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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 2

of the Commission Implementing Decision on the financing of the multiannual action plan in favour of the Republic of Rwanda for 2021-2023

Action Document for Support to Economic Governance and the Business Environment in Rwanda

MULTIANNUAL PLAN

This document constitutes the multiannual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan in the sense of Article 23(2) of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

| | |
|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Title CRIS/OPSYS business reference Basic Act | Support to Economic Governance and the Business Environment in Rwanda CRIS number: NDICI AFRICA/2021/43254 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe) |
| 2. Team Europe Initiative | Yes. Team Europe Initiative on manufacturing and access to vaccines, medicines and health technologies in Africa (MAV+). |
| 3. Zone benefiting from the action | The action shall be carried out in Rwanda. |
| 4. Programming document | Rwanda Multiannual Indicative Programme 2021-2027 |
| 5. Link with relevant MIP(s) objectives/expected results | Entrepreneurship Strengthened Economic Governance Support to Technical and Vocational Education and Training (TVET) Measures in favour of civil society |
| PRIORITY AREAS AND SECTOR INFORMATION | |
| 6. Priority Area(s), sectors | Priority 1: Education, Skills and Jobs for the Youth in the digital age Sectors: <ul style="list-style-type: none"> • Support access to and quality of technical and vocational education and training (TVET) • Inclusive entrepreneurship and research and innovation support Priority 3: Political and Economic Governance Sectors: <ul style="list-style-type: none"> • Economic governance and business environment Support measures <ul style="list-style-type: none"> • Measures in favour of civil society |

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|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------|
| 7. Sustainable Development Goals (SDGs) | Main SDG: SDG8 (Decent work and economic growth), Other significant SDGs: SDG 3 (Good Health and Well-being, SDG 9 (Industry, Innovation and Infrastructure), SDG 4 (Quality education) and SDG 16 (Governance), SDG 5 (Gender equality), SDG 10 (Reduced Inequalities), SDG12 (Responsible consumption and production) and SDG 17 (Partnerships for the Goals) | | | |
| 8 a) DAC code(s) | DAC code 1 – 25010 – 19 % DAC code 2 – 32130 – 39 % DAC code 3 – 15150 – 2 % DAC code 4 – 11330 – 5 % DAC code 5 – 32168 – 15 % DAC code 6 – 12110 – 20 % | | | |
| 8 b) Main Delivery Channel | 10000; 13000, 41000 | | | |
| 9. Targets | <input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance | | | |
| 10. Markers (from DAC form) | General policy objective | Not targeted | Significant objective | Principal objective |
| | Participation development/good governance | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality and women’s and girl’s empowerment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade development | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Reproductive, maternal, new-born and child health | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Disaster Risk Reduction | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Inclusion of persons with Disabilities | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Nutrition | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | Not targeted | Significant objective | Principal objective |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Internal markers and Tags: | Policy objectives | Not targeted | Significant objective | Principal objective |
| | Digitalisation Tags: digital connectivity | <input type="checkbox"/> | <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> | <input type="checkbox"/> <input type="checkbox"/> |

| | | | | |
|--|-------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | digital governance | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | digital entrepreneurship | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | job creation | | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | digital skills/literacy | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | digital services | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Connectivity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Tags: transport | | <input type="checkbox"/> | <input type="checkbox"/> |
| | people2people | | <input type="checkbox"/> | <input type="checkbox"/> |
| | energy | | <input type="checkbox"/> | <input type="checkbox"/> |
| | digital connectivity | | <input type="checkbox"/> | <input type="checkbox"/> |
| | Migration (methodology for tagging under development) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Reduction of Inequalities (methodology for marker and tagging under development) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Covid-19 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

BUDGET INFORMATION

| | |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12. Amounts concerned | <p>Budget line(s) (article, item): BGUE-B2021-14.020121-C1-INTPA</p> <p>Total estimated cost: EUR 20 500 000</p> <p>Total amount of EU budget contribution EUR 20 500 000</p> <p>The contribution is for an amount of EUR 18 400 000 from the general budget of the European Union for 2021, and for an amount of EUR 2 100 000 from the general budget of the European Union for 2022, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.</p> <p>This action is part of the Team Europe initiative on Manufacturing and Access to Vaccines, Medicines and Health Technologies in Africa (MAV+) and Belgium is expected to contribute with EUR 3 000 000 for the component of support to Rwanda Food and Drug Authority (RFDA).</p> |
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MANAGEMENT AND IMPLEMENTATION

| | |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13. Type of financing¹ | <p>Direct management through:</p> <ul style="list-style-type: none"> - Grants - Procurement <p>Indirect management with the entities indicated and the selection criteria specified in sections 4.4.3, 4.4.4 and 4.4.5</p> |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

1.2. Summary of the Action

The action will contribute to Rwanda's ambitions to foster investment and further enhance private sector-driven growth. In this regard, the action will focus on (i) supporting entrepreneurship and youth employment, and (ii) supporting an improved business environment for trade and investment. The latter objective will combine on the one hand horizontal interventions with the Ministry of Trade and the Rwanda Development Board with, on the other hand, a dedicated sectoral focus on the mining industry and the pharmaceutical sector.

¹ Art. 27 NDICI.

The first component of the action will support business creation, medium and small enterprises (MSMEs) growth and youth employment, in a highly complementary fashion alongside recently launched EU support for incubation hubs under the European Development Fund (EDF) 11 NIP. The intervention will address existing support gaps alongside the entrepreneurship journey, including through a partnership with the Tony Elumelu Foundation that will expand their Entrepreneurship programme in Rwanda. This will increase the creation and growth of youth-led MSMEs, with a strong emphasis on inclusion of young women and persons with disabilities. Complementary interventions will include the organisation of entrepreneurship awareness campaigns and supporting the organisation of YouthConnekt ideation and pre-incubation competitions.

The second component will be focusing on fostering investment and improving the business environment, including through enhanced trade and regional linkages. The horizontal dimension of this component will include support for the domestic implementation of Rwanda's commitments under international trade agreements, in particular the African Continental Free Trade Area (AfCFTA), mainly through strengthening the capacity of the AfCFTA unit at the Ministry of Trade and Industry. The action will also include support for the capacity of the Rwanda Development Board (RDB) to design incentives and improve aftercare for foreign investors.

The sectoral dimension of this component will focus on the mining and the pharmaceutical sectors. Interventions on the mining sector will encompass a holistic approach, including: support to the professionalisation and modernisation of operators, digitalisation of licenses and procedures, labour rights and social protection, training and implementation of international standards on environment and traceability, and skills upgrading. These interventions will aim to reinforce the attractiveness of a high potential economic sector notably in terms of the creation of decent jobs. Interventions on the pharmaceutical sector will focus on support to the regulatory environment, business climate and skills base, thereby enhancing the attractiveness of Rwanda for pharmaceutical investments. These interventions will work complementarily on two important tracks to enable local manufacturing of vaccines, namely upgrading of the maturity level of the Rwanda Food and Drug Authority (RFDA)/strengthening regulatory and policy frameworks and improving the skills of the workforce to be employed in the sector.

The action will focus on the following four specific objectives of the MIP: (i) Inclusive entrepreneurship and research & innovation support, (ii) supporting access to and quality of TVET (iii) Support to economic governance in order to promote investment and a conducive business environment, and (iv) Measures in support of civil society.

