



**REPUBLIC OF RWANDA**



**KAYONZA DISTRICT**

**DISTRICT POTENTIALITIES ASSESSMENT FOR THE  
INTEGRATED AND SELF-CENTERED LOCAL  
ECONOMIC DEVELOPMENT**

**Rwanda Local Development Support Fund**

**February, 2013**

## TABLE OF CONTENTS

LIST OF TABLES .....	2
LIST OF FIGURES .....	2
ABBREVIATIONS .....	3
1. INTRODUCTION.....	5
1.1 BACKGROUND TO LED IN RWANDA.....	6
1.2 Institutional Framework: Actors and Responsibilities.....	12
2. METHODOLOGY .....	15
2.1 Document review .....	16
2.2 Interviews with key stakeholders.....	17
2.3 District potentiality identification and site visits.....	17
2.4 Participatory district workshops/focus group discussions .....	17
2.5 Review of information and data collection and presentation of findings.....	18
2.6 Report drafting and compilation of findings .....	20
3. OVERVIEW AND CURRENT ECONOMIC SITUATION .....	21
3.1 Geography and Demographics.....	21
3.2 Infrastructure .....	21
3.3 Agriculture.....	22
3.4 Livestock .....	23
3.5 Land.....	23
3.6 Employment.....	24
3.7 Education .....	24
3.8 Finance .....	24
3.9 Commerce & Industry.....	25
3.10 Mining .....	25
3.11 Tourism .....	26
4. DISTRICT IDENTIFIED POTENTIALITIES .....	27
5. STRATEGIES TO SUPPORT DISTRICT ECONOMIC DEVELOPMENT .....	32
5.1 Existing Strategies.....	32
5.2 Proposed Strategies.....	32
6. ROLE AND RESPONSIBILITIES OF STAKEHOLDERS .....	35
7. CONCLUSION .....	39
APPENDICES .....	40
Appendix 1. List of Potential Projects identified in Kayonza District .....	40
Appendix 2: Kayonza District Sector Potentialities.....	41
Appendix 3. Geographical data.....	43
Appendix 4. Photos of identified potentialities .....	45

## LIST OF TABLES

Table 1: National Export Strategy Valuation of Rwanda's Exports.....	11
Table 2: Prioritized values .....	18
Table 3: Key Criteria for Feasibility or Comparative Advantage.....	19
Table 4: Population size density and poverty rate.....	21
Table 5: Infrastructure Potential .....	22
Table 6: Production of main crops 2012 season E+B .....	22
Table 7: percentage of agricultural household in put.....	22
Table 8: Percentage of household raising livestock by type.....	23
Table 9: Land size and protection against soil erosion.....	23
Table 10: Economic activity late and sector of employment.....	24
Table 11: Literacy and Education level .....	24
Table 12: Percentage of people with access to Bank accounts.....	25
Table 13: Private companies by major sectors.....	25
Table 14: Mineral deposits and types of exploitation.....	25
Table 15: District LED Potentialities .....	28

## LIST OF FIGURES

Figure 1: Spheres of Local Economic Development .....	8
Figure 2: National Policy Framework for LED in Rwanda.....	10
Figure 3: LED Actors in Rwanda.....	13
Figure 4: District Institutional Framework.....	14
Figure 5: Assessment framework .....	15
Figure 6: Top 5 products for Kayonza District.....	27
Figure 7: Map of District Key Potentialities Visited Sites.....	31
Figure 8: Governance for Production and Development of Potentialities.....	32
Figure 9: Directives for sustainable land use planning .....	33
Figure 10: Production and Development of Potentialities at District Level.....	34

**ABBREVIATIONS**

<b>CDF</b>	: Common Development Fund
<b>DDPs</b>	: District Development Plans
<b>DIP</b>	: Decentralization Implementation Plan
<b>EDPRS</b>	: Economic Development and Poverty Reduction Strategy
<b>EICV</b>	: Enquête Intégrale sur les Conditions de Vie des Ménages
<b>EWSA</b>	: Energy, Water and Sanitation Authority
<b>GDP</b>	: Gross Domestic Product
<b>GoR</b>	: Government of Rwanda
<b>HIMO</b>	: Haute Intensité de la Main d'Œuvre
<b>HIV/AIDS</b>	: Human Immune Virus/Acquired Immune Deficiency Syndrome
<b>ICT</b>	: Information Communication Technology
<b>ILO</b>	: International Labor Organization
<b>LED</b>	: Local Economic Development
<b>MDGs</b>	: Millennium Development Goals
<b>MIGEPROF</b>	: Ministry of Gender and Family Promotion
<b>MINAGRI</b>	: Ministry of Agriculture and animals resources
<b>MINALOC</b>	: Ministry of Local Government
<b>MINECOFIN</b>	: Ministry of Finance and Local Government
<b>MINICOM</b>	: Ministry of Trade and Industry
<b>MININFRA</b>	: Ministry of Infrastructure
<b>MoH</b>	: Ministry of Health
<b>MYICT</b>	: Ministry of Youth and Information & Communication Technology
<b>NAEB</b>	: National Agriculture Export Board
<b>NEPAD</b>	: New Partnership for Africa Development
<b>NES</b>	: National Export Strategy
<b>NGOs</b>	: Non-Governmental Organizations
<b>NIP</b>	: National Industrial Policy
<b>PSF</b>	: Private Sector Federation
<b>RAB</b>	: Rwanda Agriculture Board
<b>RALGA</b>	: Rwanda Local Government Association
<b>RBC</b>	: Rwanda Biomedical Center
<b>RCA</b>	: Rwanda Cooperatives Agency
<b>RCAA</b>	: Rwanda Civil Aviation Authority
<b>RDB</b>	: Rwanda Development Board

<b>RDRC</b>	: Rwanda Demobilization Reintegration Commission
<b>REMA</b>	: Rwanda Environment Management Authority
<b>RGB</b>	: Rwanda Government Board
<b>RHA</b>	:Rwanda Housing Authority
<b>RLDSF</b>	: Rwanda Local Development Support Fund
<b>RTDA</b>	:Rwanda Transport Development Agency
<b>STEM</b>	: Science, Technology and Environmental Management
<b>VUP</b>	: Vision 2020 Umurenge Program
<b>WDA</b>	:Workforce Development Agency

## 1. INTRODUCTION

The Government of Rwanda has developed the second Economic Development Poverty Reduction Strategy towards achieving Vision 2020, the country's national goals for sustainable development. EDPRS II provides the national framework for achieving economic and social development. To achieve the targets set in Vision 2020 and the strategies in EDPRS II, each of the 30 districts in Rwanda should develop their own strategies to improve district economic growth and well-being. Kayonza District has conducted an assessment of local economic development potentialities, and strategies to achieve them, within the overall framework of national strategies and objectives.

Kayonza District is one of the seven districts constituting the Eastern Province and consists of 12 administrative sectors. The topography Kayonza is characterized by hills and slopes, which foster a natural environment for activities related to agribusiness, water supply, tourism, fish farming, animal husbandry, and mining. Districts play a crucial role in facilitating economic growth in Rwanda. The purpose of this report is to highlight the best opportunities to promote local economic growth within Kayonza and strategies for implementation.

As part of a national assessment of districts' local economic development potentialities and strategies to achieve them, carried out by the Rwanda Local Development Support Fund, with the collaboration of Districts, the key potentialities and strategies in Kayonza were assessed. Key innovative and home grown potentialities were identified as possible, and the main economic potentialities for accelerating growth towards achieving Vision 2020 targets are elaborated in this assessment.

**The overall objective of the assessment was to identify and assess district economic potentialities and to consider the available and required knowledge for the district to engage in integrated, participatory and sustainable local economic development, and to suggest strategies for making use of these potentialities and achieving accelerated economic growth.**

The assessment had the following specific objectives:

- The district skills in capitalizing on existing opportunities are analysed and comparative advantage identified.
- Strategies for using the integrated local economic development are developed.

The assessment included:

- Assessing district potentialities and required knowledge to enable investment and engagement in participatory and inclusive local economic development.
- Developing strategies for the district to capitalize on the local potentialities and boost its local economic development.

To achieve the full district economic potential, a participatory engagement of Kayonza District and Sectors was undertaken, as District and Sector staff play a key role in the assessment and in achieving strategies identified with the participation of other stakeholders. District potentialities and comparative advantages were identified and consideration was given to understanding the local context. But although LED is very much a locally owned approach, it requires the involvement of actors at all levels, throughout the process, in order to facilitate information and knowledge-sharing, ensure coordination of policies, avoid overlap of activities and, ultimately, guarantee informed decision-making by local stakeholders. Therefore, the engagement of key actors at the central level was also an important aspect of this assessment. Successful LED strategies will help to create an environment that stimulates the creation of more sustainable and higher quality employment opportunities, contributing to economic growth and reduction of poverty.

This report provides an overview of the participatory research methods used and the findings of Kayonza District's local economic development potentialities, as well as overall recommendations for achieving the potentialities, strategies to facilitate economic growth, and the role of RLDSF and other stakeholders.

LED project profiles for Kayonza are included as appendices to this report.

## **1.1 BACKGROUND TO LED IN RWANDA**

Districts in Rwanda have great economic potential and opportunities likely to generate useful revenue for local development. However, such potential is not sufficiently exploited. Some existing economic potential in the districts is not profitably used, despite being a possible springboard for development.

### **1.1.1 Local Economic Development**

The International Labour Organization (ILO) defines LED as a “participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling joint design and implementation of a common development strategy, by making use of the local resources and competitive advantage in a global context, with the final objective of creating decent jobs and stimulating local economic activity.”<sup>1</sup>

There are various definitions of LED in the literature, most of which state that Local Economic Development “...is essentially a process by which local government and/or community based groups manage their existing resources and enter into new partnership arrangements with the private sector, or with each other, to create new jobs and stimulate local economic activity in a well-defined economic zone.”

<sup>1</sup> As cited in C. M. Rogerson, “Local economic development in sub-Saharan Africa: Defining potential roles for national government,” *African Journal of Business Management*, Vol. 5(30), pp. 11756-, 30 November, 2011.

In the Rwanda context, LED is important because it is a mechanism for achieving:

- the creation of jobs, new employment opportunities and reduction of youth unemployment to alleviate poverty;
- promoting economic transformation and reducing the population share in subsistence agriculture;
- increasing income levels, thereby enabling people to pay for services;
- broadening the tax and revenue base of municipalities;
- improving municipal services and facilities;
- promoting women's economic empowerment;
- the development of human resources;
- building new institutions for sustainable development; and
- linking developed and undeveloped areas of the country.

