



REPUBLIC OF RWANDA



KAYONZA DISTRICT

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

Kayonza, 2013

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Sincerely,

Mr John MUGABO

Mayor of Kayonza District

ACRONYMS AND ABBREVIATIONS

BDC	Business Development Centre
CBO	Community Based Organisations
CDF	Common Development Fund
CSOs	Civil Society Organisations
DFID	Development Fund for international Development
DIP	Decentralization Implementation Plan
EDPRS	Economic Development and Poverty Reduction Strategy
EICV	Enquête Intégrale sur les Conditions de Vie des Ménages
EWSA	Energy, Water and Sanitation Authority
FGD	Focus Group Discussion
GoR	Government of Rwanda
HIV/AIDS	Human Immune Virus/Acquired Immune Deficiency Syndrome
IDP	Integrated Development Programme
JADF	Joint Action Development Forum
LED	Local Economic Development
M&E	Monitoring and Evaluation
MCC	Milk Collection Center
MDGs	Millennium Development Goals
MIFOTRA	Ministry of Public Labour
MIGEPROF	Ministry of Gender and Family Promotion
MINAGRI	Ministry of Agriculture and animals resources
MINALOC	Ministry of Local Government
MINECOFIN	Ministry of Finance and Economic Planning
MINICOM	Ministry of commerce and industries
MININFRA	Ministry of Infrastructure
MoH	Ministry of Health

MoU	Memorandum of Understanding
MYICT	Ministry of Youth and Information & Communication Technology
NAEB	National Agriculture Export Board
NEPAD	New Partnership for Africa Development
NES	National Export Strategy
NGOs	Non-Governmental Organizations
NIP	National Industrial Policy
NISR	National Institute of Statistics of Rwanda
NLUDMP	National Land Use and Development Master Plan
NTBs	Non Tariff Barriers
PSF	Private Sector Federation
RAB	Rwanda Agriculture Board
RBC	Rwanda Biomedical Centre
RDB	Rwanda Development Board
REMA	Rwanda Environment Management Authority
RGB	Rwanda Governance Board
RIAM	Rwanda Institute of Administration and Management
RLDSF	Rwanda Local Development Support Fund
RTDA	Rwanda Transport Development Agency
STEM	Science, Technology and Environmental Management
UNDP	United Nation Development Programme
VUP	Vision 2020 Umurenge Program
WDA	Workforce Development Agency

DEFINITION OF KEY WORDS

Key words	Definition
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 either the private sector or among them, to create new jobs and stimulate local economic activity in a well-defined economic zone.
Potentiality	An asset, resource or any item which is non-used or under-used and can be developed and exploited through more effective strategies or the use of technologies so as to boost local economy and create jobs and revenue. It can refer to either an economic resource/asset that hasn't been exploited yet or an existing resource/asset that can be better developed.
Assessment	Is an opinion or a judgment expressed on something that has been thought about very carefully. An assessment can be run by evaluation or examination.
SMEs	Any enterprise with less than 100 employees, an annual turnover below 50 million Rwf and a net investment capital below 75 million Rwf.
Policy	Principles to guide decisions to be taken in order to achieve rational outcome.
Strategy	A method or plan chosen to bring about a desired future, such as achieving a goal or solving a problem.
Value addition	The enhancement added to a product or service by a company before the product is offered to customers.
Comparative Advantage	Is the economical concept according to which a district should specialize in the export of the potentialities which it can produce in the most efficient way (at lower cost) and import the other potentialities.
Raw material	Unfinished goods consumed by a manufacturer in providing finished goods
Factors of production	Natural Resources (land, mining etc.), Human Resources (labour force) and capital, i.e. the three things needed in order to deliver a product.
Human	Is the set of individuals constituting the workforce of an organization, a

resources	business sector.
Human capital	Is the knowledge that the individuals making up the human resources, embody and bring in organizations.
Establishment	An establishment is defined as an enterprise or (part of) with a constant site that performs one or more economic activities under one administration. The holder of the establishment could be a natural or nominal person, or governmental body.
Company	Refers to the structure founded and organized so as to carry out a certain business. Different types of companies include sole proprietorship, partnership, limited liability, corporation, and public limited company.
Manufacturing	Is the process of converting raw materials, components, or parts into finished goods that meet customer's expectations or specifications. Manufacturing commonly employs a man-machine setup with division of labour in a large scale production.

EXECUTIVE SUMMARY

Background

Local economic development potentialities in Rwanda are currently either fully or partially utilized, the current economic policy emphasizes on the strategy entitled the “National Local Economic Development which champion facilitating, supporting, coaching, and mentoring Local Governments in formulating and implementing their locality specific development strategies¹.” In order to achieve the objectives of LED, Rwanda Local Development Support Fund (RLDSF) conducted an assessment of district local economic development’s potentialities and strategies. The objective of this assessment was to identify and assess economic potentialities in all 30 districts and to consider the available and required skills for them to engage in integrated, participatory and sustainable local economic development as well as to suggest the most appropriate strategies for making use of these potentialities and achieving accelerated economic growth.

A great deal of economic potential lies in LED opportunities throughout the country. It is the goal of this document to provide an overview of such opportunities and their potential returns. Districts and sectors were at the centre of this assessment. District potentialities and comparative advantages were identified, and consideration was given to understanding the local context.

For the purpose of this assessment, the definition of local development focused on achieving local ownership for the improvement of socio-economic living conditions. This ownership is achieved through an Integrated Development Program (IDP) and a local economic development approach that includes building partnerships between public and private stakeholders and making use of local resources and competitive advantage for an improved employment’s creation and economic growth.

Methodological approach

This assessment used a participatory and inclusive approach, engaging stakeholders at the central and decentralized levels.

The approach included a desk review of key policy and strategy documents, available data, interviews of key stakeholders at central and district level, focus group discussions with important district representatives, district economic analysis, statistical review of data collection and other relevant district level information. Geographical Information System

1 Rwanda Local Economic Development and Capacity Building Strategy, March 2012, p. 5.

(GIS) data collection and their analysis were used to obtain tangible results and to locate potentialities in specific areas. The approach included participatory engagement of district stakeholders to ensure ownership, notably through initial district level meetings, and presentation of findings to the district officials and representatives.

For the purpose of this report, a potentiality is defined as *a local asset that can provide an increased contribution to economic growth* (see Definition of key words). The value of the potentiality is drawn from its potential return, or the socio-economic benefits that could be brought by investment in the potentiality. The analysis of feasibility takes in consideration the existing capacity of the district to build upon the potentiality. Harmonization with National Policy was a key criterion in determining the value of the potentiality. Therefore, the SME Product Cluster Report and National Export Strategy Scorecard were used to help determine the relevance and weight of each potentiality.

National Economic Profile

Services represent the biggest share of the Rwandan Global Domestic Product (GDP). Though, the vast majority of the population remains employed in agriculture. The value of industry has slowly grown since 2006, but its share in GDP has dwindled as the service sector grew. Economic development has largely been concentrated in the city of Kigali. Poverty rate in Kigali is the lowest in the country. As a result, LED opportunities are the most plentiful within Kigali City. In particular, a well-educated workforce and quality infrastructures provide the city with a favourable business environment. Likewise, Kigali offers the highest demand for goods and services of anywhere in the country.

The Eastern Province is the next richest area of the country (in terms of poverty incidence). The principal income of this sector lies in tourism and staple crop production. The east constitutes the true bread basket of the country, with the largest average land holdings.

The Western Province, in spite of its high poverty, has enormous LED potential, most of which remains under-exploited. Lake Kivu offers opportunities in tourism, fishing and methane gas. Likewise, the hillsides are particularly adept to coffee production. Unfortunately, poor infrastructure hinders the opportunities for this. The eventual construction of the Rubavu-Rusizi Highway will offer the chance to mitigate many of these challenges.

Southern Province, with its numerous forests, has the potential to develop a strong eco-tourism sector. Unfortunately, like western province, poor infrastructure hinders the accessibility of many of these sites. The presence of NUR in Huye district offers the chance to create an academic/services hub outside of Kigali.

Northern Province has considerable potential in mining and agriculture. Likewise, the presence of Volcanoes National Park is a substantial source of non-farm revenue for the province.

CHAPTER 1- INTRODUCTION

The Government of Rwanda has developed the second Economic Development Poverty Reduction Strategy (EDPRS II) towards achieving Vision 2020; EDPRS II provides a comprehensive national framework towards the realization of economic and social development of Rwanda including at local level. In order to achieve the objectives set in Vision 2020 and the strategies set in EDPRS II, each of the 30 districts in Rwanda should develop its own strategies to improve district economic growth and individuals' well-being.

In the frame of the national assessment carried out by the Rwanda Local Development Support Fund, with the collaboration of districts, the key potentialities and implementation strategies in Kayonza District were assessed. Possible innovative and home grown potentialities were evaluated as well as main economic potentialities for enhancing growth towards the achievement of Vision 2020 targets.

1.1. Objective of the assessment

The overall objective of the assessment was to identify and assess the district's 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.

Also the assessment has 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 identify the full district's economic potential, it was imperative to undertake a participatory engagement of the District by addressing the sector level. The district's and sector's staff played a key role in identifying and assessing the strategies to be implemented with the help of other stakeholders.

The identification of the district's potentialities took into consideration the comparative advantage that the Kayonza District yields as compared to its neighbouring districts. Moreover, LED must be a locally owned approach and, then, necessitates the involvement of different actors at all levels of administration. Therefore, key actors at the central and local levels have been involved in the assessment. Successful LED strategies will help creating an environment that stimulates the creation of sustainable employment opportunities, contributes to an inclusive economic growth, reduces poverty and eradicates hunger among duellers.

In the subsequent sections is set out a detailed methodology that was used to produce a comprehensive and reliable report at the district level.

1.2 Background to LED in Rwanda

Rwanda administrative districts have great economic potential and opportunities likely to generate handy revenues; scaling up resource to the disadvantaged people for local development. However, those potentials are not optimally exploited. Some existing economic potentials in different district of Rwanda are not profitably used, despite being a possible catalyst for short and long term locally based development.

1.2.1. Local Economic Development

The International Labor 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."*²

There are various definitions of LED in the literature, most of which state that Local Economic Development *"...is fundamentally a process by which local government and/or community based groups manage their existing resources and enter into new partnership arrangements with the private*

² 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.

sector, or with each other, to create new jobs and stimulate local economic activity in a well-defined economic zone.”

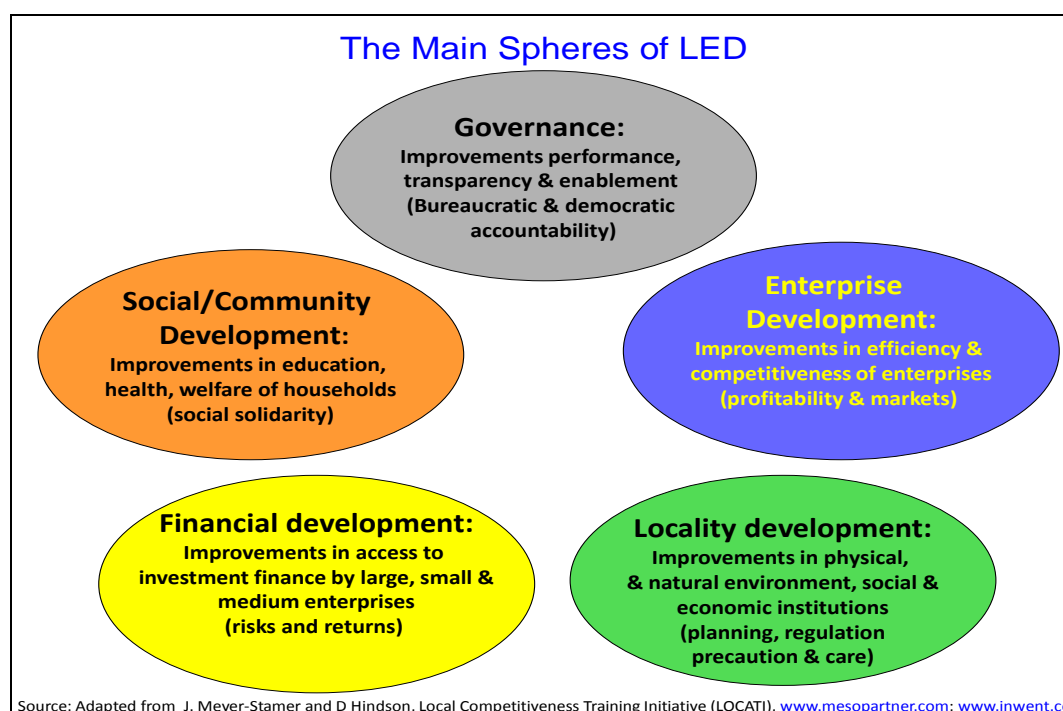
In the Rwandan context, LED is a mechanism for achieving:

1. Creation of jobs, new employment opportunities and reduction of youth unemployment to alleviate poverty;
2. Promoting economic transformation and reducing the population share in subsistence agriculture;
3. Increasing income levels, thereby enabling people to pay for services;
4. Broadening the tax and revenue base of municipalities;
5. Improving municipal services and facilities;
6. Promoting women’s economic empowerment;
7. Development of human resources;
8. Building new institutions for sustainable development;
9. 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.³

³ 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, p 10.

Figure 1: Spheres of Local Economic Development



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

1.2.2 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 *New Partnership for African Development* (NEPAD) and the *Paris Declaration*, the Government of Rwanda has developed, in 2000, the *Vision 2020*, which sets out the key goals for poverty reduction and economic development to be reached 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.*⁴

⁴MINECOFIN, Vision 2020, July 2000, p. 11.

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 for 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.

The EDPRS II has been established with the aim of ensuring a better quality of life for all Rwandans. This shall be achieved through rapid economic growth of 11.5% per annum and a reduction of poverty to less than 30% of the population. 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 (DPP) to ensure that the key elements of poverty reduction and economic growth are addressed and that there is accountability towards improving the livelihoods of all Rwandans.

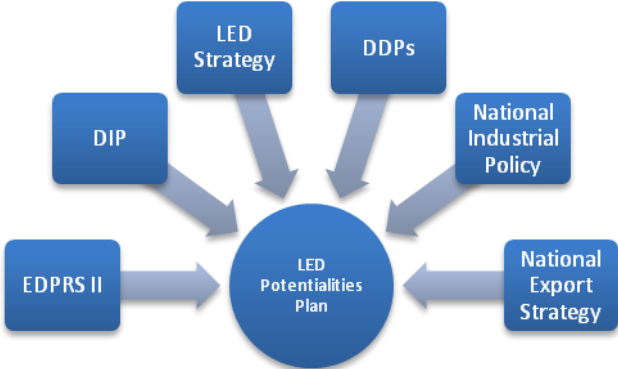
The Government of Rwanda has recognized that in order to achieve sustainable development, the involvement of all actors is required, in particular, those at the local level. This is to ensure continued efforts towards poverty reduction and to guarantee that policies and programs reflect the reality of Rwandans in all parts of the country.

In this regard, the Government of Rwanda has developed a Decentralization Implementation Plan (DIP) for the sake of coordinating a process of community-led decision-making and the implementation of local development. The Common Development Fund (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 RLDSF’s strategic plan. LED is a significant component of the DIP and is focused on supporting local governments to effectively develop their economies through Integrated Development Programme (IDP) and community development approach, in order to stimulate local

business growth, increase jobs and incomes, and raise tax revenues.⁵ As an agency under the Ministry of Local Government, RLDSF is a key actor 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.

⁵ Rwanda Local Economic Development and Capacity Building Strategy, March 2012, p. 5.

- **Long term (2020 onwards):** Building materials (*metal parts and structures*); bio plastics; other high-tech industries. These sectors are non-existent and will require a larger industrial base to become feasible.

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 out 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. *Appendix 1* 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 which 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.

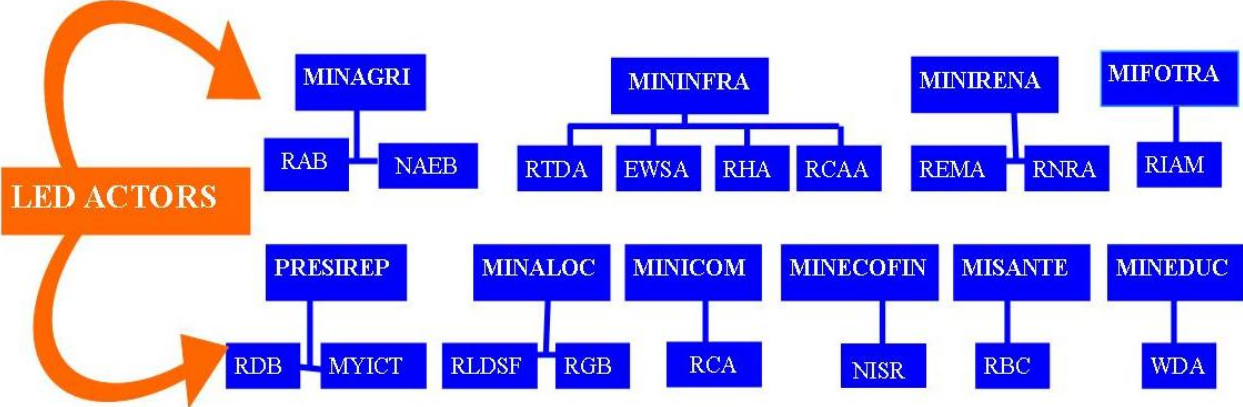
Tourism is ranked first among Rwanda's export products. Agricultural products (Tea and coffee) are ranked second and third. Together those products will be at the core of Rwanda's valuation strategy in the coming years. Mining, horticulture and home décor follow in the ranking of export products. For detailed ranking see *Appendix No 1*.

1.2.3 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 as national roads, electricity, hospitals among others) remain national responsibilities. Under the Decentralization Policy, local governments play a major role in the implementation of development plans. They are 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). Likewise, RLDSF is important for the promotion of LED 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 works in the field of LED including Rwanda Development Board (RDB), MINICOM, Rwanda Agricultural Board (RAB), National Agriculture Export Board (NAEB) among others. This chart simply serves as an example of the array of LED actors.

Figure 3: Major LED Actors in Rwanda



The wide spectrum of LED actors 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.

At the district’s level, a hierarchy of actors exists to manage the various sectors of LED. Figure 4 (Chapter 2) 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. Nonetheless, given the multi-sectorial nature of LED, the Vice Mayor for Social Affairs is likewise of key importance. 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. For detailed information see *appendix 2*.

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

CHAPTER 2- METHODOLOGY

2.1 Methodological approach

90 consultants, including a lead and assistant consultant in teams of three per district, conducted the field research. Each team of 3 consultants conducted the assessment for two districts, including the district desk review prior and the field research. The field research for each district took place over 5 days in each district, with approximately 7-9 interviews in each district and visited two sectors based on selected LED potentiality sites. All teams were trained on the research methodology and approach. They used the same interview and focus group discussion guide and potentialities ranking method and the same reporting format to ensure consistency in reporting. Each Province (Northern, Southern, Eastern, Western and Kigali) had a Team Leader to assist with coordination and coherence.

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, as detailed in chapter four.

District participants in the assessment included those with specific information about LED potentialities and the implementation of LED programmes, including District Councillors and Managers in all Districts, 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 in all districts. 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.

