



REPUBLIC OF RWANDA



Rwanda Local Development Support Fund (RLDSF)

NGOMA DISTRICT

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

**January,
2013**

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ACRONYMS AND ABBREVIATIONS

ADEPR	Association Des Eglises Pentecôtes au Rwanda
BDC	Business Development Centre
CDF	Common Development Fund
CCOAIB	Conseil de Concertation des Organisations d'Appui aux Initiatives de Base
CSOs	Civil Society Organizations
JADF	Joint Action Development Forum
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
HIMO	Haute Intensité de Main d'Œuvre
HIV/AIDS	Human Immune Virus/Acquired Immune Deficiency Syndrome
IDP	Integrated Development Programme
LED	Local Economic Development
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
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
MININFRA	Ministry of Infrastructure
MoH	Ministry of Health
MYICT	Ministry of Youth and Information & Communication Technology
MoU	Memorandum of Understanding
NAEB	National Agriculture Export Board
NEPAD	New Partnership for Africa Development
NES	National Export Strategy
NIP	National Industrial Policy
NGOs	Non-Governmental Organizations
NTB	Non-Trading Barriers
PDL-HIMO	Programme de Développement Local à Haute Intensité de Main-d'œuvre
PSF	Private Sector Federation
RALGA	Rwanda Local Government Association
RDB	Rwanda Development Board
RDRC	Rwanda Demobilization Reintegration Commission
RAB	Rwanda Agriculture Board
REMA	Rwanda Environment Management Authority
RGB	Rwanda Governance Board
RLDSF	Rwanda Local Development Support Fund
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
STEM	Science, Technology and Environmental Management
UNDP	United Nation Development Programme
VUP	Vision 2020 Umurenge Program

INTRODUCTION

The Rwanda Local Development Support Fund (RLDSF) was established by law n°41/2010 of 25/11/2010, merging the former Common Development Fund (CDF), Vision 2020 Umurenge Programme (VUP), HIMO program and UBUDEHE Program, and focused on local economic development and social protection.

The CDF was created in 2002 to facilitate the financing of districts, towns and Kigali city, as part of supporting the 2000 decentralization policy.¹ A key component of CDF was Local Economic Development (LED), which focuses on developing local economic, business and job opportunities to improve the local economy. RLDSF is a central level body responsible for coordinating and supporting the economic growth and poverty reduction of decentralized levels, and ensuring that these levels have the required skills and capacities to achieve sustainable development, as outlined in the Vision 2020 and Economic Development Poverty Reduction Strategy (EDPRS), further elaborated below.

In 2012, the Local Economic Development and Capacity Building Policy and Strategy was developed in order to facilitate the growth of district economies, and therefore improve the economic success of the country. In order to achieve the objectives set out in the Local Economic Development and Capacity Building Policy and Strategy, and the RLDSF Strategic Plan, an assessment of districts local economic development potentialities and strategies to achieve them was conducted. In particular, key innovative and home grown potentialities were identified as possible, and the main economic potentialities for accelerating growth towards achieving Vision 2020 targets are elaborated in this assessment.

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

The assessment had the following specific objectives:

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

The assessment included:

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

¹ CDF Strategic Plan 2009-2013, p. 9.

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

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

The report is divided into five chapters:

- Chapter 1 provides background to local economic development in Rwanda, including important definitions, the national policy framework and the institutional framework;
- Chapter 2 provides the methodology used for the assessment;
- Chapter 3 provides the economic analysis of the District
- Chapter 4 includes district LED potentialities assessments table, including identified potentialities and strategies.
- Chapter 5 provides the conclusion and recommendations in facilitating the achievement of district LED potentialities

LED 5 projects profiles for the district are included as appendices to this report.

1. BACKGROUND TO LED IN RWANDA

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

1.1. Local Economic Development

The International Labour Organization (ILO) defines LED as a **“participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling joint design and implementation of a common development strategy, by making use of the local resources and competitive advantage in a global context, with the final objective of creating decent jobs and stimulating local economic activity.”**²

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

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

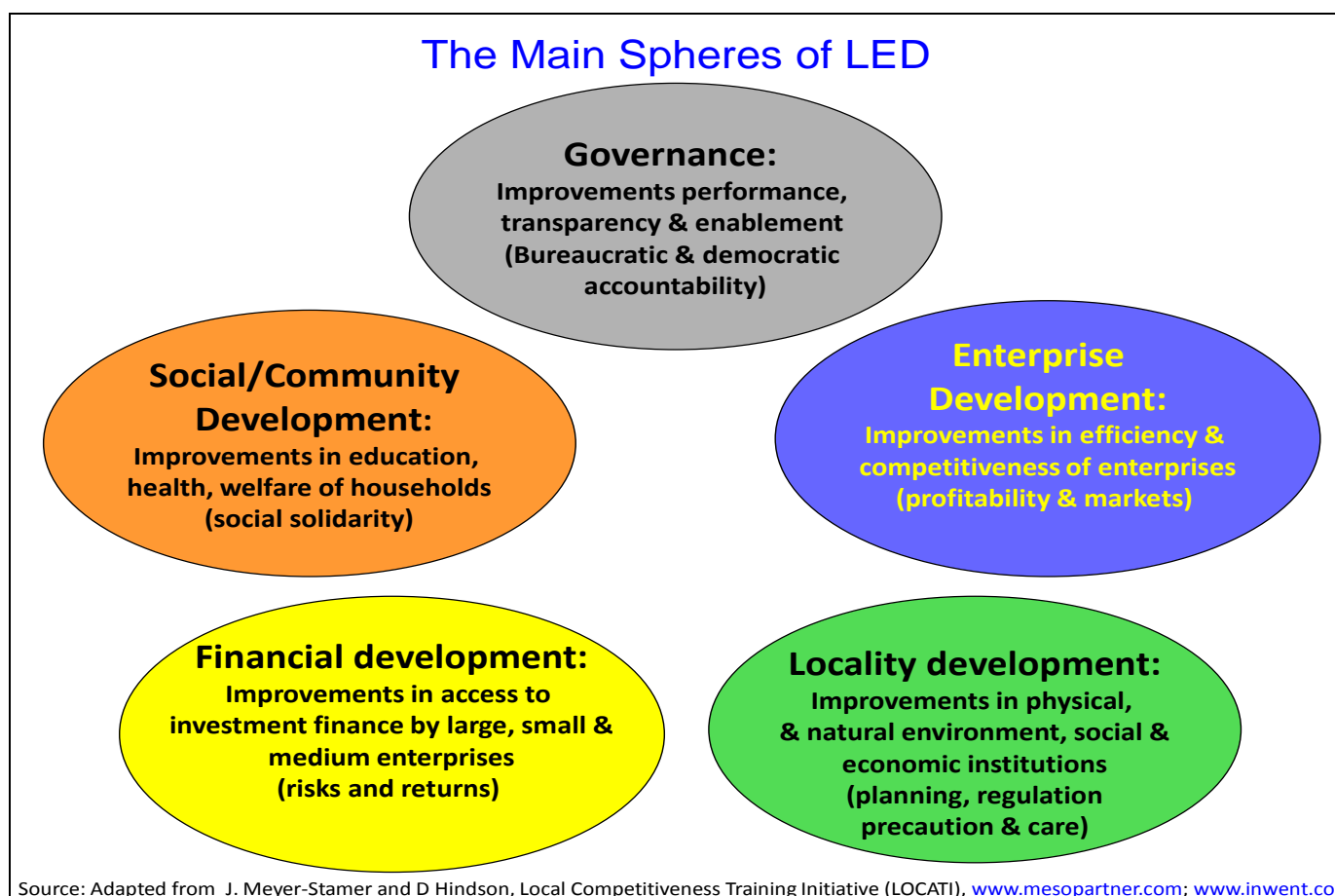
- the creation of jobs, new employment opportunities and reduction of youth unemployment to alleviate poverty;
- promoting economic transformation and reducing the population share in subsistence agriculture;
- increasing income levels, thereby enabling people to pay for services;
- broadening the tax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

