german cooperation
DEUTSCHE ZUSAMMENARBEIT

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STUDY ON WOMEN AND YOUTH IN TRADE

CDP
Center for Development Policy
KIGALI, NOVEMBER 2022

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ACRONYMS AND ABBREVIATIONS

AfCFTA	African Continental Free Trade Area
AU	African Union
BRD	Banque Rwandaise de Dévelopement
COMESA	Common Market for Eastern and Southern Africa
COVID	Corona Virus Disease
DRC	Democratic Republic of Congo
EAC	East African Community
ECCAS	Economic Community of Central African States
FDA	Food and Drugs Authority
FGD	Focus Group Discussions
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)
ICT	Information Communication Technology
ITC	International Trade Centre
KII	Key informant Interviews
MINICOM	Ministry of Trade and Industry
MINIYOUTH	Ministry of Youth and Culture
MSMES	Micro, Small and Medium Enterprises
NAEB	National Agricultural Export Development Board
NISR	National Institute of Statistics of Rwanda
NMC	National Monitoring Committee
NTB	Non-Tariff Barrier
NTFC	National Trade Facilitation Committee
PSF	Private Sector Federation
RDB	Rwanda Development Board
REC	Regional Economic Community
RICA	Rwanda Inspectorate, Competition and Consumer Protection Authority
RRA	Rwanda Revenue Authority

RSB	Rwanda Standards Board
SSCBT	Small Scale Cross Border Trader
STR	Simplified Trade Regime
SWOT	Strengths, Weaknesses, Opportunities and Threats
TRALAC	Trade Law Centre
UNDP	United Nations Development Programme
UNECA	United National Economic Commission for Africa
WTO	World Trade Organization

EXECUTIVE SUMMARY

GIZ and the Ministry of Trade and Industry (MINICOM) commissioned this study aiming at examining challenges encountered by women and youth in trade, and how the same group can exploit the opportunities presented by the African Continental Free Trade Area (AfCFTA). The findings of this study inform the position paper that articulates the policy positions for Rwanda and is used by Rwanda's negotiation team during upcoming negotiations for the Women & Youth Protocol under AfCFTA Phase II&III.

In terms of the background, the AfCFTA prioritizes women and youth as priority actors in Africa's trade. The AfCFTA protocol for Women and Youth is one of the AfCFTA legal instruments in addition to the protocols on Goods, Services, and Procedures for the Settlement of Disputes. The AfCFTA also envisages Protocols on Investment, Intellectual Property Rights, and Competition Policy, which will only enter into force after the second round of negotiations. The Goods, Services, and Procedures on the Settlement of Disputes protocols have been negotiated through phase I and II, while state parties are planning to initiate the negotiation for the AfCFTA protocol for Women and Youth, of which GIZ is supporting the Ministry of Trade and Industry (MINICOM) - the lead institution to prepare Rwanda's position and priorities for the negotiations. Women and youth conduct the majority of business in Africa. For instance, 80% of businesses (formal and informal) in Africa are categorized as small- and medium-sized enterprises. The informal sector accounts for more than 85% of economic activity in Africa, and it is largely conducted by women (90%) including informal cross-border trade. Women account for nearly 90% of the labour force in the informal sector. Women and youth account for the majority of the population, business owners and workforce. Women are estimated to account for around 70% of informal cross-border traders in Africa.

The study employed a mixed methodology of both qualitative and quantitative approaches to collect and analyse data on women and youth in trade in line with the objectives of the study. An in-depth review of the literature on related policies, strategies, regulations, studies, and reports on intra-African trade, whether for the Government or international stakeholders was used. The study population was 539 participants from different categories of study participants from Government institutions, private sector companies, and cooperatives of women in informal cross-border trade, civil society organizations, experts, and representatives of the business community (both women and youth-owned businesses). In terms of data collection, Random, stratified, and purposive sampling techniques were used to select the sample of study participants and to collect quantitative and qualitative data from different stakeholders. Accordingly, an overall sample of 220 respondents from an online survey (175) and consultations (45) was selected. 74.3% of respondents responded to the survey while equivalent to 25.7% did not respond to the questionnaire because some were no longer in cross-border trade (or mistakenly), others were unable to be reached, and others, deliberately refused to answer the questionnaire.

The findings present the status of women and youth in trade. In terms of participation of women and youth in economic sectors, the majority of women and youth are in service (25.32%), Textile Fashion and Clothing (19.62%), Agriculture (18.35%), and Manufacturing (15.82%). These findings are reinforced by the qualitative findings from consultations (using focus group discussion and key informant interviews), which indicate that the majority of formal traders (most of whom being youth) are in the innovations sector such as creative industries, followed by Made in Rwanda (Textile and clothing) and horticulture. While those involved in informal trade are largely in Agriculture and Agro-processing goods.

Similar findings reveal that the majority of women and youth in trade are active exporters (43.4%), while 34% are active importers. There are also 12 % potential importers and 7.5 % potential exporters. However, both anecdote evidence from consultations and secondary review reveal that the majority of women and youth are involved in informal cross-border trade (85%) especially informal exports. On average, the majority of women and youth traders trade within Africa. The majority of small-scale cross-border traders trade with neighbouring countries especially the Democratic Republic of Congo (which is now a partner state of the EAC) for both exports and re-exports. However, the study discusses several challenges encountered by women and youth in trade, most importantly while exporting to other African countries. These include but are not limited to 1) Limited access to information on trade; 2) Limited access to productive and financial resources; 3) lack of harmonization of standards within AfCFTA market; 4) Lack of enabling environment for trade-related; 5) Limited entrepreneurial and business skills to mention but a few.

The findings of this study suggest the following key recommendations: 1) Enhance access to trade finance for women and youth by introducing innovative and tailored financial products for women and youth, while addressing collateral and financial literacy issues; 2) Empower and strengthen the capacity building of women and youth in certain potential and weak areas; 3) Introduce and strengthen trade facilitation measures; and last but not least, 4) enhance harmonization of standards and regulation within and among AfCFTA member states.

In conclusion, the study re-affirms the existing fact that women and youth are the engine of trade and economic development in Africa. However, they are affected by poverty and unemployment. The AfCFTA presents noble economic opportunities for SMEs and women and youth-owned businesses in trade, allowing them to benefit from production at a greater scale, access to inputs and access to more diversified markets through intra-continental trade. Therefore, concrete policy measures and investments are needed to ensure that women and youth can be better integrated into the value chains, jobs and opportunities presented by the AfCFTA market. However, the perquisites include not limited to the suggested policy recommendations:

1) Improve access to reliable and accessible information among women and youth in trade;
2) Empower and strengthen the capacity building of women and youth in certain potential and weak areas;
3) *Ease the accessibility of trade information by establishing a One Stop Shop/Centre on AfCFTA to provide information on key markets and products* Harmonize standards and regulations within and among AfCFTA member states;
4) Strengthen Business Management and *financial literacy skills for women and youth in trade*
5) Address structural challenges linked to the local productivity and distribution along the value chain;
6) *Strengthen e-commerce infrastructure and capacities of women and youth on e-commerce or trading on digital platforms/marketplaces*, including digital financing.

The details of actionable policy recommendations are presented in ANNEX 2.

1.0 Background

The African Continental Free Trade Area (AfCFTA) is one of the flagship projects of the African Union Agenda 2063 expected to be a key driver for Africa to realize continental structural transformation and industrialization. The agreement was signed in Kigali in March 2018 by 44 African Union Member States. The AfCFTA protocol for Women and Youth is one of the AfCFTA legal instruments in addition to the protocols on Trade and Services. The latter two protocols have been negotiated through phase I and II, while state parties are planning to initiate the negotiation for the AfCFTA protocol for Women and Youth, of which GIZ is supporting the Ministry of Trade and Industry (MINICOM) - the lead institution to prepare Rwanda's position and priorities for the negotiations.

The AfCFTA prioritizes women and youth as priority actors in Africa's trade. Women and youth conduct the majority of business in Africa. For instance, 80% of businesses (formal and informal) in Africa are categorized as small- and medium-sized enterprises. The informal sector accounts for more than 85% of economic activity in Africa, and it is largely conducted by women (90%) including informal cross-border trade. In the same agreement, particularly the Women & Youth Protocol under Article 3 (e): promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties. While Article 27 (2) (d) of the Protocol on Trade in Services, mandates State Parties to: "improve the export capacity of both formal and informal service suppliers, with particular attention to micro, small and medium size; women and youth service suppliers" (AfCFTA Secretariat, 2020).

The same report indicates that women account for nearly 90% of the labour force in the informal sector. Women account for more than 85% of economic activity in Africa. According to the report, women and youth account for the majority of the population, business owners and workforce. Indeed, Informal Micro, Small and Medium Enterprises, many of which are women- and youth-led are key to growth in Africa; they account for around 80% of the continent's businesses. Women are estimated to account for around 70% of informal cross-border traders in Africa (AfCFTA Secretariat, 2020).

Therefore, concrete policy measures and investments are needed to ensure that women and youth can be better integrated into the value chains, jobs and opportunities stemming from the AfCFTA.

It is in this regard that the assignment to prepare a Study and Position Paper on Women and Youth in Trade has been commissioned by GIZ in support of MINICOM with the view to position Rwanda to take advantage of the protocol and how to advance the country's specific interests and positions in the upcoming negotiations for the Women & Youth Protocol under AfCFTA Phase II&III.

1.1. The objective of the assignment

The purpose of this is to conduct a comprehensive assessment of women and youth in Rwanda and prepare a position paper that will help to come up with policy positions for Rwanda's negotiators that will inform and guide the negotiation team on the topic of Women & Youth in Trade during the negotiations of the African Continental Free Trade Area. Conclusions shall be drawn on what will support Rwanda to achieve the desired outcomes. The consultancy shall render the following outputs in two stages:

- Stage I: One comprehensive study on Women & Youth in Trade in Rwanda
- Stage II: A position paper that informs policy-making organs in detail about 3-4 areas and options for negotiating the Women & Youth in Trade protocol.

1.2. Methodological Approach

In accordance with the Terms of References for this assignment, the methodological approach of this study employed both consultation and survey methods. The assignment used both quantitative and qualitative methods to collect and analyze data. Accordingly, for implementation, the study adopted the following nested six steps: (1) Inception reporting, (2) Desk review and data collection, (3) Data analysis, (4) Reporting, and (5) Preparation of the Position Paper, (6) Validation and Submission. A mixed-methods approach was used to collect and analyze different sorts of data (primary and secondary) on women and youth in trade, particularly in cross-border trade. Data was collected and analyzed as follows:

1.2.1. Secondary Data Collection: Desk Review

The consultants reviewed existing studies, policies, strategies, regulations, and articles focusing on trade and AfCFTA with an emphasis on women and youth. Continental, Regional and national data, in particular, were reviewed, with a particular focus on the Agreement establishing the African Continental Free Trade Area (AfCFTA), different AfCFTA instruments, the Rwanda AfCFTA national implantation strategy, related regulations and instruments, and other related documentation on trade and AfCFTA. Furthermore, the study reviewed and analyzed stylized facts about Rwanda's external trade, specifically on the performance of Rwanda's exports and imports to and from Africa, and policy frameworks regulating trade. A synthesis of data on women and youth in cross-border trade within the African region was conducted. The review of secondary data was complemented by the primary data, which involved both quantitative and qualitative data.

