**PROJECT APPRAISAL REPORT
Leveraging on the Greater Imbo Region to Enhance Burundi’s exports**

**Burundi Country programme**

**Draft version- July 2017**

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| **PAR REVIEW RECORD SHEET** |
| **MUST BE CONSULTED** | **Reviewer /title** | **PAR has been reviewed and feedback provided and l am satisfied with the quality of the PAR** *{ insert tick (√) if yes }* | **Date reviewed**  |
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| Other SOLs |  |  |  |
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| Procurement  |  |  |  |

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**Summary**

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| --- | --- |
| **Project title** | Leveraging on Greater Imbo Region to Increase Burundi’s Exports |
| **TMEA strategic outcome** | Reduced barriers to tradeIncreased business competitiveness  |
| **TMEA Strategic output/end of programme outcome** | * Reduced barriers to trade in selected sub-sectors in Burundi (Fisheries, palm products and fruits) and greater inclusion of women in trade
* Improved export capabilities in fisheries, palm and fruits sub-sectors
 |
| **Implementing organizations’ outcomes**  | 1. Reduced barriers to trade in selected sub-sectors in Burundi (Fisheries, palm products and fruits) and greater inclusion of women in trade
2. Improved export capabilities in fisheries, palm and fruits sub-sectors
 |
| **Country / Regional focus** | Burundi/greater Imbo region |
| **Total project budget (U$)**  | $7.5 million  |
| **TMEA Contribution** | $4.2 million (from Netherlands and/or Finland regional unallocated resources) |
| **Other contributors: Belgium** | $3.3 million (€3 million) from Belgium |
| **Board Approval Budget** | TMEA seeks Board approval for **$3.3million** for the first phase of this programme, which is funded by Belgium. Once the regional allocation to Burundi is secured, TMEA will seek approval for the rest of the programme.  |
| **Project Start Date** | September 2017 |
| **Project End Date** | June 2020 |

# Quality Assurance and Approvals

The **Burundi Country Programme** budget is greater than $1M (PROJECT > $1M), therefore will require all five (5) approval levels recommended for quality assurance. Project approvers as indicated below are requested to review the **Burundi Country Programme** in terms of relevance and feasibility as directed in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Relevance** | **Brief comments** | **Feasibility** | **Brief comments** |
| 1.The project meets clearly demonstrateand high priority development needs: |  | 1.The activity is well designed and will deliver clearly identified development benefits:  |  |
| 2.Is consistent with TMEA’s priority strategic outcomes and relevant strategies |  | 2.Has relevant and realistic desired outcomes that address identified needs |  |
| 3.Is consistent with regional and national organizations’ policies, priorities and programmes and has clear partner ownership |  | 3.Has resource and cost implications justified in relation to the anticipated benefits |  |
| 3.Is based on appropriately rigorous analysis of the development issues and priority needs – including situation analysis, stakeholder and institutional analysis |  | 3.Has clearly stated and sound coordination, management and financing arrangements that support partner ownership objectives |  |
| 4.Incorporate lessons learned from past experience |  | 4.Has a suitable monitoring plan that meets management information and accountability needs |  |
| 5.Considers alternative solutions to the development problem(s), including options for using different forms of aid |  | 5. Has a realistic analysis of risks, a risk management plan and appropriate analysis of sustainability issues.  |  |

**FOR PROJECTS < $40,000**

I, NAME OF TMEA DIRECTOR, have reviewed the project design and agree / do not agree (cross out one) that it meets the requirements of relevance and feasibility outlined above.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**FOR PROJECTS > $40,000, <=$250,000 (IN ADDITION TO THE ABOVE)**

I, NAME OF TMEA DEPUTY CEO, have reviewed the project design and agree / do not agree (cross out one) that it meets the requirements of relevance and feasibility outlined above.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**FOR PROJECTS > $250,000, <=$1M (IN ADDITION TO THE ABOVE)**

I, NAME OF PRG chair, have reviewed the project design and confirm that all PRG members agree / do not agree (cross out one) *OR that the majority of PRG members* agree / do not agree (cross out one) that it meets the requirements of relevance and feasibility outlined above.

I recommend to that the CEO approves / does not approve this project.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**FOR PROJECTS > $1M (IN ADDITION TO THE ABOVE)**

I, NAME OF Board chair, have reviewed the project design and confirm that all PIC members agree / do not agree (cross out one) *OR that a majority of the PIC members* agree / do not agree (cross out one) that it meets the requirements of relevance and feasibility outlined above.

# Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Introduction & Background

1. **Introduction**

The political crisis prompted by the decision in April 2015 of the incumbent President of the Republic to run for an additional presidential term, has led to deeply problematic socio-political and economic situation for Burundi.

The economic situation has been very difficult since 2015. Private investors and foreign donors, on which the Burundian economy largely depends, have held back. Economic growth has been reversed, and the progress in Burundi of the last several years is under threat. Political unrest and persistent tensions in 2015 and 2016 resulted in half a million Burundians taking refuge outside the country. Burundi is now characterized as a fragile and conflict affected country by the internal community.

In 2017, it was observed that there is willingness on the part of from some development partners to take a pragmatic approach in finding latest ways to engage in Burundi to assist the most vulnerable citizens. Article 96 of the Cotonou Agreement is still in place, meaning European donors still cannot provide any direct funding to the Government of Burundi (GoB). However, there is a possibility of some light engagement with GoB in future, if this allows donors to support programmes that provide humanitarian relief and some development assistance. TMEA, which has been providing support since mid-2015 only to non-GoB institutions, will look into such approaches as appropriate with its investors in the proposed programmes in this PAR. They include strengthening public-private dialogue frameworks, advocacy, removing cross-border trade barriers, and some work in value chains. It is also important to note that the implementation period of this PAR falls in the period before 2020 elections. Considering the implementation environment, the period seems the optimal time to obtain good results.

The proposed Strategy 2 programming for Burundi is informed by a growth hub study and a cross-border strategy design commissioned by TMEA in 2016/17. Grounded in this difficult context, it seeks to work through the private sector, to support Burundians’ livelihoods and resilience through increased cross-border trade, increased women’s trade and increased exports in selected high potential sub-sectors. These concern fisheries, palm oil products and fruits, concentrating interventions in one selected area, namely the Greater Imbo region, to maximize impact.

Experiences of various donor agencies indicate that development of Small and Medium Enterprises (SMEs) and encouraging entrepreneurship in Fragile and Conflict Affected States (FCAS) is a driver of pro-poor growth and as a key factor in reaching stability. Entrepreneurship development not only leads to self-employment, but also fosters self-confidence of young and ambitious people. It enables fresh entrepreneurs to strive more, expand their businesses and create much desired jobs for their peers in societies where economic opportunities are few. More important, the private sector can establish itself as a strong factor in stabilizing the economy despite political breakdown. TMEA’s strategy for integrated trade in Burundi will therefore work closely with entrepreneurs and SMEs in the identified value chains and at the border points with DRC, to strengthen their capabilities for exports.

This PAR presents and seeks initial approval for the first phase of the programme valued at $3.3million and funded by Belgium. The total programme budget is $7.5m and once the regional contribution to Burundi is secured, TMEA will seek further approval for full programme implementation. The Belgian funding will be released in two tranches. The first tranche (€1.5 million) allocated to Women Economic Empowerment in Cross Border Trade will be disbursed in 2017, and the second tranche (€1.5 million) allocated to Women in selected value chains will be released in 2018.

1. **Background and problem analysis**

***Burundi has maintained decent steady growth over the last decade, primarily driven by agriculture and the recently developed service sector…***

Burundi committed to revitalize its economy and to achieve national unity since 2000. Following a decade of
economic stagnation, the country’s GDP growth rate increased considerably after 2006. According to
African Economic Outlook, Burundi recorded average annual growth of 4 percent since 2010, and
achieved rates of 4.7 percent in 2014. Increases in economic growth resulted mainly from
an upturn in coffee production, large-scale construction of roads, and establishment of fibre-optic networks.

Agriculture remains the main driver of Burundi’s economy. The sector contributes 43 percent of GDP[[1]](#footnote-1), 86 percent of export revenue and over 90 percent of employment in the country[[2]](#footnote-2). Bananas, sweet potatoes, beans, taro, maize and manioc are the staple crops, while coffee and tea are commercial/export products. Tropical fruits, flowers, sugar, cotton and vegetable are other potential products that have been recognized by the Ministry of Agriculture, Livestock & Fisheries.

The second most contributing sector after agriculture is services (its GDP value add is 39 percent of the total in 2015). This sector expanded since 2005 due to investments in telecommunications. The sector has displayed a growth of 6-8 percent in the last decade[[3]](#footnote-3).

The manufacturing sector of Burundi is primarily driven by agro-processing, construction and mining. The growth of this sector is limited by structural factors such as small size of the country, landlocked territory, low human capital and political risk. Some of the key products manufactured include beverages, soaps, sugar, flour and small volumes of food items.

***Nevertheless, the country remains a net importer due to low levels of private sector development in potential export sectors. Coffee has been the key product contributing to the export basket, but there is a need to diversify products and markets.***

In terms of trade performance, Burundi has remained a net importer of goods for many years. In 2015, imports stood at $560 Million as against exports of $113 Million.[[4]](#footnote-4) Since 2011, imports have grown at 8 percent per annum whereas exports grew at only 1.9 percent. China, India, Tanzania and Kenya are key import partners when measured in value. Electrical machinery, vehicles, pharmaceutical products, iron and steel rods, fertilizers are the top import items[[5]](#footnote-5). Burundi’s export partners are DRC (accounting for 28 percent of total exports), Switzerland, UAE and Kenya. While coffee is the prime export product to US and EU markets followed by the East African countries; minerals are exported to DRC and UAE. Other items exported to DRC include beverages and soaps[[6]](#footnote-6). While there is no estimate of the volume of informal trade, Burundi exports tropical fruits, tomatoes, fish, palm oil and soap to DRC and Rwanda.

***The recent political crisis depressed economic growth, posing a threat to sustainable private sector development and creating an unattractive business environment.***

Despite improved performance in the last decade and the potential of the country, Burundi has been
torn apart by political issues. This severely impacted economic growth and social development
of the nation. As of 2014, 64.6 percent of the population lives below the poverty line. The income gap is widening between Burundi and its East African neighbours (Burundi’s per capita income is estimated to be $260 as against the EAC average of $800)[[7]](#footnote-7). Burundi’s business climate remains challenging, which is also shown by its World Bank Doing Business Rank, where it lay in 152nd position in 2015. The political crisis displaced more than 400,000 people[[8]](#footnote-8). Net FDI inflows reduced to 1.6 percent of GDP in 2015, as against 4.3 percent in 2013[[9]](#footnote-9).

***To establish sustainable private sector led development in Burundi’s fragile context, an integrated approach is required that would include export diversification, cross border trade with neighbours and strengthening women in trade.***

Given Burundi’s narrow trade basket, there is a need to leverage the existing potential in agriculture and industrial sectors to diversify exports (beyond minerals, coffee and tea) and explore alternate sources of revenue for youth.

TMEA seeks to support Burundi in redefining its trade strategy by strengthening new export potential value chains, enhancing cross border trade with DRC and increasing its penetration in regional markets. The overall vision is to improve the country’s trade balance in a phased manner, creating jobs for traders and distributors, promoting sustainable women owned businesses, increasing incomes and reducing poverty.

# Sector analysis and constraints

**1. Trade Hub sub-sectors**

These sub-sectors face significant constraints in quality, skills of manpower, available technology, growth of investments and most importantly market linkages. These constraints limit the volume of production and hence exports to DRC and regional markets. Below is just an outline of the constraints in these value chains, while more details are provided in the TMEA Study Report on Growth Hub.

**Fisheries**

Fish production in Burundi is dominated by Lake Tanganyika which it shares with the DRC, Tanzania and Zambia. The waters under the jurisdiction of Burundi make up about 8% of the lake and are restricted to the northern coastline. The sector plays an important role in the economic and social life in Burundi. It contributes to about 6.3% of annual GDP (as of 2014)[[10]](#footnote-10) and employs about 200,000 households. It also is a key source of nutritional value for the citizens providing 60% of proteins to their daily diet. It is considered that the annual production of fish is regressively reducing in Burundi due to low grade fishing methods which are fast depleting resources and raising environmental challenges. Furthermore, the industry remains under developed and has not exploited its potential for exports to regional and foreign markets. Several factors including lack of technology and skills, awareness on quality standards and access to markets, poor transportation and storage facilities contribute to it.

(a) **Weak institutional capacity amongst Beach Management Units** has led to poor surveillance along Lake Tanganyika and management of fishing practice

(b) **Use of traditional fishing methods has increased substantially raising environmental concerns.** The nearshore fisheries are characterized by fishermen using traditional methods for catching small breeds using small-knitted nets. It is considered that Burundi is unable to meet nationally-set production targets to capture fish and this is claimed to be the result of illegal fishing, inaccurate recording of fish trade across borders and poor infrastructure.

(c) **Overfishing and lack of innovative aquaculture equipment has led to depletion of natural fish stock** especially near the coasts. Regulations for sharing fish stock within the lake between Congolese and Burundians, movement of fishermen along the waters and at the shores of the two neighbouring countries for business, hygiene on landing sites and beaches are other concerns that need attention for effective management of this industry.

(d) Women dominate sales and distribution part of the fish value chain along the Greater Imbo. They are engaged in aggregating or sorting of fishes, drying and sales. **Poor handling and no value addition** has led to low quality standards of fish sold for exports. TMEA study indicates considerable interest by Congolese importers for Burundian fish as well as by foreign markets such as USA and Indonesia. To exploit these opportunities, it is necessary to create awareness and implement Hazard analysis and critical control points (HACCP) and other quarantine standards to increase the competitiveness of Burundi’s fish products. The traders in Bujumbura market have recently adopted packaging methods for sales of cold-stored fish.

