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**OFFICE OF THE SPECIAL ENVOY OF THE  
SECRETARY-GENERAL FOR THE  
GREAT LAKES REGION**

## **Concept note for the Great Lakes Regional Strategic Framework**

### **Pillar 2**

**Economic integration, cross border trade, and food and nutrition security**

Under the lead of UNDP, UNCTAD and WFP

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**A. Priority Regional Intervention 1: Support to the Permanent Executive Secretariat of the Economic Community of the Great Lakes Countries on systems and processes to address trade and non-trade barriers and promote economic integration amongst countries in the Great Lakes Region**

1) Type of regional intervention

This is a regional programme intervention in support to building the capacity of the Economic Community of the Great Lakes Countries (ECGLC), and in particular its Permanent Executive Secretariat, and that of other relevant institutions – *i.e.* ministries of economic development and trade of the GLR countries. Support will be provided to develop the necessary policies, systems and processes to eliminate trade and non-trade barriers and promote regional trade. The impact of strengthened capacity will be to promote economic integration amongst countries in the Great Lakes region (GLR).

2) Introduction/Background

Unlike most of Africa's sub-regions, the GLR suffers cyclical violence that finds its roots mainly in extreme poverty and political conflict. The region has been insecure largely because its constituent units are enmeshed in protracted violent conflicts that spilled over borders, and served as a major impediment to socioeconomic development. International initiatives have attempted to re-establish stability in individual states while also working to support multilateral approaches for regional problem solving. So far these initiatives have yielded very little success. It has become clear that the destiny of the region depends on the quality of efforts of both local and international actors to resurrect functional institutions of political, social and economic governance, regional integration in the sub-region and the commitment to deal with youth unemployment. To break these cycles of violence would require a new holistic approach, which tackles the underlying causes of the conflicts. This new approach entails action at the national, regional and international levels to address legitimate concerns and interests of all the stakeholders in the region. The approach addresses the concerns of each of the member countries, namely, poverty eradication through sustainable and inclusive economic growth that enhances human capacities and facilitates job creation and therefore contributes to the achievements of the 2030 agenda. The approach will significantly contribute to the delivery of the Roadmap of the Office of the Special Envoy of the Secretary-General for the Great Lakes region (O/SESG-GL).

The Special Report of the United Nations Secretary-General on the Democratic Republic of Congo (DRC) and the GLR, released on 27 February 2013, recommended the deepening of economic integration as part of the activities to be undertaken for peace, security and cooperation in the region. In this respect, the countries concerned are urged to combine their efforts to develop joint projects to foster multi-sectorial cooperation for the benefit of border communities. This was taken up again at the February 2016 Great Lakes Private Sector Investment Conference where the Secretary General underscored the importance of combining peace consolidation efforts with initiatives to rebuild the economic fabric of communities and provide tangible peace dividends for all. He also called upon the leaders of the region to work together towards inclusive development and shared prosperity.

Cross border trade is the lifeblood of the GLR. During the conflict, countries in the GLR continued to trade, however, the prolonged conflict has degraded the road system and negatively impacted on the agricultural sector, especially in the DRC. This has eroded personal fortunes as well as national and regional economies.

The ECGLC is a sub-regional organisation with multiple vocations. It was created by the Agreement of Gisenyi in Rwanda on September 20, 1976. It has three members – Burundi, DRC (formerly known as Zaire), and Rwanda. Its purpose is to promote regional economic cooperation and integration. More specifically, the agreement seeks to achieve the following:

- (i) ensure the safety of member states;
- (ii) favor the creation and the development of activities of public interest;
- (iii) promote trade traffic of persons and the possessions;
- (iv) establish close cooperation in political, economic and social domains.

To achieve these goals and solidify cooperation and integration among member States, ECGLC set up the Permanent Executive Secretariat and four specialised bodies, namely: the Development Bank of the Great Lakes Countries (BDEGL), the International Society for Electricity in the GLR (SINELAC), the Research Centre for the Development of the Mining Resources in Central Africa (CRDRMAC); the Institute of the Agronomic Researches and Zootechniques (IRAZ), the Comité Permanent Inter-Compagnies (COPIC) and the Economic Community of the Great Lakes Countries Organisation for Energy (EGL). These institutions need to be resourced and capacitated to enable them to work more efficiently to sustain ongoing initiatives to ensure political stability, security and sustainable economic development in the sub-region.

### 3) Intervention rationale

#### *a) The core problems that the intervention aims to address*

Various empirical studies confirm the adage that ‘Countries that trade with each other on equitable terms are less likely to fight each other’ (World Bank, 2011a). Although the specific causal pathways are still much debated, there is a growing consensus that high benefits from trade reduce the incentives for states to engage in costly conflicts with their respective trade partners. In line with this conviction, the links between economies and conflict in the context of the GLR have come under increasing scrutiny in recent years, as it has been observed that violent conflicts have a devastating impact on the region’s economy and populations’ livelihoods.

