme and the TDC activities are policy aligned. The RDSP has been instrumental to develop strategies at district level (National Strategy for Community Development and Local Economic Development. 2013-2018; Local Economic Development Strategy for Gakenke District 2017-2023; Local Economic Development Strategy for Karongi 2017-2023). TDC supported interventions are aligned to the Domestic Market Recapturing Strategy and the |

<sup>34</sup> Ministry of Trade and Industry; Ministry of Agriculture and animal husbandry. A Revised Tea Sector Strategy for Rwanda – Transforming Rwanda’s Tea Industry. 2008. Chapter IV, p.25

<sup>35</sup> The Vision 2020 refers to the development of the tea sector as important export commodity, but the tea sector did not pertain to the investment priorities listed in the Agricultural Sector Investment Plan 2009-2012 by the Ministry of Agriculture and Animal Resources. There was however, a separate tea sector strategy: A Revised Tea Sector Strategy for Rwanda – Transforming Rwanda’s Tea Industry, 2008.

|                                  | Not at all | Limited         | Mainly   | Fully                         | N/A                         | Comments   |
|----------------------------------|------------|-----------------|----------|-------------------------------|-----------------------------|--|
|                                  |            |                 |          |                               |                             | government interventions in the coffee sector (Rwanda coffee sector overview and government interventions . NAEB).   |
| Response to private sector needs |            |                 | Agricord | BIO<br>Exchange<br>BTC<br>TDC |                             | The Agricord project considers agricultural producers as private entrepreneurs and trains farmers to act as entrepreneurs; but the intervention itself is mainly for the institutional aspects of providing training and representation. The other programmes respond to needs identified: BIO: access to finance; BTC: enabling environment for business development at district level (LED), finance to SMEs (LCF) and vocational training; TDC: marketing and export opportunities; enhancement of productivity, certification. Exchange: direct support to private sector management in change and innovation processes. |
| Conception and Theory of Change  |            |                 |          | BTC<br>TDC                    | BIO<br>Exchange<br>Agricord | Most of the interventions studied are too small to justify a policy-based Theory of Change. The interventions are guided by a generic intervention logic at the best, or just a description of the envisaged outcome.<br><br>Both TDC and BTC design interventions based on an intervention logic. This is unknown for case BIO, Exchange and Agricord.  |
| Transparency                     | Exchange   | BIO<br>Agricord |          | BTC<br>TDC                    |                             | Reports on the projects are available (on respective websites or DGD), including the amounts disbursed and results (and impacts) achieved for BTC and TDC.   |

|  | Not at all | Limited | Mainly | Fully | N/A | Comments   |
|--|------------|---------|--------|-------|-----|--|
|  |            |         |        |       |     | Information on the results achieved and the impacts for the beneficiaries are not publicly available for Exchange and BIO. Exchange not, since part of the information is not made available for the public in general, while in the case of BIO part of the information is dealt with under considerations of (business) confidentiality. Impact results are not available at contract level. In the case of Agricord it is a long way (through the agri-agency Afdi) to come to a description of the activity. |

Source: ADE

### 3.4 Q4 - Coordination and complementarity

**To which extent do stakeholders involved in the Belgian development cooperation work together in their support to the private sector?**

*This question is meant to identify the roles and mechanisms put in place to coordinate at the country level (Q4.1). This encompasses the extent to which complementarities and synergies have been pursued at the level of the interventions, be it with other Belgian stakeholders or with others (Q4.2). This also leads to question whether there are opportunities for such complementarities and synergies (Q4.3).*

Finding: The Rwanda field visit leads to the finding that the institutional structure of the Belgian development coordination is not conducive for coordination or integrated interventions at country level. The various Belgian agencies act within their own domain and are predominantly managed at headquarters level (Belgium). There is no matrix planning, and if the Country Indicative programme can be considered as such, the current one is obsolete and hardly refers to PSD subjects.

#### 3.4.1 Coordination mechanisms

At country level there is no formal coordination mechanism among stakeholders active in PSD. This has three components:

- At country level, there is no coordination among the different actors of the Belgian cooperation active in the field of PSD<sup>36</sup>;
- there is no coordination between the different actors of the Belgian cooperation active in the field of PSD and those actors active in trade promotion and economic diplomacy;
- there is no formal coordination between the different actors of the Belgian cooperation active in the field of PSD and private sector stakeholders (or their representing organisations). At the level of operations and individual interventions there is coordination, but not on broader policies or intervention strategies.

The main reason that these coordination mechanisms do not exist is that the Belgian embassy has no formal mandate to do so. The embassy of the Kingdom of Belgium indicated that "no coordination takes place at country level; it takes place at programme level, without necessarily any involvement of the embassy".

The centralised character of the organisation of programmes is illustrated by BIO that basically consists of one Headquarter office in Belgium that manages all activities worldwide. While BIO does consult embassies prior to entering into loan agreement (enquiry about the history and track record of the potential client), once the loan has authorised, there is neither an obligation nor practical habit to inform the embassies. Development agencies present in the country (BTC, TDC, others) are neither consulted, nor informed about the BIO activities. According the embassy in Rwanda, BIO 'acts in isolation.'

This restricted role -in formal terms- is a consequence of the federal structure of Belgium that leads to fragmented responsibilities. For example, international trade and commerce is a responsibility of the regions (FIT; AWEX) that are in theory represented at the regional level. In the case of Rwanda, the commercial attaché resides in Nairobi and visits Rwanda sporadically only.

There are few NGO operating in private sector development, such as the micro-credit organization Duterimbere or *Veterinaires sans frontières* or APEFE (training). In daily practice and beyond the formal relations, the embassy intends to keep track of activities by ACNG / NGOs that receive public resources for their activities. The embassy organizes regular meetings with the NGOs. This is mainly done in the frame of coming to a coordinated strategy at country level, the *Cadre Strategique Comun*. The embassy keeps track of a list of ACNG / NGOs supported by Belgium, as well as local NGOs supported by international and Belgian organisations. While in the past Belgium could finance directly local NGOs, since 2012 this is not permitted anymore.

During these meetings information exchange of knowledge and information takes place, also with other programmes: TDC conducted a workshop, for example.

There are few twinning (jumelage) initiatives in Rwanda and if they exist, these do not encompass private sector actors (i.e. employers' organisations, Chambers of Commerce; production sector organisations and research institutes; academic twinning and the like). The embassy considers twinning beyond its toolbox.

Despite the absence of formal coordination mechanism, stakeholders highlight the fact that there are no cases of duplication, overlap or contradiction among the interventions supported by Belgian actors in PSD. Reasons are obvious: there are not that many support activities to PSD and those that do exist develop in their own setting or 'niche'.

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<sup>36</sup> There is Embassy-led coordination among NGOs / AGNG, but these are hardly involved in private sector development subjects.

## **Sector Working Groups and other coordination mechanisms**

Apart from the coordination among Belgian stakeholders exist the coordination with other development partners (DPs). The Development Partners Coordination Group (DPCG) is composed of GoR Permanent Secretaries, Heads of bilateral and multilateral donor agencies, as well as representatives of civil society and the private sector. The meetings of the Group are co-chaired by the Permanent Secretary and Secretary to the Treasury (MINECOFIN). The primary objectives of the DPCG are to serve as a forum for dialogue in the coordination of development aid to Rwanda and to harmonize the DPs' programmes, projects, and budget support with the GoR. Usually two DPCG meetings per year will be organized in synchronization with IMF missions to facilitate macro-economic dialogue.

Rwanda is one of the few countries in the world that has taken the 'division of labour' (Accra Action Plan and Busan) seriously and has assumed the responsibility to organize its donor community along thematic lines. The coordination and dialogue structure consist basically of three layers per sector / theme:

- a high policy level for policy and political dialogue;
- a strategic level by sector / theme;
- an operational – technical level.

At strategic level this is known as the Sector Working Groups; at operational level the Technical Working Groups. Sector Working Groups (SWGs) are technical working forums through which the GoR and stakeholders meet to discuss sector and cross-sector planning and prioritization according to strategic plans and development programmes. SWGs are co-chaired by the Permanent Secretary of the relevant line ministry and a representative from the donors (lead donor agency). GoR coordinates with its DPs in which Sector Working they take place; each DP is present in 2 or 3 Sector Working and an undefined number of technical working groups. Belgium is presented in the Sector Working Groups Decentralization, (renewable) Energy and Health. Belgium also participates in the Public Finance Management (PFM) forum.

Belgium is not present in the Sector Working Group Private Sector Development, reason why both the GoR and DPs alike do not consider Belgium as a country active in PSD.

To a certain extent this is a misunderstanding, since Belgium has agreed upon delegating its representation to DfID in the Sector Working Group PSD, while it remained active in the Technical Working group on Local Economic Development (Sector Working Group Decentralisation).

The Technical Working Group LED is chaired by the Local Administrative Entities Development Agency (LODA), the direct counterpart of BTC in the RDSP and co-chaired by the embassy of the Netherlands (together with KfW) the co-financier in the basket with Belgium for the RDSP.

The cooperation with DfID is also product of the co-funding (Belgium, DfID, the Netherlands) of the Trademark East Africa programme. This programme works on non-tariff barriers for the Northern corridor.

Another coordination mechanism is the regular coordination among EU member states, as well as a particular subgroup of EU Ambassadors and Trade / Economic councillors of EU countries. Belgium attended some of these meeting but without a trade / economic councillor. Recherche des complémentarités et synergies.

### 3.4.2 and 3.4.3 Achievement and potential complementarity and synergies

The issue in this section is to indicate if and how complementarity was achieved between and among interventions, even in case this was not the original intention. And next, if there was no complementarity in practice, if there would have been a potential complementarity and synergy in the opinion of the evaluator. The latter is -hence- to a large extent arbitrary.

| Complementarities and synergies | No potential synergies | Potential synergies not clearly established | Potential synergies not exploited | Potential synergies materialised | N/A | Comments  |
|---------------------------------|------------------------|---|-----------------------------------|----------------------------------|-----|---|
| Synergies with BTC              |                        | Agricord                                    | Exchange                          | TDC                              | BIO | The value chain approach is used by BTC and TDC. Some (informal) relations exist in the frame of the RDSP. Interesting is the initiative to exploring collaboration in the frame of the BTC funded RDSP component LCF. Further synergies could be explored in the frame of the LCF that supports cooperatives that develop value chains (TDC). In theory, cooperatives could be further assisted by Agricord agri-agencies.   |
| Synergies with BIO              | Exchange Agricord      | TDC   | BTC                               |                                  |     | The rather isolated support provided by BIO is -at first sight- hard to match with other activities. However, in the frame of the Decentralization and Private Sector Development strategy of Government, value chain at district level will be further developed on the base of a strong 'lead company'. While BIO provides finance to such lead companies, the BTC supported RDSP assists in the development of districts, while TDC could support the quality upgrading of (agricultural) produce. |
| Synergies with TDC,             |                        | BIO   |                                   | BTC                              |     | At the initiative of BTC (RDSP) the opportunities for complementary activities with TDC and   |

| Complementarities and synergies           | No potential synergies | Potential synergies not clearly established | Potential synergies not exploited | Potential synergies materialised   | N/A | Comments   |
|---|------------------------|---|-----------------------------------|--|-----|--|
| Exchange, Agricord                        |                        |   |                                   |  |     | Exchange are being explored. In potential there could be a role for BIO as well, but that depends on many factors, such as demand from lead companies. The role of Agricord would be in the area of producer organisation and quality enhancement.   |
| Synergies with Belgian ACNGs (incl. NGOs) | BIO                    | Agricord                                    | Exchange<br>BTC                   |  |     | Potential synergies exist between SMEs supported by BTC LCF resources and NGOs. The same applies to Exchange vzw, although the beneficiaries of LCF resources are usually smaller companies than the Exchange clients. LCF took initiatives to come to a closer cooperation with Exchange vzw and APEFE (internship programme with TVET). NGOs should continue to play the watchdog function they have with respect to larger scale investments by both BIO and BTC. |
| Synergies with other donors               |                        |   | Exchange                          | In part materialised in the approaches: basket funding (BTC); delegated cooperation (DfID) and joint funding (Trademark East Africa) |     | At district level there is a lot of coordination, complementarity and synergy with an array of international actors, such as KfW (rural infrastructure), GIZ (employment and TVET), DfID (various programmes).<br><br>In the case of Exchange contacts exist with comparable programme funded by Switzerland, Germany and the Netherlands, sometimes provided to the same client (example: Manumetal). There are ample opportunities for                             |

| Complementarities and synergies       | No potential synergies | Potential synergies not clearly established | Potential synergies not exploited | Potential synergies materialised | N/A               | Comments   |
|---------------------------------------|------------------------|---|-----------------------------------|----------------------------------|-------------------|--|
|                                       |                        |   |                                   |                                  |                   | collaboration and search for complementarity.  |
| Involvement of Belgian private actors |                        |   | TDC                               | Exchange                         | BIO<br>BTC<br>TDC | The beneficiaries of Exchange vzw support are linked to Belgian companies; in some cases this leads to medium term coaching and twinning, the delivery of equipment and the search for adequate technology. In the case of TDC -in the area of Fair Trade and imports from developing countries- there is a huge potential hardly exploited due to the restrictions in the mandate of TDC. |

Source: ADE

### 3.5 Q5 – Results and sustainability

#### To which extent did the supported interventions contribute to the development results of the sectors reviewed ?

*The response to this question is mainly based on monitoring and progress reports and evaluations of the results. It is considered whether evaluation reports are available and sufficiently complete and disaggregated by type of actor in order to assess the results on the private sector and the beneficiaries. Next, the contribution of the results to economic development is being considered (Q5.2) as well as those related to the cross-cutting themes climate, the environment and gender (Q5.3). Finally, the question addresses the issue of sustainability and whether this has been taken into consideration during the implementation of the supported interventions.*

#### 3.5.1 Existence of reliable monitoring and evaluation reports

Overall, reliable evaluation reports were either absent or could not be obtained for a variety of reasons, detailed below:

- **BTC:** there is a monitoring and evaluation (M&E) framework in every project, consisting in a mid-term review (MTR), and external review at the end of the project. Although there is no lack of information about the RDSP programme, the Midterm Review (LED and LCF) took place at the same time of the field visit for this report. Its results are expected to be available during the first quarter of 2018. The LCF component (grants to SMEs) had just started and was in its first round of implementation, reason why also the midterm review is not expected to shed light on its effectiveness.