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.

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

For the purposes of this assessment,⁴ the definition of local development focuses on achieving local ownership for improvement of socio-economic living conditions through a local economic development approach that includes building partnerships between public and private stakeholders and making use of local resources and competitive advantage for improved employment creation and economic growth will be used.

Figure 1: Spheres of Local Economic Development



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.

⁴ The assessment of the district local economic development potentialities refers to the analysis of the capacity of a district to produce goods and/or services.

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

1.2. National Policy Framework

Rwanda’s Local Economic Development goals are strongly aligned to international and national policies for sustainable development. Internationally, Rwanda has committed to achieving the **Millennium Development Goals**, focusing on poverty reduction through policies towards improving access to quality education and health care, reducing maternal mortality and infection rates of HIV/AIDS as well as increasing access to clean water and sanitation. Towards achieving the MDGs and implementing other international policies and strategies, including **NEPAD** and the **Paris Declaration**, the Government of Rwanda developed **Vision 2020**, which sets out the key goals for poverty reduction and economic development by 2020. Vision 2020 includes six pillars: *good governance and capable state, human resource development and knowledge based economy, private sector-led economy, infrastructure development, productive and market oriented agriculture, regional and international economic integration*.⁵

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

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

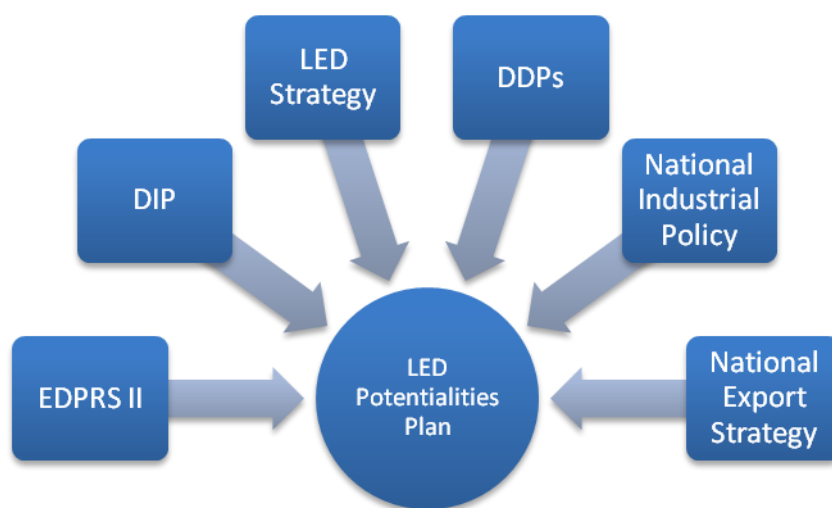
The main aim of EDPRS 2 is to ensure a better quality of life for all Rwandans. This will be achieved through rapid economic growth of 11.5% per annum and a reduction of poverty to less than 30%. EDPRS 2 is guided by the principles of innovation, emerging priorities, inclusiveness and engagement, district-led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

⁵MINECOFIN, Vision 2020, July 2000, p. 11.

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

The DIP draws its policy framework primarily from the **National Local Economic Development and Capacity Building Strategy and Action Plan**, which was published in March 2012, and provides the basis for the LED component of RLDSFs Strategic Plan. LED is a significant component of the DIP and is focused on supporting local governments to effectively develop their economies through IDP and community development approach, in order to stimulate local business growth, increase jobs and incomes, and raise tax revenues.⁶ 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

⁶ Rwanda Local Economic Development and Capacity Building Strategy, March 2012, p. 5.

that have been deemed feasible (such as Agro-processing). The medium term goal is to promote new sectors as they become feasible and the long-term goal to reduce support to successful sectors, shifting support to new sectors. A number of clusters have been identified:

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

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

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

In line with the NIP, Tourism, Tea and Coffee remain at the top. The valuation of potentialities has relied heavily on the scores given by the NES.

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

	Potential Export Contribution	Job Creation	Existing firms/coops	Market attractiveness	Skill base vs competitors	Transformation opportunities	Investor prospects	Score
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
<i>Weighting: 1= Very attractive, 5= very difficult</i>								

Source: National Export Strategy 2011 MINICOM

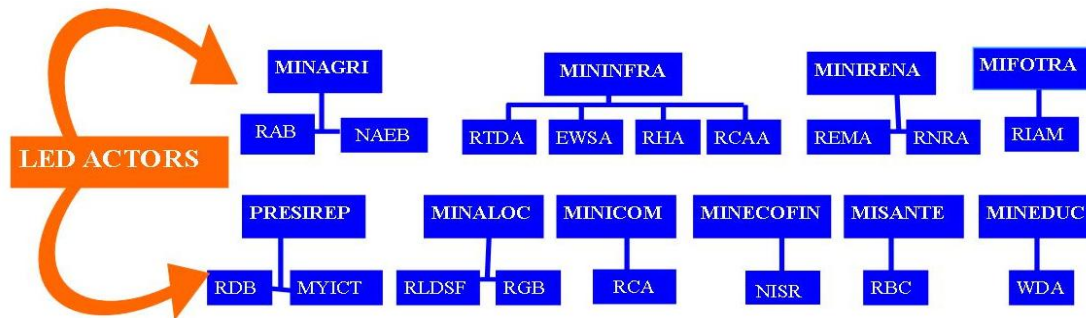
In sum, the short term strategy, nationwide, is to focus on Rwanda's existing comparative advantages. Notably, tea, coffee, tourism and mining.. Thus the assessment's findings are directly in line with national strategies.