Therefore, it is critical to promote deeper economic integration as a way of deepening ties between countries in the region and strengthening common interest in the promotion of peace, stability and cooperation. This could be achieved by rationalizing and strengthening of the capacity of the ECGLC, not only in terms of reducing trade tariffs, but also in areas such as migration/movement of people, trade facilitation, investment, etc.

The intervention will contribute to the fulfilment of the outcome 2.1 of the UN Great Lakes Regional Strategic Framework.

#### *b) Main stakeholders*

The key stakeholders are member states of the ECGLC, the Executive Secretariat of the ECGLC, Civil society organisations. The early involvement of the local governments and the border communities themselves is crucial to build the ownership and sustainability of the intervention’s results. UN Agencies including UNDP and UNCTAD will work closely with governmental institutions mainly local governments and the ministries of Economy and Industry,

#### *c) Intended beneficiaries*

The ECGLC, including: its Permanent Executive Secretariat, as well as economic institutions of the countries in the GLR, such as ministries of economic development and trade, which promote and support the regional economic integration process.

#### *d) Alignment to UNDAFs, national and regional priorities*

The objectives of the interventions are in line with the framework cooperation documents of the country offices and in UNDAFs. The intervention addresses the concerns of each of the UNCT, namely:

- (i) poverty eradication through sustainable and inclusive economic growth that enhances human capacities and facilitates job creation;

- (ii) Regional involvement of their national development programmes and vice-versa, which are clearly identified and taken into account by each of the UNCT as part of their respective programming.

The interventions are also in line with national and regional programmes and strategies including:

- (i) The Peace, Security and Cooperation Framework for DRC and the GLR) which includes a commitment to promote sustainable and inclusive prosperity;
- (ii) The International Security and Stabilisation Support Strategy for DRC (I4S) which has a specific “pillar” that targets the development of sustainable subsistence livelihoods and the revival of local economies through the support of smallholder farmers and their organisations (FOs) through improved access to markets, social cohesion and stability;
- (iii) The Burundi and DRC Governments’ *National Strategic Development Plans 2017-2021*, target the revival of agricultural production to ensure food security;
- (iv) The current DRC UNDAF (2013-2017), Burundi UNDAF (2012-2016): this project will contribute to the Cooperation axes n°2 (inclusive growth and job creation), n°4 (sustainable management of natural resources and fight against climate change) and n°5 (stabilisation and peace consolidation);
- (v) The Rwandan Government’s Economic Development and Poverty Reduction Strategy (EDPRS II 2013-2018).

#### 4) Proposed response

##### a) *Vision statement*

A region where the capacity of ECGLC Permanent Executive Secretariat is strengthened to enable it to effectively fulfil its role as catalyst, awareness raiser and coordinator of initiatives for the development of cross border trade and food and nutrition security among the three Member countries.

##### b) *Objectives and outcomes*

*Outcome 2.1:* Strengthened the capacity of the ECGLC Permanent Executive Secretariat and the Development Bank of the Great Lakes Countries. Specifically, the intervention will provide the CEPGL with human capacities to facilitate the collection and analysis of data on sub-regional integration and cross border trade; to establish an information system on regional economic integration activities (collection and accessibility of data on trade, conditions to export across the region and beyond, applicable legislation, etc). Finally, since border communities play a key role in the development of cross border trade, their capacities need to be built in terms of advisory services and training to boost the integration of ECGLC initiatives.

#### 5) Planned activities

Planned activities are grouped into the following components:

*Supporting the ECGLC Permanent Executive Secretariat, and border communities:* Both technical and institutional capacities will be built to incorporate cross border trade and food security into the priorities of the ECGLC and technical capacities of border communities on food security will be enhanced through trainings. Building the technical capacities of border communities covered by the intervention will enable them to effectively contribute to its implementation. In particular, it will do the following:

- (i) Provide the ECGLC with human capacities to help analyze bottlenecks to cross border trade and develop strategies to unlock them, including barriers to trade (tariffs and non-tariff barriers to trade,

control of trans boundary plant and animal diseases, promote cross border research and management of natural resources etc.);

- (ii) Conduct research to analyze commodities that have high potential for generating employment and increasing trade among the core GLR countries. Analysis of commodity value chains worth being promoted should be conducted with a gender lens (identify value chains that women & youth are already involved in, identify constraints to greater participation of women and youth, etc.) and include consultations with stakeholders;
- (iii) Give support to ECGLC's quest for improved cross-border trade by setting-up trade facilitation platforms. This will include addressing constraints that are faced in particular by women, notably by using the existing cross border initiatives involving women organisations.

*Building the capacity of the ECGLC to advocate for economic integration including the development of cross border value chains.*

A sub-regional information system is established and operating effectively. The system covers mainly data gathering, the production of economic reports on the importance of the intra-CEPGL trade and advocacy for the development of a dialogue framework to harmonise cross border trading instruments. As informal trade is very important in the region, regular surveys of informal trade would also be covered to be inform strategies and support local border communities.

