



## Why an Economic Diplomacy in Rwanda

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### ABSTRACT

This research seeks to provide an understanding of the Economic Diplomacy Program (EcoDiplo) in Rwanda including but not limited to why it is necessary, what it will deliver, and how it will be delivered.

Why need an Economic Diplomacy Program?

The Government of Rwanda (GoR) has a clear vision: to become an Upper-Middle-Income country by 2035 and a High-Income Country by 2050 . For this, it targets over 9% GDP/capita growth until 2050 necessitating 17% annual export growth to 2035 and 2X growth in private savings and investment by 2025 and 3X by 2035. The NST1 indicates that this growth will be driven by trade and investment; hence Rwanda needs to have an efficient trade and investment strategy.

The implementation of the actions that lead to these targets is scattered across many players. When these actions are not linked or coordinated, efficiency suffers and there is a redundant use of human and financial resources.

To join efforts on industry, trade, investment and related foreign affairs, Rwanda need an Economic Diplomacy program which will aim to align the country's foreign and domestic economic policy actions to increase efficiency to attain its economic growth targets.

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Economic Diplomacy's worldwide boost efficiency while working as a group (government) and not as an individual (ministry/institution). The Economic Diplomacy will support Rwanda to coordinate its activities, to avoid duplication of work or gaps. A key feature of the program is that it does not create new activities but complements the ones in place to make them more efficient.

The researcher came up with a proposal for an Economic Diplomacy program which is divided into three phases: assessment, strategy and implementation. This article captures the findings collected during the research and which will base on a proposal to the Government of Rwanda for a strategy decision and action plan.

## INTRODUCTION

### Key points

- Rwanda has clear economic goals but to achieve them, the efforts are scattered among many players and this diminish their efficiency. The economic Diplomacy program will aim to link current industrial, trade, investment and foreign affairs actions by focusing in 2 key bottlenecks: coordination and information.
- The researcher analysed the current situation in Rwanda, its strategic documents and the direct feedback from stakeholders to identify goals, actors, past & current experiences and problems to reach to the set-goals. Then, the researcher studied worldwide practices and proposes 4 outputs to tackle the bottlenecks: a strategy to guide the program, an intelligence system to enhance coordination within the Government of Rwanda (GoR); and information system to communicate with the private sector

### *What it is and what it entails*

*What is Economic Diplomacy?*

*What is the focus of the Economic Diplomacy Program?*

1. **Intelligence System:** a tool to address the internal GoR coordination and access to information constraint to increase efficiencies and improve coordination. It will comprise two components: 1) an Intranet and 2) Working Groups
  - a. It is needed because the assessment revealed that information is scattered across different agencies and ministries and that there is little transparency about what other stakeholders were doing, how, and why leading to duplication of work in some instances and inefficient use of resources.
2. **Information system:** a one-stop-shop platform for private sector to access information on industry, trade, and investments to create greater transparency and standardization and to provide GoR with

feedback. It will comprise two components: 1) a trade portal and 2) information actions which are in-person engagements with external stakeholders.

- a. It is needed as a common request from consultations was the need for an awareness component and information system, both internal and external. Since industry, trade, and investment policy aims to facilitate the work of the private sector; for GoR efficiency, the links, policy transparency and communication with the private sector should be reinforced.

It will continue evolving with time focusing on the most pressing needs to lead to efficiency in trade and investment in Rwanda. For example, Economic Diplomacy will likely focus on closing gaps identified in implementing Government plans based on analysis and findings of the time.

*Who will use the information system? How does the Economic diplomacy interact with them?*

It targets the Rwandan private sector (both businesses and investors) and trade partners searching for information on how to develop, conduct business with, import or export to/from Rwanda.

Indirect interaction with them will be in submitting their queries, concerns or feedback on industry, trade, investment and foreign affairs related matters or directly through sessions organised in Information Actions (e.g. annual Economic Diplomacy Days, Workshops on specific topics, etc...)

Economic Diplomacy will not create new plans, policies, and strategies/visions but build upon existing plans to help realise them and, by identifying synergies, facilitate their implementation, efficiency and sustainability. It will not cover social policies, labour policies, human rights or civil society concerns. On this first phase, it should focus on actions directly linked to the GoR industrial, trade, investment and economic-focused foreign affairs strategies.

### ***Why Economic Diplomacy now***

A situational analysis on industrial & trade policies middle-term impact performed by MINICOM in 2017 led to recommend a coordination mechanism of current actions rather than the addition of new initiatives. This recommendation was agreed to by both the Ministry of Trade & Industry and the Presidency. MINICOM management subsequently advised developing a strategy to guide the framework for enhancing efficiency in their industry, trade, investment, and related foreign affairs activities.

The initiative of Economic Diplomacy Program will directly relates to priority 3 of Priority Area - Transformational Governance in the National Strategy for Transformation 1 (2017-2024) which is: “*Strengthen Diplomatic and International Cooperation to Accelerate Rwanda and Africa’s Development*”. A subsection of this priority mentions “pursue the Economic Diplomacy Program to ensure the foreign affairs, trade, and investment are aligned”

Economic Diplomacy is not a legal obligation but a tool the Rwandan government can use to be more efficient. It is proposed to have a strategy rather than a policy that requires extensive consultations and signoffs; instead a practical tool is needed to help the government move quickly in improving its processes.