2. RATIONALE

2.1. Context

The economy of Rwanda has experienced strong growth over the last decade, among the top in Africa and globally. However, the economic impact of the pandemic has halted economic growth, and output contracted by 3.4 % in 2020. Restrictions and lockdowns have continued in 2021 as a second and particularly third COVID-19 waves have hit Rwanda hard. In response to the COVID-19 crisis, the government is implementing an Economic Recovery Plan (ERP). The ERP has two pillars. The first is an economic pillar aimed at ensuring the survival of affected businesses and safeguarding jobs. The second pillar relates to expanding social protection to vulnerable groups, which has been the focus of EU support to the COVID-19 response by the Government so far. The response to the COVID-19 crisis has resulted in an increase in spending and a rise in Government debt, which will constrain fiscal policy and require consolidation of public finances in the medium-term. As Rwanda's fiscal space shrinks, the country's ability to continue to support growth through public investment will be limited and the Government is increasing its efforts to expand trade and attract more private sector investment as an alternative driver of growth and jobs. The country's determination and political capital invested in developing the biomedical sector and attracting private investment on the mRNA technology is a case in point. Another example is the efforts to modernise the mining sector, which is the main source of export revenues for the country. Due to its central location in Africa, Rwanda has a high potential to play a leading role in regional economic and trade integration in Africa, through supporting the effective implementation of the AfCFTA, but also the EU-EAC Economic Partnership Agreement. This is in line with Rwanda's aspirations to expand trade as one of the drivers of the economic recovery and future growth, and Rwanda's efforts to pursue further integration and connectivity within the East African Community (EAC). EAC and more recently the new AfCFTA offer opportunities for businesses based in Rwanda to cater for both continental and regional markets, including the growing urban centres of the neighbouring regions. Support to business creation, SME development and youth employment constitute an indispensable element of the economic recovery. Dynamic and competitive private enterprises of all sizes and strong ecosystems for entrepreneurship are critical for private sector-led development as a foundation of economic growth, job creation, poverty alleviation and increased prosperity. Support to entrepreneurship is a critical element in achieving the Government of Rwanda's ambitious growth and

competitiveness objectives in line with Vision 2050 document, which sets a target of achieving a high-income status by 2050. In this regard, the Entrepreneurship Development Policy is designed to ensure that the entrepreneurship ecosystem function properly, allowing Rwandan start-ups, MSMEs, and large enterprises to grow sustainably and profitably.

The EU has shown strong commitment to support Rwanda's objective to overhaul its growth model by fostering private sector led growth. Concerning the specific pharmaceutical sub-sector and vaccine production in particular, President Kagame has been very vocal about the need for Africa to forge strategic public-private partnerships for vaccine manufacturing and for AU members to move ahead with ratification of the Africa Medicines Agency Treaty, for which Rwanda will seek to host its HQ. Plans of bringing the first mRNA manufacturing facility to Rwanda were also clearly outlined, which should lay the foundation for the development of a pharmaceutical industry integrated into global supply chains. There is a consensus that in order to expand vaccine manufacturing capacity in low- and middle-income countries (LMICs) and in Rwanda in particular, there is need for technology transfer and to enhance the capability of the tech transfer receiving sites, including through specialised equipment and personnel. In order to ensure the safety, efficacy, and quality of vaccines manufactured in LMICs, national regulatory authorities (NRAs) in the country of manufacturing will play an irreplaceable role, especially in assuring product quality. Guided by the initiative launched by President von der Leyen at the G20 Global Health Summit, and the commitment to support this with EUR 1 000 000 000 from the EU budget and EU development finance institutions, the EU in Rwanda has rapidly positioned itself as the leading partner to support the ambition of Rwanda to attract private investment for the development of mRNA production capacity in the country.

Mining is an essential industry for Rwanda in terms of trade and revenue, with a good potential to facilitate growth and economic transformation in the coming years. Moreover, the Rwanda's mining sector is of critical importance to the EU in terms of supply of critical raw materials as well as for its social and environmental considerations. The improvement of working conditions and labour relations, particularly in terms of rights for the workers, gender equality, and safety merit further attention. Artisanal and small-scale miners are vulnerable to hazardous or exploitative working conditions due to ineffective legal protection. In order to secure the access to international markets and promote sustainable regional cooperation and trade in the mineral sector, the mining sector needs to comply with compliance requirements of International Conference of the Great Lakes Region (ICGLR), EU and OECD guidelines for responsible mineral sourcing. These guidelines require a transparent chain-of-custody system so that the minerals can be traced back to the mine and major red flags like child labour can be excluded. The Action will contribute to consolidating the EU's current role as development partners' lead for the Private Sector Development and Youth Employment sectors. Moreover, the Action is in line with the EU Economic Diplomacy, which sets out the framework for improving the coherence of EU external policies and tools.

The action will contribute to progress on a number of Sustainable Development Goals and consequent fulfilment of economic and social rights, and gender equality, in line with Rwanda's international human rights commitments. Moreover, the action contributes to the EU GAP III², and particularly its' thematic areas of engagement 1) Promoting economic and social rights and empowering girls and women; and 2) Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation.

2.2. Problem Analysis

Entrepreneurship

In recent years, Kigali has seen a wide development of accelerator and incubation hubs. Nevertheless, there are still significant gaps after the incubator and accelerator phase. In addition, secondary cities and rural areas, as well as groups living in marginalised and vulnerable situations such as persons with disabilities, refugees, asylum seekers, ethnic minorities, etc. are underserved. TVET graduates from more "traditional trades" have limited access to coaching, mentoring and entrepreneurship support to help them start their own business. Studies show that female entrepreneurs in particular cite lack of digital skills as a barrier. Access to finance, especially while lacking collateral, remains a major constraint particularly for female entrepreneurs. Partnerships between hubs and investors remain the exception, and the vast majority of SMEs and entrepreneurs who successfully exit mentorship and coaching programmes face unaffordable access to credit, which hinders their growth strategy and challenges their expansion plans.

Economic governance, including mining and vaccine manufacturing

² JOIN(2020)17 final of 25.11.2020; SWD(2020)284 final of 25.11.2020.

Lack of certainty and predictability has been regularly identified by investors as a major impediment to operating a business in Rwanda; investor protection and after care need to be improved, coupled with a clearer legislative framework for public-private partnerships. In addition, the private sector faces a number of structural constraints including lack of skills, difficult access to finance, low labour productivity, and relatively high transport and energy costs. Contract enforcement, market dominance and dispute resolution remain additional constraints for investment across sectors. In other sectors, specific regulatory issues hamper foreign investment. Attracting investment in the pharmaceutical sector, as the Government aspires to, would require an improved regulatory framework, including a strengthened Rwanda Food and Drug Authority with the adequate level of international certification (see below).

Rwanda is a small landlocked country, highly dependent on their neighbouring countries for trade and transit. COVID-19 has had a negative impact on the domestic economic outlook, meaning that the acceleration of export growth will be a fundamental recovery mechanism in the short term. In the medium to long term, structural transformation and export diversification are necessary, with increasingly greater share of high value-added goods and services. To realise the untapped trade potential, the country would need to work with its EAC and broader AfCFTA partners to revive and accelerate economic integration, with respect to trade facilitation, reducing non-tariff barriers, harmonising standards, liberalising investment and services and increasing freedom of movement for professionals. There is also a need in this context to address the regional dimension of digitalisation, for instance in terms of the cross-border data flows framework or e-commerce.