Advocacy vis-à-vis governments to change legislation and practices, private sector to engage in dialogue with governments, etc. require a strategic communication approach with products and channels that may differ depending on the audience (governments, the integration institutions (CEGPL, BDEGL, SINELAC, IRAZ and EGL) and the private sector). Therefore, the skills of the Secretariat to maintain the information system and to engage/advocate before stakeholders will need to be enhanced.

At this level, partnerships could be forged with the AfDB and other United Nations system agencies.

*Management, Monitoring and Evaluation (M&E) and coordination:* conducting studies and surveys to guide the project implementation, organizing coordination meetings and field missions to ensure a smooth implementation of the project, conducting evaluations to document the project's achievements and lessons learned.

## 6) Fulfilment of the guiding principles for priority regional interventions

The interventions fully integrate the guiding principles outlined in the strategic framework by building on existing initiatives which proved to be working and which can be scaled up to have high cross border impact.

Gender empowerment is a core component. This project will make gender central to the design and implementation of its activities. Specifically, the gender aspects of poverty, will be integrated into the project's activities and trainings. Targeted support will be provided to women's groups in communities at the borders of Member Countries to contribute efficiently to cross border trade.

## 7) Capacity to address the issues identified

The capacity of the Executive Secretariat of the ECGLC and local governments to provide necessary support to the beneficiary communities to address the aforementioned issues is very limited.

For instance, decision-making bodies on trade issues differ from one country to another. This does not make for easy harmonisation of trade instruments among the three countries. DRC applies a tax on the border trade permit for essential foodstuffs. This is a provincial tax. For Rwanda and Burundi, on the other hand,

this type of tax is a central government one. Instituting a dialogue to facilitate decision-making on cross border trade will help sustain the development of trade among the three countries.

Information is key in any decision-making. The collection of socioeconomic data is one major hurdle to be overcome. Producing good quality statistical data would be useful in assessing efforts made by member states and highlighting the gaps and needs for the country's socioeconomic development.

Government bans and lengthy border procedures are also a problem. Such bans are frequent when production is threatened by weather vagaries. They thus depend on the level of productivity and have an adverse impact on food security and producer prices.

Finally, lack of harmonisation of trade procedures and standards is reflected in the differences in axle load limits. For instance, Rwanda allows 7 tonnes per axle while DRC allows 10 tonnes. Lack of standard units of measurement does not allow farmers to secure their incomes. For instance, cans are used to measure the quantity of grain traded. There is no uniform package. Bags are only randomly used. A sack of beans may weigh 100 kg to 150 kg. Standardizing these weights and measures would curb farmer exploitation, while harmonisation would facilitate inter-State trade.

## 8) Partnership

The full scoping of partners needs to be undertaken but close cooperation with the World Bank trade facilitation project will be ensured as well as with the Secretariat of the Economic Community of the Great Lakes Countries.

## **B. Priority Regional Intervention 2: Promote cross border private sector initiatives and access to investments**

### 1) Type of regional intervention

This initiative requires regional interventions combined with national actions at the level of UNCTs.

Cross border private sector initiatives need to be promoted in the GLR with the necessary investments. The intervention will focus on following up on the first GL Private Sector Investment Conference (PSIC I) recommendations, and in particular those related to advancing cross-border private sector investments in agriculture and tourism.

### 2) Introduction/Background

With a population of close to 370 million people and an aggregate GDP of US\$1.1 trillion, the thirteen signatories of the Peace, Security and Cooperation Framework (PSCF) (i.e. the 12 member states of the International Conference on the Great Lakes Region and South Africa) comprise an attractive, dynamic and growing market for investors interested in sub-Saharan African foreign direct investment, private equity investment and public-private partnerships. Key sectors that offer excellent private sector investment opportunities in the region include the following: agriculture, energy, finance, infrastructure, ICT, mining and tourism. There are seven key drivers of economic growth across the region that continue to make the region attractive to investors:

- (i) Tremendous natural resource reserves,
- (ii) An abundance of arable land, water and growing food demand,
- (iii) A youthful, fast growing, urbanizing, increasingly educated and middle class population,
- (iv) Expanding export markets, trading partners and development assistance partners,

- (v) An improving governance and business environment
- (vi) Increasing focus on infrastructure development, and
- (vii) Globally leading returns on investment

Given the growing population and the fact that the region has millions of hectares of arable land and excellent water access for farming, agriculture is also booming in the region and a focus of both private investors and government stakeholders. Agriculture is also recognised as a job creating sector and numerous initiatives are emerging to promote increased involvement of women and youth in this sector. Multi-stakeholder initiatives such as the Southern Agricultural Growth Corridor of Tanzania and the Agri-Parks Programme of the DRC are also beginning to take off – with staged efforts and aspirations to address food security needs in the region, promote import substitution, while at the same time attracting hundreds of millions of dollars of investment<sup>1</sup>.