For the GoR to reach its vision of becoming an Upper-Middle-Income country by 2035 and a High-Income Country by 2050, it targets 17% annual export growth and 24% annual investment growth. Rwanda needs to have an efficient trade and investment strategy. To do so, the key cross-cutting issues are: *intelligence, standardization, agreements, logistics and promotion*. Rwanda is active in these categories but its bottleneck is the coordination of activities within and across these categories. The implementation of the actions that lead to the export and investment targets is scattered across many players. When these actions are not linked or coordinated, efficiency suffers and there is a redundant

use of human and financial resources.

The researcher performed a situational analysis and uncovered that coordination of activities and not policies themselves was the major challenge. To validate this finding, a number of consultations were held with various stakeholders in the public, private, donor, and academia sectors and repeatedly it was found that 1) information was scattered across different agencies and ministries, 2) little transparency was available about what other stakeholders were doing (especially across government ministries and agencies), and 3) private sector did not have full visibility into sector standards, policies, and agreements and there was poor communication with the private sector.

Some evidence:

1. In collecting up to 81 trade and investment deals, MINICOM, MINECOFIN, RDB, Ministry of Foreign Affairs, and online databases needed to be checked and consulted. This is an illustration of scattered information across ministries which hampers effectiveness.
2. Made in Rwanda (MiR) survey in Nov-Dec17 where industry's replies on what government can do to facilitate exports was: "accessing information and improving production capacity".
  - 53% of businesses thought that they lack information on how to access markets
  - 35% stated that they lack knowledge on government policies which affected their productivity.
3. Consultations' minutes from the Ministry of Foreign Affairs and International Cooperation

*Someone can ask on How does the Economic Diplomacy actions will interact with the GoR planned actions:*

Economic Diplomacy directly relates to Priority #3 of Priority Area: Transformational Governance in NST1. "Transformational Governance in the Rwandan context means providing the institutional framework (i.e. the rules, processes and organizational forms) which can help enable the transformation of the economy and society. It should stimulate change in Rwanda's legal and regulatory frameworks, in its systems, organizations and culture." (NST1 – The 7Year Government Program 2017 – 2024, Draft 15 Feb 2018).

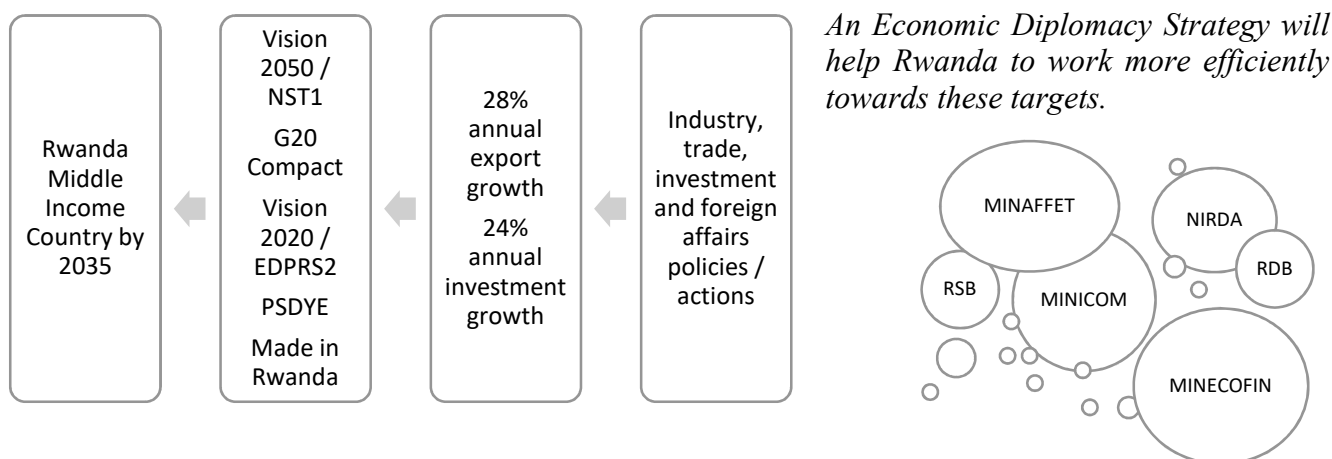
The goal of Transformational Governance is: 'consolidate good governance and justice as, building blocks for equitable and sustainable national development.' Amongst others, this will be achieved by "strengthening foreign policy that is driven by economic diplomacy, regional cooperation/integration, and Pan Africanism". Further, "Commercial Attache functions in diplomatic missions will be strengthened to promote exports and the "Made in Rwanda" brand and attract foreign direct investment and tourism. Rwanda have to pursue the Economic Diplomacy program to ensure that foreign affairs trade and investment are aligned."

The GoR has a clear vision: to become an Upper-Middle-Income country by 2035 and a High-Income Country by 2050. For this, it targets average GDP per capita growth >9% during the NST1<sup>1</sup> period (2017-2024), ~12% from 2025 -2035, and again >9% from 2036 – 2050. For this to be achieved, the NST1 states that "considerable efforts in *boosting private and public investment financed by domestic savings and capital inflows*, massive improvements in education, significant increases in land efficiency and innovative capacity, and *sustained efforts to boost production of tradable goods and services*". It is clear, as well in the NST1, that a lot of this growth will be driven by an efficient trade and investment strategy. In particular the following export and investment goals are required as stated in the NST1:

<sup>1</sup> National Strategy for Transformation (2017-2024)

- ~17% annual average export growth to 2035 to achieve upper-middle income status and this will be driven by high value sub-sectors (e.g. agro-processing, manufacturing, extractive industries).
- Private savings and investment need to double by 2025 and triple by 2035 necessitating an average Investment:GDP ratio of (~1:4 i.e. ~27%)

The targets are clear but the implementation is scattered across different institutions and external players which hampers efficiency<sup>2</sup>.



