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BACKGROUND AND INTRODUCTION

Due to the limited shelf life of fresh produce in the horticulture sector, supply and demand chains are less adaptable to current disruptions caused by required preventive measures against COVID-19 pandemic. These disruptions have had negative effects in the livelihoods of many smallholder farmers in Rwanda and around the world.

Oxfam in Rwanda commissioned a rapid assessment on Impacts assessment of COVID-19 in the Horticulture value chains and business continuity in eight districts of Rwanda (Nyagatare, Kirehe, Musanze, Gakenke, Rulindo, Kamonyi, Muhanga, and Nyamagabe) between June and July 2020, with funding from Irish Aid and the European Union. Despite the difficulty of data collection due to movement restrictions and requirements for social distancing, the findings of the assessment provided acceptable evidence on the challenges faced by horticulture value chain actors and a basis for recommendations of where support is needed in the most immediate period.

Based on the findings of the rapid assessment, a policy dialogue was organised in October 2020 by Economic Policy Research Network (EPRN) in collaboration with Oxfam in Rwanda, with the aim of gathering additional inputs and recommendations of how to support the recovery of the horticulture sub-sector. The dialogue concluded with an agreement to produce a policy brief to provide policy makers and the general audience with information at hand to support government's policy formulation and present plausible course of action for a swift recovery of the horticulture sub-sector.

This policy brief was developed by a task force composed of EPRN experts and Oxfam in Rwanda Team.

This policy brief addresses three major challenges currently observed in the horticulture sub-sector and highlighted by the rapid assessment and during the policy

dialogue: (i) making the recently unveiled Government of Rwanda's recovery plan more accessible to smallholder farmers and other actors in the horticulture sub-sector (ii) building the resilience of smallholder farmers to cope with various external shocks including health and climate hazards, while focusing on vulnerable groups especially women and youth in the informal sector and people living with disabilities; and (iii) developing a comprehensive strategy which ensures that private sector and other relevant stakeholders contribute to ensuring farmers get fair prices for their produce while avoiding to make excessive gains/profits on the back of uninformed or less empowered horticulture farmers.

(i) Making the unveiled Government of Rwanda's recovery plan more accessible to smallholder farmers and other rural based actors in the horticulture sub-sector.

In June 2020, the Government of Rwanda announced that eligible businesses will be able to apply for funding under the Economic Recovery Fund (ERF), a two-year facility established by the Government to bolster businesses affected by the COVID-19 Pandemic. The fund was also created to facilitate domestic production of essential goods such as masks, gloves, sanitizers, disinfectants, and others that may be deemed necessary during and post COVID-19 period.

It has been noticed that the ERF has started to support hotel, businesses in manufacturing (including agri-processing), transport and logistics as well as small and medium enterprises linked to domestic and global supply chains. The Fund was deployed by the Central Bank to commercial banks, microfinance institutions and SACCOs who will then lend to eligible businesses. Eligible businesses must demonstrate the negative impact of COVID-19 on their operations, that they were commercially viable prior to the pandemic, and that they can return to viability, preserve jobs and contribute to the recovery of the economy.

A technical Steering Committee to govern the fund is in place. The Committee is composed of Ministry of Finance and Economic Planning, Ministry of Trade and Industry,

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Rwanda Development Board, National Bank of Rwanda, Private Sector Federation, Rwanda Bankers' Association, Association of Microfinance Institutions of Rwanda and Business Development Fund.

The rapid assessment as well as comments collected during the policy dialogue showed that the flow of ERF related information seems to favor SMEs and businesses that are -or were already integrated into more formal networks and systems; before COVID-19- and that it is much more difficult for smaller, more rural agri-SMEs to know about or benefit from the ERF. The informants of the rapid assessment included farmers' representatives who revealed that the flow of accurate information related to the ERF facility especially in rural areas has been a challenge. In addition, the ERF didn't take into consideration specific needs of horticulture smallholder farmers, SMEs with low borrowing capacity.

Recommendations:

- Public sector to accelerate the implementation of the COVID-19 ERF especially at local levels taking into consideration specific needs of those most in need including horticulture smallholder farmers, SMEs with low borrowing capacity, women and youth involved in the informal sector or unknown networks in the agriculture and agri-business sectors.
- Public sector to consider the inclusion of more flexible eligibility terms in the ERF so more horticulture stakeholders at local levels can be eligible beneficiaries of the fund's support.
- Development partners and civil society organizations to address issues beyond those covered by the ERF including researching potential new market niches, prices, export destinations, access to finance for a faster recovery of horticulture cooperatives and SMEs.
- Public sector to carry out a gender analysis to enable a more gender responsive ERF.

(ii) Building the resilience of smallholder farmers to cope with various external shocks beyond humanitarian and short-term interventions, while focusing on vulnerable groups especially women and youth in the informal sector and people living with disabilities.

Vulnerable populations are minimally resilient to shocks, whether caused by humans or natural disasters. Emerging threats and new trends—such as climate change, population growth, aging societies, urbanization, infectious as well as non-communicable diseases and recent global/regional pandemics (Ebola, COVID-19), and environmental degradation— are bound to aggravate the consequences of shocks on already vulnerable populations.