Local development more broadly focuses on both inputs of community and stakeholder participation and area-based strategies and the outputs of desired results, of local economic growth and sustainable livelihoods.<sup>2</sup>

For the purposes of this assessment,<sup>3</sup> the definition of local development focuses on achieving local ownership for improvement of socio-economic living conditions through a local economic development approach that includes building partnerships between public and private stakeholders and making use of local resources and competitive advantage for improved employment creation and economic growth will be used.

Local Economic Development and Capacity Building Policy and Strategy places LED within five major “spheres” as detailed in figure 1. These spheres form the analytic base of this assessment.

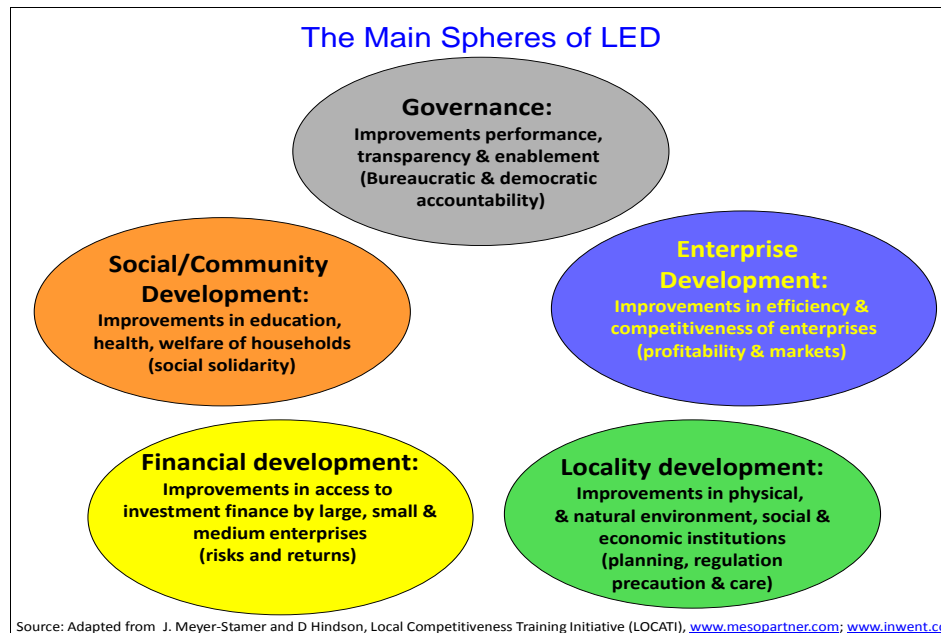
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<sup>2</sup> European Commission, “Cohesion Policy Support for Local Development: Best Practice and Future Policy Options,” April 2010, available at: [http://ec.europa.eu/regional\\_policy/archive/consultation/terco/cp\\_support\\_local\\_dev\\_en.pdf](http://ec.europa.eu/regional_policy/archive/consultation/terco/cp_support_local_dev_en.pdf), p 10.

<sup>3</sup> The assessment of the district local economic development potentialities refers to the analysis of the capacity of a district to produce goods and/or services.



**Figure 1: Spheres of Local Economic Development**



In this context, LED Potentiality is an asset, resource or any item which is non-use or underused and can be developed and exploited through more effective strategies or technologies for boosting local economy, creating jobs and revenue. It can refer to an economic resource/asset that hasn't been exploited yet as well as to an existing resource/asset that can be better developed.

Potentialities will be identified in the main identified potential economic growth areas (Agriculture, Agro-processing, Forestry, Infrastructure, Manufacturing, Services, Mining, ICT, Commerce, human development..., according to this definition and their potential impact on local economy development.

### 1.1.2 National Policy Framework

Rwanda's Local Economic Development goals are strongly aligned to international and national policies for sustainable development. Internationally, Rwanda has committed to achieving the Millennium Development Goals, focusing on poverty reduction through policies towards improving access to quality education and health care, reducing maternal mortality and infection rates of HIV/AIDS as well as increasing access to clean water and sanitation. Towards achieving the MDGs and implementing other international policies and strategies, including NEPAD and

the Paris Declaration, the Government of Rwanda developed Vision 2020, which sets out the key goals for poverty reduction and economic development by 2020. Vision 2020 includes six pillars: *good governance and capable state, human resource development and knowledge based economy, private sector-led economy, infrastructure development, productive and market oriented agriculture, regional and international economic integration.*<sup>4</sup>

In May 2012, the Government of Rwanda revised the Vision 2020 targets, to reflect the progress made by the country. Vision 2020 aims for rapid economic growth, including GDP growth of 11.5% per annum and increasing the GDP per capita to \$1240 by 2020. It also focuses on increasing growth in all sectors, and shifting the economy towards an increase in GDP from industry and services. Vision 2020 also aims to close the external trade balance by increasing exports to 28% per annum and maintaining the current import growth rate at 17% per annum.

To achieve Vision 2020, the Government of Rwanda has established a five year implementation plan, the **Economic Development and Poverty Reduction Strategy (EDPRS)**, which includes key objectives and outcomes to ensure that all national and international actors are working together to achieve the targets in Vision 2020.

The main aim of EDPRS 2 is to ensure a better quality of life for all Rwandans. This will be achieved through rapid economic growth of 11.5% per annum and a reduction of poverty to less than 30%. EDPRS 2 is guided by the principles of innovation, emerging priorities, inclusiveness and engagement, district-led development, and sustainability. It includes the thematic areas of “*Economic Transformation, Rural Development, Productivity and Youth Employment, and Accountable Governance*”. Each sector is required to submit a sector strategy for achieving the EDPRS, and each district produces a District Development Plan to ensure that the key elements of poverty reduction and economic growth are addressed and there is accountability towards improving the livelihoods of all Rwandans.

The Government of Rwanda has recognized that in order to achieve sustainable development, the involvement of all actors is required, in particular, those at the local level, to ensure continued efforts towards poverty reduction and to guarantee that policies and programmes reflect the reality of Rwandans in all parts of the country. The Government of Rwanda developed a **Decentralization Implementation Plan (DIP)** in order to coordinate a process of community-led decision-making and implementation of local development. The CDF (the former institution, replaced by RLDSF) was established in order to support local development through the distribution of funds for community development processes.

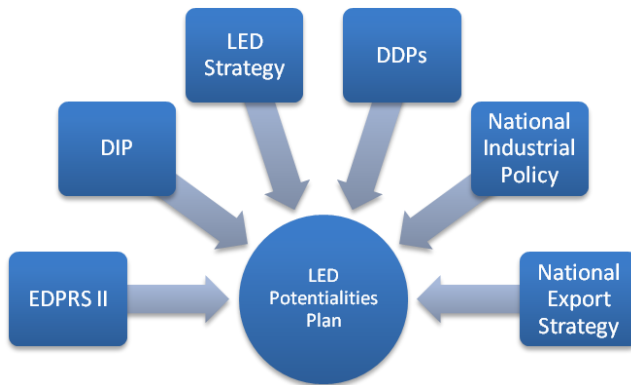
The DIP draws its policy framework primarily from the National Local Economic Development and Capacity Building Strategy and Action Plan, which was published in March 2012, and provides the basis for the LED component of RLDSFs Strategic Plan. LED is a significant

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<sup>4</sup>MINECOFIN, Vision 2020, July 2000, p. 11.

component of the DIP and is focused on supporting local governments to effectively develop their economies through IDP and community development approach, in order to stimulate local business growth, increase jobs and incomes, and raise tax revenues.<sup>5</sup> As an agency under the Ministry of Local Government, RLDSF is a key factor in implementing the LED Strategy.

**Figure 2: National Policy Framework for LED in Rwanda**



Source: Rwanda Local Economic Development and Capacity Building Strategy, March 2012

Rwanda's National Industrial Policy (NIP) and the National Export Strategy (NES) set a framework for diversifying Rwanda's industrial base. As a result, it remains highly pertinent to the development of LED potentialities. The main goal of the NIP policy is to build local production for local consumption and export markets. In the short term, government assistance is envisioned to improve the feasibility of existing industries (such as coffee and tea) and sectors that have been deemed feasible (such as Agro-processing). The medium term goal is to promote new sectors as they become feasible and the long-term goal to reduce support to successful sectors, shifting support to new sectors. A number of clusters have been identified:

- Short term (2010-2015): Agro-processing (*including pyrethrum, dairy, vegetable oil, soaps and detergents*); ICT; high-end tourism; textiles (*including silk, leather & leather goods*); minerals processing. These sectors are currently active to varying degrees.
- Medium term (2015-2020): Construction materials (*including cement*); Pharmaceuticals; chemical products (*including fertilizers*). These sectors are mostly inactive.
- Long term (2020 onwards): Building materials (*metal parts and structures*); bio plastics; other high-tech industries. These sectors are nonexistent and require will a larger industrial base to become feasible.

<sup>5</sup> Rwanda Local Economic Development and Capacity Building Strategy, March 2012, p. 5.

Moving through these clusters will allow the national industrial base to move from commodity production into processing/value addition, to low-tech manufacturing and eventually into medium/high-tech manufacturing. This long-term approach is necessary given the low production capacities nationwide. Energy constraints, weak human capital, inadequate local demand and poor export infrastructure rule out the possibility of immediately moving into high-value clusters.

The NIP also sets aside eight policy actions for GoR to develop the industrial base.

- **Infrastructure:** Increase public energy investment, allocate industrial land and improve transport infrastructure.
- **Human Resources:** Provide capacity building support to manufacturers, increase scholarships for STEM.
- **Improved Access to Finance and Investment:** Mobilize industrial funding through BRD, develop feasibility studies for potential investments, fast-track the development of the Rwanda Capital Market
- **Trade Facilitation:** Eliminate regional NTBs, improve national standardization
- **Technology, Research & Innovation:** Increase funding to research institutions in support of desirable industrial sectors
- **Raw Materials & Industrial Inputs:** Update Value Chain Analyses for targeted clusters, reduce EAC External Tariffs for key inputs,
- **Regulatory Environment:** Promote cottage industries and establish corporate governance rules
- **Environmental Sustainability:** Enforce industry-specific environmental regulations.

In addition to the industrial sectors prioritized by the NIP, the **National Export Strategy (NES)** has outlined the export products that offer the greatest opportunities. Table 1, shown below, provides the NES valuation of Rwanda's current and potential exports. The most important factor in determining the score/valuation lies in the potential for an export to contribute to GDP growth. The next most important variable is the existence of firms who can furnish the good. In line with the NIP, Tourism, Tea and Coffee remain at the top. The valuation of potentialities has relied heavily on the scores given by the NES.

