

CASE STORY ON GENDER DIMENSION OF AID FOR TRADE

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The government of Rwanda attaches great importance to the promotion of gender equality as a prerequisite for sustainable development. This ideal is a fundamental principle within the Constitution of the Republic of Rwanda, 2003. The commitment is also reflected in country vision 2020 and mid term strategy for economic growth and poverty reduction strategy (EDPRS) where gender is stated as pillar and factor for sustainable development. The 2010 revised gender policy includes the private sector as a driving engine of the national economy.

Trade is an engine of growth because it offers opportunities for the production of goods and services, new markets, and new opportunities to create new production factors. In the same way, trade creates new jobs, contributes to social and economic distribution, to individual empowerment, poverty reduction and indeed development of both men and women.

For instance, The Trade provides women with 60 per cent of non-agricultural self-employment in sub-Saharan Africa, and women constitute the bulk of informal traders - between 70 and 80 per cent in Southern and West Africa. (ATP, gender and trade policy brief no1)

Women play a significant role in the private sector and dominate the informal sector and need the assistance of the government to move forward. There are additional opportunities for Rwanda as a member of the East African Community, COMESA and other regional international mechanisms but only if the private sector is competitive and women business owners are prepared and able to access the new markets through the support of the government and supporting institutions (Rwanda, Investing in the Empowerment of Women in Business, USAID/BIZCLIR).

INITIATIVES TAKEN BY THE RWANDAN GOVERNMENT TO MAINSTREAM GENDER IN AID FOR TRADE

Trade Policy and Regulations

Trade policy and administrative management
National Trade policy: The update 2010 trade policy, the policy vision states clearly that It will also contribute to promoting Rwanda's achievement of the Millennium Development Goals especially poverty reduction, gender empowerment and sustainable growth. The objective two of the policy highlights that it will enhance participation of importers and exporters of goods and services in regional and international trade taking advantage of trade opportunities. Special attention would be paid to supporting women farmers and entrepreneurs as well as rural-based exporters. The policy provides some key policy interventions which will be implemented to address the imbalance including (1) Integration of gender issues in trade policy formulation, implementation and in trade negotiations at national, regional and international levels, (2) Increased awareness among women of emerging trade opportunities at national, regional and international levels (3) Identify sectors where female work force is particularly significant and design trade policies that enhance production and trade opportunities in such sectors/products, including through the improvement of infrastructure to facilitate access to markets, removing of customs obstacles and other barriers to export; and encouraging entrepreneurship in such sectors, (4) Increase access for women to training in entrepreneurial skills, including managing and financing, and training for women entrepreneurs in rural areas

National Gender Policy: the 2010 revised national gender policy adopted the mainstreaming approach across all sectors including private sector development. The policy states key actions to be undertaken under private sector including To adopt affirmative actions (1) to increase the number of women in import-export, (2) trade, banking and insurance and in decision making of the private sector in general; (3) To sensitize women to the current opportunities in business and to occupy key positions. (3) to work toward removing women from informal to formal sector and entrepreneurship will be among the priorities.

National Export Strategy In the recently completed National Export Strategy (Final Draft to be approved), gender mainstreaming was considered as an imperative to achieve sustainability, stating that Investment in gender, youth and environmental sustainability translate into a compelling competitive advantage for Rwanda immediately, for the next decade, and for generations to come.

Specifically on gender dimension NES states the following *“Studies have shown that there is high correlation between an increase in gender equality and (a) corporate profitability, (b) per capita GDP³⁶ and (c) a country’s economic growth. While Rwanda has taken bold steps in gender equality and youth development, more must be done to bring the benefits of this inclusiveness to the bottom line. For instance, supporting more women’s ventures, which both globally and in Rwanda tend to favour consumer-oriented sectors, is a natural and unobtrusive way to rebalance Rwanda’s sector portfolio to target increasingly high-end customer markets”*.

The strategy provides also some key strategic actions and indicators to assure gender mainstreaming including (1) Reduce obstacles for women to access financing (e.g. titles to land, etc.), (2) Support institutions and women organizations to access and use ICT for export market information purposes, (3) Establish Gender-Export Award to create incentive for private sector, (4) Gender baseline surveys/information established for selected Export Clusters and shared with stakeholders (targeting rural areas)

Gender Responsive Budgeting Initiative

Rwanda introduced the Gender responsive budgeting Programme as assessing the impact of government revenue and expenditure on women and men, girls and boys, and with the aim of contributing to the narrowing of gender gaps, particularly in areas such as incomes, health, education, and nutrition. The Rwandan Government hopes that GRB can help to improve the economic governance and financial management, and provide feed-back to Government on whether it is meeting the needs of different groups of women and men, girls and boys. GRB will also be used to encourage transparency, accountability, participation and provide information that can be used in advocacy and better decision making.

