

# **INCEPTION REPORT**

## **Rwanda Horticulture Exports Standards Initiative (RHESI)**

July 20, 2007

This Inception Report for the Rwanda Horticulture Exports Standards Initiative (RHESI) summarizes the initial steps taken in the “project start-up” phase in June and July, 2007. These steps include initial administrative actions including contracting and financial arrangements as well as key steps on the technical side in working with RHODA staff and key horticulture subsector stakeholders in Rwanda. The report also includes recommended actions for immediate and mid-term future.

Dr. Dan Clay (Project Director) and Ms. Diane Cox (Financial Administrator) from MSU traveled to Rwanda to initiate project start-up activities during the first week of June, 2007. They worked closely with the MSU in country Coordinator, Ms. Martha Byanyima, and counterpart staff in RHODA. Overall the project start-up has been smooth and the all participants are eager to begin activities in earnest, now that the MSU and RHODA contracts are in place.

### **1. Contracting Actions**

The WTO/STDF contract for RHESI implementation was established and finalized with Michigan State University prior to the Clay/Cox trip to Rwanda. During the Clay/Cox trip meetings were held with RHODA Officials to establish the terms of a subcontract with RHODA for the establishment of the local RHESI project office. This subcontract has been finalized and signed, allowing the project to move into full implementation mode.

### **2. Hiring the RHESI Project Coordinator and Project Administrator**

The MSU team present for the project start-up activities included, Dan Clay (Project Director), Diane Cox (MSU Financial Administrator) and Martha Byanyima (RHESI Project Coordinator).

Discussions focused on finalizing the Project Coordinator’s contract, understanding the budget and planned interventions as established in the project document.

The Project Coordinator’s responsibilities were clarified and terms of reference for the project administrator were developed. While the Coordinator provides technical support to RHODA and directs the administrative and technical component of the project, the project administrator will provide administrative support, particularly with respect to ensuring proper financial management systems are followed and government contribution is documented. The Coordinator will provide oversight of all technical and administrative aspects of RHESI.

Hiring of the Project Administrator was discussed and the process will be begun in the coming weeks.

### **3. Establishing the RHESI Project Office**

Meetings were held with the Head of RHODA, Peter Muvara. Discussions focused on project administration, government contribution, provision of office space and staff time. Emil Mutunzi, Head of Plant Protection Unit at RHODA was appointed the project counterpart. Promises were made to secure office space as soon as possible. RHODA has space limitations; so the specific RHESI office location is yet to be determined. There may be some possibility of space becoming available in the MINAGRI lower offices where the World Bank RSSP project is housed.

Separate meetings were held with the RHODA Director of Finance to understand the finance management system. The system seems quite clear and transparent. What is not fully clear at present is how the project will access counterpart funds as these funds are held by the parent ministry and RHODA requests as and when need arises. It is not clear how long it will take to get funds into the RHODA account following requisition, but progress on this issue will be communicated at the earliest convenience.

It was noted that RHODA is not yet an autonomous body and decisions are made in consultation with MINAGRI, the parent ministry. This may have partly contributed to bureaucratic delays in providing office space and logistical support (e.g., transport, telephone and other communication) to the project coordinator. Because of these limitations, the project coordinator was advised to work from her house; it is not clear though how long it will take to avail the office; however, it is expected that the constant communication and in-country presence of the project coordinator, Martha Byanyima, will help expedite a response from RHODA officials on this issue.

Activities such as disbursing counterpart funds, which have to be approved by the parent ministry, will most likely be affected in a similar manner.

### **4. Meeting with RHODA Technical Staff**

The meeting was attended by:

- ❖ MSU Staff: Martha Byanyima, Dan Clay, Diane Cox
- ❖ RHODA Staff: Emile Mutunzi, Regina Kayitesi, Belline Mukasake, Anasitas Harerimana

The meeting was held with two objectives:

- ❖ To explain the scope and objectives of RHESI to enable RHODA staff improve their understanding of planned activities and fit their roles in the project interventions.

- ❖ To improve our understanding of existing human capacity at RHODA and therefore establish areas and gaps that would best be addressed by RHESI.

The RHODA technical team received the RHESI project with great enthusiasm and expressed need for training and technical support.

A core multidisciplinary technical team exists at RHODA, with a diverse range of skills desired in the field of SPS/ food safety and phytosanitary standards, i.e., plant health and protection, food science, biotechnology and agronomy. However, nearly all of them lack experience and are just beginning to be exposed to this kind of work.