- **TDC support to Koakaka coffee cooperative.** Various informative reports are available, including progress reports. There is a procedure for monitoring based on key indicators to be produced at the end of the trainings (end 2017).
- **TDC support to Ten Senses Macademia.** The company Ten Senses has its own monitoring system on production, marketing and sales. The company produces progress reports and Annual Narrative Reports submitted to TDC. TDC agreed upon a standard with TSA for producing monitoring data.
- **BIO support to Rwanda Mountain Tea.** Financial monitoring tables are available. Since mid-2015, BIO applies ex-ante development assessment frameworks that are also applied for monitoring.<sup>37</sup> The sampled loan to RMT dates back to 2011 and it is unknown whether monitoring and / or evaluation reports exist for that loan.
- **Exchange vzw** produces small evaluations of each mission based on a standard questionnaire. The questionnaire is rather input / output oriented and is not suitable for monitoring of results. Exchange vzw is currently in the process of redefining its working methodology and this encompasses -amongst others- the elaboration of country strategies. A first draft of such a strategy for Rwanda does exist, but it is/was too early for any progress or monitoring of progress.
- **Agricord** produces general progress reports and annual reports. The support to the Rwandan Imbaraga was provided through the agri-agency AFDI and in particular AFDI Lorraine (Lotharingen). AFDI Lorraine provided some results but these are descriptive and not a real monitoring. Whether either AFDI France or Agricord itself conducts monitoring over activities implemented by agri-agencies is unknown.

### 3.5.2 Contribution to socio-economic development results

| Criteria                  | Results   |
|---------------------------|---|
| Productivity and Revenues | <p>The increase in productivity and income generation was among the general objectives in the support to Imbaraga, Koakaka coffee cooperative, Ten Senses macademia, and one of the BIO loans to Rwanda Mountain tea.</p> <p>In absence of information about counterfactual (none of the projects work with control groups)<sup>38</sup> the enhancement of <b>productivity</b> is assessed by data on increase in production. Whether the trainings by <b>Imbaraga</b> effectively led to an increase of productivity at farm level is unknown.</p> <p>In the Koakaka <b>coffee cooperative</b> the number of producers, as well as the production doubled. The most important characteristic is that the increase in production went hand in hand with the highest quality possible. Several years,</p> |

<sup>37</sup> Source: BIO in its comments on the draft report, December 2017. Monitoring reports for the RNTC loan 2017 will be available in the years to come.

<sup>38</sup> For the tea sector two evaluations exist using mixed methods (incl rigorous methods): Winrock International. *Rwanda Education Alternatives for Children (REACH) project. Child labour in the tea sector. Case study of Nyamasheke, Nyaruguru and Gicumbi.* 2012; and World Bank. *Rwanda Green Leaf Price Reform Impact Evaluation.* 2015.

|                    |   |
|--------------------|---|
|                    | <p>the cooperative has been awarded for producing top quality coffee beans. In the case of the <b>macademia</b> producers, the number of growers increased from less than 200 to 500, while the yield per tree increased from 50 to 70 kgs/ year. Prices increased and hence revenues to producers. Previous BIO loans to <b>Rwanda Mountain Tea</b> had the increase of tea production as objective (up to 4,300 mt/year). The loans for electricity supply reduces energy costs (and produces an energy surplus) that contributes to the financial efficiency in black tea production. Revenues increased to the RMT. Current loans (RTCN 2017) aim at consolidation of the factory and quality of tea leaves.</p>  |
| <p>Employment</p>  | <p>While <b>RMT</b> has increased the acreage under cultivation it is doubtful whether the 600 women employed in tea plucking can be considered as employment generation, since these these women worked on their smallholder plots prior to the conversion to tea producing areas.</p> <p>In <b>Koakaka coffee</b> additional employment was created for washing, sorting and sales of beans. In <b>macademia</b> additional employment was created in the sorting and processing factory in Nairobi. In the production of coffee and macademia the additional employment is temporary only.</p> <p>For most programmes the effect in job creation is not well documented. RDSP claims additional employment as result of the establishment of industrial areas in the districts. This are however, predominantly small businesses that were active elsewhere.</p> |
| <p>Decent work</p> | <p>While for TDC decent work is a core function ('fair trade') and to Exchange vzw a condition for support to companies, it is also one the fundamental values in Agricord activities. BIO appraises the work conditions of its clients through its Social Due Diligence assessment<sup>39</sup>; to BTC it is an implicit condition for the stakeholders it is engaged with. However, none of the stakeholders interviewed did refer explicitly to the subject.</p> <p>In the newly established district industrial centres (ICPCs), one of the 'products' of RDSP, there were several observed deficiencies (unhealthy working conditions, no security at the working place, no protective clothing, fire-equipment, safety with electricity, etc).</p>   |
| <p>Gender</p>      | <p>Gender diversity is an explicit area of attention in all BTC activities and to a lesser degree those of TDC.</p> <p>To BIO it is mainly a background consideration, but of no influence on the finance decision. Note that at RMT roughly 45% of all pluckers are female. Interesting is <b>Koakaka coffee</b> that applies the special facilities for female produced coffee, including a special bonus price. Nevertheless, the growth of female producers is</p>  |

<sup>39</sup> The Winrock International study 'Rwanda Education Alternatives for Children (REACH) project. Child labour in the tea sector. Case study of Nyamasheke, Nyaruguru and Gicumbi' (2012) indicates that work in tea poses some health hazards, in particular to children (dust, moist, inhalation of pesticides). Winrock International's cross-sectional study did not reveal significant differences in child labour (ratio of children working) between families producing food crops and those producing tea. Child labour is most prevalent at the local levels of Thé Villageois Cooperatives and individual smallholder farms. Main differences are in motivation ('work for money' since food has to be purchased) and replacement of adults by children (since children are cheaper and quicker). The Winrock study found no incidences of either child labour (beyond the norms and regulations established by the Rwandan Labour Laws) at the tea factories or within the factories' industrial block tea areas.

|                         |   |
|-------------------------|---|
|                         | modest (from 21 to 26% of the producers in a 4 year period). The nurseries of the macadamia producers are largely run by females.   |
| Climate and environment | <p>Climate change is subject of is of indirect concern in i.e. other tea and coffee varieties for higher altitudes, resistant to climate change, change in agricultural practices.</p> <p><b>Environmental sustainability</b> is however a major thrust. The premium in prices for both <b>coffee and macadamia</b> depends on the various certifications (Rainforest, Fair Trade, Ecological production, etc) that implies that cultivation practices promoted (TDC, where applicable BTC) are as natural as possible under the local circumstances (minimal pesticide use, efficient water usage, environmentally smart farming practices, environmental protection measures and soil conservation).</p> <p>Environmental care is also a perspective of <b>Exchange</b> vzw that supports a company that collects garbage, recycles part of that and intends to generate energy out of the rest products.</p> |

Source: ADE

### 2.5.3 Sustainability

Whether interventions can be assessed as being sustainable or not depends on the perspective taken. Most projects/programmes have not been designed from a PSD perspective (i.e. IMBARAGA, RDSP) and hence should not be assessed on the basis of commercial sustainability. Or the enabling environment for PSD was created by using public resources (RDSP). Sustainability would be either the maintenance of that enabling environment (roads, industrial parks) or its continued usage of the facilities, or both. Based on the field visit, very little can be observed yet: since the district level infrastructure is new, there is no track record at district level of maintenance of similar physical infrastructure or organisation enhancing its usage in the future.

Directly involved beneficiaries are the first ones to assess the effects and potential sustainability of the activities deployed. In terms of results, respondents to the mini-survey (see Annex 4) consider that about half of the projects did not fully achieve the expected results, but that -nevertheless the interventions allowed them to improve their commercial activities, productivity, revenues and their collaboration opportunities. Respondents for Exchange vzw and BTC consider that the effect of the intervention will be sustainable in the long run. One out of three respondents for TDC consider that the effect will not be sustainable.

BIO investments in RMT have proven to be sustainable, since all loans provided years ago were repaid in time. Some concern exists about the expansion of cultivated area by tea outgrowers (thé villageois), since this expansion implied cultivation in areas less suitable for tea (soils, micro-climate).

Macademia production has a high likelihood to be commercially sustainable, thanks to a strong private actor with access to guaranteed markets against attractive prices. The coffee cooperative producing premium quality coffee has to prove itself over time, since it is a small player in a complex market and occupies a niche segment in that market. Part of its clients purchase extreme small volumes (a few hundred kilo's only) to maintain exclusivity. An expanding production may have a negative effect on this premium price. Exchange clients visited are both companies in a transition process.



## Annexes

### Annex 1 : Project fiches

The information contained in these descriptive fiches is based on project documents, not on field mission findings.

In alphabetical order :

#### Exchange vzw

| <b>Nom</b>   | <b>Expertise for inclusive and sustainable economic growth – <i>Quality grows by sharing it</i></b>   |
|--|---|
| <b>Référence PRISMA</b>                            | 3017113   |
| <b>Acteur</b>                                      | Exchange vzw  |
| <b>Modalité d'aide / Mode de gestion</b>           | Exchange project from the general subvention to Exchange vzw  |
| <b>Calendrier</b>                                  | 3 years programme, 2015-2017  |
| <b>Budget</b>                                      | 2015: EUR 300,000; 2016: EUR 225,000; 2017: EUR 150,000; 2018: EUR 75,000   |
| <b>Bénéficiaires</b>                               | Sample of two companies :<br>Manumetal, a furniture company<br>Agruni Group, waste processing company   |
| <b>Description de l'intervention et historique</b> | Exchange was established in 2002 and is coordinated by 1 General Manager and 5 project coordinators. Implementation is facilitated by 15 country coordinators, 10 sector coordinators, 40 local representatives and a pool of over 1,000 volunteer experts. The country coordinator for Rwanda has a regional mandate and covers also East Congo, Uganda, Tanzania and Kenya. In 2016, Exchange amended its approach from a 'single support' effort to coaching over a longer period (with various support missions to the same company at different stages of its development, for example during a change process). Overall objective of Exchange is the strengthening of enterprises in the South by making volunteer expertise available to enhance chances to grow. Exchange operates demand driven. |

| <b>Nom</b>                           | <b>Expertise for inclusive and sustainable economic growth – <i>Quality grows by sharing it</i></b>   |
|--------------------------------------|---|
|                                      | Exchange counts with a series of sponsors, such as the Department Buitenlandse Zaken Vlaanderen, the Department Internationaal Vlaanderen, the European Social Fund and non governmental organisations such as Oxfam and International Red Cross. In 2016, Exchange realised 210 TA missions, of which 57 funded by DGD in DGD partner countries. Among these 6 were realised in support of companies in Rwanda (in 2015 5 missions). |
| <b>Principaux documents de suivi</b> | Exchange Rwanda Country Strategy, 2017<br>Expertise voor een inclusieve en duurzame economische groei 2015-2017. Quality grows by sharings. Verslag jaar 2. 2016.   |

### **Résultats attendus et atteints**

| <b>Expertise for inclusive and sustainable economic growth – <i>Quality grows by sharing it</i></b>   |
|---|
| <b>Objectif global</b>  |
| Overall objective is the strengthening of enterprises in the South by making volunteer expertise available to enhance chances to grow. To realise that objective Exchange (1) identifies companies and organisations in the South with a growth potential (2) identifies and contracts experts in the North; (3) facilitates a direct support by exerts from the north to companies in the south.   |
| <b>Objectifs spécifiques</b>  |
| The specific objectives can be deducted from the assumed results (i) improvement in production, products or services; (ii) diversification of products and services; (iii) enhancement or stabilisation of employment; (iv) increase in turnover; (v) operational improvements; (vi) enhancement of human capabilities; (vii) improvement of labour conditions and the social context; (viii) improved access to markets; (ix) enhanced access to finance.  |
| <b>Activités</b>  |
| <p><b>Example Manumetal</b></p> <p>Manumetal was installed by Belgian entrepreneurs in 1967. A Rwandan entrepreneur gradually took over (completed in 2000). Most machineries still dat back to 1967. Manumetal employs 50 staff and casual workers hired depending on the orders. Provides training to 5-10 trainees from Tumba College every year. Manumetal also employs trainees technicians from cooperatives.</p> <p>Due to a new urban development plan for Kigali, Manumetal has to leave the city centre and to move the factory (without any compensation from government). Manumetal counted with previous Exchange support and asked for new support (started in October 2016) to support the decision making process about simultaneous re-allocation and modernisation (a strategy / implementation that will take 5 years).</p> <p>Services delivered: an improved internal communication; a management plan for decision making; a management plan for ICT improvement. Assistance in obtaining finance (i.e. BIO) for the removal and modernisation. Exchange facilitates the potential partnership with Belgian companies to obtain second hand machines at an affordable price.</p> <p><b>Example Agruni</b></p> |

### Expertise for inclusive and sustainable economic growth – *Quality grows by sharing it*

The Agruni Group (7 different companies) is active in Rwanda and DRC in a variety of activities ranging from paint manufacturing to security. One company specializes in garbage collection and waste processing. The garbage company employs 1,800 staff (most in garbage collection). First support by Exchange dates back to 2013; the expert at the time indicated that more could be done in waste recycling. Agruni however lacked knowledge, equipment and finance. Subsequent support (in total 6 missions; 3 missions since 2015) focused on the technical knowledge and established contacts with the Belgian company RENTEC, specialised in producing energy from waste.