1.2.2. Primary Data Collection

The collection of primary data involved quantitative and qualitative data. Data were collected from different types of respondents; Government, Donors, Civil Society Organizations, the Private Sector (representatives of Women and Youth in trade), Cooperatives of Women and Youth involved in cross-border trade, experts and leaders in areas of trade, specifically cross-border trade. Figure 1 depicts (see annexe 1) the overall population of the study and the selection of the sample.

1.2.3. Quantitative Data Collection

Quantitative data were collected from sampled private companies and cooperatives of women and youth involved in cross-border trade in Rwanda. The Gall et al. (2014) formula was used to determine the sample size from the overall population. A sample of women and youth in trade was selected. Quantitative data from women and youth was complemented by the qualitative data collected using KII and FGDs.

i. Population and Sampling

The study targeted the overall population of **539** respondents from the Government, Donors, Civil Society Organizations, Private Sector (representatives of Women and Youth in trade), Cooperatives of Women and Youth involved in cross-border trade, and experts and leaders in areas of trade, specifically cross-border trade as depicted from Figure 1. A sub-stratum of **45** was consulted through Key Informant Interviews and Focus Group Discussion (FGD), while a sub-stratum of **494** was used to select a sample of **175** respondents (from private companies, Cooperatives of Women, and Youth) in cross-border trade for the survey.

ii. Sampling

The list of women and youth that formed the population was collected from the Ministry of Trade and Industry (MINICOM), Rwanda Development Board (RDB), and Private Sector Federation (PSF) based on the criteria of women and youth who conduct business through either private companies, or cooperatives, and they are involved in cross-border trade. The sample size of this study was estimated based on the following formula as proposed by Gall et al. (2014):

$$n = \frac{NZ2 * 0.25}{[e2(N-1)] + Z2 * 0.25} = \frac{494 * 1.645 * 1.645 * 0.25}{[0.05 * 0.05(494-1)] + 1.645 * 1.645 * 0.25} = 174.9 \cong \mathbf{175}$$

A sub-population of **494** respondents was used to estimate the sample. Therefore, a sample of 175 respondents from private companies of women and youth, and cooperatives was estimated, with a margin of error of 5%, and a confidence level of 95%. Where, n, is the sample size, N is the overall population, Z^2 is (1-α) the desired confidence level, e.g 95%, and e is the desired level of precision.

Accordingly, 74.3% of respondents responded to the survey while 25.7% did not respond to the questionnaire because some were no longer in cross-border trade (or mistakenly considered), others were unable to be reached, and others, deliberately refused to answer the questionnaire. The gap of 25.7% of non-response from the survey was compensated by the maximum participation of the KIIs and FGDs.

a. Random Sampling Technique

The random sampling technique was employed to select a sample of 175 women and youth from the private companies and cooperatives involved in cross-border trade in Rwanda. Strata of 142 respondents were selected from a total number of companies of women and youth involved in cross-border trade. While 33 representatives were purposively sampled from 33 cooperatives involved in cross-border trade in the bordering districts of Rwanda, out of 33 representatives, 25 were interviewed. However, out of 175 respondents, 130 respondents were interviewed using a survey, while the rest 45 respondents in total were not interviewed due to reasons of absence, and some are no longer in the business, to mention but a few.

b. Purposive Sampling

The purposive sampling was used to select the respondents from Government, donor agencies, the private sector, civil society organizations, experts, and leaders working/have knowledge and information on cross-border trade. Accordingly, in addition to 38 respondents from Government, donors, and the private sector, separate Key Informant Interviews were conducted with the 9 respondents. This target group was selected through a purposive sampling technique. More so, purposive sampling was used to select participants of the two FGDs.

Qualitative Data Collection

Qualitative data was collected from FGDs and KIIs participants involved in facilitating women and youth in trade. Respondents were selected from ministries of trade, industry, gender, and other relevant state agencies or line ministries, authorities involved in cross-border trade such as standards-setting bodies and those issuing export permits, rules of origin certification, organizations providing export development support for Women and Youth as well the national gender focal points from Rwanda National Trade Facilitation Committee (NTFC), Rwandair, donors, to mention but a few. The information collected involved strengths, opportunities, weaknesses and threats for women and youth involved in the trade. It also involved understanding opportunities and challenges at policy and implementation levels that need to be duly considered in the AfCFTA continental instrument (women and youth protocol) promoting the trade dividends for women and youth within the context of the AfCFTA. More so, the same information determined the national, regional and international policy priorities for promoting women and youth intra-African trade within the framework of AfCFTA.

i. Focus Group Discussions (FGDs)

Focus Group Discussions were organized and involved representatives of relevant Government Institutions involved in trade, standardization and certification, gender promotion, and youth, development partners involved in the trade. Accordingly, Two FGDs were organized; First, the one that combined the representatives of the relevant institutions and development partners; Second, that combined the representatives of the private sector (companies and PSF) and Civil Society Organizations. A stratified sampling technique was used to select the two FGD participants. A semi-structured questionnaire to guide and stimulate reflections on issues that face women and youth in trade was used.

ii. Key Informants Interviews (KIIs)

The KII with officials and experts from different institutions, agencies, Organizations, experts, and leaders involved in the facilitation of women and youth in trade. The consultants interviewed officials from the MINICOM, MINIYOUTH, NAEB, BRD, Rwandair, PSF Cluster of Special Groups (Women, Youth, and People with Disabilities), East African Business Council, Exporters, She-Trade, to mention but a few. The qualitative data from KIIs complemented and augmented opinions from the survey, and shade light on some national and regional policy issues.

1.2.4. Data Analysis and Report Writing

Both quantitative and qualitative data were analyzed and interpreted in line with the objectives of the study. The consultants used the Kobo toolbox and Excel to analyze the field quantitative data, complemented by qualitative information collected from KIIs and FGDs. Qualitative data was triangulated for quantitative analysis. Descriptive statistical analyses were used to generate graphs, figures, charts, and percentages to better understand potentials and opportunities based on the views of women and youth in trade. It is worth noting that, quantitative analysis was complemented with the qualitative data from both KII and FGDs to enrich the argument. The analysis of different components including but limited to the challenges and weaknesses affecting women and youth to take advantage presented by the AfCFTA scheme. It also presents opportunities for women and youth in trade. Therefore, consultants performed the following tasks:

- ◊ Data cleaning and quality check of survey and consultative qualitative data,
- ◊ Findings' compilation, triangulation, and analysis using Kobo Toolbox.
- ◊ The findings from the analysis were used to draft the report of the study.

2. SITUATIONAL ANALYSIS OF RWANDA'S EXTERNAL TRADE WITH AFRICA

Rwanda's economy continues to recover from the impact of the COVID-19 pandemic. In the second quarter of 2022, Rwanda's total trade was US$ 1,767.28 million, an increase of 36% over the second quarter of 2021. Exports were US$ 331.32 million; imports were US$ 1,257.72 million and re-exports were US$ 178.23 million as depicted in the graphic below (NISR Quarterly Report, 2022).

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Figure 1: Rwanda's Formal External Trade in Goods from 2019 to 2022Q2

Source: NISR, November 2022

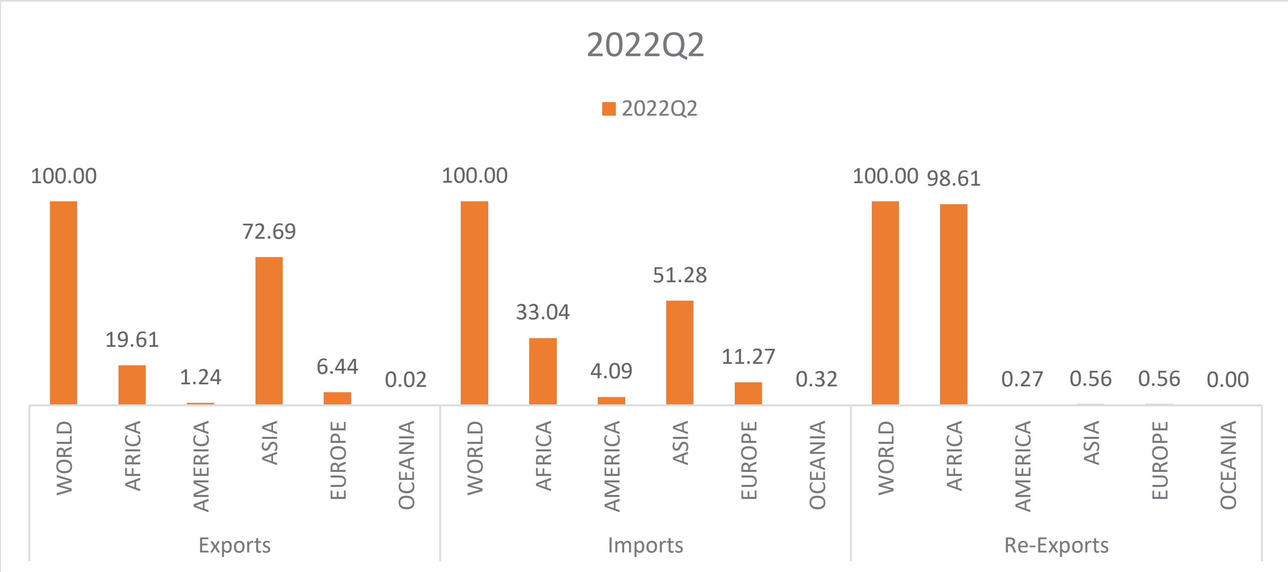
Further, according to the National Institute of Statistics of Rwanda (NISR), in the second quarter of 2022 total domestic exports increased by 37% when compared to the second quarter of 2021 (US$ 331.32 million and US$ 241.48 million respectively).

Total imports of Rwanda increased by 33% in the second quarter of 2022 when compared to the same quarter of 2021 (US$ 1,257.72 million and US$ 948.95 million respectively). Re-exports, increased by 57% in the second quarter of 2022 over the same quarter of 2021 (US$ 178.23 million and US$ 113.33 million respectively) and by 18.46% compared to the first quarter of 2022.

The same source of information indicates that the top five export destinations were; the United Arab Emirates, the Democratic Republic of Congo, Hong Kong, Singapore and the United Kingdom. Together, these five countries accounted for a share of 77.65% of the total value of domestic exports (US$ 257.26 million)

In comparing Africa with other continents, Rwanda's exports are largely destined to Asia with 72.69% of total exports followed by Africa with a total share of 19.61% and then Europe with 6.4% in quarter 2 of this year as depicted in graph below:

Figure 2: Share of Rwanda's Exports by Continents.