1.3. 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 national roads, electricity, hospitals among others) remain national responsibilities. Under the Decentralisation Policy, local government plays a major role in development implementation. It is responsible for carrying out the programmes that flow from Vision 2020, including the EDPRS and its flagships. Local government is thus a major provider of infrastructure and associated social and economic services. These represent important parts of local development and the environment for business within the LED process.

The ministries responsible for local government (MINALOC) and finance and economic planning (MINECOFIN) are of key importance to LED. Under MINALOC lies the Rwanda Governance Board (RGB), which is responsible for promoting decentralized governance and the Rwanda Local Development Support Fund (RLDSF which provides grants to local government to support the implementation of the LED and Social Protection Programmes (VUP). These grants are used for investment in social and economic infrastructure and services and the provision of certain subsidized inputs to poor households and cooperatives, such as seeds, fertilizer and livestock. The RGB is important for LED promotion because it oversees the governance conditions that support economic development (good governance, efficient service delivery, transparency and enablement). The RLDSF is important for LED promotion because it provides capital grants that are used to improve the environment for business activity (improved economic infrastructure and associated services) and to provide direct support to producers in the form of subsidized inputs. A great deal of other actors works in the field of LED including RDB, MINICOM, RAB, NAEB among others. This chart simply serves as an example of the myriad of LED actors.

Figure 3: Major LED Actors in Rwanda

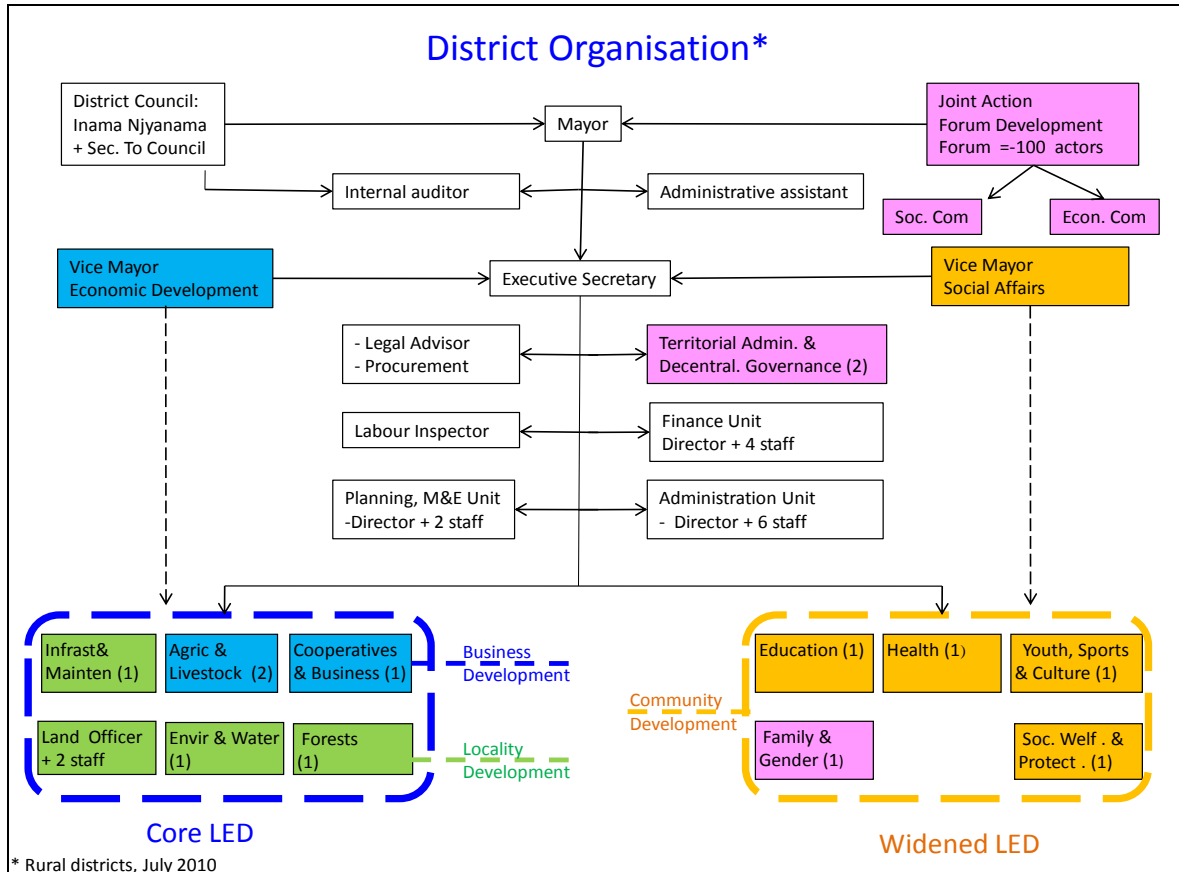


The wide spectrum of LED necessitates a variety of institutional interactions. LED is affected by education, agriculture, infrastructure, employment and a host of other factors. As a result, transparent and efficient modes of cooperation are necessary to sustain the LED process. In addition to coordination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

At the District level, a hierarchy of actors exists to manage the various sectors of LED. Figure 5 provides an overview of the institutional relationship across the spectrum of Local Government. The Vice Mayor of Finance and Economic Development oversees the majority of LED work pertaining to business, as the chart illustrates. Nonetheless, given the multi-sectoral nature of LED, the Vice Mayor for Social Affairs is likewise of key importance. The Joint Action

Development Forum (JADF) provides a large governance forum for a diversity of District-level actors. The JADF is limited to providing broad policy direction, as its size proves too unwieldy for specific policy prescriptions. As a result, the JADF’s sub-committees provide specialized policy guidance needed for LED promotion and useful framework for integration and coordination of actions.

Figure 4: District Institutional Framework



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

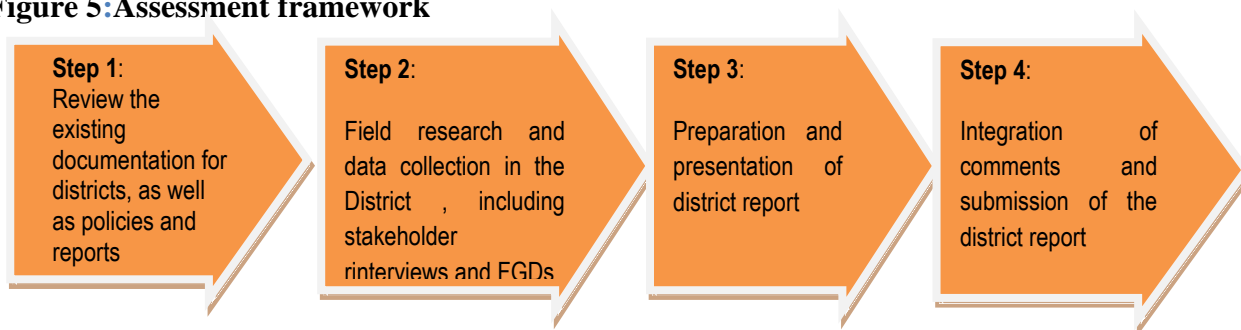
All actors, both at central and decentralized levels, must be committed to achieving local economic development and must be engaged in strategies to achieve the identified potentialities in order to achieve successful local economic growth and sustainable development.