**Table 1: National Export Strategy Valuation of Rwanda's Exports**

	Potential Export Contribution	Job Creation	Existing firms/coops	Market attractiveness	Skill base vs competitors	Transformation opportunities	Investor prospects	Score
<b>Weight</b>	<b>x5</b>	<b>x2</b>	<b>x4</b>	<b>x2</b>	<b>x3</b>	<b>x2</b>	<b>x2</b>	
Tourism	5	4.5	5	4.5	3	5	5	<b>92</b>
Tea	5	5	3	5	5	4	4	<b>88</b>

Coffee	5	5	3	5	5	4	3	<b>86</b>
Mining	5	4	3	5	1	3	5	<b>74</b>
BPO	5	4	2.5	4.5	2	2.5	5	<b>73</b>
Horticulture	3.5	5	4	4	3	3	3	<b>72.5</b>
Home Décor	2	5	5	4	2	5	2	<b>68</b>
Dairy	3	5	2	2	4	1	3	<b>57</b>
Hides/Skins	3	3	2	3	2	2.5	3	<b>52</b>
Floriculture	3	4	1	2	3	2	3	<b>50</b>
Silk	2	3	2	3	3	3	2	<b>49</b>
Pharma	4	2	1	3	1	2	3	<b>47</b>

Weighting: 1= Very attractive, 5= very difficult

Source: National Export Strategy, MINICOM 2011

In sum, the short term strategy, nationwide, is to focus on Rwanda's existing comparative advantages. Notably, tea, coffee, tourism and mining.. Thus the assessment's findings are directly in line with national strategies.

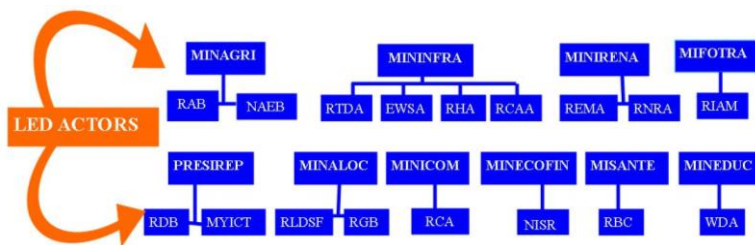
### 1.2 Institutional Framework: Actors and Responsibilities

While LED focuses on the development of local governments and economies, the responsibilities are shared across various levels. National policies, set by Ministries, are also usually implemented at the District level, often through District Development Plans (DDPs). However, major infrastructure projects (such national roads, electricity, hospitals among others) remain national responsibilities. Under the Decentralization Policy, local government plays a major role in development implementation. It is responsible for carrying out the programmes that flow from Vision 2020, including the EDPRS and its flagships. Local government is thus a major provider of infrastructure and associated social and economic services. These represent important parts of local development and the environment for business within the LED process.

The ministries responsible for local government (MINALOC) and finance and economic planning (MINECOFIN) are of key importance to LED. Under MINALOC lies the Rwanda Governance Board (RGB), which is responsible for promoting decentralized governance and the Rwanda Local Development Support Fund (RLDSF which provides grants to local government to support the implementation of the LED and Social Protection Programmes (VUP). These grants are used for investment in social and economic infrastructure and services and the provision of certain subsidized inputs to poor households and cooperatives, such as seeds, fertilizer and livestock. The RGB is important for LED promotion because it oversees the

governance conditions that support economic development (good governance, efficient service delivery, transparency, and enablement). The RLDSF is important for LED promotion because it provides capital grants that are used to improve the environment for business activity (improved economic infrastructure and associated services) and to provide direct support to producers in the form of subsidized inputs. A great deal of other actors work in the field of LED including RDB, MINICOM, RAB, NAEB among others. This chart simply serves as an example of the myriad of LED actors.

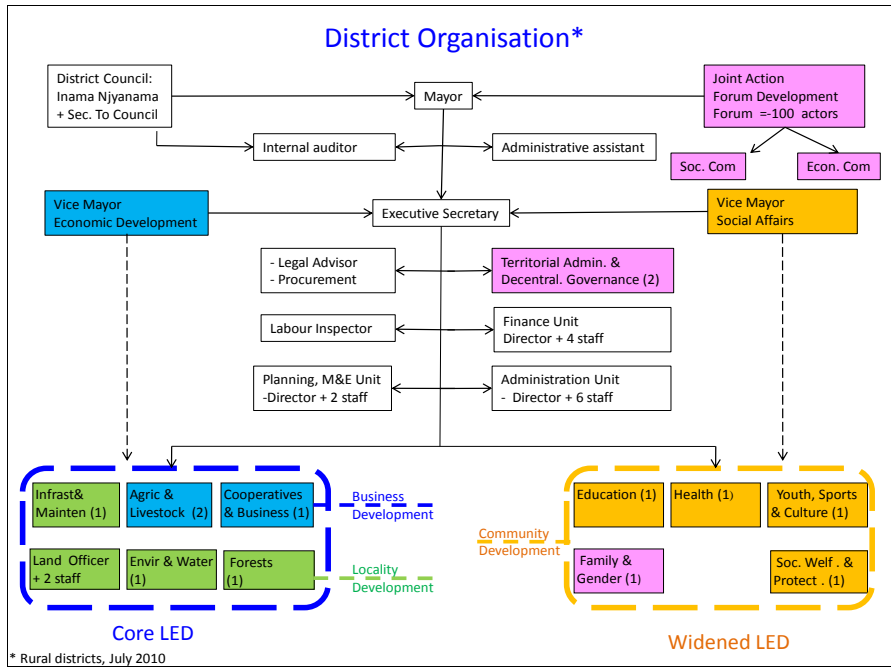
**Figure 3: LED Actors in Rwanda**



The wide spectrum of LED necessitates a variety of institutional interactions. LED is affected by education, agriculture, infrastructure, employment and a host of other factors. As a result, transparent and efficient modes of cooperation are necessary to sustain the LED process. In addition to coordination and integration of implementation, actors must work together to ensure coherent strategic directions, planning and monitoring & evaluation. The chart above illustrates the main public actors involved in the LED process.

At the District level, a hierarchy of actors exists to manage the various sectors of LED. Figure 5 provides an overview of the institutional relationship across the spectrum of Local Government. The Vice Mayor of Finance and Economic Development oversee the majority of LED work pertaining to business, as the chart illustrates. Nonetheless, given the multi-sectoral nature of LED, the Vice Mayor for Social Affairs is likewise of key importance. The Joint Action Development Forum (JADF) provides a large governance forum for a diversity of District-level actors. The JADF is limited to providing broad policy direction, as its size proves too unwieldy for specific policy prescriptions. As a result, the JADF’s sub-committees provide specialized policy guidance needed for LED promotion and useful framework for integration and coordination of actions.

Figure 4: District Institutional Framework



Source: Rwanda Local Economic Development and Capacity Building Strategy, March 2012

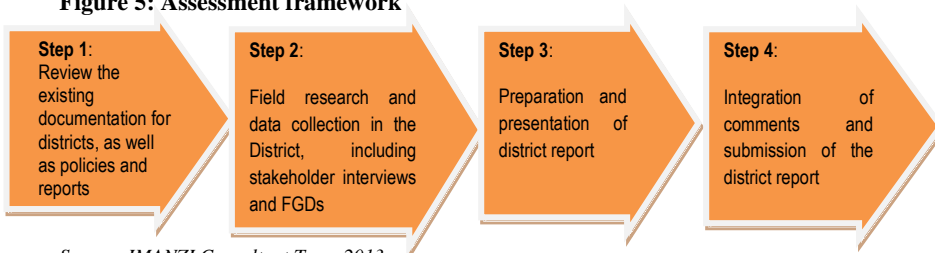
All actors, both at central and decentralized levels, must be committed to achieving local economic development and must be engaged in strategies to achieve the identified potentialities in order to achieve successful local economic growth and sustainable development.

## 2. METHODOLOGY

This assessment used a participatory and inclusive approach, engaging stakeholders at the central and decentralized levels. The approach included a desk review of important policy and strategy documents, available data, and other relevant district level information, interviews with key stakeholders at central and district level, focus group discussions with important districts' and sectors' representatives, district economic analysis and statistical review of data collection. The approach involved participatory engagement of district stakeholders to ensure ownership, including through initial district level meetings, and presentation of findings to the district and sector officials and representatives.

The assessment was carried out through the following steps:

**Figure 5: Assessment framework**



*Source: IMANZI Consultant Team 2013*

The assessment included both quantitative review of available data and qualitative information gathering through interviews and focus group discussions.

A team of lead and assistant consultants conducted the field research. The field research took place over 5 days in the district, with interviews and visits to sectors based on selected LED potentiality sites. The team was trained on the research methodology and approach on interviews and focus group discussion guide, potentialities ranking method and the reporting format to ensure consistency in reporting.

Visited Sectors were selected purposively, following the desk review of the district data and information and based on an initial meeting with district and sector officials to identify key economic potentialities. The district reports list potentialities by Sector (Umurenge).

District participants in the assessment included those with specific information about LED potentialities and the implementation of LED programmes, including District Councillors and Managers, Sector Executive Secretaries and officials responsible for LED in the Departments of (a) Economic Development (b) Finance, (c) Agriculture & Rural Development, and (d) Local Government & Administrative Affairs. These stakeholders were engaged through key informant interviews and focus group discussions.



At the central level, line Ministries (MINALOC, MINICOM, MINECOFIN, MINIRENA and MIFOTRA), also formed part of the study through key informant interviews, as they are mandated to promote the development of local economies. Other participants included officials from the Rwanda Agricultural Board (RAB), the National Agricultural Export Board (NAEB), EWSA, PSF, RDB, WDA and RGB.

The assessment was conducted in close collaboration with the development of the District Development Plans, to ensure alignment, to profit from findings and to feed the DDP process with information on economic potentialities.

## 2.1 Document review

Beyond reviewing district strategies, relevant district reports, and available data, policy and strategy documents were reviewed for the overall report, and to provide the framework and guidance for the overall assessment. Data for the district's potentialities assessment was gathered through analysis of key documents, such as economic assessments, demographic data, environmental impact assessments (when available) maps, policy documents, District Development Plans and district master plans.