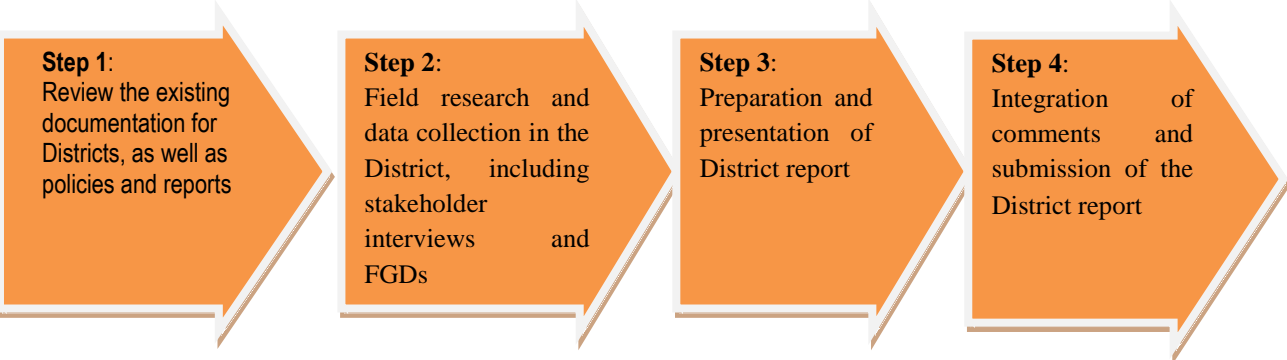
During the field research, the five Lead Consultants provided guidance for the teams and once the field research was completed, they finalized the district reports. Those were summarized to report on key findings and compiled for this final report.

The assessment was conducted in alignment with the District Development Plans, so its process could benefit from it with information on economic potentialities.

As for detailed methodology, reference is made to the inception report delivered by IMANZI Ltd to RLDSF in October 2012.

The assessment was carried out through the following steps as highlighted in the chart below:

Figure 4: Assessment Framework



2.2 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. Other relevant documents reviewed are listed in references.

2.3 Interviews with key stakeholders

Administrative sectors and District’s staff took part in the interviews that were conducted on October 2012.

2.4 Participatory District workshops/focus group discussions

Focus group discussions were held to review and rank identified potentialities, ensure gaps in identification and begin to develop the justification and strategies for pursuing the key potentialities.

2.5 District potentiality identification and site visits

Following the initial interviews and district workshop, identification of current District economic activities and economic potentialities was carried out. Visits to selected Sector

potentialities sites were conducted by the consultant team, and information about the potentialities was documented. 17 sites have been visited throughout the District.

Geographical data of visited sites are presented in the *Appendix 10*.

Pictures of sites are *in Appendix 11*.

2.6. 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. See *Appendix 8 and 9* for ranking criteria.

2.7. Compilation of findings and Report drafting

After data collection and field visits, the findings were compiled and district report produced. Eventually, those were submitted to RLDSF.

2.8. Validation of the district report

After submission of the draft report to the district by RLDSF, a validation meeting that gathered district officials and staff was organized. The participants provided comments which have been integrated to produce a final report.

CHAPTER 3- KAYONZA DISTRICT LED CONTEXT

The district's LED context assessment included review of different sectors as described below that constitute potentialities for the development of Kayonza District. Most of them have been highlighted as great potentialities to valorise in the future in order to boost LED.

3.1. District location factors

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 km². 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 pluviometer varies generally between 1000 mm and 1200 mm, with March and April receiving more precipitation.

The hydrographical 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.

The data on the population characteristics as published by National Institute of Statistics is provided appendix 3⁶.

The average annual growth rate of the population is 5.2%. The population density is of 179 inhabitants/km². Mukarange Sector is the most highly populated (41,209) whereas Ruramira Sector is the least (16,940) on this indicator.

Kayonza population density (179 /Km²) is low compared to national average. Hence, Kayonza District should first build on its available human capital through capacity building strategy (among others) to exploit the identified potentialities and develop the local economy in particular and then effectively contribute to the national economic growth.

⁶Summary of the 2012 census provisional results, NISR 2012

Having a moderated average population growth (5.2%) the district is in a good way to stabilise its population which is a good indicator for sustainable development planning for available limited resources.

3.2 Agriculture and livestock production

a. Agricultural export potential

The Rwanda agricultural export potential is focused on coffee, tea, various fruits and vegetables. At national level in 2011 and 2012 respectively, exports data show that for Coffee the value FOB was USD 74.60 million and USD 78.75 million, the Volume was 15,597 tons and 16,809 while for tea export the value FOB was USD 63.90 million and USD 61 million and the volume was 23,732.19 tons in 2011. For 2012 Pyrethrum extract was 19 tons generating more than USD 6 million.

The table below presents findings of EICV3 on the extent to which Kayonza agricultural households are producing export crops, fruits and vegetables.

Table 1: Percentage of cultivating households producing various fruit and vegetables and export crops.

EICV3	No. of HHs cultivating land for crop production (000s)	% of HHs producing selected fruit and					% of HHs producing export			
		French beans	Avocado	Squash	Pepper	Papaya	Coffee	Tea	Cane sugar	Sunflower
Kayonza	66	90.8	27.3	26.1	41.8	32.7	2.6	0	7.1	28.4
Rwanda	2,095	65.8	37.4	26.2	19.4	16.8	10.8	10.9	10.9	6.8

Source: Source: EICV3. NISR, 2011

b. Agro-business opportunities

Agriculture offers agribusiness opportunities as shown in table through the commercialisation of crop production overall. This is measured by the share of harvest sold (including households selling zero crops), which is 27.2 % in Kayonza District, i.e.

above national level (20.9). The mean share of harvest sold for fruit and vegetables is lower (9.9%) than that of staple crops (28.5%).

As a semi-arid area, the irrigation needs to be strengthened so as to gain the opportunity to produce along the year. Environmental friendly drainage techniques have to be implemented with the aim of maximizing the production from the marshland. The development of agriculture will help to eradicate hunger among the residents and boost the consumption which has a multiplier effect of the general growth of the region.

c. Land availability and productivity

Land use comprises agricultural activities, livestock production, fishing and forestry. A higher proportion of farmers cultivating larger areas create an enabling environment for production increase. The proportion of households cultivating the smallest areas, with under 0.3 ha land represent 46.4% in Kayonza District. This is slightly higher than the national level average (46%).

Even though the District has a lot of unoccupied land, cultivated land remains much 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.

Table 2: Distribution of Households according to the size of land holdings

Land	0-0.1ha	0.1-0.19 ha	0.2-0.49ha	0.5-0.99ha	1-1.99ha	2-5ha	+ 5ha
Kayonza	18.7%	23.1%	20.0%	17.8%	14.4%	5.7%	.4%
Rwanda	15,6	18,9	25,7	21,6	13,4	4,4	0.5%

Source: EICV 3, NISR, 2011

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 from them. The table below shows the participation of the District in the production of the main crops targeted by the Rwanda National Agricultural policy.

Table 3: Production of various crops in Kayonza District

Crops	Harvested area (ha)	Crop share (%)	Crop production (MT)	Crop yield (kg/ha)
Sorghum	-	0%	-	-
Maize	4,459	16%	7,078	1,587
Wheat	-	0%	-	-
Rice	107	0%	464	4,333
Ordinary beans	6,436	24%	2,416	375
Climbing beans	241	1%	249	1,033
Peas	1,208	4%	438	363
Groundnuts	208	1%	104	499
Soybeans	195	1%	156	799
Banana	7,965	29%	126,877	15,930
Irish Potatoes	1,104	4%	3,212	2,909
Sweet Potatoes	356	1%	3,389	9,532
Taro	166	1%	415	2,493
Yam	5	0%	12	2,488
Cassava	3,305	12%	38,898	11,769
Vegetables	999	4%	5,224	5,231
Fruits	300	1%	2,976	9,926

Source: Crop Assessment Final Report, MINAGRI, March 2013

Appendix 12 provides details about the value of Rwanda horticulture products.

d. Mechanization and use of modern farming techniques

One of the major constraints of increasing agricultural production and productivity is the inadequacy of farm power and machinery with farmers. The average farm power availability needs to be risen so as to ensure timeliness and quality in field operations. These machines are needed to undertake heavy field operations like sub soiling, chiselling, deep ploughing, summer ploughing, etc. According to MINAGRI Annual Report 2011-2012, it was planned that in the financial year of 2012-2013 the Task Force for irrigation and mechanization was to establish at least one Village Mechanization Service Centres

(VMSCs) in the district to respond to the increasing demands from farmers as for mechanization services. With the establishment of VMSCs in the district, the Task Force will also sensitize and mobilize the farmers regarding the advantages of using farm machinery to enhance mechanization uptake. The strategies formulated envision that 25% of farm operations will become mechanized by 2015. Therefore, it would enable one Rwandan farmer out of four to either own and/or hire mechanization services on his/her farm.

In Kayonza District, only 2.4% of farmers use organic fertilizers⁷, chemical fertilizers are used by 13.0%, and improved seeds are used by 15.6% (there are high deviation between improved seed used in Kayonza compared to the rest of the country). The national average in using improved seeds is 19.3%. Pesticides also are not widely employed as the data indicates that they are used by 0.5%. In this regard, we would like to point out that if the organic fertilizer is used by a large number of farmers, the agriculture production can double or even triple which can directly impact the living condition of the people.

e. Post-harvest facilities (drying grounds)

Post-harvest infrastructure the District of Kayonza counts four maize drying grounds located in Mwili, Rwinkwavu, Nyamirama and Murundi Sectors.

Post-harvest stage requires an important infrastructure to be developed and it will help the district development by not only storing the harvest but also creating jobs for its construction.

Post-harvest facilities like warehouse and drying grounds need also to be constructed to prevent loss of raw materials and to valorise potentialities through agro-processing and industry sector. The agricultural export potential needs post-harvest facilities to maintain quality of harvest and export rate growing.

f. Community agro-processing development

Over 80% of the labour force is working in the agricultural sector in Rwanda which contributes to 25% of GDP. Agro-processors are critical and need special attention at all layers of the economy, acting as large-scale buyers of farm's products and engaging in significant value creation. MINICOM works with agro-processors across varied SMEs, including essential oils, pyrethrum, coffee, maize, wheat, macadamia, pineapple, passion fruit, tomatoes, sugar, honey, dairy, fish, animal feed, among others. Most of them have their selling points in some urban parts of Kayonza District

⁷EICV 3, NISR, 2011

g. Livestock production and productivity

It is noticed that Kayonza District households who raise livestock do it mainly through cows, Goats, Cattle, Rabbits and Pigs. Girinka program (one Cow per family) has increased the number of cows that produce milk in Rwanda including Kayonza.

Table 4: percentage of livestock raised among households

EICV3	No. of HHs raising livestock (000s)	% of HHs raising livestock	% of HHs raising livestock, by type						
			Cattle	Sheep	Goats	Pigs	Rabbits	Chickens	Other livestock
Kayonza	70	63,9	38,5	5,2	68,1	12,5	17,2	50,9	3,3
Rwanda	1 536	68	47,3	15,7	53	24,1	22,9	45,5	10,2

Source: EICV3, NISR, 2011

However, in the whole district there are 6 milk collection centres distributed in six sectors. Given the size of the administrative sector of Rwanda, we would like to conclude that Kayonza still lack the capacity of collecting all milk products and that there is need to call for investment in milk centres' construction with the ultimate goal of increasing the rate of milk commercialization Kayonza District. The table below provides details about the milk collection in the district.

Table 5: Location and capacity of milk collection centers per District as of March 2013

Kayonza	Sector	Location	Installed Capacity (Litters)
Kayonza	Gahini	Nyamiyaha	2 000
	Murundi	Buhabwa	2 000
	Mwiri	Mwiri	5 000
	Ndego	Ndego	5 000
	Mukarange	Mukarange	5 000
	Rukara	Rukara	5 000
Total			24 000
Rwanda			676,000

Source: MINAGRI Record. 2013

3.3 Sustainable infrastructure

This section embeds the basic infrastructures that are observed in Kayonza District. The principal ones are roads, transport facilities, electricity, energy sources (solar, hydro, biogas), water, sport centres and environmental infrastructure.

a. Master plan for infrastructure development

Kayonza Master Plan for infrastructure development is yet to be developed.

b. Current infrastructure

Kayonza's infrastructure indicators are meaningful when compared to national levels' average.

According to EICV3, 50,1% of households in Kayonza District own a mobile phone, ranking the district sixth country-wide. On national average 71.5% of households in urban areas own a mobile phone, while in rural areas it is 40.6% and 45.2% country-wide. Landline phone represents 0.2% of national use, computer use is estimated at 0.7%, radio use represents 67.3%, and TV set possession average is at 1.7 while video /DVD player average is at 0.7%.

The access to internet in Kayonza is estimated at 5,1% towards 7.7% at the national level. Out of the total households, 0,8% own a landline phones, 0,3%, use a computer, 65% use a radio, 3,9%, own a TV and 0,3 own a DVD player. Finally, in 2011, the population which is located less than 20 minutes from all-weather road is estimated at 93.3%.

The connectivity to the electricity power is 21.53% as per the report produced by EWSA in June 2012 indicates

c. Infrastructure gaps

Kayonza is a rural area so they are few public infrastructures, especially roads. Inadequate roads raise transport costs, which limits the poor people to sell and purchase on local market, but also to find an employment off-farm.

In general the following gaps are noticed in the District:

The service by urban roadway system is still very low. The highway network in the rural areas need to be improved to facilitate the co-relation between the rural sectors and the urban centres especially regarding trade and transfer of agricultural products. The asphalted roads Kigali-Nyagatare to Uganda and Kigali-Kirehe to Tanzania passes through the Kayonza District. This represents a big asset for road transportation.

- In short, the main infrastructure gaps are the following:

- Poor quality roads connecting sectors and cells
- Insufficient ICT infrastructure coverage
- Markets and business centres do not meet the required standard
- Buildings not friendly to people with disabilities
- Inadequate or lack of rain water harvest and waste management systems
- Insufficient energy to use for industry: Most of households have electricity for lighting only.

d. Development of urban centers

There are two recognized pre-urban centres in the Kayonza District which are emerging. Those are Mukarange and Kabarondo. However these centres are along the paved roads only. This shows that roads' development is key for economic development.

3.4 Entrepreneurship, business promotion and enterprise development

This section entails the current market infrastructure, modern markets, selling points and cross border facilities.

a. Current market infrastructure

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 to access market. There is also need to point out the existence of selling points and small traditional markets scattered in the District.

b. Existing viable Small and Medium Enterprises and cooperatives

Craft production centres were developed with the aim of promoting Rwandan craft products, focusing on producing good quality and competitive items on the national market as well as the export market. The craft production centres are also established to provide working facilities which most craftsmen and women cannot afford on their own. Working in a group improves the quality standards and the production capacity whereby experienced producers train young apprentices. These production centres were constructed by a MINICOM/PPPEMR's project and, later handed over to their respective districts for their ownership and effective management. There is no craft production centre in the District.

With regards to SMEs, and according to the Establishment Census 2011, SMEs form 96.5% (119,158 in total) of businesses in Rwanda and they employ 51.3% of the

workforce. SME development policy has been approved by the Cabinet in June 2010. Different strategies have been put in place for its implementation such as the SME product clusters. Kayonza District hosts agro-processing industries like Kayonza Rice Mill, Nyagatare enterprise and IMARARUNGU banana wine

The table below presents the production capacity of industries in Kayonza District and the main challenges faced. This is a great opportunity for rice, maize, fruits and vegetable cultivators and there is a strong need for encouraging all mechanisms which can help to increase the agro-production capacity.

Table 6: Production capacity of industries in Kayonza District and main challenges

Name of industry		Installed capacity	Utilization capacity (%)	Average Capacity Utilization (Rwanda)	Main challenges
Rice Processing	Kayonza Rice Mill	4838.4(tons/year)	23	25.4%	Lack of sufficient raw material
Maize processing	NYAGATARE Enterprise	3,360 (MT/year)	60	62.3%	Lack of sufficient working capital
Local wine production	Imararungu	336,000(L/year)	100	53.5%	-Lack of packaging materials -Lack of modern equipment -Lack of skilled personnel -Unfair competition due to existence of many informal wine producers
	Imararungu Banana wine	336000(L/year)	100		
Cooking oil production	Mount Meru Soyco	10,200,000 (L/year)	Not yet operational		

Source: MINECOFIN, 2013

As for the cooperatives, Kayonza has 135 registered and operating cooperatives, 55 among the more agricultural oriented. Others are in livestock, services and handcrafts. See *Appendix 4*.

c. Access to finance

Access to finance is among the priorities that the government of Rwanda is trying to strengthen in order to facilitate new business creation. The data (EICV3, 2011) indicates that 37.2% of the population of Kayonza district has access to finance. That rate is below the national average of 39.4%. Business development service has been created with the goal of ensuring a viable environment for business development. With regards to access to business development fund, 22 beneficiaries have access to the Agriculture Guarantee Fund (AGF), 16 to SME and 18 to Rural Investment Facility (RIF2) as of 30 November 2011.

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

The appendix 5 provides details on how Kayonza population accesses “Umurenge SACCOs”. In addition to the financial institution provided by the government, there are other services offered by the private companies in major cities of Rwanda such as “Banque Populaire SA” or “Bank of Kigali Ltd”.

d. Public/private partnerships

For the purpose of restructuring relationships formed between the private sector and public sector, A PPP law is being prepared by RDB and will be presented to Cabinet for approval in April 2013 with the aim of introducing private sector resources and/or expertise in order to help provide and deliver public sector assets and services.

Public Private Partnership recognises that both the public sector and the private sector have certain advantages relative to the other in the performance of specific tasks. By allowing each sector to do what it does best, public services and infrastructure can be provided in the most economically efficient manner.

In this regard PPP is characterized by:

- The duration of the relationship between the partners;
- The method of funding the project;

-
- The role of the partners in the definition of objectives, design, completion, implementation, and funding;
 - The distribution of roles and responsibilities.

e. Private businesses operating, by type of ownership and type of business

Business in Kayonza District's is mostly practiced in shops, small bars, restaurants, and two small hotels. There are some markets amongst which some are well constructed others still operating from places that are not roofed in such a way that traders have to endure the rain and the sun that bothers them a lot and spoils their goods.

The District indulges in trade with the other Districts that it shares the borders with especially in agricultural products. The District built and rehabilitated some markets and this helped greatly in civilizing trade within the District. Trade in the District is improving as more people participate in it.

As shown in the table below, Kayonza District offers many private businesses, combining formal and informal establishments where the number of informal operators is higher than the number of formal operators. The biggest absolute number of private businesses in the District is of 1,663 units for “wholesale and retail trade, repair of motor vehicles and motors”. This ranking matches the national trends for which the same kind of business is prominent.

The District could set strategies for fostering registration in private business and support the capacity building of the unregistered establishments which could increase tax revenues.

Table 7: Formal and Informal Sector Establishments by Economic Sector in Kayonza

Indicator	Kayonza	Rwanda
Total 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 (adapted by Gako retreat)

3.5 Natural resource management for sustainable development

a. Available natural resource

a.1 Mining quarries

The District of Kayonza offers resources of wolfram, cassiterite and coltan deposits in Rwinkwavu, Murundi, 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.