2. METHODOLOGY

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

The assessment was carried out through the following as shown by figure 5 below :

Figure 5: Assessment framework



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

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

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

District participants in the assessment included those with specific information about LED potentialities and the implementation of LED programmes, including District Councillors and Managers, Sector Executive Secretaries and officials responsible for LED in the Departments of (a) Economic Development (b) Finance, (c) Agriculture & Rural Development, and (d) Local

Government & Administrative Affairs. These stakeholders were engaged through key informant interviews and focus group discussions.

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

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

2.1. Document review

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

Documents reviewed included:

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

as Strategic Plans and Annual Reports from MIFOTRA, MINAGRI, RDB, MINISANTE, MINALOC, REMA, MININFRA.

- District economic data from NISR, EICV3 and DHS 2010.
- Available EDPRS 2 Sector reports and information, including EDPRSI Lessons Learned and the draft of EDPRS 2

2.2. Interviews with key stakeholders

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

2.3. District potentiality identification and site visits

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

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

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

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

2.4. Participatory district workshops/focus group discussions

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

elaborated district potentialities and strategies to pursue them. Participants in the focus group discussions are presented in Appendix 4.

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

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

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

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

Table 2: Prioritized 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

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

Table 3:Key Criteria for Feasibility or Comparative Advantage

Domain	Key Criteria for Feasibility or Comparative Advantage
Agribusiness	<ul style="list-style-type: none"> • 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

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

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

To ensure ownership of the economic potentialities proposed, a workshop to present initial findings of the district analysis was held with key stakeholders, including District Councilors, on the last day of the field research in each district. These workshops assisted in finalizing the findings of the assessment and enabled the inclusion of other analysis or strategies as raised by participants.

2.6. Report drafting and compilation of findings

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

3. ECONOMIC ANALYSIS OF THE DISTRICT

3.1. Geography and Demographics

Ngoma District is one of seven districts that make up the Eastern Province. It is bounded on the North-West by Rwamagana district, north east by the district Kayonza west by Bugesera District, to the east by the Kirehe district, to the south by the republic of Burundi. It has an area of 737.92 km², with a population of 340,983 inhabitants; the density is 390 inhabitants/sq km.⁷

Table 4: Population, size, density and poverty rate

Demographic Indicators	Ngoma
Population	340,983
Population Density	372p./km²
Poverty Rate	48%

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

Ngoma District is part of the lowlands in the east, with gently sloping hills releasing flat-bottomed valley sand often marshy. The average altitude is between 1400 and 1700m. The climate is temperate lowland with an average temperature of 20 °C. Precipitation is 110mm per year.

3.2. Infrastructure

Ngoma district has 200 km of roads linking the different offices of sectors. A rich road network links cells and villages. Ngoma district is geographically located in infrastructure projects zone: the railway line pass through the Ngoma district, by Bugesera to its terminus. It is also expected to asphalt the road KIBUNGO-SAKE-BUGESERA-NYANZA.

Table 5: Infrastructure potential

Indicators	Ngoma	Rwanda
Population less than 20 minutes from all-weather road	98.5%	79.3%
Mobile phone ownership	45.0%	45.2%
Electricity as main light source	3.4%	10.8%
Access to improved water source	67.6%	82%

Source: ECIV 3, NISR, 2011.

⁷NISR, Provisional results, 2012 population and housing census.

3.3. Agriculture

The main agricultural products are cassava, sweet potatoes, peanuts, beans and corn. The arable land was in the season 2011 A was 31,071 ha in the 2011 season B was of 32,012 ha. Although soils are poor and many are acidic, the percentage use of organic and chemical fertilizers is below the national average.

Table 6: Production of main crops 2011, season A + B

MT Produced (2011 Seasons A+B)	Maize	Beans	Irish Potatoes	Fruit/Veg	Rice
Ngoma	18,079	11,053	9,975	10,977	3,216
Rwanda	19,059	12,057	80,165	19,597	2,929

Source: ECIV 3, NISR, 2011

The relatively low rate of adoption of chemical fertilizer and improved seeds, the staple production remains well under the national average.

Table 7: Percentage of agricultural household purchasing input

Input use (%)	Organic Fertilizer	Improved seeds	Chemical Fertilizer	Pesticides
Ngoma	4.9	10.3	22.9	28.0
Rwanda	9.7	19.5	30	31.2

Source: ECIV 3, NISR, 2011

3.4. Livestock

68% of all households in Rwanda own some type of livestock. A considerable increase in Ngoma District where 69.9% of all households own some type of livestock. This shows that Ngoma District is slightly above the national average in terms of households raising livestock.

Table 8: Percentage of household raising livestock by type

EICV3	% of HHs raising livestock	% of HHs raising livestock, by type							No. of HHs raising livestock (000s)
		Cattle	Sheep	Goats	Pigs	Rabbits	Chickens	Other livestock and poultry	
Ngoma	69.9	40.1	1.5	61.1	32.1	11.9	62.4	6.4	54
All Rwanda	68.2	47.3	15.7	53	24.1	22.9	45.5	10.2	1,536

Source: EICV₃, NISR 2011

In the development of agriculture and animal husbandry, the District of Ngoma can count on existing partnership with various stakeholders including MINAGRI, MINIRENA, MINALOC,

MININFRA, MINICOM, RLDSF, HIMO, TIG, NAEB, PRICE, RAB, MIFOTRA, REMA, BTC, PAPSTA, CARITAS and Local cooperatives in inputs distribution and harvest handling.

3.5. Land

Ngoma district is the first in the country to have its inhabitants grouped in villages with the advantages of group farmland, giving a population the necessary infrastructure such as water, electricity, schools and hospitals. All these 3 points and others can be considered potential or opportunities that generate or will generate jobs or other financial benefits.

