

Evaluation of the integration of decent work into the development of value chains



Country report Rwanda

October 2023

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The opinions expressed in this document represent the views of the authors and do not necessarily reflect the position of the FPS Foreign Affairs, Foreign Trade and Development Cooperation.

Disclosure: This report is public. All references to individual respondents and companies have been anonymised.

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Abbreviations and acronyms

ANGS	Actors of non-governmental cooperation
BDS	Business Development Services
BIO	Belgian Investment Company for Developing countries
BRD	Banque Rurale de Development
CBHI	Community-Based Health Insurance scheme
CESTRAR	Centrale Syndicale des Travailleurs au Rwanda
CICA	Centre for Information and Communication in Agriculture
COSYLI	Confederation des Syndicats Libres
COTRAF	Congress of Labor and Fraternity in Rwanda
DW	Decent Work
E&S	Environmental and Social sustainability
ENABEL	Belgian Development Agency
ESAP	Environmental and Social Sustainability Action Plan
FAO	Food and Agriculture Organization
FFS	Farm Field School
HR	Human Resource
HRM	Human Resource Management
IFAD	International Fund for Agriculture Development
IFC	International Finance Corporation
ILO	International Labour Organisation
LFFS	Local Farmer Field Schools
LMP	Livestock Master Plan
MIFOTRA	Ministry of Public Service and Labour
NIRDA	National Industrial Research and Development Agency
NSSP	National Social Protection Policy
OSC	Out grower Service Company
OSH	Occupation Safety and Health
PPE	Personal Protective Equipment
PRISM	Partnership for Resilient and inclusive Small stock Market in Rwanda
RAB	Rwanda Agriculture Board
RCVD	Rwanda Council of Veterinary Doctors
RDC	Republic Democratic of Congo
RPFA	Rwanda Pig Farmers Association
RPIA	Rwanda Poultry Industry association
RSSB	Rwanda Social Security Board
SEO	Special Evaluation Office
TDC	Trade for Development Centre
ToR	Term of references
UNDP	United Nation for Development Program
UNGP	United Nations Guiding Principles on Business and Human Rights
WB	World Bank

1 Objective and subject of the evaluation.

The Special Evaluation Office (SEO) for the Belgian Development Cooperation took the initiative in 2022 to organise an evaluation of the integration of decent work into Belgian Development Cooperation interventions that focus on economic development and, more specifically, on the development of sustainable value chains. Decent work has been highlighted as one of the priority themes of Belgian Development Cooperation since the Belgian Development Cooperation Act of 19 March 2013, referring to the achievement of inclusive, equitable and sustainable economic growth, prioritising local entrepreneurship, the social economy and the ILO's Decent Work Agenda.

The objective of this evaluation is to examine how decent work is included - explicitly or implicitly - in the interventions of Belgian Development Cooperation actors (the Belgian Development Agency (Enabel), the Belgian Investment Company for Developing Countries (BIO-Invest), Actors of the Non-Governmental Cooperation (ANGs) and specific programmes like Trade for Development Centre (TDC) and Beyond Chocolate) that address value chains at both the design and implementation levels.

This evaluation is primarily formative and it is intended to be strategic and to support policy, with the aim of drawing lessons and formulating specific recommendations to refine or adjust the Belgian approach to decent work in the support of private sector development (value chains), including concrete recommendations to strengthen due diligence. It is also necessary to examine how results-based management can be improved. This requires, among other things, a coherent understanding of the approaches and/or levers used (that can) lead to significant results and the critical success factors in this regard.

The subject of this evaluation is the integration of decent work into the interventions of Belgian Development Cooperation actors; mainly in interventions that promote the development of value chains, both their economic and social upgrading. It is important to distinguish four types of economic upgrading: product upgrading (producing a better-quality product); process upgrading (introducing more efficient technologies and processes to perform a task); functional upgrading (taking over higher value-added functions in the global value chain); and cross-sector upgrading (moving production into related or new higher value-added industries). The latter two forms have been found to contribute most strongly to value creation.

Social upgrading of value chains has a strong normative link to the ILO's Decent Work Agenda and refers to "the process of improving workers' rights that enhances the quality of their employment". Value chain development can also specifically aim to optimise the interaction and relationships between actors in a value chain (value chain governance) and to increase the sustainability of the whole value chain.

The ToR refer to the ILO definitions of decent work and value chains and the four pillars of the Decent Work Agenda: a) creation of sustainable employment and livelihoods, b) labour rights, c) social protection (social security, occupational health and safety) and d) social dialogue.

1.1 Brief introduction of the cases visited

The first case involves the **Partnership for resilient and inclusive small stock market in Rwanda** (PRISM) project of Enabel, covering the period 2019-2024. It aims at contributing to the reforms and transformation of the pork, poultry and animal feeds value chains by facilitating private sector investments, market growth and competitiveness resilience to climate change. It also aims at strengthening the capacities of farmers across 10 districts in Rwanda. This has to be achieved by (1) facilitating value chain actors to access to information, technology, finance and market; (2) creating synergies among stakeholders; and (3) providing support to have a conducive policy environment for growth and investments.

The second case study involves a **loan of BIO Invest for a tea producing and processing company** in Rwanda, covering the period 2016-2024. The loan was expected to allow the company to expand its tea production volume with 56% over ten years, while at the same time also expand the necessary processing capacity. A loan of USD 1.1 M was provided for the purchase and conversion to turn 300 additional hectares of land into industrial plantations. The expansion of processing capacities was supported by a loan for the procurement of machinery and facilities for a total of USD 3.1 M.

The Belgian Development Cooperation in 2022 started a **thematic program and portfolio on decent work in Central-Africa** (Rwanda, RDC and Uganda). For the three countries 50 M € is foreseen for the period 2022-2026. It is the first time such a thematic approach is put forward. For good measure, the thematic portfolio on decent work is not taken into account as a case study in this country report as it surpasses the scope of this evaluation on the integration of decent work in the development of value chains and it surpasses the territory of Rwanda. Instead the thematic portfolio will be discussed in a short but detailed way in the end report of this evaluation. In this country report we don't focus on the portfolio in detail.

2 Methodology and conduct of the mission in Rwanda

This country report for Rwanda was produced based on both field work in Rwanda and desk-based research. The latter included a review of policy documents of the actors concerned, as well as other relevant governmental and civil society actors; intervention-related documents; and academic literature. The field work in Rwanda took place between the 20th of April and the 5th of May 2023. Two interventions were studied in-depth, while a third intervention was assessed primarily based on secondary sources and key informant interviews. The main cases covered the value chains of pig and poultry on the one hand, and tea on the other.

The field work for the PRISM project of Enabel included interviews and focus groups with workers, farmers, and the management of animal feed companies and agro-processing plants in six districts. In addition, governmental stakeholders social partners, and multilateral agencies were consulted, as well as the PRISM intervention team of Enabel.

In the case of the BIO loan, the field work included interviews and focus groups with workers, staff and management of the tea plantation and factory, as well as with farmers of the cooperatives that are connected to the company via an outgrower system. In addition, interviews were done with trade unions active in the tea sector.

As the thematic portfolio on decent work was not taken into account as a case study in this field work, no detailed research was undertaken. Some interviews with Enabel staff were taken by the Special Evaluation Office regarding the start, scope and structure of the portfolio and the possibility to form synergies and to absorb the recommendations of this current evaluation on the integration of decent work in the development of value chains.

A briefing workshop was organised at the start of the mission which was attended by Enabel, the Belgian cooperation section, multilateral agencies and representatives of Belgian non-governmental agencies and local trade unions. A debriefing was held on the last day of the field work, which included a broader representation of the same types of actors.

An overview of the interviews and focus groups is provided below. The individual interviews were semi-structured, and included interviews with the management of companies, representatives of governmental departments and international agencies, veterinarians, and sometimes individual workers. The focus groups with workers and farmers were based on a standard survey instrument¹ with more than 50 questions clustered in eight domains, that together cover the four pillars of decent work: income security; employment security; labour market security; social protection; work-life balance; occupational safety and health; fair treatment; and voice and representation.

Dates	Districts	Interviews	Participants	Focus groups / survey					
				Employees (low-skilled)	Nr of respond	Employees (medium-skilled)	Nr of respond	Farmers	Nr of respond
24/04/2023	Huye	1	3	1	3	1	4		
	Gisagara	3	3	1	5				
25/04/2023	Ruhango	3	3						
26/04/2023	Kigali	4	5	1	4	1	3		
27/04/2023	Gicumbi	2	2	1	4				
28/04/2023	Musanze	4	4					1	2
29/04/2023	Rubavu	5	5	1	4				
1/05/2023	Online	1	1						
2/05/2023	Nyabihu	1	1	1	5	1	8		
3/05/2023	Nyabihu	1	1	1	7	1		1	4
4/05/2023	Kigali	5	6						
5/05/2023	Kigali	2	2						
Total		32	36	7	32	4	15	2	6

¹ More information about the methodology can be found in the synthesis report.

Limitations

The mission was also characterised by a number of limitations, which we summarise below:

1. The field work on the tea sector was slightly affected by the impact of the floods and landslides in Rubavu region in which more than 100 people lost their lives. The evaluation team lost half a day due to the fact that most roads to the region where the tea company is located, were blocked. However, most of the interviews could still be done as the company was flexible in re-organising the agenda.
2. Around 10-20% of the interviews were cancelled last-minute by the respondents due to clashes in their agendas. Where possible, interviews were rescheduled later on in the mission.
3. The information obtained from the workers provides good indications of the reality on the ground but cannot be considered as representative, due to the limited sample size and the way the focus groups had to be conducted. The overall number of focus groups (7) is too limited to make broad conclusions, considering the diversity of sectors, companies and farms. In addition, as interviews with workers tend to be sensitive for companies, it is important to create a setting where they feel confident to speak freely.
4. The allocated time for the interviews and focus groups with workers did not allow to have an independent selection of the respondents. There were, however, no indications that workers were specifically selected by the management or that they were briefed beforehand what to say to the evaluation team, although this cannot be fully excluded. In most cases, the evaluation team had the impression that they were talking quite freely. At the same time, for some topics (gender issues, discrimination) individual interviews with workers would have been a better option, but time did not allow to do this.
5. Due to circumstances, the evaluation did not work with a gender-balanced evaluation team, which was not ideal when assessing certain aspects of decent work. It was acknowledged by the evaluation team and taken into account in the analyses, and in some key interviews.
6. Finally, most of the time all survey questions were answered, but in some cases, the survey questions could not be completed fully due to time and other constraints. The evaluation team made sure that all survey questions were at least answered by some respondents.

3 Context of the value chains in Rwanda

Before delving into the specific value chains that have been the topic of this evaluation in Rwanda, this section marks shortly four challenges that the country is facing:

- Rwanda's economy is largely dominated by the informal sector, which is estimated to hold around 90% of the jobs.
- The economy has suffered substantially due to the impact of the Covid-19 crisis, which resulted, amongst others, in a high loss of jobs and an overall fall-back of the economy.
- Recent macro-economic and political tensions due to the war between Russia and Ukraine, as well as the trade war between China and the US have caused a spike in the prices of food and other basic commodities. The country is also heavily affected by the rising cost of animal feed and the disruptions in global supply chains that tend to hit low-income and land-locked countries harder than other countries.
- At a regional level, political and economic tensions with neighbouring countries create uncertainties and disruptions to various value chains on the import and export side. This was especially tangible for the small livestock sector, both for the import of animal feed and the export of pigs and poultry.
- Studies show that climate change has a substantial impact on agriculture in Rwanda, as well as on the overall infrastructure. During the field visit, heavy rains caused floods and landslides which caused more than 100 casualties in Rwanda alone.