Mining in Kayonza District is among the main industrial fields and represents 1.5% of employment, whereas the national average is estimated at 1.0%. Kayonza District has important deposits of Cassiterite & Coltan, and Wolfram, as well as stone and clay deposits. However, research is required to determine how best to engage in mining in the District and to develop appropriate techniques and capacities. Details on exploitation are provided in appendix

a.2 Fresh water

Water resources in Rwanda are diverse, they include rivers, lakes, aquifers and wells. Data on water amounts, quality and consumption are limited unavailability and scattered in time, but in general

Rwanda has very large unexploited reserves of both surface and groundwater. These resources exceed the expected demand and bode well for the future development of irrigated agriculture.

There are only few sources of water in the District of Kayonza 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

The District of Kayonza counts 11 marshlands fully used and protected, 31 marshlands to be used under specific conditions and 3 marshlands for use without specific conditions. Those resources host a high potential for increasing agricultural production and diversifying products.

Table 8: Kayonza District marshlands

District	Total protection		To be used under specific conditions		For use without specific conditions		Total area exploitable
	Total area in district (ha)	Number of marshlands	Total area in district (ha)	Number of marshlands	Total area in district (ha)	Number of marshlands	
Kayonza	20 998	11	7 756	31	228	3	7 984
Rwanda	56,470	52	204,196	670	15,597	342	219,793

Source: MINIRENA, 2008

a.3 Rain water harvest

Rain water harvest is estimated at 0.0% against the national average equivalent to 0.4%.

The table below presents the potential irrigable areas and water sources in Kayonza District. The table shows water harvested from rain by dams as for irrigation purposes.

Table 9: Potential irrigable areas and water sources

Command Area (ha)					
	Water source/name	Slope categories			Total (ha)
		0-	6-16%	16-	
Kayonza	Runoff (Dam/1)	202	112	7	321
	Runoff (Dam/2)	176	1	0	177
	Runoff (Dam/3)	132	184	65	381
	Runoff (Dam/4)	126	97	12	235
	Runoff (Dam/5)	71	107	47	225
	Runoff (Dam/85)	214	80	0	294
	Runoff (Dam/87)	180	34	2	216
	Lake/Ihema-Muhazi	7646	4787	1154	13587
	Marshlands	7984	-	-	7984
	Groundwater	6299	6299		
	Marshlands	7984	-	-	7984
					17 817
Rwanda				589712.7	

Source: Rwanda irrigation master plan, MINAGRI 2010.

The total command area for Kayonza District is 17 817 ha whereas it is 589 712ha for Rwanda.

a.4 Forestry

The table below shows area per type of forests in Kayonza District as for 2007.

Savannah emerges as the main type of forest in Kayonza District with 2172,19ha in 2007.

Table 10: Area per type of forests in ha and square km in 2007

	Forest type	Area (Ha)	Area (Km ²)
Kayonza	Eucalyptus forest Plantation	112.15	1.12
	Savannah forest	2,172.19	21.72
	Eucalyptus and young forest plantation and coppices	39.65	0.4
Total area		2,323.99	23.24

Source: Forest Mapping, Volume 1, Final Report, MINITERE, NUR GIS, 2007

The distribution of State's forests, District's forests and private forests in the District is presented in the table below. It shows the percentage of forest's coverage per areas in ha.

Private forests have the biggest share representing 46% of all District forests. District and state forests count for 28% and 26% of forests respectively. Overall, Kayonza forests represent only 1.6% of national forest area.

Table 11: Distribution of forests in the District according to their ownership

	State Forests		District Forests		Private Forests		Total	
	Area(ha)	% district area	Area (ha)	% district area	Area(ha)	% district area	Area(ha)	%
Kayonza	551.1	26%	602.01	28%	977.05	46%	2,130.16	1.6%
Rwanda	35,642.57	27%	15,783.43	12%	78,545.3	60%	129,971.3	100.0%

Source: RNR/A, Forestry and Nature Conservation department, 2012

a.5 Productive land

The percentage of land that has been reported as protected against soil erosion in Kayonza district is 52%. Around 78% of cultivated land nationally is reported as being protected against erosion. Land protection against erosion in Kayonza District is below the national average statistic as it represents 51.6% against 78.1%. However land protection measures need to be furthered to reach the national target of 100% of agricultural land protected.

Table 12: Percentage of land irrigated and protected against soil erosion

	Total cultivated land area (000 ha)	% land irrigated	% land protected against Erosion
Kayonza	54	3.3	51.6
Rwanda	1,228	3.0	78.1

Source: EICV 3, NISR, 2011

b. Current mining, natural resource extraction operations

The following table shows various investors in large, small and medium scales mining operations in Kayonza District. 20 operations are currently found in the District. Coltan, Cassiterite and wolfram are the extracted products.

Table 13: Mining exploitation

Name OF INVESTOR	Location of site	Activities	Type of the permit	No.	Surface Area (Ha)	Issued date
Alfa Minerals Supplies LTD	Murundu Cell/Murundi Sector	Coltan & Cassiterite	Prospecting	0146/MINIR ENA/2012	593.6Ha	23/01/2012
ALFORD INTERNATIONAL Ltd	Kabeza:Kinunga and Urugarama Cells/Rukara and Gahini Sectors	Wolfram, Coltan, & Cassiterite	Prospecting	0167/MINIR ENA/2012	350Ha	02/08/2012
Barwa Mining Company(BMC)LTD	Kwangire,Rwimishinya, Rukara/sector	Wolfram, Coltan, & Cassiterite	prospecting	0043/Minirena/2011	427ha	09/08/2011
Cooperative DUHISHURE de KAYONZA(CODUKA)	Buhabwa/Buhabwa cell/Murundi sector	Coltan, & Cassiterite	prospecting	0174/MINIR ENA/2012	236 ha	16/02/2012
Development Minier de Kayonza: DEMIKA	Rukoki/Nyamugali cell/Mwiri sector	Wolfram	PROSPECTING	0111/MINIFOM/2011	739ha	25/2/2011

Developpe ment Minier de Kayonza: DEMIKA	Rubanga/Nya mugari cell /Mwiri sector	coltan,W olfram & Cassiterit e	Research	0160/MINIR ENA/2012		02/08/20 12
General Mining Company	Buhabwa, Secteur Murundi, Kayonza District	Cassiterit e & Wolfram	Prospecting	0008/MINIF OM/2010	25 HA	02/02/20 10
General Mining Company	NdagoII/Ruge yo cell/Mwiri sector	Cassiterit e, wolfram	Prospecting	0090/MINIF OM/2011	135.889ha	15/2/201 1
General Mining Company	Bahabwa/Baha bwa cell/Murindi sector	Cassiterit e, wolfram	Research	0092/MINIF OM/2011	25ha	15/2/201 1
KOPAMU	Murundi- Buhabwa/Kay onza	coltan & Cassiterit e	Exploitation	0102/MINIF OM/2011		16/2/201 1
Multi Serve Consults Ltd.	Rukira & Bugambira /Bugambira cell/Ruramira Sector	Wolfram & Cassetilit e	Research	0134/MINIF OM/2011	58.29 ha	23/03/20 11
RAP	Mutisimu & Kigarama/Sect or Mwiri/Kayonz a District	Wolfram & Cassiterit e	Exploitation	118/16.03/0 5	812.1 ha	12/07/20 07
RAP	Bitsindu & Nyamabuye,Ny amiyaga/Gahin i/Kayonza district	Wolfram , Coltan, & Cassetilit e	Exploitation	117/16.03/0 5	280.3 ha	12/07/20 07

Real brothers LTD	Gakoma,Buha wa,Murundi/sector	Wolfram , Coltan, & Cassitilite	Prospecting	0048/Minirena/2011	218ha	09/08/2011
Real brothers Mining Company(RBMC)LTD	Gakoma,Buha wa,Murundi/sector	Wolfram , Coltan, & Cassitilite	research	0144/MINIRENA/2012	193.3Ha	23/01/2012
SIMSAH MINING COMPANY Y Ltd	Mburabuturo Cell/Mukaranga Sector	Cassiterite and Coltan	prospecting	0151/MINIRENA/2012	242Ha	23/1/2012
Trading Service Logistics	Rwashyongo/S hyongo cell	wolfram	Prospecting	0061/MINIFOM/2010	50.63ha	13/08/2010
UPAT MINING COMPANY Y Ltd	Kiyovu,Ndego /sector	Cassiterite & Coltan	Prospecting	0077/Minirena/2011	400ha	09/08/2011
Vision Mining Company: VIMICO Ltd	Kinyana/Murundi cell/Murundi sector	Cassiterite, Coltan	Prospecting	0100/MINIFOM/2011	317.6ha	16/2/2011
Vision Mining Company: VIMICO Ltd	Butega,Muntambara,Butimba & Kidogo/Kawangire,Rukara ,Rwimishinyace lls/Rukara sector	Cassiterite, Coltan	Exploitation	0217/MINIFOM/2011	398.5 ha	29/05/2012

Source: MINIRENA Records, 2012

c. Environmental and physical safety protection measures in place

District will play a major role in:

- Rehabilitating Watershed and enhancing water storage facilities by controlling soil erosion in catchments through land husbandry, afforestation;
- Protecting river banks and lakeshores (10 m from the river and 50 m from the lake);
- Controlling of water weeds in water bodies;
- Providing information on people or institutions/organizations abstracting water and will promote rainwater harvesting at house hold and institution levels

d. Current pollution control systems in place

The district will:

- Ensure pollution management and enforce environmental regulation for sustainable development through the development and implementation of plans for relocation of illegal activities operating in wetlands,
- Ensure the environmental law (plastic bags' ban, manage unsustainable mining etc.),
- Promote clean technologies such as biogas, improved cooking stoves and promote appropriate landfill for wastes management in all districts;
- Ensure that vulnerability to climate change is reduced precisely by implementing districts' specific climate change's adaptation measures to increase resilience (irrigation, terracing, rain water harvesting, afforestation, Agroforestry, sustainable land use etc.)

e. Gaps in environmental protection and pollution control

The main challenges in Environment and Natural Resource Sector in general are:

- Low involvement and ownership of decentralized entities and low capacity of CBO, CSOs and private sectors in environment and natural resource management as implementing partners,
- The sector is under-funded compared to its economic and ecological importance,

- Scarcity of land suitable for large scale reforestation,
- The forestry sub sector is lacking professionals' staff at all levels,
- Over exploitation of forest resources,
- Land is considered as a way of earning living only,
- Weak planning for land use,
- Inadequate solid and liquid waste management,
- Pressure on natural resources such as land, water resources and forestry,
- Ecosystem degradation such as steep landscapes that exacerbate soil and fertility losses
- Water pollution in rural areas is the application of chemical agricultural inputs, whereby the proportion of households using chemical fertilizers and pesticides increased from 11% and 24% in 2006 to 29% and 31% in 2011, respectively. Limited capacity to manage climate change-related disasters imposes huge risks to livelihoods and to sustained economic growth,
- Lack of the knowledge of the national mineral and quarry products potential,
- Weak Mining and Exploration licensing system and insufficient inspection capacity to enforce good practice,
- High electricity tariffs and unstable power,
- Low level of investment in industrial minerals and rocks,
- Little participation of local financial institutions in direct investment in the mining sector.

3.6. Service industry

a. Tourism industry infrastructure

Tourism would be a great socio-economic development potential for Kayonza District if it is well highlighted. The District has a great advantage by hosting 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.

Challenges are linked to the investment support for the sector, the lack of basic infrastructure such as good quality transportation, electrical energy, water, hotels, and competent labour force. There is also a lack of knowledge about the added value of touristic economy.

b. Eco-tourism enterprises

The District of Kayonza overflows with sites of touristic vocation, the lakes, the valleys, the animals, the birds, and Akagera National Park offers tremendous opportunities for ecotourism in Kayonza District. Investors should be encouraged to invest in this area for eco-tourism enterprises development which will boost local economy by generating new type of revenues and job creation.

c. Hotel and restaurant facilities and businesses

With the exception of the Game lodge hotel within the Akagera Park and a few motels and small restaurants in the town of Kayonza, accommodation and catering facilities are almost nonexistent.

Kayonza currently offers some accommodation facilities of lower grade in terms of hotels/lodges and guesthouses and the most recognized by RDB are:

- Snack Bar et Logement Juru
- Sunset Guesthouse
- Midland
- East land

However, according to the Establishment Census report on formal and informal sector by economic sector (NISR, 2011), Kayonza District counts 470 businesses in accommodation and food service activities.

d. Tour operation businesses

Based on RDB database (2013) there is no tour operation business developed in Kayonza District so far. Those in need of these services are still using agencies currently concentrated in Kigali city.

e. Accessibility of ICT businesses

Information and Communication Technology is a central engine in driving Rwanda's transformation to a knowledge based economy.

The country's leading mobile telephony providers are MTN Rwanda, TIGO and Airtel. The network coverage covers 99.79% of the country. The number of active mobile-cellular phone subscribers has increased from 41.5 to 53.1% up % in 2011. As of December 2012, Rwanda counted 5,690,751 mobile subscribers, respectively, 60.32% of subscribers for MTN, 32.80% of subscribers for TIGO and 6.87% of subscribers for Airtel.

In ICT businesses, several new Government to Business (G2B) and Government to Citizens (G2C) Services were launched, including:

- The *Online Tax payment system*, allowing citizens to file personal taxes online.
- The *ePayment system*, which allows citizens to pay their taxes online through their banks, hence reducing queues and time.
- The *Single Electronic Window System*, a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfil all import, export, and transit-related regulatory requirements, hence reducing the cost of doing business due to online clearance and allowing simplified procedures.

See appendix 6 for details about ICT in Rwanda.

f. Banking and financial institutions accessibility

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 simple. 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.

See Appendix 5 for details.

g. Quality customer care and ease of information

Generally the quality of customer care in Rwanda is poor. However, this situation is getting solved as government and private sector officials are conducting a countrywide Customer care campaign, and there are some TVET and institutes that teach and train in hospitality skills.

A total of three tourism training institutions in the field of hotels and culinary art are operational in Kayonza District.

h. Gaps in potential tourism and services

Tourism uses general infrastructure like energy, water and roads and accommodation facilities.

The roads connecting different localities and the main road are not in condition to be used by the tourists. Critical conditions of the roads hamper the agro-business development because they cannot easily access market.

Most tourism training institutions are not available at the District's level and this is a gap to be addressed for the development of the sector in a LED perspective. It is important to mention that there is still a lack of developed touristic infrastructures and of a developed area to attract the tourists.

The Rwanda Skills Survey 2012 indicates that the Tourism & Hospitality sector has a skills gap of over 5,068 in technical areas in the short-term. This amounts for 24.3% of the labour force in the sector. The skills deficits are more acute in hotel and hospitality industry, including hotel managers, tour guides, chefs, cooks, waiters, as well as service personnel and technicians for the hotels. The sector also experiences gaps in soft skill competencies, especially in international languages like English, French, Spanish and Chinese.

3.7 Education and skills development

a. Illiteracy rate by sex

The literacy rate is 67.1%, which is below the national average of 69.7%.

Table 14: Illiteracy by sex

Education	Kayonza	Rwanda		
		Average	M	F
Literacy (15+)	67.1%	69.7%	64.7%	75.7%
Illiteracy	32.9%	30.3%	35.3%	24.3%
Total	100%	100%	100%	100%

Source: Source: EICV₃, NISR 2011

b. Dropout and repetition rates by sex

Some causes for high drop-out rates include the poor income level of the Rwandan population. Even though the primary school is free, parents face various costs to educate their children such as purchasing note books and other supplies. Other reasons include

over-aged caused by grades' repetition. Repetition rates are indication of the internal inefficiency of education system.

High repetition and drop-out rates have negative impact on human capital capacity and skills development hence the District education system should take appropriate measures to address the issues. Below are detailed the national repetition rates, which overall is of 12,7% in primary, 5,8% in secondary and 1,6% in upper secondary. Drop-out rate is of 10,9% in primary, 13,1% in secondary and 2,4% in upper secondary.

Table 15: Primary, Lower and Upper secondary Promotion, Repetition and Dropout rate in 2011

INDICATORS	Primary			Lower secondary			Upper secondary		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Promotion Rate	75.6%	77.1%	76.4%	81.6%	80.8%	81.2%	96.1%	95.7%	95.9%
Repetition Rate Overall	13.2%	12.2%	2.7%	5.5%	6.0%	5.8%	1.5%	1.8%	1.6%
Dropout Rate Overall	11.2%	10.7%	10.9%	12.9%	13.2%	13.1%	2.4%	2.5%	2.4%

Source: Education statistical yearbook, MINEDUC, Dec 2012

c. Availability of primary, secondary and tertiary schools and facilities

The table below takes stock of schools' capacities in the District as of 2012.

Table 16: Schools facilities and staffing in Kayonza District in 2012

Level of education		Schools	Classrooms	Desks	Students		Teaching Staff	
					M	F	M	F
Primary	Kayonza	71	859	15,087	38,637	39,536	581	573
	Rwanda	2,594	28,914	496,821	1,180,484	1,214,190	7,753	20,637
Secondary	Kayonza	40	417	7,944	5,712	6,044	413	122
	Rwanda	1,466	13,490	269,394	255,503	279,209	14,006	4,313

Source: 2012 Education statistical yearbook, MINEDUC, Dec 2012

With regards to the availability of tertiary education, out of the 31 registered higher learning institutions which have branches in over 17 districts of Rwanda, there is none operating in Kayonza District to date.

Pupil-teacher ratio in primary is 68 pupils for one teacher whereas it is 22 pupils for one teacher in secondary. These figures are respectively 62 and 29 pupils for one teacher at national level.

Classroom ratio is now 91 students per classroom in primary schools and 39 students per classroom in secondary schools. At national level these figures are respectively 83 and 40 students per classroom.

Table 17: Mean walking distance to Primary school (in minutes)

	Total no. of HHs (000s)	Mean time to service (minutes)	Time to service (minutes)					Frequency Of use not Known	Total
			0–29 min	30–59 Min	60–119 Min	120+ min			
Kayonza	70	29.7	52.1	36.1	10.6	1.2	0.0	100.0	
Rwanda	2,253	27.2	54.7	34.3	10.1	0.7	0.1	100.0	

Source: EICV3, 2011

The average walking distance to primary school in Kayonza District is 29.7 minutes as 88.2% of households are between 0 and 59 minutes walking to a primary school. EICV3 results show that this walking distance to a primary school in Kayonza District is almost the same as the national average (27.2 minutes).

d. Education attainment level

The table below shows sex disaggregation in percentages of populations aged six and over by highest level of schooling attended or completed in Kayonza, Rwanda 2010.

Table 18: Educational attainment of the household population

Kayonza	No education	Some primary	Completed primary	Some secondary	Completed secondary	More than secondary	Don't know/missing	Total
Female	23.1	57.1	10.6	7.9	0.8	0.5	0.0	100.0
Male	18.1	60.3	10.2	9.1	1.0	1.3	0.0	100.0

Source: Rwanda Demographic and Health Survey, 2010

It is generally accepted that professional skills are acquired in post primary education and training hence over 90.8% female and 88.6% male in Kayonza District are unskilled, unless if some of them have undergone on job training. This is a challenge to the District for economic development.

e. Early childhood education programmes

Pre-primary education aims at enhancing the educational preparation for children aged 3-6 years. From 2000, pre-primary education has made remarkable progress; key milestones include the development of ECD Curriculum (2005), Minimum Quality Standards (2009), and recently, the adoption in 2011 by the Cabinet of the integrated Early Childhood Development (ECD) Policy and its five year strategic plan (2012-2015) to provide guidance to all ECD partners willing to work in this sub-sector.

The table 17 below shows the pre-primary education situation in Kayonza District in 2012.