Documents reviewed included:

- Law establishing the RLDSF
- RLDSF Strategy Plan and Action Plan
- RLDSF Annual Reports
- Local Economic Development and Capacity Building Policy and Strategic Plan
- Integrated Development Programme document
- National Policies and Strategies including:
  - Community Development Strategy
  - National Employment Policy
  - Technical and Vocational Education and Training Policy
  - National Agriculture and Animal Resources Policy
  - Investment Promotion Policy
  - National Industrial Promotion Policy
  - Cooperatives Sector Policy
- District Development and Action Plans
- District EDPRS Self Assessments
- MIFOTRA SME Product Cluster
- Previous reports on potentialities, including the 2009 Coffee Census (OCIR), MIFOTRA District Capacity Building Assessment (2008), MINICOM Competition Policy (2010), MINICOM Industrial Policy (2011), MINICOM National Export Strategy (2011) as well as Strategic Plans and Annual Reports from MIFOTRA, MINAGRI, RDB, MINISANTE, MINALOC, REMA, MININFRA.
- District economic data from NISR, EICV3 and DHS 2010.

- Available EDPRS 2 Sector reports and information, including EDPRSI Lessons Learned and the draft of EDPRS 2

## **2.2 Interviews with key stakeholders**

After the document review, key informant interviews were held at the central and district levels. At the central level, interviews were conducted with representatives of RLDSF, MINALOC, MINICOM, MIFOTRA, MINAGRI, MINIRENA, MINECOFIN, the Private Sector Federation (PSF), RDB, RGB, RAB, NAEB, EWSA, CCOAIB and Development Partners, including the World Bank, DFID, and UNDP. The stakeholders interviewed are identified in Appendix 3.

## **2.3 District potentiality identification and site visits**

Following the initial district workshop and interviews, identification of current district economic activities and economic potentialities was carried out. Visits to selected Sector potentialities sites were conducted by the consulting team, and information about the potentialities was documented.

District economic potentialities were selected on the basis of their potential for local economic development, including:

- Potential for economic growth
- Potential for job creation (including youth and women's employment)
- Potential for economic transformation (new businesses in mechanized agriculture, industry, ICT or service sector)
- Potential for local market demand, import substitution and/or exports increase
- Potential for increase revenues and taxes
- Level of environmental sustainability

Sites visited were assessed for importance of their economic potential, and the capacity of the district to capitalize on the potentiality. During sites visit, GIS data collection and analysis were used in order to locate potentialities on maps. The potentialities identified were presented to the focus group discussions.

## **2.4 Participatory district workshops/focus group discussions**

Focus group discussions were held to review and rank identified potentialities, ensure gaps in identification were addressed and begin to develop the justification and strategies for pursuing the key potentialities. Focus group also promoted district ownership of the process, as the findings from the focus group discussions has directly informed the elaborated district potentialities and strategies to pursue them. Participants in the focus group discussions are presented in Appendix 4.

## 2.5 Review of information and data collection and presentation of findings

Following the site visits and the focus group discussions, the consulting team put together the list of ranked potentialities, along with justifications and strategies. Local economic development potentialities were assessed using the following criteria and indicators:

- Business growth (business growth per year)
- Job creation (jobs created per year)
- Income increase (income increase per year)
- Tax revenue increase (tax revenue increase per year)
- Youth employment (jobs created for youth)
- Women's economic empowerment (jobs created for women)
- Economic transformation (i.e., new businesses in mechanized agriculture, industrial sector, ICT and/or service sector)
- Response to local market demand for products
- Potential for exports (export increase per product per year)
- Environmental sustainability (i.e. environmental impact and use of natural resources)

The value of the potentiality, as indicated in the table of potentialities is appreciated based on its socio-economic benefits that could be brought by investment in the potentiality.

**Table 2: Prioritized values**

Potential Benefits	Prioritized values
Employment creation	<ul style="list-style-type: none"> <li>• Increase in formal sector wage employment</li> <li>• Low skilled, labor-intensive employment</li> <li>• Increased employment of women</li> </ul>
Increased production	<ul style="list-style-type: none"> <li>• Sufficient local/ national demand</li> <li>• Production has potential multiplier effects.</li> </ul>
Export earnings	<ul style="list-style-type: none"> <li>• High international demand</li> <li>• Product has priority in National Export Strategy</li> <li>• Tax revenue increase (through formalization)</li> </ul>
Economic Diversification	<ul style="list-style-type: none"> <li>• Tax revenue increase (through formalization)</li> <li>• Added value (bringing product closer to end-line)</li> <li>• Environmental sustainability</li> <li>• Strong links to employment creation</li> <li>• Potential product in harmony with national strategies</li> </ul>

*Source :IMANZI Consultant Team 2013*

The analysis takes into account the existing capacity of the district to build upon the potentiality. Harmonization with National Policy was a key criteria in determining the value

of the potentiality. As a result, the SME Product Cluster Report and National Export Strategy Scorecard were used to help determine the relevance and weight of each potentiality.

**Table 3: Key Criteria for Feasibility or Comparative Advantage**

Domain	Key Criteria for Feasibility or Comparative Advantage
Agribusiness	<ul style="list-style-type: none"> <li>• Current yield vs National Average</li> <li>• Yield/ha vs national average</li> <li>• Existing investment in agricultural sector</li> <li>• Existing agricultural skill-base (or presence of TVETs)</li> <li>• Quality of transport infrastructure, with a particular emphasis on feeder roads.</li> <li>• Available land</li> <li>• Suitable climate</li> <li>• Existing agro-processing units</li> </ul>
Tourism	<ul style="list-style-type: none"> <li>• Proximity to existing tourist hubs</li> <li>• Sufficient skilled labor (or presence of TVETs)</li> <li>• Availability of tourist-related infrastructure</li> <li>• Quality of transport infrastructure</li> </ul>
Mining	<ul style="list-style-type: none"> <li>• Quality of transport infrastructure</li> <li>• Existence of professional mining operations or private investment in the sector</li> <li>• Sufficient skilled labor (or presence of TVETs)</li> </ul>
Commerce/ Industry	<ul style="list-style-type: none"> <li>• Connectivity to value chain</li> <li>• Proximity to large markets and commercial hubs</li> <li>• Quality of transport infrastructure</li> <li>• Sufficient electrification</li> </ul>
Energy	<ul style="list-style-type: none"> <li>• Availability of energy sources</li> <li>• Sufficient purchasing power of local households</li> </ul>

*Source: IMANZI Consultant Team, 2013*

The comparative advantage of the district essentially shows the edge that it has over other districts offering the same goods or services. The same factors as shown above were used in determining comparative advantage. The only difference is that instead of examining each indicator in isolation, available data was compared to the national average (or when national data was unavailable, statistics of neighboring districts were used).

The strategies that are detailed within each report were gathered through participatory discussions and focus groups. A comparative advantage and value-chain analysis was undertaken to determine the most suitable strategies for each district.

To ensure ownership of the economic potentialities proposed, a workshop to present initial findings of the district analysis was held with key stakeholders, including District

Councilors, on the last day of the field research in each district. These workshops assisted in finalizing the findings of the assessment and enabled the inclusion of other analysis or strategies as raised by participants.

#### **2.6 Report drafting and compilation of findings**

District report was produced and submitted to RLDSF. The District LED potentialities assessment approach included reviews of different sectors as analyzed in next chapter.

### 3. OVERVIEW AND CURRENT ECONOMIC SITUATION

#### 3.1 Geography and Demographics

**Table 4: Population size density and poverty rate**

Demographic Indicators	Kayonza
Population	346,751 <sup>6</sup>
Population Density	179 pers./km <sup>2</sup>
Poverty Rate	42.6%

Source: Summary of the 2012 Census provisional result, NISR 2012

Kayonza District is one of the seven districts constituting the Eastern Province of the Republic of Rwanda. The District surface is estimated at 1,954 km<sup>2</sup>. The relief of Kayonza District is made of many hills and slopes whose altitude varies between 1400 and 1600 m. The relief is characterized by the plates at broad tops and the hills with soft slopes except in the East where one finds some slopes stiff and stony. It is also situated in the wet tropical climate area with an alternation of two wet seasons and two dry seasons. The recorded annual average temperature lies between 18°C and 26°C. The annual average pluviometry varies generally between 1000 mm and 1200 mm, with March and April receiving more precipitation.

The hydrographic network of the District is relatively dense and is primarily made by a multitude of small interior lakes (Ihema, Rwibishuhe, Kabigabiro and Cyabatanzi, Kibare, Shakani, Kivumba and Hago) and the lake Muhazi that Kayonza divides with the close Districts. In addition to these lakes, Kayonza has moreover many vast swamps.

According to the EICV3, the total population of KAYONZA District is estimated at 346,751 inhabitants, that is 3.08% of the whole population of Rwanda and a density of 179 inhabitants per km<sup>2</sup>. In terms of time series of poverty, Kayonza District has had known a negative evolution from 2005 (39.9%) to 2010 (42.6%). The structure of the population by sex shows that the women are more numerous than the men, with a sex-ratio of 94 men/100 women.

#### 3.2 Infrastructure

Besides the axes roads of national importance, the Kayonza District has a good network of rural tracks. The District has roads connecting its sectors and cells to the close Districts of Gatsibo, Rwamagana, Ngoma and of Kirehe. The population at less than 20 minutes from all weather roads is estimated to 92.7%, mobile phone ownership to 49%, the use of the electricity as main light source to only 4.3% and the access to improved water source at 70.6%.

<sup>6</sup> NISR, Provisional results, 2012 population and housing census.

**Table 5: Infrastructure Potential**

Indicators	Kayonza District	Rwanda
Population less than 20 minutes from all-weather road	92.7	79.3%
Mobile phone ownership (households)	49%	45.2%
Electricity as main light source	4.3%	10.8%
Roads in good condition	61 km	53.8%
Access to improved water source	70.6%	82%

Source: EICV3, NISR 2011

### 3.3 Agriculture

As everywhere else in the country, agriculture and livestock constitute the spinal column of the economy of Kayonza District where more than 90% of the population lives of them. The table hereafter shows the participation of the District in the production of the main crops targeted by the Rwanda National Agricultural policy.

The improvement and increase of agricultural productivity in Kayonza District remain hampered by the low use of agricultural inputs as confirmed by the data in the table below. We notice that the use rates of inputs in Kayonza is too much less than the average national.