(e) **Insufficient cold storage facilities** have resulted in sales of sun-dried fishes and increased post-harvest losses.Some recent efforts by FAO in providing metallic raised racks for sun drying of fish in parts of *Makamba* has significantly contributed to reduction in post-harvest losses and improvement of income levels of women. However, these efforts require scalability and sustainability. Demand for cold-stored fish is high from DRC and Rwanda traders, along with their willingness to pay higher prices. Improving quality of fish needs to be accompanied with sufficient cold storage facilities that can fetch better export prices and reduce spoilage. Currently, there are two cold storage facilities in *Rumonge* and *Bujumbura* markets respectively which face issues of power cuts and insufficient water supply. The facilities also have battery charging facilities for fishermen to charge their motors.

**Palm Oil & Soaps**

Palm oil production in Burundi is at a very low level compared to major global players such as Indonesia and Malaysia (which produce 85 percent of total world production) and African players such as Nigeria (having 20 percent of its land under palm irrigation). However, it is a key agriculture and industrial product at a national level. The sector employs about 10,000 small scale producers in Burundi which are members of 900 artisanal units producing palm oil and palm soap. Palm trees are grown mainly in the Greater Imbo region along the coast of Lake Tanganyika. The communes of *Rumonge* and *Nyanza lac* in *Bururi* province account for 90 percent (about 9,700 hectares) of palm oil plantations. The region has contributed to the growth of palm production as yields are higher due to suitable climatic conditions (sufficient relative humidity and high edaphic capacities). About 85,780 tons of palm fruits were harvested which was used to produce about 18,000 tons of palm oil in 2014[[11]](#footnote-11).

Palm oil is the prime product extracted from palm trees, while there are other uses as well such as producing biofuel, using the waste as fertilizer and as building material. Most of the palm oil is used locally consumed for cooking and manufacturing soaps; and is also exported in small volumes informally to DRC and Rwanda.

Despite available local capacity for palm oil production, industrial needs for manufacturing soaps are met through imports from Uganda, Tanzania, and DRC and less frequently from Indonesia and India. These soaps are then sold on local markets as well as exported to neighbouring countries. While need for palm oil has led to increased imports in raw form, soaps manufactured have contributed to increased exports. **Burundi has now managed to become a net exporter of soaps** generating revenue of over 2.1 Million USD in 2014, when just three years before it was a net importer with soap trade deficit of over 7 Million USD[[12]](#footnote-12). The palm sector faces a number of challenges as dominated by a couple of large private players exporting to regional markets and many small scale informal units struggling to maintain quality, invest in better equipment and expand sales to DRC and Rwanda.

(a) Low **investment in machinery by small scale units has led to production and packaging of low quality unhygienic palm oil and soap**. Palm oil is usually packaged in plastic jerry cans that are re-used without washing for sale in local markets and to consumers from DRC. Soaps are packaged in plastic bags. Neither product is labelled.

(b**) Burundian firms and units are not certified as per environmentally sustainable palm oil standards**, making them uncompetitive in foreign markets. Increased production of palm in Indonesia and Malaysia has raised concerns about wildlife destruction, deforestation and production of carbon. In order to allow palm oil trade through best practices of environmental sustainability, the Roundtable on Sustainable Palm Oil (RSPO) standards have been introduced. Several manufacturers of palm oil are now certified and have the RSPO mark on their product’s label. Even importers or large multinationals using palm oil as an ingredient for food items have their products certified by RSPO. For Burundi to improve its competitiveness, it would be relevant to support ‘well established’ private firms to access RSPO standards and advocate best environmental practices amongst all stakeholders.

**Tropical Fruits & Juices**

Burundi’s climate has favoured production of good quality of tropical fruits such as mangoes, pineapples, tomatoes, passion fruits and mandarins (oranges). *Cibitoke* and *Bubanza* provinces contribute to about 35 percent of total production of tropical fruits. Currently about 23,500 hectares of land is under fruit production. 1.4 million Households are engaged in fruit production with very few practicing it as their primary activity[[13]](#footnote-13). The country is a net exporter of fresh fruits (excluding tomatoes), and generated a net surplus of USD 100,000 in 2014[[14]](#footnote-14). Rwanda and DRC are main importers of Burundi’s fruits.

Imports of processed fruit items such as juices, concentrations, jams and tomato paste from Rwanda and other EA countries has led to Burundi being a net importer of these items. Despite availability of fresh fruits and tomatoes, very little efforts have been made to upgrade the value chain. Burundi could increase its exports by (a) promoting its fresh tropical fruit productivity and meet the growing demand of juice manufacturers in East Africa, and (b) upgrade its value chain to produce juices, jams, paste and concentrates to export to DRC. For Burundi to tap into this potential there is a need to upgrade the quality of fruits and manufacture processed items that meets COMESA standards.

(a) **Lack of transportation and cold storage facilities has resulted in high levels of spoilage of fruits**. The highly ‘perishable’ feature of the product makes it susceptible to diseases, especially during heavy rains which impact the harvest negatively. Combined with this, lack of cold storage facilities and appropriate transportation leads to up to 30 percent spoilage of the produce. It also affects the prices as too much supply causes farmers to lower them to get rid of the stock. Furthermore, fruit juice processors procure fruits from long distances and store bulk quantities at room temperature. Lack of cold storage facilities either leads to spoilage of production of fruit *pulp* which is then stored in mini refrigerators and used to produce low quality concentrated juices.

**(b) Burundian fruit juice manufacturing companies are recently established and lack knowledge on standards and technical regulations (packaging, labelling and consumer markets in the region)*.*** All processors have been using recycled glass bottles purchased from local beverage companies to package juices and sell in the local market. This has been a concern while attempting to export to DRC, as plastic bottles are the only form of packaging accepted for juices.

(c) Most of these **processors are not certified with the Burundi Bureau of Standards** (*Bureau Burundais de Normalisation* – BBN) mark as compliant with EAC standards. Burundi’s products are hence not accepted in DRC when a few processors had attempted to sell cartons in *Uvira* and *Bukavu* markets. The labels do not have information on the fruit concentration, ingredients, health indicators, etc. which makes them uncompetitive not only in DRC but also in Bujumbura market when sold in retail stores (as against other branded juices imported from Rwanda).

(c) **Knowledge amongst processors about forecast demand or consumers is very poor**. Often, supply is greater than demand which leads to high inventory costs or spoilage when it reaches expiry date. There is a need to build capacity amongst producers to design a business model that is viable and cost effective. There is a strong need to educate them about quality, packaging and accessing new markets.

***To summarize, value chains of the identified products along the Greater Imbo are integrated but characterized by low grade production and value addition, lack of knowledge of consumer markets and poor transportation facilities and technical skills.***

The table below summarizes the performance of value chains. As it can be seen, packaging, labelling and quality standards remain an issue for all products. While some value chains have been upgraded with better technology, most production is sold and exported in its raw form. Market linkages are a key concern – poor knowledge of consumer markets in DRC and in the region, with lack of certain distribution channels; without putting an effort in strengthening this, value addition and other improvements will be irrelevant.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Category** | **Fisheries** | **Palm Oil** | **Palm Soaps** | **Tropical Fruits** | **Fruit Juices** |
| **Technology/Product Development** |  |  |  |  |  |
| **Packaging & Labelling** |  |  |  |  |  |
| **Quality & Standards** |  |  |  |  |  |
| **Market Linkages** |  |  |  |  |  |
| **Transportation and Storage Infrastructure** |  |  |  |  |  |
| **Managerial & Technical Skills**  |  |  |  |  |  |

 Low High

Source: TMEA Study on Greater Imbo Region

**2. Cross Border Trade with DRC**

***Fish, fruits and vegetables, palm soaps and beer are the key items exported to DRC at various crossing points***

There are several crossing points between Burundi and DRC. While *Gatumba* is used for formal and informal exports, the rest of the borders are characterized by small volumes of informal trade (mainly fish, palm soaps and vegetables and fruits). In the southern parts of the Greater Imbo, the growth hub value chain items of fish, mandarin and palm oil and soaps is predominantly traded through informal channels. While the distances between these crossing points are short, poor roads and lack of efficient navigation facilities along Lake Tanganyika make transportation cumbersome and expensive.

***Impediments in infrastructure, availability of information, competitiveness of products and other trade barriers continue to affect cross border trade in Burundi.***

It is important to recognize that the informal sector within cross border trade is characteristically dynamic, and provides an enabling platform to entrepreneurs to rapidly expand their businesses. Currently business opportunities in Burundi do not seem to be fully exploited, with very erratic patterns of cross border exports. There is considerable scope to grow and diversify the production base to cater for regional markets, with CBT providing a low-cost, low-barrier channel to facilitate this, boost employment, and grow entrepreneurship.

Traders are unaware of the tax system on exported and exported items and other non-tariff barriers for trading with DRC. TMEA study indicates that traders are stopped several times at the crossing point for bribes and unnecessary tariffs. In certain cases, while Burundi goods do pass through the crossing point, they are unaccepted by consumers in *Uvira* and *Bukavu* – this has been the situation in case of fruit juices which faces competition from Rwandan and other East African products.

There is a need to reduce barriers facing Burundians in cross border trade, particularly given the context of current political uncertainty. Participation is constrained by the cost and difficulties in crossing borders, transport, accessing customers, market information and market facilities (such as storage), producer linkages, access to finance, and border conditions insensitive to small trade and the needs of women traders. Therefore, the TMEA strategy for cross border trade programme shall seek to address the following constraints –

* Lack of appropriate transport and logistics infrastructure for cross border trade
* Non-tariff barriers and appropriate trading standards

Poor export capability of Burundian cross border traders and exporters

* Poor trade environment for women and small business
* Lack of cross border trade co-ordination and mainstreaming

**3. Women Economic Empowerment**

***Women are major economic actors in cross border trade with DRC, particularly for sales and distribution. However, they face several social challenges and insecurity concerns making it difficult for them to continue with cross border trade as a means to their livelihoods…***

Women are key players in cross border trade accounting for more than 90 percent of total traders; acting as intermediaries between producers in Greater Imbo and buyers in DRC. Unlike other East African countries, women cross border traders in Burundi work individually and not as co-operatives. They lack understanding on benefits of establishing joint businesses and working together as a team. Due to poor institutional capacity, they purchase small volumes of goods from Bujumbura market and sell to consumers in *Uvira*; on return they purchase imported items such as alcohol, cosmetics and processed food items from large distributors in *Bukavu* and sell them to retailers in Bujumbura. Their income, based on price differences in sales of items net of daily transportation costs is very minimal for day-to-day survival. Women traders do not produce any products or add value to it. They are mere ‘intermediaries’ with lack of a broader vision to earn higher incomes.

Due to the recent conflict, the Government of Burundi has ordered temporarily closure of the cross borders of *Gatumba* and *Ruhwa*. The objective is to avoid sales of food items that would affect food security. This has severely affected the livelihoods of these women traders as they now cross the border via River Rusizi which further raises safety concerns. Transportation of vegetables through the river also leads to spoilage and therefore the traders are unable to fetch high prices.

In the attempt to respond to the challenges mentioned above, TMEA has partnered with the Belgian Government to run a Women Economic Empowerment (WEE) programme in the region of greater Imbo. The programme will focus on assisting the most vulnerable women cross border traders as well as women in the targeted value chains, particularly fisheries.

The WEE interventions will also address concerns of those severely affected by 2015 conflict, as follows: (a) Identify local women peacemakers in the region and/or establish women civil society organizations representing a cross-section of women’s groups, including displaced women and ethnic minorities; CSOs and NGOs shall encourage women who left jobs to re-join businesses/co-operatives for group discussion, media campaigns, and advocacy programmes illustrating successful women-owned businesses; (b) build capacity amongst women businesses to establish rules on human rights violations, and actions to be taken against them.

Additionally, the programme will strengthen women cross border trade businesses by -

**(a) Supporting the creation and development of women co-operatives/associations** and strengthening of existing ones via awareness raising and capacity building

**(b) Facilitating access** to finance by providing technical assistance to cooperatives to partner with microfinance institutions or banks so they can access loans and other financial instruments

**(c) Advocacy on improving the business environment** by strengthening on-going advocacy initiatives at the borders through joint border facilitation committees as well as at national and regional levels by working with national-level associations such the Association of Women Entrepreneurs (AFAB), COCAFEM and UNWOMEN

(d) Information dissemination and knowledge on cross-border trade processes through training and awareness campaigns at the borders

**(e) Cost sharing grant scheme**: Trader associations or producer cooperatives will develop new business strategies to increase the quality, amount or value of goods traded. This could include value addition initiatives, increase in cash flow to boost the purchase of goods, improvements in storage or transport packaging (to minimize losses across borders), better linkages back to the supply chain to boost quality and quantity of goods, or links to new markets. Grants will provide a portion of the amount needed while beneficiaries will partly fund their projects to ensure sustainability and ownership.