Table 9: Land size and protection against soil erosion

Land	0-0.1ha	0.1-.01.9 ha	0.2-0.49ha	0.5-0.99ha	1-1.99ha	2-5ha
Ngoma	9.9%	23.0%	28.6%	17.3%	14.0%	6.2%
Rwanda	15,6	18,9	25,7	21,6	13,4	4,4

Source: ECIV 3, NISR, 2011

3.6. Employment

Found in the district 99 private institutions with 679 paid workers, 167 district officers and 105 officers of public institutions. The teaching staff is 1294, the medical staff of 110 agents

There is a lack of income generating projects despite the strong presence of active people. This is caused mainly by limited financial resources, the lack of initiatives for entrepreneurship but also the difficult access to bank loans due to lack of warranty

Table 10: Economic activity rate and sector of employment

Indicator (%)	Ngoma	Rwanda
Public	14.7	9.1
Parastatal	1.2	3.4
Private Formal	9.0	16.2
Private informal	75.1	69.5

Source: EICV₃, NISR 2011.

3.7. Education

In Kibungo City, there are currently three colleges (INATEK, NURSING, and MASTER OPEN UNIVERSITY OF TANZANIA (and soon a Higher Institute of Technology) that have an enrollment of over 7000 students. This is a great opportunity for the KibungoCity because there will be new jobs in several sectors such as: accommodation.

Table 11: Literacy and education level

Education	Ngoma	Rwanda	
		M	F
Literacy (15+)	84.5%	64.7%	75.7%
Secondary School Attained	37.9%	42.3%	39.5%
Net Secondary School enrolment	19.5%	21.6%	23.7%

Source: EICV₃, NISR 2011.

3.8. Finance

Financial institutions existing in the district are: FINA BANK, BK, BPR s.a, CSS Zigama, UOB, Umurenge Sacco, Umwarimu SACCO, RIM. Only 37.8 % of the people have access to bank accounts.

Table 12: Percentage of people with access to bank account

Finance	Ngoma
Umurenge SACCOs	14
Commercial Bank Branches	5
Access to savings (formal)	37.8 (%)

Source: EICV₃, NISR 2011.

3.9. Commerce & Industry

In the development of trade, the District has 14 commercial centres that are not yet developed due to constraints related to basic infrastructure such as electricity and water. It should be noted that only 4 business centres (Karembo, Remera, Kibungo and Gafunzo) on 14 are connected to national grid electricity network. Kibungo, Karembo, Mugesera, Mutenderi, Sake and Jarama sectors each have commercial activities centres with a modern market

With regard to industry, the district counts 1 sunflower processing unit and 4 coffee-washing stations.

Table 13 : Private companies by major sectors

Indicator	Ngoma	Rwanda
Number of private companies	1.667	118,716
Wholesale and retail trade, repair of motorvehicles and motors	1.667	64,620
Accomodation and food service activities	1.300	33,281
Other service activities	197	6,433
Professional, scientific and technical activities	109	5,503
Manufacturing	113	4,548
Financial and insurance activities	27	932
Administrative and support service activities	36	733
Agriculture, forestry and fishing	14	663
All other (ICT, education, transportation, electrivity, construction, etc.)	40	2,003

Source: Establishment Census, NISR, 2011

3.10. Tourism

Touristic sites are identified but not yet developed. There are 2 projects of construction of tourist complexes on the Sake Lake and the Birira Lake. There are also 6 guest houses namely: Umbrella, Saint-Joseph, Sun Set, Garden of Rest and EER Green house.

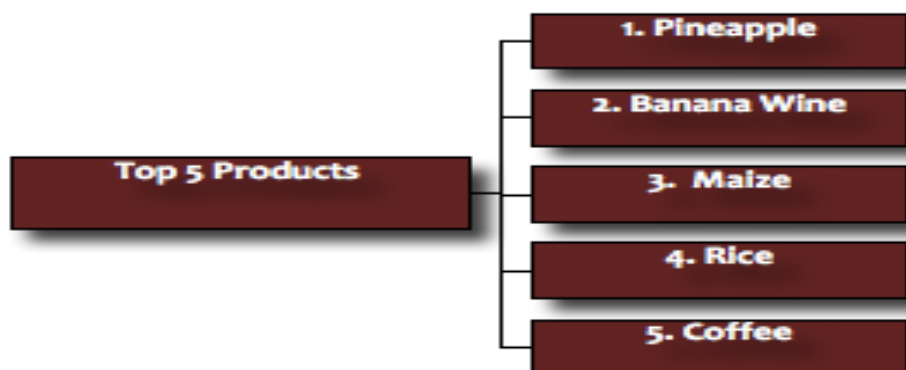
4. POTENTIALITIES ASSESSMENT AND STRATEGIES

4.1. Potentialities

Ngoma potentialities' are focused on agribusiness. If developed these potentialities will support SMEs Product cluster in Rwanda as identified by MINICOM (2012) for the district as shown in the figure below

As is the case throughout the Eastern Province, Ngoma's potentialities and products are linked to agribusiness. Ngoma has a comparative advantage in Rice production, but an under-average use of improved inputs. Likewise, access to all-weather roads is considerably higher than the national average, which bodes well for the development of agro-processing facilities. Tourism offers limited, if any potentialities for future development.