A sorting machine combined with biomass gasification for energy generation has been purchased and will be delivered in January 2018.

Through Exchange, a link has been established with European producers of energy from garbage. The Vink Group (a Dutch company also present in Belgium) became involved to support Agruni.

Exchange has mediated to obtain a grant of EUR 430,000 (from Flanders Investment and Trade FIT) as part of the payment of the garbage sorting machine (total about EUR 1 million) and this enabled to obtain a EUR 600,000 loan (at 18% interest, 5 years) from "Business Partners organization".

The Exchange expert will also mediate in obtaining the training in the use of the new machines by RENTEC. The Exchange experts made the contacts in Nord France with Baudalet Environnement ([www.baudalet-environnement.fr/](http://www.baudalet-environnement.fr/))

The new equipment will create 100 additional jobs.

Various Belgian companies became interested, i.e. in glass recycling and PVC manufacturing from recycled plastics

#### Sources :

Toekenning van een subsidie van 750.000 EUR aan Exchange vzw voor de periode 2015-2017 via basisallocatie 14 54 44 35.60.47 'Ondernemen voor ontwikkeling'

Expertise voor een inclusieve en duurzame economische groei 2015-2017. Quality grows by sharings. Verslag jaar 2. 2016.

## Imbaraga

|  |  |
|--|--|
| <b>Nom</b>   | <b>Imbaraga. Project Amélioration de la rentabilité des filières agricoles (Gestion des Exploitations Agricoles) (2013-2017); Musanze, Rwanda</b>  |
| <b>Référence</b>                                   | 16iaki-6632  |
| <b>Acteur</b>                                      | Agricord project from the general subvention to Agricord   |
| <b>Modalité d'aide / Mode de gestion</b>           | Financial transfer for direct management by Imbaraga   |
| <b>Calendrier</b>                                  | 2013-2017  |
| <b>Budget</b>                                      | EUR 30,000<br>Expenditures AFDI to Imbaraga 2014-2016 EUR 36,638 <sup>40</sup>   |
| <b>Bénéficiaires</b>                               | Imbaraga consists of 1,021 Farmer Groups (27,400 farmer members) at the grassroots level gathered into 64 Basic Sections (Sector level) located in 25 Antennas (District level) A great number of these farmer groups are pre-cooperative groups but some of them are registered as full cooperatives. Imbaraga members are mainly smallholder farmers, cultivating on average 0.7 ha per farmer. 60% cultivate less than 0.5 hectares. 55% of the members are female (source: Imbaraga 2017).   |
| <b>Description de l'intervention et historique</b> | <p>Imbaraga (and its sister organisation Ingabo) is a local NGO which was initially created as a trade union organisation (1992). In 2013, when changes in the law no longer recognised trade unions, the organisation became a local NGO with the same mandate, vision and mission of protecting farmers' interests and fighting for the farmers' cause. Imbaraga and Ingabo together are represented in all provinces of the country.</p> <p>Imbaraga is structured from the village level (farmer group). At the second level, there is a basic section which gathers from 5 to 10 farmer groups. The basic sections within an administrative district make what Imbaraga calls an antenna while all antennas in a province make a region; there are four regions composing the national level. Imbaraga's main activities are</p> <ul style="list-style-type: none"> <li>○ Support to increase production (by registration and documentation of production per farmer)</li> <li>○ Marketing (inputs and products)</li> <li>○ Advocacy</li> <li>○ Environmental protection</li> </ul> <p>Imbaraga forms part of the East Africa Farmers Association.</p> <p>The Dutch agri-agency Agriterra worked with Imbaraga since 1998. All its projects aim to "empower farmers' organizations" to be able to provide quality services to their members in order to support them to improve their</p> |

<sup>40</sup> Source: Agro-infonet, 20th September 2017, project 14im-6188. AFDI support is ongoing. The same activity has another donor, being the Rotary Club. Including AFDI's own resources, Rotary Club and Imbaraga member contributions, the total expenditure over the period 2014-2016 sums to EUR 209,690.

| <b>Nom</b>                           | <b>Imbaraga. Project Amélioration de la rentabilité des filières agricoles (Gestion des Exploitations Agricoles) (2013-2017); Musanze, Rwanda</b>   |
|--------------------------------------|---|
|                                      | <p>livelihoods. When Agriterra revised its intervention strategies, the French Afdi (Lorraine) took over two support lines in 2010:</p> <ul style="list-style-type: none"> <li>• The strengthening of the management at agricultural farm level ;</li> <li>• The strengthening of the advocacy role (i.e. legal recognition of 'farmer' as a formal occupation).</li> </ul> <p>It is mainly the first line that was supported with Agricord resources (project 14im-6188).</p> <p>The administrative, fiscal and political decentralisation process, in which competencies of the central government in the area of agriculture and livestock were transferred to the regions, implied that Rwandan farmers had to accommodate their farming plans according to regional strategies. Imbaraga and Ingabo stressed that farmers could lose their food security and ownership over production decisions.</p> <p>Imbaraga counts with over 20 supporting (international) partners. In 2017, it was involved in the implementation of approximately 10 projects. Amongst these projects figures one funded by the <i>Veterinaires Sans Frontieres Belges</i> (Projet Energie Verte et Elevage I and II (EVE) (2014 - 2021); one by another Agricord Agri-agency (Agriterra) (Strengthening Potato Cooperatives in Musanze Rwanda (2016-2019); and a second project supported by AFDI (<i>Gestion des exploitations agricoles et Statut d'agriculteurs Rwandais</i>, 2014 - 2017).</p> |
| <b>Principaux documents de suivi</b> | <p>AFDI Lorraine. AFDI Rapport d'activités, 2015</p> <p>Mission de Evaluation du dispositif GEA. AFDI Lorraine. IMBARAGA &amp; INGABO 20 Avril – 1 Mai 2015. Rwanda.</p>  |

### Résultats attendus et atteints

| <b>Imbaraga. Project Amélioration de la rentabilité des filières agricoles (Gestion des Exploitations Agricoles) (2013-2017); Musanze, Rwanda</b>  |
|--|
| <b>Objectif global</b>   |
| <p><b>Objectives of the collaboration AFDI - Imbaraga</b></p> <p>Since the start of the cooperation between AFDI and Imbaraga in 2010, the objective of the support has been twofold:</p> <ul style="list-style-type: none"> <li>• Strengthening of the capacities of small farmers to manage their holdings (decision making on crops, agro-technical level, improved seeds, awareness of profitability, gross margins, risks)</li> <li>• Strengthening of the organisation aimed at the improvement of the living conditions of its members (representation, facilities with banks, legal recognition « statut des agriculteurs »).</li> </ul> |
| <b>Objectifs spécifiques</b>   |
| <ol style="list-style-type: none"> <li>1. To enhance farmers' productivity and competitiveness</li> <li>2. To protect farmers' interests and rights</li> <li>3. To strengthen the organizational capacity for service delivery</li> </ol>  |

| <b>Imbaraga. Project Amélioration de la rentabilité des filières agricoles (Gestion des Exploitations Agricoles) (2013-2017); Musanze, Rwanda</b> |   |   |  |
|---|---|---|--|
| <b>Objectifs selon le cadre logique (original ou modifié)</b>   | <b>Indicateurs objectivement vérifiables (IOV)</b>  | <b>Degré d'atteinte de l'IOV</b>  | <b>Source</b>  |
| <b>Résultats (volet 1)</b>  |   |   |  |
| To enhance farmers' productivity and competitiveness  | <ul style="list-style-type: none"> <li>• Introduction of "Gestion des exploitation Agricole" (GEA) to 1000 farmers.</li> <li>• Training on basic accounting at farm level (knowledge and registration about daily activities)</li> <li>• Strengthening of pre-cooperatives to become cooperatives</li> <li>• Reduction of post-harvest losses (from 30%)</li> <li>• Reduction in use of phytosanitary products</li> <li>• Exchange visits between French and Rwandan farmers (on spot trainings and advisory service).</li> <li>• Market orientation</li> </ul> | <p>Over 1,000 farmer members trained using GEA.</p> <p>7 new farmer extension workers. and 2 agricultural technicians recruited.</p> <p>Quarterly meetings with technicians and extension workers with the farmer members in each zone.</p> <p>9 exchange workshops between farmers from different regions realised.</p> <p>Visit to France about market orientation.</p> | <p>Mission de Evaluation du dispositif GEA. AFDI Lorraine. IMBARAGA &amp; INGABO</p> <p>20 Avril – 1 Mai 2015. Rwanda.</p> |
| <b>Résultats (volet 2)</b>  |   |   |  |
| To protect farmers' interests and rights  | <p>Elaboration of position paper regarding the definition of rights and obligations.</p> <p>Awareness through media exposure</p>  | <p>Paper presented to Parliament regarding the law establishing the status of farmers</p>   | <p>interviews</p>  |
| <b>Résultats (volet 3)</b>  |   |   |  |
| To strengthen the organizational capacity for service delivery  | <p>Advisory services to Imbaraga staff, leaders and members</p>   | <p>Not available</p>  | <p>Not available</p>   |
| <b>Activités</b>  |   |   |  |

### **Imbaraga. Project Amélioration de la rentabilité des filières agricoles (Gestion des Exploitations Agricoles) (2013-2017); Musanze, Rwanda**

#### **Provision of economic services**

- Training of farmer members in production increase through Farmer Field Schools;
- Backstop farmers to access agricultural inputs and credits;
- Link farmers to remunerative markets;
- Train smallholder farmers on fighting the malnutrition using nutrient-rich crops including beans rich in iron and zinc; and support farmers in accessing livestock (small and cattle) and improved livestock farming.

#### **Lobby and advocacy**

- Backstop farmers in lobbying and advocating for their agricultural issues (land law, farmer status, etc.).
- Coaching of organisation in the political and advocacy area (strengthening of capacities of leaders, communication strategy, fostering strategic allies for political position taking)
- Defence of interest of farmers ('plaidoyer')
- Coaching of organisational governance (organisational capacities, management of financial and human resources, internal communication)

#### **Environmental conservation**

- Support farmers in protecting and conserving environment;
- Ensure environmental protection through the use of biogas, improved furnaces and stoves

#### **Sources :**

AFDI Lorraine. AFDI Rapport d'activités, 2015

Mission de Evaluation du dispositif GEA. AFDI Lorraine. IMBARAGA & INGABO

20 Avril – 1 Mai 2015. Rwanda.

[www.sfoap.net/countries/detail/](http://www.sfoap.net/countries/detail/) ; [www.agro-info.net](http://www.agro-info.net)

## Koakaka Coffee Cooperative

|  |  |
|--|--|
| <b>Nom</b>   | <b>Marketing support to Koakaka Coffee Cooperative</b>   |
| <b>Référence PRISMA</b>                            | 3015089 Trade for Development Centre programme 2014-2017   |
| <b>Acteur</b>                                      | TDC  |
| <b>Modalité d'aide / Mode de gestion</b>           | TDC project from the general subvention to TDC (2014-2017)   |
| <b>Calendrier</b>                                  | 2016-2017 (23 months)  |
| <b>Budget</b>                                      | EUR 15,000 committed ; EUR 13,700 spent (2016)   |
| <b>Bénéficiaires</b>                               | 1,300 farmers (2016, 23% female) in Huye, Nyamagabe (Southern Province)  |
| <b>Description de l'intervention et historique</b> | <p>In 2015, TDC launched a marketing coaching programme, especially focussed on coffee producers. Eligible countries were Burundi, DR Congo, Tanzania, Uganda and Rwanda. The objective of the coaching programme is / was to improve the market access of coffee producers (be it local, regional or international markets) through strengthening of the organisational capacities in strategic marketing, communication &amp; sales. TDC's marketing support is a coaching programme in strategic marketing aiming at transferring simple, structured and professional marketing know-how to the organisation/company (internal and external marketing analysis; definition of a strategy, target, positioning; formulation of the marketing mix; promotion and communication; prospection of new customers).</p> <p>In 1999, three coffee farmers associations operating in Nyamagabe district (543 men and 324 women) merged as a co-operative union; in 2003 registered by the Rwanda Cooperative Agency (RCA) as Koakaka Cooperative. In 2016 the cooperative had expanded to 1316 members (1119 men and 297 women). Koakaka's overarching objective is the improvement of the living standard of its members. The operative objective is the promotion of the production of coffee, the cleaning and selection of coffee in a cherry washing station, de-pulping and the marketing of dried coffee beans at the national and international market (Europe, United States and Asia). Since its start both production and sales have increased some 400-450%. In the same province (Huye) there are various coffee cooperatives and hence several competitors. Koakaka's distinguishing factor is the extreme high quality. The high quality is result of combined agro-ecological conditions with a wet processing chain, where undesirable cherries are removed by hand picking and sorting, followed by wet immersion of cherries (removal of floating cherries), de-pulping and cleaning and a third selection, followed by progressive -staged- sun drying. Koakaka holds Rainforest (2004) and Fair</p> |

| Nom   | Marketing support to Koakaka Coffee Cooperative   |
|---|---|
|   | <p>Trade certificates, as well as a good governance certificate from Rwanda Cooperative Agency (2012). Koakaka is frequent winner of the national Golden Cup coffee competition as well as the Rwashoscco quality competition, in 2016 even with 90.3% of the coffee beans qualified in the highest possible category ('excellence'), the highest in Rwanda.</p> <p>Of all production 20% is for the domestic market and 80% for exports. Part of the production is channeled through the umbrella cooperative Rwashoscco (a trading company of which Koakaka is member; Rwashoscco encompasses 6 cooperatives in total) and is supported by USAID; Root Capital and KAFFEE Cooperative Germany. From Belgium there is only one small buyer, mainly for sampling.</p> |
| <p><b>Principaux documents de suivi</b></p> | <p>BTC TDC Rapport d'activité 2016.</p>   |

