REPUBLIC OF RWANDA

MINISTRY OF TRADE AND INDUSTRY

RWANDA HANDCRAFT STRATEGIC PLAN

FIVE YEARS (2009-2013)

Kigali, January 2009

FOREWORD

The Rwandan handcraft sector was developed sporadically. But unfortunately up to date most handcraftsmen/women work in a jumbled manner, mostly operating in the informal sector. Currently, the sector receives support services from government agencies and ministries, NGOs, professional organizations and commercial companies. Key stakeholders in the handcraft sector include: MINICOM, MINALOC, Rwanda Development Board (RDB), Private Sector Federation, PPPMER II, GTZ, Producers, Traders and Exporters.

The National craft industry promotion policy established by MINICOM in March 2006 presents the current situation of the sector, its strengths and weaknesses as well as its foreseeable evolution. The weaknesses in the Rwanda craft sector are related to the absence of a formal structure in charge of supervision and lack of a clear strategy to guide and coordinate the activities of the different stakeholders. The sector is plagued by problems which include but are not limited to;

- Absence of a comprehensive strategy to guide the various stakeholders.
- Lack of coordination among stakeholders.
- Poorly defined roles and responsibilities for the various stakeholders.
- Lack of clear description of potential sub-sectors.
- Little understanding of the importance of quality control & standardization.
- Little understanding of foreign markets entry strategies.

The Ministry of Trade and Industry in collaboration with RIEPA and other key players in Handcraft sector, after analyzing the absence of Handcraft Promotion strategic plan which could guide all the stakeholders in the sector decided to develop a well established five year strategic plan that will facilitate in implementation of government policies. They had to recruit a consultancy firm, Wise Consult and Associates, to elaborate an integrated five year (2009-2013) strategic plan in line other government policies.

The objectives of the consultancy were ably outlined as follows;

1. To create a clear mission, vision, objectives, measures, targets and initiatives for the various stakeholders.
2. To draft yearly action plans for all stakeholders with built-in mechanisms for monitoring reviewing and evaluation progress.
3. To clearly define stakeholders roles and responsibilities in the implementation of the strategic plan.
4. To create a structure that will ensure smooth coordination and evaluation of all stakeholders' activities.
5. To identify opportunities and constraints in the different sub-sectors of the Rwandan Handcraft sector.

TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND ACRONYMS

ACDI/VOCA	:	Agricultural Cooperative Development International
ADRA	:	Adventist Development and Relief Agency
AGOA	:	American Growth and Opportunities Act
ATAG	:	Aid to Artisan Ghana
BE	:	Belgium
BRD	:	Banque Rwandaise de Développement
CA	:	Canada
CAMERWA	:	Centrale d'Achat des Médicaments Essentiels du Rwanda
CAPLAKI	:	Co-operatives d'Artistes Plasticiens de Kigali
COMESA	:	Common Market for East and Southern Africa
CSOs	:	Civil Society Organizations
DBE	:	Disadvantaged Business Enterprise
DC	:	District of Columbia
DP	:	Development Partners
EDPRS	:	Economic Development and Poverty Reduction
EPCH	:	Export Promotion Council for Handcrafts
HPC	:	Handcraft Production Center
ESA	:	East and Southern Africa
EUR	:	Euro
EXIM	:	Export and Import
FECAU	:	Fédération de Collectifs Artisans d' Umutara
FECOMEGI	:	Fédération de Métiers de Gisenyi
FR	:	France
GDP	:	Gross Domestic Product
GEPC	:	Ghana Export Promotion Council
GSP	:	Generalized System of Preferences
GTZ	:	Gesellschaft für Technische Zusammenarbeit
HCC	:	Handcraft Coordination Committee
ICT	:	Information and Communication Technology
ILO	:	International Labor Organization
IT	:	Italy
KIST	:	Kigali Institute of Science and Technology
MIGEPROF	:	Ministry of Gender and Family Promotion
MINAGRI	:	Ministry of Agriculture and Animal Husbandry
MINALOC	:	Ministry of Local Government
MINICOM	:	Ministry of Trade and Industry
MSME	:	Micro, Small & Medium Enterprises
NAHE	:	National Association of Handcraft Exporters
NGOs	:	Non-Governmental Organizations
NISR	:	National Institute of Statistics of Rwanda
NUR	:	National University of Rwanda

OCIR	:	Office de Café du Rwanda
PNA	:	Akagera National Park
PNN	:	Nyungwe National Park
PPPMER II	:	Projet pour la Promotion des Petites et Micro Entreprises Rurales / Rural Small and Micro Enterprises Promotion Project - RSMEPP
PSF	:	Private Sector Federation
SOPIRWA	:	Société des Pyrèthres au Rwanda
RDB	:	Rwanda Development Board
SP	:	Strategic Plan
SWOT	:	Strengths, Weaknesses, Opportunities and Threats
UK	:	United Kingdom
US	:	United States
USA	:	United States of America
USAID	:	United States Agency for International Development
ZEF	:	Free Economic Zones

LIST OF FIGURES

LIST OF TABLES

EXECUTIVE SUMMARY

This strategic plan was conceived in the background of the high potential in the handcraft industry. The Ministry of Trade & Industry through RDB (former RIEPA) commissioned Wise Consult & Associates to carry out an in-depth desk and field analysis of the handcraft sector in Rwanda in order to come up with a Strategic Plan that would guide the industry in the next five years 2009-2013. The assignment commenced in January 2008 with the consultant visiting the production centers for handcraft dotted all over the country as well as carrying out weekly consultation meetings with the Handcraft Coordinating Committee in RDB. The Coordinating Committee comprised of MINICOM, RDB, PSF, PPPMER II and Rwanda Co-operatives Agency.

A situation analysis of the Handcraft sector was carried out and it is evident that, according to MINICOM, there are about 420 associations comprising 7,113 organized craftsmen-members. According to estimates, 100,000 people might have fulltime jobs against 850,000 who have part-time jobs out of the total population of more than 8.2 million (2002 census).

The vision of the handicraft sector is: "Mainstreaming the Handicraft sector into Rwanda's national economy with a view of promoting exports, employment and wealth creation"

The following priority strategic areas were identified for strategic interventions;

- Priority Strategic Area 1: Enhancement of Production Capacity.
- Priority Strategic Area 2: Capacity building.
- Priority Strategic Area 3: Trade Facilitation.
- Priority Strategic Area 4: Export Marketing Strategy.
- Priority Strategic Area 5: Coordination of the Handcraft Sector.
- Priority Strategic Area 6: Accountability

The Implementation Plan is flexible and designed to accommodate new initiatives in response to changing enabling environment. An institutional framework involving Micro, Small and Medium-Scale Producers, Producer/exporter, local government, MINICOM, RDB, PSF, MINALOC, NGOs, CSOs etc has been identified and assigned key roles in the implementation.

The proposed budget for the 5 years plan is US $ 4,705,000 (Four Million, Seven hundred and five thousand US Dollars).

The strategy will be subjected to quarterly monitoring, mid-term and annual review based on the realities of the national economy and the changing global economic circumstances.

CHAPTER 1: INTRODUCTION

1.0 Overview

Handcrafts, crafts or craft products are synonyms for Artisan Products, which is a component of Creative Industries. Creative Industries derive their origins from individual creativity, skill and talent that have a potential for job and wealth creation through the generation and exploitation of the individual's intellectual property. Creative Industries encompass the following segments;

i) Artisan Products
ii) Visual Arts
iii) Performing Arts
iv) Cinema and Audiovisual Media
v) Multimedia, and,
vi) Literature, Books and Publishing.

The Government of Rwanda has already identified the key priority export sectors and these include coffee, tea, flowers, leather, tourism, fruits, handcrafts and minerals. Rwanda's export sectors have been classified into two types: short-term high impact sectors (based on export revenues and potential employment) and medium- to long-term export diversification sectors. The former category includes large current and potential industries such as coffee, tourism and tea. The latter includes existing and emerging sectors such as mining, horticulture, pyrethrum and handcrafts.

Basing on the government's vision 2020 of reducing the percentage of agriculture farming from 95% to 50%, the Ministry of Trade and Industry recognizes the potential of the Handcraft sector in generating Employment and income to a greater percentage of rural population especially women, youth and people with disabilities in addition to earning foreign exchange for Rwanda.

Consequently, in collaboration with all the stakeholders especially RDB the Ministry of Trade and Industry seeks to enhance export development and growth of Rwanda's Handcrafts in the overall framework of the National Export Strategy and has also identified the need to syndicate and coordinate the disjointed interventions in the sector by the various NGO's and public organizations concerned with rural entrepreneurship development and poverty eradication.

1.1 Handcraft Sector in Rwanda

Rwanda Handcraft Sector Five Year (2009-2013) Strategic Plan seeks to provide a systematic and action oriented framework for the purposeful development of the sector with particular emphasis on product and export market development. A strategic 5-year profile (2009-2013) has been designed for the first phase of the program.

The Strategic Plan is conceived in the framework of the Economic Development and Poverty Reduction Strategy (EDPRS). Specifically SP is premised on the basis that the sector has a high potential to engender a multi-pronged, gender focused, high rural production and high rural gender entrepreneurship enhancement. It offers increasing opportunities for income generation and consequently poverty reduction, through market-oriented production of good quality, adequate and value added handcrafts for the local, tourist and export markets.

The SP addresses issues such as global market trends for Handcraft industries, export opportunities for Rwanda, analysis of the sector in terms of structure, organization, networks, support organizations and mechanisms for producers and exporters. Based on a sector value chain analysis, the strategy focuses on the need for product development and capacity building in the sector. Tailor measured export market development strategies are proposed to address potential markets and possible market constraints.

The SP seeks to operationalize various action plans intended to ground and strengthen the handcraft industry as a viable export sector for Rwanda. It identifies the framework for implementing the strategic actions, the stakeholders' coordination and support mechanisms, and resource analysis and performance indicators.

MINICOM as the line ministry is committed to drive the process by coordinating the core sector programs, stakeholder involvement, resource mobilization and implementation.

The craft industries grew with neither well-established promotion nor an intervention strategy policy. The craft industries in Rwanda grew in informal way. In most of these crafts, raw materials are locally produced. Some of the crafts produced are pottery, metal works, stone cutting, basketwork, pearl work, tanning, etc.