Figure 6: Top five products for Ngoma District



Source: SMEs product clusters, MINICOM 2011

Table 14: District potentialities

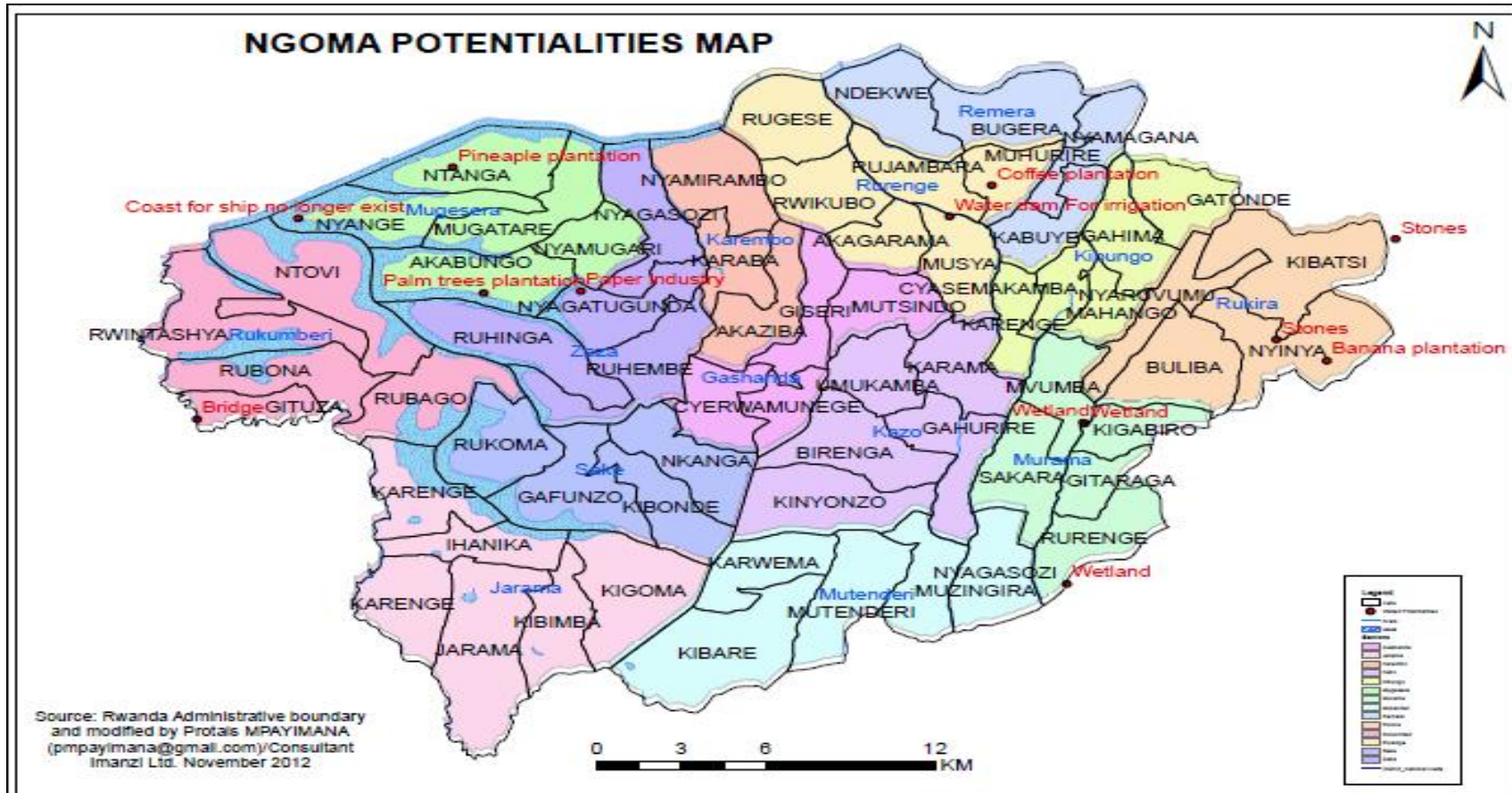
Potentiality	Area/Product	Strategy	Potential Returns	Feasibility/Capacity	Skills needed	Sectors
1. HIGH SOIL FERTILITY	Agribusiness					
	Horticulture: Bananas and Pineapples	<ul style="list-style-type: none"> - Provide improved inputs to producers - Encourage the development of producer cooperatives - Develop hillside irrigation near lakes 	<ul style="list-style-type: none"> - Labor intensive job creation - High national demand 	<ul style="list-style-type: none"> - Climate suitable to bananas and pineapple - Below-average use of improved inputs - Presence of INATEK offers skilled labor base 	<ul style="list-style-type: none"> Agriculture Technology -Agriculture mechanization - Land reclamation 	All Sectors
	Staple crops: Rice and Maize	<ul style="list-style-type: none"> - Develop hillside irrigation near lakes - Expand cultivation of marshlands - Develop a rice processing unit - Develop partnership with INATEK - Provide improved inputs to producer cooperatives 	<ul style="list-style-type: none"> - Labor intensive job creation - High national demand - Rice processing will add value to local production 	<ul style="list-style-type: none"> - District agronomists well versed in staple production - Lakes offer cost-effective irrigation - Below-average use of improved inputs - Comparative advantage in rice production 	<ul style="list-style-type: none"> -Agriculture Technology - Agriculture mechanization - Land reclamation 	All sectors

	Coffee	<ul style="list-style-type: none"> - Provide technical assistance to producer cooperatives - Rehabilitate existing washing stations and build new stations where appropriate 	<ul style="list-style-type: none"> - Labor intensive job creation - Additional stations will increase Ngoma’s capacity to export coffee and add value to production 	<ul style="list-style-type: none"> - Ngoma is already tied to international coffee value chain - 4 stations already active 	<ul style="list-style-type: none"> -Agriculture Technology - Agriculture mechanization - Land reclamation 	All sectors
2. SUITABLE LAND FOR PALM OIL PRODUCTION	Palm Oil	<ul style="list-style-type: none"> - Develop palm oil production around the district’s 3 major lakes - Feasibility study of a palm oil factory and other derivatives 	<ul style="list-style-type: none"> - Labor-intensive job creation - Producer earnings and tax revenues would increase, given high national and regional demand for palm oil. 	<ul style="list-style-type: none"> - Only Rukumberi is producing commercial quantities of palm oil - Transport infrastructure is above national average 	<ul style="list-style-type: none"> -Agriculture Technology - Food processing -Coffee value addition -Business logistics 	Sake, Mugesera and Rukumberi
3.LAKES FOR FISH FARMING	Increase Fish production	<ul style="list-style-type: none"> - Provide technical support to fish farming cooperatives 	<ul style="list-style-type: none"> - Current production is 2000 tons per year, but could rise sustainably to 20,000MT if lakes were fully exploited 	<ul style="list-style-type: none"> - Local population experienced in fish farming 	<ul style="list-style-type: none"> - Modern pisciculture technology -cooperatives management 	Mugesera, sake and Rukumberi

5.LARGE MARSHLANDS	Promote rice and horticulture production	<ul style="list-style-type: none"> - Increase the area of arable marshlands - Creation of cooperatives for marshlands exploitation - Building a post-harvest and storage facilities 	<ul style="list-style-type: none"> - Increase yield of rice and other vegetables - Increase income - Economic transformation 	<ul style="list-style-type: none"> - Availability of low or non exploited marshlands which are suitable for rice and other vegetables 	<ul style="list-style-type: none"> - Agriculture Technology - Agriculture mechanization - Landreclamation 	<ul style="list-style-type: none"> - Mugesera, Sake Rukumberi
6.ABUNDANCE OF PAPYRUS	Industry Papyrus products	<ul style="list-style-type: none"> - Rehabilitation of Zaza paper factory - Attract investors 	<ul style="list-style-type: none"> - Off-farm Job creation - High demand for paper products 	<ul style="list-style-type: none"> - Existence of a paper factory in Zaza sector since 1994. - Lack of processing skills 	<ul style="list-style-type: none"> - Paper processing technology 	<ul style="list-style-type: none"> - Mugesera, Zaza, Sake ,Rukumberi , Gahara, Mutenderi.
7.TOURISTIC SITES	Promote tourism	<p>To rehabilitate Ngoma-Nyanza road via Sake Bugesera,.</p> <p>Train workers in tourism services</p>	<ul style="list-style-type: none"> - Off-farm Job creation -Proximity to the new airport, this will promote the touristic activities near those lakes 	<p>Promote tourism</p>	<ul style="list-style-type: none"> - Tourism related knowledge 	<p>All sectors</p>