### Résultats attendus et atteints

| Marketing support to Koakaka Coffee Cooperative  |   |  |   |
|--|---|--|---|
| Objectif global  |   |  |   |
| <p>To improve the market access of coffee producers (be it local, regional or international markets) through strengthening of the organisational capacities in strategic marketing, communication &amp; sales</p>  |   |  |   |
| Objectifs spécifiques  |   |  |   |
| <p>Koakaka maintains its exceptional quality of coffee and communicates that as marketing strategy. Koakaka diversifies its (international) clients intensifies its relations with Rwashoscco for roasting and exporting and also for liaison with anglophone clients.</p> |   |  |   |
| Objectifs selon le cadre logique (original ou modifié)   | Indicateurs objectivement vérifiables (IOV)   | Degré d'atteinte de l'IOV  | Source  |
| Résultats (volet 1)  |   |  |   |
| <p><b>Quality</b><br/>Training of farmers, selection workers and quality controllers to obtain and maintain 90% excellence beans:</p>  | <p>At least 5,000 kg with 90% excellence beans sold at USD 7,00 fot.<br/>At least 1,200 kgs coffee beans produced by women of excellence quality sold at orepremium price of USD 10 / kg fot.<br/>Obtain UTZ and Rainforest Alliance certificates for new 2017 entree farmers (also</p> | <p>2016 90.3% excellence degree;<br/>2017: 89% excellence degree<br/><br/>Certification by FLO-CERT GmbH</p> | <p><a href="http://www.rwashoscco.com">www.rwashoscco.com</a><br/>evaluation interviews</p> |

| <b>Marketing support to Koakaka Coffee Cooperative</b>  |  |   |  |
|---|--|---|--|
|   | required by main client [Sustainable Harvest])<br>Demand for organic fertilizers increased.  |   |  |
| <b>Résultats (volet 2)</b>  |  |   |  |
| <b>Quantity</b><br>Training of farmers to double the yield per farmer in 5 year<br><br>Construction of a third washing station, operational for the season 2017 | Farmers in at least 1 zone (out of 3) producing an improved quantity of cherry per member (from 300 kgs average to 600 kgs).<br><br>Target 2017 : production of at least 120,000 kg beans (equal to 6.25 containers) | 2017 : > 120,000 MT<br><br>6 x 19 MT = 115,000 kgs sold; 16 MT in stock (not sold October 2017)<br><br>One washing station under construction | Evaluation interviews,<br>Annual Progress report, 2016 |
| <b>Résultats (volet 3)</b>  |  |   |  |
| Double the number of international clients in 5 years time  | At least 5 new clients for the organic coffee<br><br>Sales to at least one new client at a minimum price of USD 6 / kg   | New clients from Canada (3 containers)<br><br>Premium buyer USD 6 / kgs green bean: Japan Ataka Trading (600 kgs)                             | Evaluation interview                                   |
| <b>Activités</b>  |  |   |  |
| Training and organisation   |  |   |  |
| <b>Sources :</b>  |  |   |  |
| Koakaka Marketing Plan, 2016<br>www.rwashoscco.com  |  |   |  |

## Rwanda Decentralisation Support Programme (RDSP)

| <b>Nom</b>   | <b>Rwanda Decentralisation Support Programme (RDSP)</b>  |
|--|--|
| <b>Référence PRISMA</b>                            | 3014039  |
| <b>Acteur</b>                                      | BTC  |
| <b>Modalité d'aide / Mode de gestion</b>           | <p>Governmental cooperation</p> <ol style="list-style-type: none"> <li>1. Local Economic Development (LED) component - Appui financier aux plans de développement des districts et à la décentralisation fiscale à travers le Fond Rwandais d'Appui au Développement Local (FRADL) : participation in basket funding; technical assistance; in cooperation with civil society organisations and sub-national governments.</li> <li>2. Grant Fund to Small Entrepreneurs component (Local Competitiveness Fund - LCF): bilateral programme BTC - LODA</li> </ol>  |
| <b>Calendrier</b>                                  | <p>LED Strategy 2013-2018; BTC contribution 2015 - 2020</p> <p>LCF: Oct. 2015 - 2018</p>   |
| <b>Budget</b>                                      | <p>Committed BTC total EUR 10,850,000.</p> <p>Total basket LED EUR 22 million.</p> <p>LED (65%) : EUR 6,550,452; disbursed end 2016 EUR 4.5 million</p> <p>Committed LCF EUR 2,400,000 (2017, 2018); round 1 (2017) EUR 1,049,068; Rwanda Governance Board and RALGA: 15%</p>  |
| <b>Bénéficiaires</b>                               | <p>LED: nationwide for capacity building;</p> <p>LCF 2017 : 43 grants (2 windows) for 99 projects in 4 districts</p>   |
| <b>Description de l'intervention et historique</b> | <p>The Local Administrative Entities Development Agency (LODA, agency of the Ministry of Local Government – MINALOC), has a broad mandate and encompasses next to the local administrative entities also water and sanitation, education, health, agriculture, energy, urbanization, environment and nature resources, as well as private sector development.</p> <p>BTC has supported the decentralisation process since 2004. Current support is to the National Local Economic Development (LED) and Community Development Strategy, and the national development plan EDPRS 2. The decentralization policy of Rwanda aims to enhance citizens' participation and empowerment with LED at its core. Districts have been made responsible for LED, to be achieved through different approaches, like cluster development, infrastructure, skills development (TVET), and value-chain development.</p> <p>RDSP is a national programme of MINALOC with the aim to assist the Decentralisation Process. It counts with a World Bank loan. RDSP has two main objectives: 1) Institutional strengthening and enhancing governance and administration capacities at the national and sub-national level; 2) Support to the implementation of District Development Plans (DDPs) with a focus on LED. Development partners (next to BTC, KfW, GIZ, the Netherlands) established a basket fund to support the implementation of (mainly) local infrastructure (KfW exclusively rural infrastructure; BTC broad support). Next to the LED</p> |

| Nom   | Rwanda Decentralisation Support Programme (RDSP)  |
|---|---|
|   | <p>component, BTC also supports the Local Competitiveness Facility (LCF) and civil society / semi public organisations like the Rwandese Association of Local Government Authorities (RALGA).</p> <p>Contrary to the LED component, LCF is an exclusively Belgian funded intervention. LCF is a matched grant facility to support private business partnerships focusing on value chain integration. NGOs and Training and Vocational Centres (TVETs) can also be a partner. LCF funds innovative economic partnership projects to enhance pro-poor LED. Four Districts were selected for 2017: Nyagatare, Gisagara, Gakenke and Rutsiro. The District Administration of these districts manage and implement the LCF. LCF has four objectives:</p> <ol style="list-style-type: none"> <li>1. To achieve a positive LED impact</li> <li>2. To have a pro-poor impact</li> <li>3. To establish partnerships between micro, small, medium and large companies or cooperatives</li> <li>4. To contribute to innovative project ideas in the area of value-chain development to mitigate cost and risk barriers that inhibit development of innovative private sector partnerships.</li> </ol> <p>LCF has two 'windows': one specifically created for informal companies in partnership with a large or medium formal company or an NGO. LCF will contract the formal company or NGO, while the other companies are part of the partnership (10% matching, 90% grant). In this way, informal companies get access to LCF. The second window focuses on the formal sector only, and is aimed at business development (30% matching, 70% grant). Technical and Vocational Training Centre's (TVETs) can be part of a partnership (companies need skilled people, while TVET centres need to work closely with the private sector to know which skills companies need and to have traineeship places. The funding under the second window is much larger than under the first one.</p> <p>The Rwandan Association of Local Government Authorities (RALGA) is an important partner of the Rwanda Decentralisation Support Programme (RDSP). The organisation aims to assist local government entities in achieving their mission, complying with principles of good governance and decentralization.</p> <p>RALGA's commitments are in the areas of capacity building, LED awareness activities and dissemination of information.</p> |
| <p><b>Principaux documents de suivi</b></p> | <p>LODA outcome evaluation and satisfaction survey of infrastructures established in local administrative entities (draft), 2017</p> <p>annual activity report 2015-2016, 2016</p>  |

### Résultats attendus et atteints

| <b>Rwanda Decentralisation Support Programme (RDSP)</b>  |   |  |   |
|--|---|--|---|
| <b>Objectif global</b>   |   |  |   |
| <p>Enhance sustainably the capacities of the Districts to deliver services and to implement their local economic development in respect of best governance practices.</p> <p>The overall objective of LCF is to enhance pro-poor LED</p>   |   |  |   |
| <b>Objectifs spécifiques</b>   |   |  |   |
| <p>The key pillars of the Strategy are 1) community empowerment and citizen participation, 2) improve local capacity for economic growth, business development and job creation, 3) support systems to achieve these, like skills development, infrastructure, service delivery.</p> <p>There are 14 activity areas with 65 envisaged outcomes</p> |   |  |   |
| <b>Objectifs selon le cadre logique (original ou modifié)</b>  | <b>Indicateurs objectivement vérifiables (IOV)</b>  | <b>Degré d'atteinte de l'IOV</b>   | <b>Source</b>   |
| <b>Résultats (volet 1)</b>   |   |  |   |
| Community empowerment and citizen participation  | <p>Number of Laws, orders implemented; Number of MoU and addenda signed between LODA, District and other stakeholders.</p> <p>Number of Laws, orders implemented; Number of MoU and addenda signed between LODA, District and other stakeholders</p>  | Extensive capacity building in local democratic accountability, and integrated, inclusive and sustainable local economic development management.                                     | LODA Annual Activity report 2015-2016                                   |
| <b>Résultats (volet 2)</b>   |   |  |   |
| Improve local capacity for economic growth, business development and job creation  | <p>13 indicators for private sector development: touristic infrastructure; construction industrial areas (ICPCs); cross-border infrastructure and markets; slaughterhouses; construction modern markets; construction cultural centres; construction guesthouses and playgrounds; number of vendors and stands in new facilities; car</p> | Each of the indicators count with targets. RDSP realised public investment, largely according to plan. No clear evidence that RDSP interventions triggered private sector investment | <p>LODA Annual Activity report 2015-2016</p> <p>Mission observation</p> |

| <b>Rwanda Decentralisation Support Programme (RDSP)</b>   |  |   |  |
|---|--|---|--|
|   | parkings constructed,<br>greenhouses constructed |   |  |
| <b>Résultats (volet 3)</b>  |  |   |  |
| Support systems to achieve these, like skills development, infrastructure, service delivery   | See above  | 25 District Economic strategies have been elaborated. That is the additionality of BTC: these action plans did not exist before; only at a national level.                                      | LODA Annual Activity report 2015-2016<br><br>Mission observation |
| <b>Résultats (volet 4)</b>  |  |   |  |
| Grants (LCF) to improve finance of SMEs   | Bi-annual programme                              | Expression of interest by 497 parties: 218 for window 1 and 233 for window 2; 46 not applicable.<br><br>55 projects passed to full appraisal. 37 projects presented to LCF Investment Committee | De-briefing by RDSP mid-term review mission                      |
| <b>Activités</b>  |  |   |  |
| <p>The LED is basket funding of GoR together with various development partners. However, in the financial administration, LODA 'allocates' activities to each development partner. For Belgium these are mainly activities in rural electrification, water supply and in road rehabilitation. During the period 2015-2016: 6 projects in rural electrification; 7 projects in water supply and 10 projects in road construction and rehabilitation. Further: two agricultural storage facilities; 2 projects in the health sector; one cross-border market programme; one rehabilitation of a water channel; one trading centre, one parking place and two modern markets, one project of construction of terrasses; all these in 23 different districts.</p> |  |   |  |
| <b>Sources :</b>  |  |   |  |
| <p>LODA Local Competitiveness Facility, Programme document 2017.<br/>                     Local Competitiveness Facility, baseline report. 2017.<br/>                     National strategy for community development and local economic development, 2013-2018. 2013.<br/>                     LODA Annual Activity report 2015-2016</p>   |  |   |  |