In February 2014, the 13 signatories of the Peace, Security and Cooperation Framework of the Great Lakes Region agreed among themselves that an important additional lever, to undertake in their collective efforts to stimulate regional integration and to foster collective economic development, was to pursue the engagement of private sector investors in the various projects being undertaken across the region. Convening a “Private Sector Investment Conference” and developing an “Investment Opportunities Brief” as an illustrative guide to the potential of the region was identified as a concrete process to commence and stimulate intra-regional trade and investment, to change perceptions about the region as one solely with a troubled and conflict filled past, and to attract new investors to the region based on the attractive rates of return possible<sup>2</sup>. The inaugural Private Sector Investment Conference (PSIC) for the Great Lakes region was held in Kinshasa, DRC on 24-25 February 2016 organised by the Office of the UN Special Envoy for the Great Lakes region and the International Conference on the Great Lakes Region (ICGLR) and attended by over 1,000 participants from public and private sectors of the Great Lakes countries and around the world. The PSIC provided opportunities for business-to-business, business-to-government and government-to-government exchanges, including in relation to discussing Responsible Business and Investment Climate in the Great Lakes region, and to presenting an Investment Opportunities Brief, highlighting regional investment opportunities in identified projects in Agriculture, Energy, Finance, ICT, Infrastructure, Mining and Tourism. It led to several recommendations for the attention of the governments of the region, development partners and the private sector. The recommendations aim to ensure the establishment of an enabling environment for the mobilisation of investment into the region, including into regional projects that enhance peace, security, shared prosperity and development for the GLR. The recommendations, especially as they pertain to mobilizing investments into regional projects have yet to be implemented.

### 3) Intervention rationale

#### *a) The core problems that the intervention aims to address*

As stressed above, it is indispensable to stimulate intra-regional trade and investment to promote deeper economic integration as a way of deepening ties between countries in the region and strengthening common interest in the development of the private sector and the promotion of peace, stability and cooperation.

One example of such cooperation is the production of hydropower in the region through the ‘Société Internationale d’Electricité des Pays de Grands Lacs’ (SINELAC). SINELAC, a joint venture among Burundian, Congolese and Rwandan electricity agencies, has survived since its foundation in the 1970s. The tripartite management of the Ruzizi II hydropower station, located on the border region between the countries, provided electricity to communities in the region during periods marred by hostile relations and violent wars

<sup>1</sup> Investing in the Great Lakes Region: An investment opportunities brief (IOB) – Volume 1, Promoting Increased Private Sector Investment in the Great Lakes Region, OSESG, ICGLR and UNDP, 2014.

<sup>2</sup> The Investment Opportunities Brief (IOB) Consultative Process : Key findings and recommendations, OSESG, ICGLR and UNDP, 2014.



between governments. This example highlights the importance of joint undertakings and regional cooperation in an area affected by years of turmoil and violent conflict.

With respect to obstacles private investments into cross-border projects are facing, key amongst them are:

- (i) Lack of harmonisation of legal frameworks and difficult investment climate (to be partially addressed under priority 1);
- (ii) Lack of support to 1) bring identified cross-border initiatives to bankability, 2) close deals with investors, 3) facilitate project implementation;
- (iii) Lack of cross-border private sector project proposals in the tourism sector that cover a sub-set of the 5 GLR countries.

#### *b) Main stakeholders*

The key stakeholders are cross-border private sector project promoters, investors – including impact investors, Member States of the five countries and civil society organisations. The early involvement of the local governments and the border communities themselves is crucial to allow for ownership and sustainability of the intervention's results. UN Agencies will work closely with governmental institutions mainly local governments and the ministries of Economy and Industry, producer organisations, the private sector including traders and processors, other UN agencies and NGOs as appropriate.

#### *c) Intended beneficiaries*

SMEs in border communities and various groups and associations of women, youth and civil society. The intervention benefits will extend beyond the direct beneficiaries in terms of the spill over effects.

#### *d) Alignment to UNDAFs, national and regional priorities*

The objectives of the interventions are in line framework cooperation documents of the country offices and in UNDAFs. The intervention addresses the concerns of each of the UNCTs, namely:

- (i) Poverty eradication through sustainable and inclusive economic growth that enhances human capacities and facilitates job creation;
- (ii) Regional involvement of their national development programmes and vice-versa, which are clearly identified and taken into account by each of the UNCTs as part of their respective programming.

The interventions are also in line with national and regional programmes and strategies including:

- (i) Peace, Security and Cooperation Framework for DRC and the GLR which includes a commitment to promote sustainable and inclusive prosperity;
- (ii) The International Security and Stabilisation Support Strategy for DRC (I4S) which has a specific “pillar” that targets the development of sustainable subsistence livelihoods and the revival of local economies through the support of smallholder farmers and their organisations through improved access to markets, social cohesion and stability;
- (iii) The current DRC UNDAF (2013-2017), Burundi UNDAF (2017-2021): this project will contribute to the Cooperation axes n°2 (inclusive growth and job creation), n°4 (sustainable management of natural resources and fight against climate change) and n°5 (stabilisation and peace consolidation);
- (iv) The Rwandan Government's Economic Development and Poverty Reduction Strategy (EDPRS II - 2013-2018): this project will contribute to all of its objectives and priorities and in particular those related to increasing the external connectivity of Rwanda's economy and boosting exports, and transforming the private sector by increasing investment in priority sectors.

