

Special Initiative on Training and Job Creation

# Business Support for Rwandan Horticulture Enterprises

Accelerating growth for businesses and smallholder farmers

Invest for Jobs supports IDH - The Sustainable Trade Initiative in training Rwandan SMEs and farmer cooperatives active in horticulture value chains to become export ready. Local agribusinesses and smallholder farmers are empowered to tap into global export markets and grow their businesses, thus creating good jobs - especially for women and the country's poorer rural population.

Unrealised employment potential in the horticulture sector

Despite rapid economic growth and modernisation, the agricultural sector remains the backbone of Rwanda's economy. According to the National Institute of Statistics of Rwanda about half of the population worked in agriculture in 2021. Yet, the sector is dominated by subsistence farming, which is carried out by smallholders each cultivating under 0.5 hectares of land on average.

Given the importance and low returns of subsistence farming in Rwanda, the shift from traditional farming to commercial agriculture holds great potential to improve livelihoods and create jobs both off- and on-farm. In particular, the integration into global value chains promises well-paid wages for smallholder farmers and exporters. Yet, in 2021, merely 41% of Rwandan agricultural workers were employed in market-oriented farming, most of whom work on daily contracts and low salaries.

With high value per hectare and growing import demand globally, the horticulture sector offers great potential for growth. However, the few Rwandan small and medium enterprises (SME) that grow vegetables or fruits on a commercial scale lack sufficient marketing capabilities to establish relationships with premium buyers. In addition, their limited capacity to expand production, insufficient managerial



or technical skills, and inconsistent access to quality farm inputs and logistics prevent SMEs and cooperatives from exporting at high quality standards.

As a result, most farms remain confined to producing for less profitable markets. Thus, **Rwanda's horticulture sector has untapped potential to contribute to export growth and improved livelihoods**. Given their high participation in agricultural value chains, especially women stand to gain from improved working conditions and incomes, as well as youth. To create better jobs for Rwanda's growing rural population, close support to exporting SMEs and cooperatives is needed.

Building capacity, linkages and tapping into new markets

To accelerate the commercialisation of Rwanda's horticulture sector and, in turn, improve employment opportunities and working conditions, Invest for Jobs supports IDH - the Sustainable Trade Initiative. The foundation catalyses private investment and multi-stakeholder coalitions to realise inclusive and sustainable trade in global supply chains. With the support of Invest for Job, IDH helps horticulture enterprises in Rwanda

Implemented by

to expand their business and export volume. The project aims to **improve the working conditions of 2,500 Rwandan horticulture workers, improve the incomes of 2,000 smallholder farmers and create 450 jobs in the sector, with a focus on women and youth.** To this end, IDH implements interventions for Rwandan horticulture enterprises in three key areas: market facilitation, capacity building for SMEs, and training cooperatives.

To identify new market opportunities and secure higher margins, IDH trains SMEs on leveraging relevant market information, such as industry trends and standards or buyer preferences. IDH further supports SMEs in building strong and inclusive sourcing partnerships with end-buyers, e.g. at international trade fairs. Participating agribusinesses are equipped with the necessary expertise to increase the visibility of their products and win deals with buyers in Africa, the European Union, and the Middle East. This includes branding Rwanda as a reliable producer and exporter of high-quality horticulture products and other agri-commodities.

To support SMEs and cooperatives on their way to become export-ready and meet the requirements of international or regional markets, IDH implements tailored interventions based on the companies' needs. Selected SMEs receive daily hands-on support to identify and address capacity gaps and to build their in-house technical and management capabilities. Peer-learning, commercial exposure visits and trainings in certification, agronomy, quality assurance or postharvest management are key components of the comprehensive action plan.

In addition, IDH empowers cooperatives to improve linkages and services to exporting SMEs and smallholder farmers by strengthening their agricultural and management practices through needs-based training. The goal is to create a favourable service ecosystem to expand good employment opportunities in commercial horticulture for smallholder farmers across Rwanda.



## Hands-on capacity building and coaching

After a careful selection and diagnostic process, IDH established partnerships with four promising Rwandan horticultural SMEs in October 2021 and is currently working with nine agricultural cooperatives in the country. Intervention plans, training measures as well as marketing strategies were developed for each based on initial gap assessments. Activities on all three project pillars – market facilitation, SME capacity building and cooperative training – are currently in implementation.

By now, thanks to the market facilitation support, participating companies have successfully distributed product samples, improved their packaging, and trained employees to grow new export crops, among other things. Participating SMEs also started shipping to new customers in Belgium, South Africa, and the United Arab Emirates. Numerous other markets are currently being explored.

Since the project started in May 2021, IDH, in collaboration with the partner SMEs, has trained more than 992 farmers and coop-members, 69% of whom were women and 44% youth – with more to come. The cooperatives are equipped with skills in areas such as governance, record-keeping, quality standards or good agricultural practices. SME staff continues to receive weekly site visits, training, workshops, and follow-up coaching tailored to their specific needs. The in-depth training courses conducted so far have covered, for example, farm and crop management, marketing, post-harvest handling or packaging. In addition, SMEs are supported in implementing social compliance, health, and safety measures to prepare for certification and international audits.

So far, more than 276 permanent jobs have been created at the horticulture enterprises.

**Under the Invest for Jobs brand**, the German Federal Ministry for Economic Cooperation and Development (BMZ) has put together a package of measures to support German, European and African companies engaging in Africa. **The Special Initiative on Training and Job Creation** – the official title – offers comprehensive advice, contacts and financial support through its implementing organisations to overcome investment barriers.

### Please get in touch!

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