Basketwork largely the agaseke basket is one of the Rwandan crafts that managed to be maintained and adopted to modern requirements. It is worth noting that with the development of cities and towns, craft activities have increased and crafts have been developed such as modern carpentry, various repair activities, dressmaking, etc.

The craft industries are an integral part of the culture of each nation and at the same time, they are an important component of the socio-economic life. These industries generate jobs without expensive investment, and also put producers and users in their cultural identity.

Moreover, the crafts developed in rural areas facilitate evading rural exodus to cities and is therefore a complementary and indispensable activity for peasants.

The Rwanda Tourism Policy indicates main orientations with regard to the development of that sector. Its implementation requires the help from different actors: policy makers, different stakeholders (NGOs, projects, development executives) and craftsmen.

The overall objective of the policy for craft promotion is to increase the contribution of the craft sector in the national economy in order to alleviate poverty through job creation.

Diverse organizations and especially cooperatives are engaged in the handicraft industry. They include; Modis International, Gahaya Links, AVEGA Agahozo, Co-operatives d'Artistes Plasticien de Kigali (CAPLAKI), Rwanda Art, Rwanda Heritage, African Heritage, Mode Savana, Fédération de Métiers de Gisenyi (FECOMEGI), Fédération de Collectifs Artisans d' Umutara (FECAU), COPAK, COPABU, COPARWA, etc.[1]

A few studies have established that Rwanda's handicraft sector development is severely inhibited by supply side (production) and marketing constraints summed up as follows: -

1.1.1 Production

- Limited access to, and inadequate supply system of, raw materials
- Fragmented, unstructured and individualized production systems
- Low level equipment application
- Low production levels
- Nil or minimal access to capital
- Lack of specialization
- Inconsistent product standardization
- Low design and quality
- Inadequate design skills
- Inadequate production, vocational and business development training
- Absence of model incubator projects along organized production systems

1.1.2 Marketing

- Lack of vibrant National Exporters Association

[1] www.rwandagateway.org

- Insufficient market information and dissemination
- Lack of appreciation of market preferences and requirements
- Inadequate support for marketing and promotion
- Absence of a National Handcraft Sector Development strategy
- Poor transportation infrastructure especially for raw materials and finished products in the rural areas
- Poor or no packaging
- High freight charges as Rwanda is landlocked
- Nil or Inadequate export financing
- Lack of organized National, Regional and International Handcrafts exhibitions to facilitate access to markets and competitiveness
- Lack of cooperation and program coordination among handcraft business

1.1.3 Current Training Programs

It is because of the supply side and marketing constraints that the various stakeholders, namely: MINICOM, RDB, PSF, PPPMER II and Development partners have been involved in training of the producers and traders. While the training has been very helpful in especially addressing the supply side issues, the efforts by the various stakeholders have been marked by the following pitfalls:[2]

- The lack of evidence that a sector specific training needs assessment has been conducted.
- Lack of clearly defined training plans.
- Absence of a coordinated effort in designing the training programmes.
- Some of the trainings have been generic and have not addressed specific market needs, hence production of goods that have been unable to penetrate the market.
- Most of the training has been focused on production. While this is very important, skills in costing, pricing, planning, organizing, marketing, etc are equally important.
- There has not been any follow up on those trained to ascertain their achievement as well as current needs.

In view of the above, it is very important that the Government of Rwanda and her development partners facilitate capacity building for the handcraft sector. The way forward will be through conducting an elaborate needs assessment, developing the relevant curriculum, designing training plans, conducting the trainings for producers, traders and exporters and ensuring follow up.

[2] The Design and Development of Handcraft Training Program

1.1.4 Business Support Organizations

There are many organizations engaged in handcraft promotion activities albeit in a very fragmented and disjointed manner. Such organizations include, RWANDA Development Board, Rwanda Co-operative Agency, Private Sector Federation, PPPMER II and a number of NGOs who support small and micro enterprise development throughout Rwanda. The SP is a timely response to the need to leverage the sector's export potential and its ability to contribute toward income generation for poverty reduction and wealth creation in both rural and urban areas of RWANDA. Over the years, cultural industries have been marginalized in national export development programs. SP seeks to mainstream this sector in the national export framework.

1.2 Overview of Handcraft Product Categories

The different regions and districts of the country produce a large array of handcrafts, depending on the type of available raw material and the indigenous skills of the producers. In this regard, specific products have become largely associated with specific districts. The following are the major products identified:

1.2.1 Basketry and Mats

Basketry and mats are the most popular craft products in RWANDA. The type, design and price of these depend on type and source of materials used. Colors used are diverse (vegetable dyes, mineral dyes, combination of the two, natural color of the materials themselves, among others) but the most preferred color by the markets is the natural colors.

1.2.2 Embroidery and Woven products

Embroidery (both by hand and with the use of sewing machines), as a soft furnishing adornment on clothing, has been in use for a long time. The technique has largely remained under exploited – left only to casual dressing, table cloth, cushion covers and more recently on bags and purses. The bulk of embroidered and woven products with varying quality are consumed locally.

1.2.3 Hand Textiles and Hand-loomed Products

Under this category, Rwanda is producing a range from bed spreads, towels, and cushion covers, wrappers, shawls, rugs, tie and dye materials, casual wear (dresses, shirts and children wear). The warping/construction, surface design and thread types/texture vary widely across the sub-groups. Tourist and foreign residents in

Rwanda form part of the local market with Europe (Italy, Germany) as the main export markets for this range of products.

1.2.4 Ceramics and Pottery

It is believed that the first pottery was pressed/formed to give them the shape, which after drying was fired in an open kiln. By and large, Rwandan pottery is unglazed which could give us an advantage in the market where glazed pottery (ceramics) attracts higher tariffs and health consciousness in addition to high competition from suppliers from the Far East.

1.2.5 Leather and Leather Products

Green leather alone or in combination with other woven or plaited materials is increasingly employed by Rwandan artisans to make bags, purses, belts, and sandals, among others. Recent interventions in this sub-sector have seen new Rwanda-made leather products replacing the previously sourced products from neighboring countries.

1.2.6 Wood products

Wood as a raw material for making handcrafts in Rwanda has not been at same levels with that of Tanzania or Kenya. Products in this category have remained very traditional with rationalized skills for example milk containers (Ibyansi) from Eastern Rwanda.

1.2.7 Jewellery and Jewellery Products

Humans have adorned themselves with jewellery as far back as history can tell. In RWANDA, people have used Jewellery derived from animal parts such as beads, bone, horns, feathers, teeth, to stone, seeds, wood, clay and precious metals, etc to adorn themselves. Bead work is a good proposition and has great potential in Rwanda, both for the local and international markets.

1.2.8 Others

The “cross-overs” with their new looks, will not only extend the lifespan of products but will also enable compliance with trend changes. It could also lead to unique Rwandan styles and brands as established in other exporting countries e.g. the sisal bag

(Kyondo/Kikuyu bag) from Kenya, ebony carvings from Tanzania, raffia bags from Madagascar, Kente cloth from Ghana, etc.[3]

1.3 Global Markets and Trends for Handcrafts

The Global statistics for handcraft trade is hard to come by. However, the huge economic and social importance of the sector either at the national or the global level is based on estimations and compilations of scattered, insufficient, often unreliable and unsystematic data or on data that are not even comparable among countries. In the World market, handcrafts are only a part of the range of artifacts. Thus, handcrafted, semi-hand-crafted, machine-crafted goods vie with each other for customer attention in a broad market described as “gifts & decoratives”.

Nonetheless, the Indian EXIM Bank estimated the size of world trade in handcrafts in 1999 to be in the region of US$75 billion.

According to the U.S. Department of Commerce, the United States market for handcrafts is about $10 billion. This includes all types of handcrafts. That market has a strong desire for the unique, the interesting, and the product with a history. However, the US market is price-sensitive, and hence price per unit realized in this market tends to be lower than in other countries. However, this is traditionally a strong market, and continues to grow, mainly on the back of multi-ethnic immigration.

On the other hand, Japan is the world’s most sophisticated market with consumers willing to pay for quality and workmanship. Hence, this market fetches per unit values that are far higher than the western markets.

German consumers used to be quality conscious, with emphasis on natural, authentic and high value handcrafts. However, continued recession in the economy has depressed consumer aspirations and spending, forcing the market to source for cheap products. The size of UK and French markets are relatively smaller. However, they figure as prominent destinations especially for their former colonies. [4]
Germany is the largest market in Europe for Giftware with a value of US$16 billion. Giftware imports in 2005 by the UK are estimated to be UK£6,480 million –a growth of 2.2 % over the EXIM Bank of India.

In the previous year’s estimates, USA, Germany, UK, France, Italy, Netherlands, Japan, Switzerland and Canada are the principal importers in the world, estimated to account for 80% or more of the trade values in “gifts & decoratives.” On the supply, exporting countries include China, S. Korea, Taiwan, Philippines, Malaysia, Indonesia, India, Sri

[3] Giftware 2001 Market Report, Keynote Ltd. UK
[4] Giftware 2001 Market Report, Keynote Ltd. UK

Lanka, Pakistan, Iran, Turkey, Mexico, Bangladesh, Vietnam, Kenya, Ghana and South Africa.

China is the major producer and exporter of baskets and mats supplying over 54% of world trade of baskets and 73% of mats. USA is the major importer of baskets followed by Japan. European Union imports 25% of the world trade of baskets. Japan leads in importing mats followed by USA.

From the perspective of developing countries' exporters, revenues from handcrafts can be significant. For example, India earned US$1.9 billion, US$1.6 billion and US$2.3 billion in handcraft exports in 2000/1, 2001/2, and 2002/3 respectively. Ghana's handicraft exports earned US$11.3 million in 2002, a drop from US$14.9 million in 2001. [5]

1.4 Government Policy on Handcraft Sector Development

The Government has over the last few years created a macro economic framework with the aim of stimulating and sustaining growth in the economy. Inflation has reduced to a single digit; the external sector has been liberalized with price deregulations and free transactions in foreign exchange. Government is also divesting itself from economic activities thus ending State monopolies.