## Rwanda Mountain Tea

| Nom  | <b>RMT Giciye hydro power plant</b>  |
|--|--|
| <b>Référence PRISMA</b>                            | 3014688; BIO reference PRT000257   |
| <b>Acteur</b>                                      | BIO  |
| <b>Modalité d'aide / Mode de gestion</b>           | Financial contribution of BIO (senior loan) to RMT   |
| <b>Calendrier</b>                                  | Loan: 2011   |
| <b>Budget</b>                                      | Loan: EUR 2,000,000.00; disbursed EUR 1,205,638  |
| <b>Bénéficiaires</b>                               | Rwanda Mountain Tea Ltd (RMT)  |
| <b>Description de l'intervention et historique</b> | <p>RMT is a Rwandan limited company with head office in Kigali. It was established in 2005. In 2006, as part of its privatisation programme, the Government of Rwanda decided to sell the Rubaya and Nyabihu tea factories to RMT. These tea units had been created in the seventies and needed rehabilitation and refurbishment to adhere to international tea quality standards. RMT started operations in 2007 in the production, processing, packaging, marketing and export of tea produced in Rwanda. The rehabilitation of the two tea factories was funded by a consortium of investors and financiers. BIO's investment (loan of USD 1 M USD) was used to finance factory equipment as well as tea planting for the Nyabihu tea unit, while the Rubaya tea unit was sponsored by the Rwandan Development Bank. The BIO loan was for the period 2007-2015. In 2009 and 2010 RMT acquired three other tea factories and became the single most important tea producer.</p> <p>The majority of the (black) teas are sold on the Mombasa auction. RMT sells 1% of its teas locally through Rwanda Tea Packers, a blending company (CTC black and green tea) in which it has majority shares. Some companies in the group have obtained Rainforest Alliance Certificates and all the companies hold Pesticides Residue Certificates.</p> <p>Tea factories are energy intensive and usually fuelled by firewood. New equipment enabled to use electricity instead of fuelwood. All RMT tea factories together consume 6,000,000 Kwh. In Rwanda the Kwh prices are amongst the highest in the world</p> <p>BIO Enterprises supports the energy sector and investments into Central Africa. A 2011 proposal to finance the generation of hydro-electricity matched the BIO Enterprises strategy. Total BIO loan commitment was 2 m EUR (equivalent in USD), excluding EUR 250,000 from the BIO expertise Fund of which EUR 200,000 for technical assistance to supervise the tendering phase and construction of the hydropower plant. The senior loan complements a local funding by the RDB of around 1.8 M EUR.<sup>41</sup> Long term funding for infrastructure projects is hardly available at the domestic banks and limited to a tenor of 7 years (RDB). BIO conditions allow a longer period</p> |

<sup>41</sup> 20/11/2010: FRW/EUR 810,293, FRW/USD 598, USD/EUR 1,36874

| Nom                                  | RMT Giciye hydro power plant  |
|--------------------------------------|---|
|                                      | <p>(max. 10 years), as well as an extended grace period. Next to BIO and RDB, a grant of 2.25 M EUR was awarded by the Daey Ouwens Fund (a Dutch renewable energy fund; closed in 2016) next to company investment capital.</p> <p>Construction commenced in March 2012 and energy production in 2014. The Giciye hydro power plant has an installed capacity of 4 MW, while its annual output may top at 16 million kWh (the tea factories will consume about 38% of that supply), all fed-in into the national grid under a power producers contract. The national energy company bill the power used by RMT against a preferential rate. Collateral benefits are the reduction of CO<sub>2</sub> emissions and the feed-in enabling electricity supply to connected households and enterprises. The successful installation gained the confidence of Government. Government has assigned another 5 hydro plant sites to RMT (estimated 60 MW).</p> |
| <b>Principaux documents de suivi</b> | <ul style="list-style-type: none"> <li>▪ RMT_Giciye_Investments Analysis</li> <li>▪ Rwanda Mountain Tea website</li> </ul>  |

### ***Other BIO investment in Rwanda Mountain Tea***

| Name                | Project Rubaya-Nyabihu Tea Company Ltd. (RNTC)   |
|---------------------|--|
| Subsector           | Agribusiness   |
| Activity            | Tea  |
| Contract signed     | Loan: 2017   |
| Amount              | Loan: EUR 3,857,700.00   |
| Description         | <p>BIO has granted a loan facility to finance the rehabilitation of two existing tea units (Rubaya &amp; Nyabihu; funded in 2007 by a BIO loan) principally to improve the quality of the processed tea and to increase production. The main objective is to double the production capacity (to 4,300 ton/year), to renew part of the factory equipment and to start new tea planting. The two tea units are situated at the north-western part of Rwanda. BIO's investment will be used to finance factory equipment as well as tea planting, for the Nyabihu tea unit. The rehabilitation of the Rubaya tea unit is sponsored by the Rwandan Development Bank.</p> <p>BIO also provided technical assistance to finance two tea experts contracted by RMT to supervise and rehabilitate the two tea units. These two managers of Sri Lankan nationality bring along a strong experience in managing tea factories. The rehabilitation process of the two tea units lead to the increase of black tea production and a higher quality of tea.</p> |
| Development impacts | <p>The project maintains 5,000 jobs (including tea pluckers; 45% women), as the two tea units are an income generator for the local population. Although there are peaks in tea harvesting, the tea plantations offer employment that is less seasonal than most other agricultural crops</p> <p>The heat for drying tea comes from boilers, fired by firewood. The harvested fuel wood is replaced on the tea units own wood land.</p>  |

|  |  |
|--|--|
|  |  |
|--|--|

**Other BIO projects to RMT**

| <b>Name</b>     | <b>Energy, dams and hydroelectrical plants</b> |
|-----------------|--|
| Subsector       | Agribusiness                                   |
| Activity        | Electricity supply                             |
| Contract signed | Fonds d'Expertise                              |
| Amount          | Grant: EUR 150,000                             |
| <b>Name</b>     | <b>Development industry and agroindustry</b>   |
| Subsector       | Agribusiness                                   |
| Activity        | Industry, agroindustry                         |
| Contract signed | Fund Small and Medium Enterprise               |
| Amount          |  |
| <b>Name</b>     | <b>Small and Medium Enterprise development</b> |
| Subsector       | Agribusiness                                   |
| Activity        | Small and medium enterprise development        |
| Contract signed | Fonds d'Expertise                              |
| Amount          | Grant: EUR 100,000                             |

## Ten Senses Africa Macademia

| Nom  | Establishing a Fair Trade and Organic macademia supply chain in Rwanda   |
|--|--|
| <b>Référence PRISMA</b>                            | 3015089 Trade for Development Centre programme 2014-2017<br>3017706 Establishing a fair trade and organic macademia supply chain in Rwanda   |
| <b>Acteur</b>                                      | TDC, Ten Senses Ltd.   |
| <b>Modalité d'aide / Mode de gestion</b>           | TDC project from the general subvention to TDC (2014-2017)   |
| <b>Calendrier</b>                                  | December 2015 – November 2017 (24 months)  |
| <b>Budget</b>                                      | EUR 124,922 committed ; EUR 54,059 expenditures  |
| <b>Bénéficiaires</b>                               | 2,500 direct beneficiaries   |
| <b>Description de l'intervention et historique</b> | <p>Macademia was introduced in Rwanda in 1980s but did not attract significant interest. In 2015, there were between 85,000-200,000 macademia trees, which can produce up to 700 MT annually of nuts-in shell. The crop is grown on some 1,100 hectares across the country, usually alongside other crops. Today the National Agriculture Exports Development Board has 2 ongoing initiatives to support macademia nut production: (i) the National Agricultural Export Development Board (NAEB) runs the only macademia tree nursery in the country, with seeds imported from Kenya; and (ii) Norlega, the only processor, aims at opening macademia nut collection centers throughout the country (to date only 3 collection centers). A recent study for Macademia Development and Processing in Rwanda commissioned by Kayonza District with support from the Belgian-Rwandese Study Fund indicated that an annual production of about 16,000 metric tonnes of the nuts over the next 15 years would generate more than US\$30 million per year by 2020.</p> <p>Ten Senses Africa Ltd (TSA, a Kenya based social enterprise) has an engagement with farmer groups in Rwanda since 2005, when it purchased 40 MT of macademia nuts. TSA Rwanda is a subsidiary founded in 2008. TSA is the world's first Fair Trade macademia and cashew producer, working alongside local entrepreneurs and smallholder farmers. TSA applies a private sector approach to develop profitable agricultural businesses that integrate commercial and smallholder farmers into modern value chains. TSA worked in 2015 with 30,000 cashew and macademia farmers. In Rwanda the programme aims at increasing the number of smallholder producers from 128 (2015) to 500 (2017) and to obtain for Rwandan farmers the fair trade and organic certification.</p> <p>Since smallholder farmers in Rwanda lacked the financial means to buy chemical fertilizers and pesticides, the organic farming methods qualify their product as high value organic. Organic certification and Fair Trade will allow TSA to export a higher value product, implying a 30% higher price to farmers as compared to conventional. However, the initial costs for FT and organic registration and certification are quite high. Once the initial registration and certification is completed, then TSA together with the farmer groups can financially support the ongoing maintenance and expansion of the certifications without further financial support.</p> |

| Nom                           | Establishing a Fair Trade and Organic macademia supply chain in Rwanda   |
|-------------------------------|--|
|                               | <p>In Kenya, TSA employs up to 500 women in the Processing Factory and 100 field officers. In Rwanda, the project enabled to contract 11 field officers. Sales growth has been steady over the years. In 2017, TSA projected a USD 2.8 million turnover, with the envisaged profit to be invested in upgrading the processing equipment and investments in Rwanda.</p> <p>TSA has experience with external support (Slovak Aid, Farm Africa, USAID).</p> |
| Principaux documents de suivi | TSA Annual Narrative Report Jan-July 2017  |

### Résultats attendus et atteints

| Establishing a Fair Trade and Organic macademia supply chain in Rwanda  |   |  |                                       |
|---|---|--|---------------------------------------|
| Objectif global   |   |  |                                       |
| <p>1. To improve international positioning of the Rwandan macademia sector.</p> <p>2. To stimulate the Fair Trade and Organic standards in the entire Rwandan macademia sector.</p> |   |  |                                       |
| Objectifs spécifiques   |   |  |                                       |
| To improve sustainable market access and increase income of 500 smallholder macademia farmers in the Kayonza, Ngoma and Nyagatare districts.  |   |  |                                       |
| Objectifs selon le cadre logique (original ou modifié)  | Indicateurs objectivement vérifiables (IOV)   | Degré d'atteinte de l'IOV  | Source                                |
| <i>Exactement tel qu'indiqués dans les documents officiels</i>  | <i>Exactement tel qu'indiqués dans les documents officiels</i>  | <i>Exactement tel qu'indiqué dans les documents officiels</i>  | pour le degré d'atteinte des IOV      |
| Résultats (volet 1)   |   |  |                                       |
| To improve sustainable market access and increase income of 500 smallholder macademia farmers in the Kayonza, Ngoma and Nyagatare districts.  | % increase macademia export<br><br>% increase of Fair Trade and/or Organic certified macademia (smallholder) producers  | Not available  | Not available                         |
| Output (deliverables)   |   |  |                                       |
| TSA Rwanda Fair Trade and Organic outgrower's scheme established with 3 macademia smallholder farmer groups including a total of 500 macademia smallholders                         | <p>1. Number of macademia smallholder farmer groups with Fair Trade and Organic certificates.</p> <p>2. Number of certified smallholder farmers included in the</p> | <p>6 smallholder farmer groups established</p> <p>828 registered farmers, of which 569 adhere to strict internal control</p> | Annual Narrative Report Jan-July 2017 |

| Establishing a Fair Trade and Organic macademia supply chain in Rwanda   |   |  |  |
|--|---|--|--|
| <p>Productivity of 500 smallholder groups improved</p> <p>TSA Rwanda marketing material developed and participation at 3 international fairs realized.</p> <p>Contract signed between TSA Rwanda and 2 new clients for fair trade/organic macademia nuts.</p> <p>3 macademia tree nurseries established.</p> | <p>smallholder farmer groups.</p> <p>3. % of trained smallholders with an improved Kernel Outturn Ratio (KOR) from current 18% to 22% minimum.</p> <p>4. % of trained smallholders with increased production per macademia tree from an average of 50kg/tree/year to 70kg/tree/year).</p> <p>5. Number of field officers and smallholders trained in tree grafting techniques.</p> <p>6. Copy of marketing material.</p> <p>7. Proof of participation at 2 fairs.</p> <p>8. Number of contracts signed with new clients.</p> <p>9. Number of nurseries established.</p> <p>10. Number of improved macademia seedlings delivered/sold.</p> | <p>criteria for organic production</p> <p>5 field officers trained in grafting techniques with 2 in training in Kenya (target was 15)</p> <p>Printed marketing material produced; branded T-shirts</p> <p>Participated in NAEB fair with all macademia value chain players in Rwanda.</p> <p>Participation in Biofach, the World Leading Trade Fair for organic food in Nuremberg, Germany. One new contract (Danfood Ltd); negotiations with 3 major buyers (incl. the major client Pakka). Offers by international firms to buy entire production</p> <p>1 nursery with capacity of 250,000 seedlings established. 57,500 seedlings produced.</p> <p>Second nursery in preparation</p> |  |

| <b>Establishing a Fair Trade and Organic macademia supply chain in Rwanda</b>  |
|--|
| <b>Activités</b>   |
| Training of trainers, formation of groups; certification audit contracted (Ecocert). Preparation of farmers to adhere to two standards; EU-EOS and US-NOP standard. This will be a duo certification as opposed to the single EU-EOS as planned, enabling TSA to access the American market as well. |
| <b>Sources :</b>   |
| TDC. TSA Rwanda Macademia Logical Framework (2016)<br>Macademia Development and Processing in Rwanda commissioned by Kayonza District with support from the Belgian-Rwandese Study Fund<br>TSA Annual Narrative Report Jan-July 2017   |