<p>8.LAKES FOR WATER TRANSPORT</p>	<p>Promote transport on lakes</p>	<p>-Develop in land water transport on lakes Mugesera, Birara and Sake -Train technicians in inland water transport</p>	<p>-promotion of water transport in those three sectors and to other destinations</p>	<p>Promote transport on lakes</p>	<p>- Construction for port infrastructure -Maintenance of vassals equipment</p>	
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Figure 7: Map Of District Key Potentialities Visited Sites



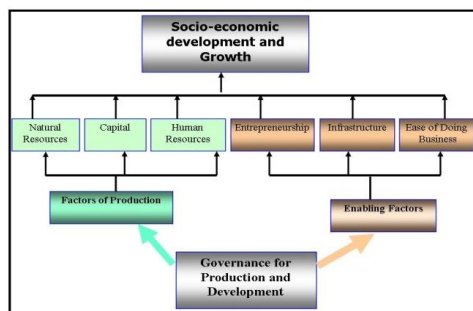
4.2. Existing Strategies

- Grouping of farmers into professional cooperatives according to the types of crops
- Radical and progressive terracing with use of agricultural inputs
- Introduction of mechanization in agriculture
- Installation of agro-processing units
- Raising awareness in irrigation system
- Development of storage systems
- Facilitate the population in transporting of agricultural products from the fields
- Construction of a milk collection infrastructure and development of dairy units
- Organization and capacity building of artisans
- Craft products diversification and market
- Promotion of wood technology in rural areas
- Identification of mineral resources and development of professional mining by specialized companies
- Rehabilitation of Lakes Mugesera, Bilira and Sake shores

4.3. Proposed Strategies

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

Figure 8: Governance for Production and Development of Potentialities



Source: Adapted from 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 the development of factors enabling development like ICT, Infrastructure, TVET and entrepreneurship.

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

4.3.1. Land Use Management

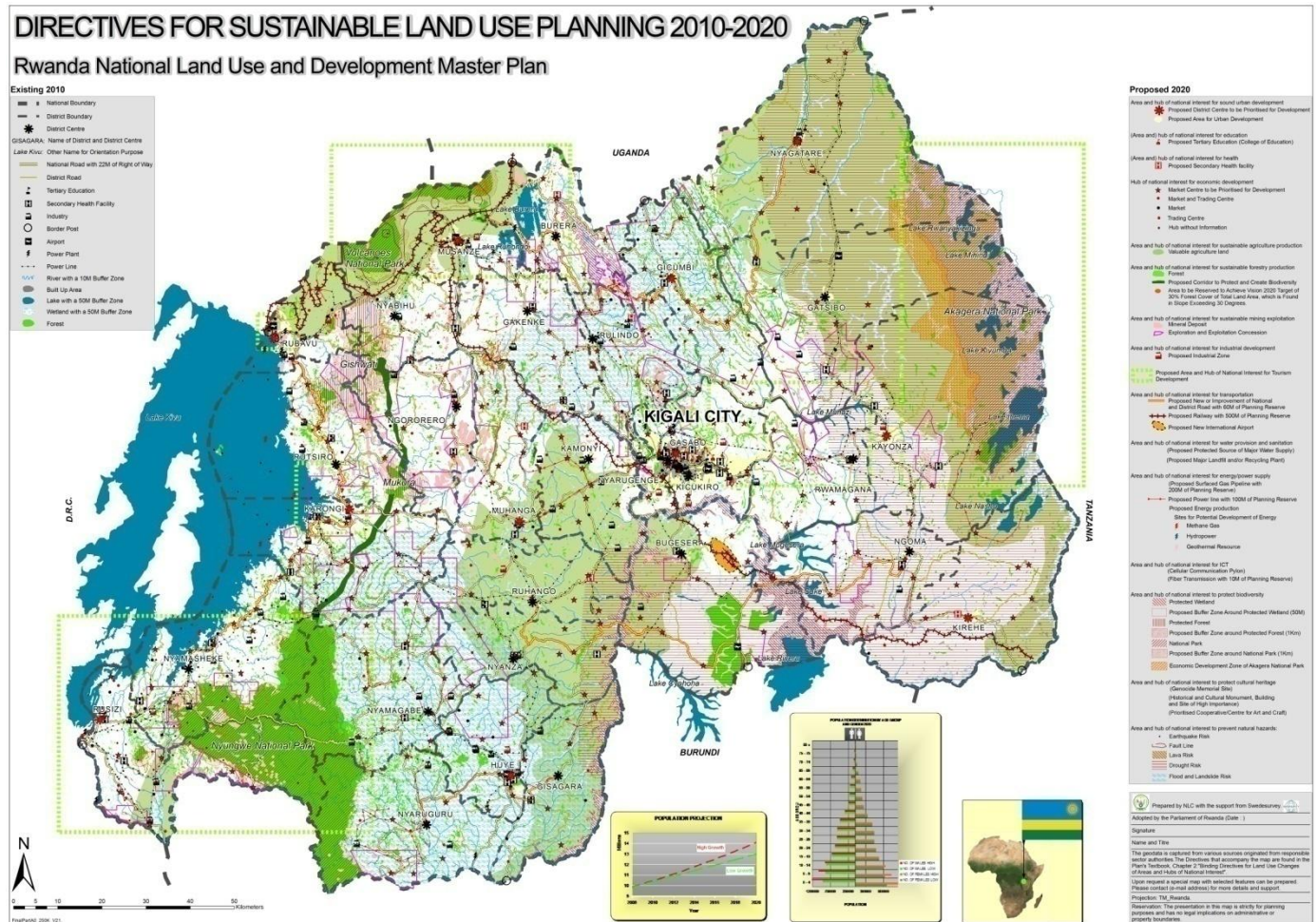
(1.1) Organisation of land is of vital importance. Land use management is a fundamental tool in development according to Vision 2020. As Rwanda is characterised by acute land shortage, land use and development planning is of vital importance to ensure land use and development planning ensures optimal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

Priorities in the area of land management include strengthening of land institutions, land registration mechanisms and land use planning, through a land use and management master plan. rights to land and other properties will be recognised and strengthened, regardless of their civil status, that is, whether they are single, married, divorced or widowed.

The use of fertilizers and other input will help districts to maximize the yields in agriculture.

Grouped settlement is one of the main strategies in efficient use of land and facilitate the rapid delivering of services and infrastructure.

