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MAPS: Rwanda

Private Sector Strategy: Phase I

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U.S. Agency for International Development

Bureau for Private Enterprise

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USAID / Rwanda

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1. INTRODUCTION

The private sector strategy assessment being undertaken in Rwanda at the request of the USAID Mission uses the Manual for Action in the Private Sector (MAPS) methodology developed by J.E. Austin Associates. MAPS has been or is being utilized for private sector assessments in the Dominican Republic, Costa Rica, Lesotho, Swaziland, Botswana, Kenya, Ghana, etc. The exercise in Rwanda will serve as an input to the Mission's Rural Enterprise Project Paper Design, the Country Development Strategy Statement (CDSS) which will be submitted in 1992, as well as to other potential project papers.

The MAPS exercise is funded jointly by the Rwanda Mission, the Bureau for Africa/Office of Market Development and Investment (AFR/MDI), and the PRE Bureau under the Private Enterprise Development Support (PEDS-II). MAPS is designed to assist a Mission in conducting a strategy review. The MAPS process consists of seven phases:

- . Phase I : Defining the current mission strategy
- . Phase II : Describing the local private sector
- . Phase III: Diagnosing opportunities and constraints to private sector growth
- . Phase IV : Engaging in dialogue with the private sector
- . Phase V : Designing A.I.D. private sector strategy
- . Phase VI : Developing new projects and programs
- . Phase VII: Debriefing and evaluating

Since each USAID Mission is different, it is important to tailor each phase in the process to respond to both local Mission priorities as well as the local private sector environment. The MAPS methodology is used as a guide, and adapted to suit mission needs. The sections that follow detail both the work carried out as part of Phase I as well as how this work helped define and pave the way for activities to follow under subsequent phases.

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1.1 Major Objectives

The MAPS Phase I has six major objectives:

- a. Familiarize USAID/Rwanda with the methodology as outlined in the Manual for Action in the Private Sector (MAPS).
- b. Articulate current Mission strategy as reflected in working documents, project papers and budgets.
- c. Initiate data collection for the Private Sector Description Phase.
- d. Launch local sub-contracting of Private Sector Diagnostic Survey.
- e. Make initial contacts with private sector leaders, government officials and other donor agencies.
- f. Tailor the MAPS exercise to fit with the objectives and priorities of USAID/Rwanda.

1.2 MAPS I Visit Agenda

The MAPS team worked closely with USAID Personnel to complete Phase I of the Assessment. The MAPS assessment team consisted of J.E. Austin Associates' consultants Michael Grossman and Roger Jantio, and SRI International's economist Peter Boone. It arrived in Kigali on September 10 and departed September 29, 1989.

The team worked closely with and received invaluable assistance from USAID/Rwanda, GOR officials, business leaders, bankers and representatives of donor agencies. The team worked on a daily basis with Mr. Henderson Patrick, the Project Development Officer who provided information and organized the logistics of the field mission. Overall Mission direction and guidance were provided by the Deputy Mission Director, Ms. Barbara Howard and senior officers of the Project Office (MM. Daniel Muvimbi and Bonaventure Niybizi.)

During MAPS Phase I, the team accomplished the following:

- * Presented a MAPS methodology for Mission senior staff.
- * Discussed the current mission private sector and country development strategy.
- * Reviewed and analyzed ongoing and planned mission programs and projects in the private sector.
- * Reviewed and analyzed background strategic, economic, planning and budgetary documents.

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- * Solicited Mission feedback on how the standard MAPS should be tailored to better meet Mission specific conditions and priorities.
- * Met with representatives of the World Bank, UNDP, GOR, and with private sector leaders (See annex 8 for a list of persons interviewed).
- * Described the Government's national economic policy, strategies and priorities.
- * Reviewed donor support initiatives in response to the Government's economic development strategies.
- * Presented a strategy audit to Mission Staff.
- * Prepared scopes of work for the Private Sector Description (Phase II of MAPS) and Private Sector Survey (Phase III of MAPS). (See annexes 2 and 3).
- * Developed terms of reference for the follow-on work on the Private Sector Description, Private Sector Survey, and Dialogue Sessions.
- * Prepared an RFP on the basis of the scope of work for the Private Sector Survey, evaluated the proposals of three local consulting firms (SOGEREP, SORAC and GENIE), and selected the subcontractor on the basis of technical competence and cost.
- * Assisted the local subcontractor selected to carry out the Private Sector Diagnostic Survey in selecting and training survey enumerators.
- * Recruited a Project Monitor who will assist the survey subcontractor and act as local liaison between the Mission, the MAPS team and the subcontractor. This person's primary task will be to thoroughly monitor quality control during the time which the MAPS team will not be on site.
- * Drafted a Private Sector Diagnostic Survey Questionnaire and established a sampling frame adapted to the Rwandan environment and to local Mission conditions and priorities. The sample will be geographically diverse and will target sectors of economy of special interest to the Mission. (See Annex 5 for details regarding the sampling methodology and Annex 6 for the draft of the Survey Questionnaire).
- * Presented to the Mission senior staff the outline of data collected and the terms of reference for the full MAPS assessment that is to follow.
- * Prepared findings/conclusions of Phase I.

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- * Developed a follow-on schedule of activities for the description, diagnosis, dialogue and strategy development phases of MAPS (See Annex 7).
- * Assisted local subcontractor for the Private Sector Diagnosis launch the full scale survey.

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2. ARTICULATION OF CURRENT MISSION PRIVATE SECTOR STRATEGY

The first step in the MAPS methodology is articulating the current Mission strategy, particularly as it relates to the private sector. This phase is important for two basic reasons. First, by helping the MAPS team understand how programs and project activities are related to goals and objectives, this exercise helps define critical assumptions on which the current strategy is based; the MAPS effort can then be tailored to test the continued validity of those assumptions. It can also serve as a consensus building tool in assisting the Mission in articulating a vision and strategy for the USAID Program.

The MAPS team objective in this first phase of their work was to present the Mission's strategy (mission statement, goals and objectives) as derived from a review of officially published documents. The team did not make an effort at this stage of the process to go beyond a basic description of the Mission's stated or implicit strategic orientation, to evaluate past programs or to propose appropriate new strategies. The purpose of Phase I is merely to articulate current strategy and accurately document how Mission projects and programs are related to stated goals and objectives.

2.1 Mission Statement, Goals and Objectives

The overall "Mission Statement" of the USAID/Rwanda can be stated as follows:

TO INCREASE BROAD-BASED AND SUSTAINABLE RURAL PER CAPITA INCOME.

USAID-Rwanda's portfolio can be broadly divided into two categories: one stressing the demand side by supporting employment generation, generating rural income growth, and managing population growth; and the other on the supply side by increasing agricultural production and productivity in the rural areas and promoting private enterprise development. These two categories encompass projects and programs for reducing underemployment and unemployment, which are crucial to achieving the mission overall goal of a "sustained broad-based increase in rural per capita income".

A review of the FY 1990-1991 Action Plan for Rwanda suggests the following three objectives grouped under two explicit major goals and one implicit one. They can be summarized as follows:

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Goal 1: TO REDUCE FERTILITY RATES FROM 8.6 TO 8 BY 1994

The strategic objective underlying the explicit goal of reducing total fertility rate is to increase contraceptive usage rates. This objective focuses on the population growth problem and includes:

- o Improving access to family planning services.
- o Improving quality of family planning services.
- o Increasing demand for services.
- o Strengthening ONAPO's ability to formulate policy, and coordinate activities in the population sector.

Goal 2: TO INCREASE AGRICULTURE PRODUCTION ON A SUSTAINED NATURAL RESOURCE BASE

This explicit goal of promoting sustained food production relates to the strategic objective that emphasizes "farmers using new production-increasing, resource-conserving technologies and practices" in order to raise rural income. It encompasses:

- o Generating production-increasing, resource-conserving technologies and practices.
- o Extending production-increasing, resource-conserving technologies and practices.
- o Continuing supportive food production policies and planning.

Goal 3: TO INCREASE INVESTMENT, PRODUCTIVE OFF-FARM EMPLOYMENT ESPECIALLY IN RURAL AREAS THROUGH PRIVATE SECTOR GROWTH

A review of a Mission internal document shows the desire to keep the private sector (including PVOs) as a target of opportunity, rather than an explicit goal. As Development Fund for Africa (DFA) program resources are the Mission's only source of funds, the budgetary constraints in Washington affect the Mission budget (its current level of \$8.0 million over the next five years will probably not increase). This budgetary limitation has led the mission to adopt what the MAPS team believes to be an implicit goal of using the private sector as a means to increase rural per capita income. Given that there are three ongoing projects in the private sector, and a fourth being planned (although the Mission has stressed that the new private enterprise project will replace the Technoserve and IWACU projects so that two, not four projects

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will be implemented in private sector based on current plan), the MAPS team was of the opinion that the private sector represents more than just a target of opportunity to the Mission. The team also believes that one of the outcomes of the full-MAPS implementation would be to outline the fact that the private sector should be made an explicit Mission goal. This target of opportunity includes the following sub-targets:

- o Expanding employment in new and existing micro, small and medium rural enterprises.
- o Strengthening GOR capability to analyze and formulate economic policy reforms affecting private sector activities.
- o Increasing promotion of SMEs activities and their access to credit.
- o Streamlining GOR's administrative procedures such as the registration new enterprises, the hiring procedure in the private sector, etc.
- o Reinforcing management, financial, technical and marketing skills of SME personnel in the rural area.
- o Increasing involvement of NGO's in enterprise development.

For a graphic presentation of the above, refer to Exhibit 1.

2.2 USAID Project Inventory

The Mission's current project and program portfolio was reviewed to gain additional insights into the current strategy and to determine delivery mechanisms employed for existing or planned initiatives. This review is presented in Exhibit 2.

The review confirms the use of private sector organizations as implementing agents (Cooperatives, PVOs). For example, such organizations as IWACU and Technoserve, Inc. are used for training. The population activities are seeking to use private sector distribution channels. The review also illustrates the Mission's heavy reliance on various government ministries as implementing agents.

2.3 Budget analysis

An analysis of USAID Rwanda's current project portfolio reveals in 1989 the following dollar and percentage expenditures for the major project categories:

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| Project Category | \$ million | % |
|--------------------------|------------|-------|
| Agriculture | 27.70 | 41 |
| Population/Health/Trning | 19.75 | 29 |
| Private Enterp. Develop | 21.00 | 30 |
| | ----- | ----- |
| Total | 68.45 | 100 |

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3. USAID/RWANDA STRATEGY IN THE CONTEXT OF AFRICA BUREAU GUIDANCE AND DEVELOPMENT FUND FOR AFRICA (DFA)

3.1 Consistency Between Africa Bureau Policy Guidance and the Current USAID/Rwanda Mission Strategy.

Africa Bureau Guidance is presented in Exhibit 4, and provides a reference base against which Mission strategies, objectives and portfolio could be compared.

The most recent Bureau Mission guidance stresses a strategic outlook for **SUSTAINABLE ECONOMIC GROWTH WHICH IS BROAD-BASED AND MARKET-ORIENTED**. At least five objectives emerge from the review of Bureau guidance, each with representative subsidiary targets.

Objective 1: Improve Private Sector Effectiveness and Efficiency

- * Reform debt, fiscal and monetary policies;
- * Reduce public sector interventions in the private sectors;
- * Privatize or liquidate public sector enterprises.

Objective 2: Promote Market-Oriented Pricing and Allocation Policies

- * Liberalize financial markets;
- * Liberalize delivery systems for agricultural inputs.

Objectives 3: Increase Potential for Long Term Productivity Growth

- * Technology transfer;
- * Natural resource development;
- * Human resources development.

Objectives 4: Increase Efficiency and Equity of Social Services Delivery

- * Health;
- * Education;
- * Basic infrastructure: roads, water, electricity.

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Objectives 5: Improve Food Security

- * Production and productivity;
- * Famine preparedness;
- * Availability of essential imports.

3.2 Development Fund For Africa (DFA) Management Objectives

The Africa Bureau attaches great importance to the successful management of the DFA program. Six management objectives for the DFA have been established for Mission guidance:

- . Concentration of management resources on priority programs;
- . Performance-based programming;
- . Increased donor collaboration;
- . Increased PVO partnership;
- . Increased resource integration;
- . Strengthened monitoring, evaluation and reporting.

Presented in Exhibit 5 is AID's Management Objectives under the DFA. A comparison of these exhibits with the USAID/Rwanda strategy articulated in Exhibit 1 illustrates the harmony between the Mission strategy and the Africa Bureau policy guidance.

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4. GOVERNMENT OF RWANDA ECONOMIC STRATEGY AND PRIVATE SECTOR POLICY

4.1 GOR Macroeconomic Situation

The following constitute the key elements of the GOR macroeconomic situation:

- a. Following a period of generally satisfactory economic performance during the mid-1980s, the economic situation in Rwanda has deteriorated substantially. Since 1986, export earnings have declined by 45 percent and real per capita GDP has declined considerably. Deficits have been registered in the overall balance of payments in 1987 and 1988. Foreign reserve levels have dropped from a healthy level of \$US 160 million in 1986 (5.5 months of import coverage) to \$US 40 million (1.9 months coverage) in September 1989. The substantial drop in coffee prices over the last three years is a fundamental cause of the balance of payments problem.
- b. The balance of payments problems have also been exacerbated by an appreciation in the Rwandan franc¹. Between 1980 and 1988, the trade-weighted real effective exchange rate appreciated by 35 percent. The overvaluation of the currency is also evidenced by the existence of a parallel market in which the U.S. dollar sells about 40 percent higher than the official rate.
- c. Fiscal deficits have also been incurred in recent years, with the government increasing its net recourse to the domestic banking system. In 1988 the overall fiscal deficit was equivalent to 5 percent of GDP. Subsidies on coffee producer prices have been one of the important factors in the budgetary deficits as transfers from the government to subsidize coffee prices amounted to about \$US 60 million during 1987 and 1988.
- d. Faced with the large imbalances on both the internal and external accounts, the GOR has requested a series of discussions with the World Bank and the IMF on structural adjustment. The talks are scheduled for late October 1989. The GOR is well aware of the need for stabilization measures. Structural adjustment discussions will probably focus on issues such as exchange rate policy, external tariff reform, pricing policy, the promotion of non-traditional exports, and private sector development.

¹ Since September 1983, the Rwanda franc has been pegged to the SDR (Special Drawing Rights, a pool of developed countries currencies, valued a US\$1 = SDR 1.23 as of September 1989)

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4.2 GOR Stresses the Role of Private Sector in Achieving its Development Objectives.

In order to improve the macroeconomic environment, GOR has taken a number of actions to encourage private sector growth:

- a. In 1987 the GOR began to introduce policies and initiatives designed to improve the private sector environment in Rwanda. The Investment Code was revised in 1987 offering new incentives to non-commercial investors. Criteria for eligibility for the benefits offered under the Code include contribution to GDP, employment generation, contribution to balance of payments and other criteria consistent with national development objectives.
- b. The GOR also began instituting reforms in 1987 in the areas of external tariffs, credit policy and fiscal policy. Moreover, the government lifted its requirement that Rwandans work for the civil service upon completion of higher-level studies under government funded scholarships. These policies were all implemented in order to encourage greater private sector participation in the Rwandan economy.
- c. In 1988 the GOR, with the assistance of the UNDP, introduced a series of high-level meetings on private sector development in Rwanda. The first meeting took place in Kigali on May 4, 1988. Participants included high-level government officials, foreign aid representatives, and representatives of private and parastatal companies. The objectives of the first meeting included: (i) creation of an environment conducive to private sector development; (ii) promotion of investor confidence; (iii) the development of small- and medium-scale enterprises; (iv) improvement in public sector efficiency; and (v) privatization.

The meeting represented an important breakthrough as it was the first time that the government, private sector, and the major donors all met together to discuss private sector issues and constraints.

The second high-level meeting on the private sector took place in October 1988. The agenda for the meeting was focused on four kinds of constraints to private sector development in Rwanda: (i) technical constraints; (ii) resource constraints; (iii) management constraints; and (iv) legal and bureaucratic constraints.

A third high-level private sector meeting is scheduled for January 1990. Working groups have been established to prepare papers and recommendations on: (i) privatization; (ii) government procurement; (iii) storage; (iv) pricing policy; (v) importing procedures; and (vi) export strategy.