Source: Constructed based on NISR data, November 2022

For exports destined to Africa, DRC is by far the top destination of Rwanda's exports.

Total imports of Rwanda increased by 33% in the first quarter of 2022 when compared to the same quarter of 2021 (US$ 1,257.72 million and US$ 948.95 million respectively) and decreased by 18% over the first quarter of 2021.

In terms of total imports, China, India, Kenya, Tanzania, and the United Arab Emirates were the top five countries of origin of imports to Rwanda and they totalized US$ 758.01 million of imports equivalent to 60.27% share of the total value of imports. Comparing continents, Asia still comes as number one in Rwanda's imports' origin with 51.28%, followed by Africa (33.04%) and then by Europe (11.27%).

As for Rwanda's re-exports, they increased by 57% in the second quarter of 2022 over the same quarter of 2021 (US$ 178.23 million and US$ 113.33 million respectively) and by 18.46% compared to the first quarter of 2021 according to NISR (NISR Quarterly Report, 2022).

In terms of re-exports, the top five destinations were the Democratic Republic of Congo, Uganda, Ethiopia, Tanzania and the United Arab Emirates. The Democratic Republic of Congo accounted for 95.67% of Rwanda's total re-exports. In terms of the share of re-exports by continents, Africa comes at the top with 98.61%.

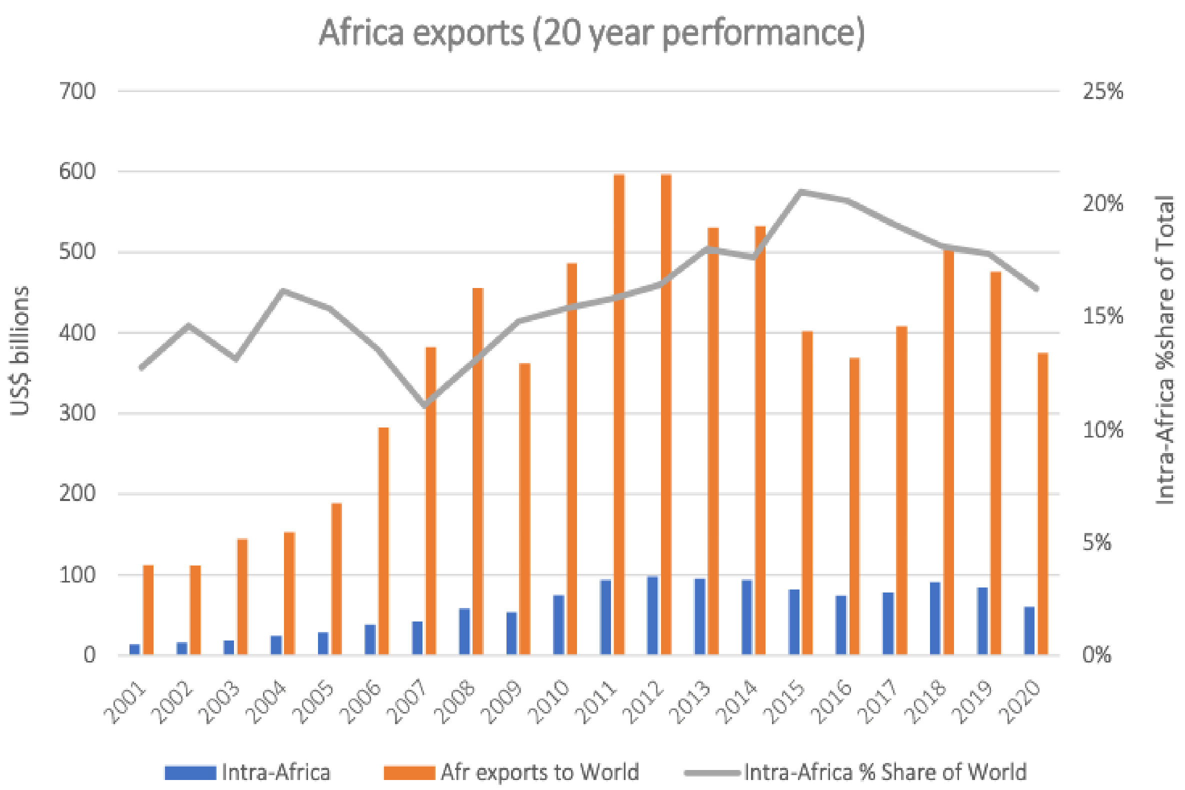
As earlier discussed, women and youth play a vital role in the informal sector especially the informal cross-border trade, both export and import. Rwanda's informal cross-border trade with neighboring countries is largely dominated by small-scale women cross-border traders. Indeed, a study undertaken by International Alert in 2015 found that women in Cross Border Trade represented 83% against 17% representing men (International Alert, 2015).

3.OUTLINE OF THE AFRICAN CONTINENTAL FREE TRADE AREA (AFCFTA)

3.1. Overview of Intra-Africa trade

According to TRALAC, intra-Africa trade peaked at 21% in 2015 and averaged 18% annually until 2019. In 2020, intra-Africa trade was down to 16% mainly attributed to COVID-19-related supply chain disruptions. Total intra-Africa trade in 2020 was USD 61 billion having declined 5% over the last 5 years as depicted on the graph below (Tralac, 2020).

Figure 3: Africa's exports performance from 2001 to 2020

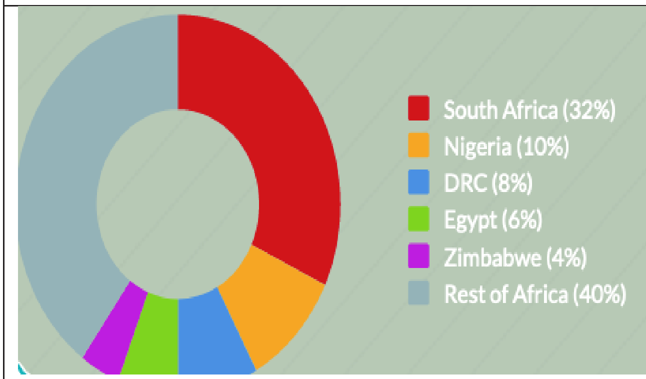
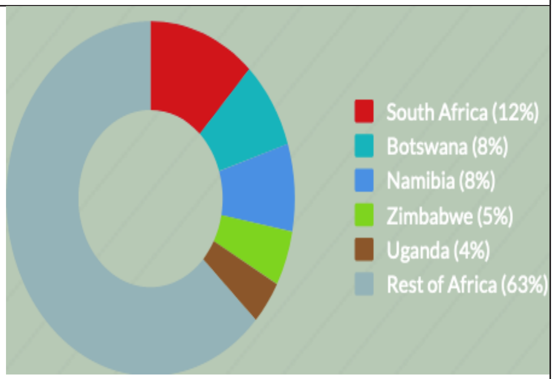


Source: TRALAC, September 2022

Mineral products mostly oil are the top traded product by value, although only accounting for 10% in terms of intra-Africa trade with 90% leaving the Continent; Intra-Africa trade is mostly dominated by manufactured products; agricultural products account for only 23% of total intra-Africa trade.

Below is a graph of the top African exporters and importers respectively in 2020.

Figure 4: Top African exporters and importers between 2016 and 2020

Top exporters	Top importers
	

Source: TRALAC, September 2022

The above graph exhibits the top performers amongst exporters including Nigeria; Egypt; Senegal; Zambia; Kenya; Morocco and Zimbabwe as well as top performers amongst importers, which include Uganda, Tanzania, Nigeria, Kenya and Zimbabwe. The latter have exhibited positive growth in terms of intra-Africa imports over the five-year review period 2016– 2020.

The African Continental Free Trade Area (AfCFTA) has opened a new chapter for the continent. The Agreement establishing the African Continental Free Trade Area (AfCFTA) marks a significant milestone in the African Union's (AU) history and its aspirations of realizing a continental FTA and customs union. The AfCFTA was created to bolster intra-African trade.

The AfCFTA is a framework Agreement, consisting of the Agreement establishing the continental FTA, the Protocol on Trade in Goods (PTG) and Trade in Services, and the Protocol on Rules and Procedures for the Settlement of Disputes. The AfCFTA also envisages Protocols on Investment, Intellectual Property Rights, Competition Policy (and any other Instrument within the scope of the Agreement deemed necessary), which will only enter into force after the second round of negotiations

The implementation of the African Continental Free Trade Area under the African Union built upon the Regional Economic Communities is expected to increase intra-African trade by 52.3% by eliminating import duties and could double trade if NTBs are also reduced (AU Press Release, 2020). Indeed, there are numerous opportunities for African countries to increase trade with their neighbors. ITC's export potential methodology reveals an untapped export potential of $22 billion within the region (ITC Trade brief, 2021).

As on October 2022, 44 of the 54 signatories (81.5%) have deposited their instruments of AfCFTA ratification with the African Union Commission Chairperson (Tralac, 2022).

The AfCFTA will bring together all 55-member states of the African Union covering a market of more than 1.2 billion people and will be the world's largest free trade area since the formation of the World Trade Organization (WTO).

3.2. The AfCFTA implementation in Rwanda

According to Rwanda's National AfCFTA implementation strategy, the modalities of tariff liberalization under the AfCFTA require that 90% of tariff lines will be fully liberalized over 10 years for Least Developed Countries (LDCs) and over a 5-year period for non-LDCs. Up to 7% of tariff lines ascribed to sensitive products will be fully liberalized over a 13-year period for LDCs and over a 10-year period for non-LDCs with linear liberalization beginning at year 7 of implementation. The remaining 3% of tariff lines not accounting for more than 10% of total intra-Africa trade - can be excluded from tariff liberalization (MINICOM, 2022).

Implementation on the ground is the key to delivering on the expectations of the AfCFTA. The agreement explicitly requires implementation through national arrangements including National Committees on Trade Facilitation (NTFC) and National Monitoring Committees (NMC) on Non-Tariff Barriers (NTBs).

National implementation mechanisms should ideally function within the structure of the AfCFTA country strategy to ensure policy coherence and effective domestication of the AfCFTA. This requires national AfCFTA entities to be created with broad membership that reflects the wide range of stakeholders and interests.

The policy framework and regulatory environment in Rwanda are in favour of the AfCFTA. Rwanda's Vision 2050 outlines the key pillars and objectives to promote economic growth and prosperity as the country's long-term strategic development framework, especially under Pillar Two which outlines Competitiveness and Integration aspects.

Rwanda is a state party to the AfCFTA having ratified the agreement. The AfCFTA is expected to enhance trade connectivity with the African market, leveraging Rwanda's current integration memberships (EAC, COMESA, Tripartite and ECCAs).