The National Crafts Policy indicates main orientations with regard to the development of that sector. Its implementation requires the help from different actors: policy makers, different stakeholders (NGOs, projects, development executives) and craftsmen.

The government, through MINICOM, has prepared a strategy and policy paper on the craft industries sector. This lies within the scope of a long-term vision (Vision 2020) and will focus on how to solve development problems related to this sector. This policy paper aims at establishing a process for the development and organization of what already exists, and moving towards the creation of new organs in order to meet the long-term objectives of the sector. The overall objective of the policy for craft promotion is to increase the contribution of the craft sector in the national economy in order to alleviate poverty, through job creation. [6]

While the Economic Development and Poverty Reduction Strategy attempts to integrate export trade in their frameworks through macro level and infrastructure policy redress, the reality on the ground is that these measures have not impacted sufficiently at the enterprise level. The poverty eradication policy has paid little attention to the promotion

---

[5] EXIM Bank of India: Occasional paper 2000

[6] National Craft Industry Promotion Policy

of the culture and handcrafts sector as a way of improving rural incomes and diversifying the export sector in Rwanda. [7]

The challenge of diversifying Rwanda's export base can better be addressed when grassroots communities are actively involved in wealth creation through exports. Thus, "handcrafts for exports" offer a big opportunity in broadening the export base and achieving sustainable and integrated economic development. Mainstreaming the organized producer groups in the economy and in particular through the export sector will contribute to income poverty reduction and satisfy key aspirations of the Economic Development Poverty Reduction Strategy (EDPRS).

1.5 Handcrafts and Tourism Development in RWANDA

Rwanda's National Tourism Policy was developed by MINICOM in February 2001. The policy direction is for Rwanda's tourism development to be socially, culturally and environmentally acceptable and become a vehicle for poverty alleviation.

According to RDB, the country has surpassed 50,000 targets tourists visiting Rwanda. Very few tourists leave RWANDA without a memento, a handcraft souvenir or two purchased from the wayside vendors, local craft shops or market yards such as the National Museum, Butare. Craft villages/centers attract many tourists. Most Hotels and Restaurants, in providing one-stop shop service to their clientele, have openings in their premises for Art and Craft exhibitions or sales. The Airport with the duty-free-shops provides an avenue for mopping up leftover tourist's foreign currency on handcraft sales. Local tourism as explained above is similarly growing as peace and security engulf hitherto turbulent areas, thus creating more demand for the handcraft industry. Herein lies the potential, as tourism and handcraft trade go hand in hand.[8]

1.6 The Vision for the Handcraft Industry in RWANDA

This has been developed as a response to the need to enhance the development and readiness of the sector for rapid export growth. RDB in collaboration with MINICOM and other sector stakeholders developed the strategy to orient the sector commercially with the vision: -

"Mainstreaming the handicraft sector into Rwanda's national economy with a view of promoting exports, employment and wealth creation''.

[7] www.minecofin.gov.rw
[8] www.rwandatourism.com

1.7 The Overall Objective of the Sector Strategy

The development of the handcraft sector promotion strategy is driven by the overall Strategic objective: -
"To build the capacity of handcraft producers and exporters in order to meet International standards and penetrate international markets''

1.7.1 The Specific Objectives of the Strategy

1. Enhance the capacity of producers to increase the diversity, volumes and improve the quality of crafts to respond to market opportunities.
2. Build capacity of sector operatives at all levels for skills and competence enhancement.
3. Promote trade facilitation with particular emphasis on export financing in the sector.
4. Pursue aggressive market development programmes.
5. Establish effective stakeholder coordination mechanism for sector activities support.
6. Creation of public awareness as far as consuming our locally produced craft products is concerned

1.7.2 Scope and Priority Implementation Pillars

The strategic plan seeks to provide an over-arching framework for guiding action to promote the growth of exports in the handcraft sector as a pro-poor trade related strategy to enhance poverty reduction and contribution to foreign exchange earnings. Priority in the development strategy is to be placed on the following ten (10) point initiatives and actions to address medium and long term development needs of the sector that will bring momentum in enhancing the capacity of the sector in terms of: -

i. Organization of producers into identifiable village groups to enable outreach services and input supplies.
ii. Upgrade infrastructure in production centers to facilitate timely production and deliveries.
iii. Organization and strengthening of umbrella organization(s) for the sector.
iv. Producing required export quantities in terms of quality, design and standards for international markets based on regional/district specialization determined by raw material availability and other competitive and enabling factors.
v. Integrated enterprise development support through local centers for skill training, product adaptation, vocational training and entrepreneurship development.
vi. Provision of micro-credit facilities for producers and export financing for exporters.

vii. Support for exporters in promotion and market identification, entry and sustainability, through participation in marketing programmes such as trade fairs, exhibitions, contact promotion programmes among others.
viii. Organization of District and Provincial Handcrafts exhibitions to facilitate District or Regional specialization
ix. Facilitate cooperation and programme coordination among handicraft business support organizations.
x. Disseminate and ensure implementation of government policy on handcraft industries.

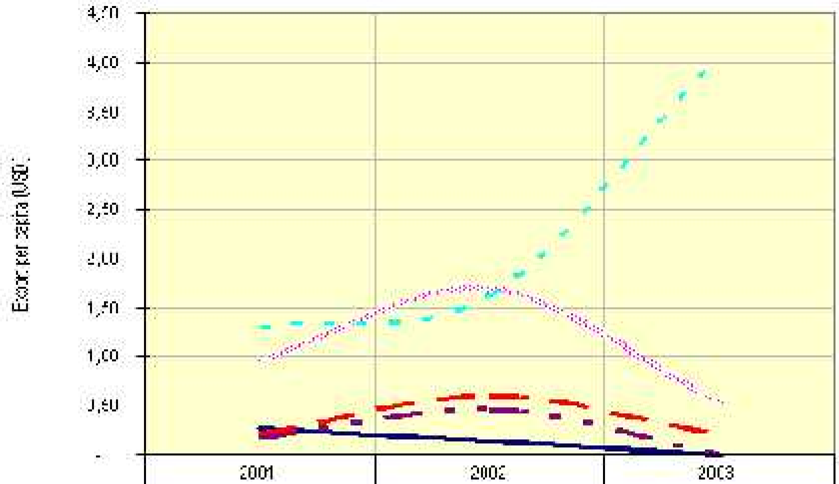
CHAPTER 2: RWANDA'S EXPORT SECTOR

2.0 The Overall Export Sector in RWANDA

The Rwandan economy is based on the largely rain-fed agricultural production of small, semi-subsistence, and increasingly fragmented farms. It has few natural resources to exploit and a small, uncompetitive industrial sector. While the production of coffee and tea is well suited to the small farms, steep slopes, and cool climates of Rwanda, farm size continues to decrease, especially in view of government ownership of all land and the resettlement of displaced persons. Agribusiness accounts for 37.6% (2005 est.) of Rwanda's GDP and 70% of exports. Tea accounts for 60% of export earnings, followed by coffee and pyrethrum (whose extract is used in insect repellant). Mountain gorillas serve as a potentially important source of tourism revenue, but Rwanda's tourism and hospitality sector requires further development. Rwanda is a member of the Common Market for Eastern and Southern Africa (COMESA). Some 34% of Rwanda's imports originate in Africa, 90% from COMESA countries.

2.1 Export Statistics

Figure 1: Rwanda Exports to the different regions/ per capita (US $)



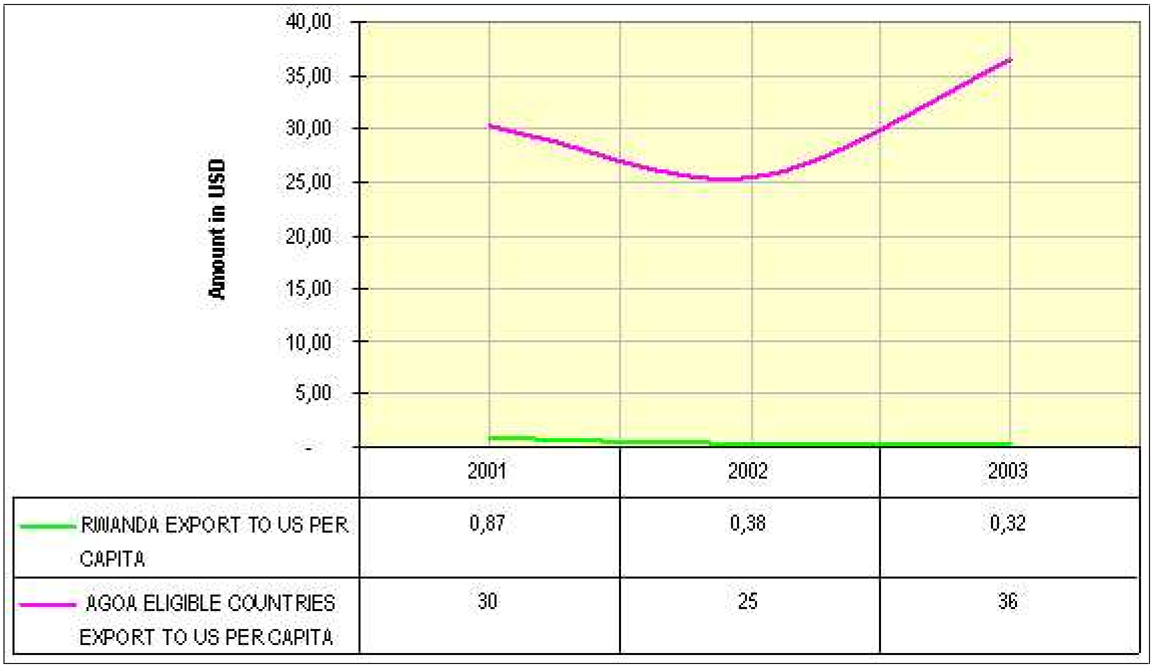
	2001	2002	2003
Rwanda exports to USA/per capita	0,27	0,14	0,00
Rwanda exports to Europe/per capita	0,93	1,70	0,54
Rwanda exports to Asia/per capita	0,23	0,60	0,19
Rwanda exports to Africa/per capita	1,29	1,63	4,07
Rwanda exports to the rest of the world/per capita	0,13	0,46	0,00

The data sources that helped in providing the above statistics were taken from the Customs department, Rwanda Revenue Authority. Though they are incomplete, they gave opportunity to draw the followings comments.