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4.3 Constraints to Private Sector Growth

Although the dialogue with the private sector has improved dramatically in recent years, a multitude of constraints remain which impede private sector development:

- a. Policy reform is slow. While numerous policy constraints to private sector growth have been identified in recent years by the high-level private sector meetings and other studies, concrete reform measures by the government have been slow in materializing. The GOR can be characterized as being cautious, conservative, and even control-oriented regarding its approach to the private sector.
- b. World coffee prices have been declining. Coffee represents about 80% of Rwanda's export earnings. Coffee prices are not expected to increase substantially in the near term. Even if GOR does make exchange rate adjustments, the external position could be fragile for the next few years, making it less likely that GOR will undertake strong import liberalization measures.
- c. Hard currency policy. The Rwandan franc has appreciated by 35 percent in trade-weighted effective real terms since 1980. In addition the currency trades at a substantial discount in the parallel market. The overvaluation of the currency has led to a running down of foreign exchange reserves and contributes to the very high costs of production in Rwanda - increasing costs for labor, land, communications, and other local factor costs.
- d. Raw materials are scarce. Rwanda has a small endowment of raw materials. The import content for most industrial enterprises represents between 60 and 70 percent of the final product price. In many cases, the products produced are more expensive to consumers than the price if the products could be imported under free trade.
- e. Transport costs are high. Because of its land-locked position, Rwanda is faced with very high marketing costs for its imports and exports. Landed costs for imports are about 30 percent higher than neighboring coastal countries such as Tanzania and Kenya. A parastatal company controls international traffic and charges a fee to private companies for their international cargo carried. This fee, plus road and vehicle taxes, also contributes to the high cost of transport in Rwanda, and handicaps exporters and import-dependant industries.

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- f. Business registration procedures are slow and cumbersome. Until recently, eight steps were required to register even the smallest business in Rwanda. The process took between one to three years and served as a inhibition to investment initiatives. The GOR is aware of the problems and is attempting to streamline the process. It is still not clear, however, if the revised system is sufficiently simplified to allow rapid enough approval.
- g. Government involvement in private sector recruitment. For the recruitment of skilled and semi-skilled full-time employees, private sector employers must refer to the Ministry of the Fonction Publique. Private firms are supposed to hire candidates proposed by the Ministry. This procedure can be very constraining to private businesses which may have identified alternative candidates who are better suited for the job.
- h. Lack of organizations to genuinely represent private sector interests vis-a-vis government. Currently there is no private sector organization which effectively represents private sector interests to the government. The Chamber of Commerce and Industry of Rwanda has been organized by the government, and the officers are appointed by the GOR. Dues to the Chamber are mandatory for all registered businesses. Many members of the private sector would prefer to have their own organization representing their interests.
- i. Organizational and financial management skills need improvement. Lack of technical and managerial level training is evident, as documented in recent USAID studies and through the implementation of private sector projects assisting small and medium-scale enterprises.

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5. DONOR DEVELOPMENT STRATEGIES IN RWANDA

Rwanda received external assistance in the amount of \$184 million in 1987. Of this amount, 38.5% was for technical assistance, and 61.5% was for capital investment. Table 1 below, provides a summary of donor assistance by sector in 1987.

Table 1: External Assistance by Sector--1987

| <u>Sector</u> | <u>Total</u> | <u>% of Total</u> |
|---------------------|---------------|-------------------|
| Agriculture | \$34,251,747 | 18.6% |
| Health | \$32,896,122 | 17.8% |
| Transport | \$29,984,665 | 16.3% |
| Natural Resources | \$27,227,295 | 14.8% |
| Education | \$19,427,614 | 10.6% |
| General Development | \$14,422,882 | 7.8% |
| Humanitarian Aid | \$8,340,251 | 4.5% |
| Industry | \$7,096,478 | 3.9% |
| Population | \$2,445,826 | 1.3% |
| Employment | \$2,345,316 | 1.3% |
| International Trade | \$2,125,754 | 1.2% |
| Others | \$3,606,313 | 2.0% |
| | ----- | ----- |
| TOTAL | \$183,970,265 | 100.0% |

5.1 Six Bi-lateral Donors, as Well as Various United Nations Agencies and the European Economic Community Provided Technical Assistance to Rwanda in 1987.

Belgium and France were the leading bi-lateral technical assistance donors. Table 5.2, below, provides a summary of the leading donors in terms of technical assistance.

Table 2: Technical Assistance to Rwanda--1987

| <u>Country</u> | <u>\$ millions</u> | <u>% of Total</u> |
|----------------------------|--------------------|-------------------|
| Belgium | 20.2 | 28.5% |
| France | 9.9 | 14.0% |
| Switzerland | 7.6 | 10.7% |
| West Germany | 7.3 | 10.4% |
| USA | 7.2 | 10.3% |
| Canada | 4.1 | 5.8% |
| Others, including UN & EEC | 14.2 | 20.3% |
| | ----- | ----- |
| TOTAL | 70.8 | 100.0% |

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5.2 Donor technical assistance was concentrated in the agriculture, education and health sectors.

American technical assistance was concentrated primarily in the agriculture and population sectors, where the U.S. is the largest technical assistance donor.

Table 3: Donor Technical Assistance by Sector--1987

| <u>Sector</u> | <u>% of Total</u> | <u>U.S. Portfolio (%)</u> |
|---------------------|-------------------|-------------------------------|
| Agriculture | 29.1% | 55.8% |
| Education | 20.1% | 6.4% |
| Health/Population | 14.1% | 20.9% |
| General Development | 8.0% | - |
| Transport | 6.4% | - |
| Industry | 5.8% | 8.0% |
| Others | 16.5% | 8.9% |

5.3 The EEC, the UNDP and the United States were the major donors active in Private Sector development in 1987.

Over 42% of the EEC's Technical Assistance budget was directed at industrial development; while 12.3% of the UNDP's technical assistance was in this sector. In percentage terms, the USA was the largest bi-lateral donor, contributing 8% of its total technical assistance to private sector industrial development, followed by Belgium which contributed 5%.

The EEC's projects are addressed to restructuring Rwanda's public and parastatal enterprises so they can play a positive role in the Rwandan economy. The primary thrust of the UNDP program is to foster a dialogue between the Rwandan public and private sectors in order to develop an environment more conducive to private sector led economic growth. In addition, the UNDP program is designed to develop donor-specific private sector projects. The UNDP is also implementing several smaller programs to develop the productive activities of micro-enterprises and the artisanal sector.

The USAID program in Rwanda is very complementary to both the UNDP and EEC activities. Through the PRIME Project, USAID is also working to upgrade the GOR capability to analyze and formulate economic policy reforms affecting private sector activities, as well as promote small and medium enterprises. USAID has also committed PRIME funds to the review and audit of four Rwandan parastatals. In addition, USAID's Private Enterprise Development Project is designed to reinforce the management, financial and marketing skills of small-and-medium enterprise personnel. Belgium's private sector industrial development portfolio is

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oriented toward direct technical assistance to specific small and medium enterprises as well as the promotion of the Rwandan tourist sector.

5.4 USAID coordinates closely with other bi-lateral donors in the areas of micro-enterprise, population and agriculture.

a. Micro-enterprise

There are several donors whose strategies in the non-structured micro-enterprise sector are consistent with USAID's objectives of private sector economic growth in rural areas and increased off-farm employment. The World Bank is providing credit to the Banque Rwandaise de Developpement to provide training for cooperative associations. This assistance directly complements USAID's objectives to strengthen the Private Sector by providing access to credit to rural cooperatives. Canadian support also complements USAID's efforts to assist rural cooperatives. USAID provides assistance to the formal sector, while Canada provides assistance to the informal sector through its Guarantee Fund. The objectives of both USAID and Canada are to provide access to credit for cooperatives and small enterprises. Finally, the Swiss Development Agency's objective is to create non-agricultural employment through small industries. Swiss aid financed the construction of the IWACU Cooperative Training Center which USAID equipped as well as promotes via its Cooperative Training Project. Through the Banques Populaires, the Swiss have provided funds to create rural savings and credit programs which directly support the USAID goal of increased rural per capita incomes.

b. Population

USAID is the largest donor in the delivery of family planning services; however other donors are beginning to provide increasing support in population and demographics. The USAID program goal of reducing the fertility rate, is directly linked to other donor activity. The World Bank, WHO, UNFPA and West Germany are co-donors with AID in supporting the National Population Office (ONAPO). With the onset of the Family Planning II Project in 1989, USAID will take the lead in integrating the Private Sector in the delivery of family planning services.

c. Agriculture

The experience of the USAID Farming Systems Research Project has served as a catalyst for other donor projects, in particular the Canadian Projet d'Amelioration de la Production Agricole. USAID, the Canadians and the EEC are providing assistance to the National University of Rwanda's Faculty of Agronomy. USAID is providing support to strengthen its aquaculture research program while the EEC funding has provided the needed faculty facilities with which USAID is carrying out aquaculture research. The Canadians are complementing USAID assistance by providing professors, laboratory

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equipment, training and construction. In addition, USAID is working with the French, Swiss, Dutch, Belgians, the EEC and the World Bank to conserve the Nyungwe Forest Preserve.

5.5 Capital Investment projects supported by bi-lateral and multi-lateral donors in 1987 accounted for 61.5% of total development assistance.

Capital investment development assistance was concentrated in four major areas as shown in Table 4 below.

Table 4: Capital Investment Assistance by Principal Sector

| <u>Sector</u> | <u>% of Total</u> |
|-------------------|-------------------|
| Transport | 22.5 |
| Natural Resources | 21.7 |
| Health | 20.0 |
| Agriculture | 12.1 |
| Others | 23.7 |

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6. FINDINGS

On the basis of the review of USAID, other donor and GOR strategies, and following the team's interviews with private sector representatives and with Mission senior staff, the team has identified four critical assumptions as well as five major strategic areas.

6.1 Critical Assumptions

The following assumptions are critical to private enterprise strategy in Rwanda. The private sector assessment will seek to test the validity of these hypotheses through the analysis of secondary data and primary data gathered through surveys and dialogue sessions.

- a. High Population Growth Means Employment Generation Must Be Central Element of Strategy.

Continued rapid population growth is the single greatest threat to the nation's development. With a total fertility rate of over 8, Rwanda population growth averages 3.7 percent per year. Recent World Bank estimates have indicated that the labor force will increase by 100% between 1985 and 1990. Over 44,000 people are added annually to the labor force. As a result, employment generation must be central to any development strategy. It is already anticipated that agriculture will be incapable of providing productive employment for the vast majority of the rural population, currently 95% of all Rwandans.

- b. Government Controls on the Private Sector Have Shown Signs of Easing But Continue to Restrict Growth of Private Enterprise; Therefore Policy Reform Must Remain an Important Element of Strategy.

The GOR, in its different high-level meetings on the private sector, recognizes the importance of private enterprise in achieving its primary development objective of finding productive employment for a rapidly expanding labor force. As noted in Section 4 some steps have been taken to reduce the government-imposed constraints on the economy.

While the situation for the private sector is much better in Rwanda than in many socialistic countries of Africa, it is not comparable with Ghana for example, where the government has made a major

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commitment to promote private enterprise and liberalize the economy. In Rwanda, the government is still involved at an operational level with almost every facet of business including registration, recruitment, access to raw materials, foreign exchange, credit, etc. This involvement is pervasive and limits private sector expansion. Therefore policy dialogue will continue to play an important role in creating the enabling environment for private sector growth so that GOR's own goals can be achieved.

- c. Rwanda Has too Many People and too Few Resources; Thus There is a Need to Increase Agriculture Productivity and to Look into Productive Options Outside Agriculture.

Population density on arable land is the highest in Africa; per capita GNP of approximately US\$ 300, is among the 40 lowest in the world; full-time non-agricultural employment currently absorbs less than 5% of the labor force. Increasing agriculture productivity is an imperative. The expansion of the arable land base has been used in the past to maintain economic growth and food security. This will no longer be possible; it is of utmost importance to improve soil fertility and crop yields. It is also essential to keep an emphasis on increasing off-farm employment.

- d. Access to Foreign Exchange Imposes Limits to Growth; Hence Export Promotion and Foreign Investment Mobilization Must be a Fundamental Element of Private Enterprise Strategy.

Foreign exchange availability is an important constraint to growth in the formal Rwandan private sector. Because Rwanda is dependant on coffee for 80% of its export earnings it is highly vulnerable to fluctuations in world coffee prices. With the recent collapse in coffee prices it has become increasingly evident that Rwanda must diversify its export base. Other countries such as Ghana have been successful in introducing programs to promote non-traditional exports. These schemes include special incentives such as allowing non-traditional exporters to retain up to 45% of their export earnings in foreign exchange retention accounts. A similar program might be tried in Rwanda to promote exports of high value fruits and vegetables, spices, nuts, essential oils, ornamental plants and cut flowers, etc. Foreign investment will be required to provide the necessary capital and technical expertise where needed.

6.2 MAPS Will Seek to Identify Many Different Strategy Initiatives.

Five pillars of strategy emerge as critical components of an overall private sector development strategy.

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a. Promotion of an Enabling Environment for Private Enterprise Via Policy Dialogue

A schematic representation of the role of the enabling environment for private enterprise growth is presented in Exhibit 10. Sound policies encourage long-term investment and channel scarce credit and foreign exchange to productive enterprises. The government should promote an aggressive local private sector that is interested in export opportunities and partnership with foreign investors. The result would be to create jobs, generate foreign exchange, and yield profits and increase government revenues. It also produces additional savings and profits to be channeled into further investment. These in turn reinforce a more stable enabling environment. A good enabling environment promotes a virtuous circle of growth and employment generation. Fostering this environment through policy dialogue with GOR has been a central theme to USAID. This policy dialogue should continue, with a focus on themes related to increasing agriculture production, managing population growth and lifting policy constraints to small, medium and micro enterprise development (to be identified in Phases II, III, and IV of MAPS).

b. Focus on Employment Generation

The focus on employment generation should lead to an emphasis on effective policy reforms which promote agricultural sectors (especially as it relates to the production of non-traditional products) as well as productive off-farm employment through the development of small, medium and micro-enterprises.

c. Development of Entrepreneurship

Supporting formal education and practical training can be a first step in fostering entrepreneurship. The development of true entrepreneurship in Rwanda requires the existence of an enabling environment that encourages the transformation of new ideas into profitable proposals. The Private Sector Diagnostic Survey will identify areas of opportunities. The development of a successful entrepreneurial class will also need help in data collection, business plan preparation, feasibility studies, management training and project financing.

d. Study the Possibility of a Free Zone in the Service Sector

Free zones should be promoted but are not likely to attract international investors in the industrial sector. Major constraints prevent Rwanda from offering competitive incentives that would attract foreign investors in industry (land-locked, lack of natural resources, etc.) This situation is very similar to Switzerland. Like the Swiss and with a good incentive system, Rwanda could promote a free zone in the services sector. Free zones have demonstrated an ability to generate significant

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employment and foreign exchange over relatively short periods of time in other countries. Rwanda could focus on the services sector and strive to become a major center in East and Central Africa that offers competitive conditions in banking, insurance, data entry, airline reservation data processing centers, etc. The private sector assessment will explore constraints to growth and help identify potential interventions in this area.

e. Intensification of Agricultural Production

Agricultural and fishing production can be increased through the better understanding of what agricultural engineering (biotechnology) and other technologies can do. This will help increase rural income and agricultural productivity as well as off-farm employment opportunities in the rural areas. USAID has already decided to focus on generating and extending production-increasing technologies. A study (through firms such as the Cambridge, MA based International Biotech, Inc.) on opportunities in biotechnology and other technologies transferable to Rwanda can be done. In the U.S. many biotechnology firms have technology that are being used for a specific industry and that can well be very effective in Rwanda. International Biotech, Inc. may be able to establish an inventory of all these opportunities available that could help increase agricultural production through biological engineering and other methods of agricultural research and technology development. This study can substantially increase the research capability of the Institut des Sciences Agronomiques du Rwanda (ISAR).

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7. MAPS IMPLEMENTATION

The MAPS Phase I activities, which included careful interviews with the USAID Mission officers, GOR officials and business community leaders, helped determine how subsequent activities related to the private sector assessment would proceed. A number of important elements were tailored to the requirements of USAID-Rwanda:

7.1 The Private Sector Description (MAPS Phase II) Will Focus on the Micro-Enterprise Sector.

While data on the micro-enterprise sector is notoriously inadequate, an effort will be made in the description section (MAPS Phase II) to provide USAID new data on this sector. Attention will also be given to commercial cooperatives and other NGOs. J.E. Austin Associates, for the first time will not be subcontracting this private sector description phase. Our field visit and our efforts have already uncovered a number of fairly recent data on this sector.