Further, Rwanda has embarked on the development of the AfCFTA implementation strategy. The strategy will inform the effective and successful application of the agreement. The agreement is already being implemented with a dedicated AfCFTA implementation sub-committee, which has been created under the NTFC to follow up on AfCFTA implementation activities. It is composed of members from (relevant institutions that are key in the process. Also, a lot is being done to ensure the effective implementation of AfCFTA. For illustration, RRA has submitted a list of Customs Officials authorized to issue and sign Certificates of origin to the AfCFTA Secretariat

Still, on AfCFTA implementation, article 8 of the agreement states that the Member States that belong to other Regional Economic Communities (RECs) which have already attained higher levels of elimination of customs duties and trade barriers shall maintain, and where possible improve upon, the higher level of trade liberalization among themselves. Rwanda is also moving forward together with other EAC Member States towards the implementation of the AfCFTA.

Considering gender equality in Rwanda's economy in general and trade in particular, a conducive policy and legal environment have greatly contributed to the realization of gender equality and empowerment of women across different sectors. Gender equality is enshrined in policies and laws for the various respective areas of national life. In this light, the implementation of the AfCFTA will take into consideration specific programs and initiatives to encourage the participation of women and youth in cross-border businesses, in line with Rwanda's AfCFTA implementation strategy. This is also true for Rwanda's consideration of youth regarding their contribution and involvement in the country's socio-economic development.

4. KEY FINDINGS FROM THE STUDY ON WOMEN AND YOUTH IN TRADE

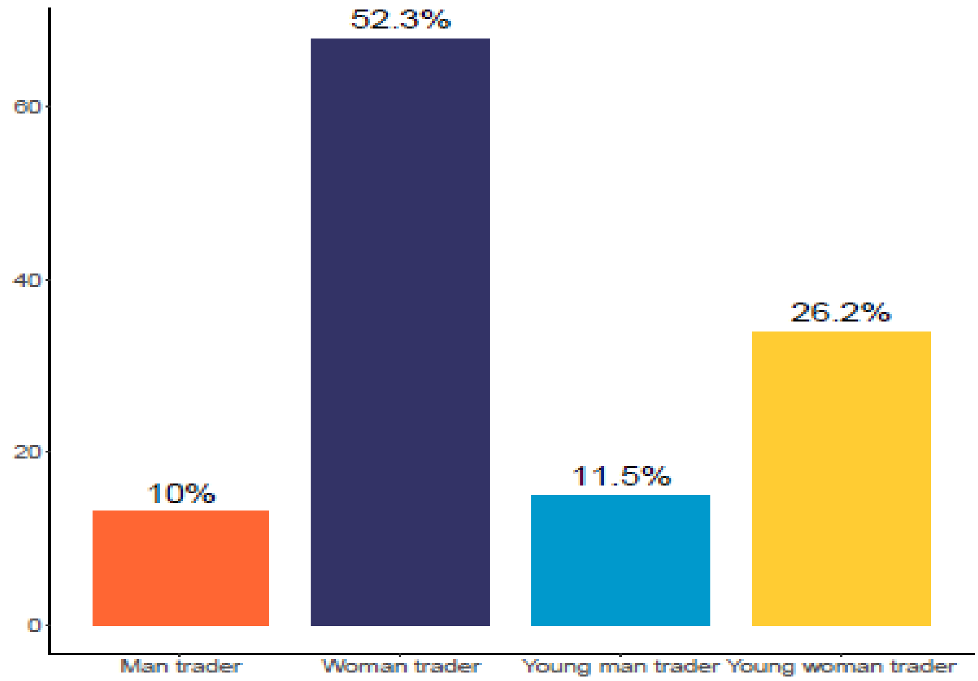
4.1. Profile of Women and Youth in Trade

This part contains general information on women and youth in trade, including demographic distribution by sub-sample, location, gender and age, company size, education level, and economic sector of operation. The survey considered both women and youth-owned businesses, which represent 64.6% and small-scale cross-border traders from cooperatives who account for 34.4% of surveyed respondents. The survey further considered locations. Women and youth in trade across the country were surveyed. The majority of respondents were located in Kigali city (63.1%) with the remaining split between the four provinces of Rwanda.

4.2. Gender and age of women and youth in trade

This study focuses explicitly on the Women and Youth in Trade in Rwanda. Accordingly, figure 5 below presents the demography of the two categories of traders.

Figure 5: Traders' Gender and Age



Source: Primary data, October 2022

Results in the table above indicate that women respondents represent 78.5% against men respondents who only accounted for 21.5% in the survey.

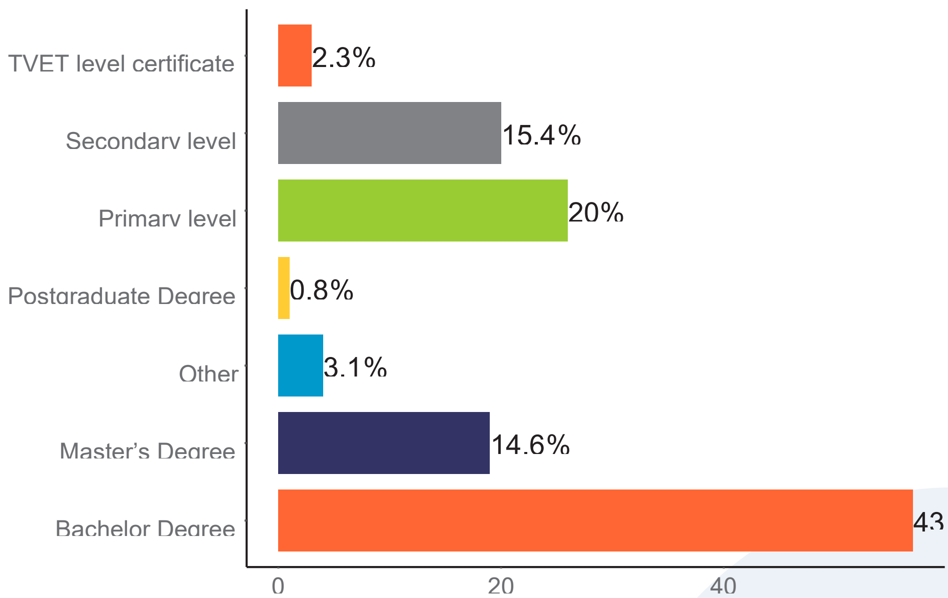
The majority of traders are women (52.3%) with young women traders taking the lion's share (26.2%). These findings reinforce the existing evidence, which claims that women conduct 90% of trade in

Africa. In Rwanda, the figure is at 85%, while over 70% of the same women are engaged in cross-border trade in Africa.

4.3. Education Level of Traders

The study finds that trade (formal) is largely conducted by educated traders, as depicted in figure 6.

Figure 6: Disaggregation of Traders' Education level



Source: Primary data, October 2022

Interestingly, 43% of traders are university graduates, which qualifies the sector to be a sector of an educated business community. However, these findings need to be interpreted with cautious. They exclude informal cross-border traders who are estimated to be 85% of cross-border trade and are largely uneducated with, or low primary level. A similar study by GIZ (2022) revealed that 51.2% of export-oriented SMEs have a primary education level. It is worth noting that, the level of education has an adverse effect in terms of their capacity to collect, use and internalize AfCFTA information in their business decisions.

4.4. Company Size data

The size of the company or a cooperative in terms of overall productivity and socio-economic impact.

Figure 7: Company Size Data

Source: Primary data, October 2022

The findings reveal that the majority of companies in trade have staff in the range of 4-30, with an average of 17 staff, while the majority of cooperatives in cross-border trade have members in the of 11- 50 members, with an average of 25.5 members. Implying that, cooperatives have a high propensity of employing more members involved in trade than companies. More so, it is worth observing that, these are legally/formally registered enterprises.

4.5. Economic sector data

The findings indicate that women and youth in trade are distributed in different economic sectors as depicted in table 1 below. It is important to note that 61% of respondents in the table belong to private companies while 39% are members of cross-border trade cooperatives.

Table 1: Disaggregation of Staff/Members of Companies/Cooperatives in Trade by Economic Sector

Sectors	Frequency	Percentage
Agriculture	29	18.35%
Agro-processing	22	13.92%
Manufacturing	25	15.82%
Mining	1	0.63%
Arts and Handcrafts	10	6.33%
Textile, fashion and clothing	31	19.62%
Services	40	25.32%
Other sectors	0	0%

Source: Primary data, October 2022

Table 1 indicates the economic sectors of women and youth involved in the trade. The majority of women and youth are in service (25.32%), Textile Fashion and Clothing (19.62%), Agriculture (18.35%), and Manufacturing (15.82%). These findings are reinforced by the qualitative findings from focus group discussions and key informant interviews, which indicated that the majority of formal traders (most of whom are youth) are in the innovation sector such as creative industries, followed by Made in Rwanda (Textile and clothing) and horticulture. While those involved in informal trade are largely in Agriculture and Agro-processing goods.

4.6. SWOT analysis of Women and Youth in Trade

The Strengths, Weaknesses, Opportunities and Threats (SWOT) of women and youth in trade were assessed during FDG and KII. Results from the assessment are displayed in the table below:

Table 2: SWOT Analysis of Women and Youth in Trade

<table>
<tr><th colspan="3">SWOT analysis</th></tr>
<tr><td rowspan="2">Internal factors</td><td>Strengths</td><td>Weaknesses</td></tr>
<tr><td>1. High quality products
2. Strong political will and Policy framework
3. Made in Rwanda growing brand and supportive trade policy
4. Strong legal, policy and institutional framework on regulations and standards in Rwanda
5. Gender equality and youth empowerment supportive policies in Rwanda
6. Resilience and determination by women and youth in trade
7. Low levels of corruption in Rwanda.
8. The good reputation of Rwanda in terms of effectiveness and accountability governance.</td><td>1. Inconsistent and low export supplies vs high demand (limited aggregation of export produces)
2. The small size of the economy and the market.
3. Low purchasing power
4. Few packing/storage houses for sorting out horticulture products
5. Limited coordination and synergy in supporting and capacitating women and youth to produce and export
6. High cost of production resulting from the high cost of energy, high cost of labour and high transport costs
7. Inappropriate packaging affects product quality and competitiveness</td></tr>
</table>

	9. Rwanda's good business climate 10. Rwanda's established IT networks that support trade facilitation 11. Strong policy and bureaucratic support	8. Skills gaps in women and youth including lack of leadership, business & financial management capabilities, limited knowledge on contract management, digital literacy, etc 9. Lack of long-term plan on economic diplomacy 10. Lack of information on markets, laws, regulations, policies, standards and financing opportunities 11. High costs of certification services 12. Lack of trust and credibility by banks, mostly for youth led-businesses (considered as high-risk businesses). 13. Limited airlines 'spaces from passengers' aircrafts 14. Limited space for cold rooms at the Kigali International Airport 15. Limited capacity to control pest diseases.
External factors	**Opportunities** Larger but unexploited market Gender equality standards being oduced by RSB Existing opportunities/ facilities and trade litation support (financing opportunities, /E-commerce, etc) for women and youth h as AFAWA, Zamukanubuziranenge and so Availability of different business networks different skills development initiatives uding digital skills targeting women and th, which are growing. Continental policy environment portive to women and youth Increasing diversification of non-litional exports e.g. Horticulture products Availability of continental affordable and d quality materials (inputs) Political stability, safety and security in anda Potential regional infrastructure elopment. Strong and growing diplomatic agement of Rwanda to different African ntries; Harmonization of trade regimes within	**Threats** 1. Lack of harmonized standards at continental level. 2. High costs of imported raw materials. 3. Delays and high cost of product registration in foreign markets 4. Corruption, Gender Based Violence (GBV) and sexual harassment. 5. Gender stereotypes (cultural norms) limiting women to join some sectors. 6. Lack of gender disaggregated data in trade 7. Poor regional/ continental infrastructure. 8. Unpaid domestic work limiting women participation in trade (ex. Childcare services) 9. Restrictions in export markets and Non-tariff Barriers (NTBs). 10. High cost of financial transactions and cross-border payments. 11. Security concerns (political instability in neighboring countries) and fear of human trafficking of women and youth in some African countries 12. Larger manufacturing economies outcompeting our nascent industries. 16. Tight competition causing price wars between traders and leading to market distortions. 17. Climate change affecting seasons and agriculture products

Source: Primary data, October 2022

4.6.1. Internal factors (Strengths, Weaknesses)

Internal factors are mostly related to internal dynamics that may influence the success or failures of women and youth in trade while trading in Africa. These factors can in most cases be controlled in contrast with external factors which are exogenous and out of control.