Using this chart, one can notice that Rwanda Exports per capita throughout the world is commonly low. The general view is that apart from Rwanda exports to Africa which continues to increase, export to other regions of the world is decreasing. Focusing on Rwanda exports per capita to USA, we figure out that exports per capita fell off 0.27 in 2001 and became almost insignificant in 2003.

Concerning Rwanda exports per capita to Europe and Asia, the general trend shows to be increasing from 2001 through 2002 but decreasing in 2003.

Figure 2: Rwanda export to US in comparison with AGOA Eligible countries/per capita (US $)



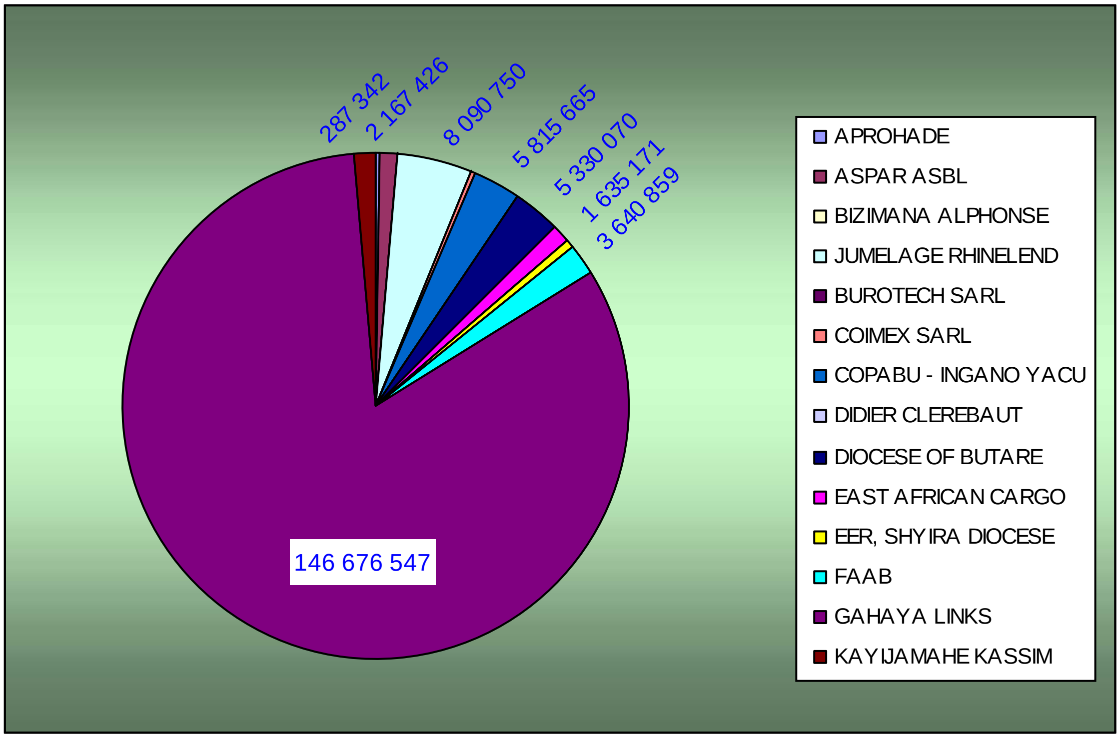
The decrease started to be noted over the year 2002. It continued to decrease for Rwanda until 2003 while it improved in 2003 for AGOA eligible countries in general. For the case of Rwanda, Export per capita was of 0.87 in 2001, 0.38 in 2002 and became 0.32 in 2003.

Table 1: Figures of handcraft sector export in 2006 / per exporters (Rwf.)

EXPORTER	VALUE	DESTINATION
APROHADE	287 342	BE
ASPAR ASBL	2 167 426	BE
BIZIMANA ALPHONSE	116 014	US
JUMELAGE RHINELEND	8 090 750	GERMANY
BUROTECH SARL	19 295	BE
COIMEX SARL	485 797	US
COPABU - INGANO YACU	5 815 665	IT
DIDIER CLEREBAUT	80	BE
DIOCESE OF BUTARE	5 330 070	IT
EAST AFRICAN CARGO	1 635 171	BE/ES
EER, SHYIRA DIOCESE	1 101 572	US
FAAB	3 640 859	CA
GAHAYA LINKS	146 676 547	US
KAYIJAMAHE KASSIM	2 316 639	
GRAND TOTAL	**177 683 227**	

Source: RDB

Figure 3: 2006 export value/exporters



This indicates the key exporters in year 2006 and the value of their exports.

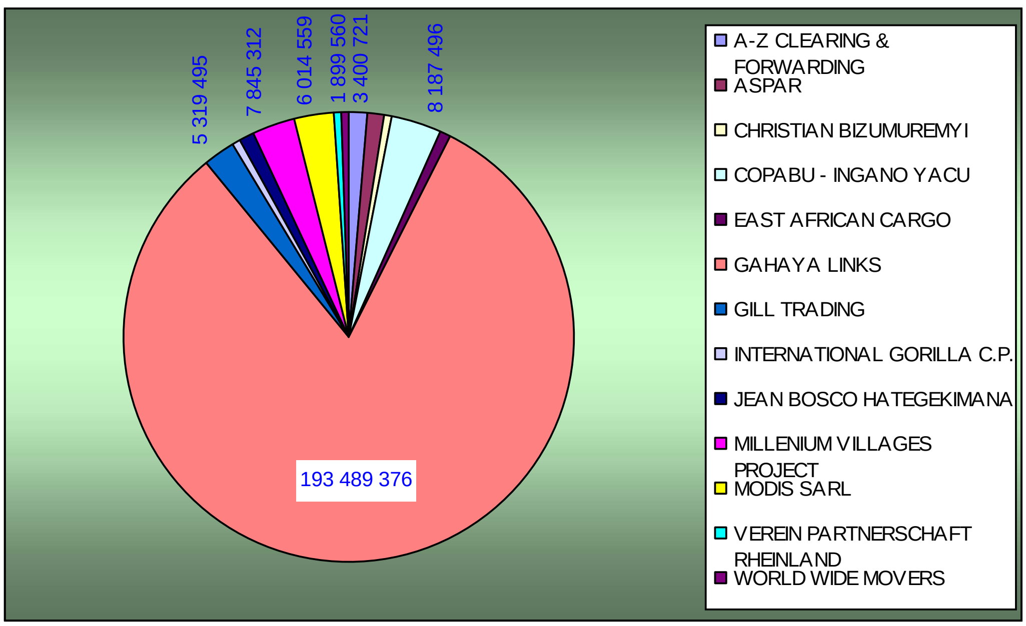
The table and figure above indicates that the major exporters of handcraft from Rwanda are US. The major exporter is Gahaya Links with over 90% of total exports to US. The exports are mainly Agaseke baskets which have secured a good market over there. Some exports have also been dispatched to Germany.

Table 2: Figures of handcraft sector export in 2007 / per exporters (Rwf.)

EXPORTERS	VALUE	DESTINATION
A-Z CLEARING & FORWARDING	3 400 721	BE
ASPAR	2 368 141	FR
CHRISTIAN BIZUMUREMYI	1 587 093	AE, JP, ZA
COPABU - INGANO YACU	8 187 496	IT
EAST AFRICAN CARGO	2 104 249	IT, CA, BE, FR
GAHAYA LINKS	193 489 376	US
GILL TRADING	5 319 495	
INTERNATIONAL GORILLA C.P.	1 634 500	
JEAN BOSCO HATEGEKIMANA	2 079 278	CA
MILLENIUM VILLAGES PROJECT	7 845 312	CA
MODIS SARL	6 014 559	US
VEREIN PARTNERSCHAFT RHEINLAND	1 899 560	DE
WORLD WIDE MOVERS	988 785	BA
GRAND TOTAL	236 918 565	

Source: RIEPA

Figure 4: 2007 export values/exporters



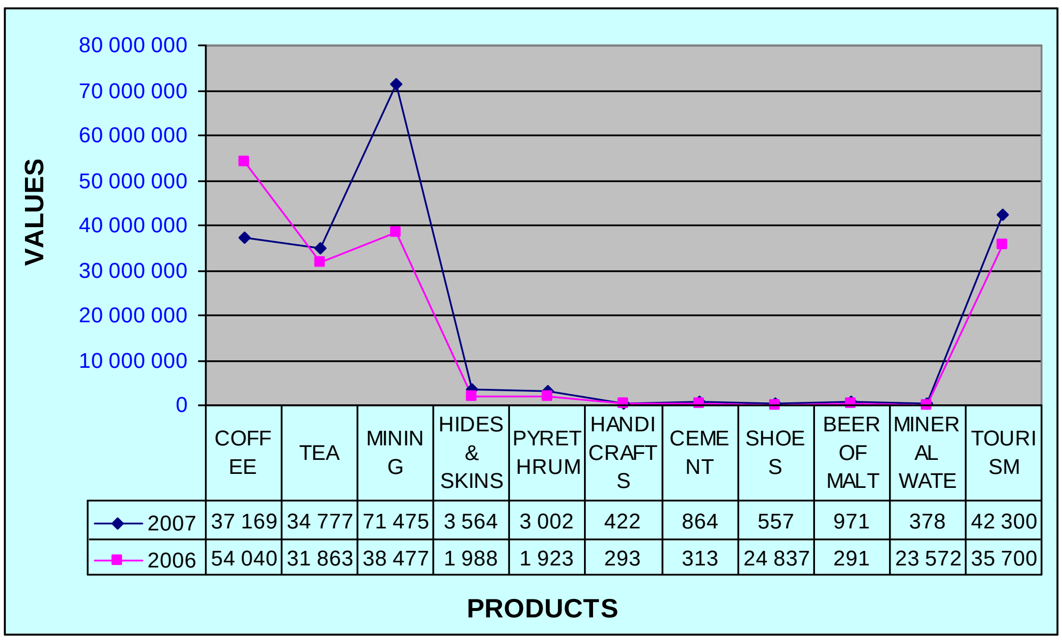
The above table indicates the key exporters in year 2007 and the value of their exports. Gahaya Links was yet the biggest exporter specifically to US. It can be noted the handicraft exports increased by over 33%.