## 4) Proposed response

### *a) Vision statement*

Cross border private sector initiatives identified, resourced and implemented, contributing to regional integration and growth.

### *b) Objectives and outcomes*

In support to Outcome 2.1: Increased trade amongst border communities in the countries in the GLR the specific objective of the intervention is to follow-up on the first GLR Private Sector Investment Conference (PSIC I) through updating selected Investment Opportunity Briefs (IOB) projects with potential to benefit SMEs in agriculture, identifying new projects in tourism and advancing all projects towards implementation. UNDP developed the IOB (available upon request) for PSIC I and is thus well positioned to take on the recommendation made at PSIC I to “prepare a plan to bring projects from the Investment Opportunities Brief to bankability and jointly identify additional regional investment opportunities”<sup>3</sup>. It will attempt to do so under this intervention, while at the same time facilitating investment projects implementation’s positive impact on border communities on the ground through catalytic grants. The latter will be awarded to NGOs with the view to maximizing the participation of SMEs from the border communities in the cross-border private sector investments made in agriculture and tourism. The grants could be used for example for capacity building of SMEs to benefit from the investment projects as suppliers. In order to issue grants, UNDP will use its tried and tested Regional Project Facilitation Platform approach<sup>4</sup>, whereby 1) a call for proposals will be launched for NGO projects to achieve increased SMEs participation in investment projects to be implemented in the region, 2) shortlisted NGO projects will be invited to present their ideas to regional and country stakeholders and will be provided with feedback before going through the final grant awarding process. The awarded projects will also receive technical assistance from the intervention.

#### 5) Planned activities

The following activities are planned to achieve the above objective/output:

1. Call for proposals for cross-border tourism projects in the region with clear potential to support SME development in the region
2. Carry-out desk research, interviews with and field visits to project promoters from the existing IOB projects in agriculture<sup>5</sup> and new shortlisted projects in with clear potential to support SME development in the region (DRC, Rwanda, Uganda, Burundi, Tanzania)
3. Organise a consultation meeting to endorse the tourism projects to be presented at the second Private Sector Investment Conference (PSIC II) planned for November 2017 in Rwanda
4. Update the IOB agriculture projects information, produce new IOBs for the selected tourism projects and produce marketing material for an investors’ audience
5. Identify potential investors (including impact investors) and broker discussion meetings between them and project promoters ahead of the PSIC II
6. Prepare any material regarding the prioritised IOB projects, necessary for PSIC II
7. Organise a regional project facilitation platform to shortlist tourism and agriculture projects to support for maximised SME participation
8. Support selected agriculture and tourism projects through micro capital catalytic grants and technical assistance

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<sup>3</sup> Executive Summary of the PSIC Report, OSESG, 2016

<sup>4</sup> See more in Annex

<sup>5</sup> Transfrontier Market Development; Southern Agricultural Growth Corridor of Tanzania; Regional Ruzizi Plain Integrated Agriculture Growth Pole; Program to Support Economic Integration Process of CEPGL Regional Maize Value Chain; ABSA – SABMiller Grain and Seed Project; Rwanda Bonded Warehouse Facilities at the Borders of Gisenyi and Ruzizi Borders (Investing in the Great Lakes Region: An Investment Opportunities Brief, Volume 1 – Promoting Increased Private Sector Investment in the Great Lakes Region; OSESG, ICGLR, UNDP, 2014)

## Management, M&E and coordination

- (i) A transparent and inclusive monitoring mechanism will be provided to ensure the participation of all stakeholders and beneficiaries of the intervention. This approach will help to ensure the sustainability of the outcomes and their ownership by the intervention beneficiaries;
- (ii) A consultation meeting will be organised to obtain endorsement by Member States of the newly identified projects
- (iii) A regional project facilitation platform will be used to shortlist tourism and agriculture projects to support from an implementation point of view. This will ensure a participatory and consultative process to improve the projects and select them for support.
- (iv) Field monitoring visits will be organised to ensure a smooth implementation of the project, conducting evaluations to document the project's achievements and lessons learned.

