

Roadmap for Agribusiness Investment Facilitation

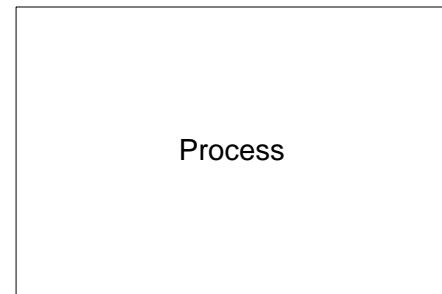
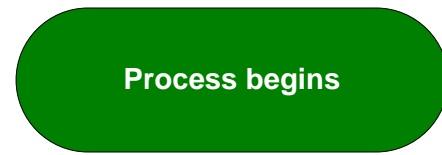
April 2013



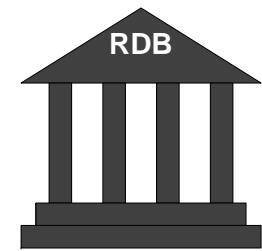
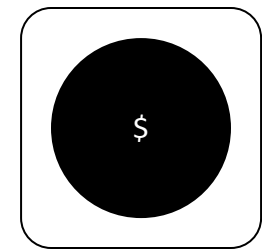
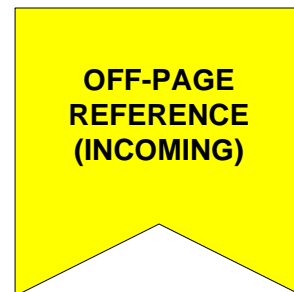
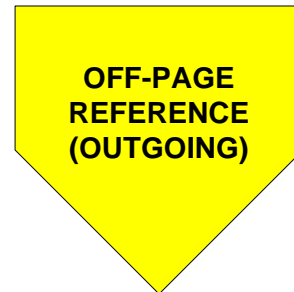
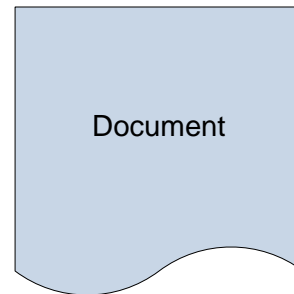
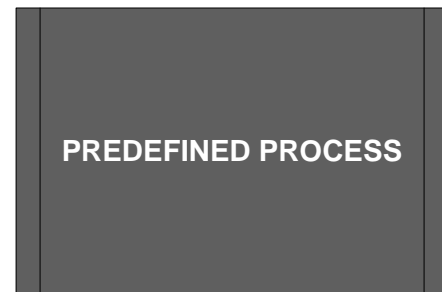
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ROADMAP KEY



- INTERNAL PROCESS AT INVESTOR (RDB HAS NO INSIGHT)
- INTERNAL PROCESS AT RDB (INVESTOR HAS NO INSIGHT)