Government's interventions, like the earlier mentioned ERF, responding to the shocks are mostly on short-term measures by providing assistance to population segments experiencing the impacts of the shocks. The assistance usually consists of farm inputs, agricultural equipment, staple food for daily consumption or cash income. There is usually very little focus on policy measures and capacity building to enable smallholder farmers and their households to anticipate, respond and cope with the impact of shocks which may be repeated in the near future. Hence the urgency of building resilience of the smallholder farmer to confront the current global pandemic and other various shocks. Smallholder farmers must have the capacity that ensures adverse stressors and shocks do not have long lasting development consequences on their livelihoods.

Many organizations and institutions are embracing concepts and approaches to focus on the work needed to coherently address people's vulnerability before, during and after crises. At Oxfam, this approach is known as the 'triple nexus' which challenges the status quo of the aid system, which is overstretched and operates with little coordination between project-based development and humanitarian interventions, resulting in it not effectively meeting the needs of the most vulnerable people and key actors in important sectors like agriculture and horticulture. The nexus is not a new idea and is a continuation of long-running efforts in the humanitarian and development fields, such as 'disaster risk reduction' (DRR); 'linking relief rehabilitation and development' (LRRD); the 'resilience agenda'; and the embedding of conflict sensitivity across responses. The horticulture sub-sector is usually hit by external shocks and could benefit

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immensely from resilient oriented interventions and initiatives focused on building sustainability of smallholder farmers.

The rapid assessment noted that women response and resilience to hardship brought by the COVID-19 pandemic were less compared to men; for instance 28.5% of men sold properties and 31.5% sold livestock compared respectively to 13.5% and 15.2% of women which indicates at what extent men have more resilience and control over household properties than women even in crisis.

Recommendations:

- Donors and development partners to encourage broader changes in the way in which funding is delivered, putting an emphasis on a more coherent approach which offers strategies of meeting immediate needs at the same time as ensuring longer-term investment to address the systemic causes of inequality and vulnerability, maximizing chances of reducing the impact of cyclical or recurrent shocks and stresses.
- All stakeholders to enhance gender justice and youth empowerment, including long-term support to women and youth's rights organizations and ensuring that women and young people's rights are integral to both immediate responses and longer-term outcomes.
- All stakeholders to promote and support emphasis on early warning, early action and prevention strategies, especially at local levels to provide smallholder farmers and other vulnerable groups with resources and adequate access to skills/technologies that could help them make best use of those resources.
- Public sector to ensure that activities and initiatives of economic advancement and urbanization do not exacerbate environmental degradation or/and increase competition over scarce resources such as pasture and water.
- All stakeholders to integrate in agriculture focused initiatives and interventions activities related to mainstreaming smallholder farmers' protection against health-related risks and climate hazards.

(iii) Developing a comprehensive strategy which ensures that private sector and other relevant stakeholders contribute to ensuring farmers get fair prices for their produce while avoiding making excessive gains/profits exploiting uninformed or less empowered horticulture farmers.

The trade in agricultural commodities is heavily reliant on smallholders, many of whom struggle to earn the sustainable cost of production. Their vulnerability – and the need to find lasting solutions – is a call to action. Many farmers and their households' members are trapped in a cycle of poverty, made worse by decades of price volatility, and now facing new threats of a global pandemic and changing climate. These phenomena are threatening the very sustainability of the produce we consume daily. Research shows that half of the world's hungriest people are themselves smallholder farmers. The fact that so many hungry people are food producers shows just how unbalanced our global food system has become.

COVID-19 outbreak is leaving our global food system dangerously out of control for consumers, for farmers and in ways food is demanded, supplied and traded in markets. The rapid assessment showed that 56.1% of surveyed farmers have opted to skip at least one meal a day in a way to save the little food that they have, which could lead to an increase in malnutrition and stunting of children. On the other hand, farmers have adopted to deplete their reserves or selling their properties or livestock at cheaper prices: 41% have sold properties; 59% have sold other agriculture reserves; 56.9% have depleted cash savings; 46.7% have sold livestock. All those coping mechanisms could lead some of the farmers to fall back into poverty if specific recovery options targeting farmers are not put forward.

Recommendations

- Public sector to strengthen policies and increase investments to build the operational and advocacy capacity of producer organizations, especially women farmer groups, so that they can influence policy design and implementation.

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- Public, private and donor community to develop focused programs to better support the specific needs of market systems, and priorities of smallholders' organizations in their supply chains, and build joint business partnerships to invest in smallholder-led solutions that go beyond productivity.
- Public sector to include within export promotion strategies measures to support initiatives which enable smallholders to capture more value, over the long term, in international markets.
- Public sector to ensure inward investment policies include a focus on enabling smallholders to capture more value from their produce.
- Public sector to explore ways to ensure greater transparency and 'fair competition' in supply chains and so enable smallholders to secure a sustainable price for their produce.
- Public sector to set an example by ensuring public procurement strategies encourage sourcing from value chains that provide market access on fair terms for smallholders.
- Private sector to adopt mechanisms to ensure the sustainable cost of food production in the supply chains and commit to paying this price as a minimum to the smallholder farmers.
- Private sector, especially large corporations, to build strong and long-term relationships with horticulture farmer organizations in their supply chains in order to build economic security for smallholders.

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Theresie Nyirantozo is one of the horticulture farmers pictured in her pineapple farm in Gahara sector of Kirehe district. Photo credit: Oxfam