Figure 9: Directives for sustainable land use planning



Source: NLUDMP of MINIRENA, 2010

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

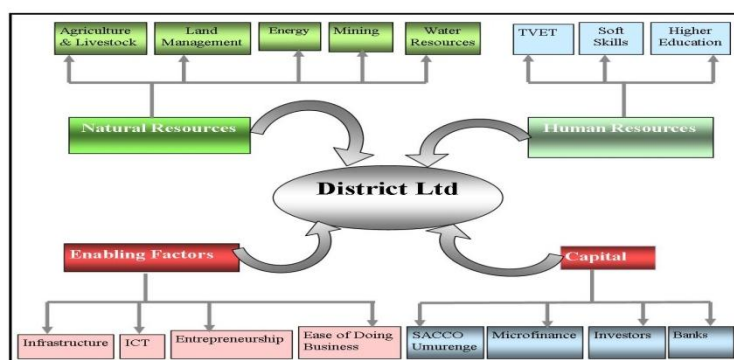
- most precise possible assessment of needs in building plots;
- exhaustive inventory of public land reserves;
- systematic census and monitoring of any building plots allocated but not developed within required deadlines and their reallocation; and,
- strictest collection of rent on land and establishment of some penalty tax system in order to incite people to develop their building plots.

4.3.2. District management as a company

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

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

Figure 10: Production and Development of Potentialities at District Level



Source: IMANZI Consultancy Team elaboration on basis of RGAC, 201

The comparative advantage is focused on the principle that one district is more rich in natural resources than others while another is more rich in human resources or physical capital. This should determine which kind of Potentiality is to be developed according to the combination of factors of production⁸.

4.3.3. Other Strategies

- Strengthen the capacity of cooperatives
- Rehabilitation/construction and regular maintenance of feeder roads
- Promotion of non-agricultural activities
- Introduce guaranty fund for small business operators
- Increase and strengthen TVET schools for skills development.

⁸ Governance for Production and Development, RGAC 2010

4.4. Roles and responsibilities of stakeholders

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

MINAGRI

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

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

In relation to the identified potentialities, MIFOTRA plays an important role in supporting the development of labour regulations for specific sectors, including the mining sector, and supporting effective labour standards for informal sectors, such as cross-border trade. Promoting district capacity for LED and effective planning is also an

important area of intervention for MIFOTRA, as is the promotion of SMEs as this increases available employment opportunities and creates jobs.

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.

ROLE FOR RLDSF

- Support the district in promoting private initiatives
- Connect the district to mineral investors and build the capacity of local investors.
- Support the district to build the capacity of its businesswomen
- Help the district to put in place a technical school of mines and geology

5. CONCLUSION AND RECOMMENDATIONS

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.

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

Rwanda has a positive regulatory environment that can attract and encourage businesses and therefore increase national and decentralized economic growth. The next step is to capitalize on this positive policy environment by turning districts into places with the right infrastructure and human resources to create positive business environments. The LED potentialities and strategies identified in this assessment will support the country and all districts to capitalize on already existing and new potentialities. RLDSF, Districts and key stakeholders must work together and coordinate well to ensure that the country moves synergic ally towards improving economic growth, as part of sustainable development.

APPENDICES

APPENDIX 1: District Potentialities Projects

Name of the initiative/project:	Palm Oil production and processing
Location:	Ngoma District Sake, Mugesera, and Rukumberi Sectors
Economic sector:	Agribusiness and industry
Type of good/s produced and/or service/s provided:	Palm Oil
Brief description of the economic potential of the initiative:	The soil in Ngoma is highly favorable for growing oil palms. Correctly exploiting palm oil could create a new large-scale industrial crop for export. Palm Oil residue can be used in other products like cosmetics. Developing processing unit to manufacture palm oil could result in economic gains by meeting local demand.

Name of the initiative/project:	Lake Fish Farms
Location:	Ngoma District Sake, Mugesera, and Rukumberi Sectors
Economic sector:	Animal Husbandry and Agribusiness
Type of good/s produced and/or service/s provided:	Fish
Brief description of the economic potential of the initiative:	Local population is experienced in fish farming. Although current production is 2000 tons per year, according to experts it could reach 20,000 tons

Name of the initiative/project:	Papyrus Production
Location:	Mugesera, Zaza, Sake ,Rukumberi, Gahara, Mutenderi.
Economic sector:	Industry
Type of good/s produced and/or service/s provided:	Papyrus
Brief description of the economic potential of the initiative:	Developing a pulping unit to manufacture papyrus could result in economic gains by meeting local demand.

Name of the initiative/project:	Improved Rice Production
Location:	Ngoma District Mugesera, Sake and Rukumberi Sectors
Economic sector:	Agriculture
Type of good/s produced and/or service/s provided:	Rice production increased through fertilization and pesticide inputs
Brief description of the economic potential of the initiative:	Ngoma has major comparative advantage in Rice, including the presence of skilled technicians and large marshlands.

Name of the initiative/project:	Improved Maize Production
Location:	Ngoma District All sectors
Economic sector:	Agriculture
Type of good/s produced and/or service/s provided:	Maize production increased through hillside irrigation and mechanization and promotion of community storage
Brief description of the economic potential of the initiative:	Ngoma has major comparative advantage in Maize, including the presence of skilled technicians. Hillside irrigation and mechanization can increase yields

APPENDIX 2: GEOGRAPHICAL DATA

ID	X	Y	Z	Sector	Cell	Village	Potentiality_item
1	540054	9768293	1407	Mugesera	Ntanga	Rugaju	Pineapple plantation
2	534573	9765860	1338	Mugesera	Nyange	Nunga	Coast for ship no longer exist
3	541150	9762309	1347	Mugesera	Akabungo	Akabingo + Rurenge	Palm trees plantation
4	544585	9762397	1365	Zaza	Nyagatugunda	Kirira	Paper industry
5	530964	9756308	1339	Rukumberi	Gituza	Mfunu	Bridge
6	571066	9759100	1586	Rukira	Nyinya	Ruhama	Banana plantation
7	569274	9760107	1507	Rukira	Nyinya	Cyabayagara	Stones
8	573499	9764878	1840	Rukira	Kibatsi	Gituku	Stones
9	557670	9765950	1377	Rurenge	Rujambara	Kamugunda + Kabeza	Water dam For irrigation
10	559173	9767433		Rurenge	Muhurire	Gisunzu	Coffee plantation
11	562423	9756161	1353	Murama	Rurenge		Wetland
12	562482	9756116	1351	Murama	Rurenge		Wetland
13	561807	974842	1333	Murama	Rurenge	Gasibya	Wetland
14	561844	9748498	1343	Murama	Rurenge	Gasibya	Wetland