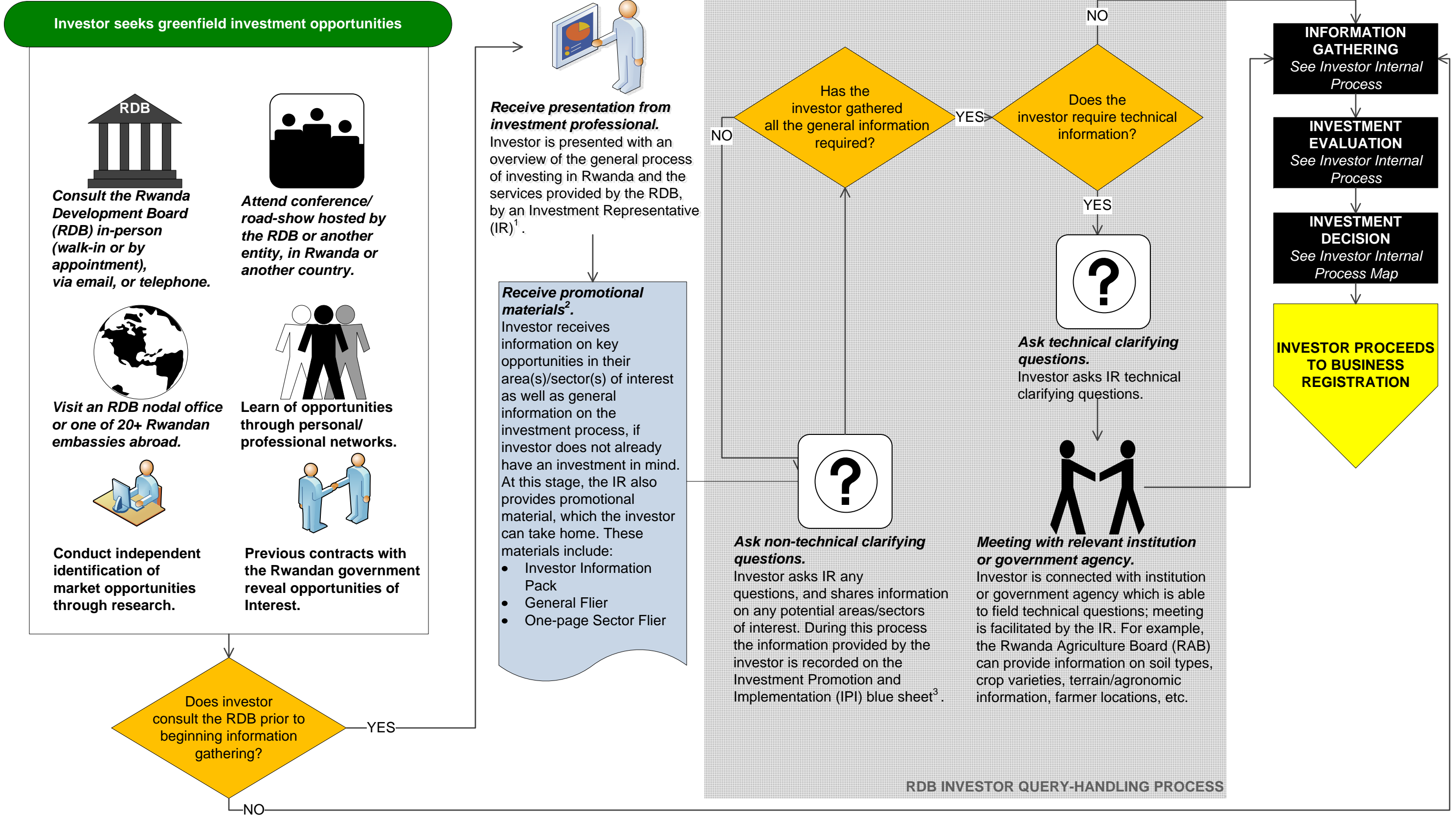


Processes occur simultaneously

Direction of process flow

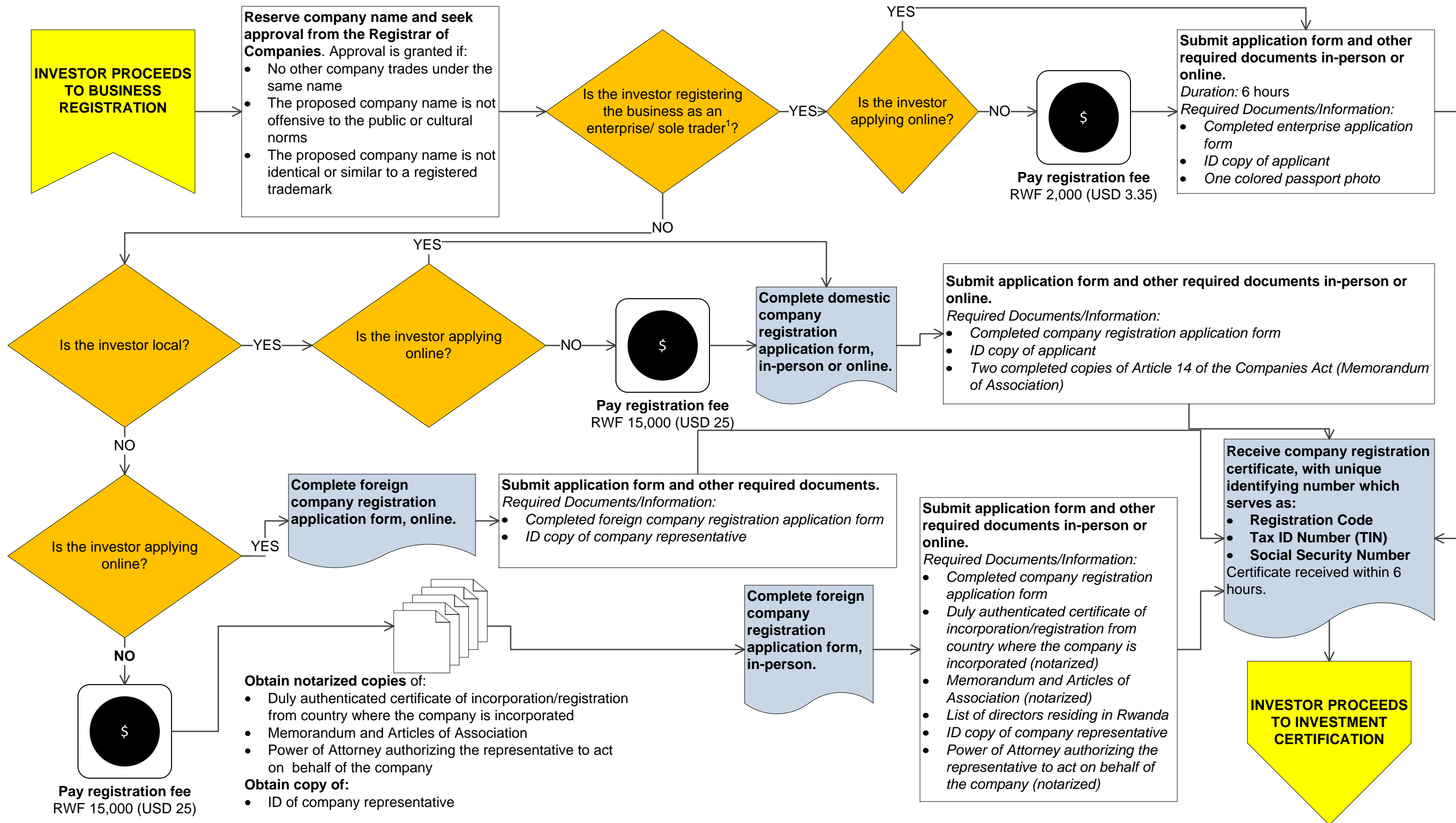


GREENFIELD INVESTMENTS

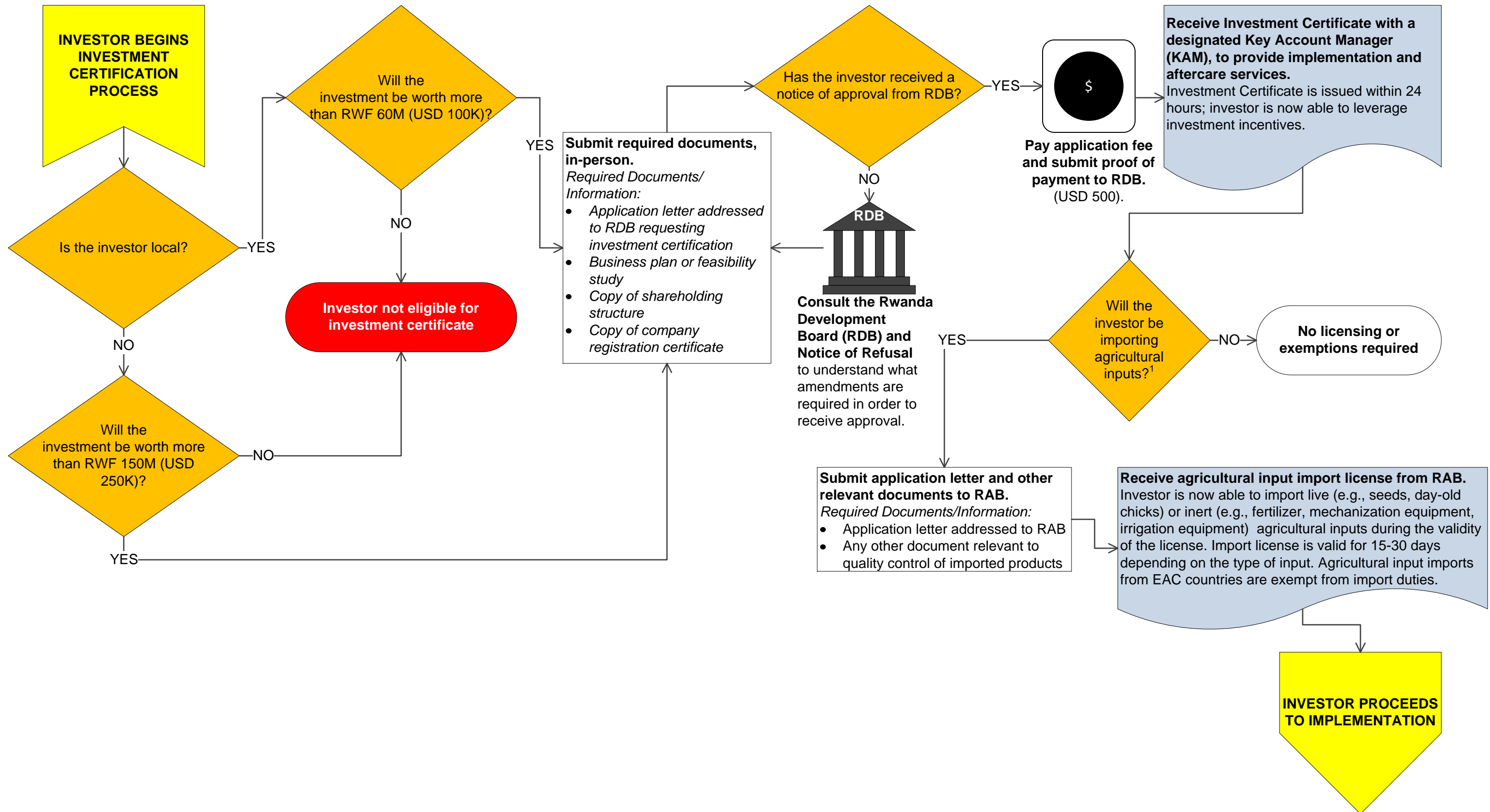


Notes: ¹ Investment Representatives include: RDB Investment Promotion Officers, RDB Key Account Managers, commercial attaches assigned by the Ministry of Trade and Industry (MINICOM) to Rwandan embassies, counselors in foreign missions; ² Promotional materials are prepared by RDB's Communications and Public Relations Department; ³ The IPI blue sheet covers key investor information, including: (1) initial RDB or commercial attaché contact, (2) potential project/investment/event details, (3) sector and sub-sector of interest to the investor, (4) investor's country of origin, (5) planned investment amount, if known, (6) investor contact information, (7) next steps for the meeting host, with a deadline indicated

