

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



## **World Bank Monitoring Report July to December 2008**

### **EXECUTIVE SUMMARY**

1. To date, the Rwanda Horticulture Export Standards Initiative (RHESI) has made important achievements and has directly contributed to the capacity and legislative groundwork necessary for good Sanitary and Phytosanitary Standards (SPS) management in Rwanda. It has facilitated the imminent passing of two requisite laws (Plant Health, currently with the Prime Minister, and Agrochemicals, currently with the Ministry of Justice). It also has made important in-roads in coordinating and training the scientists and professionals necessary for the implementation and enforcement of SPS in Rwanda. RHESI, and its accomplishments, come at a good time for Rwanda, with the goal of horticultural cultivation and export as a key pillar of the country's agricultural growth strategy. The World Bank finds that RHESI is on track to achieve its specific project objectives and commends the WTO Standards and Trade Development Facility (STDF) and Michigan State University (MSU) for this important work. The World Bank also wishes to raise the issue of sustainability of RHESI's accomplishments after the projected closing of the project in April 2009. Relevant recommendations to ensure sustainability include (i) assuring the adoption of an agreed National SPS Framework and Roadmap at the Ministerial level before project closure, and (ii) the possibility of extension of the project to ensure the technical assistance necessary to pilot the legal and institutional SPS model successfully put in place by RHESI.

### **INTRODUCTION**

2. This report informs on the implementation of the RHESI. The project, based in the Rwandan Ministry of Agriculture and Animal Resources (MINAGRI), operates under a fee-for-service arrangement through which the World Bank provides technical assistance (TA) in the form of monitoring services and technical advice in overcoming implementation challenges. This document reports on the main findings of World Bank monitoring activities of the RHESI over the first two quarters of the fiscal year 2008 (July to December 2008). It also provides some general recommendations for consideration prior to project closure. The observations made in this report are complementary to—and therefore do not intend to repeat—those of a parallel reporting structure that exists between RHESI-MSU and the STDF, which includes:

- Progress reports submitted at six month intervals;
- Annual financial statements;
- Brief status reports prior to STDF Working Group meetings; and
- Final report

3. In addition to this reporting structure between RHESI and STDF, the World Bank agricultural specialist based in Kigali engages in periodic monitoring discussion—largely

of a technical nature—with the RHESI team. Given the systematic reporting systems in place between RHESI-MSU and STDF, the additional contribution of the World Bank monitoring activities are two-fold (i) **verification** that all relevant factual and financial information, including Project reports and yearly statement of accounts are provided to the STDF according to the agreed timeline and that progress reports to the STDF Working Group on implementation are provided to the STDF Secretary in a timely fashion; and (ii) **technical assistance** in the identification and resolution of problems and challenges in implementation, drawing on the World Bank’s wider and specialized sectoral knowledge as Lead Donor for agriculture in Rwanda.

4. In terms of verification, the RHESI team at all times is able to provide evidence of timely provision of the required reports and periodic status reports to the STDF. It included its annual financial statement in its mid term report of April 2008.

5. In terms of the technical assistance and guidance for implementation, the rest of this report is informed by two formal monitoring missions in July 2008 and October 2008. In addition, the report is also informed by ongoing interaction and consultation between the RHESI Coordinator in MINAGRI and the Kigali-based agricultural specialist from the World Bank on a demand-driven basis, as and when issues arise.

#### **JULY 2008: FINDINGS AND RECOMMENDATIONS**

6. Subsequent to an introductory meeting between the World Bank and RHESI Coordinator in Rwanda in March 2008, at which the RHESI team shared their March STDF Working Group Project Status Report with the World Bank team, a formal monitoring discussion was held with RHESI Coordinator Ms. Martha Byanyima and WTO Economic Affairs Officer, Mr. Melvin Spreij in July 2008. The discussions took place in the context of the WTO *National Workshop on the Agreements on Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT)* held in Rwanda from 7-8 July 2008. The **objectives** of the monitoring discussions were to (i) update on implementation; (ii) identify any challenges or opportunities in implementation; and (iii) to provide technical advice and recommendations for any issues arising.