3.1 Brief description of the pig and poultry value chain in Rwanda

Both poultry and pig production have grown fast in Rwanda over the last few years, and studies² indicate significant potential for future growth. At the same time, the challenges of pig and poultry production are quite well documented³: restricted commercialisation, difficulty of attracting domestic and foreign investment, the quality and quantity of animal feed, gaps in the extension services for workers, lack of veterinarian and animal health services, the quality of the breeds, lack of meat slaughtering and processing facilities, etc.

Pig production⁴ is increasing rapidly to meet rising demand in urban and rural areas, and for export to neighbouring countries. Total pork production was projected to rise by about 40%, from 19,869 tonnes in 2017 to 27,871 tonnes in 2022. The pig population in Rwanda is currently estimated at 1.8 million pigs, largely in smallholder production. In some regions of the country, 80% of households are estimated to keep pigs, with 1–2 grown pigs per household. To help stimulate pig production, the Ministry of Agriculture and Animal Resources set out a plan to distribute 1.25 million pigs from 2018 to 2024.

² Shyaka, A., Quinnell, R. J., Rujeni, N., & Fèvre, E. M. (2022). Using a Value Chain Approach to Map the Pig Production System in Rwanda, Its Governance, and Sanitary Risks. *Frontiers in Veterinary Science*, 8. <https://www.frontiersin.org/articles/10.3389/fvets.2021.720553>

³ Enabel Country Programme RWANDA: 2019-2024 / Part III - Agriculture

⁴ Francis Mbuza , Denis Majyambere , Jean De Dieu Ayabagabao and Marie Fausta Dutuze, Inventory of pig production systems in Rwanda 2016

Shyaka and al.: Using a Value Chain Approach to Map the Pig Production System in Rwanda, Its Governance, and Sanitary Risks, 2022

The Partnership for resilient and inclusive small stock market in Rwanda (PRISM) project of Enabel responds to the Livestock Master Plan (LMP, 2017) of the Rwandese government, which sets out the strategies, activities and investment budgets for better genetics, feed, and health services, as well as complementary policy support, marketing and processing of products. The LMP targets an ambitious increase of small livestock production by a combination of private sector investment, support to small holder farmers, developing links to final markets, private sector development, etc.

Pigs, like poultry farming, have high turnover rate, quick return on investment, high growth rate and a short generation interval. They do not contribute to loss of grazing land as they can be raised for their entire life time in enclosures, and pigs have high feed conversion ratio.

The commercial poultry sector in Rwanda still remains in the initial phase of development. In the traditional village poultry system, farmers usually consume eggs and chicken meat themselves, or sell/give it to family and neighbours, often in exchange for other agricultural products they lack. Rudimentary village poultry is largely practiced by Rwandan families living in rural areas. Traditional poultry farmers initially buy the birds from neighbours or village markets⁸. Cross breeding of local chicken with high performing improved/pure breed is very scarcely applied in traditional poultry, despite evident positive effects in terms of both meat and egg production.

In Rwanda, the majority of commercial poultry farms are small (meaning their capacity is less than 1000 chickens) and medium, with a capacity of 1000–5000 chickens. In commercial broiler poultry, chickens are reared in open sided chicken houses, with five to ten chickens per square meters. After the first two weeks, chickens are usually moved to a different chicken house. When birds are forty-two/forty-three days old, they are slaughtered and the meat is processed, packaged and stored until sales. Some large-scale poultry farms are equipped with more facilities: hatcheries, feed mills, slaughterhouses and cold storages. It is not unusual for broiler farms with processing facilities to buy live chickens from smaller farmers, process them and sell the meat. Small-scale farmers often do not have the required financial resources or access to finance to invest in slaughtering facilities. Moreover, they have limited market connections. Therefore, they benefit from selling live chickens to farms that can process them and easily place the meat on the market.

Commercial poultry production is expected to be supported through specialisation, with on the one hand broiler poultry, aimed at chicken meat production, and on the other hand layer poultry, aimed at egg production. In addition to selling meat and eggs, commercial poultry farms generate some income from selling chicken manure to farmers and the remains of birds processing (heads, innards and feet) to pig growers.

The pig and poultry industry in Rwanda is still developing and obstacles hampering growth remain that include:

- Feeding remains probably the single most challenging aspect for pig and poultry farmers. Imported feeds are very expensive, the animal feed industry is still at low level and there is still a very high competition for the cultivation of corn and soy beans for human consumption.
- Improved access to and affordability of finance is lacking, which blocks farmers to invest in their businesses and obtain a higher and better-quality production.
- Poor housing/ lack of biosecurity measures and health problems due to poor or lack of vaccination,

- Dependency on day-old imports and poor genetic breeds: The demand for day old chicks is high and is not met by local hatcheries. Day old chicks are mostly imported from outside the country, mainly Belgium and the Netherlands,
- Generally poor working conditions and wages, with low awareness about worker rights, safety and health, etc.

3.2 Brief description of the tea value chain in Rwanda

Tea is Rwanda's most important agricultural export crop. The tea value chain is more established than the small livestock sector, which translates in larger companies, a structured supply chain, with the necessary support structures. Rwandan tea processing industry records 18 operational factories processing a total of 160 420 metric tonnes of green leaves per year. Cultivation of tea happens both through large-scale plantations and smallholder farms. Factory owners typically also own nearby plantations which supply green leaf to tea factories. Smallholder farmers, on the other hand, sell their tea through cooperatives (outgrower system). The cooperative manages the produce of smallholder farmers, especially the logistics and the sale of tea to factories. At the end of the month, the factory pays the bulk amount to the cooperative, which will distribute the money to each farmer based on his/her production minus any deductions (management fee, loans, etc). Processed tea is directly exported by the tea factories. The tea value chain therefore includes smallholder farmers, plantations, estates, cooperatives and tea factory companies. Smallholder farmers mostly use household labour on their own farms or casual labourers. Plantations and estates use employ a combination of permanent and casual employees.

The tea sector is highly globalised in which trade and price-setting is volatile and based on a system of standardised grades⁵. Tea production in East and Southern Africa is almost exclusively sold through the Mombasa Tea Exchange. Prices on the global market tend to fluctuate between 20-30%, depending on global production and demand. Rwanda covers around 0,5% of global tea production. The partner of BIO Invest covers around 32% of Rwanda's tea production. Tea from Rwanda, Kenya and Burundi benefits from higher prices (a price premium) than the rest of Sub-Sahara Africa, because of the climate, rich volcanic soil and high altitudes. The price range offered on international markets still differs between tea companies in Rwanda, depending on the region and the quality of production.

The tea sector has been the subject of a wide range of studies internationally. Some of the main challenges relate to the working conditions of workers (wages, health and safety, labour rights), soil erosion, water management, pest management, deforestation and biodiversity. The same issues have also been identified in the tea sector in Rwanda.

Certification has been a key strategy for social and environmental upgrading for many years in the tea sector. The main certification schemes are Fairtrade International, Rainforest Alliance, and Organic-IFOAM. Many studies find mixed results of the effects of certification in the tea sector. Some studies identify improvements in specific areas of decent work, other studies do not observe meaningful changes.

⁵ This paragraph draws extensively from the analysis of the tea sector in BIO's Investment Committee Note for the tea company it supports in Rwanda.

3.3 The dimensions of decent work

Labour conditions in Rwanda are mainly governed by the Labour Code of 2009⁶, with specific aspects covered by other laws, such as the Constitution of the Republic of Rwanda (2003, revised in 2015), and the Social Security Code of 1974. Recent information about the state of the labour force can be found in labour force surveys that are updated on a quarterly basis⁷. The section below makes extensive use of data provided in Labour Force Survey Annual Report 2022⁸ and public ILO databases on social protection⁹ and decent work.

The Ministry of Public Service and Labour (MIFOTRA) is in charge for labour related policies, while specific aspects, such as social protection, are governed by other ministries.

3.3.1 Labour market security

In 2022, the working population (16 years and above) of Rwanda was estimated at 7,96 million, of which 4,46 million persons were considered to be part of the labour force. In line with international practice, persons engaging in subsistence farming (around 1,3 million) are considered to be outside the labour force. Around 3,55 million persons were considered to be employed, while almost 1 million were unemployed (unemployment rate of 20,5%). However, when considering underemployment, a total of 57,5% of the workforce is either underemployed, unemployed or not seeking employment.

With 47% of the working population employed in the agricultural sector, this is by far the largest economic sector. Important, these numbers exclude people active subsistence agriculture. This is in line with international statistical guidelines, which differentiate between people active in subsistence agriculture from those in market-oriented agriculture. A large majority of the working population in market-oriented agriculture are employees (85,5%), of which almost all (93,3%) are working as casual labour (on the basis of daily contracts). Only around 10% of the workers in agriculture are self-employed, while contributing family workers represent 3.8%.

The second sector is services (trade, transport, accommodation and food, and admin services), which covers around 36% of the working population. 17,3% is employed in industry (mainly construction, manufacturing, and mining). Around 84% of employment happens in the informal economy, another 7,4% have informal employment in the formal sector.

⁶ Law Regulating Labour in Rwanda (2009)

⁷ See, for example, <https://www.statistics.gov.rw/publication/1919>

⁸ <https://www.statistics.gov.rw/publication/1919>

⁹ <https://www1.issa.int/node/195543?country=956> and <https://www.social-protection.org/gimi/ShowCountryProfile.action?iso=RW>

3.3.2 Income security

Rwanda does not have an up-to-date system of minimum wages. The only reference can be found in a law of 1973 which refers to a daily minimum wage of 100 RWF (corresponding to 0,09 Euro in May 2023).

Average salaries are low to very low in Rwanda, especially for low and medium-skilled jobs. Table 1 shows, for example, that the average wages in the agricultural sector are around 20 euro per month, below the poverty line of the World Bank¹⁰. On top of that, wages have not increased over the last six years, while inflation has been significant.

Table 1: Average reported monthly wages per sector (LFS 2022, MIFOTRA)

	Average reported monthly wage for 2017-2022 (in Rwandese Franc, k=1000x)						Euro equivalent ¹¹
	2017	2018	2019	2020	2021	2022	2022
Across all sectors	57,3k	57,0k	57,9k	57,3k	54,1k	58,8k	€ 53,90
In agriculture	21,1k	20,4k	20,4k	20,8k	21,2k	22,5k	€ 20,62
In industry	67,2k	58,5k	63,3k	61,5k	69,8k	75,2k	€ 68,93
In services	105,8k	108,7k	103,7k	104,8k	114,2k	122,9k	€ 112,65

Wages (in the formal sector) have to be paid regularly, differentiating between day labourers (daily basis, to be paid daily) and permanent workers (weekly, bi-monthly, and monthly basis, within 7 days of the end of a wage period). Pay slips should be provided by the employer upon request.