IMPLEMENTATION (A) - REGISTRATION/CERTIFICATION

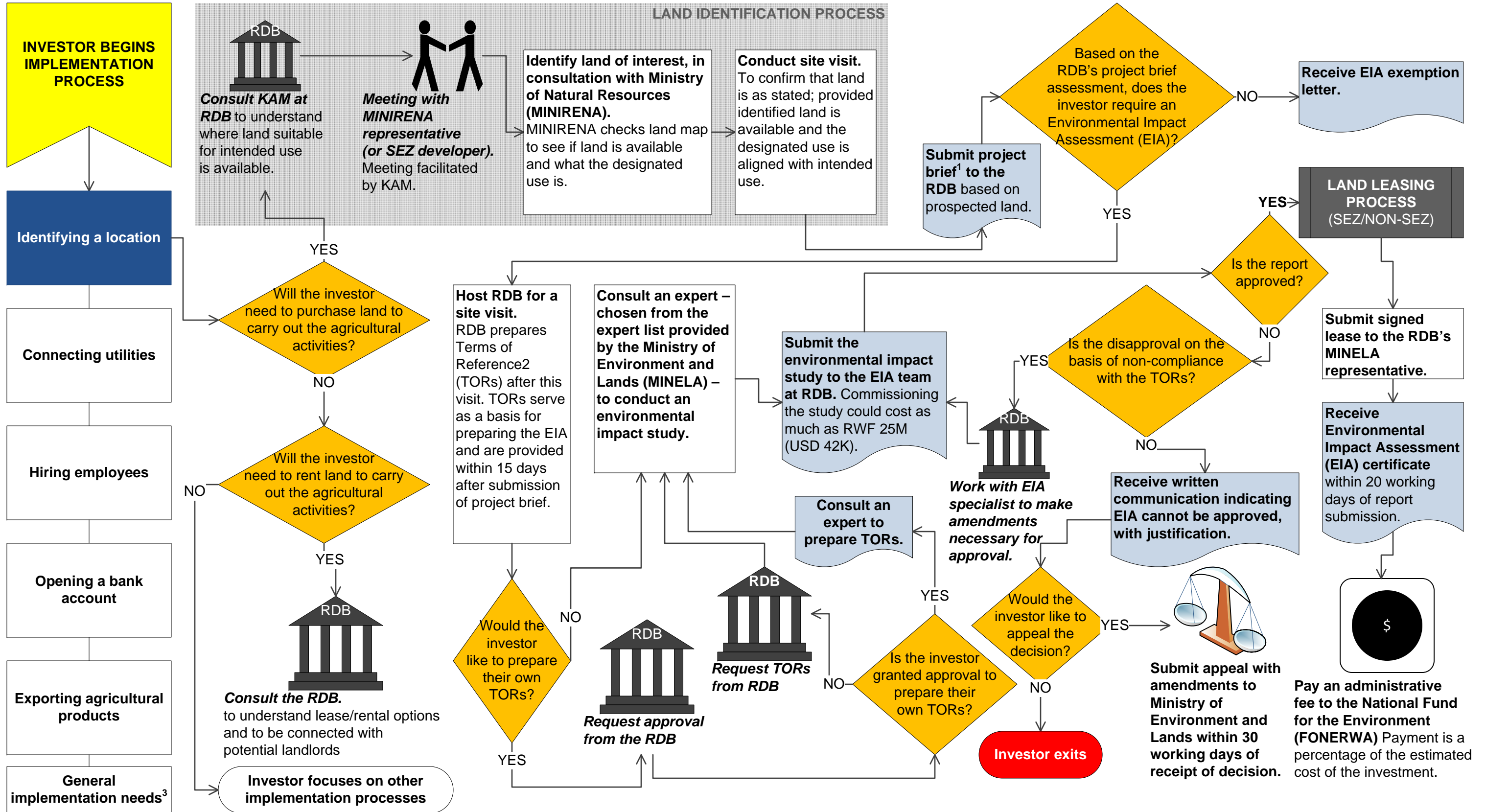


Notes: ¹ An enterprise(or sole trader) refers to a business whose income is less than RWF 10,000 (USD 17) per day