The Belgian funding will be released in two tranches. The first (€1.5 million allocated to Women Economic Empowerment in Cross Border Trade will be disbursed in 2017, and the second tranche (€1.5 million) allocated to Women in selected value chains will be released in 2018.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Tranche | Component | 2017 | 2018 | 2019 | 2020 | Budget TOTAL ($000) |
| 1 | WEE - CBT | 500 | 600 | 550 |  | **1650** |
| 2 | Women in VC - Fisheries |  | 500 | 600 | 550 | **1650** |
| TOTAL |  | **500** | **1100** | **1150** | **550** | **3300** |

The expected results are detailed in the request for Belgian funding for WEE submitted in December 2016. It is important in this PAR to reflect the first tranche funding (€1.5 million) for Women in Cross Border trade. This project intended end-of-project result is improved incomes and livelihoods of women and households in target communities. At an intermediate, **short-term** level, the project is expected to achieve the following:

* Increased knowledge and compliance to formal cross-border trade processes by WICBT;
* Increased capacities of women traders’ associations/cooperatives to provide relevant services to their members;
* Improved access to financial services for WICBT through linkages to financial institutions;
* Increased investment of WICBT/WICBT associations/cooperatives into measures to improve the value and quantity of goods traded across borders through the provision of small grants funding;
* Increased ability of women cross border traders to influence policy to improve the cross-border trading environment.
* Reduce social biases that affect women in the targeted communities.

Subject to validation through baselines setting at project start, below are the quantitative results expected to be achieved by June 2020:

* At least 1,500 women in informal cross border trade report a 30% increase in their incomes and improvement in their households’ livelihoods;
* At least 50 trader associations/cooperatives trade capacity is strengthened;
* Outreach to at least 5,000 women traders receive cross border trade capacity building;
* At least 50 % of target WICBT women formalise their businesses.

***Women also participate in the value chains. Their role is limited to processing; they do not own or manage businesses.***

The growth hub study carried out by TMEA conducted a gender analysis of the value chains to understand the role played by women and distribution of revenue earned. Information was collected in each value chain on (1) participation by women across the chain (2) their access to and control over productive resources and (3) access to and control over benefits accrued. Below is an evaluation of these factors evaluated in the growth hub value chains which provide an overview of gender inequalities and constraints that need to be addressed.

 **Women in Fisheries**

As discussed earlier, fish catchment in Burundi along Greater Imbo is dominated by men. Women do not participation in fishing activities. They have no ownership of fishing businesses or say in fishing techniques or use of equipment. Most fishing is done by individual men who then provide fish to their wives for sale in domestic markets.

Fishing in *Rumonge* and other southern provinces along Greater Imbo is a household activity where production and overall business is managed by the husband (the head of the family) whereas processing activities such as smoking and drying is carried out by women. Role of women in sales and distribution is largely restricted to local markets in *Rumonge* and Bujumbura. Fish is also a staple food for these households and therefore preserved by women for feeding their children.

More often, men determine the distribution of fish for exports to Congolese, sales in local markets and also those kept for their households. This implies that overall business of fisheries is managed by men including the investment that can be made, need for purchasing ice, selling them in local or foreign markets, arranging for transportation (women from *Rumonge* do not travel to Bujumbura, Uvira or Goma to sell fish*)* and also the pricing and use of income earned through fishing activities. There is a need to increase women’s participation in fisheries in Burundi by grouping them into co-operatives and playing a greater role in processing, marketing, pricing strategy and distribution. Furthermore, women need to be trained with business management skills to be able to influence decisions of their husbands in effectively managing their household fish business and making more revenue through increased participation in exports.

 **Women in Palm Oil & Soaps**

In the palm value chain, women have greater participation in processing the fruit into oil and for selling in the local market. These women are grouped into co-operatives, with each individual playing a different role in the value chain (i.e.; from separating fruits from the bunch to crushing, grading and packaging oil). While most of the co-operatives are owned and managed by male members, there are a few old co-operatives where women have played an important role in expanding business and providing employment opportunities to other women.

Palm oil production is not a year-round activity for women, but requires more number of labour hours during peak season. Palm tree land management, cultivation, plucking of fruits and transportation is managed by men; thereby women have little or no ownership over resources. Decisions on investment in new facilities, requirement for storage and new packaging material are also determined by men that lead various co-operatives.

Sales by women like fisheries sector is also restricted to local markets as they usually do not have access to transportation. Export revenues are only earned when Congolese visit *Rumonge* and purchase palm oil and soap. Revenues earned from overall production and sales business is distributed equally amongst all co-operative members as again the financials are managed by the male lead.

In the soap industry, women are minimally engaged in manufacturing and processing, as it is a more strenuous activity. In short, women’s participation in this sector is large, but their access to resources at the start and end of the value chain as well as their control over benefits is limited.

**Women in Tropical Fruits & Juices**

Businesses in this sector vary from co-operatives to small and medium enterprises. Women’s participation is minimal in production of fruits and tomatoes; while some are cross border traders for exports to Rwanda through *Ruhwa.* Packaging and transportation of fruits is also managed by men. The commercial nature of this product does not necessitate participation of women at household level – fruits are not considered items for food security purposes and therefore men play a greater role in renting out their land to other farmers or sub-contracting labour for efficient production, as well as in determining prices and transportation facilities. Their women partners in the households are usually engaged in sorting, grading and transporting or selling small volumes locally or at the cross border.

In production of juice, the small companies are owned and managed by men. They employ women to carry out all activities in the processing unit such as preparing *pulp,* packaging into bottles and labelling. These women are paid monthly wages; however, their participation in marketing, investment decisions, playing a leader or a managerial role in the firm is negligible. It can be summarized, that in the fruit and juice value chain, women play a much smaller role as compared to other value chains; but are dignified employees if working in small registered firms.

The diagram below provides a snapshot of the women empowerment dimensions in the three growth hub value chains. Interventions need to make women co-owners in the value chain rather than just actors.



# Previous, Existing or Planned Interventions to Address the Problem

The recent crisis had led to suspension of operations by several NGOs and development agencies. However, there are a few projects that are ongoing and have been planned, specifically in the Greater Imbo region and in the areas of entrepreneurship, SME development, value chain enhancement and capacity building of farmers and processors. Key sectors that are of interest to implementation agencies are coffee, rice, milk and cassava. The products identified under TMEA’s growth hub programme for Burundi has seen limited interventions by development agencies.

1. **Previous interventions**
* **The TMEA– Traidlinks project aimed** to increase inter EAC exports by identifying and successfully exploiting opportunities to grow exports for companies who have the desire and capacity to develop export capacity.

To that end, the programme provided technical assistance to new and existing exporters to develop export readiness action plans and provided them market intelligence support, notably through highly focused sales missions.

The Traidlinks programme was implemented in Rwanda, Uganda and Burundi. In Burundi, the programme delivered support to 20 companies, of which 5 were women-owned. At the end of the project in February 2017, a few companies had achieved $75,000 in aggregated exports earnings, while others were in advance stages of supplier-buyer contract negotiations.

Some of the lessons relevant to this PAR are:

* Companies which had not considered venturing in export before were able to gain export markets owing to well-prepared sales missions
* With the exception of the large companies, producers were not labelling their goods in accordance with EAC or good practice standards nor complying with BBN or EAC or COMESA standards. Generally, the companies will need to develop labelling, product standards and work closely with BBN. In addition, the food producers will need to comply with HACCP (hazard and critical control point). Packaging generally is of low standard and companies will need to improve in this area.
* There are no simplified export documentation procedure for exports thus small exporters have to pay taxes on exports in most circumstances. The issue requires attention.
* **TMEA- Burundi Bureau of Standards (BBN) capacity building project** aimed at strengthening the bureau testing and certification capacity so as to reduce the time and costs bared by producers for getting quality and standard marks for their products.

At the start of TMEA support, the BBN had the capacity to test two parameters only. When the project stopped in May 2015, the BBN had the capacity to test 47 parameters.

Additionally, through a TMEA regional Standards programme, the BBN was involved in harmonization of product standards for the most commonly traded goods in the region, an initiative whose aim was to ease trade between EAC countries and between EAC and the rest of the World.

According to a regional-level research, this support led to a 28% increase in standards harmonized, 59% reduction in the average cost of testing for compliance, and up to 99% reduction in the conformity assessment clearance times at the borders by the National Bureaus of Standards. Non-certified goods enjoyed a 74% reduction in clearance times[[15]](#footnote-15)

Some of the lessons learned relevant this PAR are that:

* It is possible to make rapid progress in improving national product testing and certification capacity provided adequate level of support is provided
* There was need to match the BBN capacity strengthening with raising awareness/building the capacity of producers to comply with prescribed/best product quality and standards.
* **IFAD** has been implementing projects on **value chain development of staple crops**. Their ongoing programmes focus on increasing the resilience of vulnerable groups including youth, women and indigenous people to external shocks by access to credit and assets and development of value chains. The components of the programme include - (i) targeting small-scale producers, through value chain development (milk and rice), (ii) facilitating access to markets, (iii) strengthening productive capital and protecting natural resources, and (iv) supporting grass-roots Farmers' Organizations.
* The **Netherlands Development Agency** funded programmes to enhance entrepreneurship and improvise business management skills of various small and medium scale firms and co-operatives in the Greater Imbo. In particular, they have funded SPARK (a Dutch NGO) in partnership with MDF Consultants to provide training and product development support to private players in fruits and vegetables sector. The project was started in 2015 and is expected to complete by end of 2017. An incubation centre has been established in *Cibitoke* province by SPARK to allow young entrepreneurs with new ideas to initiate their business, access facilities such as fruit processing and storage systems and hence build capacities to run sustainable operations through further investments. So far, they have worked with entrepreneurs in honey, banana juice, tomatoes and fruits. Later in 2017 they would assist fishermen in *Rumonge* by setting up cold storage facilities and building capacities amongst them for better quality of production and sales.
1. **Ongoing and planned interventions**
* **TMEA- Enhanced Private Sector Capacity for Policy Formulation and Implementation project** implementedin partnership with the Burundi Federal Chamber of Commerce and its 13 affiliate sectoral chambers. The project supports national and regional-level advocacy as well as trader knowledge and skills strengthening.

Notably, the project has helped the private sector bring about favourable or reverse unfavourable policies/regulations including: 1. Removable of certain NTBs along the Bujumbura-Uvira/Bukavu route, 2. dismissal of a measure introduced in mid-2016, requiring a certificate of origin from small importers, the large majority of whom are women and 3. Dismissal of a ban on fruits exports to Europe which had been motivated by political reasons. The project has also facilitated transfer of knowledge of the key trade processes across the EAC to 1214 traders.

* **TMEA-** **Women and Trade pilot project** implemented in partnership with the Association of Women in Businesses (AFAB) is aimed at building the capacities of women traders and generating a baseline on women in trade in Burundi to inform good programming for greater inclusion of women in trade.

**To date the project has strengthened the leadership and advocacy capacity of fifty women leaders of the AFAB and of seven cross-border traders’ associations.**

A hundred women traders and owners of SMEs from AFAB, and cross border associations have been sensitized on regional trade facilitation instruments and on CBT regulations and process and cross border requirement while an additional fifty were received business management training.

* The **TMEA- regional Coffee value chain implemented in Rwanda, Uganda and Burundi** seeks to help producer cooperatives access specialty coffee markets. It targets to provide support to twenty coffee producers cooperatives, of which 10 are in Burundi. To date, coffee quality trainings have been provided to all cooperatives and a cupping session was organised with buyers in Kigali. 22 coffee samples from Burundi and Rwanda were cupped and results were promising in terms of quality where out of 20 coops 2 only didn’t reach the score required for being graded as specialty coffee.

Trainings of auditors in Rain Forest Alliance and UTZ certification have been undertaken to build local certification capacities with the aim of bringing down the certification costs.

* **The World Bank** is implementing two projects in Burundi. The **Coffee Competitiveness Project** of 72.25 Million US$ was initiated in 2016 to increase the production capacity of small coffee growers and thereby increase the exports of good quality coffee. All components of coffee sector development in the country including technology improvement, market accessibility, financial and technical assistance, training and quality enhancement along the value chain will be addressed under this project; which is expected to complete by 2023
* Another ongoing project in the Imbo region is being implemented by **AFRABU** in partnership **with International Alert called – TUSHIRIKIWOTE** (peace building amongst women cross border traders). AFRABU has been engaged to build capacities amongst women traders at the *Gatumba* – *Uvira* cross border. As of today, they have reached out to 100 women traders at the crossing point who work individually. AFRABU has been working with these traders to understand their security and economic concerns while doing business in *Gatumba* and *Uvira*, as well as issues with non-tariff barriers, COMESA rules etc.
* A **World Bank** **Agro-Pastoral Productivity and Markets Development** were approved in December 2016. This programme would be implemented mainly in the Greater Imbo provinces of *Makamba, Bururi, Bubanza, Ngozi, Kirundo* and others; that would seek to work with stakeholders in the value chains of rice, banana, milk and cassava. This project is an extension of the previous PRODEMA programme to support agriculture productivity of value chains, improve food security and develop irrigation facilities and rural feeder roads. The extended programme (of 25 Million US$) would particularly address needs of post-harvest technology, climate-resilient technologies and market accessibility of producers.
1. **Lessons from working with the private sector**

**Importance of private sector development in Fragile and Conflict Affected States (FCAS)** –

Following a political crisis sparked by the decision, in April 2015, of the incumbent President of the Republic to run for an additional presidential term, many development partners of Burundi decided to suspend all programs delivered through the Government of Burundi and to work through the private sector to deliver assistance to the people of Burundi.

To align with its donors’ engagement policy in Burundi, TMEA suspended all projects implemented with/through Ministries and Ministries departments and agencies and redesign its portfolio to consist of a few private sector support projects only and the completion of the OSBP Kobero.