## METHODS

A situational analysis was performed and it uncovered that coordination of activities and not policies themselves was the major challenge. To validate this finding, consultations were held with stakeholders in the public, private, donor, and academia sectors and repeatedly it was found that 1) **information was scattered across different agencies and ministries**, 2) **little transparency about the actions/efforts of stakeholders** (especially across government ministries and agencies), and 3) **private sector did not have full visibility into sector standards, policies, and agreements and there was poor communication with the private sector**<sup>3</sup>. It became apparent that systems to improve internal coordination, transparency, and collaboration and clear engagement with the private sector and other external stakeholders would help resolve the challenges uncovered and should be the major focus of Economic Diplomacy initially to build the right capabilities to deliver on industry, trade, investment, and related foreign affairs goals.

## EVIDENCE COMPILATION

Any assessment starts with data. The Economic Diplomacy research started by searching and compiling data & evidence to base its analysis. Some facts & figures are<sup>4</sup>:

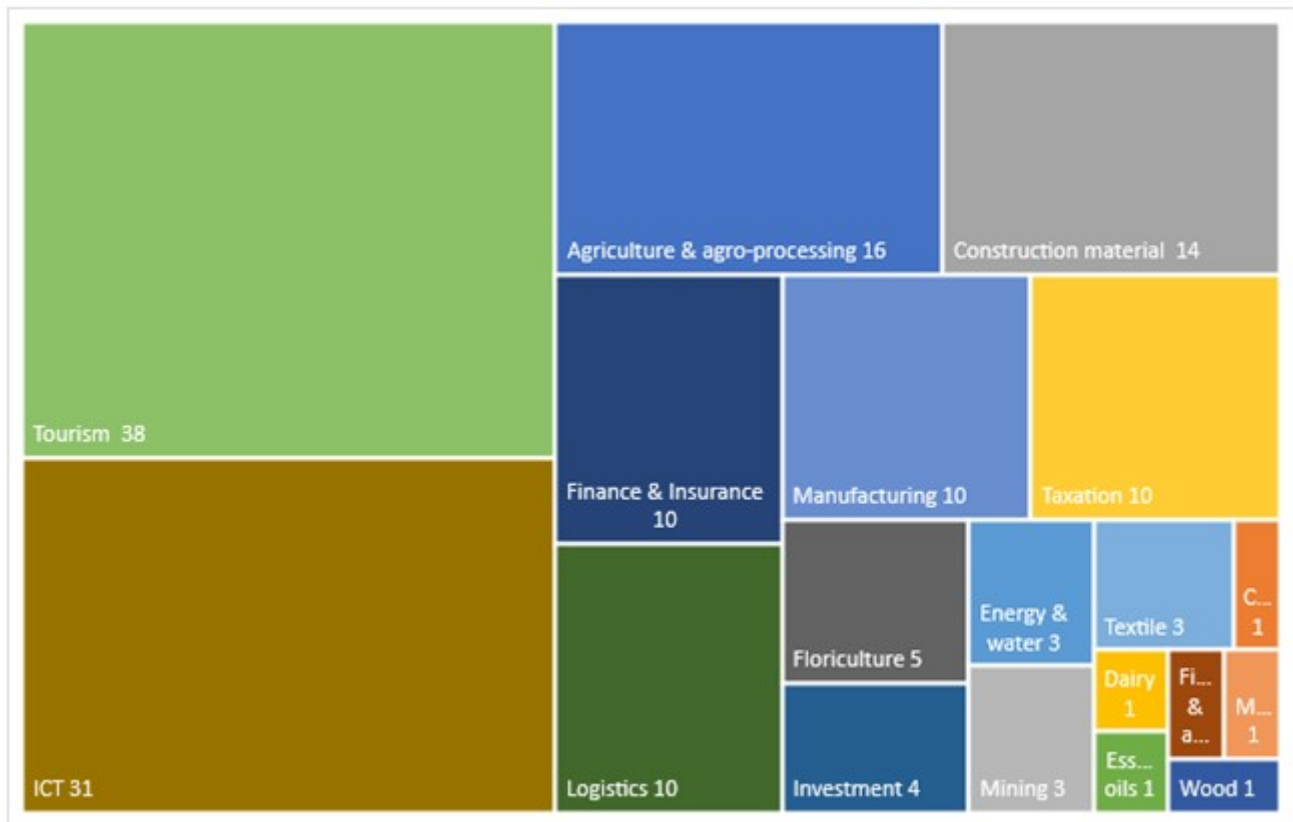
**214 reports on Rwanda's industry, trade and investment not older than 5 years compiled and classified:** This work is clearly uncompleted as it is a dynamic process. The goal was to kick-off the tracking system and propose a set-up of an online library where the resources produced or requested by Rwandan Ministries and agencies on industry, trade, investment and related foreign affairs can be gathered and available for the officials dealing with these subjects. The objective is to work as a team, align resources and avoid double work. The researcher consulted reports concerning tourism, ICT,

<sup>2</sup> Further information at Annex Linkages to GoR strategies

<sup>3</sup> Further information at Annex: Consultations Minutes - Synthesis.