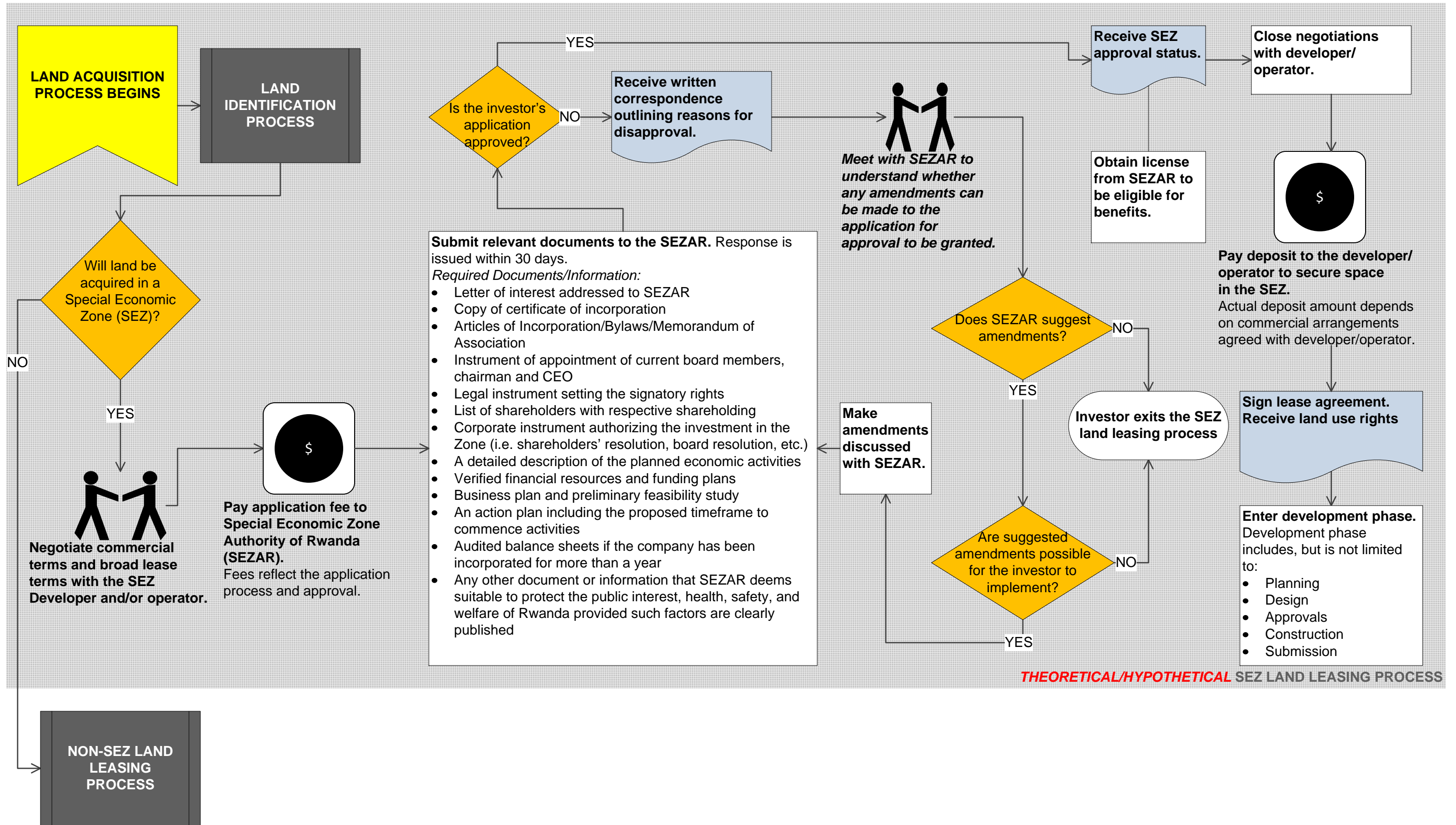


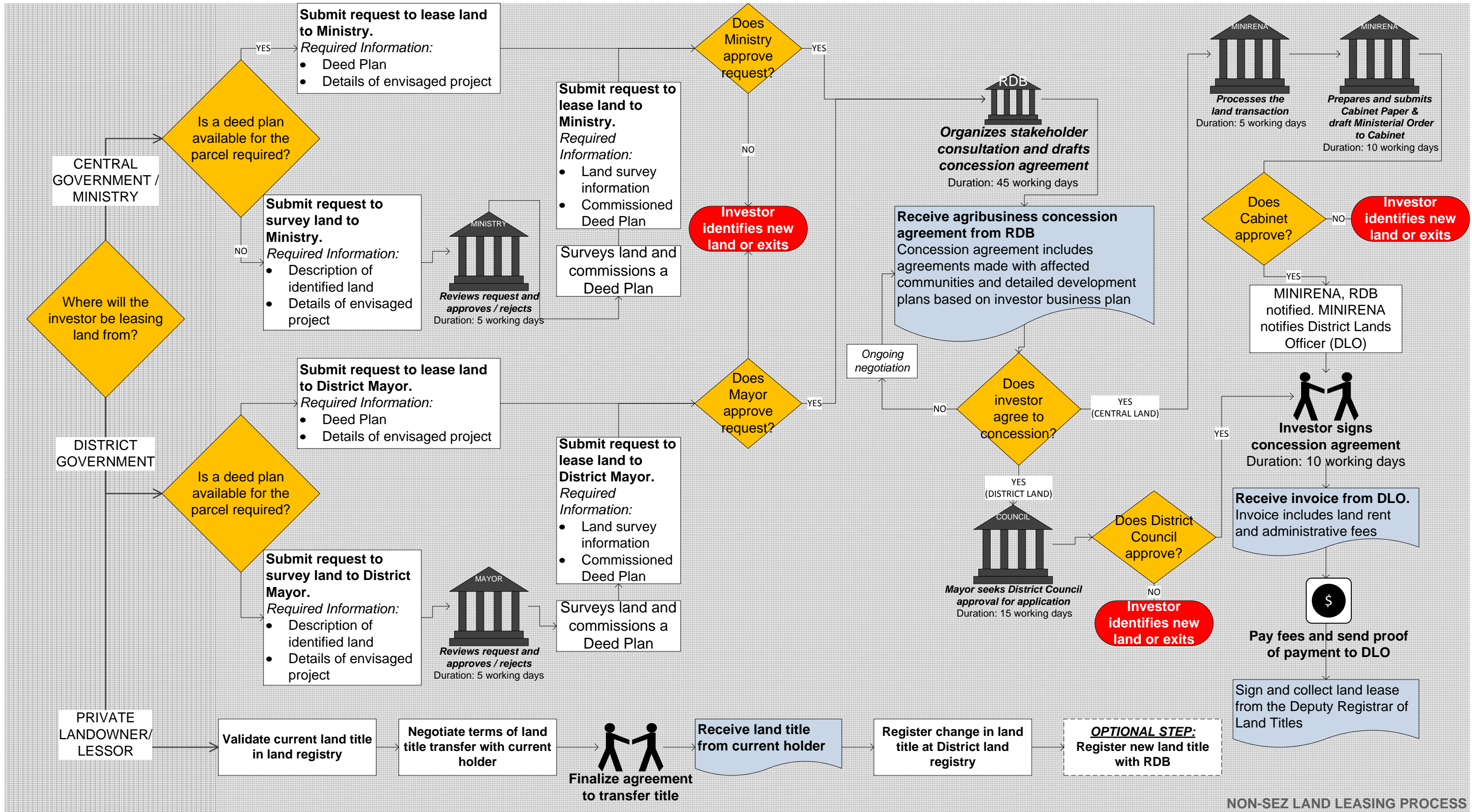
Notes: ¹ Only registered investors who hold an Investment Certificate are eligible to apply for an input import license

IMPLEMENTATION (C) – INVESTMENT SITING



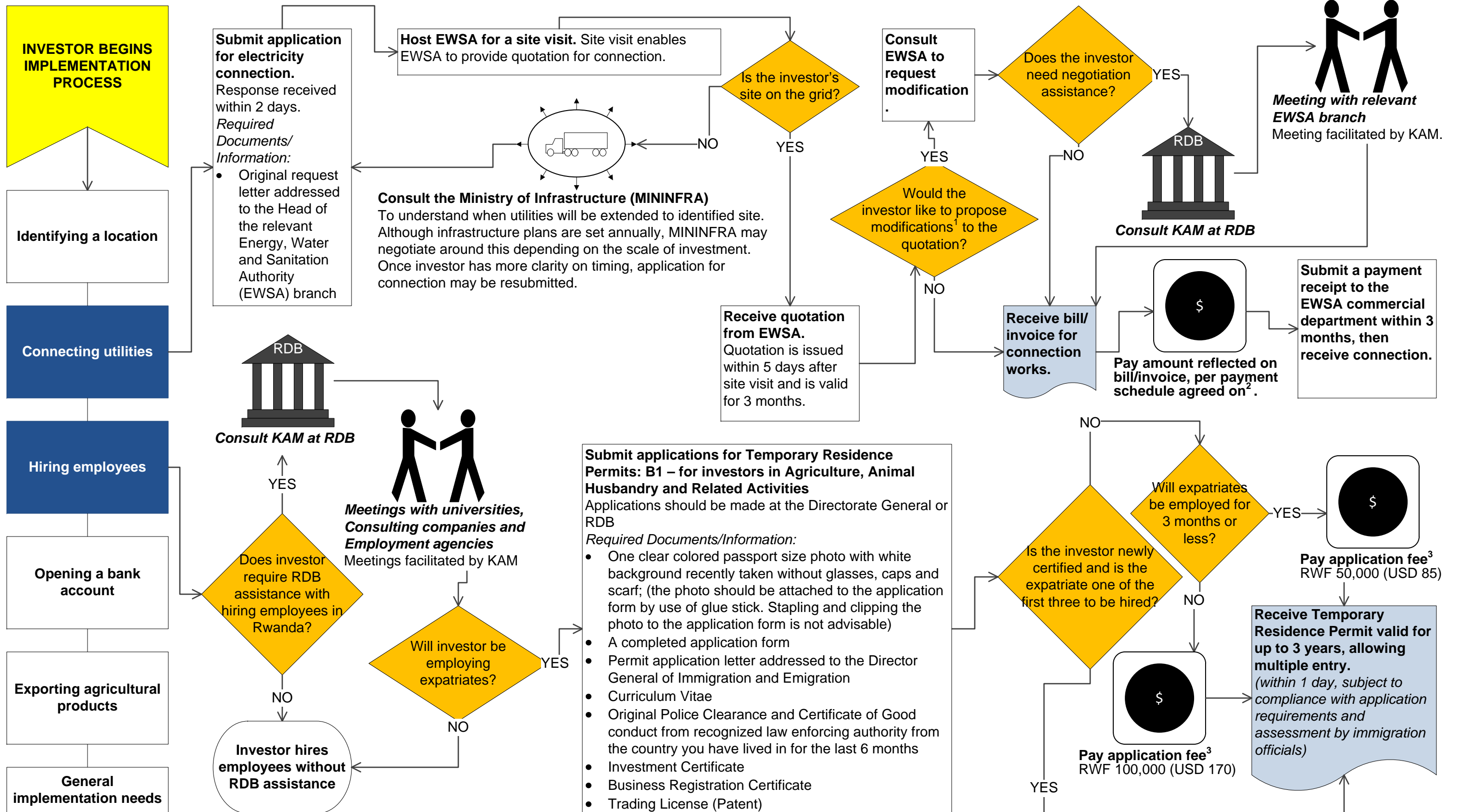
Notes: ¹ Project brief should include: (1) Name, title and address of developer, (2) Name, purpose, objectives and nature of project, including attributes such as size of project, design, activities that shall be undertaken during and after the establishment of the project, products and inputs, sources of inputs, etc., (3) Description of the proposed project site and its surroundings and alternative sites, if any, where the project is to be located, (4) Description of how the proposed project and its location conform to existing laws, regulations and policies governing such project and the use of the site/area proposed for its location, (5) Any likely environmental impacts that may arise due to implementing various phases/stages of the project and proposed mitigation measures thereto, (6) Description of any other alternatives, which are being considered (e.g. siting, technology, construction and operation procedures, sources of raw materials, handling of wastes etc., decommissioning/closure and site restoration), (7) Any other information that may be useful in determining the level of EIA required; ² Terms of Reference include: (1) Issues to be assessed during the impact study, as identified during scoping, (2) Sufficient description of the specific work tasks for the EIA Experts, (3) Stakeholders to be consulted, (4) Description of the experts required for the impact study; ³ General implementation needs typically fall out of the scope of actual business operations, and include investor queries related to recommended schools, hospitals, etc.



