



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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