<sup>4</sup> Further information at Annex: Rwanda's Industry, Trade, and Investment Agreements and Annex: Intelligence Database.

Agriculture, construction materials, finance, taxation, logistics, manufacturing – in general, floriculture, investment, mining, energy, textile, chemicals, dairy, essential oils, meat, fisheries and wood. These reports are currently on a cloud where we could get access.

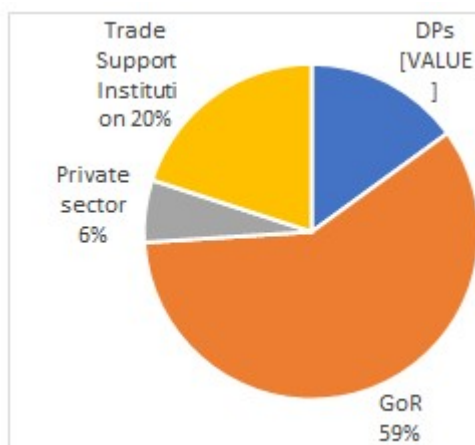
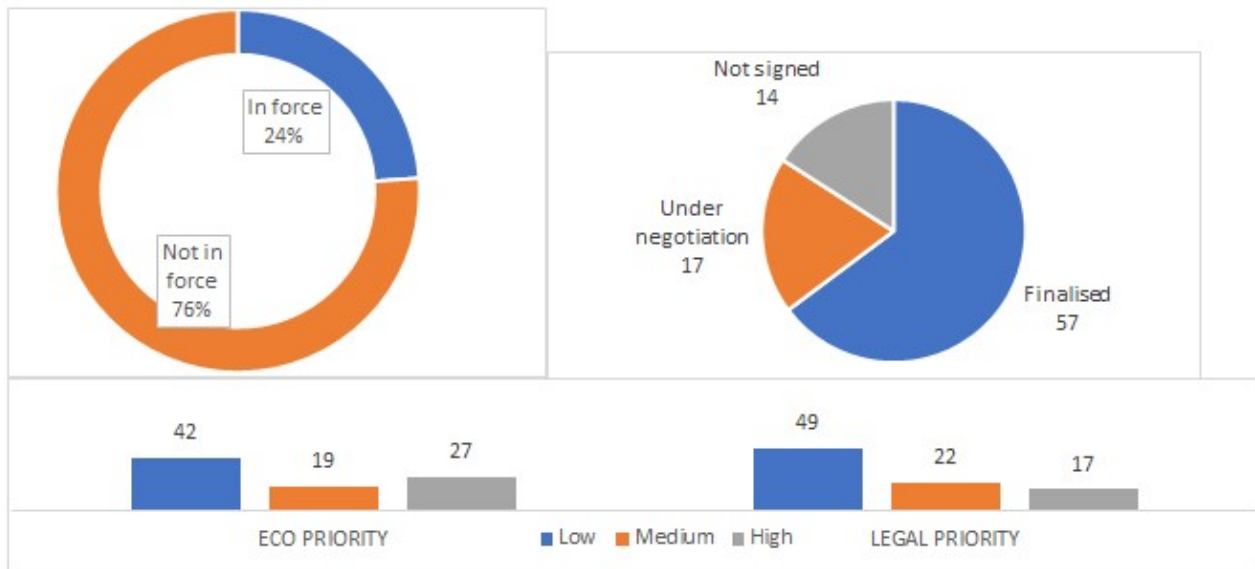
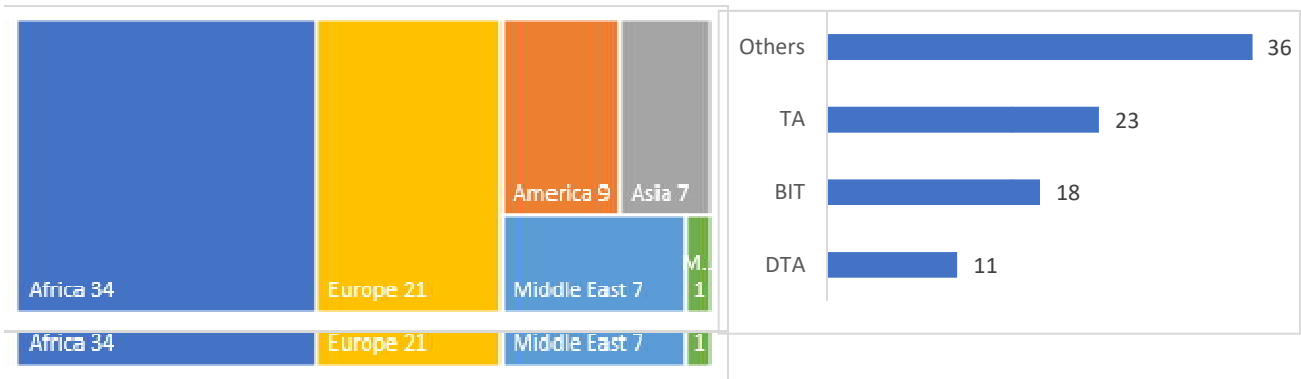


Rwanda has 34 agreements with Africa, 21 with Europe, 9 with America, 7 with Asia, 7 with Middle East and 1 multilateral. From these, 11 are Double Taxation Agreements (DTA), 18 are Bilateral Investment Treaties (BIT), 23 are trade agreements (TA) and 36 are other types of trade-related agreements such as MoUs, cooperation agreements in areas of trade or customs agreements. Besides, 57 are finalised and 17 are under negotiation. For the 14 others, the negotiations are frozen. Overall, only 24% are in force. The remainders are either under negotiation, not signed, not ratified or simply not in force. Based on a preliminary economic analysis (matching import & export figures), only 19 out of them are of high importance for Rwanda. 48% of the countries or regions with whom Rwanda has a trade or investment agreement have no or little trade with us.

