



Food and Agriculture Organization
of the United Nations

Cross-border Trade & Women in Value Chain Development

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Justification for the Study/Rationale

- Trade is a key driver for growth with high potential for:
 - Economic growth
 - Employment creation
 - Improved food security and nutrition
 - Stability of food supply and prices
 - Diversity of supply
 - Lower food prices
 - Increased income & poverty reduction

BUT

- Coherent policies and strategies to realize full potential of agricultural trade are still limited;
- Small-scale trade (mainly CBT) has been overlooked by policy makers, despite its relevance and potential.



Objectives of the Study

- Highlight the multifold potential of small-scale (formal & informal) CBT trade for women;
- Underline the role of women in CBT - as well as along the whole VC;
- Identify main challenges faced by small-scale women traders; &
- Present main findings and policy recommendations (including incentives frameworks) – based on the case study of Rwanda.



Methodology

- Information and data collection on informal CBT in Africa (literature review & studies by FAO on *‘Formalization of informal trade in Africa’*);
- Evidence from FAO’s work at field and policy level in the Great Lakes region; and specifically Rwanda (since 2012);
- *‘Developing gender-sensitive value chains: a FAO conceptual framework’* as analytical framework to identify opportunities and constraints of women participation in value chains (2016).



Informal cross-border trade

-A definition-

ICBT refers to trade in goods/merchandise and services which may be legally imported or exported on one side of the border and illegally on the other side and vice-versa, on account of neither having been recorded in the official trade statistics nor subjected to statutory border formalities such as customs clearance.



ICBT - The relevance of the gender dimension

- Intra-regional trade is marked by high incidence of small-scale & ICBT – in some regions around 40 percent of the total trade;
- Contributes on average to 43 percent of GDP;
- Provides 60 percent of non agricultural self-employment;
- 72 percent of the informal traders are women (with low educational level);
- Source of 90 percent of income to women – mainly to meet basic needs at household level;
- Key to increase trade in food staple sectors, which is where the majority of the rural women operate;
- Generates nearly US\$18 billion a year for all players.





The case of Rwanda- Study results -

1. Main challenges faced by women ICBT:

1. Lack of transparency in tax collection and lack of ad-hoc enforcement of national simplified export requirements for small traders;
2. Administrative obstacles, including poor enforcement of policies and existing protocols;
3. High cost and time of crossing borders due to poor infrastructure;
4. High insecurity and vulnerability to violence and harassment;
5. Prevalence of informal associations of women small traders, because of low educational level and poor access to education, skills and information;
6. Lack of awareness of border agents on recent trade protocols;
7. Limited flow of information on border procedures and on market intelligence.



The case of Rwanda- Study results -

2. Support Actions:

1. Increase recognition at policy level of the economic contribution of women in agri-food VCs;
2. Fully implement and harmonize Simplified Trade Regimes (within EAC and COMESA);
3. Facilitate access to information on trade protocols and agreements for women cross border traders and for customs agents;
4. Develop a proper legal framework to regulate organizations of women traders and support them with specific incentives;
5. Develop inter-ministerial one-stop information points at the borders and build capacity to facilitate their use.



Concluding remarks

1. ICBT as invisible market integration that has high potential, also looking at upwards VC linkages.
2. Informal trade often neglected but yet a significant source of livelihood -- especially for women.
3. Acknowledging & accounting the contribution of women ICB traders to local and national economy can have an impact in the trade negotiations.



Need to support transition towards formalisation of informal trade



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Thank you!

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