#### ***Key findings include:***

7. The World Bank was brought up to date on ***implementation progress*** based on the STDF Working Group Project Status Reports (see introduction) prepared separately by the RHESI team for STDF. Key points of progress since the March STDF Working Group Project Status Report focused on following up on the findings of the Phytosanitary Capacity Evaluation (PCE), particularly:

- workshops and training aimed at both the public and private sector;
- biosecurity capacity evaluation work and follow-up with inter agency training (July 2008);
- RHESI-sponsored participation in the East Africa Phytosanitary Information Council;
- Regional pest data base capacity building in Lusaka (April 2008) and subsequent work in Rwanda to review the national pest list

- Pest-initiated PRAs, and quarantine pest listing organized in Rwanda with existing expertise and methodological training.

8. While the combined achievements observed from March 2008 are impressive, a number of **challenges** arose during this productive period of implementation, as well as some issues anticipated for future implementation of the horticulture export standards initiative. These include:

- Slow progress on database and website updates;
- Ambiguity on the overall SPS framework for Rwanda. For example, while the Ministry of Trade is the clear notification authority set up for Technical Barriers to Trade (TBT), it is still unclear who this should be for SPS (i.e animal health, plant health and food safety) and who the Competent Authority (i.e. inquiry point) should be for SPS;
- An important challenge arising concerns sustainability of the initiatives seen under RHESI upon termination of the project. Key issues include:
  - The need for a Government champion to address the sustainability issue;
  - PCE flagged the capacity gaps that need to be filled;
  - The role of the Rwanda Agricultural Development Authority (RADA) in the sustainability agenda, particularly for a National Plant Protection Organization (NPPO).

9. **Recommendations** resulting from these discussions include:

- that discussions be pursued to consider MINAGRI as the notification authority for all SPS matters (plant health, animal health and food safety); and to have MINISANTE as the Competent Authority on food safety with MINAGRI as the Competent Authority on animal and plant health. This arrangement would promote a single SPS *notification* authority to ease trade; this should ideally be the institution with most SPS responsibilities (i.e MINAGRI);
- that, in addition to pursuing the institutional sustainability angle, RHESI activities be mainstreamed into MINAGRI's own strategy and activities for the sector. For example, the Government's upcoming Land Husbandry, Water Harvesting and Hillside Irrigation (LWH) investment targets horticulture for export and will most certainly require complementary export standards work to the productivity investments envisioned.

#### OCTOBER 2008: FINDINGS AND RECOMMENDATIONS

10. Following up on the July monitoring meetings, the World Bank met with the RHESI Coordinator to discuss further implementation issues and updates. As before, the **objectives** of the monitoring discussions were to (i) update on implementation; (ii) identify any challenges or opportunities in implementation; and (iii) to provide technical advice and recommendations for any issues arising.

#### **Key findings include:**

11. **Implementation** progress made in the three months ensuing from the last monitoring mission is detailed in the parallel reporting mechanisms described in the

introduction. To avoid repetition, only those discussed during the World Bank monitoring mission are included here:

- The Plant Law had progressed from RHODA to the Ministry of Justice;
- Extensive stakeholder consultation on the Agrochemicals Law had taken place;
- Two private sector trainings on (1) integrated pest management (IPM, for compliance); and (2) Good Agricultural Practices (GAP) were undertaken to form ‘champions’ in the private sector for GAP and IPM;
- In terms of follow up on the earlier recommendations, the World Bank found that:
  - Progress on notification authority and inquiry points has been slow. In general, the SPS Framework at the national level needs further clarification and requires attention and direction from a higher authority than the technocratic level in order to make progress;
  - Important progress was made on the recommendations regarding mainstreaming RHESI into MINAGRI activities. In particular:
    - active participation of the RHESI Coordinator in the annual Joint Agricultural Sector Review (JASR) raised the profile of standards issues among development partners;
    - The JASR adopted the World Bank suggestion that institutional arrangements for SPS need to be clarified and set in place by the next JASR (see Box 1). Note that MINAGRI and its partners are held accountable for recommendations emanating from the JASR;
    - RHESI was invited to input into the terms of reference for a market demand study for the LWH operation. The objective of the study is to guide the LWH investment in its selection of horticultural crops and in identifying the export bottlenecks, including those related SPS, as well as their resolution.

#### **Box 1 JASR SPS Recommendation**

“Following a presentation on export standards and references made on the importance of standards -particularly as the sector is orienting itself towards production for markets- in other presentations and discussions the following was recommended:

Present efforts towards developing standards and certification of exporters are commendable, but the road ahead is still long. Knowledge about SPS is still at a very basic level and there is a huge need for capacity building here, both for private and public players and at national as well as farm level.