Looking at the SWOT analysis table, the weaknesses identified for women and youth in trade are many more than their strengths, yet their strengths are the prerequisites to compete in the African markets. For women and youth to increase their competitiveness in intra-Africa trade, they should focus on eliminating internal challenges first.

High quality products, Rwanda's Government political will and support, made in Rwanda brand and supportive trade policies, a conducive business environment and increasing productive capacities are considered major strengths for women and youth in trade on one hand.

On the other hand, issues like inconsistent and low export supplies vs high demand, Small size of the economy and the market, low purchasing power, high cost of production resulting from the high cost of energy, high cost of labour and high transport costs, lack of leadership management skills, lack of qualified staff, limited financial and digital literacy, lack of market information, non-harmonized standards to name few have been mentioned as weaknesses from women and youth in trade.

One of the most important factors affecting Rwanda's external trade is the lack of trust and credibility by banks of women and youth led-businesses, there are considered high-risk businesses. The mistrust negatively affects access to affordable financing by women and youth traders who need finances to expand their businesses and access foreign markets.

Other issues that have been cited as weaknesses for women and youth in trade include high costs of certification services, few pack houses for sorting out horticulture products, Lack of long-term plan on economic diplomacy, limited airlines ' space from passengers' aircraft, and limited space for cold rooms at the Kigali International Airport. Inappropriate packaging has also been mentioned as a serious issue affecting both product quality and competitiveness. It will be discussed in detail in the next part of the report.

4.6.2. External factors (Opportunities, Threats)

While some external factors may provide advantages to women and youth in trade (opportunities), others are considered obstacles (threats) in their business activities.

Looking at the opportunities factor in Africa in general and Rwanda in particular, many prospects can boost their activities if they can capitalize on them.

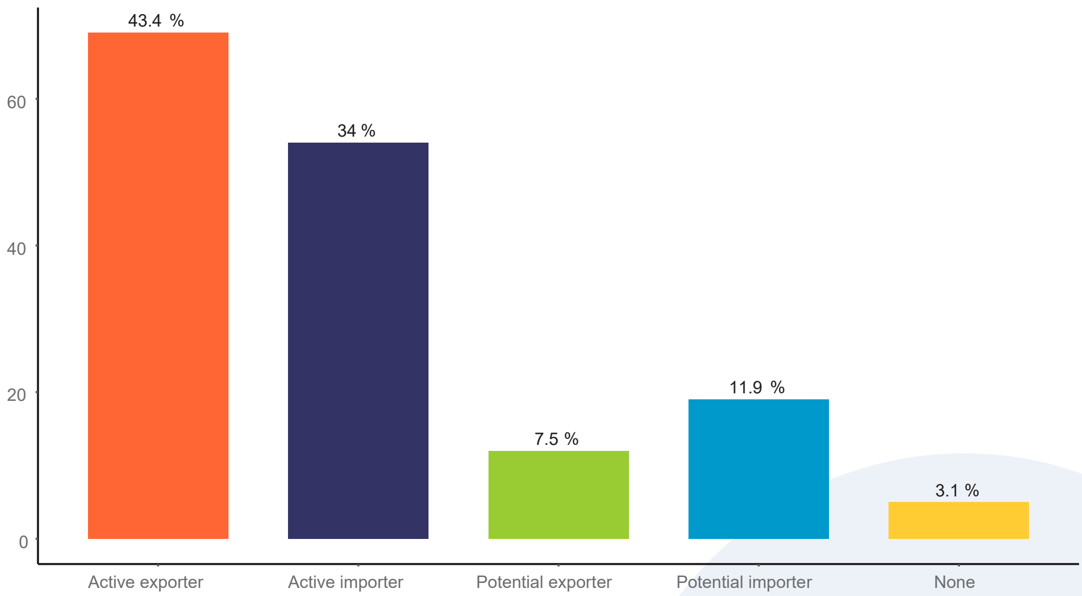
Starting with opportunities at the continental level, a larger but unexploited market, availability of different business networks and different skills development initiatives, availability of affordable and good quality materials (inputs) as well as the continental policy environment supportive to women and youth are some of the positive trade opportunities to build on to promote women and youth trade in Africa.

At national level, opportunities presented to women and youth in trade are also diversified. Women and youth in Rwanda enjoy Rwanda's political stability and safety and security. The favourable gender equality and youth empowerment policies, and available trade facilitation support are also among the many opportunities accessible to women and youth.

4.7. Participation of Women and Youth in intra-Africa trade

The study targeted women and youth in trade. The findings indicate that some women and youth are actively involved in trade, while others are participating partially, with a very minimum of whom are not actively involved. Possibly, they left the business.

Figure 8: Active and Potential Women and Youth in Trade



Source: Primary data, October 2022

The majority of women and youth in trade are active exporters (43.4%), while 34% are active importers. There are also 12 % potential importers and 7.5 % potential exporters. However, anecdote evidence from consultations and secondary evidence reveal that the majority of women and youth are involved in informal cross-border trade (85%) especially informal exports.

4.8. Participation in Trade vis-à-vis the origin and Destination

The findings reveal that 100% of respondents actively or potentially participate in exports and imports of goods and services; however, their export and import destinations differ. The largest trade destination for women and youth is East African Community member countries (36.2% of importers and 27.8% of exporters respectively) followed by other Asian countries (24.1 % for exports and 19.2% for imports) respectively.

Table 3: Participation in Trade vis-à-vis the origin and destination

	Active and Potential importers		Active and Potential exporters	
Origin / Destination	Frequency	Percentage	Frequency	Percentage
East African Community	64	36.16%	30	27.80%
Other African countries	33	18.64%	16	14.80%
Europe	34	19.21%	21	19.40%
Middle East	8	4.52%	8	7.40%
Other Asian countries	16	9.04%	26	24.10%
America	20	11.30%	6	5.60%
Other	2	1.13%	1	0.90%

Source: Primary data, October 2022

On average, the majority of women and youth traders trade within Africa. The results are accurate as the majority of small-scale cross-border traders trade with neighbouring countries especially DRC (which is now a partner state of the EAC) for both exports and re-exports as previously discussed. For formal exports and imports, statistics from NISR indicated that Asia is the number one Rwanda trading partner.

4.9. Challenges encountered by Women and Youth in Trade

Women and youth face many challenges as they conduct their cross-border trade activities. These challenges are classified as follows: limited access to information on trade; limited management and leadership skills, limited access to productive and financial resources; women and youth's participation and representation in decision-making; lack of enabling environment for trade-related; and the impact of COVID-19.

4.9.1. Limited Access to Information

Information is imperatively key to accessing and productively benefitting the benefits of the AfCFTA market. The table below displays issues to access information on the AfCFTA market faced by women and youth in trade from Rwanda.

Table 4: Information issues to access the AfCFTA market

Information needed	Frequency	Percentage
Awareness of the AfCFTA agreement	116	25.3%
Information on benefits of the AfCFTA	108	23.5%
Information on laws, regulations, procedures and processes in the export destination countries	116	25.3%
Information on Logistics, transportation and distribution	94	20.5%
Language barrier	24	5.2%
Other	1	0.2%

Source: Primary data, October 2022

Both survey and qualitative data sources point to the fact that access to information remains the most underpinning factor limiting women and youth from accessing the AfCFTA market. Accordingly, table 3 indicates revealed that 25.3 % are unaware of the AfCFTA agreement and its different protocols. The qualitative evidence from focus group discussions (FGD) and key informant interviews (KIIs) reinforce this. In addition, anecdote evidence suggests "*information on AfCFTA and its benefit remains the jargon of policy practitioners, women and youth do not know where to get this information, information is scattered. More importantly, it is technically communicated which makes it complex to understand and make use of it. There is a need to simplify the language, and increase awareness across*". Furthermore, women and youth need awareness, about; the laws, regulations, procedures and processes in the export destination countries (25.3 %), and Information about the logistics, transportation and distribution (20.5%). More so, this issue has been emphasized by the qualitative data from FGD and KIIs. While only the language barrier has been mentioned as an issue in accessing key trade information, qualitative data from Key Information Interviews suggest that language is still a big barrier to trade, especially for small-scale cross-border traders including women and youth in cross-border trade cooperatives. Information on markets, availability of products, AfCFTA agreement and protocols should be translated into local languages to ease understanding by this category of traders who are the majority in cross-border trade. Further, these results reinforce existing findings, which indicate that access to information is an outstanding policy issue in Africa. According United Nations Economic Commission for Africa (UNECA) and World Trade Organization (WTO) show that on average 77.7% of women and youth reveal that lack of information affects trade, which is a policy issue that needs to be addressed.

Recent developments concerning providing information to traders occurred in some African countries such as the establishment of Trade Information portals, which are vital in offering key information on trade and customs procedures especially on exports, imports and goods in transit. However, there is a need for information on markets and products' requirements, which is critical to accessing markets. The African Trade Observatory dashboard is perceived as a good tool to address the barrier to accessing information. According to the AfCFTA secretariat, it is being reviewed to ensure it has the required information, accessible and easy to understand by traders.

During the survey, women and youth in Rwanda suggested that the introduction of a continental Trade Information Portal for the storage and publication of trade information data is imperative. The mentioned dashboard can serve the same purpose once reviewed. To make it useful, it will be imperative to build women and youth in trade on basic market research and information.

4.9.2. Limited Management and Leadership Skills

Findings indicate that business management, leadership, and financial management skills have effects on the growth of businesses of women and youth in trade, but also inhibit them from accessing other services, like financing from financial institutions, most importantly, women in the informal cross-border trade and the youth. This an issue that has been raised by most respondents of this study, by emphasizing that, due to the lack of business management and leadership skills, youth are considered as risky clients to the financial institutions, hence served with caution. Therefore, respondents pointed to the fact that women and youth need to be trained in business management and financial literacy.