**Even with the reduced programme, an independent evaluation conducted at the end of 2016 concluded that progress has been achieved in several areas and recommended to seek funding for new interventions supporting the private sector including women.**

That was in recognition of, among other things: i) the importance of supporting economic activity in a time of crisis to enhance economic livelihoods and community resilience; ii) the focus on women in fragile situations amplifies the livelihood and resilience effects; and iii) of the fact that CBT is critical to fostering peace through economic integration, particularly with the DRC.

In fact, analysts of the drivers of conflicts in Burundi agree that the small size of the private sector contributes to stiffening the political competition as Government positions are seen as the only means for accessing better economic opportunities. Thus, supporting private sector developing the Burundi private sector would be working towards more future stability of the country.

TMEA’s strategy for integrated trade programme in Burundi will therefore consist in increasing support to producers, traders and SMEs, with a predominance of women, in the identified value chains and at cross borders with DRC to help them grow their businesses and create much desired jobs for their peers in a society where economic opportunities are scarce.

# The need for TMEA Interventions

The problems analysis and review of other interventions set out above have the following implications:

* While the Greater Imbo region offers potential for growing Burundi cross-border trade and exports trade, a lot of barriers still hamper that potential
* Women have greater challenges to their effective participation in trade
* Products and producers in sub-sectors identified for growing trade need support to get to the standards for exports and to effectively link to markets and other donors’ projects in that regard are not many

Therefore, TMEA can leverage on its capacity and experience to strengthen export-oriented enterprises and reduce barriers to enhance trade. TMEA therefore has its comparative advantage in implementing the integrated programme in Burundi comprising of growth hub, cross border trade with DRC and women in trade for the following reasons:

1. TMEA has a specific mandate to increase trade in the East African region. This is crucial to support Burundi’s growth through increasing competitiveness of potential value chains such as fisheries, palm oil and tropical fruits and enhancing exports
2. TMEA has a strong track record and detailed knowledge and expertise on implementing interventions across various aspects of trade such as infrastructure provision, trade regulation and policy, logistics and quality and standards. In Burundi itself, TMEA has addressed some of these areas such as implementation of EAC standards and establishing a one stop border post at *Kobero* (cross border of Burundi and Tanzania)

Without TMEA’s expertise and presence in the region, there would be a void in supporting Burundi in private sector development for exports and trade, and for logistics and transportation that would enhance connectivity and movement of goods.

And, given that Burundi needs support in export enhancement right from the grass root level of supporting producers, improving the quality of products and development market linkages along with requisite infrastructure; it is crucial that for TMEA to implement this integrated programme, all these shortcomings are fulfilled and strongly addressed.

1. **Programme description**

A simple programme results chain is set out in the diagram below. This briefly outlines the expected programme outcomes and outputs.

Trade facilities (markets, warehouses, cold chain rooms) of appropriate standards are constructed/upgraded

An awareness raising campaign on Simplified key cross-border and export trade policies and procedures is conducted including through TIDs

Capacity (institutional, advocacy) built of Producer/trader associations including women’s associations, in target sub-sectors.

A trade/exports standard and quality requirements awareness programme for target products including on environmental aspects is delivered.

Cost sharing grants provided to women in target fisheries

TA provided to facilitate market linkages for women businesses and for businesses in target value chains

A cross-border trade unit including women reprs. Established and functioning

Increased access to markets and trade related services for women in the fisheries and cross-border trade

**Improved Business Competitiveness**

**Reduced trade barriers**

Increased export capability

Greater inclusion of women

Effective PPP for trade

Effective trade systems and procedures

Improved trading standards and reduced NTBs

Improved linkage to markets for businesses in fish, palm and fruits products

Increased quality and volume of fisheries and palm products available to the markets

Increased awareness of key cross-border trade and export policies, regulations and procedures by producers and traders of the Greater Imbo region

Improved compliance with regional & internat. Quality, certification and product conformity standards by producers and traders in target value greater Imbo region

Target traders in fisheries, palm and fruit products adopt best product handling and storage practices

An SMS-platform for disseminating trade info to women traders is piloted

Producer/Trader associations/coops in fisheries and CBT created /supported

A PPP dialogue framework including voices of women on cross-border trade and social empowerment of women is created/supported

In line with TMEA’s wider results framework, the programme has two main intended outcomes, adjusted to reflect the specific sub-sectors and women focus on the Burundi Strategy II country programme. These are:

* Reduced barriers to trade in selected sub-sectors in Burundi (fisheries, palm products and fruits) and greater inclusion of women in trade
* Improved export capabilities in fisheries, palm and fruits sub-sectors
1. **Outcome 1: Reduced barriers to trader in selected sub-sectors in Burundi (fisheries, palm products and fruits) and greater inclusion of women in trade**

Six outputs are associated with this outcome.

**Output 1: Trade facilities (markets, warehouses, cold chain rooms) of appropriate standards are constructed/upgraded**

Consultations with fishermen and fruit traders and processors indicated high values of spoilage (between 10-25 percent) due to lack of cold storage facilities and warehousing in the production zones. Some fishermen indicated high levels of operation costs arising from purchase of ice (40 percent of total) for storing packaged fish which fetch better prices in the local and DRC markets. Those who are not able to afford purchasing ice frequently prefer drying fish to increase its perishability. Similarly, in the fruits value chain, the farmers do not have cold storage facilities and are often looking for quick sales at cheaper prices to various traders to avoid spoilage and loss in revenue. The other important reason for doing cold storage is food safety for consumers. The juice processing units that require large area of cold storage for both juices and fruits; have established small cooling facilities for storing pulp. Electricity and availability of water connections also remain a concern amongst co-operatives. In the case of palm oil, plastic unclean barrels are used for storage that reduces the quality and nourishment of the product.

TMEA therefore proposes to conduct detailed feasibility study for establishing cold and dry storage infrastructure and constructing them based on current and future requirements. Preliminary TMEA study on the growth hub indicates need for constructing such facilities in *Rumonge*, *Nyanza Lac* and Bujumbura for fisheries; *Cibitoke* and Bujumbura for fruits; and dry storage for palm oil in *Rumonge*. At the stage of conducting feasibility study, TMEA shall explore various operational models such as the possibility of shared infrastructure that can be managed by industry associations and used by various traders jointly (if possible, through minimal user fees).

It will be critically important that the feasibility study looks at the most feasible and sensible business model for this in terms of ownership and commercial viability to avoid these warehouses becoming white elephants.

***For phase 1 of the programme (2017-20), TMEA shall finish carrying out feasibility studies and construct 1 cold storage facility for fisheries and 1 dry storage facility for palm oil.***

Additionally, in *Rumonge* there are open retail units that have been established along the lake for traders to sell fish, second hand clothing, palm oil, soaps and other food items. Traders from *Baraka* and *Uvira* visit *Rumonge* to purchase these items incurring transportation costs such as through the lake or via road. These items are mainly sold by women in *Rumonge* (more than 90 percent) and do not have access to transportation facilities, thereby restricting their capacity to increased market penetration in DRC. Most of these items are displayed on the sand/ground and often get spoilt, thereby not offering enough value for money for producers. Rehabilitation of these markets in *Rumonge* shall reduce spoilage, increase the value of the products sold to Congolese and also provide space for buyers and sellers to come together and trade. The retail market is required for sustainable cross border trade that is beneficial to both buyers and sellers in DRC and Burundi.

***For phase 1 of the programme (2017-20) TMEA therefore proposes to conduct a feasibility study and rehabilitate light infrastructure in Rumonge.***

Lastly. most of the trade between DRC and Burundi takes place at *Gatumba* given its proximity from Bujumbura and to *Bukavu* (major Congolese consumer market in the Great Lakes region). The market areas along the cross border of *Gatumba* are undeveloped with open spaces and small display units that can be used by individual women traders to sell their products. Post the conflict in 2015, these units were dismantled which affected the businesses of the traders. Daily transportation of products from the buyers’ location (usually in the Bujumbura market) to *Gatumba* increased the costs. This also reduced sales as Congolese distributors and buyers reduced their frequency of crossing the border to purchase items. Lack of cross border market facility which acts as a retail space for buyers and traders to come together, increases operational costs, reduces market certainty and demand and increases wastage of goods accompanied by low prices.

***TMEA shall construct a cross border market facility for traders at Gatumba. A feasibility study will be undertaken to develop its cost and operational structure.***

**Output 2: A trade/exports standards and quality requirements awareness and compliance programme for target products including on environmental aspects is delivered.**

More than 8 percent of the businesses producing fish, palm oil, fruits and juices in Greater Imbo do not meet international nor EAC standards. Tropical fruit juice producers have often faced issues in *Bukavu* to sell their products as they would have been packaged in recycled glass bottles and would not have all the details included in the labels as per EAC requirements. Similarly, the fish traders are not able to export their products formally to foreign markets and resort to small packages of international air freight (parcels). The fish is not packaged or labelled and are transported in small cardboard boxes. Similarly, for palm oil, jerry cans and other plastic cans are repeatedly used.

Additionally, fishing has caused various issues along the lake due to traditional fishing practices, overfishing, and unhygienic and poor maintenance of landing sites. As fishing intensifies, more environmental issues may arise. Similarly, palm oil production by artisanal units have also degraded the lake as all the wastage generated from oil processing is allowed to flow into the lake, affecting fish growth.

There is a need to create awareness and build capacities amongst the producers to meet standards as per the EAC, DRC and EU requirements to increase exports in these products.

TMEA willwork with companies in these sub-sectors to help them reach HACCP, RSPO and other relevant certifications, good packaging and labelling standards as well as best environmental standards. It is expected that having achieved these standards, a number of these certified companies will access new markets in EAC, DRC and in the rest of the World.

TMEA will also support environmental-sector organizations to conduct research on environment impact, to improve Beach Management and effectively coordinate on various quality and standards requirements

***Note: This intervention will be implemented as a country annex to the Regional Standards programme to leverage the broader standards and SPS capacity building to be delivered under that stream of work.***

**Output 3: An awareness raising campaign on key cross-border and export trade policies and procedures is conducted including through TIDs**

A large number of traders identified the high cost and frequency of (largely informal) taxes as the biggest constraint faced, and indicated that the level of taxation acts as a significant deterrent - prompting many traders to abandon cross border trade. The high number of bodies involved in the taxation chain (often unclearly affiliated or uniformed), and the informal, unpredictable application of the customs system by officials is a further source of concern for traders.

***This programme will support EAC STR awareness campaigns amongst traders to increase the knowledge and buy-in to the Simplified Trade Regime (STR)*** particular for the target exports hub value chains to the regional market.

Further, Cross borders traders lack access to information regarding trade and customs regulations. Given Burundi’s trade with DRC, traders need to have information on customs, tariffs, regulations and trade procedures, standards and quality measures as per (Common Market for Eastern & Southern Africa) COMESA requirements. COMESA had established a Trade Information Desk (TID) to address this concern at *Gatumba* cross border. However, currently it is not operational.

***TMEA’s programme will build on the work done under the COMESA TID, providing office space, basic equipment and training. The TIDs will be established at Rumonge and Mugina as well along Lake Tanganyika.*** The Cross-Border Trade Unit (which would be established within an industry association, details provided below) shall be the focal point for running and operating the TIDs. The person-in-charge of each TID shall work closely with traders, including women in capacity building and providing requisite information for doing trade with DRC.

**Output 4: A cross-border trade unit including a section on women is established and functioning**

In order to facilitate the co-ordination of the cross-border trade with DRC and its implementation; based on lessons learned from other countries; ***TMEA proposes to set up a delivery unit, possibly within an industry association such as the Chamber of Commerce, to facilitate the whole process****.* This unit will help ensure that the strategy and subsequent interventions are gender sensitive and that a platform is created for different stakeholders, particularly women traders, to be represented in the articulation and validation of the CBT strategy and its implementation.

The unit shall also develop a Cross Border Trade Strategy that would map out key stakeholders, identify specific constraints and opportunities for interventions, and recommend a road map to tackling the binding constraints to informal and formal cross border trade not only with DRC, but with Rwanda and Tanzania as well.

The cross-border trade facilitation unit would be responsible for (a) Establishing (and update) a baseline for information on cross border trade, establish indicators and communicate its key messages. This is particularly relevant to the business case for cross border markets; (b) Coordinating cross border trade support activities between traders, CSOs and PSOs; (c) Mainstreaming cross border trade in relevant programmes and initiatives including agricultural development support, feeder roads programmes; (d) support advocacy of small scale and women traders and the establishment and growth of co-operatives and associations.

This intervention would involve the **provision of two technical experts for a 2-3-year period, to establish the unit, systems and work plan, and to provide training to counterparts in the identified industry association and hence their eventual take overs.**

**Output 5: Cost- sharing grants provided to women in target fisheries**

TMEA proposes to support producers and exporters in fisheries sector to shift from traditional to modern practices with low investments that will improve the capacity and scale up production. It is proposed to undertake an in-depth market assessment study of fisheries sector around the Greater Imbo and identify viable
business models for TMEA to support – this could range from providing grants to co-operatives financially (matching grants or challenge funds) or as technological packages. It will target cooperatives, traders, aggregators, producers and exporters to boost product quality and certification. It is anticipated that these grants will serve to:

* Apply improved drying and processing technologies;
* Pilot low-cost cold chain technologies for fish quality maintenance;
* Acquire modern equipment for improved fish products packaging;
* Aquire technical expertise and equipment to meet specific quality or certification requirements

**T**MEA is cognizant that cost sharing grant schemes are not easy to manage and that there are major issues with the capacity of the co-ops to manage grants and pass due diligence. To get around these issues, TMEA will resort to a pass-through organization, which shall be an organization with a relevant mandate and proven capacity and experience, to be identified at project implementation stage and through a competitive process.