### 6) Fulfilment of the guiding principles for priority regional interventions

Without promotion of the private sector, regional economic cooperation will be hugely challenged to sustainably fulfil the task of reducing poverty in the partner countries. It would, however, be wrong to assume, as is often done, that poverty reduction can be achieved by focusing only on traditional small business activities among poor populations. Most of these activities can achieve very little. The past two decades have experienced hardly any improvement in the indicators for employment and poverty in the GLR countries. Progress can only be made with an economic policy that creates the conditions required for economic growth that is centred on the private sector. At the same time, the focus must seek to facilitate the participation of population groups that are so far insufficiently integrated in techno-organisational learning processes. These populations' functional incorporation in differentiated, specialised, and competitive economic sectors is also necessary. The interventions under this outcome fully integrate the guiding principles outlined in the strategic framework by building on existing initiatives that have proved to be working and which can be scaled up for high cross border impact. The planned interventions will respond to the needs of the youth and empower them for improved production, processing and trade, for increased income.

Moreover, the project will contribute to social cohesion by bringing communities to work together for their collective advancement.

### 7) Capacity to address the issues identified

The capacity of local governments to provide necessary support to the beneficiary communities to address the aforementioned issues is very limited. Through these interventions, however, UN Agencies aim to work with the local authorities to provide the needed supports to the beneficiaries. The project will also develop the local capacities to implement similar projects in the future. Support to the private sector for regional economic integration also takes into account the many comparative advantages that UN agencies, and particularly UNDP, have to offer, in terms of capacity building and sustainable human development. With its network of offices on the ground, UNDP draws on its renowned and multifaceted global experience. The UNDP approach is to enhance synergies among the country offices in order to better articulate its intervention at the national and regional levels and provide a more coordinated and appropriate response to developmental challenges.

### 8) Partnership

Close cooperation with the World Bank trade facilitation project will be ensured as well as with the Secretariat of the Economic Community of the Great Lakes Countries. Partnership with UNCTAD is also envisaged from 2016, in the context of its project titled "Informal cross border trade for empowerment of women, economic development and regional integration in the GLR". Partnership with the Africa Enterprise Challenge Fund on the creation of a special challenge fund for the region is also envisioned.

**C. Priority Regional Intervention 3: Promote border communities’ access to agricultural technology and provide capacity support for increased agricultural productivity and output, and build regional resilience to climate-related shocks and conditions**

1) Type of regional intervention

This is a cross border intervention that initially focuses on the Rwanda – DRC border. It will address food security and nutrition among border communities with the objective of enabling small-scale farmers and herders to access modern technologies and sustainable agricultural practices that increase agricultural productivity and output. It also seeks to build resilience to climate-related shocks and conditions.

2) Introduction and background

Recurrent conflicts in the region during the past two decades have displaced millions of people across the borders and disrupted the local economy. Resulting security concerns have increased border-crossing controls and cross border trade related hassles. This situation has aggravated poverty and endangered food and nutrition security in the region.

In 2013, with the relative return of peace, a Framework for the promotion of Peace, Security and Cooperation in the region was signed. It represents a strategic tool for the promotion of stability and economic development. In support of this framework, the World Bank launched, in 2015, a new initiative to facilitate cross border trade in the GLR of Africa by reducing regulations and procedures for the treatment of small-scale border traders, providing gender sensitivity training for border officials, simplifying immigration and health-related procedures, streamlining access to airfreight and duty-free entry for eligible goods, physically and logistically improving customs and border facilities, building automated turnstiles to facilitate speedier passage through the border and less physical contact with border officials and reducing corruption by installing a toll-free complaint hotline.

3) Intervention rationale

*a) The core problems that the intervention aims to address*

Small-scale cross border trade plays an important role in the economy of the GLR of Africa. Conducted mainly by women, it provides means of employment and livelihoods to hundreds of thousands of people in the regions. It enables regions which are in deficit of food production to cover their needs by receiving supplies of foodstuffs from surplus producing areas across the borders of the DRC, Rwanda, Uganda, Tanzania, Zambia and Burundi. It therefore strengthens food and nutrition security in the region.

Yet, smallholder farmers’ organisations and small-scale traders need capacity building and specific supports that will enable them to take advantage of the opportunities opening up in the field of cross border trade. The core problem is the limited capacity of smallholder farmers, in the border areas particularly women, to link into formal markets, with consequent inability to increase income levels.

Since 2009, WFP work with partners including FAO and NGOs through the “Purchase for Progress (P4P)” initiative to facilitate market access for smallholder farmers and traders. The “Purchase for Progress” (P4P) initiative piloted by WFP between 2008 and 2014, in 20 countries in Africa, Asia and Central America is an innovative way to link WFP’s food procurement of over US\$ 1 billion a year, low income smallholder farmers (SHFs) and formal markets. During the initial 5 year pilot phase, over 500,000 individual farmers received training from WFP and its partners in a wide variety of topics, including agricultural production, post-harvest handling, processing and quality control, organisational management, gender awareness, financial literacy, and warehouse management.

Given that women play a key role in the production and trade of agricultural goods, gender has been a core component of the P4P initiative. A gender strategy guided the implementation of the project that encouraged the involvement of women in different ways, such as focusing on “women’s crops (cowpeas)”, support to women-only farmer organisations, and various techniques to alleviate the burden of women in agriculture and the gender sensitive farming labor.