Table 3: Export values for different products (Rwf.)

PRODUCTS	2007	2006	PERCENTAGES
COFFEE	37 169 280	54 040 795	16.61%
TEA	34 777 102	31 863 723	15.54%
MINING	71 475 758	38 477 669	31.94%
HIDES & SKINS	3 564 982	1 988 203	1.59%
PYRETHRUM	3 002 060	1 923 806	1.34%
HANDICRAFTS	422 485	293 184	0.19%
CEMENT	864 228	313 171	0.39%
SHOES	557 735	24 837	0.25%
BEER OF MALT	971 469	291 046	0.43%
MINERAL WATER	378 322	23 572	0.17%
TOURISM	42 300 000	35 700 000	18.9%

Source: RDB

Figure 5: Showing export values for different products



2.2 Rwanda's Handcraft Sector Export Performance

RWANDA targets both domestic and international markets for its handicrafts. Domestic buyers are either Tourists or local buyers who serve as market intermediaries and sell on the local markets in urban areas or export directly to the export market. Rwanda's handcrafts trade is largely informal marked with inconsistent and adhoc market access, entry and penetration approaches, and inadequate market distribution networks. Official handcraft export statistics for 2002 and 2003 reveal total export values of a paltry US$49,841 and US$ 63,535 respectively.

The vast majority of Rwanda's handicrafts are not adequately captured by product classification and/or trade codes (Harmonized System). Even when data on production and trade are recorded by NISR, in national accounting systems and/or in international trade statistics, the majority of handicrafts is often grouped together with other products or included in the category "others" for lack of country specific HS classification. Sector policy analysis and strategy formulation is thus undermined considerably by the very scanty official capture of handcraft export trade statistics.

2.3 Export market opportunities for Rwanda's Handcrafts

As stated earlier, the USA under AGOA, the European Union under ESA offer preferential treatment for Rwanda's handicraft products. There are opportunities in other markets established through bilateral trade agreements. Currently most of the handicrafts in RWANDA are sold domestically to local buyers and tourists with a few being exported to USA, Germany, UK and Italy. Other existing markets for Rwanda's crafts are Rwandans in the Diaspora and Kenyan traders who buy Rwandan craft pieces and re-export them to Europe and the USA. It has been difficult for RWANDA to increase export of handicrafts due to failure to adapt to consumer needs in international markets in terms of quality, designs, dimension, standards, sizes and above all ability to muscle a critical supply capacity in the sector. Low product development and limited knowledge on market access and low market development efforts are still inhibiting export growth in the sector.[9]

2.4 Comparative Presentation of the Handcraft Sector in Selected Countries

The handcraft sector in Rwanda can benefit quite a lot by picking some lessons from the success achieved by India and Ghana. The success in India and Ghana is largely attributed to the following deliberate steps:

- Well designed policy framework
- Advocacy for trade facilitation
- Elaborate capacity building programmes
- An embedded culture of entrepreneurship
- Recognition of the sector through creation of NAHE in Ghana and a full ministry in India.

[9] www.rwandagateway.org

Table 3: Comparative presentation of the Handcraft Sector in Selected Countries

INDIA	GHANA	RWANDA
Existence of a full Ministry dedicated to textiles and handicrafts and fully-fledged Export Promotion Council for Handcrafts (EPCH).	A purposeful policy framework administered by the National Commission for Culture which reports to the President of the Republic. Presence of a National Association of Handicraft Exporters (NAHE) as the national sector umbrella organization.	Policy framework is in place. Handicraft operates as a unit under MINICOM
A wide range of capacity building programs	NGOs and CSOs aggressively support the sector development Initiatives through construction of workstations with warehousing and show room facilities	Business organizations like PSF, RDB, PPPMER etc and NGOs involved in capacity building
Elaborate production and marketing infrastructure	Well established Handcraft production centers. Market infrastructure and networks through District market yards Exporters have constructed warehouses for storage and packaging export consignments. Export Agents facilitate contacts between importers and producers for business negotiations and shipments.	Production is conducted in unorganized and unstructured manner. However, there is an effort to channel production through co-operatives
State-owned Export-Import Bank of India in the provision of Export Finance which has benefited the handicrafts sector.	Desired Linkage between Financial Institutions and Export sector. Prudential Bank provides production, pre-and post-shipment, short and medium term export finance Dedicated Export Development and Investment Fund fed by a cess on imports to finance export development in Ghana, is accessed by participating banks and channeled to qualified applicants including Handicraft sector operatives.	Scanty information on availability of finance to the sector though not well disseminated
The Government of India emphasizes on handicraft sector by enhancing entrepreneurship among the rural poor, empowering rural women, generating income and reducing poverty. [10]	The impact of Crafts in Rural employment and poverty reduction in that the rural women in Northern Ghana could earn over US US$3 per person, per day from weaving baskets.	Government support to the sector is elaborate and clear. The sector has some attention on the national economic policies like EDPRS

[10] www.indiandata.com/india-trade

CHAPTER 3: STRATEGY CONCEPTUALISATION

3.0 Handcraft promotion Strategy

The strategy takes a holistic view of the sector's strengths and opportunities to exploit for export growth while recognizing weaknesses and attendant threats (SWOT) that need to be addressed for rapid export growth. It recognizes that rapid export growth depends heavily on understanding the potentials and inadequacies of the sector and effectively providing alternative solutions.

It induces a framework for addressing the issues identified through the SWOT analysis in the context of the sector strategy template covering border-in, border, border-out and development issues. Border-in issues are internal (in-country and enterprise level) and cross cutting issues that need redress.

It is very critical to note that the handicraft sector is very dynamic and largely market sensitive. While the current focus in Rwanda has largely been on the export of agaseke, it is important to note that decorative items are normally one off purchases and very easy to saturate the market. The national focus should be geared towards an approach that embraces diversification, with special attention to consumables such as jewellery, office stationery, utensils and such products that have high chances for repeat purchases by the target clients, both locally and internationally. There is therefore need to seek appropriate technology and training opportunities, a wealth of which is regionally available and can easily be tapped. This offers the greatest market potential for the Rwanda handcraft sector.

3.1 A SWOT Analysis of Rwanda's Handcraft Sector

Strengths

- Availability of abundant and unique raw materials like, bamboo, reeds, clay, animal skins, banana fiber etc from the natural forests.
- Prevalence of artistic and creative culture in the rural areas. Most of the artisans are doing the weaving and pottery on a part time basis.
- The Government's new policy of transforming all associations into co-operatives.
- Presence of National Craft Industry Promotion Policy (2006).
- Production units are spread all over the country bringing in a lot of diversity of products.
- Presence of a well established export market though intermittent
- Rich and diversified culture.
- Improved macro- economic management and political will to support the sector.
- An elaborate tourism promotion policy.

Weaknesses

- Unorganized production groups
- Unstructured and individualized production
- Inadequate raw materials
- Lack of strong umbrella sector organization
- Cultural practice and traditional approach to handicraft rather than commercial approach
- Limited capitalization and low investment
- Insufficient market information
- Limited access to finances
- Inadequate marketing programs
- Limited resources for production, distribution
- Infrastructure inadequacies
- Lack of fiscal incentives
- Non compliance with environmental standard requirements for export market and export marketing skills
- Lack of standards (packaging, fumigation etc)

Opportunities

- High and positive local and international market trends
- Preferential trade and Fair Trade Agreements at regional and international e.g. AGOA, COMESA, EAC, e.t.c.
- Several initiatives to support sector
- Existing unexploited handcraft products
- Increasing flow of tourists provide the much needed market opportunities.

Threats

- Disjointed and duplication of efforts by stakeholders in capacity building programs
- Lack of competitiveness in the sector
- Lack of Duty draw backs for all handicraft exporters
- High freight, handling costs associated with air cargo and shipment
- High costs of production rendering RWANDA crafts less competitive in the markets.
- Competitor countries like China, India, Vietnam, and Kenya produce cheap and good quality crafts.
- Failure to comply with international labor requirements.

3.2 The Domestic Capacity of the Handcraft Sector in RWANDA

Rwanda's artisans are constrained by their limited, non-market determined technical, and artistic product design, product standardization, development and marketing. Capacity building programs are minimal for the sector while market entry approaches are inconsistent and ad hoc, and market distribution networks are inadequate. Costing and pricing is a nightmare for most producers. Scanty official handcraft exports statistics hinder the determination of the production capacity of the sector as well as sector policy analysis and formulation.

3.2.1 Micro- Environment Context of the Handcraft Sector

- Lack of formal producer groupings: Artisans are scattered and work largely individually in unstructured production systems. This makes it difficult to reach out to them with support programs and inputs.
- Limited commercialization of craft production activity: Many craft makers in rural locations far away from Kigali make handicrafts as a past-time activity and not a specialized commercial activity for income generation. They engage in time conflicting activities, which render their supply volumes low, inconsistent and very sporadic.
- Lack of market sensitivity: Most producers are ignorant of the seasonality and trendiness of handicrafts, as well as the socio-environmental requirements of the markets.
- Middle persons in the distribution channel: There are a lot of middlemen in the marketing chain whose activities affect the profitability of producers.
- Lack of technical know-how: Results in poor design skills, specialization, inconsistent product standardization, poor finishing which among others detract from product quality upgrade.
- Poor packaging: Inadequate attention is paid to the need for appropriate packaging to the detriment of product preservation, durability and quality.
- Lack of micro finance: Unavailability of credit for this sector prevent bulk and voluminous production by the artisans

3.2.2 Macro-Environment Context of the Handcraft Sector

Political/Legal

The existence of clear and documented policies and regulations require that all actors pay attention to the aspirations and objectives of the following:

- Vision 2020
- National Handcraft Industry Policy,2006
- National Tourism Promotion Policy
- Medium Term Action Plan
- Health and Environmental Regulations

- Fair trade practices
- Labeling: Eco-labeling schemes are being introduced in the EU for specific products to satisfy environmental soundness requirements.