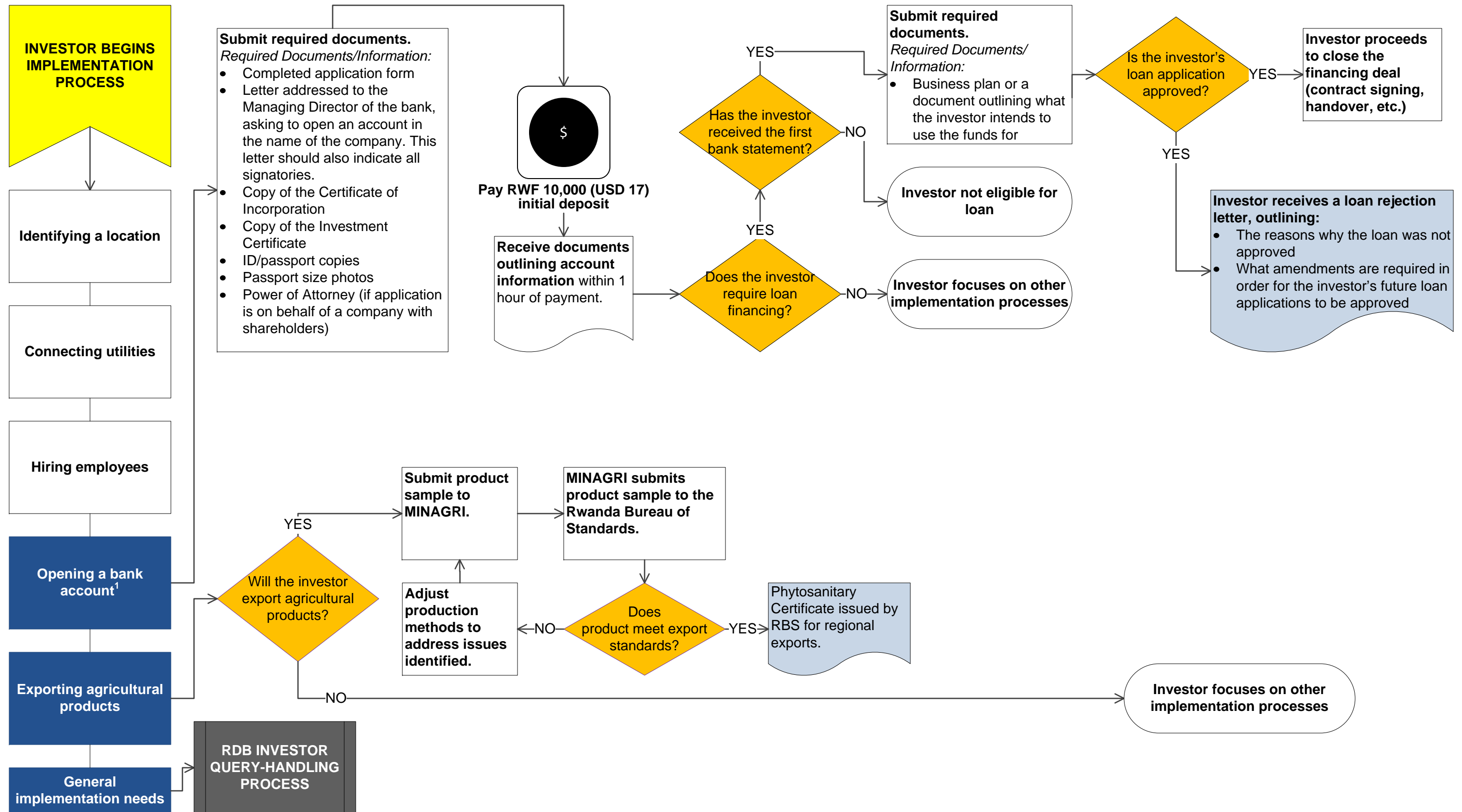


NON-SEZ LAND LEASING PROCESS

Notes: ¹ The project brief includes information such as: (1) Size of land requested, (2) Intended use of land, (3) Timeframe for land use, (4) Information about any other land owned by applicant, (5) List of other entities who will have rights to the land; their IDs and photos