Table 19: Number of ECD schools, facilities and staffing in Kayonza District in 2012

Level of education		Schools	Classrooms	Desks	Students		Teaching Staff	
					M	F	M	F
Pre-primary	Kayonza	42	70	1,232	1,405	1,532	24	59
	Rwanda	1,870	2,677	38,174	63,161	67,242	469	2,438

Source: 2012 Education statistical yearbook, MINEDUC, Dec 2012

There is a need to increase the number of nursery classrooms because some schools do not have their own classrooms. When comparing schools and classrooms most of schools have 1 classroom.

f. Gaps in school infrastructure, staff capacity, equipment

The following gaps are acknowledged:

- An insufficient number of adequate learning spaces
- The current pupil classroom ratio is 70:1, which is too high. However, the introduction of double shifts in primary education has reduced the overcrowding of classrooms
- There are shortages of infrastructure for lower education.
- Poor hygiene in schools and lack of community ownership of school health, sports and hygiene
- A large number of schools lack safe water supply.
- There is also limited district ownership and low community and parental participation in school feeding and school gardening programmes at the primary level.
- Insufficient playgrounds for physical education in schools: There is a need to encourage physical education in schools not only for learners' health but also to address psychosocial needs and to inculcate key skills such as team working.

g. TVET availability

Technical and Vocational Training Centres (TVTs) aim at providing recipients with the knowledge and skills necessary to exercise their professional activity so as to access the labour market. TVET in Kayonza District are comprised of 5 VTC and 1 TSS, the main programmes include electricity, automobile, tailoring and Accountancy, Secretarial, Computer Science, Electricity, Tourism ,CARPENTRY, Hotel management, Tourism , WELDING, PLUMBING, MANSONRY. TSS schools offer various programmes that include Accountancy, Secretarial, Computer Science, Electricity and Tourism.

Most of the existing TVETs are located in MUKARANGE sector.

The table below shows the physical infrastructure, programme status and location of TVET Schools.

Table 20: Distribution of TVETs in Kayonza District

School name	Sector	Type of school	Trades	Status	Number of classrooms
KABARONDO VTC	NYAMIRAMA	VTC	CARPENTRY, TAILORING, ELECTRICAL, WELDING, PLUMBING, MANSONRY	PUBLIC	7
MUKARANGE VTC	MUKARANG E	VTC	AUTO MOBILE MECHANICS	PUBLIC	2
Amizero Training Centre	MUKARANG E	VTC	Electricity, Electronics Tailoring, Plumbing, Construction, Welding and Fabrication , Hotel operation, Tourism, carpentry		10
St Louis Kayonza Vocational School	MUKARANG E	VTC	Hotel management, Tourism, Cutting and Sewing,		12

			Carpentry		
CFJ Fidelite de Mukarange	MUKARANG E	VTC	Tailoring, Mechanics auto		
ST THEREZA INTERNATIONAL GIRLS HIGH SCHOOL	MUKARANG E	TSS	Accountancy, Secretarial, Computer Science, Electricity, Tourism		13

Source: WDA database, 2012

Hereafter is detailed the distribution of VTCs in the District.

Table 21: Number of VTCs Schools facilities, student and staffing by 2012 in Kayonza District

Level of education		Schools	Classrooms	Desks	Students		Teaching Staff	
					M	F	M	F
VTCs	Kayonza	4	32	273	306	396	14	3
	Rwanda	116	599	8057	8244	5333	529	251

Source: 2012 education statistical yearbook, MINEDUC, Dec 2012

The student/ classroom ratio is 22/1 in the District, whereas the student/ teacher ratio is 41/1. Country-wide this ratio is 17/1. The District can be considered as understaffed in this regard.

3.8 Health services

a. Population covered by community based health insurance

The population covered by a community based health insurance (MUSA) in Kayonza District 2012-2013 is 71.6% (District Performance, 2013). This is a very weak performance as compared to the national figure of 90.7% and the national target of 100% coverage.

b. Health facilities available

There are 14 are health centres, 2 district hospitals, 2 dispensaries and 1 health post. This analysis, using data from the HMIS National Health Facility Database, doesn't include private health facilities, only the health facilities managed by the public sector or by FBOs.

Table 22: Number and type of health facilities in Kayonza District

Distri ct	Referr al Hospi tal	Distri ct Hospi tal	Military/P olice Hospital	Heal th Cent re	Dispens ary	Prison Dispens ary	Heal th Post	Total # of Health Facilit ies
Kayon za	0	2	0	14	2	0	1	19
Rwan da	4	40	1	44 2	95	13	12 5	720

Source: MoH Annual Booklet, 2011

The mean walking distance to a health centre in Kayonza district is 64.2 minutes and 46% of households walk for under an hour on average to reach a health centre.

The mean walking distance to a health centre is 35 minutes in urban areas and 64.4 minutes in rural areas, while it is one hour country-wide.

Table 23: Mean walking distance to Health centers

	Total no. of HHs (000s)	Mean time to service (minutes)	Time to service (minutes)				Frequency Of use not known	Total
			0–29 min	30– 59 Min	60– 119 min	120+ min		
Kayonza	70	64.2	19.6	26.3	36.3	17.6	0.2	100.0
Rwanda	2,253	60.1	19.0	29.9	37.5	13.7	0.0	100.0

Source: EICV3

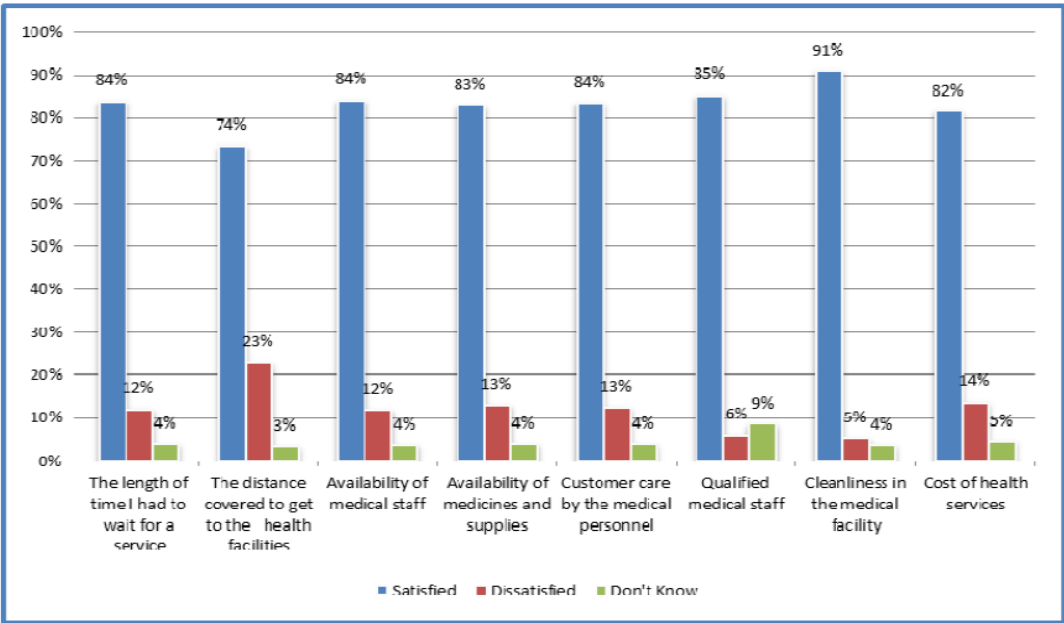
c. Customer care and quality of health services

National respondents to the Health Survey indicated that there was a demand for health services. 87.4% of the respondents affirmed that they had visited health facilities in the reference period of 12 months, as compared to 70% in 2010. On health services received, 66.9% of respondents used pharmaceutical services, 66.5% had medical treatment, 60% attended medical health consultations and 53.9% did laboratory tests.

The strategies to improve community health services were categorized in the following order by respondents:

- 97.7% approved increasing medical provision for community- health insurance,
- 97.4% said they needed adequate medical provision as by community- health insurance,
- 97% said they needed an increase in the number of doctors and nurses,
- 96.5% said they needed health facilities to be brought close to them
- 96.3% said they needed expeditious health service delivery and improved health care by qualified health personnel.

Figure 5: Satisfaction Vis -à- vis dissatisfaction with aspects of health service delivery in the Community



Source: Citizen Report Card 2011 Survey primary data, cited by RGB, 2011

d. Access to and use of reproductive health and family planning services

The Demographic and Health Survey (2010) data on the use of contraceptive methods show that in Kayonza District 53.9% of married women age 15-49 were using any method for family planning. Those using modern methods were 48.1%.

The most used method of contraception in Rwanda is Depo-Provera (64%), followed by oral contraception (19%), and implant(12%). Surgical methods (0.1%) and intrauterine devices (IUDs)(1%) are not commonly used, probably because they can only be administered by qualified personnel who would also need to be trained on their delivery.

e. Community-based nutrition programmes

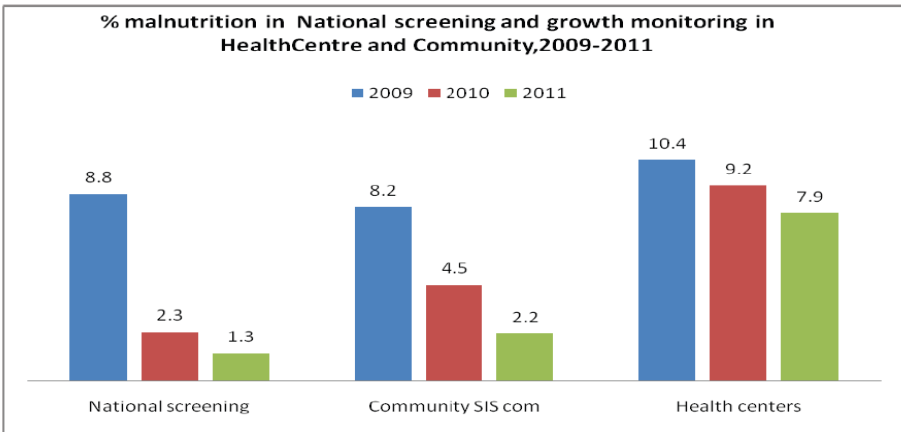
In Rwanda, the objectives are to strengthen and scale-up Community Based Nutrition interventions/Programme (CBNP), to prevent and manage malnutrition for children under the age of 5 years, with particular focus on those aged less than two years, and for pregnant and lactating mothers.

Identification of malnourished children is the main achievement of CBNP: The screening of malnutrition was done monthly during the Growth Monitoring and Promotion (GMP) session, and the annual screening campaign held door to door by Community Health Workers from 12th-16th December 2011.

There are many interventions targeting malnutrition across the country, coordinated by MINISANTE and implemented by different partners. These include health worker training, kitchen gardening, cooking and nutrition demonstrations, CBNP, etc. These interventions are mainly designed to combat acute malnutrition while fewer interventions are in place to prevent chronic malnutrition.

In December 2011, a national screening for acute malnutrition was conducted country wide and 1,217,935 children aged 6-59 months were screened. Results showed an acute malnutrition rate of 1.3%. Children under five are routinely monitored for malnutrition at health facilities and at the community level. Results from routine monitoring are quite different from the national screening results, but all show a decrease in acute malnutrition from 2009 to 2011 (see Figure below).

Figure 6: Acute malnutrition rates in children under five, 2009 – 2011



Sources: National screening; Community Health Workers' Database (SIScom); National HMIS Database, 2009-2011

f. Hygiene and sanitation programmes

A WHO/UNICEF Joint Monitoring Programme is being implemented countrywide.

According to the current data published by National Institute of Statistics, 66.4% of population in Kayonza District have access to improved sanitation facilities namely toilet and 72% have access to improved water source. The EDPRS I target on sanitation was 65% of the total population with hygienic sanitation by 2012.

In the field of sanitation, it is clear that Kayonza has achieved the national EDPRS target.

For water and sanitation majority of households use a public standpipe (37%), followed by a protected spring s (27%). More than a quarter (28%) of households in Kayonza district still uses an unimproved drinking water; 22% of these use surface water (from lakes and rivers).

Table 24: Walking distance to improved water source (in minutes)

	Total no. of HHs (000s)	Mean time to improved water source (minutes)	Time to improved water source (minutes)					No improved source	Total	
			Water piped into dwelling/yard	0–4 Min	5–14 min	15–29 min	30–59 min			60+ Min
Kayonza	7	16.1	1.6	9.7	33.0	14.8	9.1	3.8	28.0	100.0
Rwanda	2,253	14.4	5.9	10.2	28.7	16.7	10.3	2.5	25.8	100.0

Source: EICV, NISR, 2011

In Kayonza, 67.1% of the households walk less than 30 minutes to an improved water source and 44.3% walk less than 15 minutes. It is, however, important to note that 28% of households in Kayonza are using non-improved sources. The average time to an improved water source in Kayonza District is 16.1 minutes, which is higher than the national average (14.4 minutes).

g. Gaps in access to quality health care services

According to the Third Health Sector Strategic Plan 2012/2018 (MoH, 2012), the following gaps and challenges in accessing quality health care were identified:

- Despite showing great improvement and a participation of 90.7% of the Rwandan population in health insurance, the Community insurance scheme policy has its

own challenges. This usually occurs in rural areas where a patient receives a bill higher than the due cost

- Limited budget to purchase all the needed drugs and consumables needed to increase the quality of healthcare delivered, emphasizing customer care at the facility level and eliminating chronic malnutrition among children.
- Inadequate specialized doctors and general practitioners with special skills.
- Inadequate health infrastructure,
- Limited geographical access to health services,
- Inadequate quality services and human resources and shortage of skilled health providers
- Limited health management capacity
- Inadequate coordination between public and private facilities.
- Social cultural beliefs and practices are impeding people to go to health centres.
- Limited healthcare seeking behaviour

3.9 Accountable governance

a. Quality of service delivery

In line with the government policy geared at improving efficiency and effectiveness of public service delivery that is one of the pillars of Rwanda's Vision 2020, the Rwanda Governance Board (RGB) executed the Citizens Report Card (CRC) 2011⁸ survey with the purpose of providing public agencies and policy makers with feedback from users on the quality and adequacy of public services delivered at the grassroots level. The Citizen Report Cards (CRC) 2011 survey has dealt with the domains of Education, Agriculture and Livestock, Local administration, Justice, Water and sanitation, Health and Land management.

The content of findings provided in the Citizen Report Cards (CRC) 2011 survey highlights the quality of service delivery at Province and City of Kigali level.

There is a need to conduct the Citizen Reports Cards at district level in order to know the quality and adequacy of public services delivered at the grassroots level.

⁸ Rwanda Governance Board (RGB), Rwanda Citizens Report Card 2011

b. Access to justice services

In the justice sector, respondents were most satisfied with the justice service provided by National police, local mediators and Judiciary with satisfaction ratings of 79%, 76% and 71% respectively, compared to 77.6%, 81.6% and 63.4% in 2010 respectively. Scores were similar with prosecution, lawyers, and justice access bureaus who received 67%, 60% and 56% respectively compared to 48.1%, 36.2% and 18.4% in 2010 respectively.

Respondents' opinion have revealed that 73% of them were happy with the role of mediators in settling disputes, 71% were satisfied with the customer care in the justice sector. The most encouraging fact is that all indicators scored more than 60%.

Sensitization on the understanding of laws and access to fair justice, both scored 86% and the lowest score (77%) was reached for the role of mediators in settling disputes.

c. Functioning of community assemblies

Citizen participation has been improved as mechanisms and processes were established to promote citizen participation; these include "Inteko z'abaturage" (community assemblies), public accountability days and open days, "Ubudehe, Umuganda", regular free and fair elections among others.

d. Access to governance information

Transparency is widely recognized as a core principle of good governance. Transparency means sharing information and acting in an open manner. Free access to information is a key element in promoting transparency. Information, however, must be timely, relevant, accurate and complete for it to be used effectively. Transparency is also considered essential for controlling corruption in public life.

The district has a website which contents information on all sectors but needs to be regularly updated. The annual Governance month, accountability days and open days are opportunities for accountability practices, whereby the execution of the Performance Contract "Imihigo" is shared with the public.

An Access to Information Bill has been drafted and has moved from Cabinet to Parliament. When enacted, it will have a major impact on records management across government, as it will require that every public authority introduces proper records management controls within six months from the date on which the Law enters into force. It also requires that records are computerized.

e. Efficient public finance management systems

There are different laws and procedures in the management of public finances. The article 74 of the Organic Law No 37/2006 of 12 September 2006 on State Finances and Property requires each Chief Budget Manager (the Executive Secretary of the District) to implement recommendations of the Auditor General of State Finances aimed at improving the effective management of finances under his control.

Contrary to this provision, implementation of audit recommendations is still a challenge.

The table below provides information related to the status of implementation of audit recommendations in Kayonza District for the year 2011.

Table 25: Status of implementation of audit recommendation, June 2011

	Total number of all findings in previous reports	Number of recommendations fully implemented by management by time of current audit	Number of recommendations not fully implemented by management by time of current audit	Percentage (%) of findings fully implemented	Percentage (%) of findings not fully implemented
Kayonza	41	15	26	37%	63%
Rwanda	1,073	492	581	46%	54%

Source: Office of the Auditor General records, 2012

This table shows that in the area of Accountable governance, among 41 audit recommendations only 15 were fully implemented representing 37%. This means that the percentage of findings not fully implemented in Kayonza District is 63% which is even above the average at country level (54%).

f. Institutional development mechanisms

The starting point for Local Economic Development is to promote active economical membership in communities.

The Government of Rwanda has adopted a number of institutional development mechanisms to tackle key development issues by engaging the people and ensuring Accountable governance at district level such as:

- Results-oriented performance and accountable governance⁹, “Imihigo”
- Fiscal and financial decentralization
- Promotion of citizens participation and social inclusion (Umuganda, Umurenge programme, Integrated Local Development program)

g. Functioning of JADF at local government level

Established by Ministerial Instruction N° 04/07 of July 2007 (under revision), JADF is a multi-stakeholder platform for information sharing, consultation, dialogue and accountability that is promoting cooperation amongst various development actors at local levels. JADF constitutes a space where different partners are stimulated to actively participate in discussion, joint planning, implementation and monitoring of local community development activities.

JADF coordinates all activities of various stakeholders in service delivery, socio-economic development and governance at local levels, JADF mechanism plays a critical role in the implementation of decentralization policy.

JADF in Kayonza District is made of 48 development partners supporting the District in various areas of local development as summarized in the table below:

Table 26: Distribution of the JADF

	Social	Agriculture	Economic	Infrastructure	other	Total
Development partners	37	1	5	2	3	48

Source: Kayonza District

3.10 Employment and district revenues

a. Employment, unemployment and inactivity rates

Even though the unemployment rate is equal to zero, a very large part of the labour 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.