3.3.3 Employment security

According to the labour code a written contract has to be provided for work of six months and more. The labour code allows the continued use of fixed term contracts for tasks of a permanent nature, but when this happens for more than 6 consecutive months, the worker is considered to be a permanent worker. It is not clear if this last aspect is strictly monitored by companies and the labour inspectorate.

The labour force survey 2022 does not stipulate how many of the workers in the agricultural sector (mostly daily labourers) are provided with a written contract. Studies in the tea sector (which has mature companies and trade union activity) stipulate that around 30% of daily labourers do not have a contract.

Contract termination regulations are as follows for permanent workers:

- 15 days' notice period for less than year of service and one month for more than one year of service.
- A severance pay is provided, ranging from one month salary for less than five year of service and 6 months for more than 25 years of service.

¹⁰ 2,15 USD/day in the US in 2017 prices, or around 2,7 USD/day in 2023 prices, or with the purchasing power parity (PPP) conversion rate for Rwanda (0,33), an equivalent of WB poverty line for Rwanda in 2023 is around 0.9 USD/day or 27 USD/month.

¹¹ Average exchange rate of 2022: 1 Euro = 1091 RWF

3.3.4 Social protection

Social protection has received significant policy attention in Rwanda over the last decades¹², through different National Social Protection Policy (NSSP) plans. There are six main schemes, all administered by the Rwanda Social Security Board (RSSB): (1) pension scheme; (2) occupational hazards scheme; (3) maternity leave scheme; (4) medical scheme; (5) community-based health insurance scheme (CBHI) and (6) EjoHeza, a long-term saving scheme with membership available to the whole population. In addition, there are other non-contributory programmes which target the most vulnerable.

In general terms, Rwanda has received international recognition for the expansion of mutual health coverage over the last decades, reaching now more than 80% of the population. However, other elements of social protection system (the contributory schemes: pension, occupational hazard, maternity, medical scheme) are only provided to workers in formal employment, which is less than 10% of the labour force.¹³

Health insurance

Two main types of health insurance exist in Rwanda. All Rwandese of working-age have access to a community-based health insurance (CBHI), or *mutuelles de santé*, which were rolled out centrally by the government since 2004. The system is organised in a decentralised way through 426 *mutuelles de santé* across the country. As it is fully integrated in the national health systems, it has managed to reach out to more than 80% of the population. The large outreach and the fact that it has managed to reduce the out-of-pockets expenses substantially for vulnerable workers, is internationally recognised as a success (while some concerns remain that even the relatively small out-of-pocket expenses pose risks for the poorest in society when confronted with health problems).

Workers in formal employment have access to a public health insurance, which is more comprehensive than the CBH insurance. This contributory scheme covers less 10% of the population.

Sick leave

Workers in formal employment, are entitled to paid sick leave of up to six months upon the provision of a medical certificate. Employment is secured during that period.

Disability and work injury benefit

A benefit system is available to workers in formal employment that depends on the type of work injury, temporary or permanent disability, or fatal injury.

Pension rights

According to the social security code and labour code, a worker in formal employment is entitled to a full pension from the age of 60 years, in case of at least 15 years of contributions. In other case, an old age allowance is foreseen, proportional to the number of years of contributions.

Maternity and paternity leave

According to Rwandese law, female workers in formal employment are entitled to a maximum of 12 weeks of paid maternity leave, of which six weeks are fully paid and the rest (max) six weeks with 20% of the salary. A female workers cannot be dismissed during the period maternity leave. Paid nursing breaks of one-hour are allowed for breast feeding.

¹² <https://www.social-protection.org/gimi/ShowCountryProfile.action?iso=RW>

¹³ <https://www.social-protection.org/gimi/RessourcePDF.action?id=58058>

Maternity benefits are organised by the Social Security office under a 2016 bill, and only accessible if the woman worker has paid the contribution (0,3% of the gross salary) to the scheme for at least one month.

Male workers in formal employment are entitled to four working days of paternity leave when a child is born in the family.

Invalidity benefits

30% of the insured's average monthly earnings in the last five years plus 2% of average monthly earnings for every 12 months of contributions exceeding 180 months is paid.

3.3.5 Working conditions and occupational safety and health

Basic aspects are described in the labour code: healthy and safe workplace, first aid box, appropriate tools and premises, take protective measures.

Free, easy to handle, personal protective equipment (PPE) needs to be provided to workers involved in hazardous work. The necessary steps need to be taken to ensure the correct use of PPE; including training on OSH.

In addition, employers are expected to conduct a risk and hazard analysis, raise awareness about risks amongst the employees.

3.3.6 Work-life balance

Rwanda has not ratified ILO Convention 01 on compensation overtime, nor Convention 171 on night work, but it has stipulations on overtime in the labour code of 2009. The normal working hours are set at 45 per week. The average number of hours worked per week is 36 hours in 2022. This number includes persons in underemployment.

Overtime is allowed under specific conditions and in mutual consensus. An overtime premium is to be defined in a collective labour convention (if present). Extra rest hours need to be provided proportional to the overtime.

Paid annual leave is set at a minimum of 18 days for a fulltime worker, increasing every 3 years of service with one extra day. A weekly rest day of 24 hours is to provide to workers, normally on Sundays, unless the working schedule requires work on Sundays.

3.3.7 Fair treatment

Discrimination

All forms of discrimination on the basis of ethnic origin, tribe, clan, colour, sex, region, social origin, religion or faith, opinion, economic status, culture, language, social status, physical or mental disability or any other form of discrimination is prohibited and punishable by law.

The law stipulates that workers with the same competence and ability have a right to equal pay for equal work.

The right to free choice of employment is provided in the constitution of Rwanda.

Forced labour

Forced labour is prohibited according to the labour code. This does not include certain conditions in accordance with the law (military service, civic education, prison service, emergencies).

Gender

In 2022, women accounted for 46% of the labour force, most of them are employed as crop farm labourers, and to a lesser extent domestic workers, and stall and market sales persons, and shopkeepers. Only 26% of the managerial positions in formal employment are held by women.

The labour code prohibits sexual harassment of women at the workplace. Violations of the law can lead to imprisonment and/or fines.

Child labour & youth

The labour market has more difficulty in providing sufficient jobs for medium and high-skilled youth, rather than for low-skilled youth. While the unemployment rate is around 21% for youth with no educational attainment, it is as high as 39,4% for youth with a secondary degree and 32,4% for youth with university education.

The minimum age for employment is 16 years. Children of a lower age can work under certain conditions, defined in the labour code. Education is compulsory up to 15 years. Hazardous work can only be done from the age of 18 years.

Rwanda still has a significant problem with child labour.¹⁴ 5,4% (156.522) of the children in the age group 6 to 14 years old are out of school and working, and another 4,9% are combining work and school. Almost 80% of the working children are employed in the agricultural sector, and around 18% in services. They are exposed to dangerous and unhealthy working conditions.¹⁵, including carrying heavy loads, use dangerous tools, work with pesticides and fertilizers, are exposed to insect and snakebites, and working long hours. There are significant regional differences in the prevalence of child labour in Rwanda. The latest assessment by the US Department of Labour concluded that Rwanda made minimal advancement over the last years in this area.¹⁶

There are detailed studies.¹⁷ of child labour in the tea sector, indicating that in tea growing areas around 4% of the children aged 5-17 years old are working in the tea sector of which a large majority in work that is qualified as hazardous child labour. A more recent, smaller study.¹⁸ also estimates that around 5% of the children can be found in the tea sector.

Disabilities

Almost 18% of the persons with disabilities (working age) are active in the labour market, compared to 57% for the rest of the population of working age.

Migrants

With only 0,6% of the population, Rwanda reports to house very low levels of international migrants (compared to the world average of 4,6%). The majority of international migrants come from four main

¹⁴ https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2022/Rwanda.pdf

¹⁵ Ibid

¹⁶ Ibid

¹⁷ <https://www.dol.gov/sites/dolgov/files/ILAB/WI%20Baseline%20Prevalence%20Study%20on%20CL%20in%20T%20ea-growing%20Areas%20in%20Rwanda%20Final.pdf>

¹⁸ <https://rewu.org.rw/wp-content/uploads/2020/11/2020.-10.-01-Rapid-Assessment-Report-on-child-labor-in-Rwanda.pdf>

countries: DRC, Uganda, Burundi, and Tanzania. A larger proportion of international migrants are active in the labour market, compared to the rest of the population. They are mainly active in market services and agriculture.

3.3.8 Voice and representation

Rwanda has ratified the ILO conventions on freedom of association (1948) and the right to organize and collective bargaining (1949).

Trade unions

The labour code regulates the right to form and join a trade union. The trade unions should be registered with MIFOTRA, and should be independent from business and government. They cannot be involved in political activities.

A recent overview study by MIFOTRA and ILO¹⁹ provides basic facts and figures of the labour movement in Rwanda:

- There are 32 registered trade unions
- The confederation CESTRAR has 16 member unions, COTRAF has seven member unions and COSYLI nine unions.
- The total membership was 233 626 in 2022, or 3,6% of the labour force (trade union density)
- 44% of the membership is female (based on numbers of CESTRAR)
- 37% of the membership is operating in the informal economy (based on numbers of CESTRAR)

Rwanda only has 15 collective bargaining agreements, covering in total 38 335 workers (1% of the work force).

Social dialogue

The main tripartite bodies are the Economic and Social Development Council and the national labour council. The first one has seven 'platforms' in which tripartite parties engage on issue of socio-economic importance. The national labour council is advising on policies and laws regulating labour, but it also has a role in the settlement of labour disputes, and social dialogue. Topics include the setting of minimum wages, working and living conditions, etc. An overview of the social dialogue structure is presented below. Below the national level, there are structures at the regional level (4 provinces and city of Kigali). Aside from this, social dialogue can be discussed at the sectoral level, district level and at factory level.

¹⁹ Brian Kiberu (2022) FEASIBILITY STUDY SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN RWANDA, 2022, MIFOTRA and ILO Country Office Rwanda

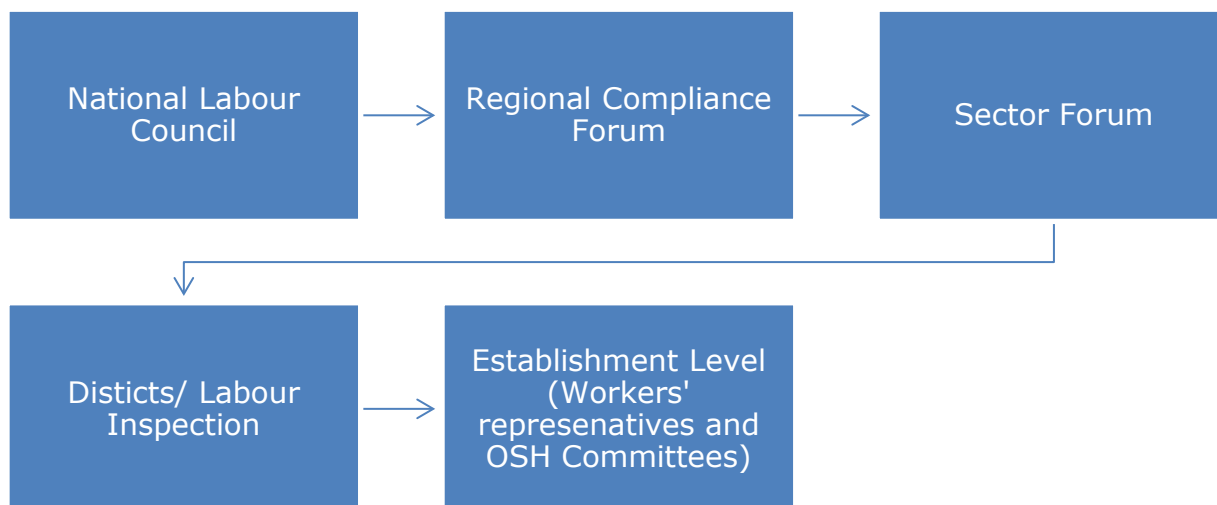


Figure 1: Process of Social Dialogue at National Level (Kiberu, 2022)

The main gaps in social dialogue relate to the fact that the structures are still emerging and are therefore not fully operational. Aside from this, there is a limited enforcement of the law. Several ministerial orders in key areas of social dialogue/labour law are waiting to be published. There is also a lack of awareness and support for social dialogue on the side of business. Finally, the fact that large parts of the economy are informal, with micro and small businesses operating in informal settings also complicates social dialogue.