**Table 6: Production of main crops 2012 season E+B**

MT Produced (2011 Seasons A+B)	Maize	Beans	Irish Potatoes	Fruit/Veg	Rice
Kayonza District	10,723	8,933	6,347	8,286	463
Rwanda	514,595	325,539	2,164,455	529,119	79,083

Source: EICV3, NISR 2011

**Table 7: percentage of agricultural household in put**

Input use (%)	Organic Fertilizer	Improved seeds	Chemical Fertilizer	Pesticides
Kayonza	2.4	15.6	13.0	0.5
Rwanda	9.7	19.5	30	31.2

Source: EICV3, NISR 2011

### 3.4 Livestock

68% of all households in Rwanda own some type of livestock, a slight decrease in Kayonza District where 63% of all households own some type of livestock. This shows that Kayonza District is under the national average in terms of households raising livestock.

In the development of agriculture and animal husbandry, the District of Kayonza can count on existing partnership with various stakeholders including MINAGRI, MINIRENA, MINALOC, MININFRA, MINICOM, RLDSF, HIMO, TIG, NAEB, PRICE, RAB, MIFOTRA, REMA, BTC, PAPSTA, CARITAS and Local cooperatives in inputs distribution and harvest handling.

**Table 8: Percentage of household raising livestock by type**

	% of HHs raising livestock	Cattle	Sheep	Goats	Pigs	Rabbits	Chickens	Other livestock and poultry	No of HHs raising livestock (000s)
<b>Kayonza</b>	63,9%	63,9%	38,5%	5,2%	68,1%	12,5%	17,2%	50,9%	45%
<b>All Rwanda</b>	68,2	47,3	15,7	53	24,1	22,9	45,5	10,2	1 536

Source: EICV3 NISR 2011

### 3.5 Land

Even though the District has a lot of unoccupied land, cultivated land remains very lower than the national averages. We found that more than 40% of the farms have less than 0.2 ha, 62% less than 0.5 ha and that 80% of the farms operate under 1 ha in area.

Land protection against erosion in Kayonza is almost equal to the national average statistic and it represented 56,3% against 56,8%. However these measures needed to be continued to reach the national target of 100% of cultural land protected.

**Table 9: Land size and protection against soil erosion**

Land	0-0.1ha	0.1-0.19 ha	0.2-0.49ha	0.5-0.99ha	1-1.99ha	2-5ha	+5ha	Protection against soil erosion
<b>Kayonza</b>	18.7%	23.1%	20.0%	17.8%	14.4%	5.7%	.4%	56,3%
<b>Rwanda</b>	15,6	18,9	25,7	21,6	13,4	4,4	0.5%	56,8%

Source: EICV3 2011



### 3.6 Employment

Even though the unemployment rate is equal to zero, a very large part of the labor force is occupied by the agricultural sector. The poverty rate has increased from 2005 to 2010, which suggests that farmers' income is too little to meet their basic needs. The district's economy must be diversified and off-farm jobs need to be created.

**Table 10: Economic activity late and sector of employment**

Indicator (%)	Kayonza	Rwanda
Unemployment	0.0	0.9
Inactivity	14.3	15.8
Wage farm	6.4	9.9
Wage non-farm	10.7	16.9
Independent farm	71.1	61.8
Independent non-farm	9.3	9.7
Public	9.7	9.1
Parastatal	2.6	3.4
Private Formal	14.9	16.2
Private informal	71.0	69.5

Source: EICV3 NISR 2011

### 3.7 Education

In Kayonza District, the literacy and secondary school attainment rates are lower than the national averages as shown in the table below.

**Table 11: Literacy and Education level**

Education	Kayonza	Rwanda	
		M	F
Literacy (15+)	67.1%	64.7%	75.7%
Secondary School Attained	38.4%	39.5%	43.3%
Net Secondary School enrolment	19.1%	21.6%	23.7%

Source: EICV3 2011

### 3.8 Finance

Financial system of Kayonza District is not well developed. There are 5 branches of commercial banks, 4 microfinance institutions and 12 Umurenge Sacco. The access to credit is not easy. At issue are security requirements that are out of reach for most people, but also the fear of contracting credit. Kayonza District also has the services of 4 insurance companies.

Kayonza District is below national average in term of access to bank account as illustrated in the table below:

**Table 12: Percentage of people with access to Bank accounts**

Finance Indicators	Kayonza	Rwanda
Access to bank accounts	37.2%	39.4%

Source: EICV3 2011

### 3.9 Commerce & Industry

Trade is especially practiced in the city centre of Kayonza; the other centres are not commercially developed. In addition, Kayonza has only three modern markets (Mukarange, Rukara and Kabarondo) and people have difficulties of market access. There is also to point out the existence of selling points and small traditional markets scattered in the District.

**Table 13: Private companies by major sectors**

Indicator	District 1	Rwanda
Number of private companies	2,590	118,716
Wholesale and retail trade, repair of motor vehicles and motors	1,663	64,620
Accommodation and food service activities	470	33,281
Other service activities	189	6,433
Professional, scientific and technical activities	86	5,503
Manufacturing	109	4,548
Financial and insurance activities	20	932
Administrative and support service activities	7	733
Agriculture, forestry and fishing	4	663
All other (ICT, education, transportation, electricity, construction, etc.)	42	2,003

Source: Establishment Census, NISR, 2011

### 3.10 Mining

The District of Kayonza has wolfram, cassiterite and coltan deposits in Rwinkwavu, Murundi, Rwinkwavu, Ruramira, Mwili, Rukara, Ndego and Kabarondo sectors. However the mining is done only at Rwinkwavu (Rwinkwavu Wolfram Company) and remains artisanal with very low yields.

**Table 14: Mineral deposits and types of exploitation**

Deposits	Sectors Mining	Exploitation
Cassiterite	Rwinkwavu, Murundi, Mwili, Rukara, Kabarondo, Ndego	Artisanal
Coltan	Kabarondo, Ndego, Rukara Rwinkwavu, Murundi, Mwili,	Artisanal
Wolfram	Rwinkwavu, Murundi, Mwili, Rukara	Artisanal

*Source: Adapted from National Land use and dvpt MP 2010*

### 3.11 Tourism

Tourism would be a great socio-economic development potential of Kayonza District if it was well highlighted. The District has a great advantage to host the Akagera national park, the Akagera river and a multitude of very interesting inland lakes where several tourist projects and activities could be undertaken. However, with the exception of the Game lodge hotel within the Park and a few motels and small restaurants in the town of Kayonza, accommodation and catering facilities are almost nonexistent. Likewise, Kayonza district will have difficulty competing with established hubs for tourism.

#### 4. DISTRICT IDENTIFIED POTENTIALITIES

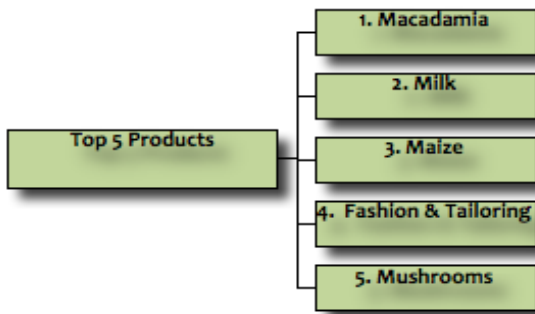
As is the case with other districts in Eastern Province, Kayonza's potentialities are strongly focused in Agribusiness, particularly in regards to staples and meat production. The SME Product clusters differ slightly from the potentialities. This can be attributed to the difference in scope between the two studies. The Product Clusters are determined based on their contribution to the national value chain, whereas the potentialities are chosen based on the impact they can have on Local Economic Development, with an emphasis on job creation, when possible.

The District has a strong comparative advantage in bovine meat production. Large cattle holdings and a strategic location (crossroads to Uganda, Tanzania and Kigali) offers strong opportunities for high-demand produce. Above-average access to all-weather roads is an encouraging sign for the development of agro-processing, which is seen as a strong potentiality for the sector. Processing of cassava and bananas, which are well cultivated across the district, can add value to the district's agricultural sector.

Tourism was seen as a potential source of growth, given the district's proximity to Akagera. However, Kayonza will have difficulty competing with established hubs of tourism. Nonetheless, run-off from the tourist flows to Akagera will still provide benefits to Kayonza district, particularly by raising demand for service sector employment.

Mining was recognized as a key potentiality for the district. In addition to the one professional Wolfram extraction operation, numerous artisanal operations excavate Wolfram, Cassiterite and Stone from quarries across the district. By encouraging additional private investment in the district, exploitation can reach industrial capacity. Not only will this provide the district with additional income sources, but diversify the employment base out of the informal agricultural sector.

**Figure 6: Top 5 products for Kayonza District**



Source: *SME Products clusters, MINICOM 2011*

Table 15: District LED Potentialities

Potentiality	Area/Product	Strategy	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
<b>1. LARGE TRACTS OF LAND FOR LIVESTOCK</b>	<b>Agribusiness</b>					
	<b>Cattle production</b>	<ul style="list-style-type: none"> <li>- To carry out a program of genetic improvement and provide appropriate training</li> <li>-To strengthen the partnership with the RAB</li> <li>-</li> </ul>	<ul style="list-style-type: none"> <li>-Added value through improved stock will increase revenues, given a high national demand for meat</li> <li>-Youth-focused job creation</li> </ul>	<ul style="list-style-type: none"> <li>-Kayonza District counts more than 3,400 farms with an average area of 15 ha and 61,000 bovines.</li> <li>-Rough meat is sold to Kigali and exported to DRC.</li> <li>-Lack of skilled labour</li> </ul>	<ul style="list-style-type: none"> <li>-Animal production techniques.</li> <li>-Quality slaughtering and meat processing practices</li> </ul>	All sectors
<b>2. HIGH SOIL FERTILITY</b>	<b>Banana production and processing</b>	<ul style="list-style-type: none"> <li>-Conduct feasibility study</li> <li>-Support banana producers' co-operatives</li> <li>-Mobilize and attract investors for Joint Venture Opportunities in Banana processing</li> </ul>	<ul style="list-style-type: none"> <li>-Increasing demand for Bananas and Banana-stem projects</li> <li>- Labor intensive job creation</li> </ul>	<ul style="list-style-type: none"> <li>Study on Strategic Joint Venture Opportunities in the Agribusiness Sector conducted by MINECOFIN in 2009 pointed out that Kayonza District has more than 10,000 ha to produce banana and great possibility for a banana plant</li> </ul>	<ul style="list-style-type: none"> <li>-Agriculture Technology</li> <li>- Food processing</li> <li>-Business logistics</li> </ul>	Mukarange, Nyamirama, Ruramira, Kabarondo, Kabare, Rukara
	<b>Cassava production and processing</b>	<ul style="list-style-type: none"> <li>-Build co-op capacity to meet quality standards</li> <li>-Develop a commercialization plan to encourage PPPs</li> </ul>	<ul style="list-style-type: none"> <li>-High national demand for Cassava and Flour</li> <li>-Labor intensive job creation</li> </ul>	<ul style="list-style-type: none"> <li>-Cassava cultivation is widely practiced</li> <li>-Lack of investment in the sector</li> </ul>	<ul style="list-style-type: none"> <li>-Agriculture Technology</li> <li>- Food processing</li> <li>-Business logistics</li> </ul>	Ndego Kabare, Rwinkwavu, Murama
<b>3.LARGE VALLEYS AND MARSHLANDS</b>	<b>Horticulture Production</b>	<ul style="list-style-type: none"> <li>-Rehabilitate and develop all swamps;</li> <li>-Initiate irrigation</li> </ul>	<ul style="list-style-type: none"> <li>-Agricultural income</li> <li>-Potential exports;</li> <li>-Job creation for youth</li> </ul>	<ul style="list-style-type: none"> <li>Large valleys and marshlands of: Kadiridimba, Ntaruka,</li> </ul>	<ul style="list-style-type: none"> <li>-Agriculture Technology</li> <li>-Land</li> </ul>	All sectors