From a preliminary legal analysis, the ratio is not better as 57% of the agreements have few legal benefits for traders or investors. Many signed agreements use a “light drafting” that implies the willingness to collaborate but do not detail the details or legal consequences of these collaborations, hence the implementation by the private sector is little or non-existent. On the other hand, 22 of the agreements have a high legal impact. This means the outcomes of the agreement will have direct consequences on Rwandan trade or investment, either positive or negative. For instance, agreements can facilitate FDI by legally protecting investor but they can also debilitate the GoR by allowing investors to sue the government against public policies affecting their investment. In sum, the analysis of Rwanda’s trade & investment agreements done is a first step towards an evidence-based analysis of the linkages between industry, trade, investment and related foreign affairs consequences on the negotiation & implementation of agreements. The data can tell that this collaboration had some gaps in

the past and the Economic diplomacy program can help to tackle.

This is an illustration of scattered information across ministries which hamper effectiveness.<sup>6</sup>



## CONSULTATIONS

The assessment started by consulting the stakeholders about “*do you think Rwanda should have an Economic Diplomacy strategy?*” As the answers showed an overwhelming “yes”, further consultations took place about how, who, what and when to organise this.

**162 representatives from the public and private sectors were consulted during the research period.** Their input is included across this paper as they helped shaping the discussions and the design of this program.

Besides, during the 2021 International Exhibition in Rwanda, visitors participated in our survey. The consumers were asked whether the government could do more to facilitate exports and what they believed the government should do. The industries were asked about their access to information and production capacity.

Consumers requested more GoR support to facilitate trade. 81.5% of respondents want a strategy that includes more government backing, especially in the certification of standards and reduction of production costs. Standardization was also the first priority for the exhibitors (business), followed by tax reductions. Most businesses (53%) thought that they lack information on how to access other markets and 35% stated their lack of knowledge of government policies affected their production capacity.

The results provide valuable data for the EcoDiplo’s design. The information system will ensure that business & consumers receive clearer information on the public policies and we hope this will fulfil the local demand.

## RESULTS AND DISCUSSIONS

### Key points

- Based on the situational analysis, 4 cross-cutting barriers were identified: Internal coordination and access to information; awareness and information to external stakeholders; uncoordinated platforms and need for aligned ICT efforts; and weak evidence to support sector and product selection.
- Rwanda receives a large amount of support via DPs, both financially and in-kind that targets either specific challenges in industry, trade and investment of cross-cutting issues. Complementarity across programs is need to increase efficiency and fill in gaps. The key related areas DP supports are: administrative support, agricultural improvements, industrial development, program delivery and trade facilitation.

An analysis of issues in each sector reveals many unique challenges per sector but also some cross-cutting challenges that can be resolved to ease the challenges in sectors. Given that a sector-specific approach would require a lot of resources and customized solutions to effectively execute, to unblock some of the challenges, initially, focus will be on the cross-cutting issues. Further, DPs are already supporting the GoR on some of the sector-specific challenges<sup>5</sup>; however, not much work is being done on the cross-cutting issues. The Economic Diplomacy program will focus on resolving the cross-cutting challenges. First, it will aim to improve collaboration, coordinate activities, and increase access to information and information sharing across ministries and agency. Second, it will set up sector-diagnostic platforms for ministries and agencies to share information on their activities with the private sector (potential trade partners and investors).



**Cross-cutting issues:** Based on the consultations held and the situational analysis, three cross-cutting issues were uncovered:

### ***Internal coordination and access to information***

An early risk and finding was lack of coordination within GoR ministries and agencies and difficulty to access and share information. It was uncovered that staff in Ministries have been working on trade and investment deals for years without efficient coordination among agencies and a proper information system to inform the private sector about the deals. For example, in consulting up to 81 trade and investment deals, MINICOM, MINECOFIN, RDB, Ministry of Foreign Affairs, and online databases needed to be checked and consulted. This is an illustration of scattered information across ministries which hampers effectiveness. An online system to share information (“Intelligence System”) is recommended to ease this challenge.

Further, consultations revealed that coordination forums already exist to discuss industry, trade and investment matters both within the GoR and with stakeholders. The key forums identified are: SME clusters, PSDYE working groups, IDEC and the Economic Cluster. Though they could be ideal candidates for internal coordination 1) among agencies, 2) among management and technical staff and 3) with private sector & DPs, they have some challenges. For example, some are dormant and those that operate do not meet as frequent as they need to, most are restricted to the GoR and do not include private sector actors or development partners, many involve management and decisions are neither always based on technical staff work nor passed down to them, and most agendas focus on short-term analysis and operational updates and the macro elements (e.g. driving efficiencies through collaboration) is neglected. For these to be effective for internal coordination and collaboration, the uncovered challenges need to be resolved.