7.2 The Private Sector Diagnostic Survey (MAPS Phase III) will give a special emphasis to the informal sector.

An important characteristic of the Rwandan economy is that the majority of Rwanda's overwhelmingly rural population is employed in agriculture. The non-agricultural sector is still relatively young and underdeveloped. Modern industry currently provides full-time employment to only 40,000 Rwandans. The size and characteristics of the private sector in Rwanda, compared to other sub-Saharan African countries, means that the sample size had to include a large number of small and micro-enterprises. A total of 200 out of 260 enterprises represented in the sample frame are informal or micro enterprises, i.e. employed less than 5 people and have a total asset of less than FRW 2,000,000. The survey language (translated into French and Kinyarwanda) has been adapted so that it will be easily comprehensible to this group. (see Annex 5)

7.3 MAPS Diagnostic Survey (MAPS Phase III) Will Focus on Sectors of Priority to USAID-Rwanda.

The survey will focus on the following sectors:

- . Commercial agriculture including non-traditional crops such as fruits and vegetables
- . Aquaculture and fishing
- . Agro-processing
- . Tourism

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- . Micro-enterprises
- . Commercial cooperatives
- . Other services, principally transport services of relevance to agriculture
- . Manufacturing.

Since many of the enterprises in these sectors operate outside urban sectors, over 50 percent of the sample will come from outside Kigali. The primary and secondary towns included in the survey are: Butare, Gisenyi, Ruhengeri and Gitarama.

7.4 A Computerized Data Base on the Private Sector Diagnostic Survey (MAPS Phase III) Will also be Developed.

The result of the Private Sector Diagnostic Survey will be compiled by the MAPS team and the local sub-contractors. Cross-tabulations of specific responses, using as control variables firm characteristics (sector of operation, size, asset, ownership), will be made. In addition to producing hard copy outputs, the team will provide the Mission with a diskette of a database of codified responses. This will allow the Mission to check their assumptions if in the future they decide to extend the Mission focus.

7.5 A Computerized Data Base on the Rwandan Private Sector Leaders Will be Developed.

The private sector assessment team will compile comprehensive lists of the key entrepreneurs, Africans and expatriates, in each of the major sectors in the economy. These lists will be compiled during the description of the private sector. They will be incorporated into a data base software package which will enable the Mission to access and update information on important actors in private enterprise. This process will systematically widen the network of contacts in sectors of interest to USAID. Mission staff, with enormous project management responsibilities has limited time. The MAPS team will assist in leveraging this limited time by identifying and screening leaders for dialogue sessions, aiming at ensuring that each session will contribute substantially to USAID officers' understanding of the private sector.

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7.6 Informal Dialogue Sessions (MAPS Phase IV) With Key Leaders Will Precede the Focus Groups and Take Place Throughout the MAPS Process.

The MAPS team will work continuously between October and January, touching base with various groups of entrepreneurs. Thus, even before the formal dialogue sessions begin, the Mission will have a chance to get together with small groups of entrepreneurs and sound them out on issues of mutual interest. This will help widen the net of contacts available to the Mission and enrich the description and survey processes. Dialogue sessions and focus groups will be organized and formats modified to fit the special needs and requirements of micro-enterprises.

7.7 Focus Group Sessions Could be Organized With the Collaboration of UNDP's Private Sector Conferences.

During a meeting with Mr. Eduard Wattez, the Resident Director of UNDP, the team explored the possibility of organizing jointly the third Conference on the Private Sector. This conference is scheduled to take place in January, around the same time the MAPS process will reach the Focus Group Session phase. A joint organization will further USAID involvement in the private sector promotion process. In addition, it will be more effective to call on private sector leaders, donor agencies and government officials no more than once to discuss issues affecting private sector development.

7.8 MAPS Will Assess Strategic Options According to a Set of Key Criteria.

The private sector assessment will seek to identify a full menu of options and then evaluate those options according to a set of criteria, including:

- . Impact on rural employment
- . Impact on enabling environment for private enterprise
- . Impact on agriculture
- . Impact on women's role in development
- . Impact on foreign exchange generation
- . Impact on growth in Rwandan entrepreneurship
- . Impact on access to credit
- . Consistency with expected USAID level of resources and staff capabilities

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- . Short-term vs. long-term impact
- . Existence of local Rwandan private sector leadership ("catching vs. creating the wave")
- . Likelihood of GOR support/agreement
- . Complementarity with other donor efforts
- . Administrative feasibility (existence of implementing agents with requisite institutional capabilities)

7.9 MAPS Team Will Provide Substantial Ongoing On-Site Management

MAPS team representatives will be on site approximately half time between September and January to supervise MAPS implementation. The proposed schedule for the description, survey dialogue and strategy development segments of the MAPS exercise can be found in Annex 7.

8. CONCLUSIONS

The following are conclusions from the MAPS-Phase I study in Rwanda:

- a. Structural adjustment is needed
- b. The private sector enabling environment needs to be improved substantially.
- c. USAID-Rwanda currently see private sector as a target of opportunity rather than an objective
- d. While other donors help GOR with macro policy, USAID can play a unique role at the sectoral level. The absence of a French speaking economist makes it hard to get very involved in macro-policy.
- e. Rwanda's private sector is mainly in the informal sector
- f. Rwandan business associations do not effectively represent private sector interest vis-a-vis government.
- g. An effort should be made to target Rwandan women in the private sector and to pay special attention to sectors where women have traditionally played a role.

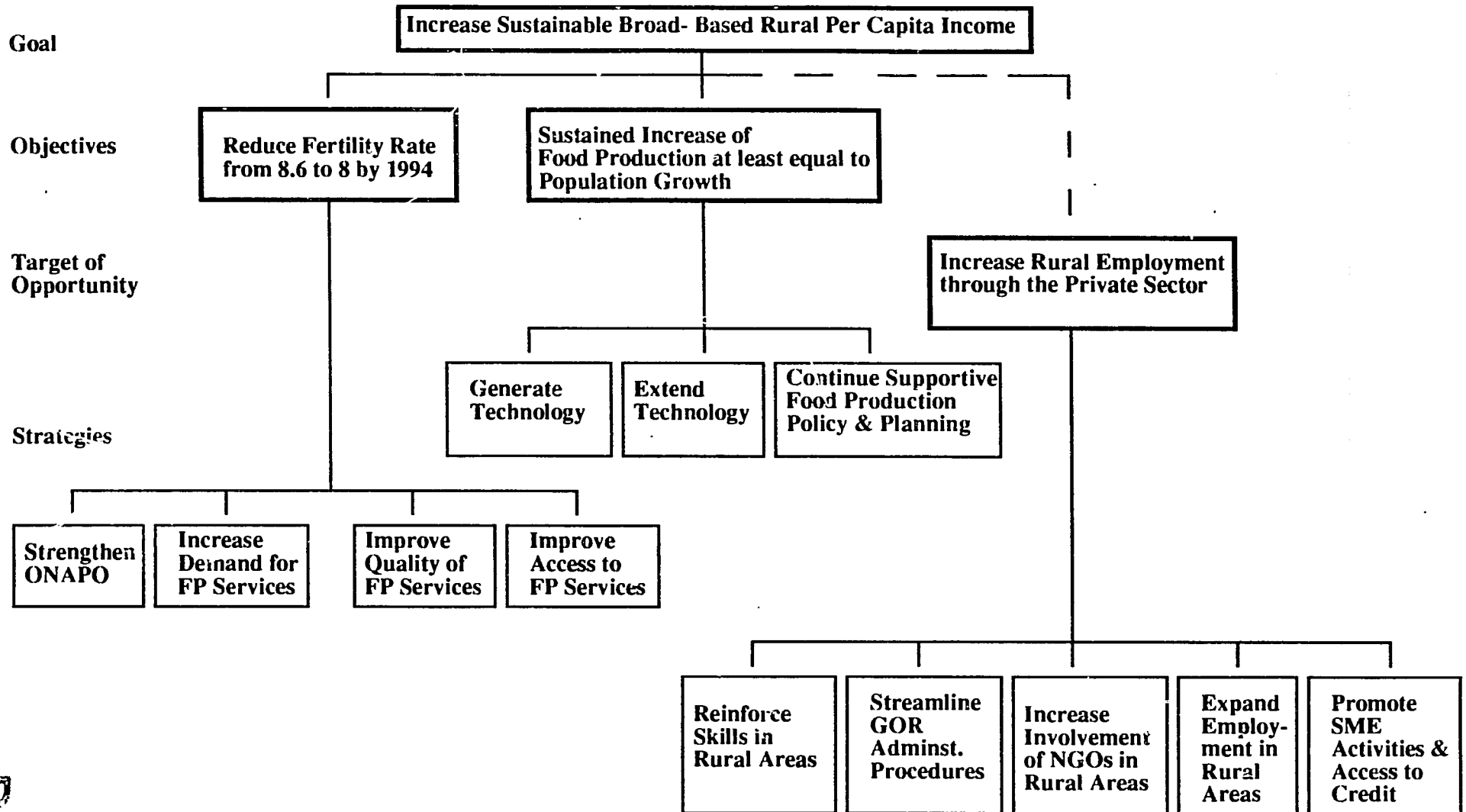
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List of Exhibits

1. Mission Goals, Objectives and Strategies
2. USAID/Rwanda Project Inventory
3. USAID/Rwanda Budget Analysis
4. Bureau Guidance
5. AID's Management Objectives Under the DFA
6. Bi-Lateral Commitments to Rwanda by Donor
7. Total Development Assistance to Rwanda
8. Distribution of Donor Assistance to Rwanda by Purpose 1987
9. 5 Pillars of Private Sector Strategy
10. Private Enterprise in Rwanda: The Virtuous Cycle

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Exhibit 1
Mission Goals, Objectives and Strategies
USAID /Rwanda

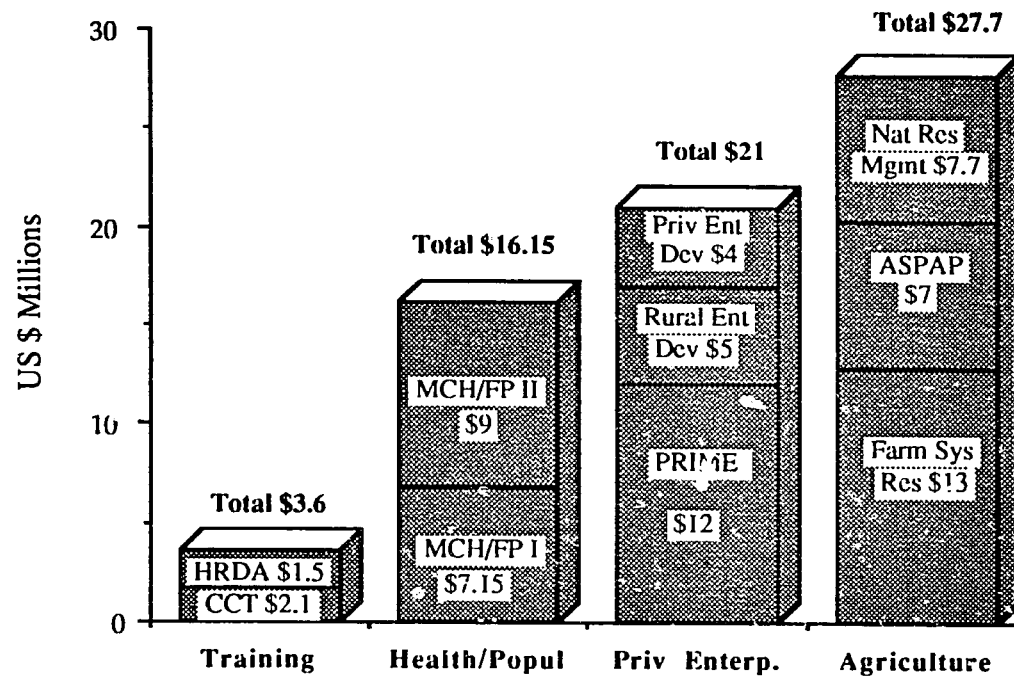


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| Project | US\$ M | Duration | Description | Strategy | Impl. Agt. |
|--|--------|----------|---|------------|---|
| Farming Syst Res | 13 | 84-91 | Farmers use of improved ag.tech. and practices in highland areas Strengthen Research & Extension Strengthen faculty of Univ. Rwanda | TA, IB | ISAR |
| MCH/FP I | 7.15 | 81-89 | Introduce Family Planning to Rwanda via Information, Education and Communication | IB, T | ONAPO |
| Private Enterprise Development | 4 | 84-90 | Management, financial and marketing skills of SME personnel reinforced | T | Technoserve |
| Cooperative Credit and Training | 2.1 | 85-90 | Increased involvement of NGOs in enterprise development. Training to cooperatives. Identification of private sector opportunities for coops. Training in accounting and feasibility studies | IB, T | IWACU Chamber of Commerce and Industry |
| Agriculture Survey and Policy Analysis | 7 | 86-89 | Improve data collection and analysis and increase role for MINAGRI in agricultural policy reform | IB | MINAGRI MINIPLAN |
| PRIME | 12 | 85-90 | Upgrade GOR capability to analyze and formulate economic policy reforms affecting private sector. Increase access of SMEs to credit via SGB. Increase promotion of SME activities. Reduce GOR administrative procedures to register new enterprises. | Policy, TA | Ministry of Finance MINIPLAN |
| MCH/FP II | 9 | 89-92 | ONAPO ability to make policy and coordinate activities in population sector is strengthened and improved. Improve accessibility and quality of FP throughout country. Increase IEC activity. Improve FP program management by involving private sector. | IB, T | ONAPO |
| Rural Enterprise Development | 5 | 91-92 | Identify opportunities for new rural enterprises. Increase involvement of NGOs in enterprise development. | TA | IWACU, PVN |
| Natural Resource Management | 7.7 | 89-91 | Protection of Rwanda's Natural Resource Base | TA | |
| Human Res Development | 1.5 | 88-95 | Various HRDA | T | |

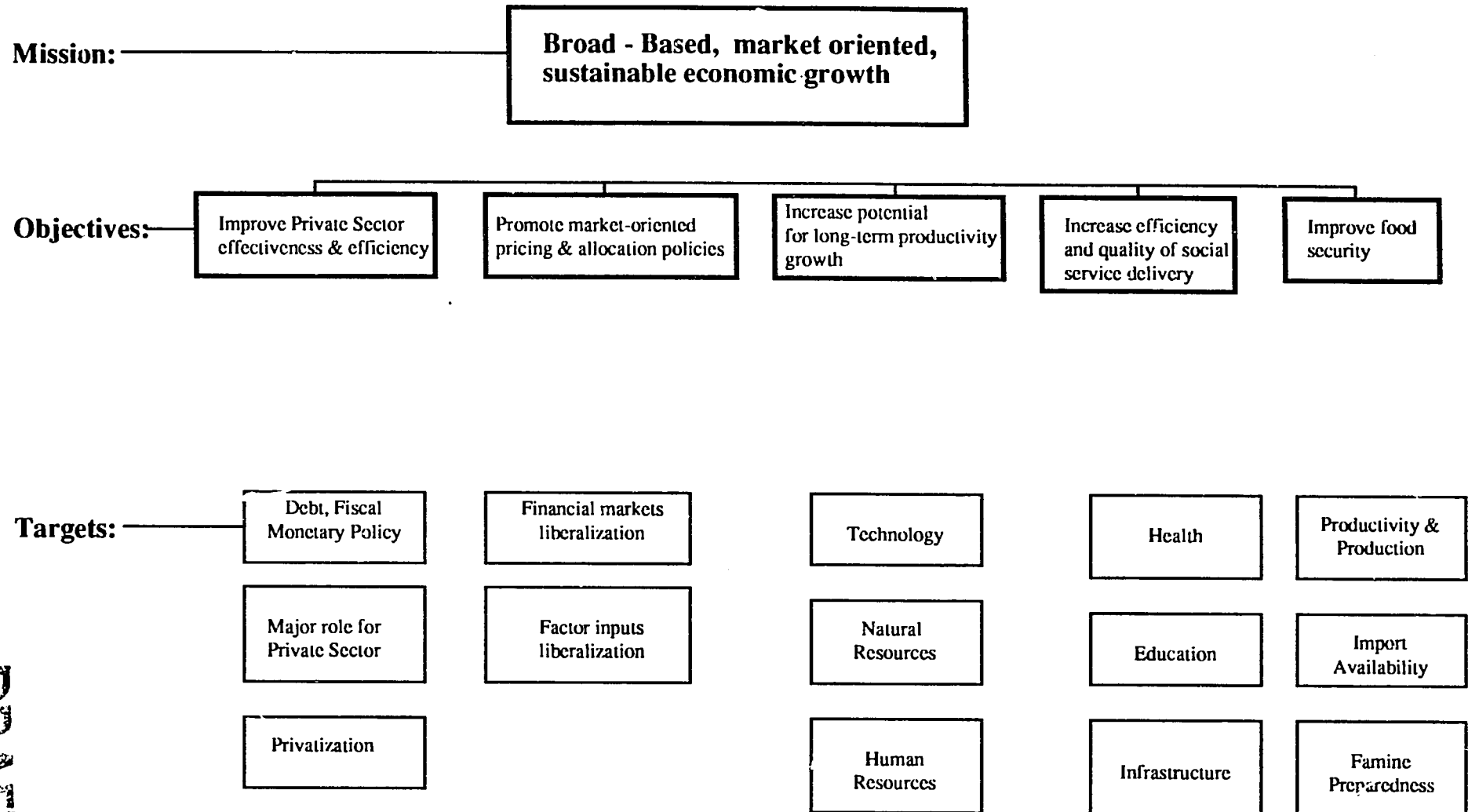
EXHIBIT 3
USAID/RWANDA BUDGET ANALYSIS
TOTAL LOP AUTHORIZATION FOR ACTIVE PROJECTS
SEPTEMBER 1989