Social-Economic

- GDP growth at the rate of over 7%
- Economic Development and Poverty Reduction Strategy
- The National Investment Strategy (NIS)
- Issues of child labor is being pursued aggressively by importing countries under the ILO requirements
- Trade facilitation and trade finance through Rwanda Development Board

Technological

- Technology Transfer and Innovations
- Value Addition: Emphasis on technology aimed at enhancing value addition in the crafts sector in the areas of quality management, product
- design and standardization and improved packing standards
- Quality assurance systems and environmental conformity

CHAPTER 4: PROGRAMME IMPLEMENTATION STRATEGY

4.0 Incorporation of the Handcraft in the Economic Development and Poverty Reduction Strategy

Incorporation of the Handcraft in the Economic Development and Poverty Reduction Strategy provide for the integration of export trade in their frameworks through macro level policy redress. The reality on the ground unfortunately is that these measures have not impacted sufficiently at the enterprise level. There is an absolute need for micro level policy interventions and management. The producers and exporters who are to make the difference in terms of export earnings have to be involved in the policy formulation process. They need to be supported with clear-cut interventions to address supply constraints and market entry and sustainability challenges through the EDPRS.

4.1 Priority Strategic Area 1: Enhancement of Production Capacity

4.1.1: To organize supply side structures, enhance capacity of producers to increase diversity, volumes and improve quality of products to respond to market opportunities

Activity 1: Carry out need assessment on number of handcrafts associations yet to re-organize in cooperatives, opportunities in handcraft sector and availability of raw materials used by craftspeople .

Activity 2: Identify, mobilize and organize producers into identifiable groups Under Handcraft production Centers.

Activity 3: Construct, Equip and provide logistic support to handcraft production centers and selling points.

Activity 4: Link the Handcraft production centers with serious and established selling points.

.

Activity 5: Organize raw material supply systems for Handcraft production centers.

.

Activity 5: Organize sector into primary co-operatives, unions and federations.

4.2 Priority Strategic Area 2: Capacity building

4.2.1: To build capacity of sector operatives at all levels for skills and Competence enhancement

Activity 1: Undertake a study tour of Ghana's handicraft sector and local tours.
Activity 2: Carry out training needs assessment for members in Handicraft production centers, exporters and service providers.

Activity 4: Organize continuous training of operatives in collaboration with other stakeholders in the sector.

4.3 Priority Strategic Area 3: Trade Facilitation

4.3.1: To provide trade facilitation with particular emphasis on export financing for the sector

Activity 1: Sensitize a lead financial institution(s) to provide sector-specific production, pre-and post shipment, and medium-term finance.
Activity 2: Familiarize operatives with sector-related investment incentives, tax exemptions and concessions.
Activity 3: Negotiate freight rates for group shipments.
Activity 4: Encourage sector operatives to access trade info at RDB.

4.4 Priority Strategic Area 4: Export Marketing Strategies

4.4.1: To pursue aggressive export marketing programmes.

Activity 1: Conduct market research and disseminate market information and intelligence to sector operatives and pursue aggressive export marketing in specific countries
Activity 2: Develop sector promotional materials including website
Activity 3: Organize annual District/Provincial Art and Craft Exhibitions.
Activity 4: Facilitate and support exporters to participate in target international trade fairs and Exhibitions.
Activity 5: Link and build networks with international sector organizations such as Fair Trade organization such as Max Havelaar Foundation and Transfair organization and other federations such an International Federation of Women Entrepreneurs, CBI-Netherlands, World Craft Council-Japan, and PROTRADE (GTZ) etc.
Activity 6: Protect handcraft products through patent rights

4.5 Priority Strategic Area 5: Coordination of the Handcraft Sector

4.5.1: Establish effective stakeholder coordination mechanism for sector activities support.

Activity 1: Establishment of Handcraft Secretariat..
Activity 2: Set up a secretariat to coordinate stakeholder support and interventions.
Activity 3: Communicate the Task Forces' mandate and disseminate the monitoring and evaluation role to all stakeholders.
Activity 4: Supervise and coordinate the implementation of the 2009-2013 Strategic Plan.

4.6 Priority Strategic Area 5: Accountability

4.6.1 Applying empowerment principle of Accountability as far as Handicraft sector is concerned.

Activity 1 : Monitoring the delivery of the basic services to the cooperatives of craftsmen

Activity 2 : Cooperative surveillance to track the impact of macroeconomic Adjustment policies

Activity 3 : Public expenditure tracking

Activity 4: Introduction of Cooperatives' performance contact at the district Levels

CHAPTER 5: ORGANISATIONAL FRAMEWORK FOR THE HANDCRAFT SECTOR

5.0 Recommended Sector Working Structures

The Implementation Plan is flexible and designed to accommodate new initiatives in response to changing enabling environment. Sector stakeholders are free to identify and execute activities that are in sync with their interests. The administration of the strategic plan will involve collaborative support from various stakeholders, identified and assigned initial respective roles as follows: -

5.1 Enterprise Level

5.1.1 Micro, Small and Medium-Scale Producers

These comprise the unorganized micro or small-scale producers who are generally not market oriented and engage in craft production as a part time activity. They comprise mainly women, youth and the disabled producers of crafts in various districts of Rwanda.

Recommended Action:

- ✓ Identify such producers, mobilize and organize them under Export Production handcraft production centers like their counterparts in Ghana.
- ✓ Link them up with serious and established Exporters, or Buyers
- ✓ Resource and facilitate them by providing central or common working sheds with facilities for raw material storage, work in progress, finished products storage and equipped with basic infrastructure (electricity or generator where necessary), benches, tools of trade, etc.
- ✓ Organize raw material supply systems for them: explore opportunities for acquisition of land to grow the raw materials as well as working closely with research institutions (e.g. ISAR, IRST, KIST, etc) to navigate possibilities for better quality or quick maturing varieties.
- ✓ Provide skills training/enhancement through technical assistance from business support organizations.
- ✓ Provide market information, trade brochures and samples
- ✓ Consistently sensitize group on product standards to meet market requirements.
- ✓ Assist in price negotiations with exporter (s) or market agents.
- ✓ Organize annual District and Provincial Art and Crafts Exhibitions to identify talented craftsmen, determine District/Regional product specialization and identify products suitable for export.
- ✓ Organize internal or external study tours for group leaders and master craftsmen.
- ✓ Enable potential artisans to become self-standing merchant producers.

5.1.2 Merchant Producer/ (Producer/exporter) or Crafts Shop Operator

These comprise

a) Medium to Large-scale producers engaged directly in exports, who may have a sizeable number of small producers working under them
b) Crafts shop operators under local selling points who sell locally to tourist and prospective buyers.
c)

Recommended Actions

- ✓ Organize and strengthen the National Art and Handcraft cooperatives, either as producers or exporters or both.
- ✓ Legislate for or administratively require the registration of all handcraft exporters with Handcraft secretariat or RDB department in charge of export promotion.
- ✓ Stream line marketing chain of the Exporters/Agents.
- ✓ Enhance supervision of the production process.
- ✓ Establish a linkage of umbrella organization with sector-supportive trade finance institution(s).
- ✓ Facilitate/encourage traders/exporters to access trade finance/export credit.
- ✓ Organize sector-specific export management training programmes for target group.
- ✓ Facilitate participation of Association Members in specialized/general international trade fairs and exhibitions.
- ✓ Support Association members to undertake market research, entry and development programmes.
- ✓ Lobby for sector-specific import duties and other investment incentives.

5.1.3 Agent/Exporter

The Agent/Exporter ideally works on commission basis for the handicraft buyer or the Producer as a facilitator. These are mainly urban-based agents who may be largely in Kigali.

Recommended Action

- ✓ Recognize and accredit agents/exporters in the market chain for handcrafts.
- ✓ Enhance agents/exporters interface with the buyer and the producer.
- ✓ Support agents/exporter attend trade shows with the merchant producers.
- ✓ Organize export management training programmes for agents/exporters.

5.2 Institutional Framework – Roles of the Stakeholders

The Central Government, Ministry of Trade and Industry (MINICOM), Task- Force on Handicrafts, RDB, Private Sector Federation, Development Partners, Non-Governmental Organizations (NGO), Civil Society Organizations (CSO) and Local Governments, individually and collectively, have critical roles to play in the successful implementation of the sector strategy as follows: -

5.2.1 Ministry of Trade and Industry (MINICOM)

- Sector policy formulation through legislation.
- Planning and coordination of the establishment of Handicraft EPVs. EPVs to be funded under Earmarked Transfers.
- Setting up of Handcrafts Umbrella Organization and strengthening craft cooperatives Performance monitoring and evaluation.
- Development and commercialization of handcraft industries and products.
- Interlink tourism with handcraft sector development.
- Handcraft sector programme and budget support.
- Monitoring and evaluation of the secretariat on Handcrafts.
- Establishment and creation of public awareness on the magnitude or the significance of Handcraft promotion day

MINICOM shall liaise with other ministries, especially MINECOFIN, MINAGRI, MIFOTRA, MIGEPROF, MIJESPOC and MINALOC to create the necessary link in addressing the five pillars of this strategic plan.

5.2.2 Secretariat on Handcraft Industry

This strategic plan recommends the establishment of a Task Force to address issues of supervision and coordination of this strategic plan and streamline the operations of the sector. The secretariat shall be responsible for the implementation of this strategic plan and ensure effective and efficient coordination. The secretariat shall also offer necessary guidance and support to the Handcraft Umbrella Organization that shall take over the management of the sector after the life of the secretariat. The key tasks of the Task-Force shall be:

- Coordination of all the stakeholders in the sector.
- Oversee the smooth implementation of the 2008-2012 strategic plan.
- Engage in fundraising activities, locally and internationally.
- Sensitization and awareness generation at National, Regional & International levels.
- Oversee skills development in design & product development.
- Sector advocacy.
- Liaise with the Rwanda Cooperatives Agency to fast track the establishment of the Handicrafts Umbrella Organization.
- Sector export database development in collaboration with RDB department in charge of Export and Investment promotion and NISR.
- Provision of administrative support for sector operatives.
- Facilitate sector operatives establish credit support relationship with financial institutions.
- Management of Sector Umbrella Organization Website.