Labour inspection

Rwanda has labour inspectors in all 30 districts of the country, but several logistical and capacity challenges are reported to limit their effectiveness.

4 Analyses of the contribution of the selected cases to the promotion of decent work

This section starts with some general observations about the decent work situation in Rwanda. First of all, studies²⁰, and also repeated by several respondents, point at the fact that the labour law in Rwanda is quite comprehensive, but there are substantial implementation gaps, related to, amongst others, the ineffectiveness of labour inspection, lack of social dialogue, limited civic space, delays in translating policy intentions on minimum wages into effective policies, etc.

Secondly, there are, similar to other low-income countries, substantial differences in the working conditions between three main groups: employees, casual workers (day labourers), and farmers. Within the group of employees, there are significant differences between employees in medium and highly-skilled jobs, and employees in low-skilled jobs.

Decent working conditions in the small live-stock sector (pig and poultry) are negatively influenced by the following facts:

²⁰ <https://www.ulandssekretariatet.dk/wp-content/uploads/2021/05/LMP-Rwanda-2021-Final.pdf>

- It is a rather young and emerging sector, with a lot of micro and small businesses, often working in informality.
- The sector is oriented to local and regional markets, which traditionally do not demand attention for sustainability issues, nor certification or other conditions.
- Union activity is very low, and there is no tradition of social dialogue.

The situation is different for the tea-sector, where some aspects of decent work score better due to the following factors:

- The tea sector is more established with larger and more formalised companies and farms, having received government and private sector support over many years.
- Part of the tea sector is working with certification (environmental & social standards) due to sustainability demands from international markets.
- There is a union activity in most of the larger tea companies, and there is some level of social dialogue. The large majority of the collective bargaining agreements in Rwanda can be found in the tea sector.
- There are differences in the situation of workers on the tea plantations on the one hand, and for farm workers that are connected to external farmers that are part of the out-grower system (organised in cooperatives).

4.1 Income security

Income security covers the wage or income, whether the pay is regular, aspects of overtime, the capacity to save and paid annual leave. There are no minimum wages in the agricultural sector in Rwanda. A recent living wage estimate for rural Rwanda is 160 USD/month (living wage reference value for 2022²¹). In line with the findings from the labour force survey 2022 (section 3), workers interviewed by the evaluation team reported mostly low to very low wages (Table 2), far below a living wage, and in many cases below or close to the World Bank poverty line²². This is the case for casual labour, and for part of the employees in low-skilled jobs, both in pig and poultry and the tea sector. A key informant indicated that there is significant variance in the wage levels paid by different tea companies and cooperatives for similar work. Employees in medium-skilled jobs tend to balance around the lower middle income class poverty line²³. The situation is better for employees in high-skilled jobs, especially in the tea sector where some were earning up to 1500 USD/month. While the evaluation did not allow systematic benchmarking against these findings with other companies, the estimates seem to converge largely with the findings of the latest Labour Force Survey for Rwanda.

Table 2: Overview of monthly wages and income²⁴ estimates in the evaluation (no representative sample)

²¹ <https://globallivingwage.org/living-wage-reference-value%E2%81%A0-rural-rwanda/>

²² 2,15 USD/day in the US in 2017 prices, or around 2,7 USD/day in 2023 prices, or with the purchasing power parity (PPP) conversion rate for Rwanda (0,33), an equivalent of WB poverty line for Rwanda in 2023 is around 0.9 USD/day or 27 USD/month.

²³ While Rwanda is a low-income country, for analytical reasons a comparison can be made with the poverty line for lower-middle income and middle-income countries. For lower-middle income countries the poverty line is set at 3,65 USD/day in the US in 2017 prices, or around 4,54 USD/day in 2023 prices, or with the purchasing power parity (PPP) conversion rate for Rwanda (0,33), an equivalent of WB poverty line for lower-middle income countries in 2023 would be around 1,5 USD/day or 45,5 USD/month.

²⁴ In case of employees, respondents were asked to report their net wage. For farmers, the respondents were asked to provide an estimate of an average net income per month. The resulting answers for farmers are only as indicative due to the complexity of the calculations for farmers.

	Employees (medium/high-skilled)	Employees (low-skilled)	Casual labour	Farmers
Wages	P&P*: \$50 to \$600 Tea: \$150-\$1500	P&P: \$50 to \$135 Tea: \$15-\$50	\$15 to \$45	P&P: Wide range Tea: \$20-\$80

* P&P = pig and poultry

The payment of wages is regular for the workers in our sample, both for employees and casual workers, and they received extra pay for overtime, in case that overtime was required. Most low-skilled employees and casual workers do not receive sufficient income to save on a regular basis. Employees received the legal number of days of paid annual leave. This is not the case for casual labour, who only receive an income when working. Aside from the financial benefits, for part of the workforce accommodation is provided by the tea company. As basic information was lacking about the percentage of workers that have access to these facilities, and time was lacking to visit them, we cannot assess this non-financial benefit.

Both projects have job creation objectives. At the time of the evaluation, the PRISM project did not yet execute a comprehensive assessment of the job creation component. The evaluation team consulted project monitoring data (April 2023) and an outcome and impact assessment report from the Rwandese government²⁵. Monitoring data of PRISM refers to a total number of 3276 job opportunities that will be created over the project period. The monitoring numbers are a mix of actual counts and future estimates (projections). The type of jobs that are expected differ substantially. The largest number of jobs (1334 jobs) is expected to be created through the Local Farmer Field Schools (LFFS) system. These farmer groups consist most often of subsistence farmers, which are supported by other farmers to improve small livestock farming. As it is at micro-level, and the income from the production of pig or poultry tends to be low for individual farmers, in many cases these jobs will not be sufficient to maintain the household. The second source of job creation information is the outcome and impact assessment of the Behaviour Change Communications campaign. Aside from assessing the impact of the campaign on consumers behaviour and the availability of pig and poultry products, estimates are provided for the impact on job creation. The report refers to the creation of 4855 jobs for youth and 4973 jobs for women, resulting from the Behaviour Change Communication campaign. The study provides limited insights into how the PRISM programme has contributed to job creation. In addition, 80-90% of the jobs created are described as 'waiters in hotels and restaurants', which are more indirect jobs rather than structural jobs in the pig and poultry value chain itself.

Enabel is planning to integrate decent work as a priority in the new Agriculture portfolio (2024-2029). This will include a more robust strategy on integrating decent work and the monitoring of its impact on the entire value chain, capitalising on the available expertise in the thematic portfolio on social protection and decent work, as well as the support from Enabel more broadly.

In the BIO project, more specific objectives were set for job creation and the monitoring templates provide more insights of the kind of jobs created. The business plan for the loan talks about the creation of 2000 additional jobs. As the most recent monitoring reports were not yet available, and the HRM manager of the company was not available, it could not be verified if the intervention reached its objectives in this area.

²⁵ CICA-MINAGRI-Enabel (2023). The consumer survey on the outcome and impact assessment of CICA-MINAGRIs behavior change communication efforts on pork and chicken products in Rwanda.

Table 3: Example of annual monitoring of job creation in tea company supported through BIO (AMR 2020)

	Men	Women	Permanent	Temporary
New job created during reporting period	4	8	4	300
Currently employed workforce	3473	3210	312	6371
Management level	14	4	18	0
Unskilled / Low-skilled workers	3273	3098	0	0
Migrant workers	0	0-	0-	0-

4.2 Employment security

Under employment security, the evaluation looked, amongst others, at the existence of written contracts, the procedures for dismissal, and the fear for job loss.

In line with the legal requirements, all employees in our focus groups had written contracts, and could not be dismissed without notice.

On the other hand, a large majority of the casual labour that we interviewed did not have written contracts, and could be dismissed without notice. While most workers that are employed as casual labour are performing permanent jobs (cleaning, feeding animals, etc), they end-up in situations with high levels of employment insecurity. This is especially the case in the pig and poultry sector, where all casual workers in our sample lacked written contracts.

At the same time, the PRISM project is expected to have positive impact in this area as several beneficiaries of grants and beneficial loans were expected to formalise their businesses as a condition for the grant/loan (as the project encountered some delays in its implementation, it was too early to observe the final impact). The evaluation visited three small businesses that were in the process of expanding their production with the support of the PRISM project, which would increase the number of formal jobs with contract and social security. This specific part of the project (the access to technology and access to finance components) was estimated by PRISM to create slightly more than 700 jobs (table 3), if the business plan estimates would all be realised in practice (to be confirmed in an impact evaluation at the end of 2023). Other jobs that PRISM has created or hopes to create do not have this formalisation component and are likely to be more informal, and many businesses will continue to work with a substantial group of casual workers without contract.

As can be expected, the situation is slightly better in the tea sector, as the sector is more mature and consolidated, further driven by trade union action and other types of pressure. In collaboration with the Belgian trade union IFSI-ISVI and the NGO WSM, local trade unions have worked intensively to improve the percentage of farm workers with written contracts since 2017. By the end of 2021, 65% of the farm workers in the tea sector were reported to have a written contract.²⁶ In one tea company, all the workers have obtained written contracts. The trade unions will continue to work on this topic in the following years, as more than one third of the casual workers remain without a contract in the tea sector. While Belgium has been supporting both a tea company to expand its operations through BIO on the one hand and Belgian trade unions to work with Rwandese unions to improve decent work in the tea sector, no synergies were sought between both initiatives. BIO indicates that their loan was initiated before

²⁶ CESTRAR-STAVAR-SYPEPAP-ISVI: Activiteiten in de theesector in Rwanda; OS1-RW-005 (2023)

Belgian trade unions started their project in the tea sector, which would explain why no formal contacts have been established.