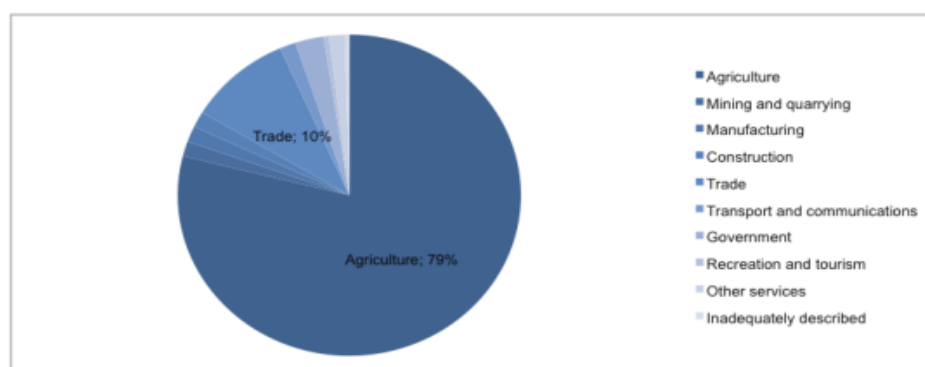
⁹ Republic of Rwanda, Capacity Development and Building a Capable State, Rwanda Country Report, 2007

Table 27: Employment and inactivity rates

	Employment rate	Unemployment rate	Inactivity rate	All population aged 16+ (000s)
Kamonyi	85.7	0.0	14.3	177
Rwanda	84.2	0.9	15.0	5,888

Source: Source: EICV₃, NISR 2011

The overall employment rate amounts for 85.7% of the residential population aged 16 years old and above in Kayonza District. Information from EICV3 indicates that 9.7% are employed in public Sector, 2.6% in parastatal, 14.9% in private formal Sector and 71.0% in private informal.

Figure 7: Distribution of the activities

Source: EICV 3, NISR 2011

Agriculture is shown as the main employer with 79% of the population aged 16 and above, followed by trade which scores 10% of Kayonza population aged 16 and above.

b. Average number of hours worked per week in all jobs

The following table presents the average number of working hours per week in all jobs in the Kayonza District.

Table 28: Average number of hours worked per week in all jobs in Kayonza

	1 to 5 Hours	6 to 15 hours	16 to 25 Hours	26 to 35 Hours	36 to 45 Hours	46 or more Hours	Total
Kayonza	8.2%	21.9%	25.5%	21.3%	11.3%	11.8%	100.0%
Rwanda	5.9%	18.6%	23.0%	20.3%	13.3%	18.9%	100.0%

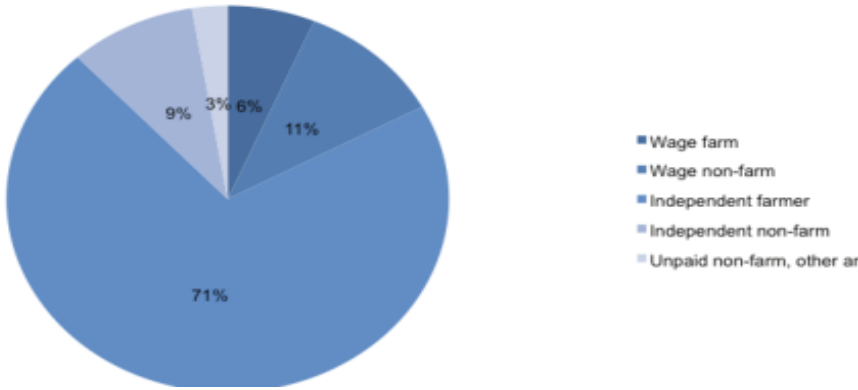
Source: EICV 3, 2011

Setting a definition of underemployment at 35 hours per week or less (see EICV3), two-thirds of Rwandese adults can be defined as underemployed. Those working in farm jobs are the most likely to be underemployed, although it should be noted that farm workers must spend more time on gathering fodder for animals, fetching water and firewood, and marketing produce, which is not here counted as economic activity. In Kayonza District, 76.9% of adults aged 16 years and above work 35 hours or less per week in all their jobs and are therefore classified as underemployed.

c. Farm and off-farm employment

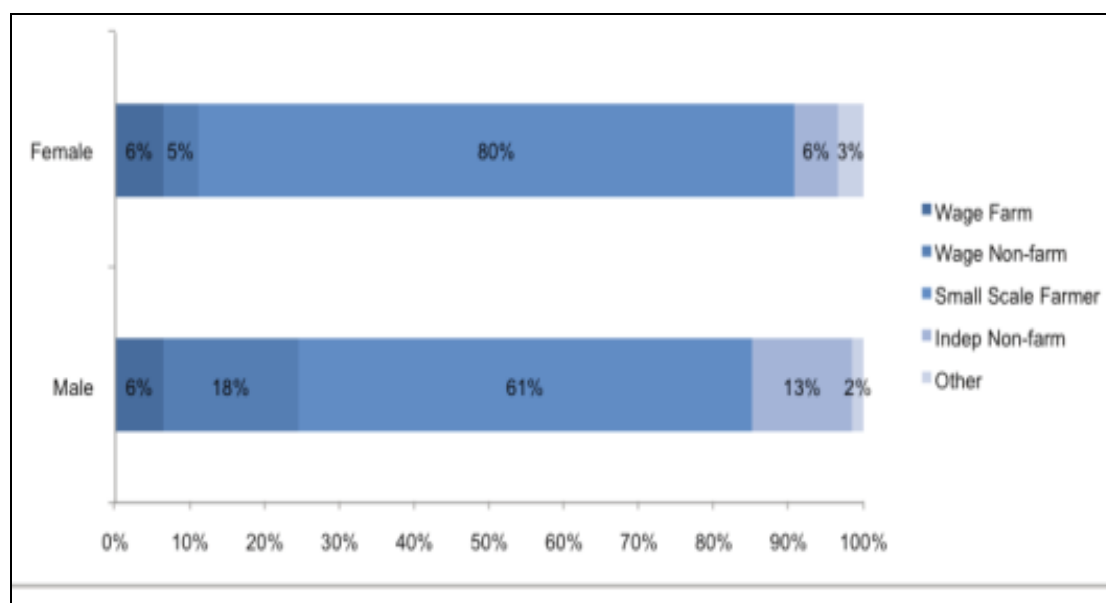
The figures below present main employment types as well as employment types disaggregated by sex in the Kayonza District. They reveal that a large number of people aged 16 years and above in Kayonza are independent farmers (71%), followed by wage non-farmer (11%). The third main jobs are wage farm and independent non-farmers with 9% each. Only 3% are unpaid non-farmers or have another kind of job.

Figure 8: Employment types (usual main job) in Kayonza



Source: EICV3. Note: Based on all persons aged 16 and above usually working

Males are also involved in small-scale farm work at a lower percentage than females (61%).

Figure 9: Employment type by sex in Kayonza

Source: EICV3 Note: Based on all working people aged 16 and above

d. Public and private sector employment

Private sector informal employment occupies the first position in the District as it amounts for 71.0% of salaried work. The public sector occupies 9% of employment in Kayonza District.

Table 29: Public and Private Sector Employment in wage/salaried work

EICV3	Public	Parastatal	Private, formal	Private, informal	Other/Don't know	Total
Kayonza	9.7	2.6	14.9	71.0	1.8	100.0
Rwanda	9.1	3.4	16.2	69.5	1.7	100.0

Source: EICV3, NISR 2011

e. Number of people migrating for work

In Kayonza, EICV 32011 indicated that 7000 people migrated out of the district to look for a job and that 5000 have been incoming in district for job search reasons. The figures are then unbalanced, implying a decrease in the work force.

f. Tax revenues

Local government's incomes normally include locally raised revenues (tax and non-tax revenue) as well as central government subventions (as indicated in the district revenues and expenditure projections from 2012/2013 to 2014/2015 budgets). The following table 25 shows the main sources of district revenues.

Table 30: District revenues and expenditure projections

DISTRICT	FUNDING TYPE	2012/2013 BUDGET	2013/2014 BUDGET	2014/2015 BUDGET
Kayonza	Total	9,207,582,888	9,562,840,207	10,196,333,079
	Block Grant(Distr	856,068,181	879,922,157	991,924,672
	Earmarked Transfers(6,040,262.552	6,743,171,276	7,188.259,263
	Own Revenues	804,131,143	849,892,227	892,484,005
	Transfers from	857,271,354	887,580,546	921,106,612
	External Grants	649,849,658	202,274,001	202,558,527

Source: Budget framework paper, MINECOFIN 2012

This table shows that Kayonza District budget is funded by five different sources namely Block Grant, Earmarked transfers, Own Revenues, Transfers from other GoR agencies and External Grants. Kayonza District revenue generation is very low representing only 8.7% of the District total budget.

g. Annual job creation

The key challenges Rwanda faces in this area are linked to high levels of underemployment in rural areas, insufficient non-farm jobs being created, and high cost, uncompetitive skilled labour for firms in urban areas. Vision 2020 aims for half of the Rwandese workforce to be working off-farm by 2020, with a baseline of 28% today. This target is justified by the fact that non-farm workers are five times more productive than farm workers, and are 50% less likely to be in poverty. Reaching this goal will require creating an additional 200,000 non-farm jobs per year¹⁰.

¹⁰ Republic of Rwanda, EDPRS 2 (2013-2018)

According to Rwanda's 2010/2011 household survey, the population of persons aged 16 and above has grown from 4,118,000 in the EICV1 to 5,888,000 in EICV3, this results in a growth of some 1.8 million adult persons. Of the 1.4 million (net) new people working between EICV1 and EICV3, the largest absolute increase in net new jobs has come from agriculture (430,000), followed by trade (337,000), and government (127,000). The largest percentage increases have come in mining (22% per year), construction (22% per year), and tourism (21% per year), all of which show an increase from a low base¹¹.

There has been growth in all industrial sectors, as growth accelerated between EICV2 and EICV3. In overall, there are now around 660,000 more people working in Rwanda than five years ago and 80% of these have been absorbed into the non-agricultural sector.

The table below shows the evolution in jobs created between year 2000 and 2010.

Table 31: Jobs' creation between 2000 and 2010

Sector	Jobs (000s) EICV 1 2000	Jobs (000s) EICV 2 2005	Jobs (000s) EICV 3 2010	Annual % Job Growth 2000- 2005	Annual % Job Growth 2005- 2010	Average Annual Job Growth (000s) 2005-2010	Average Annual Job Growth to reach 200k per year total
Utilities	4	4	10	0%	20%	1	3
Financial services	15	13	20	-3%	9%	1	3
Recreation and tourism	3	9	23	25%	21%	3	6
Mining and quarrying	7	18	48	21%	22%	6	13
Inadequately described	12	35	55	24%	9%	4	9
Transport and communications	26	56	91	17%	10%	7	15
Manufacturing	30	80	112	22%	7%		14

¹¹EICV3 Thematic Report, Economic Activity

						6	
Construction	20	66	146	27%	17%	16	35
Other services	97	193	205	15%	1%	2	5
Government	84	141	211	11%	8%	14	20
Trade	107	296	444	23%	8%	30	65
Total Non-farm	405	911	1365			91	200
Agriculture, fishing, forestry	3,166	3,389	3,596	1%	1%	41	
All 16+ years usually working	3,571	4,299	4,960	4%	3%	132	

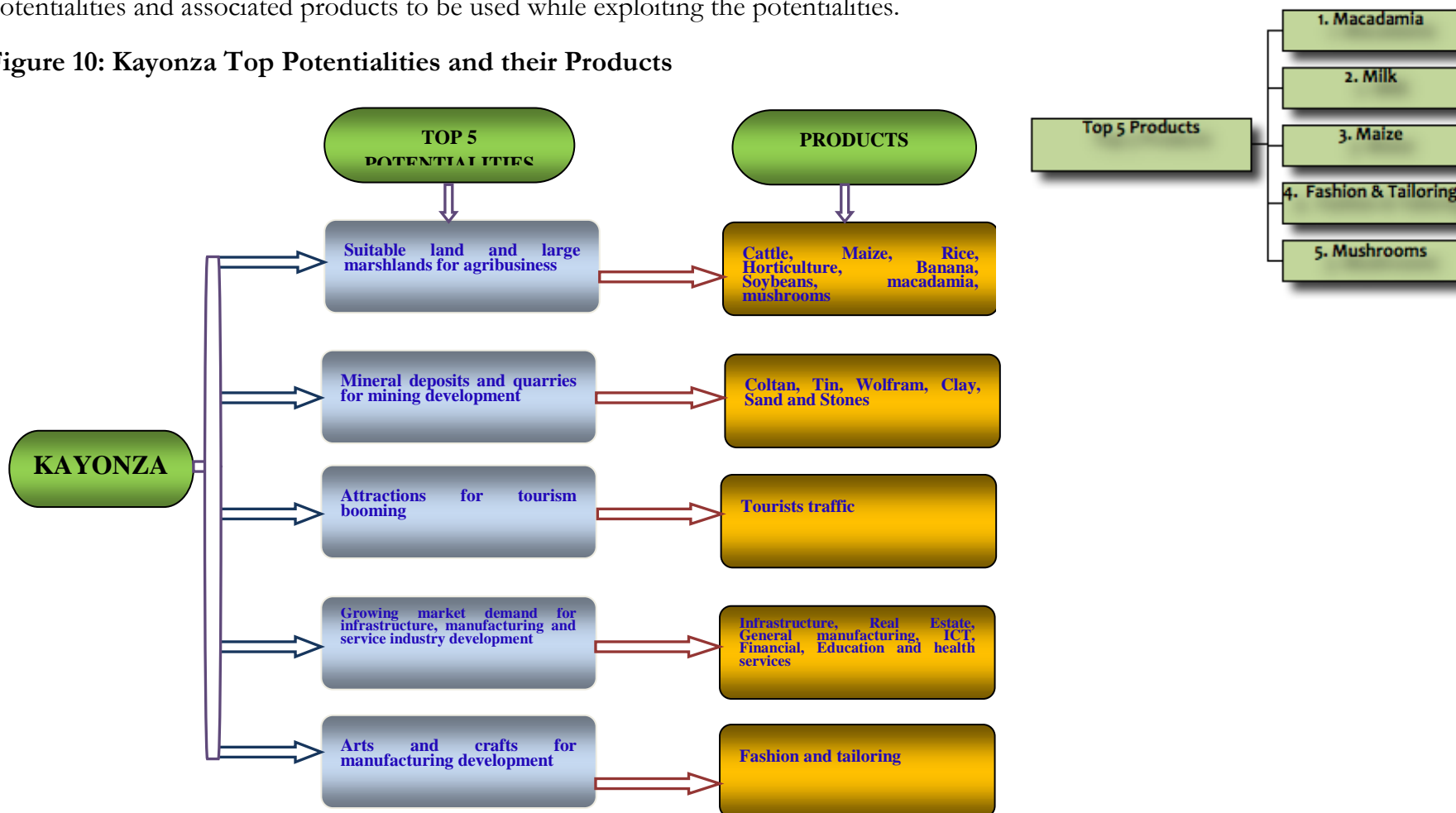
Source: EICV3 Thematic Report, Economic Activity

CHAPTER 4- DISTRICT IDENTIFIED POTENTIALITIES

4.1 Description of potentialities

Different types of potentialities and aligned products have been identified in Kayonza District. The following figures display five key potentialities and associated products to be used while exploiting the potentialities.

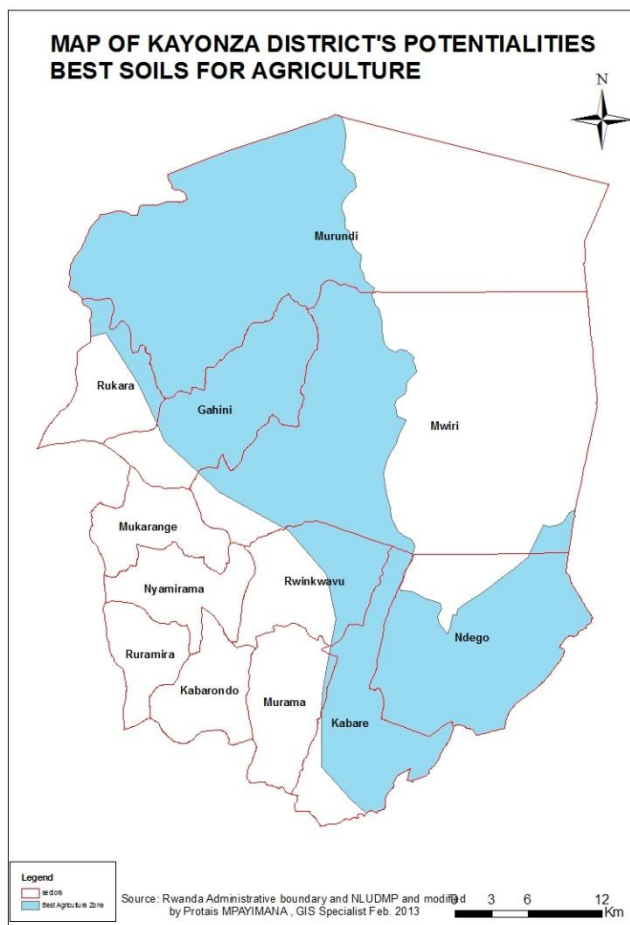
Figure 10: Kayonza Top Potentialities and their Products



Kayonza District's top five potentialities are: (i) Suitable land and large marshland for agribusiness where the products are Cattle, maize, rice, horticulture banana and soybeans.(ii) Mineral deposit and quarries development (iii) Attraction for Tourism development to different sites, mostly Akagera National Park and lakes (iv) growing market demand for infrastructure, manufacturing and service industry development, (v) Arts and craft for manufacturing development. The District has a strong comparative advantage in bovine meat production. Kayonza District strategic location (crossroads to Uganda, Tanzania and Kigali) offers strong opportunities for high-demand produce. To easy the identification of soil fertile for agri business the following Map has been displayed.

The following map illustrates the existing best soils in all sectors of Kayonza district.

Figure 11: Best soils for agricultural use



Source: Author computation, 2013

The table below displays location of the potentialities per administrative sector. This allows the programming of sector's strategies based on the development of local economic potentialities.