Commented [k2]: livestock

Commented [k1]: Kubaka Uruganda rutunganya umusaruro w'ibikomoka ku matungo Atari inyama

Commented [k3]: technics in related field and practice

Commented [k4]: technics in related field and practice

Potentiality	Area/Product	Strategy	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
		system and infrastructures -Producers' co-operatives development; -Consolidate a partnership with RAB for technical support	and women.	Kajevuba Rwakabanda, Nyamarebe, -Possible significant increase of agricultural land for rice, maize and vegetables productions and related agricultural income - District and Sector Agriculture staff -Lack of skilled technicians in land reclamation	reclamation	
<b>4.LAKES FOR AQUACULTURE</b>	<b>Fish Farming</b>	-Develop capacity of producers cooperatives in cage farming	-Demand for fish exists in Rwanda and fish is imported from neighboring countries. - Value addition to existing production	-District and Sector Agriculture staff -6 selling points are operational	-Modern pisciculture -Fish processing -Business logistics	Mukarange, Ndego, Kabare, Gahini, Rukara, Rwinkwavu, Mwili
<b>5.LAKES AND WATER SPRINGS</b>	<b>Water supply</b>	Water supply from Muhazi lake and water spring sources, Kadiridimba and Akagera rivers - Feasibility study for water treatment plant - Negotiations with EWSA for the project implementation	- Great possibility of water supply for the Districts of Kayonza - In Kayonza District, the rate of access to drinking water remains very low. - The low access to drinking water inhibits the social development	- Lake Victoria Water Sanitation and EWSA started some projects of water supply.	- Water treatment technics	Muhazi Mukarange Gahini Rukara Murama Rwinkwavu Kabare,
<b>6.TOURISTIC SITES</b>	<b>Tourism promotion</b>	<b>Development of tourism in the National</b> - A plan for tourism development must be set.	- The development of the tourism sector always is a good opportunity to	- Akagera Game Loge - Local manpower and building materials are	-Tourism related knowlegde	Ndego, Kabare, Rwinkwavu

Commented [k5]: technics in related field and prasctice

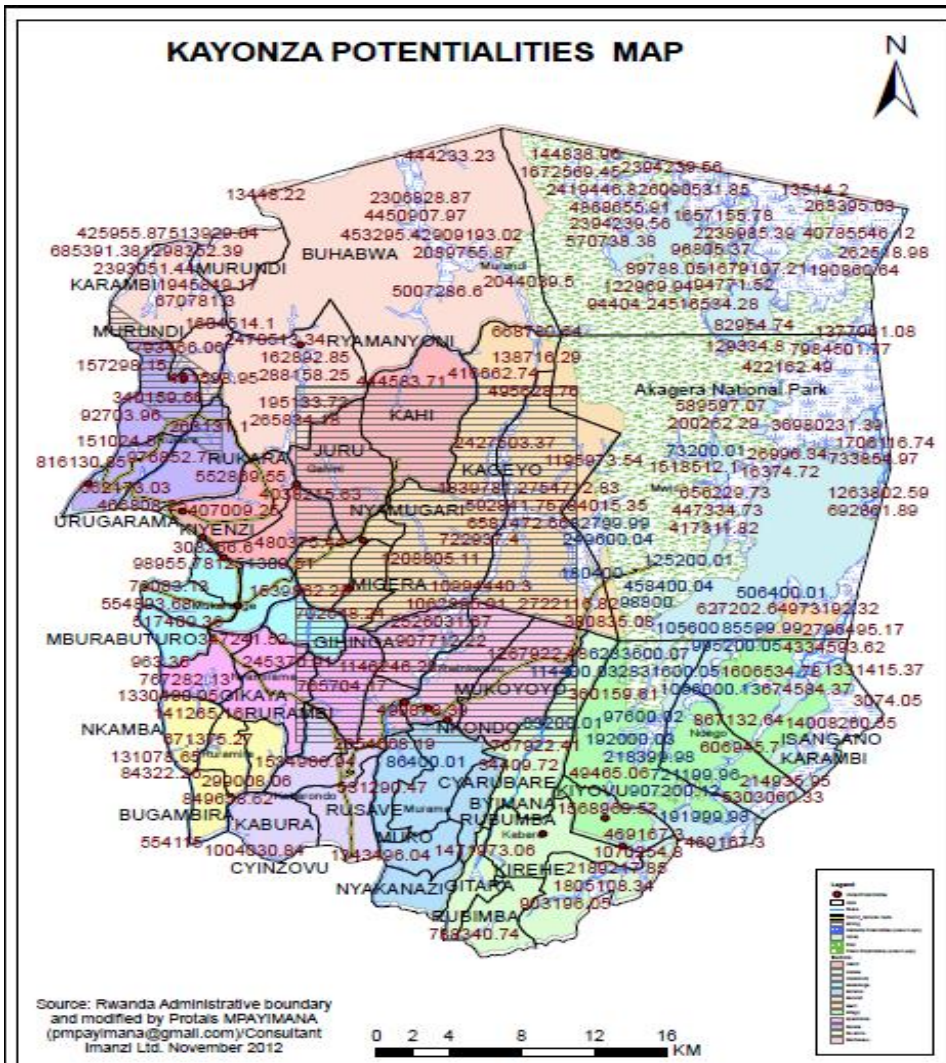
Commented [k6]: technics in related fields

Commented [k7]: Special knowledge in related field

Potentiality	Area/Product	Strategy	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
	<b>Park of Akagera and around a multitude of lakes within it</b>	- Private investors must be mobilized and investments need to be facilitated. - Basic infrastructure (roads, electricity, water) must be available.	create off-farm jobs. These will concern youth and women. Economic resources for the district will be diversified and additional revenue can be expected. - High demand in tourism related services: tourism sites, hostels, commerce, restaurants, mineral water - Increase of tax revenue in the District	available.		
<b>7.MINERAL DEPOSITS</b>	<b>Exploitation of Wolfram, Tin and stone quarries</b>	-Develop commercialization to attract investors to professionalize mining sector	-High international demand for Wolfram -Professionalization can formalize the sector, improving tax revenues -Off-farm employment	-A mining processing company already exists (Rwinkwavu Wolfram Company). -Lack of technicians -Unskilled labour	- Mines extraction Occupational health and safety in mining	Rwinkwavu Ruramira Mwili, Rukara Murundi Ndego Kabarondo

Commented [k8]: Training of technician and labours

Figure 7: Map of District Key Potentialities Visited Sites





## 5. STRATEGIES TO SUPPORT DISTRICT ECONOMIC DEVELOPMENT

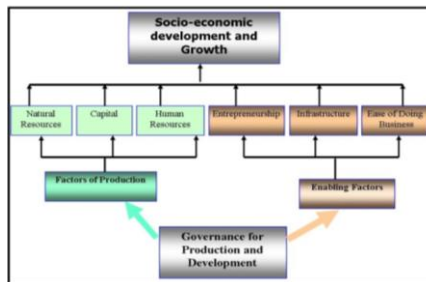
### 5.1 Existing Strategies

- Skilled staff existing at the district level
- Local population mobilization
- JADF mechanism
- Government support project for Kayonza District Development through: PADAB, PAIRB
- Existing of land use consolidation practice
- Increase agricultural production and livestock
- Rehabilitation of existing roads

### 5.2 Proposed Strategies

The key strategies for supporting district economic development relate primarily to infrastructure improvement and the development of key skills and capacities of the local population in order to capitalize on identified potentialities. The strategies identified include Land Use Management, improvement of roads and transport infrastructure, improved electrification, enhancement of technical and vocational schools (TVETs), and further expansion of ICT infrastructure.

**Figure 8: Governance for Production and Development of Potentialities**



The following should be taken into consideration in order to exploit the existing potentialities for sustainable development:

- The establishment of mechanisms and strategies for adequate exploitation of existing potentialities, particularly natural resources;
- Investing in people and development of human resources
- Supporting the development of factors enabling development like ICT, Infrastructure, TVET and entrepreneurship

The strategies identified are related to the mentioned factors of production as detailed below:

#### 5.2.1 Land Use Management

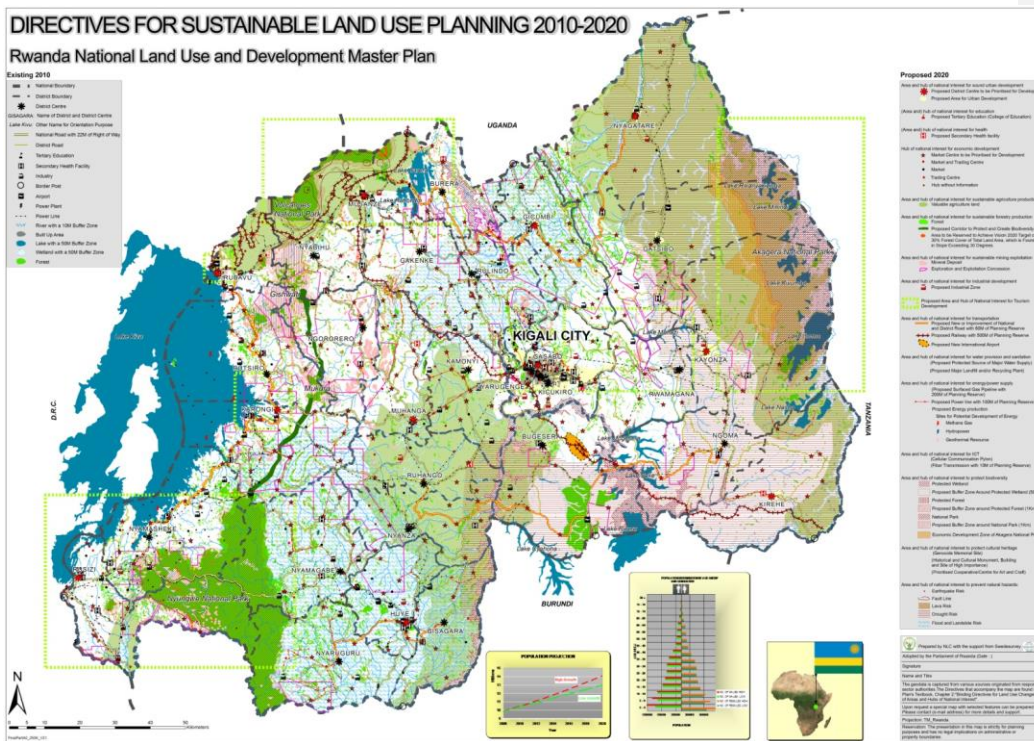
*(1) Organisation of land of vital importance.* Land use management is a fundamental tool in development according to Vision 2020. As Rwanda is characterised by acute land shortage, land use and development planning is of vital importance to ensure land use and development planning ensures optimal land utilisation in both urban and rural settings.