Governments of participating countries positively took note of the impacts of P4P, especially with regards to the increased capacity of smallholder farmers to produce higher quality surplus crops. Within the framework of the Comprehensive Africa Agriculture Development Programme, the results and lessons from P4P have been a source of inspiration for several countries that have established their own investment plans with clear pro-smallholder farmers components. Furthermore, a number of governments including Rwanda have called upon WFP for help to integrate these mechanisms into their national structures and programmes. In the post-conflict context of DRC, P4P jointly implemented by FAO and WFP helped revive agricultural production and commodity markets damaged by years of conflicts and disruptions. Given the programme’s achievements and lessons learned, the DRC government has called for its extension.

In many aspects, the DRC and Rwanda are among the countries where through P4P, smallholder producers have been strengthened. The P4P beneficiaries have better capabilities to be engaged in agricultural market to increase and diversify their livelihoods and incomes. Moreover, by bringing communities together to work for their own advancement, P4P has been recognised as a promoter of social stability.

The above presented aspects of the P4P initiative will be instrumental in the implementation of the Peace, Security and Cooperation framework for the GLR, especially the Pillar 2: “Economic integration, cross border trade, food and nutrition security.” By developing the capacities of smallholder producers and traders to increase the trade of agricultural produces in quantity and quality, P4P will help improve the economic situation of the local people, improve their food and nutrition security and forge stronger ties between divided populations in the region.

Based on the experience and knowledge accumulated through P4P during the last five years, WFP and FAO in the DRC and Rwanda have agreed to support the peace and cooperation framework by initiating a joint project to facilitate cross border trade for smallholder producers and traders to improve their food and nutrition security. The project will contribute to the fulfillment of the outcomes 2.1 (Increased trade amongst border communities in the countries in the GLR) and 2.2 (Food security and nutrition are improved in border communities in the GLR) of the Great Lakes UNCTs’ regional strategy.

#### *b) Main stakeholders*

The key stakeholders are Governments of DRC and Rwanda, farming organisations and civil society organisations. The early involvement of the local governments and the border communities themselves is crucial to allow for ownership and sustainability of the intervention’s results. UN Agencies will work closely with governmental institutions mainly local governments and the ministries of Economy and Industry, Agriculture technical departments, producer organisations, the private sectors including traders and processors, other UN agencies and NGOs such as UNECA, OXFAM and SNV.

#### *c) Intended beneficiaries*

Overall, the interventions will benefit:

- (i) Smallholder farmers’ cooperatives amongst the communities living along the borders of the DRC and Rwanda ( 9,000 smallholder farmers, 4,500 in each country along the border);
- (ii) Small-scale traders who are active in the cross border trades along the DRC and Rwanda (100 small-scale traders, 50 at each side of the border).

Smallholder farmers’ cooperatives and small-scale traders usually have no access to appropriate storage facilities, have limited knowledge of commodity quality control issues and the rules and regulations for cross

border trade as well as the required administrative formalities. They face food losses in quantity and quality due to inadequate access to storage units and improper post-harvest handling.

The indirect beneficiaries are the entire populations along the borders of Rwanda and DRC, who will benefit from the project activities: increased food availability in quality and quantity, awareness and trainings on nutritional best practices, built/rehabilitated infrastructure (drying facilities, storage units, etc.).

*d) Alignment to UNDAFs, national and regional priorities*

The objectives of the interventions are in line with the regional priorities as stated in the framework cooperation documents of the country offices and in UNDAFs. The intervention addresses the concerns of each of the UNCT, namely:

- (i) Poverty eradication through sustainable and inclusive economic growth that enhances human capacities and facilitates job creation;
- (ii) Regional involvement of their national development programmes and vice-versa, which are clearly identified and taken into account by each of the UNCT as part of their respective programming.

The intervention is also in line with national and regional programmes and strategies including:

- (i) Peace, Security and Cooperation Framework for DRC and the GLR) which includes a commitment to promote sustainable and inclusive prosperity;
- (ii) The International Security and Stabilisation Support Strategy for DRC (I4S) which has a specific “pillar” that targets the development of sustainable subsistence livelihoods and the revival of local economies through the support of smallholder farmers and their organisations (FOs) through improved access to markets, social cohesion and stability;
- (iii) The Burundi and DRC Governments’ “Priority Action Plan 2017-2021” which is the national action plan derived from the revised Poverty Reduction Strategy Paper (PRSP II) targets the revival of agricultural production to ensure food security;
- (iv) The current DRC UNDAF (2013-2017), Burundi UNDAF (2017-2021): this project will contribute to the Cooperation axes n°2 (inclusive growth and job creation), n°4 (sustainable management of natural resources and fight against climate change) and n°5 (stabilisation and peace consolidation);
- (v) Rome-based Agencies (RBAs) are committed to the “Zero Hunger Challenge,” launched by the UN Secretary-General, and which gives priority to family farming, women empowerment, resilience building and the development of sustainable food systems to ensure that every man, woman and child have food;
- (vi) The Rwandan Government’s Economic Development and Poverty Reduction Strategy (EDPRS II);
- (vii) the Rwanda Government’s Strategic Plan for the Transformation of Agriculture (PSTA III);
- (viii) Contributing to reducing rural poverty, increasing smallholders’ income, supporting agricultural innovation, empowering women, small farmers and their organisations;
- (ix) Contributing to the reduction of post-harvest losses and waste of food by retailers and consumers.