Total Project Portfolio = \$68.45 million

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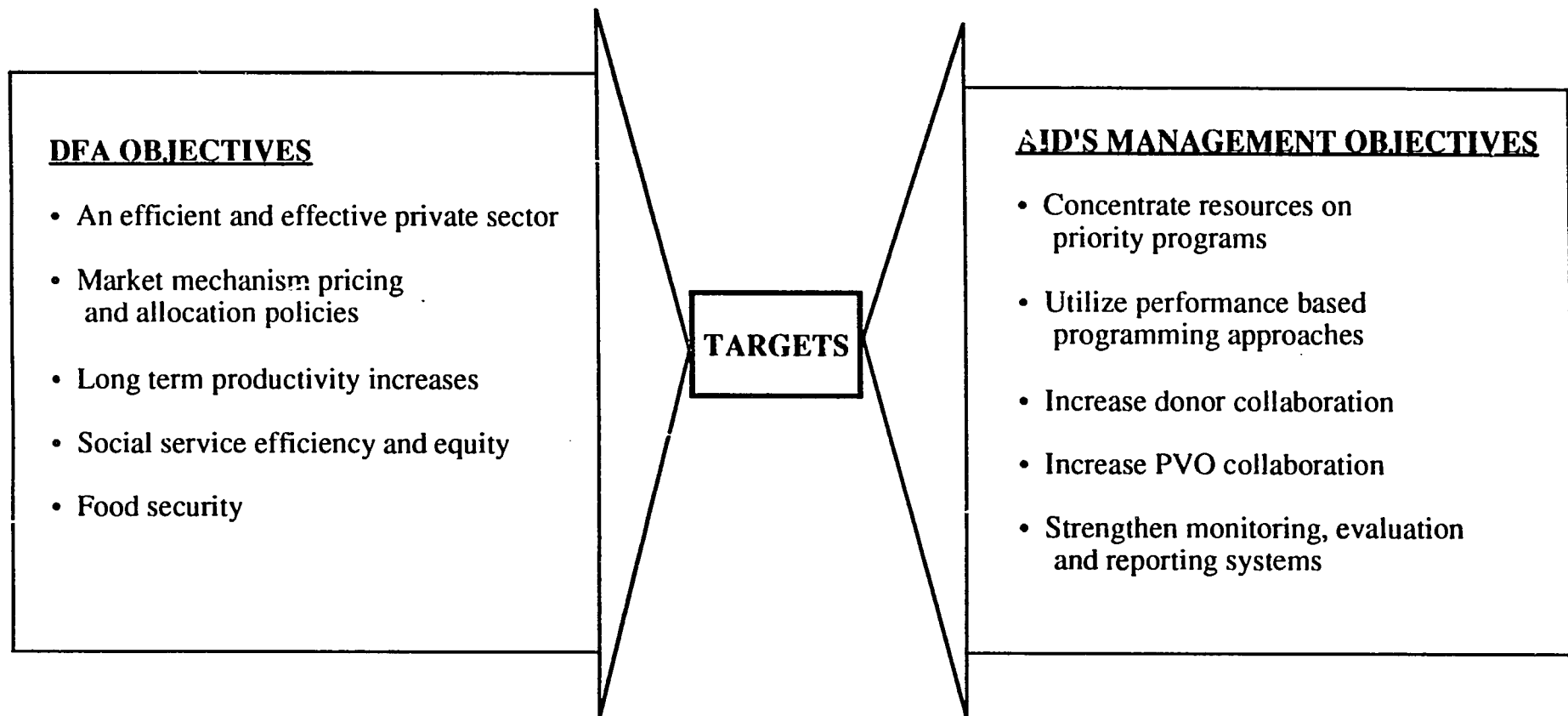
Exhibit 4 Bureau Guidance



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Exhibit 5

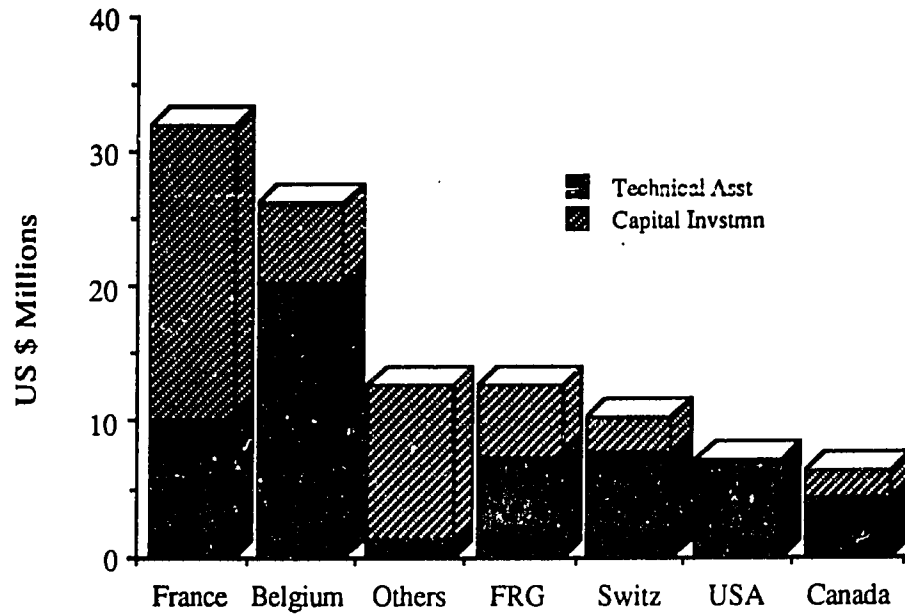
AID'S MANAGEMENT OBJECTIVES UNDER THE DFA



Source: Africa Bureau: "FY 1990 Congressional Presentation Supplemental Guidance." Cable 325903, 6 October 1988.

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Exhibit 6
Bi-Lateral Commitments to Rwanda by Donor
1987



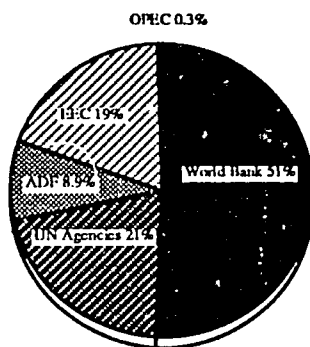
Others include: Algeria, Austria, Denmark, Egypt, Japan, Netherlands, Saudia Arabia and Sweden.

Source: UNDP: Rwanda: Rapport 1987, July 1988.

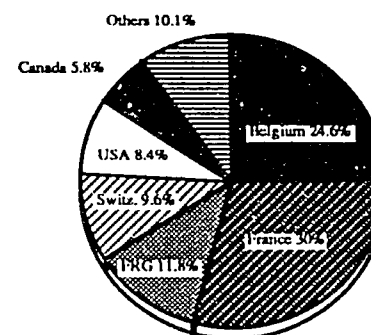
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EXHIBIT 7

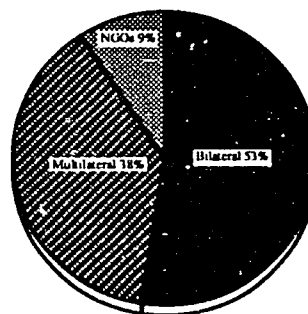
TOTAL DEVELOPMENT ASSISTANCE TO RWANDA: 1987



Total Multilateral \$76.7 Million



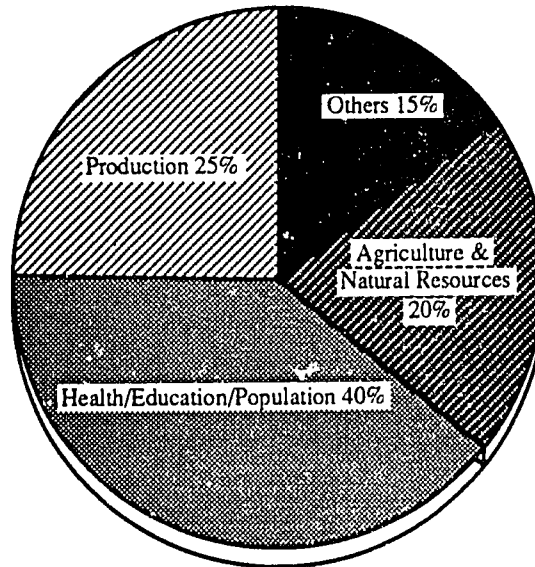
Total Bi-Lateral: \$107.2 Million



Total Development Assistance: \$202,681,971

Exhibit 8

Distribution of Donor Assistance to Rwanda by Purpose 1987



Total Development Assistance 1987: \$202,681,971

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Exhibit 9

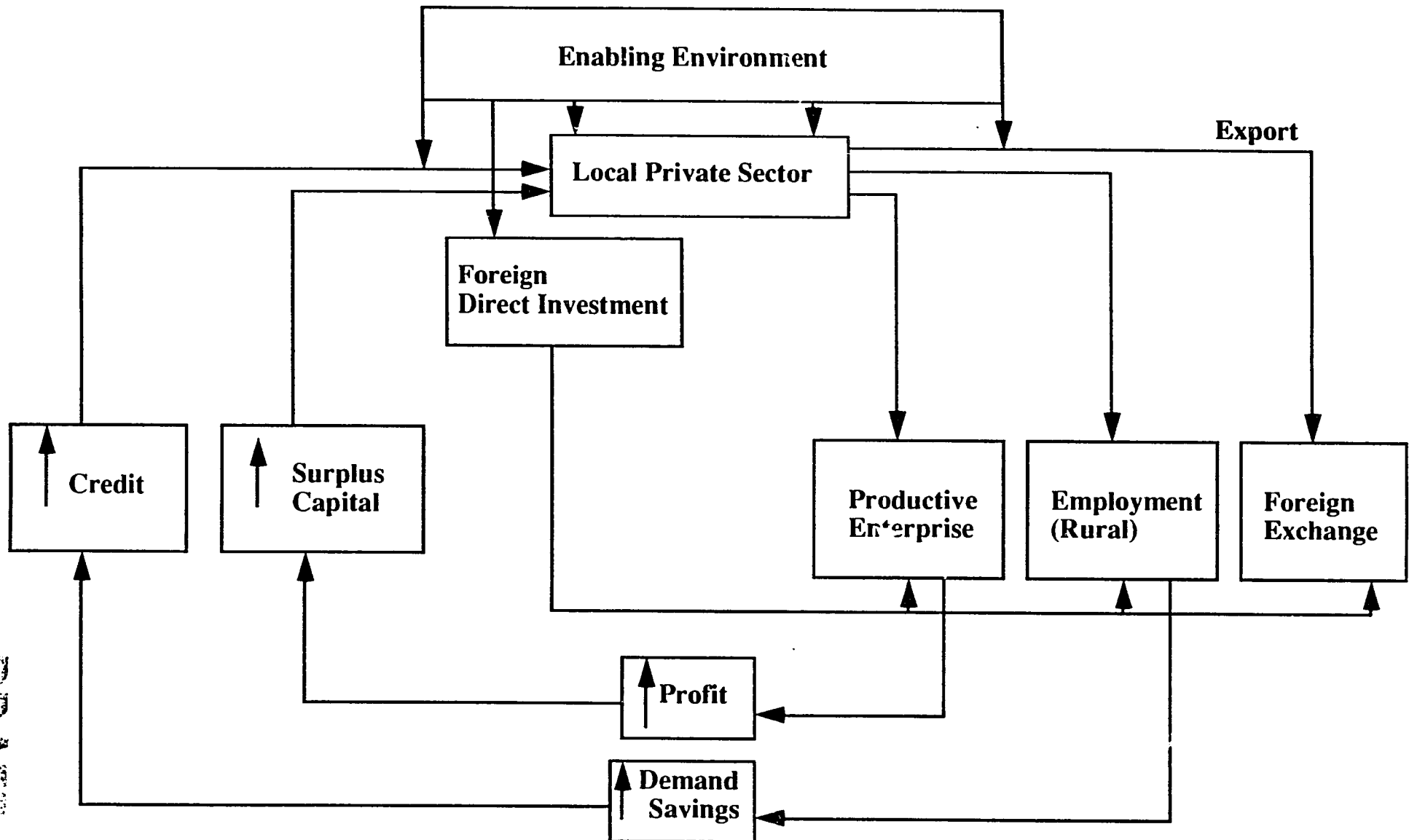
5 PILLARS OF PRIVATE SECTOR STRATEGY

- 1. Promoting an enabling environment for private enterprise via Policy dialogue**
- 2. Focus on employment generation**
- 3. Development of entrepreneurship**
- 4. Study the possibility of a free zone in the service sector**
- 5. Intensification of agriculture production**

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Exhibit 10

Private Enterprise in Rwanda: The Virtuous Cycle



List of Annexes

- 1. Memoranda of Interviews**
- 2. Scope of Work for the Private Sector Description**
- 3. Scope of Work for the Private Sector Survey**
- 4. Scope of Work for the Project Monitor**
- 5. Sampling Methodology for the Private Sector Survey**
- 6. Survey Instrument**
- 7. Schedule of MAPS Activities in Rwanda**
- 8. List of Persons Interviewed by the MAPS Team**
- 9. The Authors**

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A N N E X I

Memoranda of Conversation

Introductory Meeting with the USAID Project Development Office

Date: September 11, 1989

Participants: Henderson Patrick (AID Project Development Officer),
Bonaventure Niyibizi (Private Sector Officer),
Daniel Mivumbi, R. Jantio, P. Boone, and M.
Grossman

1. The mission has made a lot of progress in understanding the private sector. The Action Plan and the current CDSS (1987) define the mission goal and strategies. The goal is clear: "to increase broad-based and sustainable rural per capita income". Consistent with this, the current Mission portfolio encompasses three sectors, that are represented by three boxes in the Action Plan:

1. Family Planning: reduce fertility--in line with GOR goal of reducing Rwandan population growth.

2. Private Sector: Mission emphasis on private sector economic growth in rural areas and increased productivity and employment in off-farm activities.

3. Agricultural: sustained increase in agricultural production.

The Mission is constrained by AID-Washington view that Private Sector should, for the time being, be a "target of opportunity". The document submitted to Washington therefore has only two strategic boxes i.e. reduction of the fertility rate and increase agricultural production. This decision is justified by the desire to wait for the results of the MAPS exercise. Section 2 of the Action Plan is thus going to be rewritten to reflect the chart.

The role of the Mission in the Private Sector is not clearly defined: hence a MAPS exercise and an ATI Study.

2. Mission currently has three (3) projects in Private Sector.

a. PRIME (Program of Initiative for Reform of Manufacturing and Employment).

Under ageis of African Economic Reform Program (AERP), this program addresses policy level constraints not addressed by projects--in actuality it consists of "buying policy adjustments." PRIME has budgeted \$12 million for reform of fiscal policy, tax policy and simplification of registration process as well as pricing reforms. But these reforms were determined before studies were made. GOR has matched disbursement in local currency. PRIME Funds are released in 3 tranches, although \$2 million has been set aside for long term technical assistance. \$7 million has been released already. Almost none of the original release conditions are

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currently relevant. One is still valid: streamline business registration procedures. Mission needs to define conditions for release of third tranche. Mission is considering the following:

i) Small Business Set Aside: Set aside Rwandan procurement for small businesses. There is a question about the efficiency and implementation of this. Mission will have a SME expert from the USA and REDSO to determine its efficiency.

ii) Simplification of Small Business Procedures (mainly for registration)

iii) Investment Credit Fund: Provision of credit and counseling and new ideas and assistance to entrepreneurs.