The tea factory supported by BIO reports to have made progress in terms of moving casual labour to permanent contracts. While no exact numbers could be established during the evaluation (time was lacking to do an in-depth assessment), the company indicates that a significant number of pluckers have moved to permanent contracts with improved social protection, the condition being that they would commit to regular attendance. We observed some differences between different groups of casual labourers. For example, in the tea sector, pluckers tend to be paid on a piece-rate basis, according to the volume of tea picked each day. Workers doing weeding and transport in the tea sector, were paid a fixed rate per day. The resulting wages were rather similar, although the piece-rate system is generally perceived to create additional vulnerabilities for workers when it is used in informal settings. The tea company supported by BIO has introduced digital payments to create additional transparency in the system. One informant indicated, more generally, that tea companies and cooperatives are finding it increasingly difficult to find tea pickers as many workers look for alternatives due to the poor working conditions. Further research would be required to assess the exact logic behind this dynamic, and to what extent this affects the decent work situation.

4.3 Labour market security

For labour market security, the evaluation considered the level of unemployment and underemployment, the irregularity of the work, training on the jobs, and job mobility.

In our sample, there was no problem with unemployment or underemployment. In the companies and farms that were visited, the workers and employees worked either full time, or agreed with other time schedules. The jobs were generally regular, even for the farmers as pig and poultry is cultivated in rather short cycles the whole year through, and the tea sector is a perennial cash crop.

Most workers and employees had received basic training to execute their job, but the extent of this training was not assessed.

The difficulty of finding a similar job (in case that would be required) was higher for employees in medium and high-skilled jobs compared to workers in low-skilled jobs. For casual labour the situation differed substantially as in some cases the dependence on one main employer (in the tea sector, for example) was very high.

In conclusion, it can be stated that the indicators for labour market security were acceptable for most interviewees. Contrary to other domains of decent work, on the aspect of the difficulty of finding a similar job, employees with medium to high-skilled jobs seemed to score more negative than other categories of workers.

4.4 Social protection

Both low-skilled and medium and high skilled employees in our focus groups had access to the main components of social protection: health insurance, occupational injury, paid sick leave, invalidity benefits, pension, maternity leave and severance payment. Paternity leave was not provided in the companies visited, while the law does allow four days of paternity leave.

In each of the companies visited, once a business became formalised, there was a strong urge to comply with Rwandese social security regulations for the employees.

The situation is very different for casual labour, both in informal and formal businesses and farms. In the pig and poultry sector, a large majority only has access to the community-based health insurance scheme, but not to other social protection components, such as a pension scheme, paid sick leave or maternity coverage. A similar reality was observed for farmers that were interviewed in this sector. In line with the findings for the presence of a written contract, the tea sector is performing better for the number of casual workers that have access to social security, which trade unions estimate to be 70%. The formalisation of the contract situation of casual workers automatically also lead to their registration for the social security schemes for the formal sector. According to the unions, this improvement is largely a consequence of their efforts in collective bargaining and advocacy in the period 2017-2021.

The trade unions in the tea sector also advocated actively for the creation of creches on the tea farms so that female farm workers would not have to carry their children when picking tea or weeding. It would also avoid accidents with small children on the plantation, for example falling in irrigation channels, getting bitten by snakes, or being exposed to pesticides. After a pilot project on one of the tea farms, creches are currently being established in four or more tea companies (estimates vary depending on the source). The tea factory supported by BIO is reported to have 5-6 centres, each accommodating between 30-50 children. The exact percentage of female workers that can be supported at this stage, is not clear. The evaluation team estimates that it is below 20-30%.

One additional scheme that is accessible for all informal sector workers and day labourers is the EjoHeza scheme, which allows all Rwandese to do some basic saving under beneficial conditions. These savings are then available at beneficial conditions when the person reaches the pension age. However, while it is positive that this scheme is available to all workers, it is a contributory system where the main contribution has to come from the savings of individual workers, that have very limited opportunities to save considering that their salaries are often below the poverty line. In addition, the amounts that can be saved at beneficial conditions are small. The savings under this scheme can therefore complement but not replace a real pension.

In short, the social protection coverage tends to be basic but adequate for employees in the formal sector but poor for casual labour and farmers.

4.5 Work-life balance

Work-life balance was assessed, amongst others according to the number hours of work per week; whether there is weekend work; whether there is a weekly rest period of at least one day; and whether the workers/employees are generally satisfied about their work. For this dimension of decent work, there are less differences in our sample between employees in formal employment and casual workers. A large majority of the employees and workers in full employment work between 40-45 hours, which falls within the labour code. As in other sectors (except for the public sector), many have to work on Saturday morning and therefore have weekend work. A large majority has a weekly rest period of at least one day (mostly Saturday afternoon and Sunday). In terms of the level of satisfaction with the work, this was more difficult to discuss in a focus group session, as people might feel uncomfortable discussing this in the presence of others. With this reservation, it can be indicated that casual labour tended to be less satisfied with the work than employees.

All in all, the workers and employees in our sample, had reasonable working conditions in terms of work-life balance, although the overall satisfaction with the work was lower for casual labour.

4.6 Occupational safety and health

Regarding occupation safety and health (OSH), the evaluation looked at the presence of protective equipment and training of OSH, as well as time pressure and various types of risks (ergonomic, biochemical, and ambient), access to basic amenities and the perceived health impact. Unfortunately, the evaluation team did not manage to always probe about all the sub-dimensions of OSH in all the focus group discussions.

The perceived exposure to various OSH risks varied largely between the companies in the different sectors. With some exceptions, basic personal protective equipment (PPE) was generally provided by the employer, but the quality and the use of the PPE differed. In most cases, basic training on OSH was provided by the employer. In about half of the focus groups, regular exposure was reported to ergonomic risks (especially carrying heavy weights and tiring positions), biochemical risks (dust, smoke, and chemical products), and ambient risks (especially noise and high temperatures). In some cases, such as in the animal feed processing companies, this exposure was very regular for workers manipulating the machines. In some cases, there was misinformation about the relevance of certain measures. For example, in three companies in the pig and poultry sector that had a lot of exposure to dust, workers were given a glass of milk in the morning, claiming that this would protect them against the dust.

Overall, the situation was the most problematic for low-skilled employees and casual labour. As can be expected, medium to high level skilled jobs tend to have less exposure to OSH risks. Access to basic amenities (water, food, and toilet) was generally no problem for employees in formal employment but was not always present for casual workers and farmers.

In comparison to the pig and poultry sector, the tea sector scored better for OSH. The company has done risks assessments, developed comprehensive OSH policies, provides OSH training, there are awareness raising OSH announcements in the company, and PPE gear is provided. When visiting the factory, most workers had PPE gear. While the situation was generally positive in terms of procedures and systems (which also confirmed in the certification audits), our findings need to be treated carefully, as the number of workers interviewed on this topic in the tea sector was low, our visit was rather short and it had been announced.

In summary, the situation was poor to problematic for many casual labour workers, basic too low for low-skilled workers and farmers, and basic too good for medium and high-skilled jobs.

4.7 Fair treatment

As discussed in the methodology section, due to Rwanda's past, all questions about discrimination were seen to be highly sensitive. The focus group setting was not conducive to build the necessary trust required to discuss this topic.

The questions on child labour (children of 15 and younger) and forced labour (forced to work more hours than agreed, to different work than agreed, or non or late payment), on the other hand, were generally answered quite openly. The evaluation team did not find indications of child labour in the companies and farms in the pig and poultry sector or the tea sector during the field work.

It is important to re-iterate that child labour is still a reality in many agricultural value chains in Rwanda, also in the tea sector. However, the tea company supported by BIO is in a region where studies indicate that there is less child labour than in some other regions in the country²⁷. In addition, the visits of each company were rather short and announced, and due to the rather small sample, no conclusive findings can be drawn.

4.8 Voice and representation

The evaluation looked at perceptions on freedom of association, discrimination on the basis of membership to a worker organisation, and the frequency of inspection.

In line with the findings in section 3, there are substantial differences between the tea sector and the small livestock sector in labour union activity. The overall awareness about working conditions and worker organisations was found to be lower in the pig and poultry sector.

Overall, most workers and employees indicated that they have the right to join a worker organisation/ trade union, and they did not expect their employer to discriminate based on trade union membership. However, this question was rather theoretical in the pig and poultry companies and farms as the evaluation did not yet encounter forms of organised labour in the sector. The fact that this is still an emerging and immature value chain explains the situation. In the follow-up intervention (PRISM II), Enabel plans to invest in the structuring of the chain, and organisation of labour.

The majority of the workplaces had not been visited by labour inspectors or auditors, aside for the tea sector. While its effectiveness could not be tested, the tea company supported by BIO reported to have a complaint mechanism for workers.

4.9 Decent work in the PRISM project

All PRISM stakeholders interviewed agreed that decent work had not been an objective during the formulation and implementation of the project. The focus of PRISM has been largely on private sector development, job creation and food security, rather than decent work. This can be understood as well by the fact that this project was largely conceived during the previous government, during which the then minister of development cooperation De Croo was actively pushing private sector development and job creation. Therefore the intervention does not have a clear strategy on how it can support decent work, which actions can be taken, and how the impact of the project on decent work can be monitored. The overall awareness about decent work was low at all levels, including at factory and farm level, and the governmental stakeholders.

The evaluation tried to reconstruct the implicit theory of change on decent work. The overall assumption amongst PRISM stakeholders was that, at this stage, the main challenge is to create jobs, not the quality of the jobs. Secondly, the idea was that, with employment growth and economic upgrading, market forces would gradually ensure that the growing demand for labour would lead automatically to higher wages. Thirdly, through business development efforts, especially through a competition for funding and grants, many businesses would formalise and in this way result in formal contracts, social security, and access to health.

²⁷

<https://www.dol.gov/sites/dolgov/files/ILAB/WI%20Baseline%20Prevalence%20Study%20on%20CL%20in%20Tea-growing%20Areas%20in%20Rwanda%20Final.pdf> (this study dates back from 2014. The evaluation team could not identify more recent studies that have detailed estimates for the different tea regions.)

Some of the underlying assumptions of this implicit view on how the intervention will contribute to decent work, will need to be tested. Firstly, it cannot be assumed that market forces will automatically push wages up in the near future as the kind of jobs that are being created are largely low-skilled jobs, for which there is almost an endless pool of labour. Secondly, the business formalisation efforts of PRISM are relevant, but it is not obvious to scale up the underlying mechanism (the competition) as it would require huge grants and loans. In addition, the targeting of the beneficiaries of the competition lacks focus, which limits its development potential. Beneficiaries range between very informal micro-businesses and 'top-of-class companies. Finally, while some permanent jobs for employees are created, a significant part of the jobs are casual labour.

The PRISM team was aware of the new policy expectations on the topic of decent work and acknowledged the importance of looking at this. It has not been pro-active in translating the changing expectations into concrete actions in the running project. The idea was rather to integrate this aspect in a follow-up project.

At the same time, it must be acknowledged that the pig and poultry sector is only emerging in Rwanda. It is occupied largely by informal MSMEs, the profit margins are small, and the value chains are not structured. These structural issues make it difficult to organise labour, engage in social dialogue and develop comprehensive human resources policies and practices.

Some stakeholders of PRISM looked at decent work as "yet another cross-cutting theme" that development projects need to integrate. As such, the urgency to invest in decent work was not shared amongst all stakeholders. At the same time, societal expectations about business and human rights are changing, especially amplified in Principle 4 of the United Nations Guiding Principles on Business and Human Rights (UNGPs). These frameworks stress the exemplary role governments should play when engaging with business actors, especially in the context of development cooperation. Paying attention to decent work is gradually becoming a 'license to operate' in private sector development programmes, rather than a nice-to-have.