## Annex 2 : List of persons met

| Nom          | Prenom           | Organisation                              | Fonction  |
|--------------|------------------|---|---|
| Bär          | Markus           | KfW Development Bank                      | Director KfW Office Kigali  |
| Bayigamba    | Robert           | Manumental                                | Chairman  |
| Berthem      | Lore             | 11.11.11                                  | Brussels Office 11.11.11  |
| Bulcke       | Elisabeth        | BTC Rwanda                                | JA Local Economic Development to Local Administrative Entities Development Agency (LODA)  |
| Butera       | David            | Trademark East Africa                     | Programme Manager, Business Competitiveness   |
| Byamungu     | Livingstone      | Development Bank of Rwanda                | Chief Investment Officer  |
| Cardon       | Christophe       | Embassy of the Kingdom of Belgium         | First Secretary<br>Responsible private sector   |
| Debar        | Johan            | Embassy of the Kingdom Belgium            | Head of Cooperation   |
| Dodo         | Kimba            | APEFE                                     | Technical Assistant;<br>Programme Administrator   |
| Dorst        | Pieter           | Embassy of the Kingdom of the Netherlands | Head of Development Cooperation   |
| Gafaranga    | Joseph           | Rwanda Farmers Organisation Imbaraga      | Secretary General   |
| Geerts       | Sofie            | BTC Rwanda                                | ITA Local Economic Development to Local Administrative Entities Development Agency (LODA) |
| Hauwermeiren | Remco            | 11.11.11 Burundi & Rwanda                 | Coordinator Regional Partners   |
| Kabeja       | Alain            | Rwanda Mountain Tea                       | General Manager   |
| Kallinovskiy | Ellen            | GTZ Rwanda                                | Specialist employment generation  |
| Karangwa     | Gaspard Murekezi | Muhanga District                          | Director Business Development and employment generation                                   |
| Kimbugwe     | Kato             | Department for International Development  | Team Leader Economic Growth   |

| Nom   | Prenom        | Organisation                      | Fonction   |
|---|---------------|-----------------------------------|--|
| De Laminne de Bex   | Astrid        | Embassy of the Kingdom of Belgium | Attaché Development Cooperation                                  |
| Lietar  | Carlos        | Embassy of the Kingdom of Belgium | Counselor Development Cooperation                                |
| Majyalibu   | Jotham        | Rwanda Mountain Tea               | Principal Advisor to the Group Manager                           |
| Messiaen  | Laurent       | BTC                               | Programme manager  |
| Michiel   | Hanne         | 11.11.11                          | Coordinatrice a.i. du Bureau 11.11.11 Burundi & Ruanda           |
| Mitali  | Diogene       | Agruni Company Ltd                | Managing Director of Agruni Group                                |
| Mukantwali  | Drocella      | Ex-Change Expertise               | Local Representative to the Republic of Rwanda                   |
| Mutesi  | Patience      | Trademark East Africa             | Country Director Rwanda  |
| Niyonsenga  | Aimé Francois | Gakenke District                  | Vice Mayor in charge of Economic Development                     |
| Nzamwita  | Deogratia     | Gakenke District                  | Mayor Gankenke District  |
| Nsanzimfura   | Djafai        | LODA                              | Senior economic specialist                                       |
| Ogiga   | David         | Ten Senses Trading Company        | Programs Manager   |
| Omondi  | Frank         | Ten Senses Trading Company        | Managing director  |
| Piret   | Benoît        | BTC Rwanda                        | Resident Representative  |
| Rutaremara  | Vincent       | RALGA                             | General secretary  |
| Safari  | Bonaventure   | Koaka Cooperative                 | Manager  |
| De Schutter   | Simon         | BTC Rwanda                        | Technical advisor to MINALOC                                     |
| Sibomani  | Saidi         | LODA                              | Deputy Director Local Development Planning and Programs Division |
| Vandermeulen  | Harold        | Embassy of the Kingdom of Belgium | Development Counselor  |
| Business men, traders, carpintors, metalworkers, shoemakers, administrator slaughterhouse |               | Districts Muhange, Huye, Gakenke  |  |

## Annex 3 : Bibliography

| Auteur                          | Titre  | Année |
|---------------------------------|--|-------|
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| Agricord                        | Strengthening Farmers' Organisations in Developing Countries. Consolidated report. Update 2016 Appendix  | 2016  |
| APEFE                           | For demand-led quality skills development. Workplace Learning Support Programme. 2017-2021   | 2016  |
| Bernede, Jean Francois          | End-term Review of the Intervention Programme d'appui a la formation professionnelle – PAFP (Common Belgian TVET program). Country: Rwanda. Project No. RWA0906911 | 2015  |
| BIO sa                          | Investment Analysis Giciye Rwanda  | 2009  |
| BIO                             | Investment Committee Note. Rubaya – Nyabihu company (RTTC)   | 2016  |
| BIO SME Fund                    | Investment Analysis. Rwanda Mountain Tea sarl  | 2007  |
| BTC                             | Local Competitiveness Facility. Baseline Report. Call 1  | 2017  |
| BTC                             | LCF Knowledge Management Report Call 1   | 2016  |
| BTC / CTB                       | Note de Cadrage l'appui au secteur privé local dans une perspective de croissance économique inclusive et durable  | 2017  |
| BTC Trade for Development       | Application form financial and marketing support Fruit, Medicinal and Aromatic Plants, Nuts, Rice, Vegetables & legume plants. TSA Macademia                       | 2015  |
| BTC Trade for Development       | Annual Narrative Report TSA Macademia  | 2017  |
| BTC Trade for Development       | TSA Evaluation matrix  | 2016  |
| BTC Trade for Development       | Belgian technical cooperation workshop; Kigali, Rwanda Challenges & opportunities in export & Fairtrade  | 2017  |
| CTB Trade for Development       | Trade for Development Centre. Les programmes d'appui aux PME et aux organisations de producteurs   | 2015  |
| Curtis, Mark (FERN)             | European Development Finance Institutions and land grabs. The need for further independent scrutiny  | 2017  |
| Dalberg, Master Card Foundation | The MCF Rwanda Initiative: SME and Employment Demand Assessment. Findings from Field Research  | 2016  |

| Auteur  | Titre   | Année         |
|---|---|---------------|
| Exchange vzw  | Country Strategy Rwanda (draft)   | 2017          |
| Exchange vzw  | Expertise voor een inclusieve en duurzame economische groei 2015 – 2017. Quality grows by sharing it. Verslag jaar 1 ; + Verslag jaar 2.  | 2015,<br>2016 |
| FOD Buitenlandse Zaken, Buitenlandse Handel en Ontwikkelings-samenwerking. Dienst Bijzondere Evaluatie Ontwikkelings-samenwerking | Belgische Ontwikkelingssamenwerking in Rwanda. Evaluatie 1994-2006  | 2008          |
| FOD Buitenlandse Zaken, Buitenlandse Handel en Ontwikkelings-samenwerking   | Toekenning van een subsidie van 750.000 EUR aan Exchange vzw voor de periode 2015-2017 via basisallocatie 14 54 44 35.60.47 'Ondernemen voor ontwikkeling'  | 2015          |
| German Cooperation. GIZ   | Promotion of Economy and Employment   | 2017          |
| Godden, Zini; and Vanessa Kruger. Rwandese Association of Local Government Authorities (RALGA)                                    | Resource Document for Local economic Development (LED) practitioners in Rwanda  | 2012          |
| Grega, Pierre ; Christine Hesse, Laurence Lievens, Bernard Voz, Natalia Grega. (DRIS)   | Evaluation externe du Trade for Development center. CSC BTC/CTB Bxl-1651 Rapport final  | 2017          |
| International Monetary Fund   | Rwanda staff report for the 2017 Article IV Consultation, seventh review under the Policy Support Instrument, and second review under the Standby Credit Facility. Staff Report; and statement by the Executive Director for Rwanda | 2017          |
| Karibanga, Laura; Josiane Droeghag  | Plan Marketing Cooperative Koakaka  | 2016/2017     |
| KfW   | Rwanda. Ex-post evaluation report   | 2015          |
| Kayonza District Rwanda (with support from the Belgian-Rwandese Study Fund)   | Feasibility Study of Macadamia Development and Processing Project in the Kayonza District of Rwanda   | 2016          |
| Lambert, Nicolas (BTC-CTB)  | Coaching Marketing for Dukunde Kawa 24-29 April 2016  | 2016          |

| <b>Auteur</b>  | <b>Titre</b>  | <b>Année</b> |
|--|---|--------------|
| Local Administrative Entities Development Agency LODA  | Annual Activity Report 2015-2016  | 2016         |
| Local Administrative Entities Development Agency LODA  | Technical Working Group LED field visit   | 2017         |
| Local Administrative Entities Development Agency LODA and BTC                                      | Results Report 2016-2017. Rwanda Decentralization Support Programme   | 2017         |
| LODA, BTC, the Kingdom of the Netherlands, KfW   | Final Report Joint Progress Evaluation Mission for LODA financed decentralisation projects  | 2016         |
| Local Administrative Entities Development Agency LODA  | Outcome Evaluation and Satisfaction Survey of Infrastructures established in local administrative entities                              | 2017         |
| Ministerie van Buitenlandse Zaken, Handel en Ontwikkelings-samenwerking                            | Strategienota: De Belgische ontwikkelingssamenwerking en de lokale privésector: ondersteuning van een duurzame, menselijke ontwikkeling | 2014         |
| National Agriculture Development Board   | Rwanda coffee sector overview and government interventions . NAEB   | 2017         |
| PSDYE Sector Working Group Secretariat. Ministry of Trade and Industry                             | Private Sector Development Strategy 2 (PSDS2) 2018-2024   | 2017         |
| Republic of Rwanda, Ministry of Agriculture and Animal Resources<br>Ministry of Trade and Industry | A Revised Tea Sector Strategy for Rwanda – Transforming Rwanda’s Tea Industry   | 2008         |
| Republic of Rwanda, Ministry of Agriculture and Animal Resources                                   | Agriculture sector investment plan 2009-2012  | 2009         |
| Republic of Rwanda, Ministry of Agriculture and Animal Resources                                   | Strategic Plan for the Transformation of Agriculture in Rwanda–Phase II (PSTA II). Final Report   | 2009         |
| Republic of Rwanda, Ministry of Economy  | National Investment Policy (draft)  | 2015         |
| Republic of Rwanda. Ministry of Local Government   | National Strategy for Community Development and Local Economic Development. 2013-2018   | 2013         |

| Auteur   | Titre   | Année |
|--|---|-------|
| Republic of Rwanda.<br>Northern Province<br>Gakenke District                         | Local Economic Development Strategy for Gakenke District 2017-2023  | 2017  |
| Republic of Rwanda.<br>Western Province<br>Karongi District                          | Local Economic Development Strategy for Karongi 2017-2023   | 2017  |
| Republic of Rwanda.<br>Ministry of Trade and Industry                                | Small and Medium Enterprises (SMEs) Development Policy  | 2010  |
| Republic of Rwanda.<br>Ministry of Trade and Industry                                | Domestic Market Recapturing Strategy  | 2015  |
| Republic of Rwanda.<br>Ministry of Trade and Industry                                | Sector Strategic Plan, 2018 – 2014. Private Sector Development Strategy 2.  | 2017  |
| Republic of Rwanda   | Design of Five-Year National Employment Programme (NEP) for Rwanda. Final report  | 2014  |
| SPF Affaires étrangères,<br>Commerce extérieur et<br>Coopération au<br>développement | Landenfiches van de Belgische ontwikkelings samenwerking: Rwanda  | 2016  |
| Winrock International  | Rwanda Education Alternatives for Children (REACH) project. Child labour in the tea sector. Case study of Nyamasheke, Nyaruguru and Gicumbi | 2012  |
| World Bank   | Rwanda Economic Update. Sustaining Growth by Building on Emerging Export Opportunities  | 2017  |
| World Bank   | Doing Business survey 2017  | 2017  |
| World Bank   | Rwanda Green Leaf Price Reform Impact Evaluation<br>Baseline Report   | 2015  |

## Annex 4 : Real-time survey

### 4.1 Methodology

A Real Time Field Consultation was conducted during the three country missions. This tool consists in giving the opportunity to beneficiaries to complete a very short on-line questionnaire as a follow-up to face-to-face meetings, or focus groups. The consultation was hence launched during the visit, in real time. It contained a limited number of closed (11) and open questions (1), so that it could be completed in 5 to 7 minutes. Specific attention was paid to user-friendliness of the interface as target beneficiaries were frequently illiterate – we used for instance smileys, color codes and stars (from 1 to 5) for them to respond. We used for this exercise tablets equipped with a specialist IT platform for such beneficiary surveys.

The questionnaire is closely linked to the evaluation questions. It starts with identification questions (country, intervention, gender). It is then followed by questions on the following themes, for which the respondent could answer by providing a rating:

- Top priority needs for the development of his/her activities and relevance of the intervention
- Achievement of expected results of the intervention
- Effective effects of the intervention in terms of:
  - development of commercial activity
  - increase in revenue
  - productivity
  - job creation
  - access to finance
  - collaboration opportunities
  - other effects (open question)
- Degree of satisfaction with the project (in terms of respondent's well-being)
- Sustainability of the effect of the intervention in the long run

### 4.2 Results in Rwanda

In Rwanda, the Real Time Field Consultation tool has been used during field visits to three projects / programmes: two enterprises supported by *Exchange vzw* (Manumetal and Agruni), *Fairtrade & organic macadamia supply chain*, *Ten Senses Africa (TDC)* and *RDSP, Decentralisation programme (BTC)*. However, the number of respondents, 9 in total, is limited compared to Tanzania. One of the reasons is that -contrary to Tanzania-programmes aimed at improving the enabling environment (BIO, BTC), and/or benefitted to end-users indirectly only. For example, the loan agreement with BIO supported to the construction of hydro-electricity stations that supply energy to either the national grid or local stand-alone mini-grids. The benefit to Rwandan Mountain Tea as national cooperative is the increase in efficiency and the reduction of the use of fuelwood in tea factories. To tea producers, small farmers and pluckers this benefit is rather indirect: most will not know that the energy is coming from a different generation form and even less that Belgium figures amongst the various financiers. Comparably, the support by Agricord to Imbaraga was indirect. The members of the cooperative Imbaraga think the funding is coming from France (and not from Belgium) since the support is delivered by the French agri-agency Afdi-Lorraine. In order to avoid confusion with direct beneficiaries, such as those supported by TDC, the survey was not applied in these cases.