Table 5: Limited Management and Leadership Skills.

Knowledge or skills needed	Frequency	Percentage
Business management, development and leadership	98	23.6%
Product quality assurance and management	88	21.2%
Market access and research	115	27.7%
Production and product value-addition	61	14.7%
Intellectual property rights	51	12.3%
Other	2	0.5%

Source: Primary data, October 2022

Findings in Table 5 indicate that women and youth have limited management skills in; market access and research (27.7 %), business management, development and leadership (23.6%), product quality assurance and management (21.2%), and production and product value-addition (14.7%). The findings indicate also that, around 12.3% have limited skills in intellectual product rights. Limited knowledge and skills in market access and knowledge were strongly emphasized during the consultation, as a challenge to the women and youth in trade. They say that, so far there is nowhere to get reliable information about opportunities (market opportunities and prices) from AfCFTA member countries, in particular, the rest 7 pilot countries. These findings are reinforced by existing evidence revealing that business management skills are among the main challenge affecting cross-border traders, mostly women and Youth (WTO, 2022; International Food Policy Research Institute, 2018; AfCFTA Secretariat Future Report, 2020).

4.9.3. Limited Access to Productive and Financial Resources

The findings revealed that women and youth experience limited access to both productive resources and access to finance to access the AfCFTA market as presented in table 6 here below.

a. Limited Access to Productive Resources

Different methods of data collection revealed challenges associated with the limited access to productive resources such as land, equipment, packaging materials, and technologies to mention, but a few. Table 6 depicts different levels at which women and youth lack productive resources.

Table 6: Limited Access to Productive Resources

Productive resources needed	Frequency	Percentage
Limited access to lands	46	12.2%
Limited access to agriculture inputs	33	8.8%
Lack of adequate equipment	95	25.3%
Lack of appropriate technologies	91	24.2%
Unskilled labor and/or high cost of skilled labor	73	19.4%
High cost of energy	14	3.7%
Other	24	6.4%

Source: Primary data, October 2022

For productive resources, the survey findings reveal that lack of adequate equipment (25.3%), technologies (24.2%), unskilled labor and/or high cost of skilled labor (19.4%) are the productive resources that impede women and youth in trade from accessing the AfCFTA market. More so, 12.2 % reported limited access to land while 6.4% indicated that they have other trade issues that have nothing to do with productive resources. These issues are discussed in other parts of the report. Similarly, other studies assert that women and youth are limited from gains in agriculture and exports due to barriers in accessing finance, productive resources and other assets. They recommend that the focus should be put on determining where the most efficient and productive resources, including investment funds, can be brought to bear and deliver effective results (AfCFTA Secretariat Future Report, 2020).

Packaging is a very big concern raised by exporters. They indicated that good packaging materials are very expensive. Some of them mentioned the fact that Rwanda being a small market prevents companies from investing in packaging. The Ministry of Trade and Industry has embarked on developing a policy on packaging which will address issues pointed out by traders affecting the quality of their products and competitiveness. According to MINICOM, the policy is in its final stage. Furthermore, qualitative data from KII suggest that *"Removal of VAT on packaging materials would be one of the possible policy incentives to encourage investment in packaging and would reinforce the quality of exported products"*.

Further, it is crucial to design a training programme that includes business registration/licensing, rules of origin, compliance with customs procedures and regulatory requirements, and AfCFTA gender-responsive simplified trade regimes (STR) for women and traders. More importantly, it is essential to support women and youth's skills acquisition in digital trade and e-commerce to facilitate their enhanced participation in intra-Africa trade to enhance their productive capacities. Indeed, the survey revealed that the majority of women and young traders need to strengthen their skills in digital literacy and enhance e-commerce as well as regulatory requirements in the AfCFTA.

b. Limited Access to Finance

Access to finance remains the constraining factor underpinning business development in Rwanda, specifically MSMEs for women and youth in trade. However, our qualitative findings reveal that this issue should be interpreted with caution, as opposed to the previous findings. In other words, the issue of access to finance is prevalent, but should not be understood and interpreted linearly, because it is associated to other underlying factors other than the restrictive and bureaucratic process of financial institutions-as normally perceived. For instance, youth emerges as unreliable and un-credible to the financial institutions, hence risky to the financial institutions. This adversary affects the way financial institutions engage with youth. Nevertheless, there is an overall consensus pointing to the fact that access to finance remains a challenge to the MSMEs of women and youth mostly those with no collateral security, and have no evidenced and credible business track record. Other constraining factors include but are not limited to a lack of business and financial management, and a lack of appropriate financial products and schemes for women and youth, to mention a few.

To address the access to finance issue that impedes women and youth, traders have suggested that policies to access funding be reviewed to cater for women and youth most of whom are unable to get collaterals. The same conditions also apply to the Export Growth Facility (EGF). Financial schemes have been designed for all traders in general without a specific scheme targeting vulnerable traders such as women, youth and people with disabilities. During FGDs and KIIs, women and youth expressed concerns in the following words:

> *“We have not been able to acquire the Export Growth Facility grant and secure loans from commercial banks through BDF guarantee due to conditions which are hard to fulfil by small businesses especially those in the agriculture sector considered as high risky”.*

Financial institutions need to invest in financial innovative products that are suitable and tailored to women and youth-led businesses. Additionally, there is a need to disseminate information on existing financial products to women and youth since some of them are not even aware of existing financial facilities. Women and youth further suggested strengthening their financial literacy and having an established and decentralized continental Export Development Fund to support women and youth-owned exporting companies and will facilitate access to export finance and guarantees.

4.9.4. Limited access to and Representation in Professional Networks and Trade Associations

The effective presence of women and youth in the professional networks and trade associations in Africa is increasing, not only their voices but also networks and information access about the AfCFTA market opportunities. However, Table 7 presents the challenges women and youth in trade encounter to access these networks and associations. We also discuss the qualitative findings from the FGDs and KIIs.

Table 7: Challenges of Accessing the Business and Professional Networks

Issues encountered to access professional network	Frequency	Percentage
Limited participation and representation in national professional networks and trade associations of women and youth in trade	88	23.7%
Limited participation and representation in regional and continental professional networks and trade associations of women and youth in trade	89	24%
Weak national professional networks and trade associations	94	25.3%
Weak continental and regional professional networks and trade associations	59	15.9%
High membership fees to join	25	6.7%
Cumbersome procedures to join	15	4%
Other	1	0.3%

Source: Primary data, October 2022

Table 7 reveals the challenges related to access to professional networks and trade associations. 25.3 % report that these networks and associations face issues of weak national professional networks and trade associations. The 24% reveal that their participation and representation in these regional and continental professional networks and trade associations is limited. While 23.7% also report that, there is also limited participation and representation in national professional networks and trade associations. It is worth noting that, participation and representation in the national fora are prerequisites for regional and international platforms. Other issues attributed to the weakness of the continental and regional professional networks and trade associations (15%), high membership fees (6.7%) and cumbersome procedures (4%). Nevertheless, it emerged from the qualitative findings that, women and youth are not taking advantage of these fora, mostly women. A vivid example is "YOUTH CONNECT" which was born in Rwanda, and it is an African youth forum. Women and youth need to be sensitized and facilitated to participate in these fora.

Moreover, during the survey, it was evident that women and youth need to be facilitated to joint regional and continental networks and platforms. This is paramount as they need to expand their network to strengthen their capacities in areas of policy advocacy and stakeholder engagements through these associations. In this regard, their associations must be represented in policy organs at continental and national levels such as the National Trade Facilitation Committees (NTFC) and AfCFTA National Implementation Committees. This was well articulated as follows during KIIs:

> *"Women and youth across the African continent should invest in "Meet and Discuss" culture to consider innovations and joint ventures. Putting themselves together will help to break their vulnerabilities and to strengthen and support their associations".*

4.9.5. Lack of Enabling Trade/Business Environment

It all revolves around the business environment, which is a rubricate for business growth at national, regional and international levels. However, we know that Africa (singling out countries like Mauritius, Rwanda, and Morocco) is averagely ranked the least in ease of doing business according to the World Bank. This involves institutional deficiencies such as regulatory environment, tariffs, corruption, security, and inadequate infrastructures. These issues do have adverse effects to trade for women and youth. Accordingly, Table 8 presents some of the barriers to trade encountered by women and youth while trading in Africa.

Table 8: Barriers faced by women and youth while trading in Africa

Barriers faced while trading in African countries	Frequency	Percentage
Regulatory barriers	66	17.8%
Tariff barriers	91	24.6%
Non-Tariff barrier	66	17.8%
Inadequate infrastructure	44	11.9%
Harassment and discrimination by border officials	9	2.4%
Corruption and bribery	27	7.3%
Unsafety and insecurity of people and goods in the export destination country	31	8.4%
High visa fee/difficulty to obtain visa	27	7.3%
High cost of COVID test	6	1.6%
Other	3	0.8%

Source: Primary data, October 2022

As depicted in Table 8, tariff barriers (24.6%), regulatory barriers (17.8%), Non-Tariff Barriers (17.8), inadequate infrastructure (11.9%), the problem of unsafety and insecurity of people and goods in the export destination country (8%) among the top list of barriers faced by women and youth while trading across borders. Harassment and discrimination by border officials represent 2.4% while the issues of high visa fees and difficulties of getting the visa and corruption account both for 7.3%. In addition, only 1.6 % faced the high cost of COVID-19 tests. Finally, 0.8% face other challenges. Similarly, the qualitative findings emphasize the challenges related to the tariff and non-barriers, un-harmonized standards among African countries, systemic corruption and bribery in some African countries, harassment and discrimination by border officials, security issues, and local restrictions on traded goods.

Tariffs came out from the survey as the number one barrier to trade faced by women and young traders. Indeed, though implementation of the AfCFTA is expected remarkably reduce the tariff, the issue of domestic taxes, which are high and multiple in some countries, has been raised during KIIs and FGDs, as well as during an interview with the Ministry of Youth as impeding to trade by women and youth trading across and within Africa. Issues of financial translations, exchange rates and cross-border payments were additionally raised as restricting intra-African trade. The study findings emphasize that to improve the legal and regulatory environment, women and youth in trade suggested regulations aimed at supporting local production be streamlined within sectors where women and youth in trade are most active such as services, agriculture, agro-processing and manufacturing.

Further, during an interview with Rwandair, two more issues affecting the trading environment came out: airfreight and documentation. RICA and NAEB produce one copy of the original quality standards certificates. Experience has shown that two original documents are needed with one attached to the cargo and destined for the client while the other should go with the airline. The issue of producing more than one original document could be addressed through interfaces of different systems being institutions in charge of SPS matters and through the digitalization of export documentation. Indeed, digital trade infrastructure should be put in place to ensure paperless trade through the automation of trade documents. *Qualitative findings from consultations suggest that, in the near future, trade in Africa will be predominantly digital-driven, and is likely to be led by women and youth*. To ease trade flows, standards need to be harmonized across the eight Regional Economic Communities (RECs) recognized by the African Union as the building blocks for its regional integration including standards for sensitive products such as food stuffs, cosmetics and pharmaceuticals. Mutual recognition of standards is key to boosting continental trade in Africa.