Furthermore it was recommended that the institutional arrangement for SPS will need to be further specified and different actors informed of their role. An action plan should be developed by the present initiatives in which roles and responsibilities should be clarified so that they may become operational. This is an effort wider than a project and will most likely require coordination at Inter Ministerial level to ensure that the mandates fit the requirements of the tasks ahead.”

*Source: MINAGRI. July 2008. Joint Agricultural Sector Review: Proceedings and Recommendations, p. 2*

12. A number of **challenges** were also identified, including:

- The Plant Law is delayed at the Ministry of Justice and the Agrochemical Law appears stalled at the Rwanda Horticultural Development Authority (RHODA);
- The capacity and expertise for a National Plant Protection Organization (NPPO) is low and scattered across ISAR, NUR, ISAE, etc. and there is little coordination;
- The Plant Health Law is based on an inter-agency model and the scientists within RHODA and other MINAGRI agencies have skills very specific to their respective roles. There is therefore a need to build their capacity to implement and enforce the Laws (and thereby expand their roles)—i.e. the translation of the Plant Health Law into roles and responsibilities for enforcement needs to take place

13. **Recommendations** resulting from these discussions include:

- to enlist the assistance of the Ministry (MINAGRI) in clearing the legislative bottlenecks at the Ministerial level and the level of RHODA;
- to pursue the national SPS framework at a higher level;
- to further the sustainability issue by finalizing institutional arrangements with MINAGRI;
- that planned coordination and training activities for the NPPO proceed apace.

#### **GENERAL RECOMMENDATIONS**

14. Ongoing discussions with the RHESI team in Kigali subsequent to the formal October 2008 monitoring mission provide ample indication that the recommendations

concerning NPPO capacity building and coordination, as well as the clearing of legislative bottlenecks (e.g. the Plant Law is now at the Prime Minister's office and the Agrochemicals Law is with the Ministry of Justice) are being successfully implemented.

15. The key conclusion and general recommendations therefore pertain to the issue of **sustainability** of the RHESI work upon project closure in April 2009. While the project is firmly on track to meeting its objective of “establishing a sound SPS management system in Rwanda so that Rwanda government authorities will be in a position to ensure the application of plant health management protocols that will lead to expanded horticulture trade from Rwanda”, there is a risk that—despite strong commitment from MINAGRI—the legislation and SPS model put in place with RHESI support does not maintain the momentum of implementation after the project's closure. The risks lie in a lack of institutional clarity and the pilot nature of implementation. These risks can be mitigated by the following two (2) general recommendations:

***Recommendation 1: National SPS Framework***

16. It is strongly recommended that an agreed National SPS Framework and Roadmap be discussed and agreed at an Inter-Ministerial level before project closure. RHESI has provided the technical recommendations for a Framework and this needs to be taken further with the Government. MINAGRI has shown a commendable level of commitment to the RHESI—particularly demonstrated in assisting the legislative work of the project—and indeed continues to build upon it implicitly in their investments in the sector for horticultural growth. MINAGRI has a demonstrated interest and an evident good will in ensuring that the SPS agenda does not peter out just as their horticultural investments are scaled up. It is therefore important that sufficient RHESI resources and energy goes into the adoption of a clear Framework *and* into the development of a practical Roadmap for sustainable SPS management in Rwanda.

***Recommendation 2: Piloting the RHESI SPS Model***

17. The reports submitted on implementation progress by RHESI establish the project's support of the legislative and capacity groundwork required for good SPS management in Rwanda. By April closure, MINAGRI and RHESI will have successfully put into place a legal and institutional SPS model that is well placed to help meet the Government's horticultural export objectives. It is recommended however, if at all possible, that the project be extended for several months for two reasons (i) in order to provide the on-the-ground technical assistance and guidance in actually implementing the model with a few pilot crops; (ii) to update and adapt the model during the impending period of the restructuring of the MINAGRI agencies. Providing this ‘hand-on’ assisted learning in the implementation of the SPS management system put in place by MINAGRI and RHESI, is viewed as critical to mitigating the risk of lost momentum with project closure due to lack of experience with SPS implementation. It is imperative, however, that Recommendation 1 be followed so that there is justification for the extension immediately following the projected closure (i.e. that the Framework, Roadmap and all roles and responsibilities have been adopted).