- For the three projects / programmes, all respondents consider that the interventions attended fully or partially the most pressing obstacles.
- In terms of results, respondents consider that:

- the Exchange project did not yield the expected results yet (2 out of 3 respondents).
- the BTC project did not yield the expected results (2 out of 3 respondents).
- the TDC project achieved all the expected results (2 out of three respondents).
- Exchange and TDC beneficiaries consider that the intervention allowed them to improve their commercial activities, their productivity, their revenue and their collaboration opportunities.
- BTC beneficiaries (2 respondents out of 3) consider that the intervention has not allowed them to improve their commercial activities, their revenue or their access to finance. Beneficiaries from TDC and BTC interventions also consider that the projects has not allowed them to improve job creation.
- In terms of well-being, all respondents are satisfied with the interventions.
- Finally, respondents for Exchange and BTC consider that the effect of the intervention will be sustainable in the long run. One out of three respondents for TDC consider that the effect will not be sustainable.

| <b>Gender</b>  | Manumetal and Agruni<br>(Exchange vzw) | Fairtrade & organic macadamia supply chain, Ten Senses Africa (TDC) | RDSP (LED)<br>(BTC/CTB) | Grand Total |
|--|--|---|-------------------------|-------------|
| Female   | 1                                      |   |                         | 1           |
| Male   | 2                                      | 3   | 3                       | 8           |
| <b>Grand Total</b>   | <b>3</b>                               | <b>3</b>  | <b>3</b>                | <b>9</b>    |
|  |  |   |                         |             |
|  <b>Little top priority needs</b> | Manumetal and Agruni<br>(Exchange vzw) | Fairtrade & organic macadamia supply chain, Ten Senses Africa (TDC) | RDSP (LED)<br>(BTC/CTB) | Grand Total |
|                                   | 2                                      | 1   | 2                       | 5           |
|                                   | 1                                      | 2   | 1                       | 4           |
| <b>Grand Total</b>   | <b>3</b>                               | <b>3</b>  | <b>3</b>                | <b>9</b>    |
|  |  |   |                         |             |
| <b>Yield the expected results</b>  | Manumetal and Agruni<br>(Exchange vzw) | Fairtrade & organic macadamia supply chain, Ten Senses Africa (TDC) | RDSP (LED)<br>(BTC/CTB) | Grand Total |
|                                   | 1                                      |   |                         | 1           |
|                                   | 1                                      | 1   | 2                       | 4           |

|   |  |  |                             |                    |
|---|--|--|-----------------------------|--------------------|
|  | 1  |  | 1                           | 2                  |
|  |  | 2  |                             | 2                  |
| <b>Grand Total</b>  | <b>3</b>                                   | <b>3</b>   | <b>3</b>                    | <b>9</b>           |
| <b>Development of commercial activity</b>   | <b>Manumetal and Agruni (Exchange vzw)</b> | <b>Fairtrade &amp; organic macadamia supply chain, Ten Senses Africa (TDC)</b> | <b>RDSP (LED) (BTC/CTB)</b> | <b>Grand Total</b> |
| Disagree  |  |  | 2                           | 2                  |
| Agree   | 2  | 1  |                             | 3                  |
| Strongly Agree  | 1  | 2  | 1                           | 4                  |
| <b>Grand Total</b>  | <b>3</b>                                   | <b>3</b>   | <b>3</b>                    | <b>9</b>           |
| <b>Increase in revenue</b>  | <b>Manumetal and Agruni (Exchange vzw)</b> | <b>Fairtrade &amp; organic macadamia supply chain, Ten Senses Africa (TDC)</b> | <b>RDSP (LED) (BTC/CTB)</b> | <b>Grand Total</b> |
| Strongly Disagree   |  |  | 2                           | 2                  |
| Disagree  |  | 1  |                             | 1                  |
| Agree   | 2  | 1  | 1                           | 4                  |
| Strongly Agree  | 1  | 1  |                             | 2                  |
| <b>Grand Total</b>  | <b>3</b>                                   | <b>3</b>   | <b>3</b>                    | <b>9</b>           |
| <b>Productivity</b>   | <b>Manumetal and Agruni (Exchange vzw)</b> | <b>Fairtrade &amp; organic macadamia supply chain, Ten Senses Africa (TDC)</b> | <b>RDSP (LED) (BTC/CTB)</b> | <b>Grand Total</b> |
| Disagree  |  |  | 1                           | 1                  |
| Agree   | 1  | 2  | 1                           | 4                  |
| Strongly Agree  | 2  | 1  | 1                           | 4                  |
| <b>Grand Total</b>  | <b>3</b>                                   | <b>3</b>   | <b>3</b>                    | <b>9</b>           |

| <b>Job creation</b>                | <b>Manumetal and Agruni<br/>(Exchange vzw)</b> | <b>Fairtrade &amp; organic macadamia supply chain, Ten Senses Africa (TDC)</b> | <b>RDSP (LED)<br/>(BTC/CTB)</b> | <b>Grand Total</b> |
|------------------------------------|--|--|---------------------------------|--------------------|
| Strongly Disagree                  |  |  | 1                               | 1                  |
| Disagree                           | 1  | 2  | 1                               | 4                  |
| Agree                              | 1  |  | 1                               | 2                  |
| Strongly Agree                     | 1  | 1  |                                 | 2                  |
| <b>Grand Total</b>                 | <b>3</b>                                       | <b>3</b>   | <b>3</b>                        | <b>9</b>           |
| <b>Access to finance</b>           | <b>Manumetal and Agruni<br/>(Exchange vzw)</b> | <b>Fairtrade &amp; organic macadamia supply chain, Ten Senses Africa (TDC)</b> | <b>RDSP (LED)<br/>(BTC/CTB)</b> | <b>Grand Total</b> |
| Strongly Disagree                  | 1  |  | 2                               | 3                  |
| Disagree                           |  | 1  |                                 | 1                  |
| Agree                              | 1  | 1  | 1                               | 3                  |
| Strongly Agree                     | 1  | 1  |                                 | 2                  |
| <b>Grand Total</b>                 | <b>3</b>                                       | <b>3</b>   | <b>3</b>                        | <b>9</b>           |
| <b>Collaboration opportunities</b> | <b>Manumetal and Agruni<br/>(Exchange vzw)</b> | <b>Fairtrade &amp; organic macadamia supply chain, Ten Senses Africa (TDC)</b> | <b>RDSP (LED)<br/>(BTC/CTB)</b> | <b>Grand Total</b> |
| Agree                              |  |  | 1                               | 1                  |
| Strongly Agree                     | 3  | 3  | 1                               | 7                  |
| Not applicable                     |  |  | 1                               | 1                  |
| <b>Grand Total</b>                 | <b>3</b>                                       | <b>3</b>   | <b>3</b>                        | <b>9</b>           |

|  | Manumetal and Agruni<br>(Exchange vzw) | Fairtrade & organic macadamia supply chain, Ten Senses Africa (TDC) | RDSP (LED)<br>(BTC/CTB) | Grand Total |
|--|--|---|-------------------------|-------------|
|  <b>Global satisfaction</b> |  |   |                         |             |
|  | 1                                      | 2   | 2                       | 5           |
|                             | 2                                      | 1   | 1                       | 4           |
| <b>Grand Total</b>   | <b>3</b>                               | <b>3</b>  | <b>3</b>                | <b>9</b>    |
|  |  |   |                         |             |
|  | Manumetal and Agruni<br>(Exchange vzw) | Fairtrade & organic macadamia supply chain, Ten Senses Africa (TDC) | RDSP (LED)<br>(BTC/CTB) | Grand Total |
| <b>Sustainability</b>  |  |   |                         |             |
|                             |  | 1   |                         | 1           |
|                             |  |   | 3                       | 3           |
|                           | 3                                      | 2   |                         | 5           |
| <b>Grand Total</b>   | <b>3</b>                               | <b>3</b>  | <b>3</b>                | <b>9</b>    |

# Annex 5 : Pictures

Copyright ADE

RDSP: Muhanga District Industrial Park : carpenters clustered



RDSP: Carpenter workshop Muhanga



RDSP Promotion banner LCF Fund (BTC component)



RDSP: Beneficiary of LCF Fund : small cooperative of shoemakers, Muhanga District



RDSP : Slaughterhouse facility, Gakenke District



RDSP : Metal workshop at Muhanga District Industrial park.



TDC: Koakaka coffee cooperative : selection and washing centre of berries



Agricord through Afdi : Imbaraga (advocacy and support to production at farm level)





## Annex 6 : List of projects

A list of PSD projects and programs supported by the Belgian Cooperation in Rwanda is provided below, based on PRISMA-based cartography (see above). It is followed by a specific list of Agricord and BIO projects in Rwanda, as provided by these actors.

### *List of PSD projects and programs supported by the Belgian Cooperation in Rwanda (2013-2016)*

| # contrat | Groupe d'acteurs | Titre   | Type d'appui - premier niveau | Type d'appui - deuxième niveau | Secteur  | Dépenses 2013-2016 |
|-----------|------------------|---|-------------------------------|--------------------------------|--|--------------------|
| 3012489   | ACNG:<br>autre   | APEFE<br>Programme 2011 - 2013 RWANDA<br>EDUCATION<br>Formation Professionnelle dans les filières agricole, foresterie, vétérinaire et construction   | 4                             | 43                             | Education - Formation professionnelle  | 1.078.803          |
| 3016994   | ACNG:<br>autre   | Subside de la province Flandre-Occidentale: éducation professionnelle   | 4                             | 43                             | Education - Formation professionnelle  | 6.400              |
| 3008634   | ACNG:<br>ONG     | Appui à Duterimbere pour la promotion de l'entrepreneuriat féminin  | 4                             | 41                             | Gouvernement et société civile - Organisations et institutions pour l'égalité des femmes | 84.042             |
| 3012889   | ACNG:<br>ONG     | La sécurité alimentaire et les revenus des familles bénéficiaires sont renforcés durablement grâce à une amélioration des conditions d'élevage et à une approche intégrée des exploitations | 2                             | 23                             | Agriculture et élevage - Bétail  | 254.450            |
| 3011801   | ACNG:<br>ONG     | Offre de service d'enseignement et formation intégrale dans le sous-secteur Skills Development  | 4                             | 43                             | Education - Formation professionnelle  | 261.324            |

| # contrat | Groupe d'acteurs | Titre  | Type d'appui - premier niveau | Type d'appui - deuxième niveau | Secteur   | Dépenses 2013-2016 |
|-----------|------------------|--|-------------------------------|--------------------------------|---|--------------------|
| 3014003   | ACNG: ONG        | La disponibilité et l'accessibilité des produits vivriers de la population rurale sont améliorées. | 2                             | 24                             | Agriculture et élevage - Coopératives agricoles   | 162.403            |
| 3009076   | BIO              | BIO - Fonds d'Expertise - Microfinance BIO/IFC - Rwanda  | 1                             | 12                             | Finances/Banques - Intermédiaires financiers du secteur informel et semi formel / micro-crédits | 0                  |
| 3016454   | BIO              | Compagnie Générale de Banque   | 1                             | 12                             | Finances/Banques - Intermédiaires financiers officiels  | 0                  |
| 3016456   | BIO              | Rubaya-Nyabihu Tea Company   | 2                             | 21                             | Agriculture et élevage - Production industrielle de récoltes/récoltes destinées à l'exportation | 0                  |
| 3013373   | BIO              | BIO - Development Fund - Kivu watt   | 2                             | 21                             | Energie - Renouvelable - général  | 1.449.701          |
| 3014688   | BIO              | BIO - Fonds PME - RMT  | 4                             | 42                             | Energie - Renouvelable - Centrales et barrages hydroélectriques                                 | 1.205.638          |
| 3016326   | BIO              | AfricInvest Financial Sector - Cogébanque  | 1                             | 12                             | Finances/Banques - Intermédiaires financiers officiels  | 133.501            |
| 3014684   | BIO              | BIO - Development Fund - RIF II - Unguka   | 1                             | 12                             | Finances/Banques - Intermédiaires financiers du secteur informel et semi formel / micro-crédits | 16.971             |
| 3007760   | BIO              | BIO - Fonds de Développement - ShoreCap (SCI) Cogebank - Rwanda                                    | 1                             | 12                             | Finances/Banques - Intermédiaires financiers officiels  | 2.121              |

| # contrat | Groupe d'acteurs | Titre   | Type d'appui - premier niveau | Type d'appui - deuxième niveau | Secteur  | Dépenses 2013-2016 |
|-----------|------------------|---|-------------------------------|--------------------------------|--|--------------------|
| 3007879   | BIO              | BIO - Fonds de Développement - Grofin Join Hands Enterprise - Rwanda  | 2                             | 21                             | Industrie - Développement des Petites et moyennes entreprises (PME)                              | 687                |
| 3001464   | BIO              | Local currency fund SME REIC Rwanda   | 1                             | 12                             | Finances/Banques - Intermédiaires financiers du secteur informel et semi formel / micro-crédits  | 0                  |
| 3003777   | BIO              | Development fund : Enedom (sans titre) - Rwanda   | 1                             | 12                             | Finances/Banques - Intermédiaires financiers du secteur informel et semi formel / micro-crédits  | 0                  |
| 3008094   | BIO              | BIO - Fonds Monnaie Local - Cogebanque - Rwanda   | 1                             | 12                             | Finances/Banques - Intermédiaires financiers officiels   | 0                  |
| 3008109   | BIO              | BIO - Fonds PME - Rwanda Mountain Tea - Rwanda  | 4                             | 42                             | Industrie - Agro-industries  | 0                  |
| 3008338   | BTC              | Appui à la SPAT II: axées sur le marché des services consultatifs et de semences de qualité   | 2                             | 24                             | Agriculture et élevage - Développement agricole  | 11.298.352         |
| 3014039   | BTC              | Appui financier aux plans de développement des districts et à la décentralisation fiscale à travers le Fond Rwandais d'Appui au Développement Local (FRADL) | 2                             | 24                             | Gouvernement et société civile - Décentralisation et soutien aux administrations infranationales | 6.550.452          |
| 3008337   | BTC              | Programme d'Appui à la Formation Professionnelle au Rwanda  | 4                             | 43                             | Education - Formation professionnelle  | 1.821.251          |