- Liaise with Fair Trade practitioners to enhance fair play in the sector.
- Closely work with Rwanda Bureau of Standards to enhance quality.
- Render direction and guidance in issues of protection: intellectual property rights and patents.
- Preparation of Handcraft promotion day
- Monitoring the delivery of the basic services to the cooperatives of craftsmen.
- Cooperative surveillance to track the impact of macroeconomic adjustment policies.
- Public expenditure tracking.
- Introduction of Cooperatives' performance contact at the district levels

5.2.3 Rwanda Development Board(RDB)

- Development of sector export strategy for handicraft.
- Sector export database development in collaboration with National Institute of Statistics of Rwanda and Sector Umbrella Organization.
- Provision of market information to sector operatives.
- Enhancing of Export competence for exporters.
- Market development through:
- Market research and buyer contact development in collaboration with Rwanda's missions abroad and development partners.
- Facilitation of exporters' participation in international specialized and target trade fairs/exhibitions in collaboration with development partners.
- Production and sharing of promotional materials, e.g., catalogues, brochures, etc
- Establishment of exhibition centers in collaboration with Rwanda's missions abroad and development partners.
- Marketing skills development support.
- Organize and facilitate operatives benefit from study tours.
- Provision of technical assistance to the sector operatives.
- Provision of Business Development services: access to information, markets & finance.

5.2.4 Private Sector Federation (PSF)

- Sensitization and awareness generation.
- Sector advocacy.
- Organization of annual District, National, Regional Art and Handcraft exhibitions in partnership with local governments, NGOs and RDB.

- Aggressive recruitment of members in the Chamber of Craft & Arts.
- Facilitate networking with regional and international handcraft actors.

5.2.6 Development Partners (DP), Non Governmental Organizations (NGOs) and Civil Society Organizations (CSOs)

- Facilitate the implementation of this strategic plan through financial support to the Task Force on Handcraft Industry and all the other stakeholders.
- Logistics support for Sector Umbrella Organization (e.g. four wheel drive vehicle, office equipment, digital camera, computers, email and internet connectivity, website development, etc).
- Support handcraft development, creativity and innovation.

5.2.7 Local Governments

- Sensitization and awareness generation.
- Sector advocacy.
- Identification of current and potential handicraft producers in Districts and Sectors.
- Organization of producers into Handcraft production centers in collaboration with other stakeholders in the sector.
- Supervise & coordinate the operations of the Handcraft production centers.
- Organization of Annual District/Provincial Art and Handcraft Exhibitions.
- Establishment of performance contract with craft cooperatives in the district

CHAPTER 6: FUNDING OF THE STRATEGIC PLAN

The Rwanda Handcrafts Sector Five Year (2009-2013) Strategic Plan shall require an investment estimated at US$ 4,705,000. This budget is expected to be secured primarily through the annual budget appropriations of MINICOM, with the support of development partners. The details of the budget are in the implementation matrix, clearly outlining the five priority strategic areas and the corresponding activities, over the five year period.

Table 4: Summary Budget: 2009-2013 (US$)

STRATEGIC AREA	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Priority Area 1: Enhancement Of Production Capacity	310,000	560,000	520,000	260,000	310,000	1,960,000
Priority Area 2: Capacity Building	220,000	185,000	185,000	185,000	185,000	960,000
Priority Area 3: Trade Facilitation	6,000	6,000	6,000	6,000	6,000	30,000
Priority Area 4: Export Marketing Strategy	148,000	141,750	141,750	141,750	141,750	715,000
Priority area 5: Establishment of Handcraft secretariat	286,000	186,000	186,000	186,000	186,000	1,030,000
Total	970,000	1,078,750	1,038,750	778,750	828,750	4,695,000

As evidenced in the table above, most of the budget shall go towards enhancement of production, capacity building and the coordination functions. The first three years account for most of the funds allocated. This is because a secretariat has to be put in place, the Craft Production Centers constructed over the period.

CHAPTER 7: IMPLEMENTATION, MONITORING AND EVALUATION

An Action Plan and Implementation Matrix (Appendix 3) have been developed to guide programme execution. For a coordinated and focused programme execution and to ensure that the programme pursues its objectives, satisfies the needs and aspirations of the primary beneficiaries and stakeholders as well as promote the developmental goals of Government, there shall be a two-tier programme administrative structure as set out below:

7.1 Implementation Agency

The Secretariat on Handcraft Industry, will be the key implementation agency under the supervision and guidance of the line Ministry mandated by law to handle Handcraft activities, at the time of this strategic plan being MINICOM. The Secretariat shall comprise of five members to steer the five priority areas identified in this Strategic Plan.

7.2 Monitoring and Evaluation

Under the auspices of the Ministry of Trade and Industry (MINICOM) and in liaison with the Secretariat on Handcrafts Industry in collaboration with the sector stakeholders identified under the Institutional Framework, the strategy will be subjected to quarterly monitoring, mid-term and annual reviews based on the realities of the national economy and the changing global economic circumstances.

BIBLIOGRAPHY

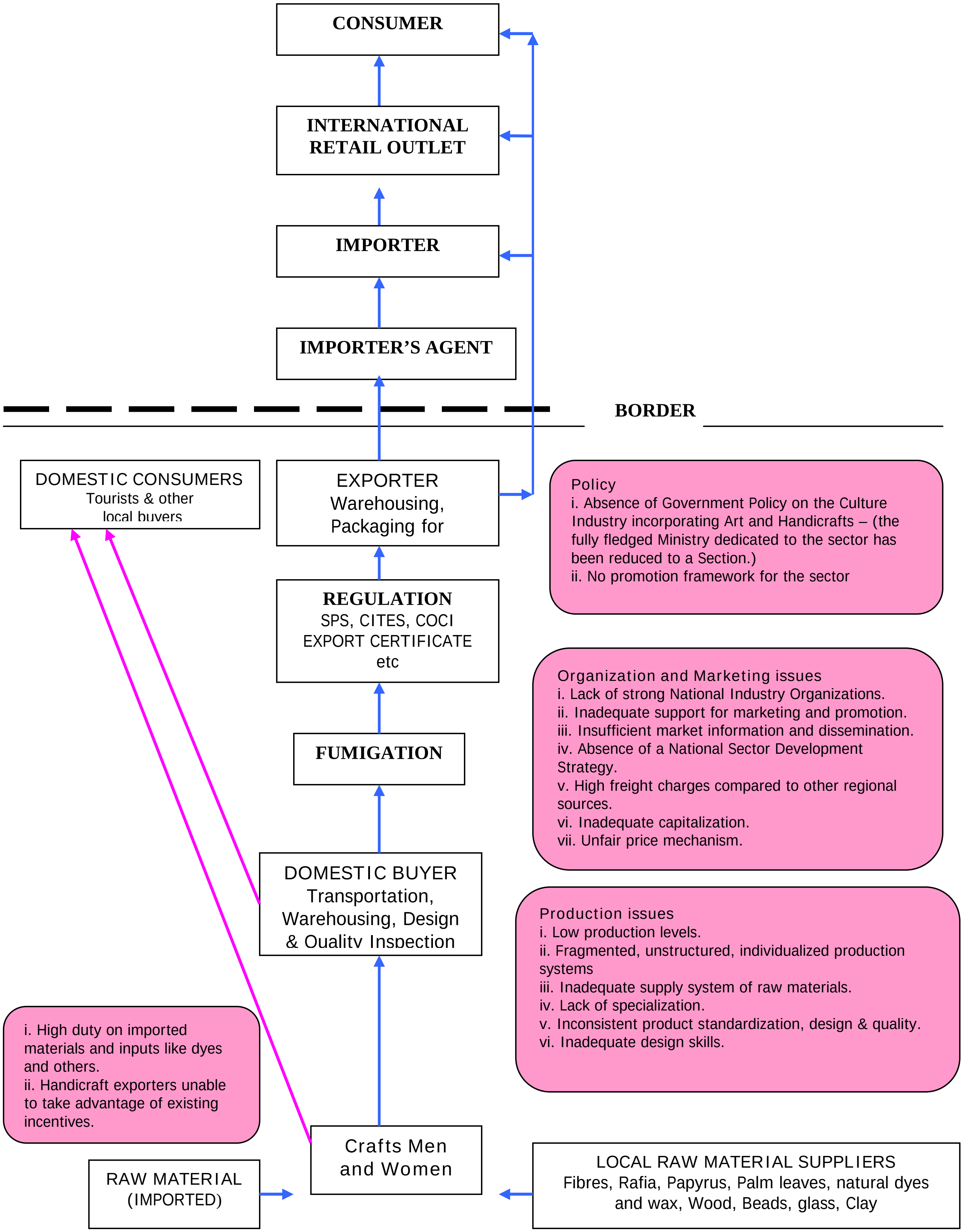
REPORTS

1. Buyela Wepukhulu 2006; Study Report on Design & Development of Handicraft Training Programme
2. MINICOM; National Craft Industry Promotion Policy,2006
3. Occasional Paper,2000; EXIM BANK