4.10 Decent work in the BIO Invest project in the tea sector

BIO's policies on environmental and social sustainability (E&S) have evolved over the last decade (see main evaluation report). For the direct investment projects, the E&S screening became more structured over the years, and the monitoring approach changed in 2018. The specific loan for the tea company in Rwanda started in 2016. An E&S due diligence assessment was done at the start of the loan based on the IFC Environmental and Social Performance Standards. This E&S report is part of the final note for the investment committee of BIO and forms the basis of the E&S action plan (ESAP), which then outlines a detailed list of requirements on various social and environmental issues. The annual monitoring reports of the ESAP were provided by BIO for the period 2018-2020 (the report of 2021 was not available). In addition, BIO indicated that they have about 35 documents underpinning the ESAP monitoring, all provided by the tea company. As the evaluation team was able to consult the detailed documentation of the tea company for their Rainforest Alliance certification during the field work, we could observe that the company seems to comply procedurally with many of the E&S standards. However, aside from focus groups and interviews with management, workers and employees, the evaluation visit did not allow checking in a more in-depth way all the actual implementation of all the E&S policies and practices.

Several positive points emerged from how the tea company supported by BIO engages with decent work. The company has a comprehensive HRM approach that touches upon many aspects of decent work, especially for the workers/employees on a permanent contract. The extent to which employees have easy access to this HRM policy was not verified due to time constraints. In addition, due to the Rainforest Alliance certification, the company had documented procedures in a wide range of environmental standards. Finally, there was a basic form of social dialogue with representation of trade unions in the factory, and annual consultations with the union, touching upon topics such as the employment contract, OSH, the creation of creches, and dealing with labour complaints. On the other hand, the evaluation documented several concerns in the area of decent work (based on the interviews with workers, observations, interviews with trade unions, and the literature):

- While further assessments need to deepen the analysis, there are strong indications that the situation of casual labour, which still makes-up part of the workforce in the plantation and amongst the outgrower cooperatives, remains generally poor. The main areas of attention are the very low wages (below or close to the World Bank poverty line), limited access to social protection beyond the national health insurance scheme, limited income and employment security, and sometimes also challenges with occupational health and safety. Examples of the latter are the position of female workers with young children, which still need to take their young children to the fields (the development of creches on the estates should improve the situation); the impact of carrying and moving heavy weights (more weighing centres have been set up to reduce the walking distance); working at very high speeds; and being exposed to dust.
- Finally, the E&S policies and procedures were comprehensive and well-documented. While we could not assess the overall effectiveness of the companies' policies on the decent work situation, we do have the impression that some aspects might be (to some extent) a paper reality. There were, for example, some indications that some of the many committees (OSH, gender, child labour, forced labour, etc.) were set-up as a formal requirement, rather than as an active instrument to guide the HRM operations. There was limited evidence of the active functioning of these committees, and no systematic representation of the trade union. At the same time, it is important to mention that, neither the third-party certification auditors, nor BIO have identified incidences of child labour or forced labour on these specific estates.

A positive aspect about BIO's toolbox on decent work relate to the standard that it is using for the E&S assessment. The current formats²⁸ for the E&S due diligence assessment on labour and working conditions (based on the IFC-PS 2 standard) cover the most critical dimensions of decent work. Some specific sub-areas are covered weakly (occupational health and safety: exposure to ergonomic, biochemical and ambient risks; lacks specific questions on different types of discrimination); but the main dimensions are there. While Bio has gradually expanded its toolbox on E&S, with a policy on decent work, an updated screening questionnaire for direct investment, etc, some areas of attention can be identified based on the experiences in Rwanda (a more detailed analysis can be found in the cross-country report). The main areas of attention relate to how the assessment is performed, some of the underlying standards that are used, the transparency of reporting on the findings of decent work:

²⁸ it is not clear if the current template was already in use at the time of the E&S assessment of the tea company in Rwanda.

- The current data-collection process for the E&S assessment involves interviewing employees and workers, which is positive. BIO indicates that, when they execute the assessment/monitoring, they spend as much time with workers as with the management. However, at the time of writing, it was unclear to the evaluation team whether this is also the case for external consultants, how systematically this is done, who is interviewed exactly, how workers are selected, under which conditions the interviews are done, etc. Studies on the effectiveness of social audits learn that the level and the quality of engagement with workers/employees and their representatives are critical to achieve meaningful auditing results. Ideally, information from workers is also cross-checked with pay-roll information.
- While BIO indicates that it is the only European DFI to set minimum wage levels, the standard for low-income countries is currently very low (in the case when there is no or a very low minimum wage in the sector). For these settings, BIO sets the limit to the World Bank poverty line in Power Purchase Parity.
- Aside from short qualitative descriptions on the BIO website about E&S issues for each new direct investment, BIO is not yet systematically reporting on how its investees are performing regarding decent work, to what extent progress is made, which areas they continue to face challenges with. As such, there is also limited public oversight of the monitoring of decent work, and no dashboard-style overviews that allow the tracking of progress at company and portfolio level. This is a gap in view of the expectations laid down in international frameworks, such as the UNGPs.
- While BIO was collaborative at all stages, it was rather difficult for the evaluation team to get access to all the necessary documents, which tended to be shared re-actively, only upon explicit request for specific types of documents.
- In its practice, BIO is limiting the role of trade unions largely to consultations during assessment and monitoring of E&S activities and raising expectations that the company should engage with workers and their representatives. It does not yet actively support joint activities between the company and the unions at company level, for example in social dialogue, or other aspects of the decent work agenda to support priority areas. In addition, with its explicit focus on individual companies, rather than a group of companies or a sector, BIO misses opportunities to contribute to more structural barriers that influence the decent work situation.

5 Analysis of cross-cutting themes

5.1 Coherence and synergy

The evaluation looked at two interventions with quite different theories of change in different sectors which are executed by different development agencies, so the opportunities for synergies between the two interventions were limited.

Looking at the broader portfolio of Enabel in Rwanda and the actions of other development interventions supported by Belgium and other donors, several observations can be made:

- In the second part of 2022 Enabel started a specific thematic portfolio on social protection and decent work in the region. This new portfolio focuses on different value chains than those of PRISM, making it difficult to develop comprehensive synergies between both.

- However, Enabel reported that, starting from mid-2023, both interventions began working together, for example by sharing resources and engaging in mutual learning.
- Two different donors focus on small life-stock in Rwanda: PRISM-Enabel is focusing on small and medium sized companies in the pig and poultry sector, and PRISM-IFAD is focusing on subsistence farmers in the same value chains. The link between both interventions is important as a key aim should be to help farmers to transition from subsistence farming into small farming businesses, at the same time also exploring opportunities to formalise their business. While it positive that there is a division between both programmes in terms of target groups, in the absence of operational documents about the collaboration, the evaluation could not establish how both interventions were expected to interact with each other. Consequently, the evaluation could not assess if any synergies were being realised. Enabel indicates that, due to delays on the side of the PRISM-IFAD programme, it was difficult until recently to realise some of the synergies that had been anticipated. In the meantime, new efforts were made to do so, including the merging of steering committee meetings.

For the BIO Invest project in the tea sector, it would have been relevant to seek collaboration with the trade union confederations that are active in the tea sector, especially since they are also supported by Belgian trade unions for their work in the tea sector. In addition, because of BIO's approach, the reach of the project is constrained to one single company due to the fact that there are no action points, for example on decent work, that go beyond the company, while some of the challenges are collective action problems, that require actions of different stakeholders.

5.2 Environment

Original intervention documents of the PRISM project pay substantial attention to climate and environmental issues, framed as contributing to a more environmental- and climate friendly livestock. This would be integrated in the capacity building and training, the research activities, and by investing in appropriate farming equipment and farming practices. The assessment of the success of these activities was falling beyond the scope of the evaluation. The intervention also defends the investment of Enabel in the scaling-up of meat production in Rwanda through reports from international agencies that show that this is ethically and environmentally defensible. The impact of climate change on the working conditions (heat stress, etc..) was not incorporated in the design of the intervention.

On the side of BIO, the E&S assessment looked at a wide range of climate and environmental issues, also translated to specific actions in E&S action plan. While this is laudable, the decision to fund the expansion of the area of tea production substantially, as well as to invest a substantial amount in a heavy wood burner to power the tea factory, is difficult to reconcile with existing sustainability objectives. BIO indicates that it did study alternatives for the wood burner, but that these were not available.

5.3 Sustainability

The PRISM project is integrating important aspects of sustainability by:

- fitting their actions in national development plans;
- working closely with different governmental actors in the design, implementation and monitoring of the intervention;

- building capacity at different levels of the value chain
- investing in critical infrastructure.

On the other hand, some critical remarks can be made about the way the intervention:

- is using loans with large grant elements that benefit only a relatively small number of businesses. However, Enabel Rwanda indicates that it had the intention to work with a revolving fund, but the current legal framework for the Belgian Development Cooperation only allows BIO to do so. It is not fully clear to the evaluation team why this is the case as it excludes relevant funding models for value chain development interventions;
- has initially focused extensively (about 50% of the budget was preserved for this component) on the development of the agricultural capacity of Rwanda to produce animal feeds domestically. This strategy was described in the mid-term evaluation as a 'flaw' in the intervention model. New strategies are currently being explored to deal with this critical challenge. Amongst others, Enabel is working on a long-term animal feed strategy with the Ministry of Agriculture. It is beyond the scope of this evaluation to assess this aspect of sustainability in an in-depth way.

For BIO, the issue of sustainability is more difficult to assess as it is a very different modality than other development interventions. As it is a loan that is paid back fully, it is inherently more sustainable from a financial point of view. The main objectives that were set for the loan, seem to have been achieved: increasing tea production, upgrading the capacity of the factory, etc. The final impact on the farmers that are in the outgrowing system and on the casual labour on the plantation is not measured and can therefore not be analysed.

6 Conclusions and reflections

This evaluation assessed to what extent the private sector development interventions supported by Belgium in Rwanda, have integrated aspects of decent work. The evaluation covers two in-depth case studies, one traditional development cooperation intervention in the pig and poultry sector and one loan for a company in the tea sector.

The field work was conducted in April-May 2023 and covered data-collection activities across the whole country.

6.1 Income security

The PRISM project developed several strategies to raise the income of farmers, but it could not be established from the available M&E data to what extent these strategies were successful. Our anecdotal evidence points at structural challenges due to rising costs, especially for animal feed. One of the main conclusions of this evaluation, is the observation that both interventions did not develop strategies to support the wage level of workers in an employee-employer relationship, while the wages were found to be critically low in both sectors, especially for low-skilled jobs, and even more so for casual labour. In both projects, efforts were done to improve productivity and contribute to economic upgrading in the value chain, but there were no indications that this contributed to higher wage or income levels. A minimum wage is lacking in the agricultural sector. So, while both projects have the ambition to create jobs, there are no prospects that these jobs will finally yield a decent earning. Therefore, many workers in our survey indicated that the income was not sufficient to save some money on a regular basis.

Reflection topic – Developing specific strategies to raise the income of workers and farmers

The projects need to start by mapping the current wage levels in more detail. There is also a need to study the space for higher wages for different actors in the respective value chains, the blocking factors, as well as points of leverage to bring about change. For farmers, different strategies need to be explored that could not only lead to a higher income, but also gradually improve the situation of casual labour.