**Output 6: An SMS-platform for disseminating trade info to women traders is piloted**

TMEA programme shall integrate use of ICT for women involved in trade at the cross borders and even in the target value chains. Examples include use of SMS based platforms for information dissemination, or encouraging mobile money payments for transactions or e-commerce platforms for registered businesses. This output will be implemented as a sub-component of the ICT intervention planned under the regional Women in trade PAR.

1. **Outcome 2: Improved export capabilities in fisheries, palm and fruits products**

Four outputs are associated with this outcome:

**Output 1: Producer/Trader associations/coops in fisheries and CBT created /supported**

Producers and traders (including women) in the three value chains will be encouraged to form local-level associations and registered businesses. New and existing associations will receive capacity building assistance to consolidate operations and transform into cooperatives. Anticipated capacity building areas include:

* Association/cooperative creation and management
* Project planning and execution
* Operational literacy and basic accounting and financial management
* Business formalisation/enterprise creation
* Internal savings and lending and basics of formal banking services, as well as links to banks
* Policy advocacy

In relation to the country’s fragile state situation and its adverse impacts on traders notably women the intervention shall also address the concerns of those severely affected by 2015 conflict through following methods: (a) Identify local women peacemakers in the region and/or establish women civil society organizations representing a cross-section of women’s groups, including displaced women and ethnic minorities. CSOs and NGOs shall encourage women who left jobs to re-join businesses/co-operatives – group discussion; media campaigns, advocacy programmes illustrating successful women owned businesses are a few mechanisms; (b) build capacities amongst women businesses to establish rules on human rights violation and actions to be taken against it

The intervention shall also include strengthening of industry associations such as Palm Producers’ Association, Fisheries Association of Bujumbura & *Rumonge*, Interfruit (Bujumbura Fruit & Juices Association) and Beach Management Units to manage their members, effectively co-ordinate on various requirements and address needs of the sector including environmental concerns.

Producers and traders (including women) in the three value chains will be encouraged to form local-level associations and registered businesses. New and existing associations will receive capacity building assistance to consolidate operations and transform into cooperatives.

The associations will receive capacity building support to better engage in business advocacy relative to their sector of activities .

**Output 2: A PPP dialogue framework including voices of women on cross-border trade and social empowerment of women is created / supported**

At the national level, there is a need for greater advocacy work and research in the informal cross border trade sector to improve the profile of informal trade and traders, to improve data quality, and ultimately to drive institutional change and mainstreaming efforts for the sector. Research and advocacy can extend to include women’s cooperatives and producer and trade associations to ensure equitable benefits.

There is a further need to explore and address the safety conditions facing traders that informally cross between Burundi and the DRC via various unmonitored points along the *Rusizi* River. A greater level of compliance with customs could be attained through the provision of greater formal crossings at high-traffic nodes.

There is also a need to address other social biases that affect women cross-board traders/producers while exercising their daily work in their communities and families such as income ownership, decision making in the household, sexual violence, harassment, physical and emotional abuses etc.

The programme will ensure that advocacy mainstreams key informal cross border trade issues. Focus will be on improving the profile of small-scale traders and cooperatives, and to build PSO/CSO capacity via public-private dialogue engagement.

Additionally, TMEA will partner with specialized agencies such as UN Women and COCAFEM to alleviate issues of social empowerment of women around the borderlands (targeted areas). Since men are the main abusers the intervention will therefore target men as well.

**Output 3: Target traders in fisheries, palm and fruit products adopt best product handling and storage practices**

Once the cold chain and warehouses facilities are constructed and or rehabilitated, it will be important to be properly used in order to bring by the intended product quality and standards improvements.

TMEA will avail a TA to work with producer/trader cooperatives in fisheries and palm products on best practices of handling those products, taking advantage of the new infrastructure, and on designing and testing a sustainable maintenance scheme.

TMEA shall support in strengthening businesses (of all types) in the products of fisheries, palm oil, soaps, fruits and juices by providing technical assistance on developing sustainable business models, entrepreneurial skills, managerial capabilities and applying for loans/ increasing further investments. Interventions under this intermediate outcome are most important for the Growth Hub programme and would be implemented by TMEA in alignment with the market system development approach as discussed above and would also take into consider the needs of businesses in fragile situations.

Furthermore, technical capacity building shall also include increasing sector-specific knowledge for producers and traders. Women producers and traders in the three value chains will receive training and experiential learning in the areas listed below and any other areas as will be found necessary through the initial research to be carried out at project start.

* Best practices in fruit and juice production, sustainable fishing and palm oil processing
* Best fish handling and drying techniques, including off-the-ground handling techniques for the ndagala fish, and tilapia filets preparation and storage. This will also include the importance of cold storage, and the use of investments to preserve quality
* Techniques for palm oil processing through imroved technology ensuring quality and hygiene
* Requirements for packaging and labelling

**Output 4: TA provided to facilitate market linkages for women businesses and for businesses in target value chains**

The market linkages programme for export-ready businesses aims to assist firms to boost the quality and quantity of raw materials in order to meet export requirements and volumes needed to access markets since this is a critical issue for Burundian firms. Additional work on firm level compliance for standards will be integrated into the programme.

The programme focus includes smaller businesses, especially those owned and run by women. This is an important step to include the export potential of the informal economy. A disconnect exists between producers and informal or small-scale export opportunities. Some producers that are unable to access formal markets directly can be facilitated to grow through informal markets. Agricultural extension programmes fail to fully appreciate the value of opportunities in the informal sector, and there is significant potential to grow Burundi’s informal agricultural exports by reducing some of the barriers small producers face.

The “Improvement of food security in cross-border districts of Burundi, DRC, Rwanda and Uganda in support of the modernization of agriculture under the NEPAD/CAADP framework” focusses further on the provision of technical support and capacity building to farmers and farmer associations. Two outputs are relevant. The first is to enhance entrepreneurial and technical skills and learning for producers and other value chain actors, focusing on increasing market oriented production, increasing efficiency and value addition, and developing the overall value chain. The second is to facilitate better linkages and contract arrangements between producers, producer cooperatives, and ultimately, traders.

The programme will provide support to cross border traders and producers in *Gatumba* and *Rumonge* through export linkage and market systems interventions to increase capacity and capability to access borderland demand.

The export market development and linkage programme is expected to consist of training, coaching and other information in relation to the following:

* Market intelligence and research to identify key Congolese, regional and international buyers
* Branding, marketing, including packaging in order to access better markets, as well as developing buyer relations
* Export documentation and logistics in order to facilitate trade out of Burundi into key markets
* Participation in domestic/regional/international trade fairs or visits to directly with buyers

**3. Implementing Partners**

# a. Implementation Modalities

The implementation of Burundi’s country programme along the Greater Imbo region would require involvement and co-ordination with multiple stakeholders by TMEA.

TMEA would establish a dedicated implementation unit for the programme which will combine expertise of programme designers and managers in cross border trade, growth hub export value chains and women in trade; and with specific focus on FCAS strategies. The TMEA implementation unit will engage in fund raising, co-ordination between stakeholders for conducting technical studies and executing projects, and finally monitoring of the entire programme. The key donors in Burundi such as DFID, the Belgian Government, the Netherlands Foreign Trade & Development Agency, USAID and EU have expressed interest in certain areas of TMEA’s Greater Imbo region integrated trade enhancement programme. Currently, the Belgian Government is the main expected contributor to the total budget proposed. Belgian Government would be funding interventions that focus on improving export capacity of women in fisheries sector and cross border trade along the Greater Imbo.

TMEA shall sub contract technical studies for assessing feasibility of infrastructure and designing detailed project structures to various consultants. This would be supported by a strong in-house technical team for developing customized and innovative project designs suited to meet Burundi requirements, specifically in the fragile context. The set of consultants then shall effectively co-ordinate and provide strong guidance to the implementation agencies of the projects, which shall be the non-profit organizations. These non-profit organizations shall work with industry associations in the sectors and private players such as large firms, SMEs, co-operatives and traders to implement projects. Lastly, TMEA shall develop an effective and realistic results framework for each project that would allow continuous monitoring and learning and end – term evaluation to ensure final outcomes are achieved.

The diagram below shows the proposed implementation structure, indicating different actors and their roles.



TMEA proposes to establish a ‘**Steering Committee**’ for monitoring and reporting of Burundi’s Greater Imbo Programme for Trade Enhancement. The steering committee shall comprise of all stakeholders involved in the project such as the donors, TMEA, technical consultants, project implementation agencies and beneficiaries. The committee shall also engage Ministry of East African Community from Government of Burundi along with the governors of various provinces within the Greater Imbo region to provide updates, results achieved and gather inputs on implementation and other course correction measures. TMEA shall develop the structure of the steering committee and monitoring plans for quarterly meetings and results updates.

**b. Implementation agencies**

In order to work with private sector and implement programmes on the principles of markets systems approach, it is important for TMEA to work closely with all types of businesses. Industry associations in Burundi have been established for several years and play an important role in connecting businesses with one another, raising and addressing sector specific issues and carrying out policy advocacy work. Some of these include Federal Chamber of Commerce and Industry of Burundi (CFCIB), Association des Femmes Rapatriées du Burundi (AFRABU) and Women's Association of Affairs of Burundi (AFAB), Palm Producer’s Association, InterFruit, Fisheries Association. TMEA proposed to work with these industry associations, to access their members who include farmers, producers, fishermen, small and medium sized companies, co-operatives as well as large players in the industry.

Two programmes will be implemented through three implementation mechanisms or projects, each encompassing a number of the programme intended outputs.

The table below identifies the 3 projects and key partners for each project:

|  |  |  |
| --- | --- | --- |
| **Sub Program** | **Implementation Partners** | **Roles and/or focus** |
| 1. Export Value Chain Development
 | * Co-operative De Peche Pur Le Development Du Commerce De Poisson Au Burundi (COPEDECOBU, Fisheries Association)
* Interfruit,
* Palm Producer’s Association
* Industry players such as Savonar and Fruitoprick
* Beach Management Units
 | Development of new models, advocacySupport in the provision of services to women tradersProvision of services to omen traders, advocacyTechnical assistance in women social empowerment |
| 1. Cross Border Trade
 | * Federal Chamber of Commerce and Industry of Burundi (CFCIB)
* Association des Femmes Rapatriées du Burundi (AFRABU) Women's
* Association of Affairs of Burundi (AFAB)
 | Development of new models, advocacySupport in the provision of services to tradersFacilitate the approvals and permissions for fisheries value-chain related work along the Lake Tanganyika |
| 1. Women in Trade
 | * Association des Femmes Rapatriées du Burundi (AFRABU) Women's
* Association of Affairs of Burundi (AFAB)
* UNWOMEN
 | Development of new models, advocacySupport in the provision of services to tradersFacilitate the approvals and permissions for fisheries value-chain related work along the Lake Tanganyika |

# Work plan.

# Sequencing

# TMEA’s Burundi Country Programme will be implemented in 2 phases. The first phase will focus on the interventions to be implemented using the Belgian funding from DGD. It will include carrying out assessments and technical studies for detailed designing of each intervention. A detailed study on women in cross border trade and fisheries sector along Greater Imbo will be carried out to understand the following – (a) supply growth patterns (b) consumer demand from DRC and other regional and foreign partners (c) constraints in production quality and increasing exports (d) distribution channels practiced by different traders (e) need for infrastructure and logistics and (f) detailed political analysis and risks assessment (g) understanding challenges faced by women entrepreneurs. These studies shall also include baseline surveys and developing a list of all potential beneficiaries with their characteristic business models. Furthermore, best practices and implementation agencies will also be identified. Similar studies shall be conducted for assessment of warehousing and storage facilities and cross border trade/retail market along Greater Imbo. The detailed studies will therefore give a list of implementable projects. Along- side these technical studies, fundraising activities will continue.

The **second phase** shall include implementation of projects funded by DGD, plus projects funded out of TMEA core funds if they will have been raised.

Throughout both phases, there will be continuous monitoring and evaluation of the project results and also to track the political situation in order to address any course corrections in the programme. The steering committee will be closely informed and kept updated of the progress. The table below outlines the work plan per the above described phased approach.