On the issue of airfreight, Rwandair has offered competitive prices to Rwandan exports to promote Made in Rwanda products. The majority of exports (around 98%) shipped by Rwandair are horticulture products (perishables). Prices vary depending on the export destination market, whether Central Africa, West Africa, East Africa or Southern Africa. The price ranges between US$ 1.2 (lowest) to US$ 1.8 (Highest) depending on the quantity exported, the Africa destination market and the type of exported product (whether horticulture or not). However, price offers are not gendered or based on age. All traders are treated the same. Nevertheless, the interview indicates that:

"Though the prices offered to Rwandan traders are on discount and fair, they are not competitive when benchmarking with regional competitors such as Kenya that has many cargo and passenger airlines that carry exports from Kenya as well as big and consistent export supplies from the country".

On the issue of visa, qualitative findings from the private sector suggest that the removal of the visas would facilitate the free movement of people across Africa. Interestingly, the case study on the use of ordinary travel documents such as Identity Cards by Kenya, Rwanda and Uganda through the Northern Corridor Integration Projects (NCIP), a project that started in 2013 boosted Cross Border Trade transactions. This is an interesting case study worth scaling-up in all AfCFTA regional blocks.

It is further imperative to remove all tariff and Non-Tariff Barriers to trade including infrastructure bottlenecks that restrict trade among African traders. Putting in place gender-responsive facilities for women in trade such as childcare infrastructure, and toilets at border points will encourage young women to continue their businesses of cross border nature.

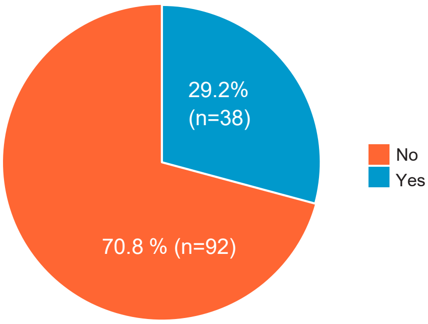
4.10. Existing support to access market opportunities within the AfCFTA

The study discusses different support initiatives that have been put in place by the Government to facilitate traders to access opportunities within the AfCFTA. This section presents the findings from the opinions of women and youth about these support initiatives, and their needs to access market opportunities within AfCFTA. According to the qualitative findings, the GoR has put in place different policies, institutional frameworks and initiatives purposely to promote external trade, specifically, intra-Africa trade. These include but are not limited to:

- Rwanda has signed and rectified the AfCFTA agreement and its protocols;
- Rwanda has developed an AfCFTA Implementation strategy;
- Rwanda has put in place different structures and committees to facilitate the implementation of the above policies and strategies;
- Rwanda established an Export Growth Fund to finance Rwandan export;
- Rwanda established Youth Connect, a pan-African platform that connects youth entrepreneurs;
- Different institutions have put in place policies, regulations, and initiatives to facilitate exports such as RSB, FDA, BRD, RDB, NAEB;
- To mention but a few

Besides the above institutional and policy frameworks, the study presents the opinions of respondents about the above export facilities put in place by the Government of Rwanda for women and youth in trade. Unfortunately, the majority of women and youth have not yet benefited from some of these facilities. Figure 9 presents their opinions.

Figure 9: Business development support received by women and youth in trade



Source: Primary data, October 2022

The majority of women and youth have not yet benefited from export facilities (equivalent to 70.8%) against 29.2% who have benefited from the facilities.

Furthermore, similar findings present different facilities women and youth in trade have benefited from Government, and why. Accordingly, the majority of women and youth benefited from Technical support in business advisory services (30.26%), access to investment and export finance (26.3%), participation in B2B meetings, trade and investment missions, trade fairs (18.42%), and linkage to networks of regional and international buyers (15.79%). However, some women and youth have not benefited from these facilities. The majority of them (45.5%) indicate that they do not know about the facilities, 34.7% reveal that they did not apply for these facilities, and 17.8% indicate that the conditions to access these facilities are expensive and cumbersome. The qualitative findings point to the need for business advisory services, investment and access to finance as a priority to enhance production and tapping of AfCFTA market opportunities.

Table 9: Women and youth who benefited from trade Facilities

Business development support packages received	Frequency	Percentage (%)
Cost-sharing on certification	6	7.89%
Linkages to networks of regional and international buyers	12	15.79%
Participation in B2B meetings, trade and investment missions, trade fairs etc…	14	18.42%
Access to investment and export finance	20	26.32%
Technical support in business advisory services	23	30.26%
Other	1	1.32%
<u>Reasons why some traders didn't get the support</u> I wasn't aware of this facility	46	45.5%
I didn't apply for it	35	34.7%
The conditions to access it are difficult to fulfil	18	17.8%
Other	2	2%

Source: Primary data, October 2022

Still on qualitative data, women and youth indicated that the cost of certification is high even though it is co-shared with the RDB, especially the cost to access Global GAP certification for those exporting agriculture products. Further, the issue of lack of adequate coordination and synergy in supporting and capacitating women and youth to produce and export has been highlighted during FGDs and KIIs.

Many trade support initiatives have been put in place for women and youth but have not been optimally managed and coordinated leaving room for some challenges related to facilitation by traders to access these services.

4.11. Business development and Access to Market Opportunities needed by women and youth in trade

The findings of the study further provide the needs of women and youth on how they can be facilitated to tap the opportunities of the AfCFTA market. Table 10 presents different areas they need to be facilitated.

Table 10: Business Development and Market Access Support needed by Women and Youth

Business development and market access support needed by women and youth	Frequency	Percentage
Training and information sharing on market requirements and opportunities	115	21.10%
Linkages with businesses and clients in export destination countries	116	21.30%
Participation in B2B meetings, trade and investment missions, trade fairs etc…	113	20.70%
Access to investment and export finance	117	21.50%
Technical support in business advisory services	79	14.50%
Other	5	0.90%

Source: Primary data, October 2022

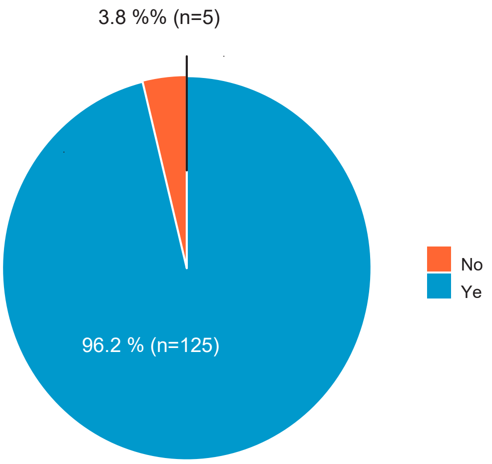
Table 10 indicates the support needed by women and youth in trade. 21.5% expressed the need for support in accessing information and export finance, and 21.3 % need support in exploring the opportunities to identify the linkages with businesses and clients in export destination countries. The 21.1% of respondents need to be supported in training and information sharing on the market requirements and opportunities within the AfCFTA market. 20.7% reported they need support for participating in B2B meetings, trade and investment missions, trade fairs, etc. While 14.5 % revealed they need technical support in business advisory services.

4.12. The Impact of COVID-19 on Women and Youth in Trade

The COVID-19 pandemic exacerbated pre-existing safety and security issues for women and youth engaged in informal cross-border trade due to changes in border post-operation times and exorbitant costs for COVID-19 testing, which resulted in some cases in the use of illegal routes to avoid adherence to COVID-19 health measures.

Like other businesses across the world, COVID-19 adversely affected women and youth in Rwanda. Accordingly, the findings from Figure 10 present opinions of women and youth in trade on how they were affected by COVID-19.

Figure 10: Impact of COVID 19 on Women and Youth in Trade



Source: Primary data, October 2022

As depicted from the above figure, almost all women and youth in trade (96%) were affected by COVID-19. These findings are in line with similar existing studies. For instance, for business in general, a study by Business Network (2021) reports that 98% of firms reported that the pandemic had an immediate impact on their business. In same the vein, UNCTAD (2022), report that, during the lockdowns, the total number of transactions of Rwandan businesses fell by 59%. Similarly, a study report by International Alert (2022) indicates that all actors working in CBT have been negatively affected by COVID-19. A large number of respondents from the study believed that COVID-19 has mainly affected small-scale cross-border traders as the main players in the sector by 57.8% in Rwanda. Moreover, the activities of Government institutions and development partners supporting SSCBTs were paralyzed and they struggled to continue their interventions during COVID-19.

The table below presents areas that were most affected by COVID-19.

Table 7. Business areas affected by COVID-19 and the Coping Mechanisms adopted by women and youth

The area most affected by COVID-19	Frequency	Percentage (%)
Production process	47	20.9%
Exportation and access to the African markets	81	36%
Transportation and flight cargoes	72	32%
Other	25	11.1%
The Coping Mechanism Trading in clusters or through cooperatives	37	28%
Diversification of goods and services	19	14.4%
Change of the traded product/service	14	10.6%
None	52	39.4%
Other	10	7.6%

Source: Primary data, October 2022

Evidently, COVID-19 affected mostly exports and access to the AfCFTA market (36%), followed by transports in general and flight cargoes (32%) and production processes (20.9%). However, coping mechanisms facilitated women and youth to adapt and sustain in business. Due to the changes that occurred during COVID-19, the majority of women and youth (39.4%) affirm that they had to change products/services to sustain the business, 28% shifted to trading in cooperatives and clusters, while 14.4% had to diversify their products and services. This is easy to understand given that some products were less demanded than others, especially during lockdowns. Food stuff were principally in high demand as they were part of essential products that were critical to help people survive during lockdowns. In doing so, the Government introduced a recovery fund, and Rwandan exporters were part of the beneficiaries.

5. CONCLUSION AND RECOMMENDATIONS

5.1. General conclusion

This study examined the challenges encountered by women and youth in trade, and how they can exploit the opportunities presented by the African Continental Free Trade Area (AfCFTA). The findings of this study inform the position paper that articulates the policy positions for Rwanda which will be used by Rwanda's negotiation team in the upcoming negotiations for the Women & Youth Protocol under AfCFTA Phase II&III.

The AfCFTA presents economic opportunities for SMEs, women and youth-owned businesses, allowing them to benefit from production at a greater scale, access to inputs and a diversified market through intra-continental trade. Facilitating women and youth in cross-border trade is one of the direct avenues to a liberalized African market, thus realizing AU agenda 2063, and AfCFTA inspirations.

