

Table 1. Action Plan for Major Trade Issues

Constraint	Recommended Actions/Measures	Proposed Timeframe	Responsible Bodies	Indicative target	Existing or proposed activities
Priority 1: Reduce Trade Costs and Increase the Returns to Exporting					
Transport and Customs					
A. High cost and limited access to rural transport reduces returns to trade and constrains the ability of rural farmers to produce commercial crops	Develop strategy to improve rural transport Implement rural transport strategy	2005 2005-10	MININFRA MINAGRI MINALOC RSSP	Increase number of farmers with access to a road by x% and reduce share of transport costs in farm gate prices	ADB, EU (W2)
B. Delays on the main corridors raise the costs of trade	Use participation in regional trade agreements, EPA negotiations and corridor organizations to enhance transit facilitation in gateway countries.	2005-06	MINAFFET MINICOM MININFRA RRA, RPSF	Lower transit times on both corridors by 50 percent Ensure national treatment for Rwandan transporters	WB (EATTF) (W2)
C. Lack of cold storage facilities reduces returns to horticulture	Continue to upgrade cold storage facilities along whole chain	2005	MINAGRI	Volume of cold storage capacity to support x tons by 2007	Dutch Embassy
D. Continued modernization and computerization of customs is required to reduce long clearance times and uncertainty	Effectively apply all modules of Asycuda and reinforce valuation unit in Customs	2005-06	MINICOM RRA	Reduce clearance time to 2 days - imports and 3 hrs – exports by 06.	DFID
	Enhance and sustain training of customs officials. Raise capacity and awareness of private sector.	2005-07	MINICOM RRA, RPSF	All officials receive annual training	DFID
E. Current MaGeRwa fee of 4% is a tax on trade	Replace with a fee based on services rendered and facilitate competition in warehousing	2005	MINICOM RRA MINECOFIN	New fee introduced and choice of warehousing available	
ICT D. Lack of access to low cost ICT services and the internet constrains linkages to international markets and the flow of information. Low awareness of the benefits of ICT, lack of human capacity and limited quality assurance for the IT industry constrains ICT's ability to reduce trade costs.	Improve infrastructure, human capacity and awareness of ICT, especially in rural areas. Support RITA and RURA to monitor the quality of ICT services, ensure a competitive local ISP market and join regional initiatives to reduce cost of internet access.	2005-2007	MININFRA MINECOFIN RITA, RURA	Relevant rural IT systems installed. Number of people with access to internet rises by x%. LARIS and other government back office systems with a direct impact on trade costs are fully implemented.	SIDA?

W2 = suggestions for funding under Window II, of the Integrated Framework Trust Fund

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Priority 2: Remove Barriers to Participation in Commercial Activities and Trade					
A. Lack of access to credit is a major constraint for farmers and SMEs	Improve information on available financing	2005	MINECOFIN, BNR, RIEPA RPSF, UBPR	Increase amount of credit to rural sector from 2.3 – 5% by 2007	FSAT study Road map for financial sector
	Provide training to suppliers, bankers and cooperatives on project preparation, evaluation and finance	2005-08	CAPMER, NBR	X cooperatives, suppliers and bankers receive training	
B. Weak organization of the rural sector limits role of market activities and constrains ability to access credit	Strengthen legal basis and develop a national policy on cooperatives and farmers' organisations	2005	MINICOM, MINAGRI	Increase productivity of existing coops and raise number of coops	
	Support financial development of cooperatives and farmers' organisations	2005-06	MINECOFIN, MINICOM	Increase no. of cooperatives providing financial services to members	
C. Lack of access to electricity constrains rural development and expansion of non-farm activities	Define strategy for rural electrification and support schemes to develop small-scale local electricity supplies and undertake feasibility studies	2005-10	MININFRA, RIEPA	Identify potential beneficiary projects by 2005 and implement by 2010	Royal Netherlands Embassy? WB UEP? (W2)
D. Lack of knowledge of potential markets limits ability of farmers to efficiently choose which crops to produce and lack of extension services limits ability of farmers to produce cash crops and raise quality	Disseminate existing research and undertake new research focused on providing farmers with a business model for reaching new markets	2005-10	MINAGRI, RIEPA, ISAR, MINICOM	Increase proportion of farmers producing commercial outputs	(W2)
	Increase the number of agronomists and the reach of extension services – target poor households with propensity to produce commercial crops	2005-10	MINAGRI, ISAR, MINALOC	Increase the number of agronomists by x Increase coverage of extension services by x number of farmers	