1. **Schedule**

|  |  |
| --- | --- |
| **Phase 1: Detailed Project Design, Prioritization & Planning (Technical Studies)** | **Phase 2: Programme Implementation**  |
| **September 2017-June 2018** | **July 2018-June 2020** |
| 1. Detailed studies including baseline assessment on each fisheries sector with strong gender analysis (covering women in trade) | 1. Phased implementation of each project as identified under DGD funding  |
| 2. Detailed study including baseline assessment on cross border trade with DRC with strong gender analysis (covering women in trade) | 2. Project design and phased implementation of projects based on additional funding  |
| 3. Feasibility assessment of warehousing and storage requirement for export value chains along Greater Imbo | 3. Continuous monitoring and evaluation of each project based on results framework and political analysis |
| 4. Prioritize projects and develop detailed work plan for programme implementation over next 2 years | 4. Quarterly update meetings with ‘Steering Committee’  |
| 5. Establish a steering committee and put in place a monitoring and evaluation framework  |  |
| 6. Identify potential implementation agencies, initiate sub-contracting and start sensitization and selected trader/producer support activities |  |
| 7. Engage key stakeholders including government and donors  |  |
| 8. Fundraising for Burundi’s country programme |  |

# Budget and Funding Approach

1. **Total budget requirement**

The total budget estimated budget for implementing TMEA’s Country Programme for Burundi is 7.5 Million US$ over the four-year period of 2017-20.The budget includes the interventions identified in the section above to achieve the desired results. Budget required for feasibility studies and other technical assistance has also been accounted for under each intervention. A detailed proposed distribution of the total budget is provided in the table below.

|  |
| --- |
| **Outputs based Budget for Burundi SII programme** |
|  | **Phase 1** | **Phase 2** | **Tot. in $M** |
| **Output** | **2017** | **2018** | **2019** | **2020** |
| 1. Trade facilities ( feasibility studies, markets, warehouses, cold chain rooms of appropriate standards are constructed/upgraded )  | 200 | 300 | 1400 |   | **1,900** |
| 2. A trade/exports standards and quality requirements awareness programme for target products including on environmental aspects is delivered.  |   | 100 | 50 | 100 | **250** |
| 3. An awareness raising campaign on key cross-border and export trade policies and procedures is conducted including through TIDs | 50 | 150 | 100 | 50 | **350** |
| 4. A cross-border trade unit including a section on women is established and functioning |   | 150 | 100 |  100 | **350** |
| 5. Cost- sharing grants provided to women in target fisheries |   |  50 | 200 | 200 | **450** |
| 6. An SMS-platform for disseminating trade info to women traders is piloted  |   | 50 | 50 | 100 | **200** |
| 7. Producer/Trader associations/coops in fisheries and CBT created /supported |  50 | 100 | 50 | 100 | **350** |
| 8. A public-private sector dialogue framework including voices of women on trade created/supported |  50 | 150 | 100 | 150 | **450** |
| 9. Target traders in fisheries, palm and fruit products adopt best product handling and storage practices  |   |  60 | 146 | 140 | 346 |
| 10.TA provided to facilitate market linkages for women businesses and for businesses in target value chains |  50 |  160 | 150 | 200 | **400** |
| Tot outputs | 400 | 1260 | 2,346 | 1,040 | 5,046 |
| Tot. planned spend per phase (phase I and Phase II) | 1,660 | 3,386 |  |
| **Programme management costs** |  |  |  |  | **1404** |
| **Central costs** |  |  |  |  | **675** |
| **Contingencies** |  |  |  |  | **375** |
| **TOTAL BUDGET** |  |  |  |  | **7500** |

1. **Funding approach**

Of the total estimated budget requirement of 7.2 million US$, **3.3 Million(**€3 million**) would be funded by the Government of Belgium,** which would include interventions in supporting women traders in fisheries sector and other women cross border traders in *Gatumba* and *Rumonge* crossing points. The Belgian funding will be released into two tranches. The first tranche (€ 1.5 million) allocated to Women Economic Empowerment in Cross Border Trade will be disbursed in 2017 and the second tranche (€1.5 million) allocated to Women in selected value chains (fisheries) will be released in 2018. The balance is expected to be funded out of TMEA core funds. BCP will also continue to fund raise for the programme from other possible bilateral donors.

# Procurement Schedule for phase I (2017-2018)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme** | **Procurement Requirement** | **Procurement Launch** | **Planned Quarter to Contract** | **Amount** **(US $)** |
| Trade facilities: feasibility studies, markets, warehouses, cold chain rooms of appropriate standards are constructed/upgraded) | Feasibility study for cold chain, storage and markets and start of some works | FY 2017-18**Q1** | FY 2017-18**Q1**  | 200 |
| A trade/exports standards and quality requirements awareness programme for target products including on environmental aspects is delivered. | Detailed study on women in fisheries sector, baseline data collection and project design and support to cooperatives | Q1 | Q1 | 200 |
| An awareness raising campaign on key cross-border and export trade policies and procedures is conducted including through TIDs | Awareness content development and validation,  | Q1 | Q2,3,4 | 200 |
| A cross-border trade unit including a section on women is established and functioning | TID design, sensitization activities | Q1 | Q2,3,4 | 150 |
| Cost- sharing grants provided to women in target fisheries | Feasibility study, infrastructure design | FY 2017-18**Q4** | FY 2017-18**Q4** | 200 |
|  An SMS-platform for disseminating trade info to women traders is piloted  | Identification, sensitization and capacity building of users | FY 2017-18**Q3** | FY 2017-18**Q4** | 50 |
|  Producer/Trader associations/coops in fisheries and CBT created /supported | Detailed study on women in cross border trade in *Gatumba,* baseline data collection and project design, market linkages activities  | FY 2017-18**Q1** | FY 2017-18**Q1** | 250 |
| A public-private sector dialogue framework including voices of women on trade created/supported |
| Target traders in fisheries, palm and fruit products adopt best product handling and storage practices  |
| TA provided to facilitate market linkages for women businesses and for businesses in target value chains | Needs assessment, and TAs contracting | FY 2017-18**Q1** | FY 2017-18**Q4** | 150 |
| **Total** | **1400** |

# Results offer and monitoring and evaluation plan

The design of the programme is based on evidence in the implementation of similar programme by TMEA. The phase I Theory of Change/Results Chain has been reviewed and adjusted especially on the indicators and approaches to data collection.

The following are the results expected to be achieved, at the highest level, by the combined effects of all interventions provided for in the Burundi SII programme

* Increase Burundi’s overall exports from 113.79 Million US$ in 2015 (conflict period) to 126 Million US$ by 2020
* Increase Burundi’s exports in the value chains of palm oil, soaps, tropical fruits, juices and fisheries from current levels of 6.9 Million US$ to 12.32 Million US$ by 2020
* The share of export revenue from these products shall increase from 6.9% in 2015 to 12.88% by 2020
* Increase Burundi’s exports to DRC market

**A Programme Results Chain and logical framework articulating the logic underlying these results estimated are provided as annexes to this document.**

**A detailed M&E plan has also been developed and output-level results are incorporated in the latter. All these tools are all consistent with TMEA corporate results framework and will be** reviewed and adjusted as a part of the on-going evaluation and in a participatory manner with the major stakeholders at inception. Further, adjustments may be required based on the findings of the assessment and participatory programme design process at Inception, as well as based on the suggestions from implementation partners and funding agencies

Additionally, the evaluations of completed projects at the end of 2020 will be documented. There will be a continuous monitoring and learning component incorporated into all project designs. Progress on this would be reported by implementation partners and presented to the steering committee.

# Value for Money Assessment

TMEA recognises its responsibility to exercise due diligence and achieve best value from its programmes. TMEA’s Value for Money (VfM) objective is to secure maximum positive impact on poor people’s lives from the use of its resources, while ensuring its impact is equitable and sustainable, and that its resources are used in a transparent and cost-effective manner. This entails requirement of necessary foundations and mechanisms such as financial management, strong procurement procedures, budgetary control, performance monitoring, etc. to ensure effective decision-making and implementation process. The following arrangements have been made by TMEA to ensure VfM for each programme –

|  |  |
| --- | --- |
| **Arrangements** | **Details**  |
| **1.Management** | TMEA has a lean staff structure with strong technical expertise to provide strategic guidance and oversee programmes on a day to day basis. The Country Director will ensure timely and quality management of programmes and its successful implementation. The Country Director will be supported by two sets of teams – (a) the Senior Directors at TMEA headquarters in Nairobi for their continuous technical inputs and (b) Programme Managers at TMEA Burundi office – for each individual to manage a project and co-ordinate with stakeholders. This team structure will facilitate prompt discussions with partners to review status, issues and identify mitigation measures |
| **2.Contracting & Procurement** | A team of dedicated procurement staff is allocated for contracting of goods and services using competitive methods that will offer economies of scale and value for money. TMEA procurement process uses a competitive bidding process geared to test the market in order to obtain the most VFM possible.  |
| **3. Financial** | The Burundi Country Director is responsible for ensuring that expenditure is managed within the budget and issues are raised and resolved with consultations with the Senior Director, Country Programmes and TMEA Chief Operating Officer.  |
| **4. Monitoring, Learning & Evaluation (MLE)**  | TMEA’s Theory of Change provides the basis for MLE. A monitoring and evaluation plan will be developed for each programme which includes the details of the budget, performance indicators, outputs and final outcomes for various stakeholders. The monitoring plan is approved and reviewed by the Programme Investment Committee (PIC) of TMEA and presented to the Steering Committee.  |

TMEA has outlined its VfM results chain as economy, efficiency and effectiveness. Lessons drawn from other development agencies and governments indicate that ‘equity’ is the fourth dimension that is increasingly being adopted.

**Effectiveness & Equity**

**Economy**

**Efficiency**

Below is the value for assessment of TMEA’s Burundi Country Programme from 2018 to 2020, against the four dimensions.

|  |  |  |
| --- | --- | --- |
| **VfM Dimension** | **Description** | **Indicator**  |
| **Economy** *Getting the best value for inputs*  | TMEA’s Burundi Country Programme is designed to accelerate growth in the conflict affected state through focus on Greater Imbo Region and identified export-oriented value chains. The spatial approach is expected to catalyze investments by private players and around Bujumbura as well as support small scale informal businesses. This is also expected to attract other donors to develop industry-related infrastructure such as economic zones and rehabilitation of ports along Lake Tanganyika |  |
| **Efficiency** *Maximizing outputs for every input* | To maximize efficiency, TMEA will implement the programme itself, through a dedicated programme implementation unit. Where necessary, the implementation team will subcontract components to technical consultants and implementation agencies This will be necessary when detailed programme design and implementation requires external expertise (such as hiring a consultant for CBT unit or a fisheries/palm oil specialist. TMEA will, however, maintain the essential coordination function and provide progress updates to the Steering Committee (as proposed in the implementation plan)  | 12.5 percent of the total programme budget is allocated for programme management and implementation support such as hiring of consultants and implementation partners, carrying out baseline surveys and monitoring and end term evaluation of projects  |
| **Effectiveness***Ensuring that outputs achieved the desired outcome*  | The programme is in alignment with TMEA’s Strategy 2 (2017-23) and the Theory of Change *(refer to section of linkages with TMEA’s Results Framework)* One of the key features of the programme is that it has taken into consideration the fragile and conflict context of Burundi. The programme is designed on the elements of market systems approach that would address the needs of private businesses in cross border trade and value chains that have been deeply affected by the ongoing conflict; such that they build sustainability in their operations and generate continuous incomes  | The expected programme outcomes are to increase exports to DRC, strengthen businesses in Greater Imbo, increase income levels, and reduce poverty and food insecurity. Some specific outcomes include of the $7.5 million investment are: * Increase Burundi’s overall exports from 113.79 Million US$ in 2015 (conflict period) to 126 Million US$ by 2020
* Increase Burundi’s exports in the value chains of palm oil, soaps, tropical fruits, juices and fisheries from current levels of 6.9 Million US$ to 12.32 Million US$ by 2020
* The share of export revenue from these products shall increase from 6.9% in 2015 to 12.88% by 2020
* Increase Burundi’s exports to DRC market
 |
| **Equity** *Ensuring benefits are distributed equally* | The programme is designed to benefit women and youth affected by conflict. Women play a major role in cross border trade and in the value chains identified. There are specific components in the programme that will target such beneficiaries  | Over 60 percent of the beneficiaries targeted in the programme are women and their livelihoods and incomes are expected to increase by at least 15% |

# Cross-cutting Issues

The programme directly responds to TMEA’s overall gender strategy by taking a gender targeted approach focusing on lifting the constraints women traders and entrepreneurs face (and that does no harm to men) which is justified because women traders and entrepreneurs experience a greater adverse impact from the challenges affecting MSMEs in the EAC than do their male counterparts. Further to this, the strategy has been customized to respond to Burundi’s conflict and poverty issues. As mentioned before, TMEA’s programme is designed for private players including informal and individual workers using a ‘markets for poor’ approach.

**Environment and Social Safeguards**

In implementation of the exports programme, the producers/traders, particularly in fisheries and palm oil, will be advised on employing production methods and agricultural practices that promote the protection of the environment and people. In addition, Environmental and Social Impact Assessments will be undertaken during the feasibility stages of the interventions. During implementation continuous monitoring of the environmental and social impact mitigation measures will be undertaken. Sustainable fishing practices and methods will need to be adopted by the traders to avoid or minimise negative effects to the environment and ensure availability of fish stocks. The programme will also promote the sustainable production of palm oil and support well established firms to obtain RSPO certification. The RSPO criteria ensure that primary forest areas with significant biodiversity or fragile ecosystems are not cleared, particularly around the Lake Tanganyika. The criteria also support the fair treatment of workers and encourage consultation with local communities before the development of new plantations on their land. TMEA will also ensure that cold storage facilities utilise the most energy efficient technology to reduce energy consumption and thereby reduce the emission of CO2. The various technology options can be analysed during the feasibility stages. TMEA will promote sustainable manufacturing processes that conserve energy and natural resources, are safe for employees, communities and consumers. TMEA will strive to work with experts in the subject matters and will look into leveraging efforts that being undertook by other development partners in the environment safeguard and pollution reduction.