Overall, AID-Washington is suggesting tying final tranche to World Bank structural adjustment. PRIME will not represent the Mission's long-term private sector strategy.

b. Private Enterprise Development Project

Project implemented by Technoserve and aimed at providing advisory services. Initially the focus was on SMEs and private entrepreneurs, although currently the focus is on cooperatives and training. Technoserve felt it was not accomplishing much in the area of SMEs although the Mission has questions as to the level of effort expended. Technoserve is moving towards cooperatives although this has caused friction with the GOR, especially IWACU, the cooperative institute which feels its turf is being encroached upon. GOR View: promotion of cooperatives is the method for developing private sector. Technoserve project will be evaluated in October 1989. Evaluation will help determine Mission long-term private sector strategy. Technoserve has problems with GOR, who is questioning the fact that the project did not lead to employment generation. Technoserve assistance due to end June 1990.

c. Cooperative Training Project

Project aimed at assisting cooperatives with training and management in conjunction with CLUSA and IWACU. Funding is provided jointly by USAID and Swiss Development Agency.

3. The private sector is small and Bonaventure has extensive knowledge of it and is well connected. Mission has \$5 million over 3-4 years to develop Private Sector Projects. Question is whether private sector should remain a Target of Opportunity or should it be a larger strategic objective. Historically, Mission is not interested in large enterprises due to focus on employment creation. Mission feeling is there is more chance to create employment in SMEs. The Project Office needs input for new projects. PID will be designed in March 1990.

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Meeting with: Emmanuel Braun, Informal Sector Expert of International Labor Organization.

The informal sector can be estimated at 80% of private sector. There are no statistics on the informal sector available in Rwanda now. The best statistics are available from the ILO in Geneva. Estimated 4000 informal enterprises in Kigali and 1000 in each of the other major cities (Butare, Ruhengeri, Gisenyi). According to ILO definition: SMEs=less than five employees. In Rwanda there are artisanal association that help guarantee loans from banks to SMEs. Braun feels a lot of enterprises stay in informal sector because it pays better and there are less hassles. Feeling that informal sector artisans can earn more than 500 RwF/day.

Meeting with: Ms. Joan La Rosa, AID Health and Family Planning Program Officer

1. Projects in the Family Planning Portfolio include:

a. MCH/FP

Started in 1981 due to run until 1990. \$7.715 million. AID started family planning program in country. Emphasis on IEC--Information, Education and Communication. Project is in conjunction with ONAPO--semi parastatal organization under the Ministry of Health--pushing for national 4 child norm. Current fertility rate is 8.2 with population growth at 3.7-3.9%.

GOR recognizes need for Family Planning and policies are helpful to Family Planning. Ministry of Health, thru ONAPO provide FP services free of charge to all who are interested. AID-Washington provided one million condoms to Rwanda.

There is an AIDS problem in Rwanda, especially in urban areas. GOR and USAID did a national HIV survey. Findings are alarming: 27% prevalency rate in urban areas; 3-7% in rural areas.

Two problems: poor contraceptive and information distribution in rural areas and there is no coordination between FP and AIDS initiatives.

b. MCH/FP II

\$9 million with a focus more on services. Wish to meet GOR's "demographic imperative." A Columbia University team trained 17,000 people in providing family planning information. Private Sector more heavily involved in MCH/FP II. 70% of health centers

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around country are run by religious (Falls into Rwandan definition of private sector) organizations. ONAPO is willing to work with private sector.

1990: AID will undertake a demographic and health survey.

Overall FP objective: by 1992 a 4% contraception rate.

Meeting with: Paul Crawford, AID Agricultural Officer

Agricultural Portfolio includes no private sector activities. Currently involved in agricultural research and agricultural statistics. Also involved in Natural Resource Management which includes promotion of aquaculture with public sector extension services; and, environmental planning and conservation of forests. GOR places great emphasis on reforestation--program of Umaganda--"voluntary" public service every Saturday to replant trees. Finally USAID is working to develop an agricultural university.

USAID view: Ag policies in Rwanda are not as much of a constraint on ag sector as in other countries. However, ag policy could improve in terms of investment policy.

In the coming year there will be an Agricultural Sector Assessment with efforts by the World Bank.

The greatest problem in agricultural sector is land tenure--country is running out of arable land. Second greatest constraint is transport of products--1500 km to closest port.

In the area of AGRIBUSINESS there are no large estates, most farms are small holders averaging less than 2 acres. There is a major tomato processor buying products from 10,000 small farmers. There is also some private capital in factories that produce milk and dairy products as well as processing fruit into juices.

Policy base needs to be developed to stimulate private sector investment in agro-processing.

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Meeting with: Mr. Kanimba, Director-General of Statistical Service
of Ministry of Planning

1. Statistical service is willing to help MAPS Team in whatever ways possible. The survey instrument must be approved by Ministry of Planning. Is aware that we are interviewing local firms to carry out survey. Pressures MAPS team to choose GENIE. Alludes to possible difficulties in approval if GENIE is not chosen. Jantio is firm. Kanimba informs MAPS Team he is shareholder in GENIE.

2. Grossman to return the following day to gather statistical information.

3. Mr. Kanimba did a study on the SOEs reforms under the supervision of the current General Secretary of the Ministry of Transport.

Meeting with: Ms. Barbara Howard, Acting Mission Director

1. AID concentration on SMEs.

The traditional informal sector is very large and USAID projects trying to reach this areas. Mission goal: Increase rural off-farm income and employment. AID Washington told them not to put too much emphasis on private sector. Still Mission identifies Private Sector as the mechanism and mean with which it will achieve its long term goals.

2. In Rwanda the private sector should be defined as private enterprise, churches and other NGOs. Feeling that because of this definition, AID-Washington misunderstands Rwandan private sector.

Mission would like to take all private sector activity and pull it into one coherent Rural Enterprise Development Project.

AID-Washington feels \$8 million not enough o have large impact on Private Sector. Must complete MAPS and ATI Assessments first.

Major interest both in Mission and AID-Washington to include gender issues in projects.

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Meeting with: Mr. Bernard Taillefer, Director General of the Banques Populaires

1. Major problems that impede a stable growth are:

- . Heavy administrative procedure that usually encourage corruption
- . Lack of marketing skill
- . Lack of ability to negotiate with foreign suppliers (Rwanda imports two times more than it exports. Imports can be reduced if prices and conditions are better negotiated.
- . Lack of management skill
- . Lack of capital and credit

2. Plan of Action and Recommendations

i) Creation of a national venture capital firm (Like the Societe Nationale d'Investissement that one sees in other countries). This institution could be used to bring fresh capital to emerging business that show potential for profits. It could also channel funds from donor agencies to the private sector. Its role should go further than addressing the lack of capital and credit, to include advisory services in management, accounting, business development, business plan, etc.

Today the banking system is overliquid due to credit ceiling system and a good savings collection mechanism (through the Banques Populaires). The Banques Populaires for example has collected a lot of money. A venture capital firm could transform the liquidity from a short-term to a longer term finance tool that could assist emerging firms in manufacturing, agriculture, etc.

ii) Better management of imports. The prices of imported goods increases day after day essentially because of the high transportation cost. It could be possible to manage the imports by centralizing purchasing. The Central Bank plays more of a policing role. A more proactive one would require the assistance of organizations such as the BITEC (Bureau International d'Etudes de Commercialisation), a Paris-based organization (address: 23 rue du Renaud, 75004 Paris, Tel. 42.72.53.26) that use networks and knowledge to buy imported product for Congo.

iii) Promotion of a productive private sector (manufacturing and industry) especially in the areas of adding value to local raw material (wood, coffee, etc.). Agro-industry offers many opportunities to increase the national value added. Another area that could be promoted is the informal sector. Constraints facing the informal sector include lack of capital and collateral, lack of training, lack of management skills and lack of tenure to land. It is important to note that the last one directly touches the informal sector, the better and more productive it is. A good example is what happen to KORA (artisans) when the World Bank throw in a lot of money and succeed only in attracting people who were hunting for free lunch. They should have focus only on training.

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Meeting with: Mr. Claudien Kanyarwanda, Directeur-General Adjoint
Magasins Generaux du Rwanda (MAGERWA)

MAGERWA appears to function as a de facto customs agency for the GOR. Although nominally a mixed enterprise, it is closer to a government owned agency with ownership structure as follows: 78% in Central Bank, 6.7% each on Bank of Kigali, Commercial Bank of Rwanda and GOR.

MAGERWA monitors all imports and exports and taxes them for the gov't. GOR receives approximately 30% of revenues from import taxes. MAGERWA also provides storage facilities.

Kanyarwanda is also Director of Association of Rwanda Employers (AER), which "defends the interests of employers." There are approximately 600 members, but the veracity of this figure is doubtful. AER recognizes registration of business as the largest constraint for employers in Rwanda. In this light, they organize seminars to instruct on registration procedures and also management skills.

Meeting with: Ms. Collette Mukangiliye Craven, Economist and Pre-Investment Officer, Resident Mission of the World Bank

The World Bank estimates that 60% of Rwandan GDP is private. Feeling that agro-processing, services, hotels, international transport, travel, insurance, car repair and commerce are all dominated by private sector. Except for rice, sugar, tea, coffee and milk, all other agro-processing is private; this includes processing of tomatoes, jam, juice and beer.

However, GOR is the largest employer in country.

Problems in Rwanda: Overvalued currency, poor agricultural harvest, lack of FX, poor terms of trade and large budget deficit. Deficit (1988) = 4.77 billion RwF, or 3% of GDP. This percentage will increase as GOR deficit increases faster than GDP.

World Bank priorities: privatization of public agencies, attracting investment and revaluation of RwF.

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1988 Direct Foreign Investment: 50,393 million Rwf (?)

No great statistics on Rwanda available. GOR has no systematic methodology for collecting data. WB recommendation (1986): improve methods for statistical record keeping. So far, little has been done.

Meeting with: Mr. Tom Marten, Vice Counsel, Embassy of USA

Coffee and teas account for 90% of exports. This year coffee harvest failed because of insecticide delivery problems that led to arrest of Minister of Finance. Result was decrease in quantity as well as quality in the face of falling world prices. Embassy predicts 2 years of rockbottom international coffee prices. Over period 1985-88 GOR borrowed \$100 million to subsidize coffee prices. If not subsidized farmers would not produce coffee but bananas and sorghum which can be directly consumed or sold on local markets. However, this does not jibe with GOR's foreign exchange earning needs and coffee is the largest FX earner. However, paradox is the subsidization has caused GOR to draw down FX reserves to only one month import coverage (\$40 million). Had to take short term high interest commercial bank loans to subsidize producer prices. GOR on verge of economic collapse and will most likely seek World Bank structural adjustment help. Meeting scheduled for October 1989.

Tea has been doing better, currently accounts for 14% of exports (value).

Meeting with: Mr. Augustin Ngirabataware, Director General of Industry, the Director General of Planification at the Ministry of Industry

Mr. Ngirabataware understands and is knowledgeable about the private sector from his experience working on the USAID PRIME project. But he has several questions: Under what Ministry is the MAPS process contracted? DG feels that without invitation/sponsorship of technical ministry, it will be difficult to carry out process. Permission is required. In addition, would like to see Term of Reference for description. The MAPS team replies firmly that is not possible.

DG sees the following as major constraints to private sector growth in Rwanda:

1. Administrative Formalities: this is the most difficult aspect. Decision-making and approval process is very fragmented and thus takes a long time for business

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registration. A solution to be studied would be the creation of a one stop-shop for business registrations. The positive attitudes of the Directeur de l'Industrie is accompanied by a very negative one toward the private sector entrepreneurs who constantly seek free lunch and tax evasion.

2. Market Research/Information: Rwanda is a very small market and that limits its attractiveness to potential investors. Attractiveness is further limited by lack of qualified personnel to conduct feasibility studies or market research. Market conditions must be known before investment decisions can be carried out. There is both lack of personnel and lack of financial resources.
3. Finance: There is very limited competition in the banking sector. Very difficult, expensive and complex procedures for gaining access to credit. Also very little credit available to SMEs.
4. Infrastructure: The government must provide proper infrastructure for industrial development. There are questions about the viability of industrial zones. GOR lacks financial resources to rehabilitate industrial zones--estimated at 2.5 billion RwF.
5. Availability of Raw Materials: Rwanda lacks almost all raw materials. Even agricultural resources are inadequate for agro-industrial applications. More than 1/3 of industrial matter must be imported. Typical example: Rwandan cigarette manufacturing company must import all its tobacco.
6. Rwanda is landlocked: Transportation costs are so high as to make Rwandan products non-competitive in neighboring countries.

However, if you ask this question to 10 ministers you will no doubt get 10 different answers. Gov't needs to decide where to prioritize development. Rwanda was not developed at all by Belgium and is just now getting on the development track.

There is interest in both export and investment promotion councils. Also would like to see establishment of a "Bureau Privee." Does not see devaluation of the RwF as a way to become more competitive. Realizes monetary adjustments are necessary but need better planning before undertaking programs.

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Meeting with: Mr. Bera, Director General of Rwandex, and Mr. Michel Descamps, Directeur Financier

Rwandex is 55% public. Exporter of coffee. Also in joint venture with British firm--Rwandex-Chillington to produce and export hoes and other ag tools.

1. Constraints to Growth

Greatest constraint to Rwandex is access to foreign currency to import machinery and inputs, especially in times of low coffee prices.

Size of domestic and regional markets is also a great constraint. Combine this with the facts that all Central African countries produce substitutable products and the overvaluation of the RwF and it is clear why Rwanda does not export too much.

Competition (political) between Rwanda and Burundi limit inter-country trade. Rwandex-Chillington has had some recent success exporting hoes to Kenya. But to expand any more, need political action in favor of free trade, namely devaluation of RwF to make products regionally competitive. Also transport costs typically account for 30% of product price.

2. Plan of Action and Recommendations

- * Step in the right direction would be to develop Chamber of Commerce so that it actually represented the interests of business, not public officials. The Chamber of Commerce could represent all the interests of Rwandan business--from SMEs to industry.
- * Creation of a Clearing House for imports and exports
- * Transportation: negotiation with other airlines so that they can come to Rwanda. This should increase supply and reduce the price, thus helping in solving the landlocked problems of the country. Now for example, the transport between Mombassa and Kigali by road add 30% to the cost.

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Meeting with: Mr. Thaddee Bagaragaza , Director General of
Tabarwanda and President of the Societe Rwandaise
d'Assurance

1. Constraints to Growth

- * Rwanda is an agricultural country. Approximately 80-90% of the working population work in that sector. A major constraint today is that there is no more land. It is therefore necessary to seek ways to promote industries and services. But what industry?
- * Overcapacity: the capacity utilization in Rwanda is about 1/3. This means that the country can produce 3-4 times more today and with the same equipment. The problem is that there is not enough demand since the market is very small. For example, last year, Tabarwanda was producing about 50,000 cigarets/months. Today it produces only 40,000. The market is too small and the purchasing power too limited. The problem is compounded by the fact that Rwanda is landlocked which has big consequences for raw material availability and price increases.
- * While creating industries, it is also important to develop and increase the country's purchasing power.
- * Need for well trained labor.
- * Limited use of money.

2. Plan d'Action

i) A far reaching proposition will be the regional integration. Adam Smith's comparative advantage theory can be very well illustrated in a case like Rwanda and the surrounding countries. A regional integration will solve some major internal and external constraints such as the high prices that characterizes a low volume firm in a typically high-volume industry. The example of Tabarwanda is illustrative of this situation.

ii) Export Promotion

Today Rwanda imports 2 times more than it exports. The price of its cash crops is falling--reducing the country's ability to pay what it imports. This is why promoting export is of utmost importance. It is for instance necessary to eliminate the consumption tax on exported products. In other countries, such a tax is reimbursed upon proof that the product has been exported. The same measure is needed for tax on raw materials that is used to manufacture product for export.

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iii) Exchange Rate: in the point of view of the company it is necessary to devalue the franc.

iv) Need for donors to develop more "Commodity Import Program".

v) The major lesson of the last 2-5 years is that parastatals and big firms will no longer create jobs. Focus should thus be given to small and micro enterprise efficiency.