### ***Awareness and information to external stakeholders***

A common request from stakeholder consultations was the need for greater awareness of policy, requirements, expectations, etc... on an information system for both internal and external personnel. For example, on the Made in Rwanda (MiR) survey conducted in Nov-Dec17, industry’s reply to what government can do to facilitate exports was: “accessing information and improving production capacity”. Further, 53% of businesses thought that they lack information on how to access markets and 35% stated that they lack knowledge on government policies which affected their productivity. This raised a need for 1) a system to share information with the private sector on market opportunities and policies for productivity and 2) organised trainings/discussions to improve the private sector’s knowledge and understanding of government policies, standards, certifications, and other plans.

### ***Uncoordinated platforms and need for aligned ICT efforts***

A review of Rwanda’s ICT efforts shows a recognition of the importance of ICT for creating a knowledgeable economy but also improving people lives through greater access to information and collaboration in programming. Though Rwanda has many platforms for disseminating information, they currently operate in silos. There is a need to aggregate all of these efforts into a single or very few platforms to enhance government to citizen and business services and information gathering. Also, by centralising information related to industry, trade, and investment amongst others things, a knowledge repository will ensure alignment and transparency around of challenges, opportunities, and concerns.

Any efforts to institute ICT systems should be aligned with programmatic goals of RISA and the SRMP. The goal should be to align and streamline efforts and systems as opposed to adding more complication to an already fragmented ICT environment.

### ***Weak evidence to support sector and product selection***

Promoting domestic production and manufacturing requires directing government priorities and resources towards specific areas and sectors. Appraising options when allocating public resources to specific sectors needs to be based on evidence. These not only entail assessing what (products and services) could be produced in Rwanda, but also which of these products i) generates enough domestic and external demand, ii) generates the largest benefits for the rest of the economy, and iii) offer further opportunities for diversification. In order to ensure the limited government resources (financial and human) can be put to the best use, some economic techniques can be used (revealed comparative advantage and analysis of global demand, product space, multiplier effect) to assess the impact of selected products and sectors.

### ***Complementarities - Development Partner Coordination***

Rwanda has a strong history of Development Partner (DPs) support in industry, trade & investment. The National Institute of Statistics Rwanda (NISR) states 33 programs are currently active. The sectors covered are<sup>6</sup>: Industry 8-14, Trade & Services 9-14 and Agriculture 10-11 programs. DFID is the most active DP with 20 programs but it works in collaboration with other 6 DPs: AfDB, DFID, EU, GIZ, JICA, USAID and WB.

DPs support is divided in general policy support and specific sector challenges. There is insufficient coverage of cross-cutting areas and industry-wide challenges other than some programs in administrative support. Currently, there is little emphasis on government-wide information sharing and collaboration efforts. This gap is what the Economic Diplomacy Program seeks to fill; a big part of which would be collaboration and coordination across sectors.

The Economic Diplomacy program will make a push towards more stakeholder collaboration and information sharing but do not reach concrete industry, trade, and investment policies.

DP programs were categorised into Focus Area and Impact using the program descriptions in order to see where programs are concentrated and where potential gaps in support might lie based on the Economic Diplomacy Needs Assessment.<sup>7</sup>

<sup>6</sup> Some programs have close links to two sectors thus they are marked as such. Industry includes: Mining and quarrying, Manufacturing (incl. Beverages and tobacco; Textile, clothing & leather goods; Wood and paper; printing; Chemicals, rubber, and plastic products; non-metallic mineral products; Metal products, machinery, & equipment), Electricity, Water & Water Mgmt., and construction. Trade & Services includes: Trade and Transport (incl. maintenance and repair of motor vehicle, Wholesale retail trade, Transport) and Services (incl. Hotels and restaurants; Information technology; Financial services; Real estate activities; Professional, scientific, and technical activities; Administrative & support service activities; Public administration & defence; compulsory social security; Education; Human health & social work activities; Cultural, domestic & other services. Agriculture includes: Food crops, Export crops, Livestock & related products, Forestry, Fishing.

<sup>7</sup> Note where table shows ['DP Name' XX] the "xx" indicates that the program name is not clear or provided. Programs which seem to have close links to 2 sectors are listed in both sectors (e.g. AfDB RIF for Industry and Trade & Services).

Table: DPs support mapping as of July 2018

Support Areas		Sectors (based on NISR GDP split)		
Impact	Focus Area	Agriculture	Industry	Trade & Services
Administrative support	Operational efficiency			DFID IGC
	Revenue collection			DFID G20 CwA
	Technical advisory			DFID PEF; DFID XX; EU EDP; EU TFA Support
Agricultural improvements	Agriculture commercialisations	DFID IMSAR; WBG P161876		
	Product promotion	DFID SILTPR; JICA CUP; JICA SMAP		
	Sector sustenance	USAID XX		
Industrial development	Access to finance		EU XX	
	Improved competitiveness		GIZ XX	GIZ XX
	Investment promotion		DFID XX; GIZ EnDev	DFID G20 CwA;
	Manufacturing development		DFID XX	
	Mining development		DFID SDMR; DFID SSAMIR	
	Operational efficiency		WBG P162671	
	Access to finance and business support		AfDB RIF	AfDB RIF
Program delivery	Program implementation	DFID P4R		
	Technical advisory	DFID Agri-TAF		
Trade facilitation	Export promotion		DFID REFP	DFID REFP
	Market access	DFID XX; WBG FRDP	WBG FRDP	
	Road improvement		JICA XX	
	Trade promotion		DFID TMEA2	DFID TMEA2
	Global integration		DFID EIF	DFID EIF
Other	Access to finance			DFID AFR2
	Product promotion	DFID CHAI		