## **5. Meeting the World Bank**

The meeting was attended by:

- ❖ RHESI team: Martha Byanyima, Dan Clay, Diane Cox and Emile Mutunzi
- ❖ World Bank team: Victoria Kwakwa, Tembo Maburuki and Peter Isabirye

The purpose of the meeting was to improve our understanding of the World Bank (WB) supervisory role and bring WB staff up to speed with RHESI goals and implementation. The Director was very enthusiastic; she emphasized that increasing Rwanda exports is the best means to increase Rwanda's capacity to borrow from the WB. The bank is not yet fully clear on how to carry out the supervisory role and will continue to work with the World Trade Organization (WTO) to clarify this role. Dan Clay subsequently provided the World Bank comments on specific supervisory roles that would be especially supportive of the RHESI project.

## **6. Meeting other agencies with responsibilities in the area of SPS/food safety and phytosanitary standards.**

The meeting was attended by:

- ❖ MSU Staff: Martha Byanyima, Dan Clay, Diane Cox
- ❖ MINICOM/RBS: Charles Rutagengwa
- ❖ RHODA: Peter Muvara, Angelique Rutayisire

The purpose of the meeting was to explain the RHESI scope and objectives, while seeking synergies with other agencies relevant to SPS standards work. The project was well received. RBS pledged support and continued collaboration with RHESI.

RBS noted that the lack of an up-to-date food law has caused confusion, overlapping responsibilities and unexplained responsibilities leading to duplication of effort and a waste of resources.

RHESI is expected to deal with the phytosanitary part of the food law, while the EU project and RBS deal with the food safety part of the food law. This implies there is

no guarantee of a food law being in place in 2 years when RHESI winds up. Given the importance of this law, especially the fact that it is the foundation of a sound regulatory system, it may be worthwhile prioritizing it and dealing with it holistically rather than in parts as currently envisaged.

*Recommended Actions:*

- ❖ The project should support RHODA technical staff by providing on the job training in addition to short courses in specialized institutions abroad.
- ❖ The project coordinator should continue efforts to strengthen partnerships and build synergies with other agencies. Strong partnerships can leverage additional resources to build value chains.
- ❖ Developing the food law should be prioritized. Food safety and phytosanitary regulations should be developed simultaneously to ensure the law is in place as soon as is practically possible.

## **7. Additional Technical Actions**

The project coordinator carried out the following additional technical tasks during the months of June/July:

- ❖ A short term plan of action was developed together with RHODA and RADA staff (see Annex 2).
- ❖ Meetings were held with a few exporters to improve our understanding of challenges and constraints faced; efforts are on to visit as many exporters as possible though we are constrained by lack of transport. Major challenges faced by exporters are high air freight costs and limited market access due to inability to meet the stringent standards in high value markets.
- ❖ Stringent standards on plastic films and environmental impact assessment placed by Rwanda Environmental Management Authority (REMA) have constrained Rwanda Flora expansion plans and endorsement for EUREPGAP certification. This has occurred in spite of having passed a EUREPGAP audit and provided evidence of an independent environmental impact assessment. This seems to be a classic case of the need to balance environmental standards with economic development.
- ❖ Rwanda Flora exports have to undergo two inspections: an inspection by RADA (the exporting country) and inspection at port of entry by the importing country. This double inspection could be avoided if Rwanda took steps to establish a level of “equivalence” with the EU.
- ❖ Meetings were held with RADA to understand current certification procedures. Phytosanitary certification done by RADA is in most cases not based on any inspections. The exporters fill out the certificates and only go to RADA for signature.

- ❖ The project coordinator participated in a standards and competitiveness seminar organized by MINICOM to step up collaboration, strengthen partnerships and seek synergies with RBS.

*Recommended Actions:*

- ❖ RHESI is primarily designed to harmonize the policy, legal and regulatory framework in line with obligations under the SPS Agreement. It is important for the project to also focus on few value chains and working with exporters and producers linking them to high value markets in the region and internationally.
- ❖ The roles of RADA, RBS and RHODA have to be clarified through a memorandum of understanding as the food law is being developed.
- ❖ The memorandum should include a description of the inspectorate and whose responsibility it is. The project could then provide relevant training to staff of the various agencies.
- ❖ The RHESI project should support Rwanda to establish “equivalence” with the EU and thus begin to eliminate the need for inspections at port of entry.
- ❖ Creating awareness amongst policy makers about the SPS Agreement and the WTO regulatory framework might go a long way to achieving consensus on the level of regulation required for exports.
- ❖ A parallel EU project under the RBS is supposed to address EUREPGAP certification. It is recommended that there is harmony between EUREPGAP standards and REMA regulations applicable to horticultural exports.