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A N N E X II

The Private Sector Description

1. Objective: The objective of the Private Sector Description is to gather and present relevant data about the private sector in Rwanda which will permit the Mission to understand clearly what and how significant the private sector is and where it is located in the economy. Key questions include:

--Who is the private sector?

--How important is it in the economy?

--Where is it located?

--What is the role and size of the public sector in the productive sectors?

--What is the private sector impact of public policies and regulatory environment?

--How has the private sector performed over time?

--What are the leading and lagging sectors?

In the specific case of Rwanda, additional issues of interest may wish to be addressed. These must be specified by the Mission at the outset.

The specific output of the descriptive phase includes a data set and graphics.

2. The MAPS Team will identify data sources and develop reliable statistics that describe (both in absolute terms and relative to public sector contribution) the private sector contribution to value added, export earnings, investment, savings and employment, both at the sectoral and national levels.

These statistics will, to the extent possible, cover the period 1978-88. Where data are not available for 1988, the MAPS Team may have to use estimates or use the most recently available statistics. In all cases, the MAPS Team will, subject to data availability, provide at least a ten year spread for the estimates that will be specified below.

These statistics should come from the most recent and reliable sources available.

Sectors of interest are: Agriculture, Forestry and Fishing, Agro-Processing, Mining, Manufacturing, Construction, Transport and Communications, Energy, Finance and Tourism. Within each of these sectors, data will be broken down at the following level of detail, unless otherwise specified.

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- 2.1 Agricultural Production: bannanas, yams, cassava, beans, sorghum, maize, rice, coffee, tea, pyrethrum, quinquina bark, livestock (dairy and meat)
 - 2.2 Forestry and fishing
 - 2.3 Mining: Tin concentrates, wolfram, beryl and colombo-tantalite
 - 2.4 Manufacturing: Agro-processing, beer, lemonade, sugar, cigarettes, matches, soap, plastic shoes and blankets.
 - 2.5 Construction
 - 2.6 Transport and Communications
 - 2.7 Energy: wood, charcoal, electricity and methane gas
 - 2.8 Finance: Commercial Banks, Development Banks, Insurance Companies, Other Non-bank Financial Institutions
 - 2.9 Tourism
3. Using lotus (or another comparable spreadsheet program), the MAPS Team will incorporate the statistics identified and developed in point no. 1 into a matrix which will be used to estimate the following parameters at both the national, sectoral and subsectoral levels (as described above):
- 3.1 GDP growth rate 1968-88 (or for the most recent year available)
 - 3.2 Contribution of private sector to GDP 1973 to 1988 (or for the most recent year available)
 - 3.3 Contribution of private sector to GOR gross receipts as compared to other sources of revenue. This will be done for the years 1973 to 1988 and aggregated as follows: Agriculture, Forestry and Fishing, Mining, Manufacturing, Construction, Trade, Energy, Finance and Tourism.
 - 3.4 Contribution of private sector to investment 1973-88 (aggregated as above if possible)
 - 3.5 Contribution of private sector to foreign exchange earnings 1973-88 (aggregated as above if possible)
 - 3.6 Contribution of private sector to employment 1973-88
 - 3.7 Private and public sector borrowing as percentage of total credit available. Estimates of Public and Private share of credit available from domestic financial

institutions for the years 1978-88.

4. The MAPS Team will also collect data to estimate the following:
 - 4.1 Direct Foreign Investment and reinvested other private long-term capital in absolute terms and as percentage of total capital inflows.
 - 4.2 Government budget expenditures as percentage of GDP
 - 4.3 GOR equity shares by industry sector.
 - 4.4 Exports by destination, disaggregated as follows: EEC, Western Europe, USA, Other African Countries, Asia, Middle East, Other)
 - 4.5 Exports by commodity
 - 4.6 Percentage growth of Rwandan labor force 1990-2000
5. MAPS Team will identify and develop descriptive statistics on SOEs for the years 1978-88 (to the extent possible), including:
 - 5.1 The contribution of SOEs to GDP
 - 5.2 Contribution of SOEs to direct and indirect employment
 - 5.3 Contribution of SOEs to foreign exchange generation and to volume of exports
 - 5.4 Financial results of SOEs (profits and losses)
 - 5.5 SOE losses (or profits) as a percentage of their contribution of GDP and foreign exchange generated
6. The MAPS Team will identify and develop, subject to data availability, descriptive statistics on micro and small scale enterprises. The Mission's guidance in identifying the frame of small and micro-enterprises and existing data would be helpful.

To the extent that data is available, similar statistics as presented above regarding the formal sector will be developed for informal sector enterprises.

To the extent possible, similar statistics will be developed for cooperative enterprises.

10/11/88

7. It is possible that data beyond that identified above may be identified as the MAPS exercise progresses, or that some of the data identified above may not be available. It is important that the Mission and the MAPS Team remain in close contact throughout the exercise so that adjustments can be made and new findings incorporated as necessary.
8. The MAPS Team will develop a set of high quality graphics which will illustrate the data estimates above.
9. Data Sources: The work detailed above will not require original research. Only secondary sources of data should be used.

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A N N E X III

CONTRACT FOR THE SURVEY OF THE
PRIVATE SECTOR IN RWANDA
TO BE PERFORMED BY GENIE CONSULTANTS
FOR J.E. AUSTIN ASSOCIATES

1. GENIE Consultants (herein referred to as "the Contractor") will undertake a survey of businesses which will be unbiased, statistically significant information on the perceptions of local entrepreneurs regarding opportunities, and constraints for private sector development in Rwanda.
2. The survey undertaken by the Contractor will cover private sector firms in the following industry sectors:
 - a. Commercial agriculture focusing on non-traditional crops such as fruits and vegetables (including pineapples, beans, tomatoes, bananas, cut flowers) and other commercial agricultural activities such as commercial estates in coffee and tea.
 - b. Aquaculture and fishing.
 - c. Agro-processing: includes coffee and tea processing, fruit and juice manufacturing, jams, canned fruits and vegetables, hides and skins, textiles, meat and dairy, other.
 - d. Tourism (hotels, restaurants, parks).
 - e. Other services: principally transport services of relevance to agriculture (seed processing, agricultural machinery, fertilizer).
1. Manufacturing.
3. The survey will exclude all firms (private, profit or non-profit, and public) in the social services sector (health, education, etc.).
4. The survey instrument has been developed by the MAPS team in consultation with the USAID Mission.

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5. The Contractor will be responsible for testing the survey instrument on a small number of businesses chosen at random prior to full implementation to ensure that the questions are understandable to the interviewees. The Contractor will work with the MAPS Project Monitor and the MAPS team to revise the survey instrument as needed based on the results of the field test.
6. The Contractor will be responsible for translating the instrument into Kinyarwanda.
7. The sampling frame of firms will need to be as complete as possible to prevent biasing the sample. The Contractor will identify appropriate sampling frames for this task, in consultation with the MAPS Project Monitor and the MAPS team. The sample will be limited to the five major urban centers (and their surrounding areas) : Kigali, Butare, Gisenyi, Ruhengeri, Gitarama.
8. The sample size is expected to be approximately 260 firms; 200 of these should be small-scale and micro enterprises, which for the purpose of this survey are defined as firms employing less than 5 persons and with less than xxx in fixed capital assets operating in the sectors identified in paragraph 2 above.
9. The sampling frame for the larger enterprises will be based on the lists of large companies from la Direction Generale ed la Statistique and from the la Direction Generale de la Conjuncture. Other sources for larger firms include the registries of business associations such as the Rwanda National Chamber of Commerce and Industry, and the Rwanda National Association of Employers. The sampling frame for the small-scale and micro enterprises will be established from a list developed under the Prime project, as well as registries available from IWACU, KORA, NGO's and other organizations (BRD and Technoserve) providing credit and/or technical assistance to small-scale enterprises.
10. The Contractor will propose a strategy for constructing a sampling frame and drawing the sample so it meets the requirements regarding sample composition specified in paragraphs 1 through 8. The sample will be drawn using stratified random sampling. It may be necessary to statify the sample in such a way as to ensure that there are at least 20 firms sampled from the key sectors of interest defined in paragraph 2 above.

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11. The Contractor will assemble a team of personnel experienced in survey work to implement the survey. The Contractor will be in charge of recruiting and training the interviewers, testing the survey instrument, overseeing the survey at the field level to ensure quality control and codifying the survey responses to facilitate data entry and analysis.
12. The Contractor will assemble a team to enter the codified responses into a database processing system which is compatible with a statistical package adequate to analyze the responses, such as SPSS.
13. The output expected from the data processing will include the following:
 - a. Frequency distributions of responses to all the questions in the survey instrument.
 - b. Cross tabulations of specific responses using as control variables firm characteristics. The control variables used for cross tabulations will include at a minimum: sector in which the firm operates, size (employee), and ownership characteristics.
 - c. Non-parametric tests to measure the statistical significance of relationships between categorical variables (such as chi-square) for specific cross tabulations.
14. The Contractor will be responsible for for producing the outputs mentioned in paragraph 13 above and the data entered from the survey in both hard copy and diskette form.

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15. The budget for this exercise is as follows:

STAFF COSTS

| Personnel (US\$) | Person Days | Rate(US\$) | Total |
|------------------------|-------------|------------|-----------|
| Project Director | 30 | 166.67 | 5,000.00 |
| Statistician | 30 | 166.67 | 5,000.00 |
| Economist | 5 | 166.67 | 833.33 |
| Assistant Statistician | 10 | 111.16 | 1,111.11 |
| Interviewers | 104 | 36.11 | 3,755.56 |
| SUB-TOTAL (STAFF) | | | 15,700.00 |

OTHER COSTS

ITEM

| | |
|--------------------------|-----------|
| Transport to sites | 2,000.00 |
| Printing & photocopying | 700.00 |
| Training of interviewers | 600.00 |
| SUB-TOTAL (OTHER) | 3,300.00 |
| TOTAL | 19,000.00 |

16. The contract will be based on time and material costs, with the understanding that the scope of work defined above will be delivered to the satisfaction of J.E. Austin Associates and USAID within the time period specified and that the budget ceiling specified will not be exceeded. The Contractor has also agreed to provide desk space and the logistical support necessary to carry out the project to the MAPS team.

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17. The timing and delivery dates for this exercise are as follows:

| | |
|-----------------|---|
| September 19-26 | Establish the sampling frame, draw the sample |
| September 21-25 | Test the survey instrument and revise if needed |
| October 2 | Begin full scale survey |
| November 15 | Survey ends and preliminary distributions due. |
| November 20 | Final output due |

18. The payment schedule is as follows: 25 percent upon signing contract, 25 percent upon receiving the preliminary frequency distributions, and the remainder upon receipt of the final deliverables. An additional bonus incentive of up to 5 percent of the total cost estimate will be paid to the Contractor contingent on timely delivery and high quality product.

Agreed to by:

Roger Jantio

Ntakirutimana Jean Damascene

J.E. Austin Associates

GENIE S.A.R.L.

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A N N E X IV

Scope of Work

Project Monitor Position

MAPS Private Sector Survey

1. The MAPS Project Monitor will supervise the MAPS survey of businesses in Rwanda to be undertaken by GENIE S.A.R.L. as a Sub-contractor to Austin Associates under A.I.D. funding. The survey will provide USAID with statistically significant and unbiased information on the perceptions of local entrepreneurs regarding opportunities and constraints for private sector development in Rwanda.
2. The MAPS Project Monitor will serve as the liason between the USAID (and the MAPS team) and GENIE (the sub-contractor responsible for undertaking the survey).
3. The MAPS Project Monitor will ensure that the Sub- contractor meets all of the objectives specified in their contract in a timely way and that the data gathered is of the highest quality.
4. The MAPS Project Monitor will be responsible for overseeing the survey at the field level to ensure quality control, and will randomly verify that the surveys actually took place with the interviewees as reported. Final payments and bonuses for the interviewers will depend in part on the recommendations of the MAPS Project Monitor.
9. The MAPS Project Monitor will also oversee the codifying process and data entry to ensure that reliable data is being gathered and will be ready for analysis in SPSS. The Maps Project Monitor and the Maps team will specify to the Sub-contractor certain cross tabulations needed in addition those required by the contract.

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10. The MAPS Project Monitor will help direct the Sub-contractor's work to ensure that the following timing and delivery dates are met by the Sub-contractor:

| | |
|-----------------|--|
| September 19-26 | Establish the sampling frame, draw the sample, and begin contacting interviewees |
| September 21-25 | Test the survey instrument and revise if needed |
| October 2 | Begin full scale survey |
| November 15 | Survey ends and preliminary frequency distributions due |
| November 20 | Final output due |

11. The Sub-contractor will be paid an additional bonus incentive of up to 5 percent of the fixed fee specified in their contract contingent on timely delivery, high quality product, and positive evaluation by the MAPS Project Monitor.
14. The MAPS Project Monitor will keep the MAPS team and USAID/Kigali fully informed on the progress of the survey on a weekly basis. The Maps Project Monitor will also send any documents or data to the Maps team in the U.S.A. if requested so that the Maps team can complete their analysis.

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15. The budget for the MAPS Project Monitor is as follows:

STAFF COSTS - A fixed-price contract of \$2,000, payable 4-6 weeks after the completion of the survey.

TRANSPORT COSTS - A transport allowance of 20 cents a kilometer will be paid for all travel which is authorized by the MAPS team.

COMMUNICATIONS - \$100 for telexes, faxes, or DHL to USA.

Roger Jantio

Eugene Ubalijoro

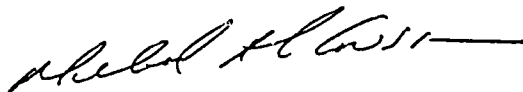
J.E. Austin Associates

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Addendum to Project Monitor Contract

1. In addition to the already agreed upon tasks, described in the agreement between Eugene Ubalijoro and J.E. Austin Associates, Inc., the following additional tasks have been agreed upon as supplemental. These tasks relate to the data required for the NAFS Private Sector Description.
2. It is agreed the following data will be gathered by the consultant:
 - Annual reports, if possible, for the 63 parastatal enterprises (see attached list), for the most recent year available (1988, if available).
 - Balance sheets and income statements for the parastatal firms.
 - Employment figures for the parastatal companies.
 - Exports, production, imports and debt of parastatals for 1988, or end of period as relevant.
 - Government subsidies and transfers to parastatals in most recent year available.
3. The consultant will send the above to J.E. Austin Associates by October 10, 1989 by DHL or other courier service.
4. In consideration for the successful completion of this task, the consultant will receive US\$500 based on favourable evaluation by J.E. Austin Associates. It is understood this task will be additional to but not interfere with the Project Monitor's duties relating to the Private Sector Diagnostic Survey.

Agreed upon 29 September 1989 by:



Michael Grossman
for J.E. Austin Associates, Inc.



Eugene Ubalijoro

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U.S. DEPARTMENT OF STATE
OFFICE OF THE ASSISTANT SECRETARY
FOR ECONOMIC AFFAIRS

A N N E X V

Sampling Methodology for Private Sector Survey

1. A sampling frame of about 12,000 firms was drawn from official lists, registries and other sources. The sampling frame for larger enterprises was based on lists of large companies from the Direction Generale de la Statistique, the Direction Generale de la Conjuncture, and the registry from the Chambre du Commerce et de l'Industrie. The sampling frame for small and micro enterprises was established from a list developed in the PRIME project, as well as registries available from IWACU and KORA.
2. The sample frame includes only private sector firms in the following sectors:
 - a. Commercial agriculture
 - b. Aquaculture and fishing
 - c. Agro-processing
 - d. Tourism
 - e. Commerce and other services
 - f. Manufacturing
3. The sample size is 260 firms representing about 2% of the underlying population; 200 of the firms selected are small-scale and micro enterprises. For the purpose of this survey small and micro enterprises are defined as firms employing less than 5 persons and with less than 25,000 in fixed capital assets.
4. The sample was limited to five major urban centers in Rwanda: Kigali, Butare, Gisenyi, Ruhengeri, and Gitarami. The sample was drawn in such a way to ensure that at least 20 firms were selected from each of the key sectors of interest in paragraph 2 above. In addition the sample was stratified in such a way to ensure that 50% of the firms were from outside of Kigali.
5. The methodology represents non-probability sampling especially regarding the informal sector for which the true underlying population is unknown. Nonetheless, the survey should provide statistically significant information about the private sector, which can be analyzed using standard cross-tabulations such as size of the firm, sector, ownership characteristics, and non-parametric tests such as chi-square to measure significance between categorical variables.