### Proposed Solutions / Recommendations

To align with Rwanda's needs for integrated information systems and greater access to information for creating a prosperous and knowledgeable society through SMART ICT and to address cross-cutting sector-wide challenges, the research on Eco-Diplomacy is proposing two systems: 1) *Intelligence System* – a solution to address the internal GoR coordination and access to information constraint and 2) an *Information System* – a solution to provide greater access to information (policy, plans, agreements, etc...) to external stakeholders in order to communicate effectively with them. To arrive at these solutions, the researcher leveraged existing tools and processes to enhance collaborations between development partners, government, private sector, and agencies.

The *Intelligence System* would have two parts:

1. *Intranet*: a platform for remote information sharing so people can access agreements, policy, and status updates without the need to meet their colleagues.
2. *Working groups and focal points*: in-person support to existing coordination forums with updates on the Economic Diplomacy situation, barriers to success, and unused synergetic opportunities.

The *Information System* would similarly have two parts:

1. *Information Portal*: a platform for remote information sharing so external stakeholders can access trade, industry, and investment information (including learning about Economic Diplomacy) but also be informed of relevant training in these sectors both by other private sector players but also by GoR.
2. *Information Actions*: in-person dialogue with the private sector on various issues related to Economic Diplomacy and improving industry, trade, and investment.

***Intranet***: An intranet is a private network belonging to the GoR, and accessible only by GoR's employees (all staff or restricted) or those officials that the GoR provides permission to access. Access to parts of the systems or information on the system can be restricted to different audiences.

The currently installed MIS system in MINICOM can be used for this but would need upgrades and content additions. In particular:

- It should have a feature to set different levels of access to information for different officials to ensure greater privacy and avoid information leakages.
- It needs to be collaborative for all Economic Diplomacy-relevant agencies and ministries thus cannot be restricted only to MINICOM or government officials but should be accessible to officials in government's sector boards as well.

The intranet could include and benefit from the current coordination efforts by RDB and RRA that seek to combine business registration and corporate tax payer's data. So far, preparatory and preliminary work has been conducted and resulted in a pilot database which was developed by the IGC and is currently hosted in RDB server with a very restricted access. Clarifying privacy and confidentiality are essential here, given the granularity of the data. Confidentiality agreements and data policies between RRA, RDB and NISR will need to be cleared and agreed upfront any action.

### ***Working groups***:

Coordination forums already exists to discuss industry, trade, investment and related foreign affairs policies and include various agencies and ministries. They are a great complement to the Intranet as they will serve as a basis for providing updates and relevant information to be added to the Intranet but also provide insights into progress made on initiatives related to Economic Diplomacy. These groups will be targeted at management and technical levels to discuss bottlenecks particularly related to industry, trade, investment, and related foreign affairs activities. The meetings are not intended to replace the current coordination forums such as the Economic Cluster, IDEC, SME Cluster, PS Forum, and PSDYE SWG but would work through them and complement their work by providing relevant information into them to resolve challenges in programs they are overseeing.

### ***Information Portal***

The researcher analysed the different Rwandan portals where industry, trade, investment and related foreign affairs information is already online. The goal was to identify the one-stop-shop and complement it either with information with extensive links to avoid redundancies.

The Trade portal was considered as the preferred platform for this. It is recommended to use the Trade Portal, as the one-stop-shop to engage with external stakeholders. It is the preferred platform as this portal is based on a legal commitment under the Trade Facilitation Agreement (TFA) signed by Rwanda; as such, there is a legal need to keep this portal updated and therefore, the GoR has assigned this task to a specifically recruited official at RRA. These persons have already a task to update the s information regularly. This creates a sustainability element that other portals do not have. This information can be extended to other pieces of information needed by the private sector and it is there where the Economic diplomacy can complement this initiative.

### ***Information Actions***

Information actions are intended to be in-person engagements with external stakeholders: academia, private sector, development partners, and civil society. Planned actions will be a direct response to external stakeholders' information needs or engagement based on feedback they provide or information gaps they have. The actions could take various forms i.e. plenary sessions, focus group discussions (FGD), classroom trainings, etc... determined on an as-needed basis to meet the needs of private and public stakeholders as relates to Economic Diplomacy.

The Information Portal will have "contact us" function to get feedback and queries from users and will guide on the information actions in demand. However, there will also be standard information actions undertaken by the program such as Economic Diplomacy Days (EDDs) to provide update on the program but also have open discussion about Economic Diplomacy related issues. Based on the Leadership Retreat model, it will mainstream the Rwandan Economic Diplomacy messages across the stakeholders, both in the headquarters and embassies or missions abroad. These EDDs are a key opportunity for information, capacity, negotiation, and alignment of economic and foreign affairs policies. Organised by the program, Economic Diplomacy days will gather Rwanda's economic development community in Rwanda on a yearly basis to share ideas and experiences, in an effort to inspire new partnerships and innovative solutions to push for the country's economic transformation.