## **8. Next steps**

- ❖ Establishing the RHESI office and recruiting the project administrator should be fast tracked.
- ❖ Stakeholders workshop planning should commence in the coming weeks.
- ❖ The annual workplan should be one of the outcomes of the workshop.
- ❖ Synergies with the EU project under RBS should be established.

## **ANNEX 1**

### **Meeting at RHODA (11<sup>th</sup> June 2007)**

#### **Agenda – RHESI plan of action**

##### **In attendance**

Angelique Rutayisire, Martha Byanyima, Leon Hakizamungu, Anastase Harerimana, Belline Mukasake, Emile Mutunzi

##### **July**

Smaller meetings with stakeholders e.g. MINICOM, MINAGRI, RBS, RIEPA, RPSF, key exporters

**August** – we propose 2 workshops, one for policy makers and another for all stakeholders

**Policy makers** who are influential e.g. MINICOM, MINICOFIN, MINAFET – these need to understand implications of the WTO SPS Agreement on national policy and institutional framework

**All stakeholders** who include relevant public officials & institutions, horticulture exporters, agribusinesses and producer groups.

#### **TRAINING ACTIVITIES**

- i) **SPS awareness - development of materials, implementation of training (September to January 2008)**
  - a) The SPS framework – how it works, implications on national legal/regulatory frameworks
  - b) role of IPPC focal point
  - c) role of RADA, RHODA based on statutes establishing the agencies e.g. inspection, enforcement, certification etc

Target groups – RADA, RHODA staff & horticultural exporters

- ii) **Promotion of good practices** – draft the code of good practices for horticulture (refine the existing code, use it as a training tool), carry out IPM producer training, as soon as August (last week)

##### **July Activities**

###### **a) Visit exporters**

**Week 1:** Floris enterprise (apple banana), Nyirangarama (fresh produce), Rwanda Flora (flowers), Tugambire (ornamental), Covepar (chilies) – Angelique to coordinate

## ANNEX 2

### Contacts

Organization	Name	Title	Telephone	E-mail
MSU	Martha Byanyima	RHESI In-country Coordinator	08873090	<a href="mailto:Byany38@yahoo.com">Byany38@yahoo.com</a> , <a href="mailto:marthab.rhesi@gmail.com">marthab.rhesi@gmail.com</a>
MSU	Dan Clay	RHESI Director	517 353 1309	<a href="mailto:clay@msu.edu">clay@msu.edu</a>
MSU	Diane Cox	RHESI Financial Administrator	517 432 1639	<a href="mailto:coxd@msu.edu">coxd@msu.edu</a>
MSU	Luis Flores	RHESI MSU Coordinator	517 432-2214	<a href="mailto:floreslg@msu.edu">floreslg@msu.edu</a>
RADA	Leon Hakizamungu	Head, Plant Protection	08686690	<a href="mailto:lhakizamungufr@yahoo.fr">lhakizamungufr@yahoo.fr</a>
RHODA	Anasitas Harerimana	Disease control specialist	08564493	<a href="mailto:haranast@yahoo.fr">haranast@yahoo.fr</a>
RHODA	Regina Kayitesi	Quality Assurance Specialist	08635995	<a href="mailto:regikaus@yahoo.com">regikaus@yahoo.com</a>
RHODA	Belline Mukasake	Seed Development/protection specialist	08454173	<a href="mailto:bellinein@yahoo.fr">bellinein@yahoo.fr</a>
RHODA	Mushumba Johnson	Finance Director	08537553	<a href="mailto:mushumbar@yhoo.com">mushumbar@yhoo.com</a>
RHODA	Emile Mutunzi	Head, Plant Protection Unit	08540829	<a href="mailto:emile_mutunzi@yahoo.fr">emile_mutunzi@yahoo.fr</a>
RHODA	Peter Muvara	Director, RHODA	08307527	<a href="mailto:psmuvara@yahoo.co.uk">psmuvara@yahoo.co.uk</a>
RHODA	Angelique Rutayisire	Horticulture Pest Specialist	08532584	<a href="mailto:angeruta@yahoo.fr">angeruta@yahoo.fr</a>
World Bank	Victoria Kwakwa	Country Director	591301	<a href="mailto:Vkwakwa@worldbank.org">Vkwakwa@worldbank.org</a>
World Bank	Tembo Maburuki	Resident Economist	08300818	<a href="mailto:tmaburuki@worldbank.org">tmaburuki@worldbank.org</a>
World Bank	Peter Isabirye	Operations consultant	08761496	<a href="mailto:pisabirye@worldbank.org">pisabirye@worldbank.org</a>
RBS	Charles Rutagengwa	Rwanda Bureau of Standards	586106	<a href="mailto:rutacha@yahoo.co.uk">rutacha@yahoo.co.uk</a>