The mining sector is a critical source of export revenue and foreign exchange. However, limited mining and processing skills coupled with low accessibility to modern technology, are the major issues affecting the potential growth of the mining sector in Rwanda. The use of rudimentary tools leads to low productivity resulting in low output due to slow advancement of technologies, weak hauling of extracted materials, leaving a big percentage of minerals in poorly processed tailings. Moreover, many companies still face limited investments owing to incomplete mineral exploration data, a requirement for attracting strategic foreign investments and/or financial institutions. From a human rights perspective, poor working conditions regularly expose labourers to ill treatment and occupational safety hazards. Accidents resulting in injury and death occur frequently. The UN has also reported use of child labour in underground mining activities. The role of government and employers as duty-bearers in this regard requires significant strengthening.

The Rwanda Food and Drug Authority's (RFDA - the Rwandan NRA) regulatory system was benchmarked in November 2018 using the WHO 551 Global Benchmarking Tool (GBT). Despite making determined efforts to address gaps, increasing staff numbers, training and lab functions the RFDA still requires significant technical and managerial support as well as equipment to fully respond to its mandate and ambitions. The RFDA now seeks to attain World Health Organisation (WHO) maturity level 3 to be able to approve marketing registrations required for production and export of drugs, vaccines and other biological products. A new WHO assessment is foreseen in late 2021, but significant challenges remain, including lack of qualified staff to fulfil good manufacturing practices (GMP) inspections; ability to deliver marketing authorisations independently in the long term; sufficient available laboratory equipment and a sustainable financing model to support its ambitions.

Beyond regulatory strengthening, several cross-cutting enablers are also important to consider across all potential models for vaccine manufacturing in Rwanda including managing demand certainty, access to finance, talent and know-how and reliability of infrastructure. The current action will focus as well on skills shortages of pharmaceutical, biotechnology, and industrial know-how driven by scarcity of local talent, resulting in the reliance on foreign expertise. Other barriers would have to be analysed upon confirmed commitment by a company to an investment in Rwanda.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

Ministry of Youth and Culture

The Ministry of Youth and Culture (MYCOM) is mandated to create an enabling environment for Youth socio-economic empowerment. Its Directorate for Youth Empowerment leads the development of programmes, projects, strategies and policies related to socio-economic empowerment of young people, including employment promotion, entrepreneurship and skills development, and talent development.

Rwanda Information Society Agency (RISA)

RISA is a government institution, under the remit of the Ministry for ICT and Innovation, with the mission to digitise Rwandan society through increased ICT usage as a catalyst for cross-cutting development. The agency leads the

implementation of national ICT strategies, policies and programmes, and is also mandated with coordinating ICT-related initiatives in the country.

Ministry of Trade and Industry (MINICOM):

The mission of MINICOM is to facilitate Rwanda’s economic transformation through enabling a competitive private sector integrated into regional and global markets, while ensuring a level playing field and the protection of consumers. Moreover, MINICOM is in the lead of development of external and internal trade, competitive companies and cooperatives on the market and promotion of investment and consumer rights.

Rwanda Development Board (RDB):

RDB is the government department that integrates all government agencies responsible for the attraction, retention and facilitation of investments in the national economy. RDB measures its achievements in (a) direct foreign and domestic investments, (b) increased exports and (c) number of jobs created. RDB is guided by a Board where key ministries are represented.

Food and Drugs Authority (FDA):

FDA was established by the law N° 003/2018 of 09/02/2018 determining its mission, organisation and functioning. The mandate of FDA is to protect public health through regulation of human and veterinary medicines, vaccines and other biological products, processed foods, poisons, medicated cosmetics, medical devices, household chemical substances, tobacco and tobacco products. The mission of FDA is to regulate the quality and safety of such products so as to protect the population of Rwanda from defective, falsified and substandard products. The action will focus on its institutional strengthening.

Private Sector Federation (PSF):

PSF has the mandate to promote and represent the interests of the Rwandan business community. It is an umbrella organisation that groups 10 professional chambers that themselves comprise 77 constituent associations. The organisation’s mandate includes advocacy, but this tends to be on a reactive basis rather than proactively assessing barriers to enterprise growth in different sectors and engaging government for reform.

Rwanda Mining Board (RMB):

Established in February 2017, RMB is the Government of Rwanda body responsible for implementing and advising the government on issues related to national policies, laws and strategies related to mines, petroleum and gas. It is also mandated to monitor and coordinate the implementation of strategies in these areas.

Other stakeholders are the Rwandan Youth, Rwandan entrepreneurs and MSMEs, with a special focus on micro-enterprises, the Ministry for ICT and Innovation, Rwanda Polytechnic and Rwanda TVET Board, the Ministry of Public Service and Labour, the Ministry of Health, the EU MS, the Tony Elumelu Foundation, Trade unions and employers’ organisations, particularly in the mining sector; women’s organisations, CSOs, including those representing rights of women and groups living in vulnerable situations (such as persons with disabilities and indigenous peoples) and Local authorities. Particular attention will be paid on meaningful participation of mining affected communities, particularly historically marginalised peoples (HMP).

A coordination strategy must be settled with multilateral actors, mainly the UN Country Team through their UN Resident Coordinator. Since 2008, at Rwanda they have been delivering as ‘One UN’ – as one of the Pilot countries – through a five year Development Assistance Plan which calls for a coordinated action to achieve the SDGs.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to strengthen entrepreneurship and to improve the business environment and attractiveness of investment in Rwanda.

The Specific Objectives (Outcomes) of this action are to:

1. Increase the level of entrepreneurship and civic education among young people in Rwanda, especially young women

2. Enhance business environment and attractiveness of Rwanda for investment, including pharmaceutical investments
3. Enhance regional economic and trade integration
4. Promote modernisation and sustainable growth of the mining sector, including TVET

The Expected Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- 1.1 Increased entrepreneurship awareness and skills among youth, particularly young women
- 1.2 Increased pre-incubation and incubation services provided to youth-led and women-led MSMEs
- 1.3 Increased post-incubation services provided to youth-led and women-led MSMEs

- 2.1 Strengthened investment promotion and investment after care services
- 2.2. Enhanced RFDA regulatory functions and pharmaceutical/health policy and regulatory environment
- 2.3. Upgraded skills base linked to local manufacturing of vaccines/health products

- 3.1 Strengthened capacity of the AfCFTA unit at the Ministry of Trade and Industry for the negotiation and implementation of trade agreements

- 4.1 Enhanced capacity of mining actors to comply with EU and international human rights, safety and environment standards
- 4.2 Support the digitalisation and operationalisation of mining sector services
- 4.3 Strengthen the provision of TVET skills on mining
- 4.4 Enhance the capacity of labour unions and CSOs to advocate for improvements in the legislative framework and enhanced labour rights

3.2. Indicative Activities

Activities related to Output 1.1

- Technical and financial support to the organisation of entrepreneurship awareness campaigns
- Technical and financial support to the organisation of YouthConnekt ideation competitions
- Technical and financial support to the creation of youth-led SMEs

Activities related to Output 1.2:

- Technical and financial support to the organisation of the Tony Elumelu Foundation Entrepreneurship programme
- Technical and financial support to the organisation of YouthConnekt pre-incubation competitions