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A N N E X VI

SURVEY INSTRUMENT

ENQUETE MAPS-RWANDA

Le but de cette enque^te es de collecter des informations sur le secteur prive' au Rwanda en vue de mieux comprendre les opportunit'e's et contraintes auxquelles il a a' faire face. Cette enque^te est l'une des composantes d'une e'tude faite pour l'AID, l'agence americaine pour le developpement international.

L'e'quipe charge'e de l'enque^te et toutes les personnes intervenantes vous remercie d'avance pour votre temps et compre'hension. Avoir une bonne ide'e de ce que fait les leaders du secteur prive' et de leur avis sur les solutions qu'il convient de mettre en oeuvre pour contribuer au developpement du pays, permettra a' l'AID et a' d'autres agences internationales inte'resse'es au Rwanda, de mettre en place des projects plus efficaces. Nous vous garantissons sur honneur que les informations obtenues seront traite'es de fac,on absolument confidentielle par nous et nous seul.

Questionnaire No. _____
Personne interviewe'e: _____
Approuve' par: _____
Date: _____

SECTION 1: INFORMATION GENERALE SUR L'ENTREPRISE

Reserve' a'
la codification

1. Position de la personne interviewe'e:

- _____
1. Proprietaire 2. Gerant/Directeur
3. Cadre/Technicien/Agent de mai^trise
4. Autre (_____)

2. Localite' de l'entreprise:

1. Kigali 2. Gisenyi 3. Boutari _____
4. Gitarama 5. Ruhergeri 6. _____

3. Structure de l'entreprise:

1. Individuel 2. SARL 3. SA _____
4. Coope'rative 5. Autre (_____)

4. Date d'e'tablissement de l'entreprise:

1. Avant 1970 2. 1970-75 3. 1975-80 _____
4. 1980-85 5. 1985-89

5. A sa cre'ation, l'entreprise a-t-elle fait une demande d'enregistrement?

1. Oui 2. Non 3. Pas applicable (P/A)
- _____

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(Si la reponse est non ou P/A, allez directement a` la question 7)

6. Combien de temps a-t-il fallu pour obtenir une reponse favorable? _____
1. Un mois 2. 3 mois 3. 6 mois
4. 1 an 5. 2 ans

7. Lequel des facteurs suivants explique mieux la raison pour laquelle le choix de ce site? _____
1. Proximite' des matie`res premie`res
2. Proximitt' de la main d'oeuvre
3. Proximite' du marche' 4. Conside'rations fiscales
5. Conside'rations personnelles
6. Avantages accorde's par le code d'investissement
7. Infrastructure 8. Autre (_____)

8. A combien environ s'e'le`ve l'actif fixe? _____
1. moins de 25.000 FRW 2. 25-100.000 FRW
3. 100-500.000 FRW 4. 500.000 a` 2 millions
5. Plus de 2 millions

9. Combien y a-t-il d'employee's (a` plein temps et a` temps partiel) _____
1. 0 (proprie'taire seulement) 2. 1 a` 5
3. 6 a` 10 4. 11 a` 20 5. 21 a` 40
6. 41 a` 80 7. au-dela` de 80

(Nota pour l'enque`teur: il convient de convertir le nombre d'employee's temporaires en utilisant la table suivante:

| Total Plein temps (Coeff. 1.0) | Total temps partiel (Coeff. 0.5) | Total |
|-----------------------------------|-------------------------------------|-------|
| ----- | ----- | ----- |

10. Quel est le sexe du gerant/Directeur Ge'ne'ral? _____

1. Masculin 2. Feminin

11. Quel pourcentage du personnel est de sexe feminin _____

Nota pour l'enque`teur:

| Nombre d'employee's | Nombre de Femmes | Pourcentage |
|---------------------|------------------|-------------|
| ----- | ----- | ----- |

12. Pourcentage du personnel de nationalite' rwandaise

Note a` l'enque`teur:

| Nombre d'employee's | Nombre de rwandais | Pourcentage |
|---------------------|--------------------|-------------|
| ----- | ----- | ----- |

13. Pourcentage du personnel ne'cessitant de suivre une formation
_____ professionnelle

Nota a` l'enque`teur:

| Nombre | Nombre de personnes |
|--------|---------------------|
|--------|---------------------|

| d'employe's ----- | qualifie's ----- | % ---- |
|----------------------|-------------------------|-----------|
| | ___ cadres | |
| | ___ techniciens | |
| | ___ agents de mai'trise | |
| | ___ comptabilite' | |
| | ___ autres | |

14. Quelle est le pourcentage du personnel qualifie' de sexe feminin _____

| Note a' l'enque'teur: Nombre d'employe's qualifie's ----- | Nombre de femmes qualifie's ----- | % ---- |
|--|---|-----------|
| | ___ cadres | |
| | ___ techniciens | |
| | ___ agents de mai'trise | |
| | ___ comptabilite' | |
| | ___ autres | |

15. Quel pourcentage represente les femmes dans l'e'quipe de direction _____

| Note a' l'enque'teur: Nombre cadres ----- | Nombre de femmes-cadres ----- | % ---- |
|---|----------------------------------|-----------|
| | | |

16. Quel pourcentage de l'e'quipe de direction est de nationalite' rwandaise? _____

| Note a l'enque'teur: Nombre cadres ----- | Nombre de rwandais ----- | % ---- |
|--|-----------------------------|-----------|
| | | |

17. Quel est le secteur d'activite' de l'entreprise? _____

- | | | |
|----------------|-------------------|---------------------------|
| 1. Agriculture | 2. Agro-industrie | 3. Service |
| 4. Manufacture | 5. Commerce | 6. Artisanat ² |

18. Pourquoi avez-vous choisi ce secteur d'activite'?' _____

- | | |
|---|----------------------------------|
| 1. Connaissances techniques | 2. Activite' familiale |
| 3. Existence de marche's | 4. Disponibilite' des ressources |
| 5. Avantages fiscales (Code d'investissement) | |

19. Provenance geographique de votre chiffre d'affaires _____

- | | |
|--------------------------|---------------------|
| 1. Marche' domestique | 2. Afrique de l'Est |
| 3. Autres pays d'Afrique | 4. CEE |
| 5. Amerique | 6. Asie |
| | 7. Autres |

² Comprend articles de souvenirs, petit commerce, etc.

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20. Provenance géographique de vos matières premières

- | | | |
|------------------|---------------------------|----------|
| 1. Marche' local | 2. Afrique de l'Est | 3. USA |
| 4. CEE | 5. Autres pays d'Afrique | 6. Japon |
| 7. Autres d'Asie | 8. Autres pays d'Amerique | |

21. Qui est propriétaire de l'entreprise³?

- | | |
|----------------------------|------------------------|
| 1. Vous-même | 2. votre famille |
| 3. Institutions rwandaises | 4. Entite' e'trange're |

SECTION 2: FACTEURS DE PERFORMANCE DE L'ENTREPRISE

22. Pensez-vous aujourd'hui que l'environnement économique est

- | | |
|------------------------------------|--------------------|
| 1. Meilleur que l'anne'e dernie're | 3. N'a pas change' |
| 2. Pire que l'anne'e dernie're | |

Note à l'enquêteur: si la réponse à la question 9 est 1 ou 2 (entreprises de moins de 5 personnes), allez directement à la question 24. Sinon continuez le questionnaire sans interruption.

23. Comment à votre avis les facteurs suivants ont-ils affecté la performance de votre affaire l'anne'e dernie're?

| | Positif | Negatif | Sans effet | P.A |
|--------------------------|---------|---------|------------|-----|
| | ----- | ----- | ----- | --- |
| a. Taux de change | 1 | 2 | 3 | 4 |
| b. Accés aux devises | 1 | 2 | 3 | 4 |
| c. Licence d'importation | 1 | 2 | 3 | 4 |

Note à l'enquêteur: continuez à la question 24

24. Comment à votre avis les facteurs suivants ont-ils affecté la performance de votre affaire l'anne'e dernie're?

| | Positif | Negatif | Sans effet | P.A |
|---|---------|---------|------------|-----|
| | ----- | ----- | ----- | --- |
| a. Prix matières premières | 1 | 2 | 3 | 4 |
| b. Disponibilités de matières premières | 1 | 2 | 3 | 4 |
| c. Taux d'intérêt | 1 | 2 | 3 | 4 |
| d. Impôts et autres taxes | 1 | 2 | 3 | 4 |
| e. Prix de vente des produits | 1 | 2 | 3 | 4 |
| f. Disponibilités de crédits | 1 | 2 | 3 | 4 |
| g. Disponibilités de main-d'œuvre qualifiée | 1 | 2 | 3 | 4 |

25. Quelle est l'évolution de votre chiffre d'affaires par rapport à l'anne'e dernie're?

1. a augmente' 2. a diminue' 3. n'a pas change'

26. D'après vous, comment évoluera votre chiffre d'affaires l'anne'e prochaine?

³ La propriétaire ici est l'actionnaire majoritaire

1. il augmentera 2. il diminuera 3. sera le me^me

27. Si vous produisiez plus, pensez-vous que vous vendrez plus? _____

1. Oui 2. Non 3. Ne sait pas

28. Pouvez-vous vendre tous les produits que vous avez en stock? _____

1. Oui 2. Non 3. Ne sait pas

29. Quelle est approximativement le pourcentage d'utilisation de votre capacite' de production? _____

1. moins de 15% 2. 15-25% 3. 25-50%
4. 50-75% 5. 75-100% 6. Ne sait pas

SECTION 3: LES CONTRAINTES DE CROISSANCE ET LA POLITIQUE ECONOMIQUE

30. Comment les facteurs suivants ont-ils affecte' votre capacite' a' produire et a' rendre des services efficacement?

| | Positif ----- | Negatif ----- | Sans effet ----- | P.A --- | |
|--|------------------|------------------|---------------------|------------|-------|
| a. Acce's au cre'dit | | 1 | 2 | 3 | 4 |
| b. Acce's aux mat. pre'mie`res | | 1 | 2 | 3 | 4 |
| c. Acce's au terrain | | 1 | 2 | 3 | 4 |
| d. Acce's a' la main-d'oeuvre qualifie'e | 1 | 2 | 3 | 4 | _____ |
| e. Acce's services collectifs | 1 | 2 | 3 | 4 | _____ |
| f. Acce's a' l'eau | 1 | 2 | 3 | 4 | _____ |
| g. Acce's au transport | 1 | 2 | 3 | 4 | _____ |
| h. Acce's au te'le'phone | 1 | 2 | 3 | 4 | _____ |
| i. Acce's a' l'e'lectricite' | | 1 | 2 | 3 | 4 |
| j. Prix du transport | 1 | 2 | 3 | 4 | _____ |
| k. Prix d'e'lectricite' | 1 | 2 | 3 | 4 | _____ |
| l. Fiabilite' de l'e'lectricite' | | 1 | 2 | 3 | 4 |

31. Comment les facteurs suivants affectent-ils votre capacite' a' produire?

| | Positif ----- | Negatif ----- | Sans effet ----- | P.A --- | |
|--|------------------|------------------|---------------------|------------|-------|
| a. Moyens de communications | 1 | 2 | 3 | 4 | _____ |
| b. Fiabilite' moyens de communications | 1 | 2 | 3 | 4 | _____ |
| c. Qualite' de l'eau | | 1 | 2 | 3 | 4 |
| d. Disponibilite' d'e'quipement | | 1 | 2 | 3 | 4 |
| e. Acce's aux pie`ces de'tache's | | 1 | 2 | 3 | 4 |

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32. Veuillez indiquer dans quelle mesure les problèmes de terrains suivants affectent votre activité:

| | Tre's important | Important | Pas important | P.A |
|---|-----------------|-----------|---------------|-----|
| a. Cou^t du terrain | 1 | 2 | 3 | 4 |
| b. Acce's au terrain | 1 | 2 | 3 | 4 |
| c. Incertitude sur le renouvellement du bail du terrain | 1 | 2 | 3 | 4 |
| d. Possession du titre foncier | 1 | 2 | 3 | 4 |

33. Etes-vous satisfait par la productivité de vos employés?
 1. Oui 2. Non 3. Ne sait pas

34. Veuillez indiquer pour les catégories d'emploi suivants, s'il a été difficile d'embaucher des rwandais qualifiés:

| | Difficile | Moyen | Facile |
|---|-----------|-------|--------|
| a. Cadres dirigeants ⁴ | 1 | 2 | 3 |
| b. Cadres-agents de maîtrise ⁵ | 1 | 2 | 3 |
| c. Techniciens ⁶ | 1 | 2 | 3 |
| d. Secrétares | 1 | 2 | 3 |
| e. Employés de bureau | 1 | 2 | 3 |

35. Avez-vous besoin de payer de très haut salaires pour attirer le personnel des catégories suivantes:

| | Oui | Non | Ne sait pas |
|---------------------------|-----|-----|-------------|
| a. Bon cadres dirigeants | 1 | 2 | 3 |
| b. Bon agents de maîtrise | 1 | 2 | 3 |
| c. Bon techniciens | 1 | 2 | 3 |

36. Quel pourcentage de votre capital provient-il de:

| | 0% | 1-20% | 21-50% | 50-100% | P.A ⁷ |
|-------------------------|----|-------|--------|---------|------------------|
| a. Banques commerciales | | | | | |

⁴ Par exemple, directeurs généraux et chefs de division et services

⁵ Par exemple, ingénieurs, comptables, économistes, etc.

⁶ Par exemple, mécaniciens, réparateurs, plombiers, assembleurs, etc.

⁷ Y compris "ne sait pas"

| | | | | | | |
|--|---|---|---|---|---|-------|
| (BCR, BK, BACAR) | 1 | 2 | 3 | 4 | 5 | _____ |
| b. BRD | 1 | 2 | 3 | 4 | 5 | _____ |
| c. Autres institutions financie`res | | 1 | 2 | 3 | 4 | 5 |
| d. Sources informelles | 1 | 2 | 3 | 4 | 5 | _____ |
| e. Sources e'trange`res | 1 | 2 | 3 | 4 | 5 | _____ |
| f. Famille/amis | 1 | 2 | 3 | 4 | 5 | _____ |
| g. Apports personnels | 1 | 2 | 3 | 4 | 5 | _____ |
| h. Credit fournisseurs | 1 | 2 | 3 | 4 | 5 | _____ |
| i. Autres (_____) | 1 | 2 | 3 | 4 | 5 | _____ |

37. Indiquez comment les facteurs suivants ont affecte' votre capacite' a` obtenir des sources de financement:

| | Positivement | Negativement | Ne sait pas | |
|--|--------------|--------------|-------------|-------|
| | ----- | ----- | ----- | |
| a. Ne'cessite' de pre'senter une se'curite' | 1 | 2 | 3 | _____ |
| b. Taux d'intere't | 1 | 2 | 3 | _____ |
| c. Frais bancaires | 1 | 2 | 3 | _____ |
| d. Paperasse et Bureaucratie | 1 | 2 | 3 | _____ |
| e. Proximite' de la banque | 1 | 2 | 3 | _____ |
| f. Partenariat | 1 | 2 | 3 | _____ |
| g. Autre (_____) | 1 | 2 | 3 | _____ |

38. Le manque de capital vous a-t-il pousse' a` abandonner:

1. Beaucoup de projets 2. Peu de projets 3. Aucun projet

Nota a` l'enque^teur: Si la reponse a` la question 9 e'tait 1 ou 2 (petites et micro-entreprises), alors passez directement a` la question 40. Sinon continuez a` la question 39.

39. Quel effet les facteurs suivants ont-ils eu dans votre capacite' a` vous procurer des matie`res premie`res?

| | Positivement | Negativement | Ne sait pas | |
|--------------------------|--------------|--------------|-------------|-------|
| | ----- | ----- | ----- | |
| a. License d'importation | 1 | 2 | 3 | _____ |
| b. Contro^le de change | 1 | 2 | 3 | _____ |
| c. Contro^le douanier | 1 | 2 | 3 | _____ |

Nota a` l'enque^teur: Continuez a` la question 40.