Table 32: Potentialities per administrative sector

Sector	Potentiality	Area/Products
Gahini	Suitable land for agribusiness	Cattle production
	Large valleys and marshlands for agribusiness	Horticulture
	Water resources for agribusiness	Aquaculture and Irrigated production Fish growing
	Arts and crafts for manufacturing development	Arts and crafts
	Abundant human capital for education and skills development	Skilled workforce
	Mineral deposits and quarries for mining development	Coltan, Tin, Wolfram, Clay, Sand and Stones
	Attraction for tourism booming - First site of revelation and appearance of the Holy Spirit in Rwanda - Lake Muhazi	Tourists traffic
Kabare	Suitable land for agribusiness	Banana production and processing
		Cassava production and processing
		Coffee
	Large valleys and marshlands for agribusiness	Horticulture
	Water resources for agribusiness	aquaculture and Irrigated production Fish growing
	Attraction for tourism booming - Akagera National Park - Rocky mountains chain	Tourists traffic
	Arts and crafts for manufacturing	Arts and crafts

Sector	Potentiality	Area/Products
	development	
	Abundant human capital for education and skills development	Skilled workforce
Kabarondo	Suitable land for agribusiness	Banana production and processing
	Large valleys and marshlands for agribusiness	Horticulture
	Mineral deposits and quarries for mining development	Coltan, Tin, Wolfram, Clay, Sand and Stones
	Arts and crafts for manufacturing development	Arts and crafts
	Abundant human capital for education and skills development	Skilled workforce
Mukarange	Suitable land for agribusiness	Banana production and processing
		Maize production
	Large valleys and marshlands for agribusiness	Horticulture
	Water resources for agribusiness	Aquaculture and Irrigated production Fish growing
	Arts and crafts for manufacturing development	Agakiriro centre
	Abundant human capital for education and skills development	Skilled workforce
	High market demand for infrastructure, manufacturing and service industry development	Infrastructure, Real Estate, General manufacturing, ICT, Financial, Education and health services
	Attraction for tourism booming - Kayonza zoo - Lake Muhazi	Tourists traffic
Murama	Suitable land for agribusiness	Coffee
		Horticulture

Sector	Potentiality	Area/Products
	Large valleys and marshlands for agribusiness	Rice Production
	Arts and crafts for manufacturing development	Arts and crafts
	Abundant human capital for education and skills development	Skilled workforce
Murundi	Suitable land for agribusiness	Cattle production
		Maize production
	Large valleys and marshlands for agribusiness	Horticulture
	Mineral deposits and quarries for mining development	Coltan, Tin, Wolfram, Clay, Sand and Stones
	Arts and crafts for manufacturing development	Arts and crafts
	Abundant human capital for education and skills development	Skilled workforce
	Attraction for tourism booming - Akagera National Park	Tourist traffic
Mwili	Suitable land for agribusiness	Cattle production
		Cassava production
		Maize production
	Large valleys and marshlands for agribusiness	Horticulture
	Water resources for agribusiness	aquaculture and Irrigated production
	Mineral deposits and quarries for mining development	Coltan, Tin, Wolfram, Clay, Sand and Stones
	Arts and crafts for manufacturing development	Arts and crafts
	Abundant human capital for education and skills development	Skilled workforce
Attraction for tourism booming - Akagera National Park	Tourist traffic	

Sector	Potentiality	Area/Products
	- Rocky mountains chain and - Caves of Mwili	
Ndego	Suitable land for agribusiness	Cattle production
		Cassava production and processing
	Large valleys and marshlands for agribusiness	Horticulture
	Water resources for agribusiness	aquaculture and Irrigated production Fish growing
	Attraction for tourism booming - Akagera National Park - Lakes	Tourists traffic
	Mineral deposits and quarries for mining development	Coltan, Tin, Wolfram, Clay, Sand and Stones
	Arts and crafts for manufacturing development	Arts and crafts
	Abundant human capital for education and skills development	Skilled workforce
Nyamirama	Suitable land for agribusiness	Banana production and processing
		Maize production
	Large valleys and marshlands for agribusiness	Horticulture
	Arts and crafts for manufacturing development	Arts and crafts
	Abundant human capital for education and skills development	Skilled workforce
	Mineral deposits and quarries for mining development	Coltan, Tin, Wolfram, Clay, Sand and Stones
Rukara	Suitable land for agribusiness	Banana production and processing
		Maize production
		Coffee

Sector	Potentiality	Area/Products
	Large valleys and marshlands for agribusiness	Horticulture
	Water resources for agribusiness	aquaculture and Irrigated production
	Mineral deposits and quarries for mining development	Coltan, Tin, Wolfram, Clay, Sand and Stones
	Arts and crafts for manufacturing development	Arts and crafts
	Abundant human capital for education and skills development	Skilled workforce
Ruramira	Suitable land for agribusiness	Banana production and processing
	Large valleys and marshlands for agribusiness	Horticulture
	Mineral deposits and quarries for mining development	Coltan, Tin, Wolfram, Clay, Sand and Stones
	Arts and crafts for manufacturing development	Arts and crafts
	Abundant human capital for education and skills development	Skilled workforce
Rwinkwavu	Suitable land for agribusiness	Cassava production and processing
	Large valleys and marshlands for agribusiness	Horticulture
		Rice Production
	Water resources for agribusiness	aquaculture and Irrigated production
	Attraction for tourism booming - Akagera National Park - Historical royal football stadium - Rocky mountains chain	Tourists traffic
	Mineral deposits and quarries for mining development	Coltan, Tin, Wolfram, Clay, Sand and Stones
Arts and crafts for manufacturing	Arts and crafts	

Sector	Potentiality	Area/Products
	development	
	Abundant human capital for education and skills development	Skilled workforce

4.2 Analysis of potentialities

The following figures present the analysis of the district's potentialities by using a SWOT-Analysis to identify strengths, opportunities, weaknesses and threats of key potentialities on focus.

Table 1: SWOT Analysis of potentialities

Potentiality	Strengths/Opportunity	Weaknesses/Threat
1.SUITABLE LAND FOR AGRIBUSINESS	<ul style="list-style-type: none"> – Soil highly suitable for banana, cassava, maize and horticulture (fresh beans, squash, pepper, papaya and sunflower) – Suitable agricultural land for irrigation/ Ndego, Mwili, Kabare, Rwinkwavu and Murundi sectors – Manpower available – Existence of five maize drying grounds located in Mwiri, Rwinkwavu, Nyamirama and Murundi Sectors – Big number of maize processing plants available – Existing of cooperatives operating in agriculture – Existence of financial services – Existence of 34 marshlands covering 7984 ha – Existence of fifty maize millers grouped in AMIRWA – Two companies wine producers 	<ul style="list-style-type: none"> – 51.6% land protected against soil erosion. – Low level of agricultural production – Scarcity of rain/Ndego, Mwili, Kabare, Rwinkwavu and Murundi sectors ✓ Unskilled farmers in modern farming techniques ✓ Use of traditional techniques ✓ low use of agricultural inputs ✓ Lack of skills in agribusiness ✓ Insufficient agricultural technicians ✓ Inadequate added value to agriculture production of staple crops (lack of processing and packaging). ✓ Poor internal maintenance of Feeder roads ✓ Insufficient and inadequate handling and storage facilities ✓ Weak reclamation of Land

Potentiality	Strengths/Opportunity	Weaknesses/Threat
	<p>available and established in the district</p> <ul style="list-style-type: none"> - Favorable Climate - Easy access to Kigali and Uganda market for processed products. - NAEB, RAB (available modern farming techniques, post harvest and export promotion) - District partners and RLDSF - Large cooking oil plant named Mount meru Soyco located in Kayonza District will start production with an installed crushing capacity of 45,000 tons of seeds per year - Existing of agricultural guaranty fund, business guaranty fund and rural investment guaranty fund - Good will of government for SACCO micro loans. - National land consolidation policy available 	<ul style="list-style-type: none"> ✓ Low number of people accessing financial services ✓ Low number of people accessing business financing facilities - Low repayment of SACCO loans - Soil erosion - High cost and shortage of electricity for industries. - Unfair competition due to existence of many informal wine producers
<p>2. MINERAL DEPOSITS AND QUARRIES FOR MINING DEVELOPMENT</p>	<ul style="list-style-type: none"> - Presence of minerals deposits in 7 sectors (Wolfram, cassiterite and Coltan) - Existence of Rwinkwavu wolfram company - Abundant manpower available - Existence of mining cooperatives in the district - Presence of environment officer at district level - Existence of mining investors - Existing of laws and regulation - International and local markets 	<ul style="list-style-type: none"> - Weak technical capacity of operators - Unskilled labour - Mining specialists - Scarcity of mining specialists and technicians - Few investors - Using artisanal techniques - Poor roads network on mining sites - Low mineral yield - Existence of small number of financial institutions

Potentiality	Strengths/Opportunity	Weaknesses/Threat
	<ul style="list-style-type: none"> available – Existence of specialized institutions (WDA, TVETs) – Mineral processing units available – Financial institutions available in the country – Existence of Private Sector Federation (PSF) – Security (safe country) 	<ul style="list-style-type: none"> – High cost of mining equipment – Environment destructions – Global financial crisis that could fluctuate prices
3.ATTRACT ION FOR TOURISM BOOMING	<ul style="list-style-type: none"> – Easy access from Kigali on National Road – Existence of 3 tourism training institutions in the field of hotels and culinary art – The district host the Akagera national park, Akagera river – Existence of multiple interesting inland lakes – ICT services available – Existence of cultural and traditional dances troops – RDB: supporting institutions – National strategy that promote tourism – A high demand for tourism – Security and cleanliness of the country 	<ul style="list-style-type: none"> – Staff limited capacity to use multi-lingual services. – Hospitality Specialists – Insufficient necessary basic infrastructure (Road network, Electricity, water, selling points etc...) – Skills deficits of hotel staff. – Low number Public and Private Partners (PPP) to boost tourism – Insufficient number of hotels/lodges and guest houses to accommodate visitors and tourist – Difficulty to compete with established hubs for tourism. – Global financial crises – Local and Regional high competition in tourism sector
4.WATER RESOURCE S FOR AGRIBUSIN	<ul style="list-style-type: none"> – Existing of Artisanal fisherpersons – Multitude of small interior lakes (Ithema, Rwibishuhe, Kabigabiro and Cyabatanzi, Kibare, Shakani, 	<ul style="list-style-type: none"> – Fish farming not yet widely practiced. – Lack of cold-chain storage – Lack of pisciculture specialists

Potentiality	Strengths/Opportunity	Weaknesses/Threat
ESS	Kivumba and Hago) – High local demand for fish can increase local earnings – High demand of fish National wide	– Low skills on Business logistics – Insufficient improved inputs for fish farming cooperatives

CHAPTER 5-STRATEGIES TO SUPPORT DISTRICT ECONOMIC DEVELOPMENT

5.1 Strategizing LED

a. Existing strategies

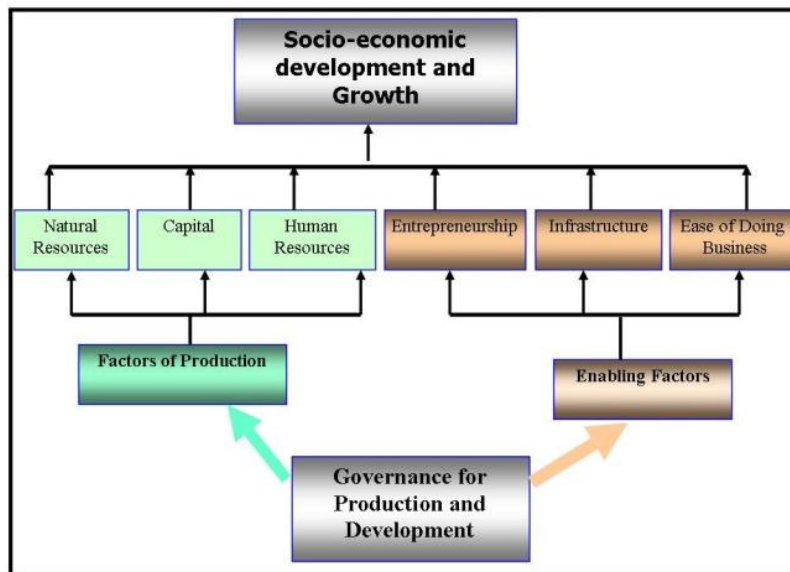
Kayonza District's current LED strategies include the following:

- Skilled staff existing at the District level
- Local population mobilization
- JADF mechanism
- Government support project for Kayonza District Development through: PADAB, PAIRB
- Existence of land use consolidation practice
- Increased agricultural production and livestock
- Rehabilitation of existing roads
- Increased purchasing power of vulnerable people by direct support, public works and financial service (VUP)

b. General 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.

Figure 12: Governance for Production and Development of Potentialities



Source: Elaboration on basis of RGAC, 2010

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 development of enabling factors like ICT, Infrastructure, TVET and entrepreneurship

The strategies identified are related to the mentioned factors of production as detailed above.

The general 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.

Strategy 1: Land use management as a fundamental tool in supporting District Economic Development according to Vision 2020.

Land use management is a fundamental tool in development according to Vision 2020. As Rwanda is characterized by acute land shortage, land use and development planning is of vital importance to ensure land use and development planning for optimal land utilization 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 recognized 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 to facilitate the rapid delivering of services and infrastructure.

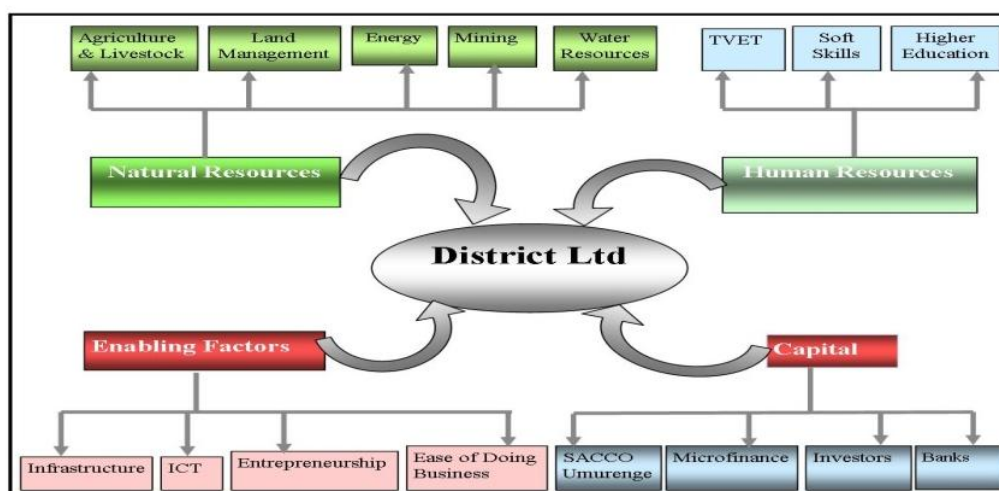
Urban land management tools and mechanisms are to be adopted with the aim of improving and rationalizing urban land management through:

- 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
- Very strict collection of rent on land and establishment of a penalty tax system in order to incite people to develop their building plots

Strategy 2: District is to be managed as a company for boosting its economic development

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. Developing these factors to 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 the district may transform potentialities to boost its economy by operating as a company.

Figure 13: Production and Development of Potentialities at District Level

Source: Elaboration on basis of RGAC, 2010

The comparative advantage is focused on the principle that one district is may be richer in natural resources than others while another are richer in human resources or physical capital. This should determine which kind of potentiality is to be developed according to the combination of factors of production¹².

In the support to LED-related strategies, the Rwanda Local Development Support Fund's role is to ensure:

- Coordination, planning, control and evaluation of the economic development and employment promotion activities
- The promotion of agriculture and livestock in an intensive and professional manner
- The development of small- and medium-sized industries
- The establishment of mechanisms to facilitate the creation and promotion of SMEs and cooperatives
- The creation and development of businesses and market centers
- The promotion and development of craft products, sites and tourist activities
- The development of the district's strategic plan for development
- Centralization and holding of the district's statistics
- In combination of strategies to promote LED, RLDSF could support district to build the capacity of local enterprises and assign a staff to the district in charge. Building the capacity of the district in order to assess potential development

¹² Governance for Production and Development, RGAC 2010

activities that could promote LED and help in the request and in the use of funds allocated to those activities.

5.2 Proposed strategies

a) Specific strategies

The following table presents the proposed strategies based on the key potentialities identified.

Table 29 Specific strategies for Kayonza District

Potentiality	Strategies to support district economic development
1.SUITABLE LAND FOR AGRIBUSINESS	<ul style="list-style-type: none"> – Use existing manpower, soil fertility, available farming modern techniques and favorable climate to Increase production and processing of banana, cassava, maize, fresh beans and horticulture to gain high markets from local and regional demand. – Strengthen and Link cooperatives to serve as model of using existing guaranty fund for agribusiness financing – Strengthen capacity of farmers and cooperatives on using modern farming techniques, storage and export promotion by using NAEB, RAB and other district partners. – Use existing manpower to avoid soil erosion through recommended sustainable soil conservation practices. – Establish sustainable systems and culture among district community members for soil erosion prevention measures. – Promote financial literacy towards individual farmer and cooperatives.
2. MINERAL DEPOSITS AND QUARRIES FOR MINING DEVELOPMENT	<ul style="list-style-type: none"> – Invest in existing mineral deposit (wolfram, cassiterite, colt an), quarries and abundant manpower and take advantage of existing investors to increase exploitation and meet local and international market needs – Develop feasibility study and investment plan to attract private investors and professionalize the mining sector – Link existing mining cooperatives with financial institutions and potential investors to increase production for economic

Potentiality	Strategies to support district economic development
	<p>development.</p> <ul style="list-style-type: none"> – Synergize with specialized institution (WDA,PSF) to increase the number of trained mining technicians and specialists and manpower for effective mining operations – Strengthen Public and Private Partners (PPP) to acquire necessary on site basic infrastructure for enabling conducive mining operations environment. – Reinforce environmental protection’s education and regulation, notably through the District’s officer in charge, so to ensure a sustainable development of the mining industry. – Improve the efficiency of mining operations through the development of technical capacities and in order to build the industry’s financial resilience.
3. ATTRACTION FOR TOURISM BOOMING	<ul style="list-style-type: none"> – Widen the array of touristic destinations and sites for enhanced competitions – Develop tourism plan to encourage private investment – Upgrade hotels, guest houses and other tourism services oriented to international standards – Use ICT infrastructures to market tourism sites and attract more visitors. – Build and rehabilitate tourism sites and basic infrastructures to meet the high demand of tourism services – Reinforce district marketing strategy towards various touristic sites.
4.WATER RESOURCES FOR AGRIBUSINESS	<ul style="list-style-type: none"> – Use of strong existing fish farming and aquaculture cooperatives for the intensification of sustainable Fish farming and aquaculture in response to the high local demand for fish in order to increase local earnings. – Train producer cooperatives in sustainable fish farming methods to valorize the big number of lakes located in the district which deserve quality developing aquaculture

b) Cross-cutting strategies

Hereafter, the figure presents some cross-cutting strategies to support district economic development.

Box 1: Cross-cutting strategies for LED

The District Gender Mainstreaming Strategy has to be further elaborated in order to address identified gender gaps. Furthermore, district officials and various stakeholders have to be involved in the development and implementation of the strategy (at all levels).

HIV/AIDS (and other incurable diseases) prevention and treatment strategy has to be implemented at all levels (national and local). This can be promoted by further sensitizing the local population on VCT, and conducting a widespread campaign on HIV/AIDS prevention at local level.

Design and implement a strategy on health services, sanitation and welfare development at district level. By doing so, the rights of people with disabilities should be taken into special consideration to address their specific needs.

Develop and implement a District Environment Protection Strategy and build ownership among citizens on sustainable environment protection at individual, collective and institutional level.

Strengthen youth's participation in Local Economic Development (LED) by promoting a culture of debate on LED and building capacity of existing youth organizations in order to sensitize them on the promotion of LED.

Provide adequate ICT infrastructure at district level by improving internet connectivity and technical skills, providing appropriate technology and working materials and promoting online learning on LED in order to support the district's economic development.

Improve accountability of the district's administration by strictly planning, budgeting, monitoring and evaluating all district activities, providing transparent data on LED and establishing a participatory approach in order to increasing the local community's ownership.