Activities related to Output 1.3:

- Support to the scaling-up of YouthConnekt post-incubation mentorship programme
- Technical and financial support to selected youth led MSMEs through Norrsken Hub

Activities related to Output 2.1:

- Technical support to strengthen the analytical and conceptual capacity of RDB to create incentives and provide aftercare for foreign investors

Activities related to Output 2.2:

- Institution-building support to the RFDA and capacity development for relevant staff, including regulatory strengthening and supervision of pharmaceutical production and other activities to support oversight for vaccine production and ultimately ensure access to quality, safe and efficacious essential health products.
- Strengthen the pharmaceutical system by making equipment available (potentially including laboratory and IT systems), needed for oversight and surveillance of vaccines produced locally
- Support policy reforms related to pharmaceutical and the health system

Activities related to Output 2.3:

- Support research & development, and workforce development for vaccine manufacturing, including through collaboration with research and training institutions, programmes, developing and supporting linkages between relevant institutions in country, with Europe and the region

Activities related to Output 3.1:

- Technical support to the AfCFTA unit at MINICOM in negotiating trade relating to goods and services liberalisation, as well as investment, competition and intellectual property rights and implementing obligations under AfCFTA

Activities related to Output 4.1:

- Technical support and knowledge transfer for mining and mineral trading operators as well as inspectors on ICGLR (International Conference of the Great Lakes Region), EU and OECD guidelines
- Explore and implement new digitalised licencing process as well as traceability methodologies of mineral supply chains using modern technologies
- Technical support and knowledge transfer for private sector actors on mine management, safety, health, environmental and gender equality and human rights standards, including child labour, indigenous peoples rights and UN Guiding Principles on Business and Human Rights

Activities related to Output 4.2:

- Support to enhance the digitalisation process and operationalisation of Geological Information and Mining Cadastre System

Activities related to Output 4.3:

- Support short and medium-term vocational training needs
- Support work placement system and processes linked to TVET mining studies

Activities related to Output 4.4:

- Enhance the capacity of labour associations to promote workers' rights, a gender-sensitive and adequately resourced decent work policy, and advocate for legislative improvements
- Provision of capacity building for the Rwanda Mining Association

The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this multiannual action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3.3. Mainstreaming

Environmental Protection & Climate Change

Given the nature of the Action, there is no need to undertake an SEA screening, EIA (Environmental Impact Assessment) screening or a CRA (Climate Risk Assessment) screening. Please refer to the relevant Annex f3 for the justification.

This Action will promote green entrepreneurship, by fostering green/circular economy practices through the incubation hubs and supporting the development of business ventures on the green economy. The action will also support environmental standards in the mining sector.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender is a significant objective of the action. Gender equality is an important and deliberate objective of this programme. A specific gender analysis was not carried out for this action but consultations with gender organisations relating to this area was held. The programme is informed by the GAP gender profile for Rwanda and the draft CLIP.

Under the entrepreneurship aspect, specific barriers pertinent to women have been identified. In particular, a lack of digital skills as well as access to finance are major barriers faced by female entrepreneurs and potential female entrepreneurs. In response, women will be specifically targeted in activities under this objective. The logframe below establishes ambitious targets for female participation in all activities. Specific outreach to women, responding to their needs, will be included during interventions.

Across all objectives, targets aim at 50% participation of women where relevant (see logframe), including in particular the upgrading of skills on mining sector (including in the digitalisation process and operationalisation of Geological Information and Mining Cadastre System) or health.

Human Rights

The action will build capacity of duty bearers in a number of areas - to implement commitments under the AfCFTA which should improve economic freedoms in the country and region (output 3.1); improve the pharmaceutical/health regulatory environment which will benefit the right to health (output 5.1); as well as ensuring authorities and private sector in the mining industry fulfil obligations as rights-holders (output 4.1)

A strong emphasis is put on human rights in outcome 4. The mining sector suffers from multiple human rights violations. Most mining in Rwanda is small scale and artisanal, with labour violations being a significant issue – mainly in the form of poor working conditions and use of child labour. Poverty, a low level of mechanisation, inefficient extraction methods and insufficient knowledge and expertise are part of the root causes of these problems.

Under the objective related to mining, efforts will be made to strengthen the role of government and mining management, as well as the role of mine workers and surrounding communities as rights holders (particularly indigenous peoples' rights to their ancestral lands and natural resources). This will be done through specific capacity building, as well as a dedicated project with civil society to enhance protection and promotion of human rights in the mining sector.

In addition, in the objective related to entrepreneurship, human rights will be mainstreamed primarily through accessibility and inclusivity. Entrepreneurs from minority groups face specific barriers, and are often left behind by mainstream opportunities.

Equal access to entrepreneurship activities will be sought through dedicated outreach and tailored initiatives from specific groups, notably women, youth, people from rural areas, refugees, minorities, and persons living with disabilities (see below)

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that inclusion of persons living with disabilities is a significant objective. Efforts will be made to ensure persons living with disabilities (PwD) are included in all relevant activities, with an emphasis on accessibility of services such as trainings. In particular, in the component relating to entrepreneurship promotion, specific targets have been included on targeting PwD in outreach activities.

Democracy

N/A

Conflict sensitivity, peace and resilience

Minerals play a key role in stability and conflicts in the Great Lakes region. Improved traceability of minerals will contribute to reduce the risk of conflicts between communities especially in areas that are close to the borders of Uganda, Rwanda and DRC.

Disaster Risk Reduction

While this project will not focus on disaster risk reduction the planned intervention will build capacity of the Rwanda Mining Board (RMB) who is a public institution mandated to monitor earthquakes and other seismic activity. This project will therefore contribute - albeit indirectly – to improve the capacity of RMB to monitor and mitigate impact of natural disasters such as the recent Nyiragongo eruption.

Other considerations if relevant

Digitalisation will be mainstreamed throughout the interventions. ICT and digital technologies will be at the centre of the entrepreneurship component, be it as an enabler of the incubation hubs or as the foundation of new business models by emerging entrepreneurs. Digital technologies will also be supported in the other areas, like the mining

sector (e.g. digitalisation of mining licenses and traceability systems), as well as in the field of vaccine production (e.g. information management technology).

Census projections indicate that the population of working-age Rwandan will increase by 240,000 per year until 2024 (source NISR). The action on entrepreneurship should reach over 100,000 youth per year through awareness activities and will offer skills development and business opportunities to 1,600 youth per year. In addition several hundreds of most promising youth will benefit from cash grants via Tony Elumelu foundation as well as preferential access to working space and incubation services which should hopefully enable them to become entrepreneurs. Some of the supported economic sectors include business process outsourcing and other outsourced services where opportunities are typically available to youth.

The component on mining will offer skills development program to TVET students as job market opportunities in Rwanda have not followed the steady increase in enrolment in TVET.

This action will be encompassed within the policy dialogue that the EU Delegation intends to engage into with the Government of Rwanda in the framework of budget support operations.