Priorities in the area of land management include strengthening of land institutions, land registration mechanisms and land use planning, through a land use and management master

plan. rights to land and other properties will be recognised and strengthened, regardless of their civil status, that is, whether they are single, married, divorced or widowed.

The use of fertilizers and other input will help districts to maximize the yields in agriculture. Grouped settlement is one of the main strategies in efficient use of land and facilitate the rapid delivering of services and infrastructure.

Figure 9: Directives for sustainable land use planning



Source: NLUDMP of MINIRENA, 2010

(2) **Improved Urban land management.** Urban land management tools and mechanisms are to be adopted with the aim of improving and rationalising urban land management through:

- most precise possible assessment of needs in building plots;
- exhaustive inventory of public land reserves;
- systematic census and monitoring of any building plots allocated but not developed within required deadlines and their reallocation; and,

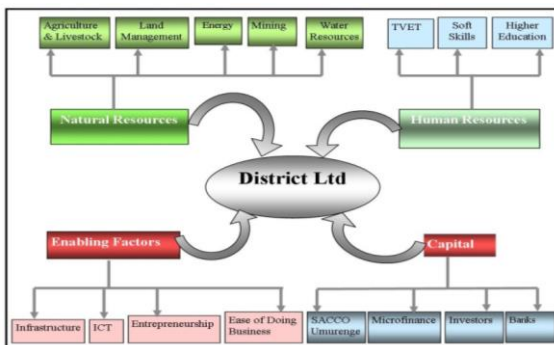
- strictest collection of rent on land and establishment of some penalty tax system in order to incite people to develop their building plots.

### 5.2.2 District management as a company

Applying LED to Governance for Production and Development, the assessment found that LED is also directly linked with factors of production namely, natural resources, human resources and capital. To develop these factors for boosting economy, a District may be considered as a Company “**District Ltd**”. It means that the district should operate like other private enterprises.

The following figure illustrates how district may transform potentialities for boosting its economy by operating as a Company:

**Figure 10: Production and Development of Potentialities at District Level**



The comparative advantage is focused on the principle that one district is more rich in natural resources than others while another is more rich in human resources or physical capital. This should determine which kind of Potentiality is to be developed according to the combination of factors of production<sup>7</sup>.

### 5.2.3 Other strategies

- Capacity building for the technical staff of the District in LED
- Promoting settlement (habitat) in village ( making master plan of IMIDIGUDU)
- Drainage and irrigation system in of marshlands and hillside and irrigation
- Cassava growing and processing
- Banana production and processing
- Meat and milk production and processing
- Introduction of new cash crop (macadamia, for example)
- Rehabilitation and extension inter sectors roads
- Extension of electricity connection network for all sector
- Access to improved water source
- Environment and natural resources protection and rational exploitation
- Tourism promotion
- Putting in place an attractive policy for investors

## 6. ROLE AND RESPONSIBILITIES OF STAKEHOLDERS

RLDSF works with many stakeholders at the central level, including technical ministries, development partners, civil society and faith-based organizations and the private sector. All of these stakeholders have key roles and responsibilities in terms of facilitating the achievement of local economic development towards sustainable economic growth for the country.

### A. MINAGRI

The Ministry of Agriculture and Animal Resources is focused on increasing animal production, modernizing farming, ensuring food security and promoting surplus for the market. Given the importance of agriculture in the lives of the Rwandan population, and the scope for improving agricultural production by using modern techniques and agricultural inputs including irrigation, fertilizer and quality seeds, MINAGRI plays an essential role in improving the success of the agricultural sector across districts. MINAGRI is a key partner for RLDSF in both promoting agricultural potentialities, such as key crops for local consumption or export, as well as the development of agri-businesses and production and use of agricultural and animal by-products, such as leather.

### B. NAEB



Coffee, Muramba, Rutsiro

NAEB is the National Agricultural Export Development Board registered under MINAGRI. The National Agricultural Export Development Board was set up by bringing together three government agencies responsible for agricultural export and cash crop under the same management. NAEB is made up of the Rwanda Tea Authority (OCIR THE), the Rwanda Coffee Authority (OCIR CAFE) and Rwanda Horticulture (RHODA).

NAEB has responsibilities related to the LED potentialities including elaborating policies and strategies for agricultural and livestock product export, supporting research on agricultural and livestock products for export, identifying locations for processing factories, supervising and training private operators and cooperatives involved in agricultural and livestock production for export, support increased investment in industry and infrastructure to add value to agricultural and livestock products for export, to collect information on markets and coordinate activities of stakeholders.

### C. RAB

The Rwanda Agricultural Board is responsible for developing agriculture and animal husbandry through their reform and using modern methods in crop and animal production, research,

agricultural extension, education and training of farmers in new technologies.

Considering these important roles, MINAGRI, NAEB and RAB will be important partners for the development of agricultural and livestock potentialities, and RLDSF should work with them to coordinate interventions related to LED potentialities in districts.

#### **D. MININFRA**

The Ministry of Infrastructure will play a key role in supporting the development and rehabilitation of infrastructure that will facilitate the achievement of LED potentialities in districts. Prioritizing infrastructure that will support business development, investment, economic growth and social protection is essential to improve the sustainable development of districts in Rwanda. RLDSF and MININFRA must work closely to ensure that infrastructure projects have an important and sustainable economic impact.

#### **E. EWSA**

The Energy, Water and Sanitation Authority is responsible for ensuring access to clean water and adequate sanitation, and promoting sustainable energy use, as well as facilitating the building of energy, water and sanitation infrastructure. As previously discussed, infrastructure is a key strategy to facilitate LED in districts, and the development of sustainable energy sources, expansion of electrification, and facilitation of access to water and sanitation are essential to economic growth.

#### **F. FER**

The Road Maintenance Fund (FER) is responsible for ensuring funding for the maintenance of road networks in Rwanda. Given the priority of road infrastructure for the achievement of LED potentialities, RLDSF should work closely with FER to ensure the disbursement of funds for priority road projects, including the development and rehabilitation of feeder roads.

#### **G. MINECOFIN**

As the Ministry responsible for financial management, including overseeing budget development and achievement, the Ministry of Finance and Economic Planning has an important role in supporting districts in their planning and budgeting process towards achieving the identified potentialities.

#### **H. MINALOC**

The Ministry of Local Government is the reporting ministry for RLDSF, with the responsibility for the overall decentralization process and coordinating district development and governance.

RLDSF should continue to work with MINALOC towards improving district development through the promotion of the identified LED potentialities.

#### **I. MINICOM**

The Ministry of Trade and Industry should work with RLDSF towards improving the capacity of and investment in small and medium enterprises, and creating a positive business environment for large businesses, including mining operators and agribusiness firms.

#### **J. RDB**

The Rwanda Development Board is responsible for supporting private investment and business development in Rwanda. RDB's role relates to developing the private sector, including through addressing the needs of companies and investors. RLDSF should work with RDB towards identifying investors and linking them to potentialities at the district level, as well as supporting the development of private businesses.

#### **K. MIFOTRA**

The Ministry of Labour is responsible for reinforcing national labour standards, promoting job creation and development a framework that enables high performance of private and public sector organizations. The strategic objectives of MIFOTRA related to promoting LED include improving institutional capacity, efficiency and effectiveness, promoting gender equality, promoting capacity building and skills development in the public and private sectors, eliminating corruption, promoting employment creation and ensuring compliance with labour standards.

In relation to the identified potentialities, MIFOTRA plays an important role in supporting the development of labour regulations for specific sectors, including the mining sector, and supporting effective labour standards for informal sectors, such as cross-border trade. Promoting district capacity for LED and effective planning is also an important area of intervention for MIFOTRA, as is the promotion of SMEs as this increases available employment opportunities and creates jobs.

#### **L. REMA**

The Rwanda Environmental Management Authority is mandated to facilitate coordination and oversight of environmental legislation, policy and standards. Key areas of intervention relate to prevention of soil erosion, deforestation, pollution and water contamination. REMA should support RLDSF in ensuring that the focus on LED does not negatively impact the environment, including through destruction or depletion of natural resources, and should work towards promoting innovation and green enterprises.

#### **M. RALGA**

The Rwanda Association of Local Government Authorities (RALGA) is a membership organization that brings together local governments in Rwanda. RALGA is responsible for supporting the decentralization process and to support transparent and accountable local government. RALGA has an important role in supporting districts to develop LED strategies, and has a unit in charge of promoting LED. RALGA supports the development of district LED strategies, using an approach that ensures community participation. These strategies will be important tools to facilitate the achievement of the identified district potentialities.

#### N. DEVELOPMENT PARTNERS

Development Partners play an important role in Rwanda, particularly in supporting the Government of Rwanda to achieve the development priorities set out in national policies, including Vision 2020 and the EDPRS. To achieve the above LED potentialities, districts require investment, financial and technical support for initiatives, and capacity building. RLDSF should coordinate with development partners to ensure that projects are well-linked to district strategies and priorities, towards achieving national policy and strategy goals of sustainable development, economic growth and poverty reduction. Likewise, development partners should seek to support LED initiatives as part of support for district strategies.