| # contrat | Groupe d'acteurs | Titre   | Type d'appui - premier niveau | Type d'appui - deuxième niveau | Secteur  | Dépenses 2013-2016 |
|-----------|------------------|---|-------------------------------|--------------------------------|--|--------------------|
| 3000655   | BTC              | Construction micro centrales hydro-électriques  | 2                             | 24                             | Energie - Centrales et barrages hydroélectriques                                 | 13.460             |
| 3003202   | BTC              | Construction de microcentrales hydro-électriques au Rwanda, province de l'Ouest, appui supplémentaire   | 2                             | 24                             | Energie - Centrales et barrages hydroélectriques                                 | 13.450             |
| 1953933   | BTC              | Micro-interventions CTB. Le programme a pour but de soutenir des initiatives de développement de petite dimension, gérées par le groupe cible et émanant des populations les plus défavorisées de la société. | 4                             | 41                             | Infrastructure Sociale - Aide plurisectorielle pour les services sociaux de base | 0                  |
| 3017545   | BTC              | Participation du secteur privé à la production d'énergie de source renouvelable   | 1                             | 13                             | Energie - Production d'énergie (sources renouvelables)                           | 0                  |
| 3017706   | BTC              | Establishing a fairtrade and organic macadamia supply chain in Rwanda   | 2                             | 23                             | Industrie - Développement des Petites et moyennes entreprises (PME)              | 0                  |
| 3002176   | BTC              | Filières semencières  | 2                             | 23                             | Agriculture et élevage - Produits à usage agricole                               | -106.113           |
| 3004421   | BTC              | Appui filière horticole   | 2                             | 23                             | Agriculture et élevage - Production agricole                                     | -135.197           |
| 3014042   | BTC              | Améliorer les capacités des Districts de fournir des services et à  | 2                             | 24                             | Gouvernement et société civile - Décentralisation et soutien aux                 | 2.845.433          |

| # contrat | Groupe d'acteurs | Titre  | Type d'appui - premier niveau | Type d'appui - deuxième niveau | Secteur  | Dépenses 2013-2016 |
|-----------|------------------|--|-------------------------------|--------------------------------|--|--------------------|
|           |                  | mettre en oeuvre leur développement économique local - Appui au processus de décentralisation                                |                               |                                | administrations infranationales                      |                    |
| 3017499   | BTC              | Amélioration de l'accès sur réseau des services électricité pour les familles et les services publics prioritaires (Phase 2) | 1                             | 13                             | Energie - Transmission et distribution d'électricité | 950.335            |
| 3017544   | BTC              | Soutien à la gestion de la forêt et de la production d'énergie biomasse d'origine ligneuse                                   | 2                             | 23                             | Energie - Biomasse                                   | 0                  |

## Agricord

| Partner    | Project  | Financier  | Budget    | From     | To       |
|------------|--|--|-----------|----------|----------|
| Ingabo     | Renforcement économique des gacacas dans les filières maïs, ananas et manioc | Agriterra  | € 986.320 | 1/04/11  | 31/12/14 |
| IMBARAGA   | Amélioration de la rentabilité des filières agricoles                        | Agriculteurs Français et Developpement International | € 209.386 | 1/01/14  | 31/12/17 |
| IMBARAGA   | Promoting socio economic interests of Rwandan farmers in potato value chain  | Agriterra  | € 70.551  | 1/07/12  | 31/12/13 |
| IMBARAGA   | Ajouter de la valeur à la production des pommes de terre                     | Agriterra  | € 60.220  | 7/01/14  | 31/01/15 |
| FECOPPORWA | Services d'appui-conseil vers un meilleur acces aux marchés                  | Agriterra  | € 49.756  | 26/01/15 | 26/12/15 |
| Agriterra  | Administratief: Kigali office Great Lakes Region                             | Agriterra  | € 37.369  | 1/07/16  | 31/12/16 |
| IMBARAGA   | Strenghtening Potato Cooperatives in Musanze Rwanda                          | Agriterra  | € 25.215  | 15/08/16 | 31/12/16 |
| IAKIB      | Dairy Coop consolidation towards dairy processing                            | Agriterra  | € 17.800  | 1/09/16  | 31/12/16 |

Source: Agricord website

**BIO**

| <b>Project 1:</b>            | <b>Bank of Africa Group S.A. (BOA Group)</b>  |
|------------------------------|---|
| Number                       | PRT000174, PRT000341, PRT000343, PRT000497  |
| Subsector                    | Commercial Banks  |
| Contract Signed              | 2009, 2010, 2011 and 2012   |
| Amount                       | Equity: € 7,513,260.00  |
| Shareholders                 | BMCE (72,6%), FMO (5%), Proparco (3,8%), M. Aworet (2,7%), BIO (2,4%), others (13,5%)   |
| Description                  | <p>The BANK OF AFRICA Group (BOA Group) was founded in Mali in 1982 and is present today in 12 countries through a network of commercial banks and finance companies, all of which are entirely dedicated to the African continent. It provides individuals and companies with a whole range of tailored financial services. BOA Benin was the second bank to open after Mali. The SME segment is specifically targeted, representing over 80% of the loan portfolio.</p> <p>In Rwanda, the BOA group founded BOA Rwanda.</p> |
| Expected development impacts | <ol style="list-style-type: none"> <li>1. Deepening and professionalization of an underdeveloped local financial sector</li> <li>2. Significant increase in the quantity and quality of banking products offered to the local population and businesses (SMEs)</li> <li>3. Creation of assets and jobs</li> </ol>   |

| <b>Project 2</b> | <b>Ecobank Transnational Inc. (ETI)</b>  |
|------------------|--|
| Number           | PRT000262  |
| Subsector        | Commercial Banks   |
| Contract signed  | Loan: 2012   |
| Amount           | Loan: €15,000,000.00   |
| Shareholders:    | Nedbank (20,7%), QNB (17,4%), Government Employees Pension fund (13,8%), IFC (12,9%), Social Security & National Insurance Trust (4,0%), JP Morgan (2,0%), Africa Capitalization Fund (1,5%), BIDC (1,0%), Others (26,7%)  |
| Description      | <p>Ecobank group has the most widespread network in Sub-Saharan Africa with a presence in 35 countries. Ecobank offers services to all segments of the financial clients: SME, large enterprises, states and NGOs, offering a complete and targeted pane of products. However, over 40% of Ecobank's portfolio consists of SMEs.</p> <p>BIO's support to Ecobank aims at increasing long term resources. The investment finances two key activities of the group: distribution network development and IT platform unification and modernization. Furthermore,</p> |

|                              |   |
|------------------------------|---|
|                              | <p>BIO's investment, along with other DFIs such as IFC, FMO and Proparco, has a positive impact on how the market perceives the group.</p> <p>The investment contributes to the deepening and professionalization of an underdeveloped African financial sector. It encourages the emergence of a universal commercial regional banking group managed by international standards</p> <p>The significant increase in the quantity and quality of banking products offered to the local population and businesses also leads to creation of opportunities, jobs and local assets.</p> |
| Expected development impacts | <ol style="list-style-type: none"> <li>1. Deepening and professionalization of an underdeveloped local financial sector</li> <li>2. The emergence of a universal commercial regional banking group managed in a professional way</li> <li>3. The significant increase in the quantity and quality of banking products offered to the local population and businesses (retail, SMEs and corporates)</li> <li>4. The creation of assets and jobs</li> </ol>   |

| <b>Project 3</b>             | <b>Africinvest Financial Sector Limited LLC (AFS)</b>  |
|------------------------------|--|
| Number                       | PRT000799, PRT001406   |
| Subsector                    | MFI Funds  |
| Contract signed              | Equity: 2013   |
| Amount                       | Equity: €5,000,000.00<br>Technical Assistance: €100,000.00   |
| Shareholders                 | FMO (33%), FISEA (16,5%), KfW (16,5%), BIO (8,3%), DOTF (8,3%), Québec Inc (8,3%), Lundin Foundation (6,6%), DID (1,6%), Africinvest Capital Partners (1%)   |
| Description                  | <p>AFS is a € 60,6 mln Pan-African PE fund focusing on small financial institutions that was created in 2007 by FMO. BIO joined the fund in 2013 and the end of lifetime is set at end 2021. The fund is managed by Fund Manager Africinvest, a long-standing quality partner of BIO. The investment period is now over and the fund has realized 20 investments for a total of € 40,7 mln.</p> <p>In Rwanda, the fund has invested in Cogébanque.</p> |
| Expected development impacts | <ol style="list-style-type: none"> <li>1. Improvement of financial inclusion</li> <li>2. Direct and indirect job creation</li> <li>3. Generation of tax income</li> </ol>  |
| <b>Project 4</b>             | <b>Grofin East Africa Fund LLC. (GEAF)</b>   |
| Number                       | PRT000053, PRT000361   |
| Subsector                    | SME Funds  |
| Contract signed              | Equity: 2006   |

|                              |  |
|------------------------------|--|
| Amount                       | Equity: €2,175,333.00  |
| Shareholders                 | GroFin Investment (34%), FMO, CDC, BIO, SIFEM, Finnfund (12% each), Triodos (5%), GEA (1%)   |
| Description                  | <p>The GroFin East Africa fund focuses on making start-up and growth investments in small and medium enterprises. Entrepreneurs can benefit from the facility's unique approach that makes both business development assistance and risk finance available to those who have no access to financial services.</p> <p>GroFin East Africa SME facility primarily focuses on making start-up, early stage and growth finance transactions ranging from USD 50,000 to USD 1,000,000 in small businesses.</p> <p>Grofin East African Fund was liquidated in February 2015. After liquidation all remaining portfolio clients (5) were assigned to the Grofin East Africa liquidation trust.</p> <p>Through Grofin, BIO has invested in the following companies: Belvedere (hotel &amp; tourism industry); Join Hands Enterprise (Agroindustry); La Reference (Pharmaceuticals); Okapi Hotel (Hotel &amp; Tourism) and SOGEM (manufacturer of paper products).</p> |
| Expected development impacts | <ol style="list-style-type: none"> <li>1. Local economic growth: access to long-term financing for SMEs.</li> <li>2. Private sector consolidation / innovation: Know-how and technology transfer to investees; GroFin and the Fund will provide not only finance but also regular technical support to SMEs in order to create and encourage the adequate managerial, operational and financial structure and maximize therefore the value of the Fund's investments.</li> <li>3. Access to basic services and goods; minimum 40% of portfolio is for energy related projects among which a minimum 10% in clean energy; Many SMEs assisted by the Fund will deliver modern energy services to mostly rural populations providing an essential link in the service provision and product distribution chain.</li> </ol>  |

| <b>Project 5</b> | <b>Rural Impulse Fund s.a., SICAV-FIS</b>  |
|------------------|--|
| Number           | PRT000096 PRT000099  |
| Subsector        | MFI Funds  |
| Contract signed  | Equity: 2007<br>Loan: 2007   |
| Amount           | Equity: €1,158,300.00<br>Loan: €1,544,400.00   |
| Shareholders     | BIO, EIB, FMO, Incofin, KBC Private Equity (each 16,67%), Volksvermogen, MRBB, others (each 5,55%) |

|                              |   |
|------------------------------|---|
| Description                  | <p>RIF targets commercial microfinance institutions (MFI) providing financial services to the rural poor and will invest in Africa, Latin America, Central Asia, the Caribbean, Central and Eastern Europe, India and South East Asia. The two funds provide debt and equity instruments to rural MFI.</p> <p>RIF is a Belgian flag initiative. BIO's growing experience in structuring microfinance investment vehicles ensures that RIF II incorporates best practices. This project gives BIO the opportunity to further support the development of the rural microfinance sector.</p> <p>In Rwanda, RIF has invested in the MFI Unguka.</p> |
| Expected development impacts | <ol style="list-style-type: none"> <li>1. Improve access to financing for the rural poor</li> <li>2. Promote and stimulate investments in rural MFIs</li> </ol>   |

| <b>Project 6</b>             | <b>Kivuwatt Ltd</b>   |
|------------------------------|---|
| Number                       | PRT000233   |
| Subsector                    | Energy  |
| Activity                     | Methane to electricity  |
| Contract signed              | Loan: 2011  |
| Amount                       | Loan: €7,722,000.00   |
| Description                  | <p>Kivuwatt is a 26MW methane gas-fired thermal power located on the Lake Kivu plant. The project integrates a floating gas-extraction platform on Lake Kivu, a 13 km underwater gas pipeline and an onshore marine landing site that generates electricity from the gas. This project was proposed to BIO in the framework of the BIO-FMO Risk Sharing Agreement. The project reached COD on 31/12/2015.</p> <p>Grid stability is giving some unexpected challenges to operate and coordinate gas and power production. 2016 net generation was 20% lower than budget due to rainy season and hydro power plants dispatch with priority.</p> |
| Expected development impacts | <ol style="list-style-type: none"> <li>1. Basic services and goods: energy</li> <li>2. Fight against climate change: Renewable energy; this project makes diesel generators redundant, which considerably reduces CO2 emissions; and uses the lake methane gas which is constantly reproduced. Without the controlled extraction of methane gas from the lake, the gas concentrations are estimated to approach saturation and produce a cataclysmic and fatal gas release within a range of 50 to 200 years suffocating thousands of people within a densely populated area.</li> </ol>  |