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Priority 3 Improve the Climate For Investment and Competitiveness					
A. Legal reform is incomplete and the capacity to effectively and consistently apply business laws needs to be strengthened	Review and replace obsolete laws and regulations in the following areas commercial code, contract laws, bankruptcy, land registration, competition law, intellectual property law	2005-07	MINICOM, MINIJUST	New laws in place consistent with international best practice and external commitments	(W2) WB CEDP
	Enhance training and legal education of judges, lawyers and the business community – ensure effectiveness of arbitration centre	2005-07	MINIJUST	Business arbitration centre seen as effective (survey)	WB CEDP
	Improve system of land registration	2005-06	MINITERE	LARIS implemented	WB CEDP
B. High costs of doing business limit competitiveness and investment	Streamline business regulations and reinforce one-stop centre	2006-08	MINICOM, RIEPA	Improvement in cost of doing business indicators and increase % of registered investments operationalised from 50-75% by 2006	WB CEDP
C. Lack of business skills and knowledge constrain growth of the SME sector	Implement SME business development program to transfer knowledge, experience and best practices.	2005	CAPMER, PPPMER, RIEPA		WB CEDP EU
D. Unreliability and cost of energy supplies	Introduce more rational tariff structure	2005-10	ELECTROGAZ, MININFRA	New tariff structure introduced	WB CEDP (W2)
	Address financial imbalances	2005	ELECTROGAZ, MININFRA	Electrogaz debts significantly reduced	
	Review taxation of petroleum products, particularly where this impacts on competitiveness		MINICOM, RPSF, MINECOFIN	Structure of petroleum taxes is changed	

Table 1. Action Plan for Major Trade Issues (continued)

Constraint	Recommended Actions/Measures	Proposed Timeframe	Responsible Bodies	Indicative target	Existing or proposed activities
Priority 4 Develop Trade Support Institutions and Capacities					
A. Standards and exports Lack of capacity for standards and quality management constrains diversification into agro-processed exports	Provide training on good agricultural practices and HACCP	2005-07	MINAGRI	Number of farmers receiving training in good agricultural practice	EU
	Facilitate development of quality, systems and consumer-oriented certification services	2005-08	RBS, MINAGRI	Relevant certification services are available to producers	EU WB CEDP
B. Trade Policy Trade policy could do more to support export development and diversification. Lack of capacity constrains ability to pursue national interest in regional organizations and EPA and WTO negotiations	Develop SPS enquiry points with an information services for Rwandan producers and exporters	2006	RBS, MINAGRI, MINICOM	Enquiry point up and running by end 2006	EU
	Enhance trade policy capacities	2005-07	MINICOM, RRA	Government of Rwanda has an expert in each area of negotiations + focal point in each Ministry	EU
	Reduce duties on raw materials to zero and join the Information Technology Agreement	2005-07	MINICOM		
	Improve trade data	2005		Rwanda's customs data meets international standards	EU RISP
C. Export Promotion Current export promotion and export development activities are fragmented uncoordinated and incomplete	Effectively coordinate & implement detailed export promotion and diversification action plan	2005-06	RIEPA	Detailed plan produced and implemented	WB CEDP
	Enhance trade information and documentation centre - trade point	2005-07	RIEPA, RPSF CAPMER	Trade point up and running	GTZ
D. Capacity for DTIS Implementation Lack of capacity will constrain ability to implement and monitor the recommendations of the DTIS	Establish effective implementation mechanism	2005	MINICOM in cooperation with other ministries and stakeholders	Effective implementation mechanism in place	(W2)?

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Complementary Priorities: Sector Specific Actions³ to Enhance Poverty Reduction Strategies					
Coffee OCIR-Café lacks a strategy to ensure the goals of the coffee strategy are met	Support OCIR-Café with technical assistance to develop stronger role in marketing and extension services	2005	MINICOM OCIR Café	New strategy developed for OCIR Café by 2006	EU Stabex (W2)
Tea Delay in privatization and lack of implementation of the recommended pricing policy limit the impact of the tea strategy.	Review pricing to provide greater premium for higher quality	2005-06	OCIR The, MINICOM	Sales of good leaf tea rise to 75% by 2007	EU Stabex (W2)
	Address issue of privatization	2006-08	Privatisation Secretariat	Privatise half tea plantations by 2007	WB CEDP
Tourism Lack of human capacity constrains investment	Rapid and extensive training for the tourism sector	2006-08	MINEDUC, ORTPN	X workers in tourist industry receive training	
Horticulture Lack of clear business investment opportunities and support to potential exporters	Existing studies must be used and further work undertaken to provide sector business plans for investment and a horticultural incubator fund	2005-08	RIEPA, MINAGRI, CAPMER	Horticulture incubator fund established	EU Stabex?
				X sector business plans horticulture exports rise by 50 tons per year	OnTheFrontier-led strategy being developed
Handicrafts Lack of organisation is a major constraint on the expansion of activity. Lack of quality and reliability of supply limit exports	Develop a strategy for the effective commercialisation of activity and initiatives to raise supply capacity and quality	2005	RIEPA, MINICOM RBS, RPSF	Strategy developed and implemented	

³ Subsequent to the main DTIS mission and the compilation of the draft report the Government has identified hides and skins and minerals as strategic sectors. Studies have recently been initiated for these sectors and the conclusions will inform subsequent policy developments.