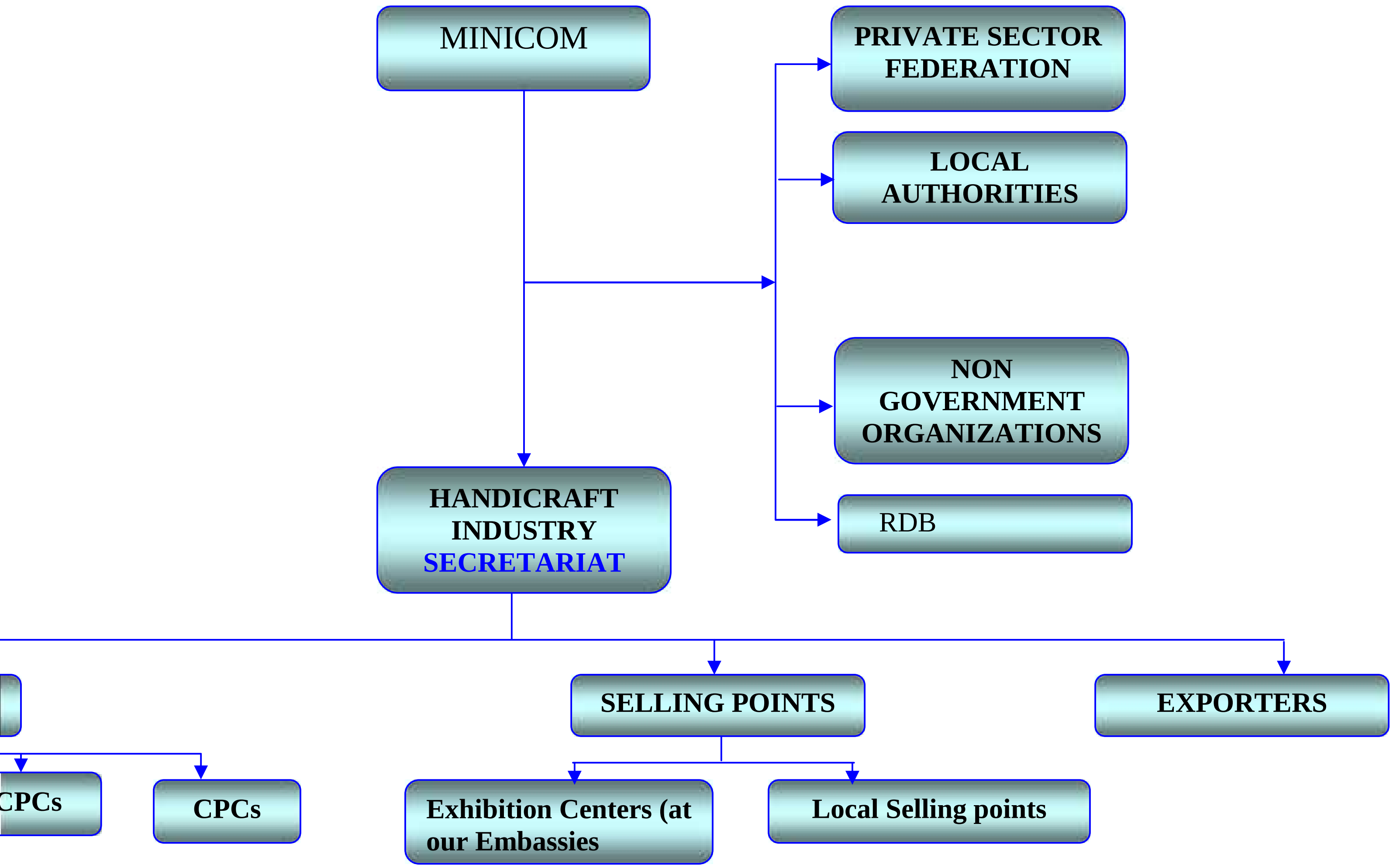
WEBSITES

1. www.rwandgateway.com Visited on 25th April,2008
2. www.rwandatourism.com Visited on 25th March, 2008
3. www.indiandata.com/india Visited on 26th April,2008
4. www.minecofin.gov.rw Visited on 2nd April,2008
5. www.devpartners.gov.rw Visited on 4th March, 2008
6. www.undp.org.rw/poverty_reduction Visited on 4th May, 2008
7. www.ecatradehub.com Visited on 30th April, 2008

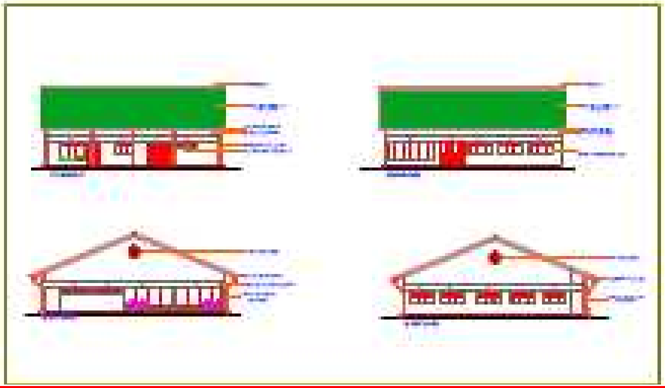
Appendix 1: Handcraft Value Chain Analysis



Appendix 2: Sector Organization Structure New one



Appendix 3: Proposed Plan for the CPC



Appendix 4: Action/Implementation Matrix for the Strategy-FY: 2009 -2013

PRIORITY STRATEGIC AREA 1: ENHANCEMENT OF PRODUCTION CAPACITY						
CORE ACTIVITIES	PERFORMANCE INDICATORS		RESOURCE ASSESSMENT		TIME FRAME	RESPONSIBILITY
		KEY TARGETS	BUDGET (US$)	SOURCE		
Carry out need assessment on number of handcrafts associations not yet organise in cooperatives, opportunities in handcraft sector and availability of raw materials used by craftspeople . This assessment will also avail the information on the impact of handcraft sector in GDP	-great number of associations will be known. -all available Raw materials in Rwanda will be known and those that can be imported from neighboring countries will also be known Impact of handcraft sector will be revealed	-all the handcraft producers will be organised into cooperatives -Raw materials that can be produced locally will be planted Handcraft sector should register every positive impact in the development of rural areas in Rwanda		MINICOM PPPMER II IF	JAN. 2009	MIMICOM RDB
Identify, mobilize and organize producers into identifiable groups craft Production centers (CPCs)	• CPCs mobilized into organized groups-co-operatives • No.of producers under CPCs	-2 co-operatives per year per district -500,00 members per year	25,000	MINICOM	2009	Rwanda cooperative Agency MINICOM MINALOC

Construct, Equip and provide logistic support to CPCs , Exhibition Centers & Kiosks	• fully equipped CPCs per district • 12 fully equipped Exhibition Centers (EC) • 10 equipped kiosks set up in key tourist sites • Logistics	-1st Yr-4 CPCs in 10 Priority Districts -2nd Yr-4 CPCs in the next 10 priority districts -3rd Yr-2 CPCs in third priority districts -4&5th Yr-2 CPCs in last priority districts	600,000 660,000 100,000 50,000	MINICOM	2009	MINICOM
Organize raw material supply systems for Crafts production centers	• Regular raw material supplies • No of sources of raw materials established	-Sisal, raffia and plaster of Paris supplied to producers in 2009	25,000	Handcraft Secretariat	YEARLY	Handcraft Secretariat
Undertake study tour of Ghana's handcraft sector development and organize local and external tours	• One Study tour undertaken. (10 persons) • Lessons applied • 30 No of local tours organized • 5 No of external tours organized	-Ghana tour undertaken in October -6 local tours per year -20 participants attend 5 different tours every year	250,000 150,000 100,000	RDB	2009 YEARLY YEARLY	RDB

PRIORITY STRATEGIC AREA 2: CAPACITY BUILDING						
Developing the road map on how craftspeople will trained and examined	• Roam map developed and trainings are taken	-TNA carried out before end of 2010	35,000	RDB/CAPMER MINEDUC		
Organize continuous skills training of handicraft producers, through MINEDUC'S approved trainers and training programmes	• No. of training courses offered • No of operatives trained	-30 training sessions held per year in all districts	825,000	MINICOM RDB RDB	YEARLY	MINICOM RDB RDB
Organize continuous training of Handcraft exporters through RDB approved trainers and training programmes	• No of operatives trained • Competence developed in export marketing	-20 exporters given 2 training sessions per year	100,000	RDB	YEARLY	RDB

PRIORITY STRATEGIC AREA 3: TRADE FACILITATION						
Sensitize a lead financial institution(s) to provide sector-specific production, pre-and post shipment, and medium-term finance	• Lead financial institution secured • Value of credit given to sector • No of beneficiaries	- 2010	5,000	Secretariat	YEARLY	MINICOM
Familiarize operatives with existing sector-related investment incentives, tax exemptions and concessions	• No. of operatives educated/ Informed on incentives • No of raw materials exempted	One "Open Day" per District per year	25,000	RDB	YEARLY	RDB
Organise group shipments to make prices cheaper	• Competitive rates secured	-Preliminary discussions with FEDEX,DHL,World freight commence in Oct,2008	5,000	MINICOM	YEARLY	PSF
Encourage sector operatives to access trade info at RDB	• No of operatives visiting RDB for trade advice and information		5,000	RDB	YEARLY	RDB PSF

PRIORITY STRATEGIC AREA 4: EXPORT MARKETING STRATEGY						
Conduct market research and organize Contact Promotional Programmes to target markets beginning with USA and Canada, (last quarter 2008) and subsequently to EU, Japan and the Middle East and pursue aggressive marketing	• AGOA office to fully activated • Foreign Missions to be sensitized • No. of markets developed • Export sales registered • Increased exports	-Research undertaken in USA-2008 -Canada-2009 -EU& Japan-2010 -Middle East-2010	100,000	RDB	YEARLY	RDB
Develop sector promotional materials including sector website	• No. of promotional materials developed • Website developed • Website update regularly		50,000	RDB	YEARLY	RDB
Organize annual District and Provincial Art & Craft Exhibitions	• No of exhibitions organized • No of exhibitors • No of visitors • No of new products exhibited	-15 district exhibitions-2008 -1per district in the preceding years -20 exhibitors-2008	50,000	MINICOM PSF	YEARLY	MINICOM PSF

Facilitate and support exporters to participate in target international trade fairs and exhibitions	• No. of trade fair participants • No of trade fairs attended • No of new contacts Volumes of products sold • No of orders obtained	-2 Trade Fairs in 2008 -5 Trade Fairs every year	500,000	RIEPA CAPMER PSF	YEARLY	HANDCRAFT secretariat
Protect handcraft products through patent rights etc	• No. of products protected	-Agaseke to be protected	5,000	MINICOM	YEARLY	MINICOM

PRIORITY STRATEGIC AREA 5: HANDCRAFT SECTOR COORDINATION						
establish the secretariat	• SECRETARIAT is established	-2009	-	CABINET	2009	CABINET
Set up a secretariat to coordinate Stakeholder support and interventions	• Office is set up • Support staff acquired • Operationalize activities of the secretariat	-October 2008	100,000 900,000	MINICOM	2009 YEARLY	HANDCRAFT SECRETARIAT
Communicate the secretariat's mandate and disseminate the monitoring and evaluation role of all stakeholders	• Info disseminated	2009	5,000	SECRETARIAT	YEARLY	HANDCRAFT SECRETARIAT
Supervise and coordinate implementation of strategic plan	• Guidelines issued to all stakeholders • No. of meetings held • Monitoring and evaluation undertaken	2009	25,000	SECRETARIAT	YEARLY	HANDCRAFT SECRETARIAT