# Sustainability and Replicability

Although the theoretical frameworks for ‘Making Markets Work for Poor (MMW4P)’ approach are well developed, there is a comparative lack of detailed analysis regarding application. Significant questions remain about how to apply market development frameworks to fragile settings that are transitioning from relief to development. Programmes are testing how to tailor intervention tactics when market actors are weak, distribution systems are fragile and unreliable, and supporting services that are non-existent. **To address these shortcomings of the market systems development approach in fragile situations, TMEA has identified a set of principles that would govern the overall implementation and effectiveness of the ‘export-oriented’ growth hub programme.** These include:

* 1. **Customizing needs of target firms** – in fragile situations, implementation agencies need to trade-off between targeting quick wins and long term sustainable entrepreneurs versus vulnerable and risky ones. Traditionally, short term projects and quick impact agencies seek to target beneficiaries that are most able and likely to be successful. TMEA’s approach that entail a careful balancing act to ensure that recovery and development reaches the most vulnerable or high-risk groups, while attempting to avoid discrimination and thereby design interventions that would systematically address the needs of all types of firms (both that are deeply affected and non-affected by the conflict). The design of growth hub would entail transition from short term humanitarian and stabilization programming to longer term economic development; that would help firms grow and increase exports rather than ‘cope’ with the fragile situation.
	2. **Peace building with young entrepreneurs** – The approach towards customizing interventions for different types of firms needs to be strongly complemented with peace building activities amongst the youth, vulnerable groups, women and internally displaced people in the Greater Imbo.
	3. **Surveys that identify general predictability of the business environment** – TMEA’s growth hub programme would also undertake frequent surveys that identify predictability factors as the biggest constraints to doing business in fragile contexts. These factors include - (a) private players’ perceptions of political uncertainty (b) general governance environment, particularly regarding corruption (c) randomness of implementing rules and unreliability of trade regulatory systems (d) security (e) ensuring basic macroeconomic stability for trade and fiscal and monetary parameters and (f) access to electricity and water. These factors would help TMEA understand the concerns of private players on a frequent basis and address any course corrections in the implementation process given the uncertainty in business environment.

# Risk management Plan

The fragile state of Burundi poses a number of challenges for development agencies to implement sustainable programmes. While TMEA would work closely with private players, the worsening of the conflict may make it even more challenging. The table below identifies risks that are envisaged during the implementation of the programme during the 4-year period. These risks are not exhaustive but capture the relevant ones. The detailed list will be identified along with their mitigation strategy when each project is designed. TMEA identifies two sets of risks in this programme – (a) contextual risk which refers to failure of the political economy leading to the return of the conflict and further humanitarian crisis. These are external factors where development agencies such as TMEA may have limited control; (b) programmatic risks which refers to issues in design and implementation of the project that may question the possibility of achieving targets and objectives. Risks under these categories have been identified and presented below with its plan for mitigation.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Risk | Mitigation | Last update | Consequence | Likelihood | Level ( Impact)  | Implementation phase |
| Contextual |
| Worsening of the conflict | Re-design the programmes by leveraging on interventions that are ‘quick wins’ – this would be executed through increased engagement with private players and continuous monitoring of the business environment | June 2017 | Major | Possible | High | Implementation phase |
| Suspension of donor funding due to worsening of the conflict  | TMEA shall co-ordinate with donors to restructure/close the programme and inform target stakeholders on the way forward | June 2017 | Major | Possible | High | Implementation phase |
| Private players with local political influence | TMEA shall work closely with industry associations to ensure equitable and transparent selection of beneficiaries. Furthermore, there would be strict monitoring to ensure that the beneficiaries are receiving the benefits and there is no transfer to state parties | June 2017 | Minor | Possible | High | Inception phase |
| High expectations amongst private businesses to receive direct funding from TMEA | TMEA’s implementation partners would ensure clear and transparent communication processes with beneficiaries indicating the objectives of the project and proposed engagement with them, where applicable through rewards/outcome based | June 2017 | Minor | Possible | Medium | Inception phase |
| Competing interest of provinces | TMEA shall engage with Ministry of EAC as part of the programme’s steering committee to intervene and make effective communications to the provincial government officers | June 2017 | Minor | Possible | Medium | Inception phase |
| Reduced political and economic ties with Rwanda affecting possible trade between the two countries  | While the focus of the programme is on increasing exports to DRC, TMEA shall explore with value chains where applicable to enter other (non-Rwanda) EAC markets | June 2017 | Minor | Possible | Medium | Implementation phase |
| **Programmatic Risk** |  |
| Non-availability of land, water and electricity for storage and warehousing | TMEA shall rehabilitate and improvise existing storage facilities that are owned and managed by private players | June 2017 | Major | Likely | High | Inception phase |
| Priority value chains may not result in high volumes of exports  | TMEA shall shift their interventions to other export oriented value chains that have potential and were identified in the growth hub study, such as essential oils | June2017 | Major | Possible | High | Implementation phase |
| Poor road transportation along Greater Imbo may result in proposed interventions being ineffective  | TMEA shall facilitate investments in partnership with other development agencies to rehabilitate roads along the Greater Imbo | June 2017 | Minor | Likely | High | Implementation phase |
| Poor co-ordination between implementation agencies and industry associations  | Implementation agencies to also target private players that are non-members of industry associations.  | June 2017 | Minor | Possible | Medium | Inception phase |
| Macroeconomic risks such as inflation and devaluation of currency which may reduce the value of budget available for various interventions | TMEA shall raise such issues immediately to donors and identify/re-design interventions that can be achieved in the budget available (post inflation and devaluation) with maximum outcomes  | June 2017 | Major | Possible | High | Implementation phase |
| Limitations in transportation affecting movement of beneficiaries to attend meetings, training sessions | TMEA shall compensate all stakeholders/target beneficiaries with travel and accommodation to attend meetings, training sessions and validation workshops. The same shall be budgeted for in project management expenses | June 2017 | Minor | Possible | Low | Implementation phase |

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| **BURUNDI PROGRAM PAR- Annex 1 -**  |
| **Strategic outcome 1: Reduced trade barriers in selected sub-sectors in Burundi (fisheries, palm products and fruits)** |
| **Result level** | **Result description** | **Objectively verifiable indicator** | **Baseline** | **Targets and milestones** | **Verifiable methods of measuring indicators** | **Who will measure** | **When it will be measured** | **Important assumptions** |
| Intermediate outcome ( 1.2 in Corporate RF)  | Improved trading standards and reduced non-tariff barriers to trade | # of certified products, disaggregated by country  | 5 (TWIN-Coffee project data) | 10 additional | Administrative data from National SPS bodies | TMEA and the implementing partner | Annually |  Improved trading standards will improve product attractiveness thus reduce barriers to its trade  |
|  |  | #of certified products which are produced by target women/women groups | 1 | 2 | Administrative data from National SPS bodies | TMEA and the implementing partner | Annually | Incentives built in the project will be sufficient to cause women to seek certifications for their products  |
| Short-term outcome | Improved compliance with regional & international Quality, certification and product conformity standards by producers and traders in target value chains  | % of reached people reporting compliance with target quality, certification and product conformity standards  | 0% in target group | At least 60% of surveyed participants indicate an increase in awareness level of more than 50%  | user surveys pre and post implementation test  | TMEA and the implementing partner | Bi-annually | Better handling and storage of fisheries and palm products will result in improved tradability of these products  |
|  |  | #of women reached reporting compliance with target quality, certification and product conformity standards  | O% in target women group | At least 60% of surveyed participants indicate an increase in awareness level of more than 50% | user surveys pre and post implementation test | TMEA and the implementing partner | Bi-annually | Better handling and storage of fisheries and palm products will result in improved tradability of these products  |
| Output 1  | Trade facilities (markets, warehouses, cold chain rooms) of appropriate standards are constructed in Rumonge and Gatumba | Progress towards construction target trade facilities (retail markets of Rumonge and Gatumba , warehousing and cold storage facilities for fish and palm products in Rumonge) | 2 (1 retail market and cold room facility in Rumonge) of poor condition | 3 (2 retail market with appropriately set booths for fish and palm products in Rumonge and Gatumba and 1 cold chain facility in Rumonge) are in use  | TMEA project data | TMEA and the implementing partner | Quarterly | The fish and palm oil industry players actively search and obtain the necessary authorizations for construction/upgrading of warehouses and cold chains. Land is availed for the Gatumba market |
|  |  | The Completed facilities have taken into consideration the needs of women cross border traders, who deal with mostly perishable products and tend to carry them back and forth to the market.  | 0 | 3 women user-friendly facilities constructed/upgraded | TMEA project data | TMEA and the implementing partner | Quarterly | This will be achieved through the TOR given to the various contractors who will undertake the construction. A checklist of these requirements can be developed and payment given or withheld depending on whether these conditions are implemented or not including losing the contract at their own expense. |
| Output 2 | A trade/exports standards and requirements awareness program for target products including on environmental aspects is delivered.  | # of people reached reporting increased awareness of trade/exports standards and requirements | 0 | At least 60% of surveyed participants indicate an increase in awareness level of more than 50% | Survey | TMEA and the implementing partner | Quarterly | Information/content for the awareness program exists and has the buy in of enforcing authorities |
| Intermediate Outcome ( 1.3 in Corporate RF)  | Effective Trade Systems and Procedures |  Cost to import and export goods in the EATN disaggregated by: a) Documentary Compliance Cost b) Border Compliance Cost c) Logistics Coordination Cost and Corridor | Northern Corridor:Imports: Btw $500-$800Exports: Btw $200-$300Central Corridor:Imports: Btw $700-$1000Exports: Btw $300-$400Dar Corridor:Imports: Btw $700-$1000Exports: Btw $300-400 ( 2015 baseline) | TBD at project updated baseline survey | 1.3.a. Customs & Port authorities, Regulatory Trade Agencies & Annual Cost Surveys | TMEA and the implementing partner | Mid and end of program |  Customs and other relevant agencies remain willing to improve their systems and to act upon demands of the beneficiaries  |
| Short-term outcome | Increased awareness of key policies and procedures by target traders | % increase in knowledge in target group | 30% | At least 60% of surveyed participants indicate an increase in knowledge level of more than 50% | Survey | TMEA and the implementing partner | Quarterly | Information/content for the awareness program exists and has the buy in of enforcing authorities |
| Output 1  | Awareness campaigns on Simplified key trade policies and procedures  |  # of traders reached by awareness raising sessions on STR regime disaggregated by sex | 2000 | 3000 additional Of whom at least 60% are women) | TMEA project data | TMEA and the implementing partner | Quarterly | Information/content for the awareness program exists and has the buy in of enforcing authorities |
| Output 2 | Trade Information Desks established and functioning at Gatumba and Rumonge  |  Number of Trade desks established and functioning | There is 1 TID in Gatumba but it is not operational  | 2 TID will be functioning that is the current TID of Gatumba and a new TID of Rumonge  | TMEA project data | TMEA and the implementing partner | Quarterly | Information/content for the awareness program exists and has the buy in of enforcing authorities |
|  | # of traders that access information from TIDs supported by TMEA *disaggregated by sex, trading goods/services, age, length of time in the business*  |  | 0 | 1000 | TMEA project data | TMEA and implementing partner | Quarterly | GOB will let TID be operated at target border locations |
| Strategic Outcome 2 : Improved Business Competitiveness of businesses in Fisheries and palm and fruit products  |
| **Results Level**  | **Result description** | **Objectively verifiable indicator** | **Baseline** | **Targets & milestones** | **Verification methods of measuring indicators** | **Who will measure** | **When will it be measured** | **Important assumptions** |
| Intermediate outcomes (2.1 in Corporate RF) | Effective Public-Private Dialogue for Trade and Investment | Number and level of policy changes, including number of policy changes that are gender-responsive, disaggregated by country | 5 (CFCIB data) | 10 | TMEA Policy Scale TBD by TMEA | TMEA and the implementing partner | Annually |  The Government is open to listening to private sector demands and willing to respond to issues raised  |
| Short term outcome | Capacity built of target private sector associations  | Satisfaction Rate of association/cooperative member concerning the usefulness and effectiveness of the entity | 37% (AFAB data) | At least 60% | Organizational Capacity Assessment | TMEA and the implementing partner | Annually |  Associations and their member simply acquired skills  |
| Output 1 | Women’s associations/coops in fisheries and CBT created /supported | # of associations/Cooperatives supported | 20 | 40 additional | TMEA project data | TMEA and the implementing partner | Quarterly |  Associations of women in the target sub-sectors are weak but they can quickly be brought to pace through trainings and coaching  |
| Output 2 | Public-Private dialogue frameworks on cross-border trade created/supported | Number of issues/challenges addressed to the government through effective dialogues  | 30 | 50 |  Dialogue sessions reports | TMEA and the implementing partner | Quarterly |  The Government is open to listening to private sector demands and willing to respond to issues raised  |
| # of issues/challenges faced by women traders addressed to the government through effective dialogues  | 4 | 20 |  Dialogue sessions reports | TMEA and the implementing partner | Quarterly |  The Government is open to listening to private sector demands and willing to respond to issues raised  |
| Output 3 | A women social empowerment campaign is designed and delivered | Number of people reached by the campaign Disaggregated by sex | 0 | 1000 (of which 700 will be women) | TMEA project data (attendance lists) | TMEA and the implementing partner | Quarterly |  A relevant sensitization/training content will be available  |
|   | 2.3 Increased export capability of East African businesses | Proportion of TMEA targeted firms accessing new export markets (%), disaggregated by sector, size and sex of the business owner, as well as by country | 4 firms have accessed new exports markets as a result of TMEA | At least 50% increase for both women and men’s companies | TMEA Firm Survey  | TMEA and the implementing partner | Annually |  Demand will continue to exist in DRC and in EAC for products in target sub-sectors  |
| Short-term outcome 1 | Increased quality and volume of fisheries and palm products available to the markets | Proportion of target cooperatives/firms accessing new export markets, disaggregated by sector, size and gender of the business owner, ) | 4 | At least 50% increase | Firm survey | TMEA and the implementing partner | Bi-annually |  Demand will continue to exist in DRC and in EAC for products in target sub-sectors  |
| Output 1 | TA provided in appropriate use of cold chain and storage infrastructure by target traders | # of traders reached | 0 | 1500 | Project data  | TMEA and the implementing partner | Quarterly |  The target cold chain infrastructure will have been constructed/upgraded  |
| Output2  | Facilitation of RSPO and HACCP certifications for palm oil and fisheries companies undertaken | # of companies/co-operatives certified with BBN (EAC standards), RSPO and HACCP standards | 2 (Traidlinks actuals) | 10 additional | Standards Bureau data | TMEA and implementing partner | Quarterly |  Cooperatives will be able to make the necessary investments towards acquiring targeted certifications  |
| Short-term outcome 2 | Improved linkage to markets for businesses in fisheries and palm products | Proportion of target cooperatives/firms accessing new export markets, disaggregated by sector, size and gender of the business owner, ) | 4 | At least 50% increase | Firm survey | TMEA and the implementing partner | Bi-annually |  Demand will continue to exist in DRC and in EAC for products in target sub-sectors  |
| Output 1 | TA provided to facilitate market linkages for women businesses and for businesses in target value chains | # of new business opportunities identified | 20 (Combined Traidlinks and CFCIB actuals) | 20 additional | TMEA project data | TMEA and the implementing partner | Quarterly |  Markets linkages will generate market access opportunities  |
| Intermediate Outcome ( 2.4 in Corporate RF) | Greater inclusion of women in trade |  Value (US$) of trade by women traders and women-led SMEs | Average value of $ 150-200 per month per TMEA GH assessment findings | at 15% increase by 2020 |  Informal Traders Survey | TMEA and implementing partner | Annually |  Planned intervention will generate increases in trade value  |
| Short term outcome 2 | Increased access to markets and trade related services for women in the fisheries and cross-border trade | Number of new women enterprises/ traders trading formally | 0 | 500 | TMEA project data | TMEA and implementing partner | Quarterly | Formalization tracked through registration with trader/business associations and cooperatives |
| Output 1 | A cross-border trade unit including women reprs. established and functioning | Progress towards the establishment of the cross-border trade unit | 0% | 100 % completion by June 2019 | TMEA project data | TMEA and implementing partner | Quarterly | The provide sector is willing to champion the effort  |
| Output 2 | Cost sharing grants provided to women in target fisheries  | Number of grants successfully utilized | 0 | 10 | TMEA project data | TMEA and implementing partner | Quarterly | The grants will be effectively utilized |
| Output 3 | An SMS-platform for disseminating trade info to women traders  |  % completion of SMS platforms establishment process | 0% | 100% | TMEA project data | TMEA and implementing partner | Quarterly | The regional W&T will be implemented as planned, including its ICT component |