3.4. Risks and Lessons Learnt

| Category | Risks | Likelihood (High/ Medium/ Low) | Impact (High/ Medium/ Low) | Mitigating measures |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| People and the organisation | Risk 1: Overlapping responsibilities between ministries and agencies responsible for entrepreneurship and SME support | H | M | Close engagement and multi-stakeholder coordination, namely with concerned agencies and public institutions. Close monitoring of performance and undertaking of corrective measures if needed |
| Legality and regularity aspects | Risk 2: Market distortions continue, hindering further investment of private sector | M | M | Continued policy dialogue and advocacy on the benefits of innovation and unhindered market access |
| People and the organisation | Risk 3: Not all public institutions share the vision to shift towards private sector driven growth | M | M | Continued policy dialogue and advocacy. Promotion of partnerships between Private Sector and public sector. |
| External environment | Risk 4: The prominent role played by some SOEs might deter the process of creating space for a young and innovative private sector | M | H | Continuous policy dialogue and consultations with SOEs and private sector stakeholders and design a common approach for an effective private sector. Advocacy for a level playing field for prospective investors |
| External environment | Risk 5: African countries are unable to reach a deal on the main AfCFTA protocols and | M | H | Experience sharing, technical assistance, advocacy and political support |

| | | | | |
|---------------------------------|----------------------------------------------------------------------------------------|---|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | implementation is postponed | | | |
| Legality and regularity aspects | Risk 6: Lack of transparency in the mining sector and risk of human rights violations. | M | M | Assessment of capacity, capacity building, experience sharing, advocacy and inclusive policy dialogue. Awareness efforts and inclusion of incentives in the package of interventions. An explicit commitment for all private sector actors to abide by the UN Guiding Principles on Business and Human Rights, to adopt due-diligence policy and prevent the use of child labour in their activities. |
| Legality and regularity aspects | Risk 8: Certification of Rwanda FDA delayed due to complexity of requirements | M | H | Capacity building accompanied by a partnership that can provide expertise from an EU MS Food and Drug Authority or agency from the region |
| Legality and regularity aspects | Risk 9: Private sector investment in vaccine manufacturing does not materialise | M | H | Developing a comprehensive offer of incentives accompanied by an adequate regulatory framework and upgraded skills base |

Lessons Learnt:

This action integrates lessons learnt from the design of the private sector development and job creation in Rwanda programme, approved end 2019.

The innovation and entrepreneurship ecosystem sector has seen a rapid growth in Rwanda since 2012. Lessons learnt from the above mentioned programmes are:

- Existing support is mainly concentrated in Kigali. It is crucial to have more innovation and entrepreneurship facilities deployed in all parts of the country as to reinforce their inclusiveness hence to stimulate innovation and to generate a wider social impact in the underserved communities. The proposed action will foresee reaching out to underserved communities, notably through the YouthConnekt initiative.
- The presence of a high number of entrepreneurship projects alone does not translate automatically into a well-functioning entrepreneurship ecosystem and sustainable business creation. More important is how well the actors within the ecosystem are interconnected and collaborate with each other.
- Experience with the current start-ups and entrepreneurship model shows that start-ups owners have no clear exit path when attending innovation program. Most of the time they end up either repeating the same program or attend multiple programme without value addition for their business.

This action will promote a holistic and integrated approach to allow youth incubated in different hubs to have an exit plan at the end of the incubation period linking them to seed capital and potential investors through the Toni Elumelu foundation and the Norrsken foundation.

The program also builds on lessons learnt from the EU programme estimate (PE) to RDB which was launched in July 2021. This PE aims to implement a national tourism statistics system and to improve marketing strategies to enhance Rwanda's promotion as a high quality tourism and investment destination. RDB identified that Rwanda is subject to insufficient visibility on the world stage due to the following constraints: the over-reliance on a single product, under-skilled human resources, poor infrastructure, limited access to finance, and weak involvement of communities and MSMEs. To address some of those constraints, RDB has suggested to increase the level of digitalisation by enhancing tourism regulation software and a modern statistical software. Moreover, the PE will upgrade an online tourism database and a methodology for conducting inbound and outbound visitor surveys. Facilitated digitalisation is also one of the main objectives of this program, suggesting that this component will be crucial in supporting economic governance in order to promote investment and a conducive business environment.

The program also builds on lessons learnt from the PE to the National Institute of Statistics Rwanda (NISR), launched in June 2021. According to the World Bank, NISR still needs to reinforce their statistical capacity. A key challenge is

to build capacity across the National Statistical System and to consolidate its efforts in building its reputation with better dissemination of its products and better communication. The lesson which may be applied for this program is that a comprehensive capacity building program should be applied both to more and less experienced institutions in Rwanda. As regards regional projects, the particular focus should be on the Regional Project on Peace and Security for Stability in the Great Lakes Region under 11 EDF. The main objective is to increase credibility of the Manual of the Regional Certification Mechanism (RCM), to reduce its implementation costs, to provide clarity on the requirements, to increase efficiency, to better align the RCM with the OECD standards, to clarify roles and responsibilities and to provide for appropriate checks and balances. The lessons learnt are of particular importance for the forthcoming support to RMB and aligning with EU and OECD standards for responsible mineral sourcing. Moreover, the action will seek complementarity with the regional project, especially in the field of mineral certification and digitalisation of licensing processes.

With regards to local manufacturing of vaccines, support granted to Rwanda has been scarce up to 2021. WHO Rwanda took part in several activities to help build capacity for RFDA to become more self-sustainable and effective. The first benchmarking activity that WHO Rwanda helped conduct in 2018 assessed the maturity level of the regulatory institution. At the end of the assessment, 136 recommendations were identified in an Institutional Development Plan (IDP) to move the institution from maturity level 1 to maturity level 3. Following this, WHO facilitated the establishment and convening of several partners to work implementation of the plan, among which USAID. The latter notably provided limited training to RFDA inspectors on basic good manufacturing practices and will provide more advanced training in the future. Despite being a young organisation, RFDA has been able to license 17 pharmaceutical manufacturing companies (four big and 13 small-scale), more than 700 retail and wholesale pharmacies, and has been able to approve more than 4000 human and veterinary medicines up to February 2021. This shows absorption capacities and relevance in granting further support in the framework of local manufacturing of vaccines. The action also integrates conclusions from several analyses³ made on the potential for vaccine manufacturing in Africa, which highlighted the need to work on regulatory strengthening, talent and know how, demand certainty, access to finance and agenda setting and coordination. The proposed action will focus on the first two axis, which require more grant-based support, in a staged approach (short to mid-term support).

³ In particular, ‘Vaccine manufacturing in Africa – comprehensive analysis, FCDO, January, 2021.’

3.5. The Intervention Logic

The underlying intervention logic for this action encompasses four areas:

With regard to **entrepreneurship**, the action will focus on addressing gaps in the SME development journey, through the ideation, incubation and post-incubation stages. The envisaged support will strongly complement the work of existing incubation hubs, in particular those currently being established through EU funding in secondary cities. The action will be also highly complementary to envisaged TVET support, assisting TVET graduates that wish to become self-employed and start a business. Interventions will keep a particular focus on creating more opportunities for the underserved youth, female entrepreneurs and members of vulnerable groups, including refugees. This component will also promote green entrepreneurship, by fostering green/circular economy in incubation hubs and supporting the development of business ventures on the green economy.

As regards **horizontal interventions on the business environment**, the action will provide twin support for the Ministry of Trade and Industry (MINICOM) and the Rwanda Development Board (RDB). MINICOM is leading Rwanda's engagement with regional bodies and the implementation of Rwanda's international trade commitments, in particular the AfCFTA. The action will support MINICOM's efforts on trade facilitation, the reduction of non-tariff barriers, harmonising standards, and liberalising investment and services. The component with RDB will enhance investment promotion and support a more conducive business environment with a focus on improving investor after-care and investor protection.