This study has shown that women and youth are instrumental in trade in Africa. It provides in-depth evidence about the experience of Africa's women and youth MSMEs who conduct cross-border trade, either through formal or informal trade. The findings shed light on the existing potential and opportunities for women and youth provided by the AfCFTA market. It discusses different policy frameworks put in place by the Government of Rwanda to enable the Rwandan business community to exploit the opportunities of the AfCFTA market. Furthermore, the report identified key challenges and constraints affecting women and youth, thus limiting their full participation in intra-Africa trade. These challenges include but are not limited to limited access to information on trade; limited management and leadership skills, limited access to productive and financial resources; women and youth's participation and representation in decision-making; lack of enabling environment for trade-related; harmonization of standards by member states, and the impact of COVID-19 to mention but a few.

The findings of the study reveal that access to information remains the most underpinning factor limiting women and youth from accessing the AfCFTA market. Accordingly, women and youth need awareness about; the laws, regulations, procedures and processes in the export destination countries, and Information about the logistics, transportation and distribution. Additionally, women and youth lack essential skills such as business management, leadership, financial literacy and management skills. These gaps negatively affect the growth of businesses of women and youth in trade but also inhibit them from accessing other services, like financing from financial institutions, most importantly, women in the informal cross-border trade and the youth.

More importantly, findings reveal that women and youth experience limited access to both productive resources and access to finance to access the AfCFTA market. Women and youth in trade lack limited access to productive resources such as land, equipment, packaging materials, and technologies to mention, but a few. This challenge coupled with other structural challenges leads to the overall low productivity of Rwandan export products compared to the existing high external demand. Other constraining factors include but are not limited to lack of business and financial management, youth not reliable and credible, hence risky to the financial institutions, and lack of appropriate financial products and schemes for women and youth, to mention a few. More so, there is still limited participation of women and youth in the regional professional networks and trade associations in Africa, a lack of a conducive business environment in most of the African countries, a lack of harmonization of standards within the AfCFTA market, institutional deficiency that result in corruption, political instabilities, institutional ineffectiveness, tariff and non-tariff barriers faced by women and young traders. The issue of high and multiple domestic taxes in some countries is strongly emphasized, and the cost of cross-border financial transactions and payments as restricting factors for intra-African trade.

In sum, the study argues that, for women and youth to fully exploit the opportunities of the AfCFTA market, they need a national regional and continental support environment, and increased productive and competitive capabilities incurred on the overall productive and competitive local economy. For the latter to happen, institutional effectiveness and a conducive business environment both at the national and regional levels need to be enhanced and harnessed. To realize the latter, this study suggests the key actionable policy recommendations. The recommendations are categorized into two categories to ease implementation; those that necessitate actions at the continental level (Africa) and those that are specific to Rwanda. For the details of these recommendations, please refer to annex #2. The recommendations revolve around:

- Access to timely and credible cross-border information;
- Establish and decentralize a continental Export Development Fund to support women and youth-owned exporting companies thus facilitating access to export finance and guarantees;
- Improving business and financial management skills of women and youth in trade;
- Harmonize standards and regulations within and among AfCFTA member states;
- Addressing structural challenges linked to local productivity and distribution along the value chain;
- Ease the accessibility of trade information by establishing a One Stop Shop/Centre on AfCFTA to provide information on key markets and products Harmonize standards and regulations within and among AfCFTA member states;
- To mention but a few.

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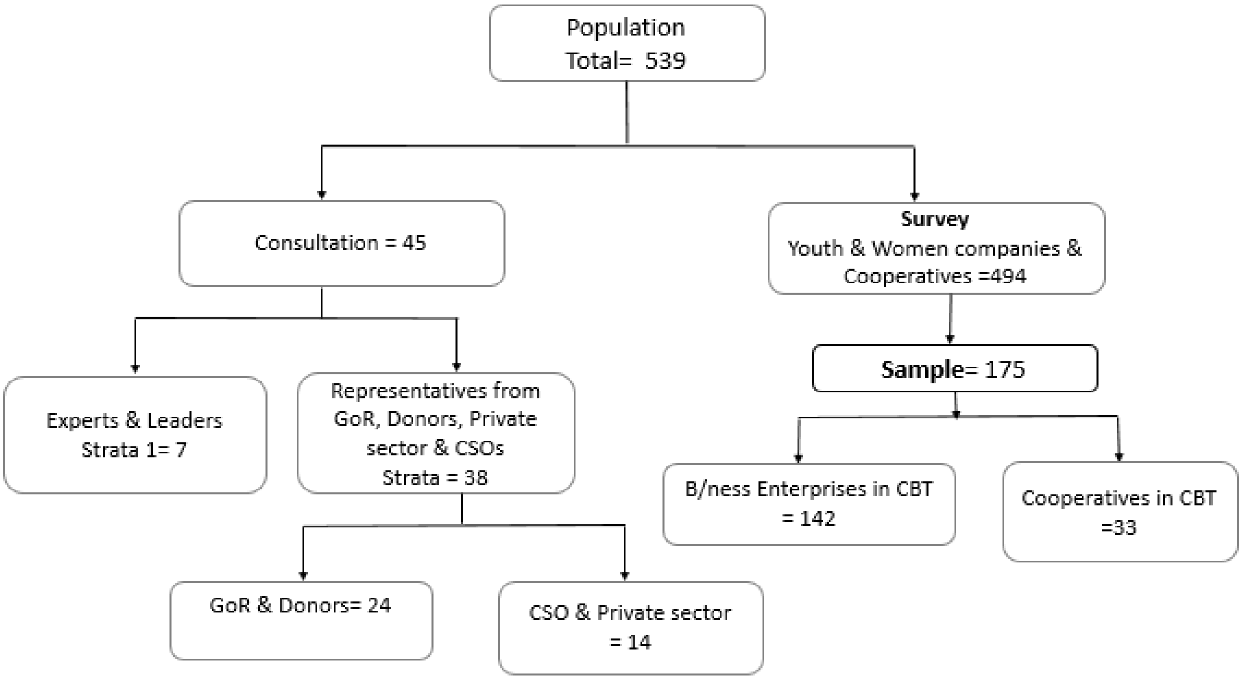
ANNEXES

Annex 1 : Systematic Sampling Framework



Source: constructed by consultants, September 2022

Annex 2: Proposed Recommendations for full participation of Women and Youth in the AfCFTA

The table below presents the actionable policy recommendations to foster greater inclusion and participation of women and youth-owned businesses. The recommendations are grouped into two categories to ease implementation: those that necessitate action at the continental level (Africa) and those that are specific to Rwanda respectively. At the end, the report suggests some priority areas that should be part of the protocol on women and youth in trade during negotiations of the protocol, which the Rwandan negotiating team should consider.

Recommendations on policy interventions that need to be implemented at the continental and national level

Policy intervention	Implementation level	
	Continental (Africa)	National (Rwanda)
Access to Information		
Introduction of a continental Trade Information Portal linked to national portals(where they are established) for storage and publication of trade information data	✓	
Review the national Trade Portal to ensure it includes information required to access target markets and products identified in the AfCTFA implementation strategy, starting with pilot countries.		✓
The African Trade Observatory Dashboard can serve the same purpose but needs to be reviewed	✓	
Build capacity of women and youth in trade on basic market research and information	✓	✓
Ease the accessibility of trade information by establishing a One Stop Shop/Centre on AfCFTA to provide information on key markets and products	✓	✓
Establish Trade Information Desks at key border points	✓	✓
Avail funding for dissemination of information on the AfCFTA and to empower women and youth under the AfCFTA framework	✓	✓
Raise awareness about AfCFTA by organizing talk shows, lecture series, workshops and conferences	✓	✓
Simplify and translate information on AfCFTA markets and AfCFTA agreement and protocols in local languages, and raise awareness based on sectors and categories of traders to ease understanding (MSMEs, SSCBTs, large companies, etc)	✓	✓
Access to skills: Business Management and Leadership skills		
Build capacity of women and youth on e-commerce or trading on digital platforms/marketplaces (Alibaba, Amazon, etc), quality standards improvement and value addition	✓	✓

Put in place a training programme with priority training courses to improve business management and financial literacy. The courses should focus on Business management, development and leadership, Product quality assurance and management, Market access and research, Production and product value-addition, Intellectual property rights, etc	✓	✓
Access to productive and financial resources		
Removal of VAT on packaging materials would encourage investment in packaging and would reinforce the quality of exported products		✓
Introduce toiled financial innovative products that are suitable and tailored to women and youth-led businesses who are unable to get collaterals or the required trader contribution as a condition to get the loan- and decentralize these services to women & youth	✓	✓
Introduce digital literacy and digital financing for Women and Youth in Trade. By digitalizing the trade information/data for women and youth traders and allowing this information to increase the credibility of the trader during the loan application	✓	✓
There is a need to disseminate information on existing financial products to women and youth since some of them are not even aware of existing financial facilities	✓	✓
Strengthen women's and youth's financial education (literacy)	✓	✓
Establish and decentralize a continental Export Development Fund to support women and youth-owned exporting companies thus facilitating access to export finance and guarantees.	✓	
Design a training programme that includes business registration/licensing, rules of origin, compliance with customs procedures and regulatory requirements	✓	✓
Women and youth's participation and representation in decision-making		
Facilitate women and youth to join regional and continental networks and platforms to expand their network to strengthen their capacities in areas of policy advocacy and stakeholder engagements through these associations.	✓	✓
Women and youth trade associations are represented in policy organs at continental and national levels such as the National Trade Facilitation Committees (NTFC) and AfCFTA National Implementation Committees.	✓	✓
Include in trade policy and other trade-related laws and regulations the compulsory use of gender-disaggregated data in monitoring and reporting of trade projects and programs including the collection and publication of trade statistics	✓	✓
Streamline women and youth priorities in national, regional and continental policies and strategies	✓	✓

Conduct training on trade policy advocacy, and how to mainstream women, youth and Persons with disabilities (the special groups) priorities in the national, regional and continental policies and strategies.	✓	✓
Enabling environment for trade		
Visas should be removed to facilitate the free movement of people across Africa. Also, the use of ordinary travel documents such as Identity Cards can boost Cross Border Trade	✓	
Remove all tariff and Non-Tariff Barriers to trade including infrastructure bottlenecks that restrict trade among African traders	✓	✓
Put in place gender-responsive facilities for women in trade such as child care infrastructure, and toilets at border points will encourage women to continue their businesses of cross-border nature	✓	✓
Streamline and enhance regulations aimed at supporting local production and distribution within sectors where women and youth in trade are most active such as services, agriculture, agro-processing and manufacturing	✓	✓
Implement digital trade infrastructure to ensure paperless trade through the automation of trade documents and processes.	✓	✓
Ensure interfaces of different systems in institutions in charge of SPS matters and through the digitalization of export documentation	✓	✓
Standards should be harmonized across the eight Regional Economic Communities (RECs)	✓	
Introduce an AfCFTA gender-responsive simplified trade regime (STR) for women and young traders	✓	
Facilitate and harmonize inter-continental financial transactions and payments through the digitalization of payment systems	✓	
Adoption of a trade policy and laws eliminating discrimination including harassment and violence against women and youth	✓	✓