In the support to LED-related strategies, the Rwanda Local Development Support Fund's role is to ensure:

- The coordination, planning, control and evaluation of the economic development and employment promotion activities

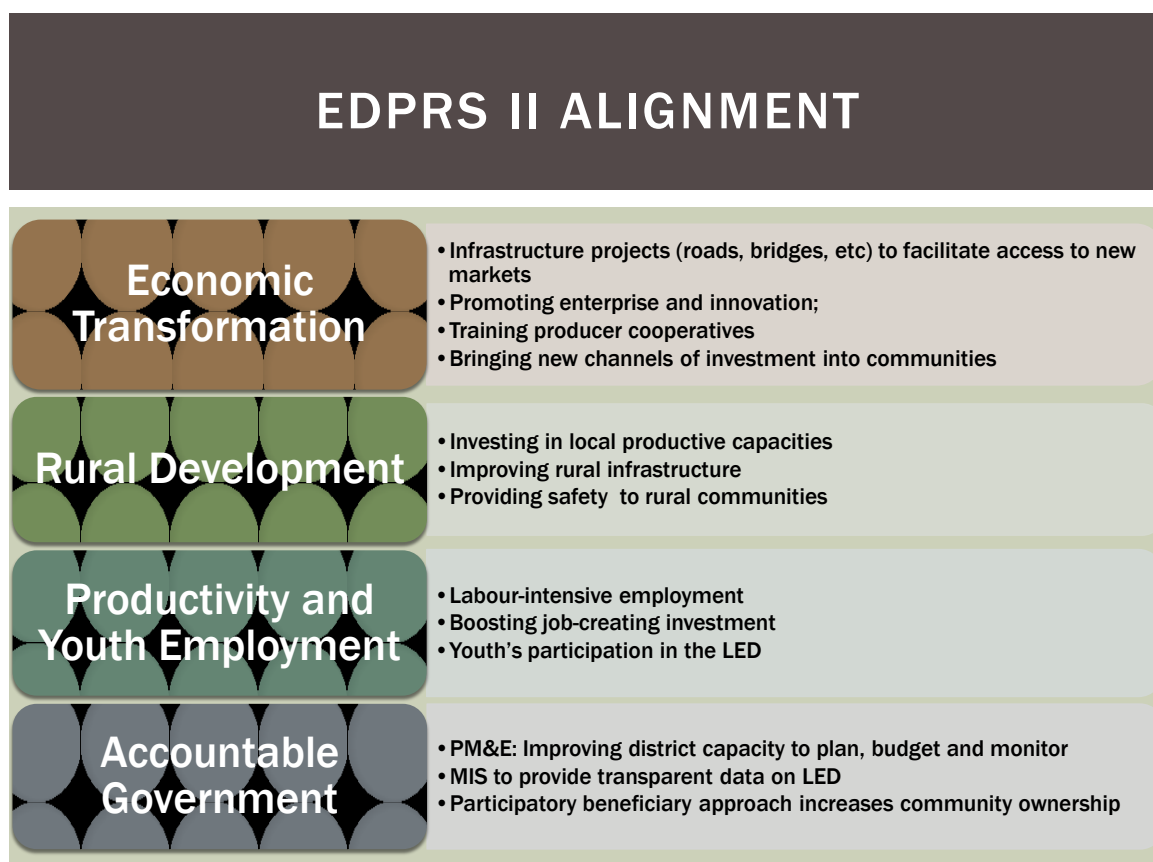
- The promotion of agriculture and livestock in an intensive and professional manner
- The development of small and medium-sized industries
- The establishment of mechanisms to facilitate the creation and promotion of SMEs and co-operatives
- The creation and development of businesses and market centres
- The promotion and development of craft products, sites and tourist activities
- The development of the strategic plan for development of the District
- Centralization and the holding of district-related statistics
- The coordination of strategies to promote LED, RLDSF could support the district in building the capacity of local enterprises and assign a staff to the district in charge. Building the capacity of the District to assess potential development activities that could promote LED and help in the request and in the use of funds allocated to those activities.

5.3. Linkages to EDPRS II

5.3.1. District potentialities alignment to EDPRS II priorities

Aligning Kayonza District to the new national priorities identified in EDPRS II is of the utmost importance. The chart below identifies the means by which District's potentialities fit the modalities of EDPRS II. LED works in all thematic areas by channeling investment into communities and building their capacity to replicate progress. Furthermore, the LED will improve accountability at the local level through two key areas. Urban Local Governments will be able to streamline interventions responding to the economic needs of community members. The elaboration of Kayonza LED plan will include setting clear targets for Kayonza district for which stakeholders can be held responsible, forming the backbone of district accountability.

Figure 14: District strategies alignment to EDPRS II



5.3.2. Cross-cutting strategies alignment to EDPRS II

For the purpose of achieving poverty reduction and economic growth in a sustainable and equitable manner, key cross-cutting issues have been incorporated into the strategies to support district economic development, including gender mainstreaming, environmental protection, the rights of people with disabilities, etc. Cross-cutting outcomes will be included in the logic framework for District Development Plan, with key performance indicators and targets, to ensure that Kayonza district is effectively integrating them into its everyday operations.

5.4. Key potentialities logical framework

The following table presents the potentialities framework for supporting District Economic Development.

Table 30: Key potentialities logical framework

Potentiality	Area/Product	Activities	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
1. SUITABLE LAND FOR AGRIBUSINESS	Cattle production	<ul style="list-style-type: none"> – Development and upgrading of existing local agribusiness enterprises and initiatives in partnership with private sector to increase the "value added" of raw materials produced :milk, meat and hides – Conduct a feasibility study for dairy products processing 	<ul style="list-style-type: none"> – Added value through improved stock will increase revenues, given a high national demand for meat – Youth-focused job creation – 	<ul style="list-style-type: none"> – Kayonza District counts more than 3400 farms with an average area of 15 ha and 61000 bovines. – Rough meat is sold to Kigali and exported to DRC. – Lack of skilled labour 	<ul style="list-style-type: none"> – Animal production technics – Quality slautering and meat processing practices 	All sectors

Potentiality	Area/Product	Activities	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
		unit – Facilitate producer cooperative access to insemination and veterinary services – Strengthen the partnership with the RAB				
	Banana production and processing	– Conduct feasibility study – Support banana producers' cooperatives – Mobilize and attract investors for Joint Venture Opportunities in Banana processing	– Increasing demand for Bananas and Banana-stem projects – Labor intensive job creation	– Study on Strategic Joint Venture Opportunities in the Agribusiness Sector conducted by MINECOFIN in 2009 pointed out that Kayonza District has more than 10000 ha to produce banana and great possibility for a	– Agriculture – Technology – Food processing – Business logistics	Mukaranga, Nyamirama, Ruramira, Kabarondo, Kabare, Rukara

Potentiality	Area/Product	Activities	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
				banana plant		
	Cassava production and processing	<ul style="list-style-type: none"> – Build co-operative capacity to meet quality standards – Develop a commercialisation plan to encourage PPPs 	<ul style="list-style-type: none"> – High national demand for Cassava and Flour – -Labor intensive job creation 	<ul style="list-style-type: none"> – -Cassava cultivation is widely practiced – -Lack of investment in the sector 	<ul style="list-style-type: none"> – Agriculture Technology – Food processing – Business logistics 	Ndego Kabare Rwinkwavu Murama
2.LARGE VALLEYS AND MARSHLANDS FOR AGRIBUSINESS	Horticulture	<ul style="list-style-type: none"> – Rehabilitate and develop all swamps; – Initiate irrigation system and infrastructures – Producers’ co-operatives development; – Consolidate a partnership with 	<ul style="list-style-type: none"> – -Agricultural income – -Potential exports; – -Job creation for youth and women. 	<ul style="list-style-type: none"> – Large valleys and marshlands of: Kadiridimba, Ntaruka, Kajevuba, Rwakabanda, Nyamarebe, – -Possible significant increase of agricultural land for rice, maize and 	<ul style="list-style-type: none"> – Agriculture Technology – Land reclamation 	All sectors

Potentiality	Area/Product	Activities	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
		RAB for technical support		vegetables productions and related agricultural income – District and Sector Agriculture staff – -Lack of skilled technicians in land reclamation		
	Rice Production	– Rehabilitate and develop all swamps; – Initiate irrigation system and infrastructures – Producers’ co-operatives development; –	– -Agricultural income – -Potential exports; – -Job creation for youth and women.	– Large valleys and marshlands of: Kadiridimba, Ntaruka, Kajevuba, Rwakabanda, Nyamarebe, –	– Agriculture – Technology – Land reclamation	Rwinkwavu,, Muramba, Mwili, Gahini, Murundi, Kabarere

Potentiality	Area/Product	Activities	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
3.WATER RESOURCES FOR AGRIBUSINESS	aquaculture and Irrigated production	<ul style="list-style-type: none"> – Develop capacity of producers cooperatives in cage farming 	<ul style="list-style-type: none"> – -Demand for fish exists in Rwanda and fish is imported from neighboring countries. – - Value addition to existing production 	<ul style="list-style-type: none"> – Existing of Artisanal fisherpersons – Multitude of small interior lakes (Ihema, Rwibishuhe, Kabigabiro and Cyabatanzi, Kibare, Shakani, Kivumba and Hago) – High local demand for fish can increase local earnings – High demand of fish National wide – District and Sector Agriculture staff – 6 selling points are operational 	<ul style="list-style-type: none"> – Modern pisciculture – Fish processing – Business logistics 	Mukaranga, Ndego, Kabare, Gahini, Rukara, Rwinkwavu, Mwili
4. ATTRACTION FOR TOURISM	Tourists traffic	<ul style="list-style-type: none"> – A plan for tourism development must 	<ul style="list-style-type: none"> – The development of the tourism sector 	<ul style="list-style-type: none"> – Akagera Game Loge – Local manpower and 	-Tourism related	Ndego, Kabare,

Potentiality	Area/Product	Activities	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
BOOMING		<p>be set.</p> <ul style="list-style-type: none"> Private investors must be mobilized and investments need to be facilitated. Basic infrastructure (roads, electricity, water) must be available. 	<p>always is a good opportunity to create off-farm jobs. These will concern youth and women. Economic resources for the district will be diversified and additional revenue can be expected.</p> <ul style="list-style-type: none"> High demand in tourism related services: tourism sites, hostels, commerce, restaurants, mineral water Increase of tax revenue in the District 	<p>building materials are available.</p>	<p>knowledge</p>	<p>Rwink wavu</p>

Potentiality	Area/Product	Activities	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
5.MINERAL DEPOSITS AND QUARRIES FOR MINING DEVELOPMENT	Coltan, Tin, Wolfram, Clay, Sand and Stones	<ul style="list-style-type: none"> – Develop commercialisation to attract investors to professionalize mining sector 	<ul style="list-style-type: none"> – High international demand for Wolfram – Professionalization can formalize the sector, improving tax revenues – Off-farm employment 	<ul style="list-style-type: none"> – -A mining processing company already exists (Rwinkwavu Wolfram Company). – -Lack of technicians – -Unskilled labour 	<ul style="list-style-type: none"> - Mines extraction Occupational health and safety in mining 	Rwinkwavu Ruramira Mwili, Rukara Murundi Ndego Kabarondo
6.ARTS AND CRAFTS FOR MANUFACTURING DEVELOPMENT	Arts and crafts	<ul style="list-style-type: none"> • Develop integrated handicraft production center • -Connect trade centers to electrical grid • Develop strategy for establishing Agakiriro site 	<ul style="list-style-type: none"> • Will improve local market efficiency • Will provide increased off-farm employment opportunities • Revenue diversification 	<ul style="list-style-type: none"> • Poor road quality increases transaction costs • Very limited access to finance • Existing handicraft cooperatives • Insufficiency of Skilled Teachers and 	<ul style="list-style-type: none"> • Vocational Trainers • Skilled teachers 	All sectors, Agakiriro centre in Mukarunge

Potentiality	Area/Product	Activities	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
		<ul style="list-style-type: none"> -Partner with TVETs to ensure flow of skilled labor 		trainers		
7.ABUNDANT HUMAN CAPITAL FOR EDUCATION AND SKILLS DEVELOPMENT	Skilled workforce	<ul style="list-style-type: none"> • Partner with existing TVETS to identify supply gaps and develop response plan • -Ensure that each sector has a TVET • -Encourage development of agro-processing curricula 	<ul style="list-style-type: none"> • Will improve local skill base and business environment • More off-farm activities and employment 	<ul style="list-style-type: none"> - TVETs and VTCs currently operational - lack of skilled teachers for TVET and VTC 	<ul style="list-style-type: none"> - Increase and strengthen various technical skills - Business logistics 	All sectors
8.HIGH MARKET DEMAND FOR INFRASTRUCTURE, MANUFACTURING,	Infrastructure, Real Estate, General manufacturing, ICT,	<ul style="list-style-type: none"> • Specialize use of land; -Delimitation of Residential zones and Commercial zones • Rehabilitation and 	<ul style="list-style-type: none"> • Local demand remains high across the commercial sector • Spur large-scale job creation, particularly 	<ul style="list-style-type: none"> • Presence of commercial lending institutions • UMURENGE SACCOs remain weak in capacity 	<ul style="list-style-type: none"> • -Urban Planning • -Civil Engineering 	Mukarange

Potentiality	Area/Product	Activities	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
NG AND SERVICE INDUSTRY DEVELOPMENT	Financial, Education and health services	<p>construction of markets and business centers</p> <ul style="list-style-type: none"> • Construction of Commercial Infrastructure • Develop commercial and finance plan to build capacity of SACCOs and BDCs 	<p>among women</p> <ul style="list-style-type: none"> • Improved SACCOs can facilitate transition to commercial finance • Business growth • Income increase and taxes revenue increase: • Job creation • Response to local market demand for products and housing 	<ul style="list-style-type: none"> - Many professional traders with own infrastructure - Availability of women working in commerce - Insufficient skills in accounting - Available land - Existence of master plan 		

CHAPTER 6- ROLE OF KEY STAKEHOLDERS

6.1. Roles of Rwanda Local Development Support Fund and its partners

RLDSF plays a unique and essential role in supporting and promoting local economic development across Rwanda. As a central agency with staff at the district level and which provides funding and programmes to improve the development of Rwanda at the local level, RLDSF has a key opportunity to support the LED potentialities identified above. Key stakeholders at the central and district level identified many roles for RLDSF in strengthening local economic development and in supporting districts to capitalize on district LED potentialities. In particular, RLDSF should support the coordination of LED interventions between districts, and encourage projects and the development of potentialities that will improve economic growth in multiple districts. RLDSF should also support capacity building at the district level will facilitate the implementation of the identified potentialities. The following are the key roles for RLDSF identified by the district assessments: infrastructure development, continued expansion of VUP, support for mechanization and intensification of agriculture and the development of agribusinesses and mining operations, mobilization of funds and assistance in attracting investment in districts, capacity building, and support for district planning.

6.1.1.1 Infrastructure Development

Districts identified the key role for RLDSF to play in supporting the development of infrastructure, including road building and rehabilitation of feeder roads. The focus on roads particularly links to potentialities related to agriculture, such as potato and wheat fields, to facilitate transport of goods to market or for export, and development of mining potentialities. Construction and maintenance of modern markets and continued building of terraces were also key roles. Development of terraces links to the need for land conservation and protection against soil erosion. RLDSF was recommended to promote soil and water conservation practices, swamp reclamation and protection of hillsides, as well as the rehabilitation, development and management of swamps and marshlands.

In terms of infrastructure development, support for increasing access to electricity for districts was noted as a priority, including support for the development of micro-hydropower plants, particularly for sectors that are far from the national grid. Electrification for sector offices and small and medium enterprises is particularly important to facilitate LED.

6.1.2 Expansion of VUP

As part of the RLDSF Strategic Plan, plans to scale-up VUP Public Works and Direct Support are under way. Districts recognized the importance of VUP, including in supporting the development of infrastructure, including roads, through Public Works. Additional funding for Public Works was identified as a key role for RLDSF in order to support the development of potentialities, including through improving district infrastructure, as identified in point 1. RLDSF support to the district to empower the local population through UBUDEHE, including the development of community-based projects is also a key role through RLDSF's Social Protection division.

6.1.3 Agriculture and Agri-business

Given the importance of agriculture in Rwanda, and the potentialities for developing agro-processing and production of agricultural products, RLDSF has a key role to play in facilitating the improvement of agricultural outcomes, including productivity and processing of products. Districts identified a role for RLDSF in connecting districts to donor funds related to irrigation and mechanization of agriculture. Given the success of crop intensification, support to district agronomists and supporting additional measures to improve productivity through known methods will have strong results for the local economy and individual farmers. Support for the scale-up of district agro-processing sectors will be key, including increasing the number of coffee washing stations to accommodate increased production, helping districts to equip milk collection centres and slaughter houses, and providing technical assistance, including regulations for some sectors (for example fishing), and planning for the growth of key agro-processing initiatives.

6.1.4 Capacity Building

Capacity building was one of the most identified roles for RLDSF recognized by the districts. In order to achieve the identified LED potentialities, improved capacity on a number of levels is required. RLDSF should support districts to build the capacity of the local population, including building the capacity of business women in the district, that of local enterprises, particularly towards improving the establishment of small and medium sized enterprises. RLDSF should work with RCA to provide technical assistance and capacity building to producer cooperatives. RLDSF should also support district staff to acquire the needed LED skills, including assessing development activities to promote LED and accessing funds to promote these activities. Finally, improving technical

education, including through the expansion of TVETs and VTCs, and improving the capacity of that are already in place, is a priority. Strengthening the capacity of Umurenge SACCOs, particularly given the important role they play in facilitating the Financial Services component of VUP, is essential to improve their sustainability and increase access to finance for the local population.

6.1.5 Entrepreneurship

The strengthening of the private sector and development of entrepreneurship in districts is essential for improving LED. Districts recognize the important role of RLDSF in promoting non-farm employment and entrepreneurship, including strengthening private sector development and promoting private initiatives. Partnerships with the private sector and development of infrastructure will facilitate the growth of the private sector at the local level. RLDSF should work with districts to identify key sectors for promoting private sector investment and initiatives.

6.1.6 Mining sector

Mining is a key export and economic sector for Rwanda, but challenges related to infrastructure, as previously identified, prevent large-scale mining operations and growth of the sector. Further, the lack of regulations poses serious problems related to reporting of exports and accountability of the mining sector in terms of environmental and human rights protections. RLDSF can support the development of regulations for the mining sector that will enable the district to benefit from the expansion or development of mining operations, and also protect the corporations investing in mining. Further, there is limited local technical knowledge related to mining and geology, and RLDSF should support districts with high mining potentiality to improve access to technical education for mining and geology, to improve the capacity and growth of the national mining sector.

6.1.7 Border crossings

Cross-border trade, regional exports, and tourism all rely on ease of transport across borders, and strong regulations of the transport of goods and services. Districts, particularly those located on the borders with Burundi and the DRC, recognized the role for RLDSF in developing border posts, and developing or rehabilitating cross-border trade. Much of the current cross-border trade take place informally, which not only poses challenges for district economic growth, but also for the large number of women involved in cross-border trade with little or no economic protection, putting them at risk. Support for the improvement of cross-border trade conditions and skills-building for traders

would support the development of this sector and result in economic benefits for the district, particularly through the increased purchasing power of the population.

6.1.8 Feasibility Studies

As a national coordinating body based at both the central and district level, RLDSF has the ability to conduct feasibility studies related to specific potentialities, including hydropower and fish farming in specific districts where more information is needed before moving forward with developing initiatives. The conducting of studies and research into some potentialities, or into methods to improve the economic impact of specific sectors will improve the success of LED initiatives at the district level, and may also provide important information that can be used across districts depending on the focus of the study.

6.1.9 Financial Support and Investment

RLDSF is responsible for coordinating funds for LED to districts, which was one of the main roles of the former CDF. Districts identified this important role, as financial support is essential for the implementation of identified district potentialities, and for supporting capacity building to achieve those potentialities. RLDSF can also advocate for sustainable financial support for LED activities at district and sector level, and coordinate linkages between districts and sectors for accessing funds to achieve identified potentialities.

RLDSF should also support districts to access investment into district potentialities, particularly through promoting investment in specific initiatives at the district level, and by connecting investors with local potentialities projects. Supporting districts to attract investors in agribusiness and mining, as well as in tourism, are particularly important for local economic growth. Further, building the capacity of local investors and providing positive environments for investment are important for sustainable and long-term investment.