Furthermore, the action will strengthen the contribution of the **mining sector** to economic and social development through a holistic intervention. The intervention will combine direct support for the Rwanda Mining Board, support for the relevant TVET institutions and schools delivering mining skills training, and support for the Rwanda Miners Association and the Trade unions and CSOs to advocate for improvements in the legislative framework and labour rights. Thereby the programme will (i) enhance compliance with international human rights, safety and environment standards⁴, as well as with EU regulations, (ii) support modernisation of operations, e.g. through digitalisation of licenses, (iii) strengthen the provision of TVET skills on mining and (iv) contribute to the capacity of relevant unions and CSOs to advocate for improved laws and gender-sensitive labour standards.

With regard to support to **the pharmaceutical sector**, the intervention is two-fold. On one hand, it will support the RFDA in increasing the maturity level of key functions. This will include increasing, attracting and training staff to adequately perform necessary specialized functions in the medium and long-term. It will also include, in parallel with skills development to ensure sustainability, the provision of equipment to RFDA and/or other key institutions. On the other hand, the action will support the conduciveness of the wider ecosystem for vaccine production. This will be done by enabling the creation of long-term training opportunities and research facilities in country, facilitate exchanges within the region and Europe, and by supporting the overall regulatory and policy system. This component will be complemented by a twinning with EU MS regulatory agencies, to be launched under the current Technical Cooperation Facility of EDF11. It will also be complementary to the regional Team Europe Initiative on "Manufacturing and Access to Vaccines, Medicines and Health Technologies in Africa (MAV+)", for which initial funding is also foreseen under the AAP 2021 for the Regional MIP.

The action will support the EU's role of DP co-chair of the Private Sector and Youth Employment sector working group, whilst also making the EU the partner of reference in the mining sector. Similarly, the action will help consolidate #TeamEurope as the leading partner to support Rwanda in its efforts to develop local manufacturing capacity for vaccines.

⁴ Urban mining and recovery of raw materials from end-of-life products will be covered by the on-going regional programmes on circular economy.

3.6. Logical Framework Matrix

At action level, the indicative logframe should have a maximum of 10 expected results (Impact/Outcome(s)/Output(s)).

It constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, more detailed logframes will be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

| Results | Results chain (a): Main expected results (maximum 10) | Indicators (a): (at least one indicator per expected result) | Baselines (values and years) | Targets (values and years) | Sources of data |
|------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Impact | To strengthen entrepreneurship and to improve the business environment and attractiveness of investment in Rwanda. | <ol style="list-style-type: none"> 1. Annual flows of Foreign Direct Investment in Rwanda 2. Global Entrepreneurship index (GEI) 3. Annual number of new SME's created | <ol style="list-style-type: none"> 1. USD 354 000 000 (2019) 2. 91 (rank 2020) 3. 200 (2018) | <ol style="list-style-type: none"> 1. USD 700 000 000 (2027) 2. 80 (rank 2024) 3. 400 (2024) | <p>Annual reports of the Rwanda Development Board/World Investment Report</p> <p>The global entrepreneurship and development Institute</p> <p>Annual reports of the Rwanda Development Board</p> |
| Outcome 1 | Increased level of entrepreneurship and civic education among young people in Rwanda, especially women | <ol style="list-style-type: none"> 1.1 Annual number of new youth-led and women-led SMEs (annual increase) 1.2 Number of (a) jobs, (b) green jobs supported/sustained by the EU (EURF 2.13) 1.3 Number of beneficiaries with access to financial services with EU support: (a) firms, (b) people (all financial services), (c) people (digital financial services) (EURF 2.17) | 0 | 200 per year 100 per year, o/w 5 0% women-led | <p>Annual report of the RDB</p> <p>UNDP (Rwanda office) annual reports</p> |
| Outcome 2 | Enhance business environment and attractiveness of Rwanda for investment, including pharmaceutical investments | <ol style="list-style-type: none"> 2.1 Annual number of Greenfield Investments 2.2 Stock of Foreign Direct Investment 2.3 Investment capital Flow and Economic Freedom Index 2.4 Number of processes related to partner country practices on trade, investment and business, or promoting the external dimension of EU internal policies or EU interest, which have been influenced (EURF 2.15) | <p>20 (2019)</p> <p>USD 2 631 000 (2019)</p> <p>60 points (2019 rank)</p> <p>TBC</p> | <p>40 (2024)</p> <p>USD 3 500 000 (2024)</p> <p>75 points (2024)</p> <p>TBC</p> | <p>National Bank of Rwanda</p> <p>United Nations Conference on Trade and Development (UNCTAD)</p> <p>The Heritage Foundation</p> |

| | | | | | |
|--------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Outcome 3 | Enhanced regional economic and trade integration | 3.1 Rwanda exports to Africa annually 3.2 Number of AfCFTA ratified protocols under the phase II (investment, intellectual property rights and competition by 2024 | USD 500 000 000 (2019) 0 (2021) | USD 1 billion (2027) 3 (2024) | National Bank of Rwanda AfCFTA Secretariat |
| Outcome 4 | Support a more conducive framework for the mining sector, including TVET | 4.1 Level of compliance with international safety and environment standards, as well as with EU regulations 4.2 Status of adoption of digitalisation technologies adopted (traceability and licensing) by 2024 4.3 Extent to which the partner country's gender equality and decent work policy is implemented 4.4 Number of people who have benefited from institution or workplace based VET/skills development interventions on mining disaggregated on mining by sex, disability supported by the EU: (a) all VET/skills development, (b) only VET/skills development for digitalisation (EURF 2.14) | Limited compliance with ICGLR, EU & OECCD guidelines (2021) Modern IT technologies not applied in the mining sector (2021) TBC 0 | Guidelines implemented (2024) At least one technology rolled-out (2024) TBC 100 of which 30 % women, o/w 5 % PwD | RMB Report EU projects' documents RMB website Rwanda TVET Board/Rwanda Polytechnic reports |
| Output 1 related to Outcome 1 | Increased awareness entrepreneurship and skills among youth, particularly young women | 1) Number of youth reached through awareness activities 2) Number of youth led enterprises provided with pre-incubation services, disaggregated by sex, rural/urban, refugee status and disability | 0 | 100,000 per year 1,600 per year o/w 400 rural o/w 100 refugees o/w 1k women o/w 1k PwD | UNDP reports |