#### RLDSF

- Assist the District in the rehabilitation, development and management of all swamps
- Assist the district in the valorization of the key agro-food productions (banana, cassava and meat) and the introduction of new cash crops
- Assist the district in tourism **promotion**
- Use VUP Public Works disbursements to rehabilitate and construct feeder roads alongside the incoming Kayonza-Gatsibo-Ngoma-Kirehe road.
- Provide capacity building for developing sector-specific (especially in regards to mining) regulations
- Assist in attracting investors in **agriculture** and mining

**Commented [k9]:** How? By constructing modern infrastructures, Hotels and Accomodation ?

**Commented [k10]:** We hope we should invest in irrigation system because Kayonza District is sunny area



## 7. CONCLUSION

Rwanda has committed to a national strategy for local economic development, and has a strong policy framework and political will to achieve the potentialities identified through the elaborated strategies and with the support of stakeholders.

Kayonza District has key potentialities for developing agribusiness, water supply, tourism, fish farming, animal husbandry and mining. However, in order to achieve these potentialities, Kayonza District must invest in skilled personnel and technicians, modern equipment, animal production techniques, and water treatment facilities. Additionally, methods must be put in place for attracting private investors. Kayonza District has strong opportunities to achieve LED potentialities and address gaps, including through strategies of reinforcing the capacity producer cooperatives, strengthening partnerships, developing and commercialization and tourism plan, rehabilitating swamps, and professionalizing mining operations.

District LED strategies should be a key part of District Development Plans, fitting well into the elaboration of EDPRSII and national strategies for development. To achieve this, Districts will need assistance in planning and monitoring and evaluation, which will also support them to properly take advantage of potentialities. It will be important to ensure that LED strategies do not focus entirely on Kigali, given the LED potential and needs of other Provinces, and the support required.

The District potentialities and strategies identified in this assessment will support the country and all districts to capitalize on already existing and new potentialities. RLDSF, Districts and key stakeholders must work together and coordinate well to ensure that the country moves towards improving economic growth, as part of sustainable development.



## APPENDICES

## Appendix 1. List of Potential Projects identified in Kayonza District

<b>Name of the initiative/project:</b>	Meat Production and Processing
<b>Location:</b>	Kayonza District All Sectors
<b>Economic sector:</b>	Agriculture and Agribusiness
<b>Type of good/s produced and/or service/s provided:</b>	Packaged Meat and Meat Products
<b>Brief description of the economic potential of the initiative:</b>	Kayonza District has more than 3400 farms with an average area of 15 ha and 61000 bovines. Development of manufactured meat products will increase farmer revenue because it has a higher retail value.

<b>Name of the initiative/project:</b>	Banana production and processing
<b>Location:</b>	Kayonza District Mukarange, Nyamirama, Ruramira, Kabarondo, Kabare, Rukara Sectors
<b>Economic sector:</b>	Agriculture and Agribusiness
<b>Type of good/s produced and/or service/s provided</b>	Banana
<b>Brief description of the economic potential of the initiative:</b>	Production of Banana to meet local demand. Kayonza has more than 10000 ha available for planting and producing Bananas.

<b>Name of the initiative/project:</b>	Cassava Production and Processing
<b>Location:</b>	Kayonza District Ndego, Kabare, Rwinkwavu, and Murama Sectors
<b>Economic sector:</b>	Agriculture and Agribusiness
<b>Type of good/s produced and/or service/s provided:</b>	Cassava and Cassava Powder
<b>Brief description of the economic potential of the initiative:</b>	Production of Cassava to meet local demand for cassava and cassava by products

<b>Name of the initiative/project:</b>	Water Supply from Muhazi Land and Kadiridimba and Akagera Rivers
<b>Location:</b>	Kayonza District Muhazi, Mukarange, Gahini, Rukara, Murama, Rwinkwavu, and

	Kabare Sectors
<b>Economic sector:</b>	Infrastructure and Industry
<b>Type of good/s produced and/or service/s provided:</b>	Drinking Water
<b>Brief description of the economic potential of the initiative:</b>	Supply drinking water to Kayonza residents to meet local demand.

<b>Name of the initiative/project:</b>	Development of Tourism of Akagera Lakes
<b>Location:</b>	Kayonza District Ndego, Kabare, Rwinkwavu
<b>Economic sector:</b>	Service and Tourism
<b>Type of good/s produced and/or service/s provided:</b>	Hotels, Restaurants, and services for tourists visiting the lakes.
<b>Brief description of the economic potential of the initiative:</b>	Akagera National Park is a major tourist attraction. The park would be better exploited through the development of accommodations and services around the lakes

## Appendix 2: Kayonza District Sector Potentialities

Sector	Potentiality	Production
<b>Gahini</b>	Large tracts of land for livestock	Cattle production
	Large valleys and marshlands	Horticulture production
	Lakes for aquaculture	Fish farming
	Lakes and water springs	Water supply from Muhazi lake and water spring sources, Kadiridimba and Akagera rivers
<b>Kabare</b>	Large tracts of land for livestock	Cattle production
	High soil fertility	Banana production and processing Cassava production and processing
	Large valleys and marshlands	Horticulture production
	Lakes for aquaculture	Fish farming
	Lakes and water springs	Water supply from Muhazi lake and water spring sources, Kadiridimba and Akagera rivers
	Touristic sites	Development of tourism in the national park of akagera and around a multitude of lakes within it
<b>Kabarondo</b>	Large tracts of land for livestock	Cattle production

	High soil fertility	Banana production and processing
	Large valleys and marshlands	Horticulture production
	Mineral deposits	Exploitation of wolfram, tin and stone quarries
<b>Mukarange</b>	Large tracts of land for livestock	Cattle production
	High soil fertility	Banana production and processing
	Large valleys and marshlands	Horticulture production
	Lakes for aquaculture	Fish farming
	Lakes and water springs	Water supply from Muhazi lake and water spring sources, Kadiridimba and Akagera rivers
<b>Murama</b>	Large tracts of land for livestock	Cattle production
	High soil fertility	Cassava production and processing
	Large valleys and marshlands	Horticulture production
	Lakes and water springs	Water supply from Muhazi lake and water spring sources, Kadiridimba and Akagera rivers
<b>Murundi</b>	Large tracts of land for livestock	Cattle production
	Large valleys and marshlands	Horticulture production
	Mineral deposits	Exploitation of wolfram, tin and stone quarries
<b>Mwiri</b>	Large tracts of land for livestock	Cattle production
	Large valleys and marshlands	Horticulture production
	Lakes for aquaculture	Fish farming
	Mineral deposits	Exploitation of wolfram, tin and stone quarries
<b>Ndego</b>	Large tracts of land for livestock	Cattle production
	High soil fertility	Cassava production and processing
	Large valleys and marshlands	Horticulture production
	Lakes for aquaculture	Fish farming
	Touristic sites	Development of tourism in the national park of akagera and around a multitude of lakes within it
	Mineral deposits	Exploitation of wolfram, tin and stone quarries
<b>Nyamirama</b>	Large tracts of land for livestock	Cattle production
	High soil fertility	Banana production and processing
	Large valleys and marshlands	Horticulture production

<b>Rukara</b>	Large tracts of land for livestock	Cattle production
	High soil fertility	Banana production and processing
	Large valleys and marshlands	Horticulture production
	Lakes for aquaculture	Fish farming
	Lakes and water springs	Water supply from Muhazi lake and water spring sources, Kadiridimba and Akagera rivers
	Mineral deposits	Exploitation of wolfram, tin and stone quarries
<b>Ruramira</b>	Large tracts of land for livestock	Cattle production
	High soil fertility	Banana production and processing
	Large valleys and marshlands	Horticulture production
	Mineral deposits	Exploitation of wolfram, tin and stone quarries
<b>Rwinkwavu</b>	Large tracts of land for livestock	Cattle production
	High soil fertility	Cassava production and processing
	Large valleys and marshlands	Horticulture production
	Lakes for aquaculture	Fish farming
	Lakes and water springs	Water supply from Muhazi lake and water spring sources, Kadiridimba and Akagera rivers
	Touristic sites	Development of tourism in the national park of akagera and around a multitude of lakes within it
	Mineral deposits	Exploitation of wolfram, tin and stone quarries

### Appendix 3. Geographical data

No	X	Y	Z	Sector	Cell	Village	Potential_Item
031	548684	9784168	1550 m	Kigabiro	Cyanya	Kabeza	Agakiro Carpentry
032	544560	9784299	1549 m	Kigabiro	Cyanya	Kabeza	Rwabutogo's house
033	548281	9783896	1521 m	Kigabiro	Cyanya	Kabuye	Agakiro extension

034	547562	9775621	1345 m	Kigabiro- Munyaga	Sovu- Nkungu	Sovu- Rudashya	Cyaruhogo Marshland for Rice
035	547929	9772850	1337 m	Munyaga	Nkungu	Mataba	Papyrus
036	548791	9772913	1429 m	Munyaga	Nkungu	Mataba	Umuguruka tree
037	550751	9776110	1479 m	Munyaga	Rweru	Mubuga	Kabingo's Kaolin
038	551571	9777958	1573 m	Munyaga	Kaduha	Kamamana	Utubindi cave exit
039	550637	9781533	1493 m	Kigabiro	Bwiza	Munini	Utubindi entry
040	550647	9781557	1492 m	Kigabiro	Bwiza	Munini	Utubindi cave entry
041	540864	9779959	1642 m	Mwulire	Bicumbi	Bicumbi	Stones treatment factory
042	538618	9774515	1415 m	Karenge	Nyamatete	Mutabo	Nyamatete Minig Site
043	536537	9782802	1631 m	Gahengeri	Gihumuza	Kabeza	Gahengeri Cave
044	538020	9787241	1626 m	Musha	Kagarama	Kagarama	Musha Mining Site
045	538237	9792560	1474 m	Musha	Nyabisindu	Bwiza	Touristic Site
046	530021	9793158	1825 m	Fumbwe	Nyamirama	Cyarutabana	Nyirafumbe Mount

**Appendix 4. Photos of identified potentialities**

**1- Wolfram-cassiterite mining in Rwinkwavu sector**



**2- Kadiridimba river and its swamps**



3- Macadamia area



4- Surfaces of breeding in Murundi sector





5- Lake Muhazi



6- Marshland of Akagera



7- Marshlands of Kinyegenyege



8- Marshland of Ntaruka



9- Marshlands of Nyamarebe





**10- Marshlands of Rwakabanda**



**11- Saint spirit revelation site**