6.2 Employment and labour market security

For these two aspects, there is a clear dividing line between workers and employees in formal employment and casual labour. The first group has written contracts and enjoys certain features of employment security. The large group of casual workers, both in pig and poultry sector and in the tea sector, often do not have written contracts, implying that they can lose their job easily and are easily replaceable by employers.

In the groups of workers we interviewed, there was no problem of unemployment or underemployment, some basic skills training was provided and many low-skilled workers assumed that they would find another similar job if the situation would occur. However, many workers seemed to be stuck in these low-paying, insecure jobs that do not offer decent working conditions.

PRISM did not have specific strategies to contribute to tackling these challenges, nor developed partnerships with other organisations to support them in doing so.

BIO raised the issue of contracts in its E&S assessment and demanded corrections from the company in the ESAP plan, stating: “Regularize urgently case of temporary workers undertaking permanent activities”. While the company reported to BIO that it had resolved the issue, this was not confirmed during our field work, both on the plantation and amongst the outgrower cooperatives. Further assessment would be required to check the situation on the ground.

6.3 Social protection

Over time, Rwanda has developed an adequate social protection system for employees and workers in formal employment. The system has all the basic features as subscribed by ILO, including health insurance, pension fund, paid sick leave, invalidity benefits, maternity leave, occupational injury and severance payment.

However, most of the labour force works as casual labour, without contracts, or as self-employed worker (in the informal economy), or as farmers. They have access to a basic health insurance via a system of mutuelles. Other aspects of social protection are most often lacking. Consequently, also for this topic there is a clear dividing line between a small group of employees in formal employment and the rest of the workforce.

One of the components of PRISM (the competition for a combined loan and grant) is leading to formalisation of (parts of) small companies and farms, but this is not relevant for many other business the project is supporting. There is no strategy to contribute more structurally to social protection.

The E&S Action plan for the tea factory supported by BIO is explicitly demanding action on this topic. The company reported that it complied with the provision of written contracts. According to different sources we consulted, the company still makes extensive use of casual work without formal contracts and social security provision.

Reflection topic – Formalisation of employment as a strategy to improve the decent work situation

In both sectors there are examples that formalisation of employment (not only of the economic entity, but also the jobs) can be triggered in different ways. In the pig and poultry sector, PRISM showed that beneficial loans and/or investments in infrastructure can be used as a condition to formalise the business and the employment. Other strategies are yet to be explored. In the tea sector, trade unions referred to one of the companies that has formalised employment for all its casual labour, without losing its competitive position. This has positive effects on both the employment security (see above) and social protection, as these workers will automatically obtain access to a more comprehensive social protection package.

6.4 Occupational safety and health and work-life balance

The main reported risks in the evaluation relate to ergonomic risks (especially carrying heavy weights and tiring positions), biochemical risks (dust, smoke, and chemical products), and ambient risks (especially noise and high temperatures. Basic protective equipment (PPE) was provided in many of the companies visited, but the quality of the PPE and the use was not systematic, especially in the pig and poultry sector. The exposure to OSH risks is especially high for workers in low-skilled jobs (both formal employees and casual workers). The evaluation team also observed ignorance amongst the workers about some of the OSH risks they were confronted with.

The PRISM project did not develop specific activities on OSH or on work-life balance.

The tea sector is more established and has larger, and more formalised companies, which often have OSH procedures in place. While studies show that there are still substantial OSH challenges in the tea sector, the situation is generally better than in the pig and poultry sector.

The BIO E&S action plan for the tea factory demands an OSH plan for all activities, including those of contractors, and demands the company to provide PPE. The company is also asked to monitoring OSH injuries and accidents. The evaluation team did not have the time, unfortunately, to verify the compliance with this condition of the loan. The E&S assessment of BIO also refers to aspects of work-life balance, such as a weekly rest period and paid annual leave. There were no indications that the company was violating these aspects.

Reflection topic – Raising awareness and contributing to stronger structures for OSH

Research has learned that strengthening OSH can be a good strategy in economic sectors with limited attention for decent work and social dialogue, as this tends to benefit both workers and the employers. It can also help to build initial relationships and gradually develop trust between companies and trade unions.

6.5 Fair treatment and gender

The evaluation was not able to assess the different aspects of discrimination in detail as the methodology (focus groups) did not work well to discuss this topic in the context of Rwanda. The evaluation team did not find indications of child labour or forced labour in the companies and farms that we visited.

Regarding gender, the evaluation observed specific challenges for female farm workers, such as having access to paid maternity leave and childcare services. More complex gender issues, such as discrimination and sexual harassment could not be assessed in the evaluation. The PRISM project did not develop specific activities for female workers and employees.

The tea company supported by BIO has built a number of creches to improve childcare for female farm workers through a collaboration with other actors (this activity was not financially supported through the BIO project).

Reflection topic 4 – Explore with care strategies to engage with discrimination and gender in the workplace

This evaluation did not allow assessing the topic of discrimination and gender due to methodological limitations. As there are likely to be challenges around both themes, the projects could explore the situation on the ground to see what steps it can take, considering historical and cultural sensitivities.

6.6 Voice and representation

While workers in most focus groups indicated, that they were free to join a worker organisation, this was not an option in the pig and poultry sector, as trade union activity is almost non-existing in this sector. While our sample was too small to get a representative picture, there are indications that many companies and farms do not receive labour inspection at regular intervals.

PRISM does not work on this topic.

The situation is different in the tea sector, where the evaluation team observed trade union activity. However, the exact trade union density in the tea factory could not be established. BIO procedures indicate that worker and their representatives should be consulted when doing an E&S assessment and, possibly, during monitoring visits. Reports also refer to the presence of a grievance and complaints mechanism.

Reflection topic 5 - Strengthen worker voice in assessment and planning of decent work actions

Stakeholder engagement deserves to be taken more seriously. International frameworks on business and human rights (UNGPs, ILO, SDGs) stress the importance of worker voice in the assessment and implementation of activities on decent work. PRISM and BIO could consider supporting the role of trade unions activities more actively, for example by funding actions on social dialogue or around specific decent work topics. In line with the UNGPs, PRISM can also support actions in larger companies to develop effective grievance and complaint mechanisms that allow workers to raise issues when needed. These actions need to be taken following a 'do no harm' principle to avoid retaliation measures of employers towards workers when they engage with outside actors.

6.7 Other areas of attention

Use existing opportunities for the integration of decent work

These recommendation are relevant for both interventions of the evaluation, unless only one project is marked. Some of the tested strategies to integrate decent work in development interventions are the following:

- Select priorities for targeted actions on decent work based on an assessment of the most urgent decent work risks in the company/farm/sector (PRISM)
- Integrate decent work as a condition to obtain funding or support from the intervention (PRISM)
- Provide active support to companies and farms in specific areas of decent work
- Customise decent work strategies to the size and context of companies and farms in the sector (PRISM)
- Explore the use of formalisation strategies of companies/farms/jobs to improve the decent work situation, and assess which structural barriers might cause them to fail
- Set minimum targets (for example in the area of wages) that are supported by research and align with international initiatives beyond the World Bank poverty line

Strengthen strategies, M&E actions and the toolbox for decent work

The decent work strategies can be inspired by insights from international frameworks related to business and human rights, especially related to human rights due diligence. These frameworks provide a systematic approach to (1) identify decent work deficits (PRISM), (2) develop action plans to prevent and engage with decent work risks (PRISM), (3) monitor and report on the progress made (both PRISM and BIO).

The interventions should mobilise internal (within their own agencies) and external (ILO, trade unions, other actors) expertise to implement their decent work strategies (both PRISM and BIO).

7 Annexes

7.1 List of documents consulted.

General

- Labour Force Survey Rwanda 2022
- Labour code Rwanda and related documents
- ILO Decent Work programme Rwanda (2017-2022)
- FAO study: Contribution of terrestrial animal source food to healthy diets for improved nutrition and health outcomes
- ISSA Country Report Rwanda: <https://ww1.issa.int/node/195543?country=956>
- ILO Social Protection Platform: Rwanda: <https://www.social-protection.org/gimi/ShowCountryProfile.action?iso=RW>
- DOL (2019). Child Labour Country Report Rwanda (2019): https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/Rwanda.pdf
- REWU (2020). Rapid Assessment Report on Rwanda Child Labor: <https://rewu.org.rw/wp-content/uploads/2020/11/2020.-10.-01-Rapid-Assessment-Report-on-child-labor-in-Rwanda.pdf>
- Brian Kiberu (2022). Feasibility Study Social Dialogue and Collective Bargaining in Rwanda 2022, MIFOTRA and ILO Country Office Rwanda
- DTDA (2022). Labour Market Profile Rwanda 2021/2022: <https://www.ulandssekretariatet.dk/wp-content/uploads/2021/05/LMP-Rwanda-2021-Final.pdf>
- GLW (2019). Global Living Wage estimate rural Rwanda: <https://globallivingwage.org/living-wage-reference-value%E2%81%A0-rural-rwanda/>

PRISM project

- Enabel concept note decent work 2022
- Enabel Decent Work Mapping 2021
- Programme documents PRISM: 2021 Results Report
- Country programme Rwanda 2019-2024 Enabel
- Mid term review Enabel Rwanda
- Monitoring reports PRISM: KPIs, extracts from monitoring efforts, etc.
- PRISM annual reports
- Shyaka, A., Quinnell, R. J., Rujeni, N., & Fèvre, E. M. (2022). Using a Value Chain Approach to Map the Pig Production System in Rwanda, Its Governance, and Sanitary Risks. *Frontiers in Veterinary Science*, 8. <https://www.frontiersin.org/articles/10.3389/fvets.2021>.
- Francis Mbuza , Denis Majyambere , Jean De Dieu Ayabagabao and Marie Fausta Dutuze, Inventory of pig production systems in Rwanda 2016
- Shyaka and al.: Using a Value Chain Approach to Map the Pig Production System in Rwanda, Its Governance, and Sanitary Risks, 2022
- CICA-MINAGRI-Enabel (2023). The consumer survey on the outcome and impact assessment of CICA-MINAGRIs behavior change communication efforts on pork and chicken products in Rwanda

BIO project tea sector

- BIO sustainability report 2022
- BIO website pages on sustainability and other sections
- BIO policy on decent work
- E&S annual monitoring report
- BIO contextual risk assessment tool
- ESRS direct investment template
- Due diligence questionnaire
- Investment committee notes
- ESAP of tea factory
- E&S assessment of tea factory
- Environmental and Social Review Summary of different companies
- Monitoring reports of tea factory: AMR 2018-2020
- CESTRAR-STAVAR-SYPEPAP-ISVI: Activiteiten in de theesector in Rwanda; OS1-RW-005 (2023)
- Winrock International (2014). Baseline Prevalence Study on Child Labor in Tea-Growing Areas in Rwanda

7.2 Description and analysis of cases

7.2.1 Case of company in the tea sector supported by BIO

Brief description of the case

This case study involves **a loan of BIO Invest for a tea producing and processing company** in Rwanda, covering the period 2016-2024. The loan was expected to allow the company to expand its tea production volume with 56% over ten years, while at the same time also expand the necessary processing capacity. A loan of USD 1.1 M was provided for the purchase and conversion to turn 300 additional hectares of land into industrial plantations. The expansion of processing capacities was supported by a loan for the procurement of machinery and facilities for a total of USD 3.1 M.