40. (Me^me question que No 39): Quel effet les facteurs suivants ont-ils eu dans votre capacite' a` vous procurer des matie`res premie`res?

| | Positivement | Negativement | Ne sait pas | |
|--------------------------------------|--------------|--------------|-------------|-------|
| | ----- | ----- | ----- | |
| a. Source de financement | 1 | 2 | 3 | _____ |
| b. Manque de coope'rative d'achat | 1 | 2 | 3 | _____ |
| c. Moyen de transport | 1 | 2 | 3 | _____ |
| d. Cou^t de transport | 1 | 2 | 3 | _____ |
| e. Marges des intermediares | 1 | 2 | 3 | _____ |

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| | | | | |
|-------------------------|---|---|---|-------|
| f. Penuirie de produits | 1 | 2 | 3 | _____ |
| g. Autres (_____) | 1 | 2 | 3 | _____ |

41. Les moyens d'information sur les tendances du marche' local de votre produits sont-il fiables?

_____ 1. Oui 2. Non 3. Ne sait pas

42. Les moyens d'information sur les tendances du marche' international de votre produits sont-il fiables? _____

1. Oui 2. Non 3. Ne sait pas

43. A votre avis, quel type d'information sur votre marche' serait le plus important pour votre affaire?

| | Tre's import. | Import. | Pas import. | P.A | |
|---------------------------------------|---------------|---------|-------------|------|-------|
| | ----- | ----- | ----- | ---- | |
| a. Info. sur les prix | 1 | 2 | 3 | 4 | _____ |
| b. Info. sur les produits standards | 1 | 2 | 3 | 4 | _____ |
| c. Contacts avec d'autres entreprises | 1 | 2 | 3 | 4 | _____ |
| d. Info. sur les regulations | 1 | 2 | 3 | 4 | _____ |
| e. Autres (_____) | 1 | 2 | 3 | 4 | _____ |

44. Quelle est la plus importante source d'information que vous utilisez pour connaitre votre marche': _____

| | |
|--|----------------------------|
| 1. Ministe're de l'industrie | 2. Contacts personels |
| 3. Partenaires e'tranger | 4. Journaux professionnels |
| 5. Chambre de Commerce et de l'Industrie | |
| 6. Banque Nationale du Rwanda | 7. OCRT |
| 8. Autre (_____) | |

45. Avez-vous acce`s a` une technologie de production approprie' a` vos activite'?

1. Oui 2. Non 3. Ne sait pas _____

46. Quel facteur qui vous empe^che d'avoir acce`s a` la technologie _____

1. Manque d'information sur la technologie disponible
 2. Manque d'expertise/experience locale
 3. Cou^t d'acce`s a` la technologie
 4. Manque de devises
 5. Reticence a` investir de large somme d'argent
 6. Inadaptation de la technologie importe'e a` votre marche'
 7. Besoin de demander une licence
 8. Manque d'acce`s aux pie'ces de'tache'es
 9. Proble`mes de maintenance
 10. Autres (_____)

47. Quelle importance les facteurs de transport suivants jouent comme contrainte a` la croissance de votre affaire?

| | Tre's import. ----- | Important ----- | Pas Important ----- | P.A ----- | |
|--|---------------------------|--------------------|---------------------------|--------------|-------|
| a. Insuffisance de transport aeriens | 1 | 2 | 3 | 4 | _____ |
| b. Prix transp. aerien | 1 | 2 | 3 | 4 | _____ |
| c. Insuff. transport terrestre | 1 | 2 | 3 | 4 | _____ |
| d. Prix transp. terrest. | 1 | 2 | 3 | 4 | _____ |
| e. Insuff. transp. marit. | 1 | 2 | 3 | 4 | _____ |
| f. Prix. transp. maritime | 1 | 2 | 3 | 4 | _____ |
| g. Insuff. re'seau routier | 1 | 2 | 3 | 4 | _____ |
| h. Qualite' re'seau routier | 1 | 2 | 3 | 4 | _____ |
| i. Regulations de transp. (poids, etc.) | 1 | 2 | 3 | 4 | _____ |

48. Avez-vous formule' de plan d'investissement specifique dans les domaines suivants:

| | Oui ----- | Non ----- | |
|--|--------------|--------------|-------|
| 1. Formation et developpement du personnel | 1 | 2 | _____ |
| 2. Amelioration technology de production | 1 | 2 | _____ |
| 3. Amelioration capital physique (ex. usine) | 1 | 2 | _____ |
| 4. Amelioration capacite' de gestion | 1 | 2 | _____ |
| 5. Marketing | 1 | 2 | _____ |
| 6. | 1 | 2 | _____ |
| 7. Controle de qualite' | 1 | 2 | _____ |

49. Selon vous, quel est, parmi les secteurs d'activite' suivants, celui qui offre le meilleur retour sur investissement? Quel est celui qui offre le pire?

1. _____
2. _____

Nota a` l'enque^teur: Marquez le meilleur a` "1" et le pire a` "2".

1. Production agricole pour le marche' domestique
2. Production agricole pour le marche' d'exportation
3. Industrie agro-alimentaire pour le marche' domestique
4. Industrie agro-alimentaire pour le marche' d'exportation
5. Manufacture pour le marche' domestique
6. Manufacture pour l'exportation
7. Construction
8. Tourisme
9. Commerce
10. Autres (_____)

50. Est-ce que vous exporte' actuellement ou vous avez l'intention d'exporter dans l'avenir dans d'autres pays? _____

1. Oui 2. Non 3. Pas su^re

Note a` l'enque^teur: Si la reponse est "oui" continuez a` la question 51. Sinon, allez directement a` la question 53.

51. Lequel des marche' d'exportation suivant pensez-vous e^tre le plus profitable? _____

1. CEE 2. Afrique de l'Est

3. Autres pays d'Afrique
 4. USA 5. Asie 6. Autres (_____)

52. Quel est l'importance des problèmes suivants à l'expansion de vos opérations d'exportation

| | Tre's import. ----- | Important ----- | Pas Important ----- | P.A ----- | |
|------------------------------|---------------------------|--------------------|---------------------------|--------------|-------|
| a. Contrôle de change | 1 | 2 | 3 | 4 | _____ |
| b. Contrôle de crédit | 1 | 2 | 3 | 4 | _____ |
| c. Délais bureaucratiques | 1 | 2 | 3 | 4 | _____ |
| d. Impôts et taxes | 1 | 2 | 3 | 4 | _____ |
| e. Technologie de production | 1 | 2 | 3 | 4 | _____ |
| f. Infrastructure de transp. | 1 | 2 | 3 | 4 | _____ |
| g. L'emballage (Packaging) | 1 | 2 | 3 | 4 | _____ |
| h. Matières premières | 1 | 2 | 3 | 4 | _____ |
| i. Productivité du travail | 1 | 2 | 3 | 4 | _____ |
| j. Information sur le marché | 1 | 2 | 3 | 4 | _____ |
| k. Autres (_____) | 1 | 2 | 3 | 4 | _____ |

53. Etes-vous membre d'une association professionnelle?

1. Oui 2. Non 3. Ne sait pas

Note à l'enquêteur: Si la réponse à la question 53 est "oui" veuillez passer à la question 54. Sinon allez à la question 55.

54. Pouvez-vous préciser quelle(s) association(s) et dire comment vous juger leur efficacité.

| | Tre's efficace ----- | efficace ----- | Pas efficace ----- | P.A ----- | |
|----------------------------|----------------------------|-------------------|--------------------------|--------------|-------|
| a. Chambre de Com. et Ind. | 1 | 2 | 3 | 4 | _____ |
| b. Assoc. des Employeurs | 1 | 2 | 3 | 4 | _____ |
| c. KORA (Artisans) | 1 | 2 | 3 | 4 | _____ |
| d. | | | | | |
| e. Autres (_____) | 1 | 2 | 3 | 4 | _____ |

55. Lequel des services suivants souhaiteriez-vous qu'une association professionnelle vous offre?

| | Pas intéressé | Intéressé | Tre's Intéressé ----- | ----- | Pas ----- | P.A ----- | |
|----------------------------------|------------------|-----------|-----------------------------|-------|--------------|--------------|-------|
| a. Accès au crédit | | | 1 | 2 | 3 | | |
| b. Assistance technique | | | 1 | 2 | 3 | | _____ |
| c. Formation/devel. du personnel | | | 1 | 2 | 3 | | _____ |
| d. Contact avec le gouvernement | | | 1 | 2 | 3 | | _____ |
| e. Etudes de faisabilité | | | 1 | 2 | 3 | | _____ |
| f. Informations sur les marchés | | | 1 | 2 | 3 | | _____ |
| g. Autres (_____) | | | 1 | 2 | 3 | | _____ |

56. Preciser lequel des raisons suivantes explique votre non-appartenance à une association professionnelle. _____

Note à l'enquêteur: Ne pas poser cette question si la réponse à la question 53 a été "oui" (appartenance à une assoc. professionnelle).

1. Aucune association n'offre des services utiles pour moi
2. Je ne souhaite pas payer les frais d'adhésion
3. Je ne suis pas capable de payer les frais d'adhésion
4. Adhésion restreinte
5. Autres restriction
6. Autres raisons (_____)

57. Votre entreprise est-elle engagée ou intéressée à fournir des services de santé à ses employés?

- _____
1. Oui
 2. Non

Note à l'enquêteur: Si la réponse à cette question est "oui" continuez aux questions 58 à 61. Sinon, allez directement à la question 62.

58. Lequel des raisons suivantes explique mieux l'intérêt que votre entreprise porte ou va porter aux services de santé. _____

1. Réduire l'absentéisme
2. Accroître la productivité
3. Accroître la motivation du personnel
4. Attirer les meilleurs travailleurs
5. Autres (_____)

59. Est-ce que actuellement vous offrez ou êtes-vous intéressé à offrir un service de dispensaire à vos employés?

- _____
1. Oui
 2. Non
 3. Pas sûr

60. Est-ce que actuellement vous offrez ou êtes intéressé à offrir des services de planification familiale à vos employés, dans le cadre d'un service de santé. _____

1. Oui
2. Non
3. Pas sûr

61. Est-ce que actuellement vous offrez ou êtes intéressé à offrir à vos employés l'une des interventions suivantes concernant le SIDA? _____

1. Condoms
2. Information sur le SIDA
3. Autres (_____)

62. Êtes-vous intéressé par un joint-venture avec des partenaires étrangers?

- _____
1. Oui
 2. Non
 3. Pas sûr

Note à l'enquêteur: Si la réponse à la question 62 est "oui", continuer à la question 63. Sinon allez directement à la question

64.

63. Quel est le de'gre' d'importance des facteurs suivants, qu'un partenaire e'tranger peut apporter?

| | Tre's import. ----- | Important ----- | Pas Important ----- | P.A ----- | |
|--------------------------------------|---------------------------|--------------------|---------------------------|--------------|-------|
| a. Capital et fonds propres | 1 | 2 | 3 | 4 | _____ |
| b. Expertise technologique | 1 | 2 | 3 | 4 | _____ |
| c. Expertise en gestion | 1 | 2 | 3 | 4 | _____ |
| d. Ouverture de nouveaux marche's | 1 | 2 | 3 | 4 | _____ |
| e. Autres (_____) | 1 | 2 | 3 | 4 | _____ |

64. Si l'interviewe' souhaiterait recevoir une copy des resultats de l'enque'te, veuillez remplir les informations ci-dessous:

Nom : _____
B.P : _____
Ville : _____
Tel. : _____

L'e'quipe charge'e de l'enque'te vous remercie du fond du coeur pour votre coope'ration. Puisse ces donne'es aider les principaux operateurs e'conomiques et les agences internationales de developpement a' formuler un plan d'action efficace pour mieux contribuer au developpement e'conomique et social du pays. MERCI.

DRAFT

| ACTIVITIES | SEPT | OCT | NOV | DEC | JAN |
|--|---|-----------------------------|----------------------------------|------------------|------------------------|
| | 2 3 4 | 1 2 3 4 | 1 2 3 4 | 1 2 3 4 | 1 2 3 4 |
| STRATEGY ART | x x x | | | | |
| DESCRIPTION | | | | | |
| -Define Scope -Contractors -Prelim Graphics -Mission Feedback -Final Graphics -Final Report | x x x x | x | x x x | x x | |
| SURVEY | | | | | |
| -Define Scope -Draft Survey -Contractors -Set Sample -Test Survey -Survey Implementation -Input Data -Frequency Dist. -Mission Feedback -Final Graphics | x x x x x x x x x x | x x x x x x | x x x x x x x | x | |
| DIALOGUE | | | | | |
| -Informal Focus Groups -Formal Focus Dialogue -Summarize | x x x | | x x x | | x x x x |
| STRATEGY DEVEL | | | | | |
| -Draft Final | | | | | x |
| FINAL PRESENT | | | | | x |
| TDY | | | | | |
| -Jantio -Boone -Grossman | x x x x x x x x x | | x x x | x x | x x x x x x |

A N N E X VIII

LIST OF PERSONS INTERVIEWED BY THE MAPS TEAM

H.E. Mr. Spearman, The U.S. Ambassador to Rwanda
Ms. Susan Patrick, U.S. Embassy to Rwanda
Mr. Thomas Marten, U.S. Embassy to Rwanda
Mr. Emmanuel Braun, Resident Rep of International Labor Office
Mr. Secretary General of the Ministry of Foreign Affairs
Mr. Pio Nzeyimana, Division Chief America, Ministry of Foreign Affairs
Mr. Paul Crawford, USAID
Ms. Joan La Rosa, USAID
Mr. Secretary General of the Chamber of Commerce
Mr. M. Kanimba, Director General of Statistics, Ministry of Plan
Ms. Barbara Howard, USAID
Mr. Claudien Kanyarwanda, Deputy Director General of MAGERWA
Ms. Collette Mukangiliye Craven, Economist, World Bank
Mr. Augustin Ngirabatware, Director General MINIMART
Mr. Director General, RWANDEX
Mr. Michel Descamps, Financial Director, RWANDEX
Mr. Andre Nzabandora, Director General, TRAFIPRO
Mr. Commercial Director, TRAFIPRO
Mr. M. Mbaguta, Project Manager, PRIME
Mr. Callixte Kananzi, Director General Small and Medium Industry, MINIMART
Mr. Eduard Wattez, Resident Director, UNDP
Mr. Felix Sanon, UNDP
Mr. Ouamar Si-Ahmed, ITC/GATT
Mr. Joseph Kalimunda, Ministry of Fonction Publique
Mr. M. Bicahaga, Central Bank
Mr. Jean Baptiste Ngarambe, Director, IWACU
Mr. Jean Damascene Ntakirutimana, Director GENIE
Mr. Francois Xavier Martin, Director SOGEREP
Mr. Emmanuel Shikama, SORAC
Mr. Athanase Ngendahimana, SORAC
Mr. Ephrene Nemeye, Ministry of Finance
Mr. M. Ubalijoro, O.R.T.P.N
Mr. James Herne, Technoserve
Mr. Director General, Banque Rwandaise de Development
Mr. Finance Director, Banque Rwandaise de Development
Mr. Bernard Taillefer, Banques Populaires
Mr. Thaddee Bagaragaza, Director General, TABARWANDA
Mr. Director General, Manumetal
Mr. F. Joris, Director General SONATUBES

A N N E X I X

A U T H O R S

Peter Boone, Senior economist, International Policy Center, SRI International. Areas of expertise include: international economic policy, macroeconomic analysis, trade liberalization, investment promotion, project design and appraisal. Representative assignments at SRI includes: (1) conducted analysis of investment climate in Equatorial Guinea, examined impact of import duties and export taxes on increasing travel and investment, (2) conducted travel liberalization study for US trade representative and USAID. Prior to joining SRI, Mr. Boone served as Assistant Secretary in Papua New Guinea Department of Agriculture. He directed project preparation branch responsible for formulating all agricultural projects, negotiated international trade and commercial agreements; responsible for preparing financial and economic analysis of agricultural investment projects (1985-88). He served as economist for the World Bank (1983-85), where he conducted country macroeconomic assessments and microeconomic project feasibility studies, examined trade, balance of payment and tariff issues. He served as peace corps volunteer in Togo (1975-78). Mr. Boone is fluent in French. He graduated with an MS in agricultural economics, in Cornell University and a BA in Colby College.

Micheal Grossman is a consultant/researcher with J.E. Austin Associates. He recently help organize and present a seminar on MAPS methodology for AFR/MDI in Washington. He is fluent in French and is a graduate of Georgetown University School of Foreign Service.

Roger Jantio is a Senior Consultant at J.E. Austin Associates. Previously, he was the Executive Vice President of Aqua Viva in Paris, France and an investment analyst at C.S.E. Financial Corporation in San Francisco, CA. He worked on aerospace and mergers & acquisitions projects with J. Schneider & Co. in Cambridge, MA. Mr. Jantio earned an MBA from Harvard University, a Master Degree in economics and finance at the Institut d'Etudes Politiques de Paris (Sciences Po.), a Master in insurance and applicable laws at the 'Univerte' de Paris I-Sorbonne and a Bachelor of Arts degree in economics and monetary policy at the Universite' de Paris II-Assas.