Annex 2- Integrated output based and work plan budget

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| **Integrated Outputs based Budget and work plan for Burundi SII programme** |
|  | **Phase 1** | **Phase 2** |  |
| **Output** | **2017** | **2018** | **2019** | **2020** | **Tot. budget in $M** |
| 1. Trade facilities (feasibility studies, markets, warehouses, cold chain rooms of appropriate standards are constructed/upgraded)  |   |   |   |   | **1,900** |
| 2. A trade/exports standards and quality requirements awareness programme for target products including on environmental aspects is delivered.  |   |   |   |   | **250** |
| 3. An awareness raising campaign on key cross-border and export trade policies and procedures is conducted including through TIDs |   |   |   |   | **350** |
| 4. A cross-border trade unit including a section on women is established and functioning |   |   |   |   | **350** |
| 5. Cost- sharing grants provided to women in target fisheries |   |   |   |   | **450** |
| 6. An SMS-platform for disseminating trade info to women traders is piloted  |   |   |   |   | **200** |
| 7. Producer/Trader associations/coops in fisheries and CBT created /supported |   |   |   |   | **350** |
| 8. A public-private sector dialogue framework including voices of women in trade created/supported |   |   |   |   | **450** |
| 9. Target traders in fisheries, palm and fruit products adopt best product handling and storage practices  |   |   |   |   | 346 |
| 10.TA provided to facilitate market linkages for women businesses and for businesses in target value chains |   |   |   |   | **400** |
| Tot out puts |   |   |  |  |  |  | 5,046 |
| **Programme management costs** |  |  |  |  | **1404** |
| **Central costs** |  |  |  |  | **675** |
| **Contingencies** |  |  |  |  | **375** |
| **TOTAL BUDGET** |  | **7500** |

# Annex 3

## **TMEA’s Integrated Approach for trade promotion in Burundi**

TMEA has adopted an integrated approach to trade implement this strategy which shall comprise of interventions in (a) Greater Imbo region under the trade hub programme; (b) cross border trade programme and (c) women in trade programme. The principles governing each of these programmes have been outlined below:

F**igure X: TMEA’s Integrated Approach towards Trade Development in Burundi**

**Cross Border Trade**

Informal and formal trade between Burundi and neighboring countries (DRC, Rwanda, Tanzania)

**Trade Hub (Greater Imbo)**

Trade in value chains that are produced and traded from Greater Imbo Region to neighboring markets, East African region and foreign markets

**Common Areas between Cross Border Trade & Imbo trade Hub Programmes:** (a) trade hub value chains exported through neighboring crossing points; (b) Crossing points located within the Greater Imbo

**Women in Trade Programme** Targeting women involved in cross border trade and also in the trade hub value chains

In order to implement this ambitious strategy, it is essential to understand and factor in the characteristics of firms and co-operatives operating in the identified value chains (tropical fruits, palm and fisheries) and along the cross borders. TMEA’s scoping study for design of the growth hub programme has led to this strong understanding of the businesses in the Greater Imbo, particularly in these value chains and those exporting to DRC and the region. These enterprises differ in sizes, extent of conducting formal businesses, their ability to cater to local and regional markets, quality of products and most importantly their capability to sustain and perform under fragile or uncertain situations. Most of the businesses across the three identified value chains are informal – mainly individual entrepreneurs in the case of fisheries, co-operatives in the case of fruits, palm oil and soaps and small budding enterprises in fruit juice sector. Formal businesses are restricted to a single large or 2-3 firms in these sectors that are strongly established and have its presence for many years in Burundi. These firms have also been exporting to DRC and regional markets

* 1. Appetite for risk and willingness to innovate amongst firms in Burundi is often suppressed; they are less likely to introduce new product lines or upgrade value chains
	2. Production capacities of most firms especially in the case of fruit juices are underutilized, as there is lack of understanding of target consumers and potential demand from various markets
	3. Characterized by poor access to finance and infrastructure and government-imposed barriers. Deteriorated roads have increased transportation costs and leads to spoilage as for fruits.
	4. Overall, these firms remain less open to international trade; exports as a ratio of GDP is significantly small as compared to others; and formal trade is facilitated primarily with neighbours (as in the case of fruit exports to Rwanda and palm soaps to Tanzania and DRC). Thus, for international markets to function in FCAS, trade relationships with neighbours play an important role. However, since conflicts or violent events often cause relationships with neighbours to deteriorate, FCAS countries often reach the point at which trading becomes difficult and international markets disappear. This has been the case in Burundi, where most export oriented firms are reliant on their trade with Rwanda and DRC. The political situation had led to closing of cross borders at *Akanyaru*, *Ruhwa* and *Gatumba* which reduced exports from Burundi in 2015 and also affected income levels of these businesses
	5. There has also been temporary close of small scale formal businesses and co-operatives for 6-8 months in 2015. While the situation got better in mid-2016, they had to restart production; past inventory got spoilt (as with fruit juices when bottles reached expiry dates). Disruptions in their product markets and demand in internal markets collapsed as a result of the conflict which led to temporary setback in sales and exports
	6. The weakness of the institutional environment of enterprises in fragile states has a major impact on the predictability of interactions with the government and other firms. The cost of business operations suddenly increased in Bujumbura. There have been frequent and/or long power outages and shortages in water supply in the capital city and strategic locations along the Greater Imbo
	7. The impact of conflict, violence, and prolonged fragility is particularly pervasive on the legitimate formal private sector. Foreign and local investors alike fled Burundi, taking with them longer-term capital, skills, jobs, and technology and further undermining local private sector support institution
	8. Lastly, emerging service sectors such as tourism, were hit particularly hard by the conflict in Burundi

# Annexe-4

# Support from Government of Belgium

The Government of Belgium shall be funding TMEA’s Burundi Country Programme. This includes components in cross border trade and fisheries where the target beneficiaries are women producers and traders along the Greater Imbo Region. Below is the list of interventions proposed in the first phase of the country program (2017-20) that will be supported by Belgian Government. The total funding envisaged is €3 Million ($3.3 million). The Belgian funding will be released into two tranches. The first contribution tranche (€1.5 million) allocated to Women Economic Empowerment in Cross Border Trade will be disbursed in 2017 and the second tranche (€1.5 million) allocated to Women in the selected value chains (fisheries particularly) will be released in 2018.

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| **#** | **Proposed Intervention** | **Budget (€000 )** |
| **Component 1: Supporting Women in Fisheries Sector**  |
| 1 | Create awareness on environment issues along Lake Tanganyika due to fisheries trade and build capacities amongst private women owned institutions to address them | 100 |
| 2 | Market linkage program to connect women fish traders with importers in DRC and regional markets | 300 |
| 3 | Building sustainable women-owned export oriented businesses in fisheries by providing technical knowledge in business management, access to finance and sector specific information such as standards, packaging and labelling requirement | 300 |
| 4 | Provision of cost-sharing grants for upgradation of fisheries value chain amongst women traders  | 600 |
| **(1.A.) Project Implementation**  | **1,300** |
| **(1.B.) Program Management\***  | **200** |
| **Total Budget for Component 1** | **1,500** |
| **Component 2: Supporting Women in Cross Border Trade**  |
| 8 | Establishment of Trade Information Desks at *Gatumba*  | 50 |
| 10 | Establishment of Cross Border Trade Unit within an Industry Association | 150 |
| 13 | Market Linkage Program for Women Cross Border Traders in *Gatumba*  | 200 |
| 14 | Strengthening women entrepreneurs and traders in cross border trade to create inclusive markets and better livelihoods | 500 |
| 15 | ICT for Women in Trade in *Gatumba* | 200 |
| 16 | Social empowerment for women cross-board traders/producers | 100 |
| **(2.A.) Program Implementation** | **1,200** |
| **(2.B.) Program Management\*** | **3,00** |
| **Total Budget for Component 2**  | **1,500** |
| **Total Budget (Component 1 + 2)**  | **3,000** |

\**Programme management includes costs for procurement of implementation agencies, consultants, experts in fisheries and cross border trade, monitoring and evaluation and technical assistance on baseline surveys*

The proposed programme funded by Belgian Government is expected to increase the role of women in trade, particularly those engaged in exports to DRC, TZ and RWD along the cross borders and in targeted value chains, namely the fisheries sector. The interventions shall also increase the volume and value of goods traded by women, particularly in DRC, increase their export revenues and strengthen their capacity to manage businesses as well as household income. Baseline surveys will be carried out to collect ‘as-is’ data or current status of these women entrepreneurs and traders. However, the expected outcomes envisaged at the end of the four years of programme implementation are as follows. These are in alignment with TMEA’s Theory of Change under Strategy 2 Programme (2017-23).

1. **Reduce Barriers to Trade**
* 100 percent of women traders aware about environmental issues arising from fisheries trade and required quality standards to reduce pollution
* National Cross Border Trade Strategy completed and approved by all stakeholders
* Operationalization of Cross Border Trade Unit with consultants performing activities in public-private dialogue, data collection, co-ordination with stakeholders on implementation of Burundi’s CBT strategy
* Increase in number of women traders visiting Trade Information Desks and benefitting from its services (through reduced constraints) by more than 80 percent

1. **Improved Business Competitiveness**
* Increase in incomes of women traders in fisheries sector by 30 percent, which will impact such as higher educational attainment by children, reduced poverty and increased food security
* Increase in export revenues through trade in fisheries by 30 percent
* Increase in share of fish exports to total formal exports by Burundi from current levels of 3.5 percent (in 2015) to 7.2 percent (by 2020)
* At least 5,000 women traders in fisheries would have received technical knowledge on business management and sector specific training
* At least 50 women entities comprising women owned/led associations and cooperatives would have implemented improved fish processing and trading standards
* 5% of these women entities will access DRC and other regional and international markets
* At least 500 women in informal and formal cross border trade report a 30% increase in their incomes and improvement in their household’s livelihoods
* At least 30 women trader associations/cooperatives in *Gatumba* would have strengthened their trade capacity
1. World Development Indicators for Burundi, World Bank Data 2015 [↑](#footnote-ref-1)
2. National Poverty Reduction Strategy Paper 2011-16 [↑](#footnote-ref-2)
3. World Development Indicators for Burundi, World Bank Data 2015 [↑](#footnote-ref-3)
4. Data for Burundi from ‘The Observatory of Economic Complexity’ from 2010-15 [↑](#footnote-ref-4)
5. International Trade Centre Data for Burundi 2011-15 [↑](#footnote-ref-5)
6. Ibid [↑](#footnote-ref-6)
7. Ibid [↑](#footnote-ref-7)
8. OCHA Burundi, October 2016 [↑](#footnote-ref-8)
9. World Development Indicators for Burundi, World Bank Data 2015 [↑](#footnote-ref-9)
10. Institute of Statistics and Economic Studies of Burundi, Data for 2014 [↑](#footnote-ref-10)
11. Palm Producers’ Association, Burundi [↑](#footnote-ref-11)
12. International Trade Center Data for HS Code 3401 [↑](#footnote-ref-12)
13. Institute of Statistics and Economic Studies of Burundi, Data for 2014 [↑](#footnote-ref-13)
14. International Trade Center Data for HS Code 0801-0814 [↑](#footnote-ref-14)
15. Regional SPS PAR-Previous TMEA interventions [↑](#footnote-ref-15)