4) Proposed response

*a) Vision statement*

To increase the cross-border trade of agricultural produces in quantity and quality and provide nutritional safety nets to vulnerable households in the border communities. The intervention in its first phase will focus on the DRC – Rwanda border area. In a second phase, it will be extended to cover Burundi – DRC and Rwanda

## *b) Objectives and outcomes*

The project pursues two expected results:

- (i) Improvement in cross border trade of agricultural produces in quantity and quality;
- (ii) Improvement in nutrition and food consumption for the beneficiaries.

Specifically, the project aims to:

- Improve the quality and quantity of production, processing and trade in agricultural produce in areas along the Rwanda and DRC border;
- Improve food and nutrition security for project beneficiaries by promoting good dietary practices and conducting community-based nutritional education through social safety nets;
- Increase smallholder farmer cooperatives and traders' capacities for cross border trade in order to strengthen their livelihoods and incomes.

### 5) Planned activities

The project will focus on maize, beans and soybeans, which are the main commodities, produced and traded in the border areas. Smallholder farmers in the beneficiary (border) areas will be grouped into Farmers Organisations. The project will combine targeted capacity building for sustainable food production for improved yields, processing and post-harvest management to increase the beneficiaries' food production in quantity, yields, and quality with wide promotion of nutritional best practices and social safety nets for vulnerable households. These activities will increase the production of food surpluses and improve nutrition. Additionally, cross border trade related trainings will be provided to community based organisations in the implementation areas mainly FOs and small-scale traders to facilitate trade between the participating countries. These trainings will cover the topics such as customs regulations and procedures and commercial negotiations. Moreover, the project will provide supports to microcredit initiatives and initiate market intelligence sharing systems in the targeted zone to facilitate cross border trade.

A monitoring and evaluation system will be developed to document the project's results and the lessons learned. It will include:

- (i) conducting studies and surveys to guide the project implementation;
- (ii) organizing coordination meetings and field missions to ensure a smooth implementation of the project activities;
- (iii) conducting a final evaluation at the end of the project to document the project's achievements and lessons learned.

### 6) Fulfilment of the guiding principles for priority regional interventions

The interventions fully integrate the guiding principles outlined in the strategic framework by building on existing initiatives which proved to be working and which can be scaled up to have high cross border impact. The planned interventions will respond to the needs of youth and empower them for improved agricultural production in quantity and quality, processing and trade for increased income. Trainings on agricultural production to be led by FAO will integrate the principles of a sustainable management of natural resources and biodiversity.

Gender empowerment is a core component. This project will make gender central to the design and implementation of its activities. Specifically, the gender aspects of poverty, food security and nutrition will be integrated into the project's activities and trainings. Targeted supports will be provided to women only groups to address their special needs.

The nutritional education will take into consideration the health, HIV/AIDS and human rights aspects of the problem. Moreover, the project will contribute to social cohesion by bringing communities to work together for their collective advancement.

## 7) Capacity to address the issues identified

The comparative advantage of WFP and FAO in agricultural development, the promotion of food security and nutrition is widely recognised. The sister agencies are the UN agencies mandated to work with developing countries to ensure food and nutrition security. For decades, the sister agencies have shown their comparative advantages, specifically FAO expertise on quality inputs, agricultural production and processing and WFP on post-harvest handling, logistics, commodity storage, commodity markets and commercialisation.

Moreover, the operational capacity of WFP and FAO, including the relationships with and access to beneficiaries, the ability to quickly mobilise partners and resources and their logistical capacities are unmatched.

The strengthening of the partnership between the Rome-Based Agencies (RBAs: FAO, IFAD and WFP) has been an important part of the success of the project. P4P harnessed the comparative advantages of these agencies (FAO expertise on quality inputs and agricultural production, IFAD on rural micro-finance and WFP on post-harvest handling, logistics, commodity storage and commercialisation) to improve smallholder farmers' lives.

## 8) Partnership

UN Agencies will partner with organisations and NGOs including the provincial ministries of agriculture and their technical departments, Oxfam GB, SNV, Catholic Relief Services (CRS), the Alliance for a Green Revolution in Africa (AGRA), *Food for the Hungry (FH)*, the Adventist Development and Relief Agency (ADRA), farmers cooperatives in the beneficiary communities, private entrepreneurs including food processors, agronomy departments of local universities, and traders. The project will combine their competences and resources to develop smallholders' capacity in sustainable production, storage and marketing for the improvement of the lives of its beneficiaries.