Project strategies, leverages and bottlenecks to promote decent work.

Dimension DW	Strategies	Results or current situation	Levers for DW (= means, instruments to boost DW)	DW obstacles
Income	<ul style="list-style-type: none"> • Supporting the creation of formal employment, which is critical to access social security and have income security (but does not affect wage level) • Setting a minimum wage for companies at BIO level (policy started only after start of this loan) • Supporting the expansion of production and processing capacity 	<ul style="list-style-type: none"> • Additional employment created, but no evidence that % of casual workers has decreased • Wage levels for low-skilled permanent and casual workers critically low • No systematic monitoring of wage levels: no evidence that wages increased (above inflation) • The issue of national minimum wage is still a national problem under debate in the parliament. • The tea company indicates that in their factories, the salaries for casual workers have increased more than 100% in the last 10 years. 	<ul style="list-style-type: none"> • Tea company produces tea of the highest grade and premium • RA certification guarantees presence of HR procedures • Future: consider agreeing min wages at sectoral level • Trade union activity in company 	<ul style="list-style-type: none"> • Wage levels are not systematically monitored by BIO • Minimum wage level (WB poverty line in low-income countries) is too low • Tea price follows global markets, which creates insecurity • RA certification does not lead to higher wages • Limited engagement with unions
Job security	<ul style="list-style-type: none"> • Legal conditions for permanent employees and workers • Part of the casual workers have written contract 	<ul style="list-style-type: none"> • Security for employees in medium and high skilled jobs, and permanent workers • Situation remains poor for casual workers without contract 	<ul style="list-style-type: none"> • Comprehensive set of HR policy and procedures • It is not clear to what extent E&S conditions and/or RA certification have impacted on job security 	<ul style="list-style-type: none"> • Situation of casual workers (plukers and weeding staff) without written contract remains highly insecure • The tea company does indicate that there are

Dimension DW	Strategies	Results or current situation	Levers for DW (= means, instruments to boost DW)	DW obstacles
			<ul style="list-style-type: none"> Trade union activity in company 	structural challenges with the management of casual workers, including due to the labour regulations, the seasonal nature of the work, the remote locations of the estate, the challenge of providing housing and amenities, and the high staff turn-over.
Market security	<ul style="list-style-type: none"> No activities to improve market position of company in context of BIO project (mainly geared at expansion) 	<ul style="list-style-type: none"> Tea company produces tea of the highest grade and premium, but is internal strategy not part of BIO loan 	<ul style="list-style-type: none"> Exploring other strategies for economic upgrading 	<ul style="list-style-type: none"> Global tea prices and market power of international retail purchasing groups
Social protection	<ul style="list-style-type: none"> BIO E&S action plan demands social protection 	<ul style="list-style-type: none"> Company was already following legal requirements for permanent workers and employees RA certification also requires social protection 	<ul style="list-style-type: none"> Social security schemes are adequate for permanent workers with a contract Child care initiatives to help women with small children Future: expansion of social security to casual workers would have substantial impact Trade union activity in company 	<ul style="list-style-type: none"> Lack of access for casual workers Refusal of tea companies to extend contracts to casual workers
Working conditions +	<ul style="list-style-type: none"> E&S action plan demands OSH action plan in tea company, 	<ul style="list-style-type: none"> Basic OSH features are present for workers and employees 	<ul style="list-style-type: none"> HR policies and procedures Size of company and certification requirements 	<ul style="list-style-type: none"> Situation of casual workers is insecure. No insights in

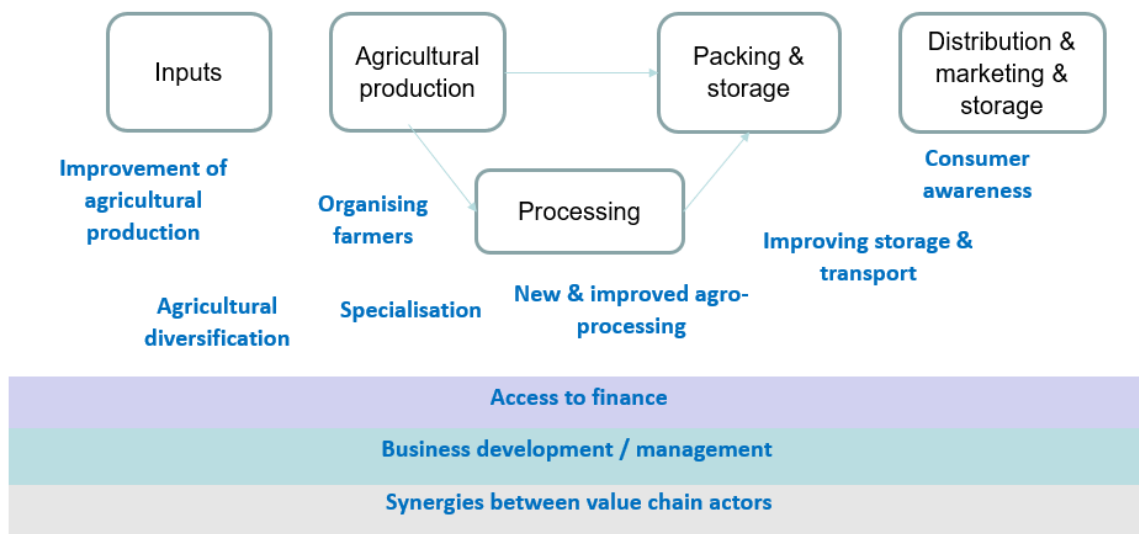
Dimension DW	Strategies	Results or current situation	Levers for DW (= means, instruments to boost DW)	DW obstacles
health and safety	<ul style="list-style-type: none"> monitoring of OSH indicators, and PPE 	<ul style="list-style-type: none"> The exact contribution of E&S action plan could not be derived. Most reporting on E&S is connected to RA certification. 	<ul style="list-style-type: none"> Trade union activity 	<p>OSH situation for pluckers and weeding staff.</p>
Fair treatment	<ul style="list-style-type: none"> Child labour and forced labour part of E&S assessment Other aspects of discrimination not looked at in depth 	<ul style="list-style-type: none"> No indications of child labour or forced labour 3 different committees (gender, discrimination, child labour) at company level, but the quality of their functioning remains unclear Other aspects of discrimination could not be assessed in the context of this evaluation 	<ul style="list-style-type: none"> Policies on child labour and forced labour Trade union activity in the company 	<ul style="list-style-type: none"> Sensitivity of topic in Rwanda makes that issue remain under the radar No specific support activities by external actors
Voice and representation	<ul style="list-style-type: none"> E&S action plan encourages worker representation 	<ul style="list-style-type: none"> Union activity present in the company, but the union representative could not be consulted by the evaluation team because of the heavy rains and floods that created havoc in the region (last-minute cancellation of the meeting) 	<ul style="list-style-type: none"> Increase engagement with worker representatives 	<ul style="list-style-type: none"> Overall space for trade union activity in Rwanda

7.2.2 Case: Pig and poultry value chain intervention (PRISM - Enabel)

Brief description of the case

The **Partnership for resilient and inclusive small stock market in Rwanda** (PRISM) project of Enabel, covers the period 2017-2023 and aims at contributing to the reforms and transformation of the pork, poultry and animal feeds value chains by facilitating private sector investments, market growth and competitiveness resilience to climate change. It also aims at strengthening the capacities of farmers across 10 districts in Rwanda. This must be achieved by (1) facilitating value chain actors to access to information, technology, finance and market; (2) creating synergies among stakeholders; and (3) providing support to have a conducive policy environment for growth and investments. The figure below provides a reconstructed theory of change of the PRISM intervention.

Figure 2: Reconstructed theory of change of PRISM-Enabel (interpretation evaluation team)



Project strategies, leverages and bottlenecks to promote decent work

Dimension DW	Strategies	Results or current situation	Leverages for DW (= means, instruments to boost DW)	DW obstacles
Income and employment security	<ul style="list-style-type: none"> Improving the income of farmers by BDS support, LFFS, equipment, value chain development Trying to improve quality and prices of animal feed Creating new jobs in different parts of the value chain No strategies to increase lowest wages or to formalise employment 	<ul style="list-style-type: none"> Impact on income of farmers not documented Estimates of job creation at different levels, but too early as project has delays in several components No indications of improvements for lowest wages No indications of formalisation of employment, except for beneficiaries of loans with grant element 	<ul style="list-style-type: none"> Future: looking for good practices in Rwanda: demonstrating impact on productivity and staff retention Future: awareness raising and policy influencing about income Future: income as a condition for financing and BDS support services 	<ul style="list-style-type: none"> Small livestock sector is still unstructured Government is reluctant to introduce minimum wages Low value addition and high animal feed costs Regional and international competition Limited trade union action Many stakeholders believe that Rwanda cannot afford higher wages
Market security	<ul style="list-style-type: none"> Improving structuration and performance of value chain Introducing new technologies and breeds 	<ul style="list-style-type: none"> Indications of structuration of value chain, but no in-depth study on impact of PRISM 	<ul style="list-style-type: none"> Future: considering strengthening the capacity of social partners on employability of workers 	<ul style="list-style-type: none"> See above
Social protection	<ul style="list-style-type: none"> Formalisation strategy in one of the project components (competition for a loan+grant) No other SP strategies in PRISM 	<ul style="list-style-type: none"> Potential positive impact for loan+grant component of the project (limited target group and to be confirmed) Most jobs that are created are informal jobs with no access to social security 	<ul style="list-style-type: none"> Health insurance for all Rwandese More comprehensive social security scheme for formal workers Future: see strategies under income and employment security 	<ul style="list-style-type: none"> Dual labour market with poor protection of casual workers Many stakeholders believe that Rwanda cannot afford SP for all

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Working conditions + health and safety	<ul style="list-style-type: none"> • Some attention for OSH when new farming/processing equipment is funded (loan+grant component) • Veterinary component pays attention to biochemical security 	<ul style="list-style-type: none"> • Potential positive impact for loan+grant component of the project (limited target group and to be confirmed) • Many jobs that are created have OSH challenges 	<ul style="list-style-type: none"> • Future: OSH training • Future: policy influencing of value chain actors • Future: engaging trade unions on OSH 	<ul style="list-style-type: none"> • Limited awareness at all levels • Not high on agenda of extension services
Fair treatment	<ul style="list-style-type: none"> • No specific actions by project 	<ul style="list-style-type: none"> • No indications of child labour or forced labour • Other types of discrimination largely under the radar 	<ul style="list-style-type: none"> • Future: need for research to deepen understanding 	<ul style="list-style-type: none"> • Low awareness and no structures/actors/expertise to provide support
Voice and representation	<ul style="list-style-type: none"> • No specific actions by project 	<ul style="list-style-type: none"> • Only ad-hoc initiatives at company level • No organised labour • Workers are vulnerable 	<ul style="list-style-type: none"> • Future: Using example of tea sector of positive impact of social dialogue • Future: engaging trade unions in small livestock sector 	<ul style="list-style-type: none"> • Ignorance of workers, managers, and farmers