### ***Need of a Pilot project***

Over the last decade, Rwanda has signed a large number of trade Agreements. However, despite Rwanda's high level of activity in the area of trade liberalization, there is no model of trade agreements for Rwandan negotiators to attempt to implement. This creates challenges for Rwandan negotiators and Commercial attaches, faced with an *ad hoc* process that may not entirely ensure that Rwanda's trade agreements position is able to generate maximum economic benefit for Rwanda's economy. As a result, Rwanda may not be obtaining maximum benefits from its regional and international trade relations and gains for its private sector development and investment attraction.

To test the concrete use of Economic Diplomacy, a proposal for a pilot project will focus on how Commercial attaches and Focal Points across the GoR can jointly prepare and measure the impact of trade negotiations. Specifically, the pilot project will design a strategy for trade negotiations (bilateral and multilateral) that would allow Rwandan negotiators and Commercial attaches to approach trade negotiations more systematically, and ensure that Rwanda's industrial policy priorities are reflected in its negotiating position. Where relevant, it will also measure the impact of agreements and allow commercial attaches and Focal Points to analyse the impact in relation to set industry and trade goals (and, therefore, request modification or react to the agreement accordantly). Such a project would be a

first direct attempt for Rwanda to implement a coherent Economic diplomacy message.

Specifically, the pilot project will involve two different types of activities:

*First*, experts would provide a procedural analysis of trade agreements negotiations that would pertain to the preparatory stage of the negotiation. Among the questions to address would be who needs to be involved when negotiating FTAs? How can Rwanda set up a procedure that ensures consistent and early involvement by the private sector? What should the sequencing of a negotiation look like? What can commercial attaches do to monitor implementation? This part of the analysis would borrow from the FTA negotiating literature, and also best practices in other countries, including Mauritius and relevant developed countries.

*Second*, experts would coordinate with the Commercial attaches and Focal Points to map out, for key business sectors in Rwanda, the type of set goals (eg. NST1, joint imigiho, etc) and the barriers (eg. SMEs Forums). Experts will provide a roadmap on how these economic priorities can be reflected in Rwanda's overall negotiating position vis-à-vis certain specific industries and legal provisions. For instance, how can objectives such as promoting SMEs and increasing the percentage of value-added manufactured products to total exports are better reflected in Rwanda's position in trade negotiations? How can trade agreements include provisions to facilitate removal of non-tariff barriers? How can certain types of concessions – tariffs or otherwise – be better sequenced? This analysis would borrow from best practices of existing FTAs, such as the Morocco–US FTA, which sets out a more incremental approach. This pilot project will be used to “test” how economic diplomacy coordination works.

## CONCLUSION

It is clear that there is a relevancy of Economic Diplomacy in resolving the challenge and this will deliver in a coordination consistence. The table below summarizes key challenges and how they will be addressed

Problem	Solution
	<p><b>A strategy:</b> Any intervention to resolve the challenges needs a governing and guiding document. The Economic Diplomacy proposed Program will capture the joint coordination and collaboration actions that need to be undertaken in order for Rwanda to achieve its economic transformation goals. It will form the basis for determining the Economic Diplomacy targeted actions and outcomes, following what the GoR has outlined as its priorities in its strategies and visions. The program will indicate how efforts on industrial, trade and investment policies will be coordinated to promote exports, attract FDI for growth and job creation and link economic and foreign policies to boost efficiency and help to wield influence in foreign affairs.</p> <p><b>A pilot project:</b> To assess the effectiveness of Economic Diplomacy Systems in increasing transparency, consolidating information, and improve communication between internal and external stakeholders; a pilot project focused on commercial attaches and their function to promote the Rwanda brand and attract FDI will be conducted. It will be an easy and focused way to get comprehensive feedback on beneficiary experience on the systems that have been set up. The project will derive (be taken) from planned objectives and actions of the GoR, but will not be specifically</p>

	designed for this purpose.
	<b>An intelligence system:</b> To mitigate the scattered information and low transparency challenge, and intelligence system will be installed. It will include a digital platform (intranet) and in-person discussion (focal points and working groups). It is intended to enhance efficiency and collaboration within the GOR by helping to facilitate internal communication and holds all information that needs to be internally known by employees but not visible and accessible by clients or external stakeholders. This internal system will facilitate coordination and the crossing of relevant data generated by across GoR which will allow for systematic analysis for policy monitoring and update.
	<b>An information system:</b> To mitigate the challenge of private sector access to information and communication between themselves and the GoR, a one-stop-shop platform for businesses to access information on exports and imports and to provide GoR with feedback need be set up. It will include two systems 1) a trade portal and 2) information actions portal but these will be accessed through the same platform. In practice, information actions will be conducted in person based on information needs by the private sector over and above those deemed necessary by the EcoDiplo program.

Economic Diplomacy is crucial to a country attaining its economic growth targets. It aims to boost efficiency while working as a group (government) and not as an individual (Ministry/institutions). Economic Diplomacy will support Rwanda to coordinate those activities, to avoid duplication of work and to identify gaps.

Economic Diplomacy has planned activities until 2020 but will serve as a system for the GoR to use in strategic planning, program design and data analysis thereafter. A revision should take place in 2020 to present the 2<sup>nd</sup> Economic Diplomacy Strategy to follow up these systems and adjust to the NST1 progress until 2024.

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