6.1.10 Potentialities Mapping and Planning

An important capacity gap identified by districts related to mapping of potentialities and planning for the development of potentialities. RLDSF has an important role to play in assisting in the mapping of LED potentialities, including through this assessment, and supporting the district to plan for LED initiatives and sustainable economic growth. The district assessment reports included with this final report have maps of the identified potentialities to support the district in its planning process. RLDSF should also support districts in developing their own LED plans as part of their DDPs and improve the monitoring and evaluation of LED activities at the district level. Technical support for

planning and budgeting, and the centralization of district statistics are also important roles to achieve the identified LED potentialities.

6.1.11 Promotion of Tourism

The growth of the tourist sector is important for achieving LED, particularly in districts which have identified tourism potentialities, as outlined in the district tables above. RLDSF should assist in promotion of tourism, including through providing technical and financial assistance for the rehabilitation and development of existing tourist sites and activities.

The above roles link with the strategies identified for achieving LED potentialities, and should be coordinated with the roles and responsibilities of other stakeholders, at the central and district levels. The roles of stakeholders, in partnership with RLDSF and Districts, are outlined in the following chapter.

6.2. Roles and responsibilities of other Stakeholders

District 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.

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 agribusinesses and production and use of agricultural and animal by-products, such as leather.

NAEB

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 identified above 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.

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.

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.

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.

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.

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.

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.

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.

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.

MIFOTRA

The Ministry of Labor is responsible for reinforcing national labor 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 labor standards.

In relation to the identified potentialities, MIFOTRA plays an important role in supporting the development of labor regulations for specific sectors, including the mining sector, and supporting effective labor 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.

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.

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.

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.

CHAPTER 7- CONCLUSIONS, RECOMMENDATIONS AND LESSONS LEARNT

7.1 Conclusions

The assessment of the district potentialities for the integrated and self-cantered local economic development was aimed at 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.

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 revealed that there are district assets and resources which are non-use or underused and can be developed and exploited through more effective strategies or technologies for boosting local economy, creating jobs and revenue.

Kayonza District has key potentialities for developing agribusiness, fish farming, beekeeping, mining, commerce and trade, tourism and hydropower. However, in order to achieve these potentialities, Kayonza District must invest in skilled personnel and technicians, modern equipment, cooperative and management, and improved roads. 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 trainings on modern agriculture techniques, professionalizing mining, developing a communications strategy, and encouraging cross border trade.

7.2 Recommendations

District LED strategies should be a key part of District Development Plan, fitting well into the implementation of the EDPRS II and national strategies for development.

To achieve this, the District will need assistance in planning and monitoring and evaluation, which will also support it to properly take advantage of potentialities.

It will be important to ensure that LED strategies focus entirely on all sectors given the LED potential, needs and the support required.

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.

The District potentialities and strategies identified in this assessment will support the country to capitalize on already existing and new potentialities. RLDSF, Kayonza District and key stakeholders must work together and coordinate well to ensure that the district moves towards improving economic growth, as part of sustainable development. Since the aim of this study was not to go deeper into District identified potentialities in terms of their impact on Job creation and GDP increase with supporting figures, hence, it belongs to District planning officials to make use of this report as a basis for District Economic Development Projects that will obviously require the elaboration of feasibility studies.

7.3 Lessons learnt

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.

However, there are some serious challenges preventing the achievement of economic growth. Weak infrastructure constrains the achievement of LED opportunities. In particular, roads raise transport costs and prevent ease of access to markets and access of investors to key sites. The limited electricity increases the cost of doing business, which also challenges the growth of small and medium enterprises and acts as a barrier to outside investors. National investment in infrastructure, social protection and decentralization strategies have had positive impacts for local economic development, and should be increased.

Nonetheless, Rwanda has significant opportunities to achieve LED potentialities, including through strategies of capacity building, expansion of technical and vocational education, and a focus on agriculture, and in particular agro-processing and agri-business, the development and growth of mining operations, and tourism focused in key areas.

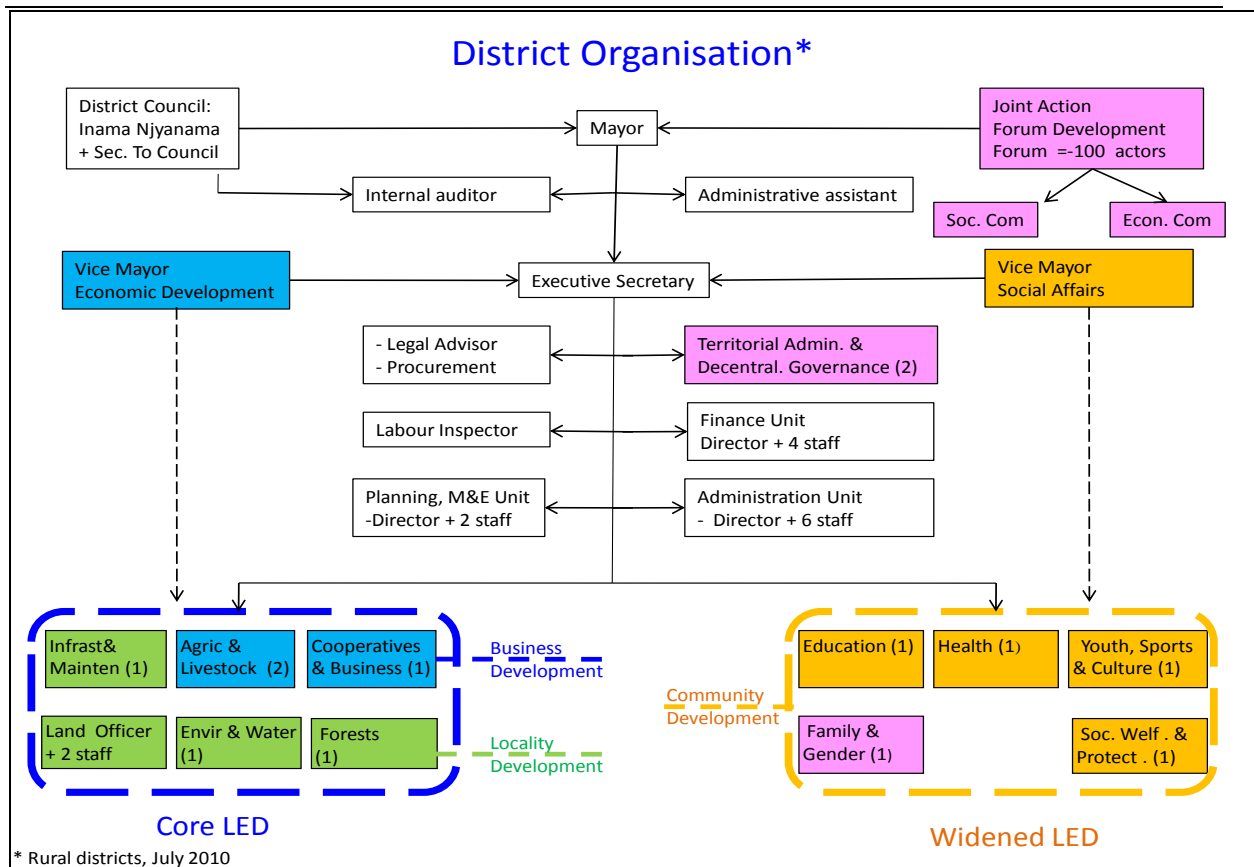
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Appendix 1 National Export Strategy Valuation of Rwanda's Exports

	Potential Export Contribution	Job Creation	Existing firms/coops	Market attractiveness	Skill base vs. competitors	Transformation opportunities	Investor prospects	Score
Weight	x5	x2	x4	x2	x3	x2	x2	
Tourism	5	4.5	5	4.5	3	5	5	92
Tea	5	5	3	5	5	4	4	88
Coffee	5	5	3	5	5	4	3	86
Mining	5	4	3	5	1	3	5	74
BPO	5	4	2.5	4.5	2	2.5	5	73
Horticulture	3.5	5	4	4	3	3	3	72.5
Home Décor	2	5	5	4	2	5	2	68
Dairy	3	5	2	2	4	1	3	57
Hides/Skins	3	3	2	3	2	2.5	3	52
Floriculture	3	4	1	2	3	2	3	50
Silk	2	3	2	3	3	3	2	49
Pharmacy	4	2	1	3	1	2	3	47
Weighting: 1= Very attractive, 5= very difficult								

Source: National Export Strategy 2011 MINICOM

Appendix 2 District Institutional Framework



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

Appendix 3: Kayonza population characteristics

Sector	2002 Total Population	2012 Population			Sex Ratio	Population Change (2002-2012) (%)	Average Annual Growth Rate (2002-2012) (%)	P
		Male	Female	Total				
GAHINI	21,676	16,949	17,881	34,830	95	60.7	4.9	
KABARE	25,896	16,775	18,098	34,873	93	34.7	3	
KABARONDO	19,418	14,764	15,673	30,437	94	56.7	4.6	
MUKARANGE	19,538	19,861	21,348	41,209	93	110.9	7.7	
MURAMA	14,105	9,602	10,379	19,981	93	41.7	3.5	
MURUNDI	17,640	17,738	18,331	36,069	97	104.5	7.4	
MWIRI	10,800	11,352	11,887	23,239	95	115.2	8	
NDEGO	9,071	9,286	9,642	18,928	96	108.7	7.6	
NYAMIRAMA	19,359	14,556	16,006	30,562	91	57.9	4.7	
RUKARA	23,204	15,015	16,268	31,283	92	34.8	3	
RURAMIRA	11,399	7,950	8,990	16,940	88	48.6	4	
RWINKWAVU	17,617	13,919	14,481	28,400	96	61.2	4.9	
District Level	209,723	167,767	178,984	346,751	94	65.3	5.2	
RWANDA	8,128,553	5,074,942	5,462,280	10,537,222	93	29.6	2.6	

Source: Summary of the 2012 census provisional results, NISR 2012

Appendix 4: Cooperatives in Kayonza

	AGRI	LIVESTOCK	SERVICE	HANDCRAFT	TRADING	MINING	FISHING	NURSERIES	SEEDS MULTIPLICATION	TOTAL
Kayonza	55	17	23	9	22	5	1	0	1	135
RWANDA	1,571	781	623	700	584	97	80	51	40	4,527

Source: RCA records, 2013

Appendix 5: Financial data of UMURENGE SACCOs in Kayonza

Sector / SACCO	People over 18 years	Members registered	Members having paid shares	Members with accounts	Pledged share	Remitted shares	Deposits	All disbursed loans	Current loans	Portfolio at risk
GAHINI	18 000	2 402	2 402	2 402	24 002 000	13 269 050	85 563 398	45 380 000	33 468 740	196 800
C00PEC KUKA	19 983	4 346	2 169	343	24 680	14 707	94 470	60 890 000	26 008 097	-

					000	600	131			
KABARONDO	11 537	4 157	3 219	4 157	33 256 000	25 374 471	77 930 778	40 328 000	1 321 228	721 614
MUKARANGE	15 678	3 709	3 709	2 101	18 545 000	16 377 288	108 085 231	72 920 000	32 215 016	2 691 668
Murama	12 617	3 533	2 709	3 533	18 724 900	14 638 600	101 040 447	88 232 300	51 143 909	76 435
Murundi	17 862	5 313	2 652	5 313	26 565 000	16 032 100	109 505 243	157 678 550	55 084 842	3 213 133
MWILI	10 123	4 033	3 826	4 033	20 165 000	18 874 500	97 037 522	67 354 760	37 498 829	1 081 454
Ndego	12 843	3 774	3 741	3 773	18 870 000	18 580 000	77 376 572	72 915 000	36 569 263	1 000 000
NYAMIRAMA	11 212	5 936	5 500	5 366	23 744 000	21 841 800	180 933 568	149 656 100	81 014 611	3 391 405

RUKARA/UMUCYO	12 364	3 230	2 787	3 230	32 300 000	14 076 112	88 716 701	93 505 000	38 427 698	187 500
RURAMIRA	13 534	3 997	3 354	2 965	39 970 000	23 529 600	92 913 026	76 890 000	43 378 471	-
Rwinkwavu	19 143	6 257	6 175	6 257	62 570 000	38 361 120	127 217 668	95 022 000	34 637 462	1 283 645
	174 896	50 687	42 243	47 473	343 391 900	235 662 241	240 790 285	1 020 771 710	470 768 166	13 843 654

Source: RCA annual report 2012

Appendix 6: ICT in Rwanda

Types of ICT Businesses	Key Indicators 2012
1. Payments	
Smart FMIS	
Number of subscribers	1,015
Number of payments voucher processed	147,068
Mobile Payments	
Number of subscribers	1,440,541
Volume of transactions	22,191,674
Value of transactions (in Million RwF)	161,808
2. Payment Systems	
Instruments	
Number of Automated Teller Machines (ATMs)	292
Number of Points of Sale (POS) terminals	666
Number of debit cards	389,269
Number of credit cards	418
Number of prepaid cards	N/Av.
ATM transactions	
Volume of ATM transactions	5,753,163
Value of ATM transactions (in million RwF)	180,566
POS transactions	
Volume of POS transactions	54,632
Value of POS transactions (In million RwF)	8,487
3. Tax	
e-filing	
Number of subscribers	2,659
Volume of transactions	17,482
e-Payment	
Number of subscribers	69
Volume of transactions	329
SIGTAS (Domestic taxes)	
Number of registered subscribers	32,533
Volume of transactions	371,156
ASCUDA++ (Customs)	

Types of ICT Businesses		Key Indicators 2012
Number of subscribers		843
Volume of transactions		119,881
Electronic Single Window		
Number of subscribers		1,126
Volume of transactions		90,435
No Creance		
Number of subscribers		9,364
Volume of transactions		13,461
4. Business Registration		
Online Business Registration System		
Total number of companies registered		13,396
Total number of companies successfully registered online		1,150 8.6%
Percentage of companies successfully registered online		
5. ICT companies		
Number of ICT companies registered as domestic companies		2,700 244
Number of ICT companies registered as enterprise companies		41 2,985
Number of ICT companies registered as foreign companies		
Total number of ICT companies registered		

Appendix 7: Projects in Kayonza

Name of the initiative/project:	Meat Production and Processing
Location:	Kayonza District All Sectors
Economic sector:	Agriculture and Agribusiness
Type of good/s produced and/or service/s provided:	Packaged Meat and Meat Products
Brief description of the economic potential of the initiative:	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.
Name of the initiative/project:	Banana production and processing
Location:	Kayonza District Mukarange, Nyamirama, Ruramira, Kabarondo, Kabare, Rukara Sectors
Economic sector:	Agriculture and Agribusiness
Type of good/s produced and/or service/s provided	Banana
Brief description of the economic potential of the initiative:	Production of Banana to meet local demand. Kayonza has more than 10000 ha available for planting and producing Bananas.
Name of the initiative/project:	Cassava Production and Processing
Location:	Kayonza District Ndego, Kabare, Rwinkwavu, and Murama Sectors
Economic sector:	Agriculture and Agribusiness
Type of good/s produced and/or service/s provided:	Cassava and Cassava Powder
Brief description of the economic potential of the initiative:	Production of Cassava to meet local demand for cassava and cassava by products
Name of the initiative/project:	Water Supply from Muhazi Land and Kadiridimba and Akagera Rivers
Location:	Kayonza District

	Muhazi, Mukarange, Gahini, Rukara, Murama, Rwikwavu, and Kabare Sectors
Economic sector:	Infrastructure and Industry
Type of good/s produced and/or service/s provided:	Drinking Water
Brief description of the economic potential of the initiative:	Supply drinking water to Kayonza residents to meet local demand.
Name of the initiative/project:	Development of Tourism of Akagera Lakes
Location:	Kayonza District Ndego, Kabare, Rwikwavu
Economic sector:	Service and Tourism
Type of good/s produced and/or service/s provided:	Hotels, Restaurants, and services for tourists visiting the lakes.
Brief description of the economic potential of the initiative:	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 8: Prioritized value for potentiality

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

Appendix 9: Key Criteria for Feasibility or Comparative Advantage

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

Appendix 10: Geographic Data of visited sites in Kayonza

No	x	y	z	Sector	Cell	Village	Opportunity
1	556482	4789668	1578	Mukarange			District office
2	555719	4793031	1457	Mukarange;Gahini Mwiri			Marin de Ntaruka
	555716	4793031	1453				
3	554542	4794443	1455				Lake Muhazi
	554541	4794444	1456				
4	553461	4796268	1555	Gahini	Rugarama	Akabeza	Site de revelation de Gahini
	553458	4796262	1548				
	553454	4796262	1546				
5	559717	4798171	1358	Gahini	Kiyenzi & Juru		
	559888	4798298					
	651218	4797364					
	561181	4797095					
6	563389	4794234	1640	Mwiri	Nyawera		Ferm Minagri
	563385	4794238					
7	562624	4790854	1443	Mwiri	Mugera; Nyawera		Marin
	562404	479089					
	561581	4789227					
	562143	4788886					
	562524	4788224					
	562290	4789341					
	561825	4789373					
	559306	4792528					
	560109	4794058					
	560635	4794258					
8	548268	4798216		Rukara	Kawangire;		Marin de

					Rwimishinya		Nyamareme
	549001	4798529					
	549619	4799539					
	550397	4800774					
	551720	4801275					
	550048	4800970					
	548590	4790878					
9	553524	4805609	1625	Rukara	Rwimishinya		Vacant land
	553183	4805764					
	552854	4805672					
	553080	4805233					
	553336	4805035					
	553509	4804964					
	553466	4805140					
	553495	4805183					
	553524	4805609					
10	559935	4807944		Murundi	Ryamanyoni		Rwakabanda Wetland
	560241	4803970					
	559258	4800368					
	559193	4802093					
	559826	4806001					
	559673	4807682					
11	565665	4782858	1363	Rwinkwavu	Nkondo		Jeontrofer Plantation
12	565652	4782928	1357	Rwinkwavu	Nkondo		Kadiridimba wetland
	567523	4785499	1336				
13	568032	4781641	1457	Rwinkwavu	Nkondo		Rwinkwavu Walfram quarry
14	566968	4782479	1383	Rwinkwavu	Nkondo		Stadium
15	577681	4772801	1310	Kabare; Nasho; Ndego	Rubumba		Kajevuba wetland

16	576718	4774790	1352	Ndego	Byimana		Casava Plantation
17	573310	4773690	1619	Kabare	Rubumba		Chaine de montagne

Appendix 11: Pictures of visited sites

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





Appendix 12: Exports of Rwanda horticultural products to the World (Unit: Thousand USD)

	Value in 2011	Value in 2012
Vegetables, fresh or chilled	66	13
Frozen vegetables	124	38
Potatoes	672	382
Dried vegetables, shelled	802	1,085
Carrots, turnips and salad beetroot, fresh or chilled	2	6
Cabbages and cauliflowers, fresh or chilled	8	15
Tomatoes	2	6
Lettuce and chicory, fresh or chilled	3	-
Cucumbers and gherkins, fresh or chilled	3	1
Dried vegetables	-	3
Leguminous vegetables, shelled or unshelled, fresh or chilled	1,248	1,613

Cassava, arrowroot salem (yam) etc.	84	55
Onions, garlic and leeks, fresh or chilled	3	28
Sub-total horticulture	301	3,245
Honey, natural	2	5

Source: ITC calculations based on UN COMTRADE statistics.

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