| | | | | | |
|--------------------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Output 2 related to Outcome 1 | Increased incubation services provided to youth-led and women-led MSMEs | 1) Number of youth led and women-led enterprises provided with Tony Elumelu services, disaggregated by sex, rural/urban, refugee status and disability 2) Number of youth led and women-led enterprises awarded (grants) with Tony Elumelu services, disaggregated by sex, rural/urban, refugee status and disability | 0 | 400 per year 100 per year o/w 50 % women led | UNDP reports Tony Elumelu foundation reports |
| Output 3 related to Outcome 1 | Increased post-incubation services provided to youth-led and women-led MSMEs | 1) Number of youth led and women-led enterprises provided with post-incubation services, disaggregated by sex, rural/urban, refugee status and disability 2) Number of youth led and women-led enterprises provided with access to Norssken Hub, disaggregated by sex, rural/urban, refugee status and disability | 0 | 1,000 per year 100 per year o/w 50 % women led | UNDP and Norssken reports |
| Output 1 related to Outcome 2 | Strengthened investment promotion and investment after care services | 1) Status of operationalisation of investment analytics tools 2) Number of jobs created by Business Processing Outsourcing , disaggregated by sex, rural/urban, refugee status and disability 3) Status of investor landscaping exercise | Ineffective investment and Business registration dashboard and database (2021) <500 (2021) Limited exchange on investment and aftercare services (2021) | Dashboard and database developed (2024) > 10,000 (2024) RDB regular dialogue with EBCR and AmCham (2023) | RDB's public website RDB Annual Report Monthly dashboard inputs EBCR reports AmCham reports |
| Output 2 related to Outcome 2 | Enhanced RFDA regulatory functions and pharmaceutical/health policy and regulatory environment | 1) Number of good regulatory practices implemented with EU support 2) Number of WHO assessed functions improved through | 0 (2021) 0 (2021) | 15 (2026) 5 (2026) | Expert assessment, RFDA reports WHO assessment |

| | | | | | |
|--------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| | | provision of equipment, with EU support | | | |
| Output 3 related to Outcome 2 | Upgraded skills base linked to local manufacturing of vaccines/health products | <ol style="list-style-type: none"> 1) Number of professionals/graduates trained by the EU-funded intervention n subjects relevant to local manufacturing of vaccines/ health products, disaggregated by sex 2) Number of institutions, exchange programmes or study visits supported | <p>0 (2021)</p> <p>0 (2021)</p> | <p>100 (2026)</p> <p>10 (2026)</p> | <p>Pre- and post-training reports</p> <p>Enabel reports ENABEL reports</p> |
| Output 1 related to Outcome 3 | Strengthened capacity of the AfCFTA unit for the negotiation and implementation of trade agreements | Number of AfCFTA Unit staff trained by the EU-funded intervention with increased knowledge and/or skills in implementing trade agreements (including EU-negotiated agreements), disaggregated by sex | Limited or no skills and/or knowledge of the implementation of trade agreements (2021) | At least 5 staff members trained in the AfCFTA Unit (2023) | <p>MINICOM's public website</p> <p>MINICOM Annual Report</p> <p>Regular MINICOM reports</p> |
| Output 1 related to Outcome 4 | Enhanced compliance with responsible sourcing guidelines by mining and mineral trading operators | <ol style="list-style-type: none"> 1) Status of compliance with ICGLR, EU & OECD guidelines 2) Number beneficiaries trained by the EU-funded intervention with increased knowledge and/or skills on Human Rights, Safety, Health and Environmental and Gender standards, disaggregated by sex 3) Number beneficiaries trained by the EU-funded intervention with increased knowledge and/or skills on administration, finance management and business plan development , disaggregated by sex | <p>Limited compliance</p> <p>0 (2021)</p> <p>0 (2021)</p> | <p>ICGLR Regional Certification Mechanism, EU Minerals Policy Guidance, OECD Due Diligence Guidance implemented (2024)</p> <p>4 trainings per year, o/w 50 % female participants (2023)</p> | <p>RMB website</p> <p>RMB reports</p> <p>Rwanda Mining Association's reports</p> |

| | | | | | |
|--------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| | | | | 3 trainings per year, o/w 50 % female participants (2023) | |
| Output 2 related to Outcome 4 | Supported digitalisation and operationalisation of mining sector services | <ol style="list-style-type: none"> 1) Number of traceability methodologies of mineral supply chains developed with support of the EU-funded intervention 2) Number of RMB staff trained by the EU-funded intervention with increased knowledge and/or skills on managing and adjusting the mining cadastre and geo-information system, disaggregated sex, age and disability | <p>No mechanisms (2021)</p> <p>0</p> | <p>Online mechanism developed and implemented (2023)</p> <p>3 trainings per year, o/w 50 % female</p> | <p>RMB website</p> <p>Pre- and post-training test</p> |
| Output 3 related to Outcome 4 | Strengthening the provision of TVET skills on mining training | <ol style="list-style-type: none"> 1) Number of unskilled and untrained miners/mine owners provided with on-job training with support of the EU-funded intervention, disaggregated by sex 2) Number of youth/trainers who gained education through TVET with support of the EU-funded intervention disaggregated by sex, age and disability | <p>0</p> <p>0</p> | <p>450</p> <p>150</p> | <p>Reports from Rwanda Polytechnic</p> <p>Reports from Rwanda TVET Board</p> |
| Output 4 related to Outcome 4 | Enhanced capacity of labour unions and CSOs | Number of labour unions who benefit from EU-funded interventions by 2024 | Labour unions receive limited to no support (2021) | 2 labour unions (2024) | EU CSO database |

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with Rwanda.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation of the Budget Support Component

N/A

4.4. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁵.

4.4.1. Direct Management (Grants)

Grants: (direct management)

(a) Purpose of the grant(s)

The grants will contribute to enhanced capacity of labour unions and CSOs - output 4 related to Specific Objective 4) of the action on the modernisation and sustainable growth of the mining sector.

A call for proposal will be launched to support the enhancement of the capacity and policy coordination of labour associations in the mining sector to promote workers' rights and support advocacy for an improved legislative framework.

(b) Type of applicants targeted

Civil society organisations with an expertise to work with labour unions, employer associations and advocacy, preferably with experience in the mining sector.

4.4.2. Direct Management (Procurement)

Procurement will contribute to recruit technical assistance to achieve output 'Strengthened investment promotion and investment after care services' of objective no. 2 to 'Enhance business environment and attractiveness of Rwanda for

⁵ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

investment, including pharmaceutical investments’ and objective no. 3 to ‘Enhanced regional economic and trade integration’.

4.4.3. Indirect Management with an international organisation (UNDP)

Part of this action may be implemented in indirect management with United Nations Development Programme (‘UNDP’). This implementation entails Specific Objective 1 ‘Increase the level of entrepreneurship and civic education among young people in Rwanda’ and the associated three expected outcomes 1.1, 1.2 and 1.3. The envisaged entity has been selected using the following criteria: (i) experience to implement entrepreneurship support programmes in Rwanda or elsewhere in Africa; (ii) demonstrated capacity to mobilize relevant partners on entrepreneurship; (iii) experience on developing and implementing youth-targeted interventions.

UNDP has consolidated experience in working on entrepreneurship with the Youth in Rwanda, namely through implementation of boot camps and incubation programmes. Their YouthConnekt flagship project was initiated in 2012. UNDP benefits from unparalleled connections at grassroots level involving Youth centers, business advisors and the National Youth Council who are the best placed to mobilise youth from undeserved rural areas. UNDP’s Youthconnekt’s project has gained wide visibility on the media, including through TV broadcasted national competitions. Importantly, UNDP has a working partnership with the Tony Elumelu foundation which will be of great added value to mobilise in Rwanda the Entrepreneurship Programme of the Tony Elumelu foundation, which is widely acknowledged as an effective model to support African entrepreneurs. Finally, UNDP has also a MoU with Norrskan, which is investing in Rwanda to provide state-of-the art incubation services for entrepreneurs and SMEs. Through a delegation agreement with UNDP the EU can work with the three organisations: Tony Elumelu, Norrskan and UNDP, in particular their YouthConnekt programme.