Gender Monitoring and accountability: The government of Rwanda to foster the compliance of gender principles established under 2003 constitution, article 185 the Gender Monitoring Office (GMO) to monitor on regular basis the compliance of gender mainstreaming across sectors of development including private sector. The Office was operationalised in October 31st 2008. *The office is working towards putting in place key gender performance indicators and private sector is among the priority sector for equal employment creation, business and trade development. In partnership with MINICOM, RDB, GMO has contributed significantly to the elaboration and engendering DTIS and National Export Strategy (NES)*

1.1.1. Trade facilitation

Doing Business in Rwanda: Rwanda reformed seven of the 10 business regulation areas measured by *Doing Business*. It now takes a Rwandan entrepreneur just two procedures and three days to start a business. Imports and exports are more efficient, and transferring property takes less time thanks to a reorganized registry and statutory time limits. Investors have more protection, insolvency reorganization has been streamlined, and a wider range of assets can be used as collateral to access credit. These majors, combined with financial facilitation, accessibility and collateral diversification have increased the number of men and women entrepreneurs, and therefore a big number of businesses have been developed. **The 2005 Land law provides equal access and ownership of land** and currently the process of land administration will facilitate an increased access to financial services using land titles as stated in the law, especially for women. **The establishment of Women Chamber for entrepreneurship** under Private Sector Federation enhanced skills, support and access to business opportunity for women.

The Government of Rwanda through its Central Bank established a **Guarantee Fund:** The women credit fund facilitated women's access to small credits which allowed a vast majority of women to work with micro-financing institutions. The use of the guarantee fund and credit fund allowed women's access to and control over economic financial resources which facilitated them to do business and bring a progressive shift from economic dependence to men. This allowed number of women to play important economic role in production both for subsistence and market levels. In March 2010 The Fund was engaged up to a total amount of Rwf 428,031,521 which is equivalent to 167,72% on the total resources allocated to the fund

1.2. Regional trade agreements (RTAs):

The **Protocol establishing the East African Customs Union mentions** the special role of women in trade in its Preamble and under its Objectives, which mandate the Union to mainstream gender in its programmes stating that women have not been well catered for in the legal arena to enable them to take advantage of policy opportunities. Generally laws have tended to recognize and favour the large-scale trade sector, which is dominated by men as individual traders or in corporations.

In order to **enhance Cross border trade amongst** east-african countries, the EAC partner States, including Rwanda embarked since 2009, on an ambitious programme of Mainstreaming Gender into Trade Policy. This initiative comes as a response to the reality that Women constitute the larger proportion of those who practice the small scale cross border trade in East Africa region. Among envisaged actions there is facilitation of women and girls in the trade and services sector by providing training; participation of women in trade negotiations as well as work to engendering trade policies through research, training, advocacy and networking; as well as building capacity of women to access skills, information, network and credit for improved service delivery and higher level of competitiveness.

One specific example is that **under the COMESA – ITC Program** for building capacity of Africans in international trade, the Government of Rwanda already committed to implement the **ACCESS! Program**, which objective is to increase participation of women – entrepreneurs in international trade. This is an opportunity to commend the different partners involved in such programs.

Trade education/training: The Rwanda Development Board has a department in charge of women's entrepreneurship through ICT development, Business Development Services, market orientation, scaling up business. **Some figure,** The Women guaranteed fund in the National Bank of Rwanda to help women access loans at different ratios of collateral security to the women guarantee fund (i.e 75% of the guarantee fund to 25 of the collateral security). In March 2010 The Fund was engaged up to a total amount of Rwf 428,031,521 which is equivalent to 167,72% on the total resources allocated to the fund

3. Initiative taken by Government of Rwanda to Building productive capacities

Creation of women's entrepreneur's banks. Establishing a savings and credit "Banque Populaire" affiliated to the "Union des Banques Populaires" by the Associations of Women Entrepreneurs in Rwanda; establishing a saving and micro-credit cooperative (COOPEDU) by a women's association, DUTERIMBERE (NGO promoting Women's Economic Empowerment); land consolidation. This has positively impacted not only on individual women's lives but also on that of their households, community, and national economy, and has increased the number of businesses owned by women

Creation of farmers and fishing cooperatives: The Ministry of Trade and Industry has supported the creation farmers cooperatives i.e. potatoes farming cooperatives, rice farming cooperatives for mainly economic development. Those cooperatives have improved the production due to modern farming and use of fertilizers. Women occupy key positions and actively participate in decision making of the cooperatives. More importantly, members of cooperatives working as group of producers and sellers have so much influenced the prices of their products both at local and regional levels and this has significantly improved both their economic situation and relations between them and their men colleagues

GAPS AND FUTURE FOCUS

1. Institutional and Organisation capacity strengthening: shifting women from information to formal sectors, increase and strengthen business organisations/cooperative owned by women

2.EN TREPRENEUR IAL EDUCA TION AND TRA INING

3.ACCESS TO FINANCE SERVICES

4.ACCESS TO MARKET

5.COORD INA TING AND NE TWORK ING

6.GENDER MONITORING AND ACCOUNTABILITY