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.4. Indirect Management with a Member State organisation (GIZ)

A part of the action may be implemented in indirect management with the GIZ. This implementation entails Specific Objective 4 to ‘Support a more conducive framework for the mining sector, including TVET’.

The envisaged entity has been selected using the following criteria: (i) experience to work in, the mining sector in Rwanda and in the region; (ii) demonstrated capacity to transfer knowledge on mine management, safety, health, environmental, gender equality and human rights standards; (iii) experience on enhancing compliance with international safety and environment standards, as well as with EU regulations.

GIZ is already successfully implementing an EU-funded project in partnership with the Rwanda Mining Board; a regional project on peace and security stability in the Great Lakes region (11EDF 039/855) (EUR 10 000 000 for 2018-2022) through the support to the ICGLR Secretariat. This project includes a component implemented by GIZ aiming at improving mineral resources management and reducing impact on conflict. The EU project will build up on the on-going EU regional project and a positive cooperation between GIZ and the Rwanda Mining Board. More generally GIZ has a solid experience supporting the mining sector in a number of countries.

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.5. Indirect Management with a Member State organisation (ENABEL)

A part of this action may be implemented in indirect management with ENABEL. This implementation entails activities under Specific Objective 2 to Enhance business environment and attractiveness of Rwanda for investment, including pharmaceutical investments. The envisaged entity has been selected using the following criteria: (1) experience and insight in the health sector in Rwanda; (2) experience in liaising with the RFDA and/or other key bodies, such as the Rwanda Biomedical Centre or Ministry of Health.

ENABEL has extensive experience and insight in the health sector in Rwanda, with an overall portfolio of EUR 40 million in this area. ENABEL has specific experience in liaising with the Rwanda Food and Drugs Authority and other key bodies, such as the Rwanda Biomedical Centre and the Ministry of Health

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

| Indicative Budget components | EU contribution (amount in EUR) |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Implementation modalities – cf. section 4.4 | |
| Outcome 1 - Increased entrepreneurship and civic education among young people in Rwanda Composed of | 8 000 000 |
| Indirect management with an international organisation- cf. section 4.4.3 | 8 000 000 |
| Outcome 2 - Enhance business environment and attractiveness of Rwanda for investment, including pharmaceutical investments Composed of | 7 800 000 |
| Procurement (direct management) – cf. section 4.4.2 | 800 000 |
| Indirect management with an EU Member State organisation - cf. section 4.4.5 | 7 000 000 |
| Outcome 3 - Enhanced regional and economic integration Composed of | 800 000 |
| Procurement (direct management) – cf. section 4.4.2 | 800 000 |
| Outcome 4 – Contribute to the modernisation and sustainable growth of the mining sector, including TVET Composed of | 3 900 000 |
| Grants (direct management) – cf. section 4.4.1 | 500 000 |
| Indirect management with an EU Member State organisation - cf. section 4.4.4 | 3 400 000 |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Evaluation – cf. section 5.2 Audit – cf. section 5.3 | will be covered by another Decision ⁶ |
| Totals <i>(Grants: total envelope under section 4.4.1: EUR 500 000)</i> <i>(Procurement: total envelope under section 4.4.2: EUR 1 600 000)</i> | 20 500 000 |

4.7. Organisational Set-up and Responsibilities

There will be separate governance structures responding to the needs and diverse nature of stakeholders of the various components.

For the entrepreneurship component, a steering committee will be established. The Steering Committee will be indicatively composed of the Ministry of Youth, the EU, a youth representative, UNDP, RISA, the ICT Chamber, the Tony Elumelu Foundation and a CSO representative. Additional stakeholders may be invited on an ad-hoc basis, including interested private companies. UNDP will act as secretary of the steering committee. The membership, operating rules and responsibilities of the committee (frequency of meetings, reporting, action plans and annual budget approval, etc.) will be established at the beginning of the project.

For the mining and health components with RMB and RFDA, two separate project management committees will be established, chaired by the competent Government Ministry and co-chaired by a representative of the EU Delegation. The two project management committees will include all relevant stakeholders, including interested EU MS, civil society and private sector representatives. The membership, operating rules and responsibilities of the committee (frequency of meetings, reporting, action plans and annual budget approval, etc.) will be established at the beginning of the project. A political level dialogue may be established including EU Member States active in the mining and pharmaceutical sectors respectively.

Strategic issues on project implementation, including the components with RDB and MINICOM, can be addressed in the context of the existing DP-Government dialogue structures, namely the Sector Working Group on Private Sector Development and Youth Employment currently co-chaired by the EU. This Sector Working Group and its related Technical Level subgroups provide a good platform for strategic oversight of the proposed interventions.

Gender equality, human rights and human rights based approach expertise will be ensured during the implementation of the intervention as possible. They will also be integrated in relevant technical assistance and capacity building activities and documents (i.e. ToRs etc) as minimum requirements of expertise.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission will actively participate in the above governance structures set up for governing the implementation of the action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

⁶ Evaluation and Audit of interventions under this action will be covered by another action document under the same Annual Action Plan, the Technical Cooperation Facility.

Roles and responsibilities for data collection, analysis and monitoring will fall under the responsibility of the implementing partners.

Monitoring and evaluation will assess gender equality results, an impact on rights of groups living in the most vulnerable situations and the implementation of the rights based approach working principles. Monitoring and evaluation will be based on indicators that are disaggregated by sex, age, disability when applicable.

Human rights and gender equality competence is ensured in the monitoring and evaluation teams.

5.2. Evaluation

Having regard to the importance of the action, a mid-term and a final evaluations will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to possible reorientations of the project for the latter years of implementation.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that both the health sector and the mining sector are new areas of intervention for the EU.

Evaluations can be done jointly with other Member States and EDFIs engaged in the action.

The Commission shall inform the implementing partners at least 3 months in advance of the dates envisaged for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination⁷. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluations shall be covered by another measure constituting a Financing Decision.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to

⁷ See best [practice of evaluation dissemination](#).

plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

APPENDIX 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.

In the case of 'Group of actions' level, add references to the present action and other action concerning the same Primary Intervention.

In the case of 'Contract level', add the reference to the corresponding budgetary items in point 4.5, Indicative Budget.

| | | |
|-----------------------------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Option 1: Action level | | |
| <input type="checkbox"/> | Single action | Present action: all contracts in the present action |
| Option 2: Group of actions level | | |
| <input type="checkbox"/> | Group of actions | Actions reference (CRIS#/OPSYS#): |
| Option 3: Contract level | | |
| <input checked="" type="checkbox"/> | Single Contract 1 | Individual legal commitment linked to Outcome 1 Increase the level of entrepreneurship and civic education among young people in Rwanda, especially young women |
| <input checked="" type="checkbox"/> | Single Contract 2 | Individual legal commitment linked to Outcome 2 - Enhanced investment promotion and a more conducive business environment |
| <input checked="" type="checkbox"/> | Single Contract 3 | Individual legal commitment linked to Outcome 3 - Enhance regional economic and trade integration |
| <input checked="" type="checkbox"/> | Single Contract 4 | Individual legal commitment linked to Outcome 4 - Contribute to the modernisation and sustainable growth of the mining sector, including TVET |
| <input checked="" type="checkbox"/> | Single Contract 4 | Individual legal commitment linked to Outcome 5 - Enhance attractiveness of Rwanda for pharmaceutical investments |