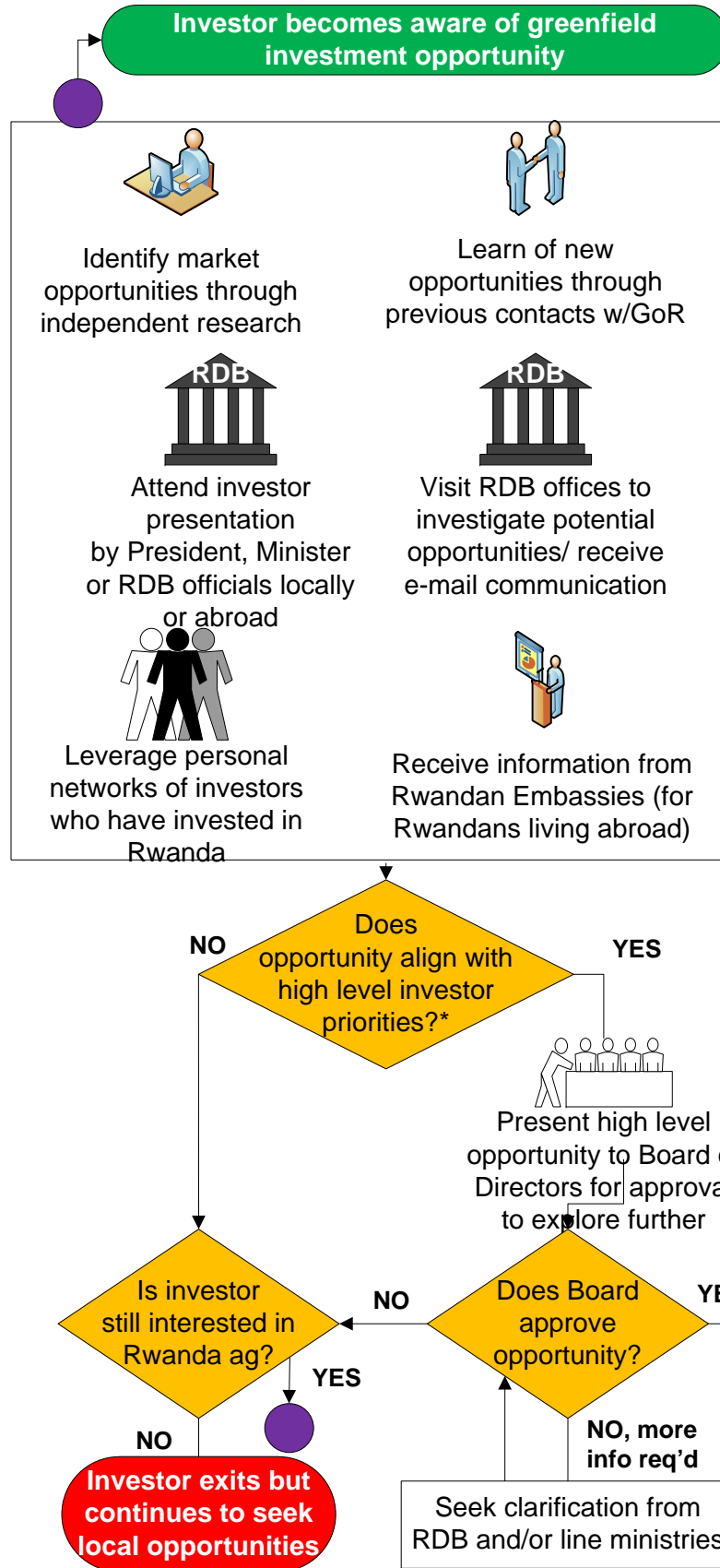
Notes: ¹ Examples of modifications include payment plan, and changes to actual amount quoted; ² Cost varies based on complexity of connection works required. If payment is by check, check must be certified, ³ Application fee per person



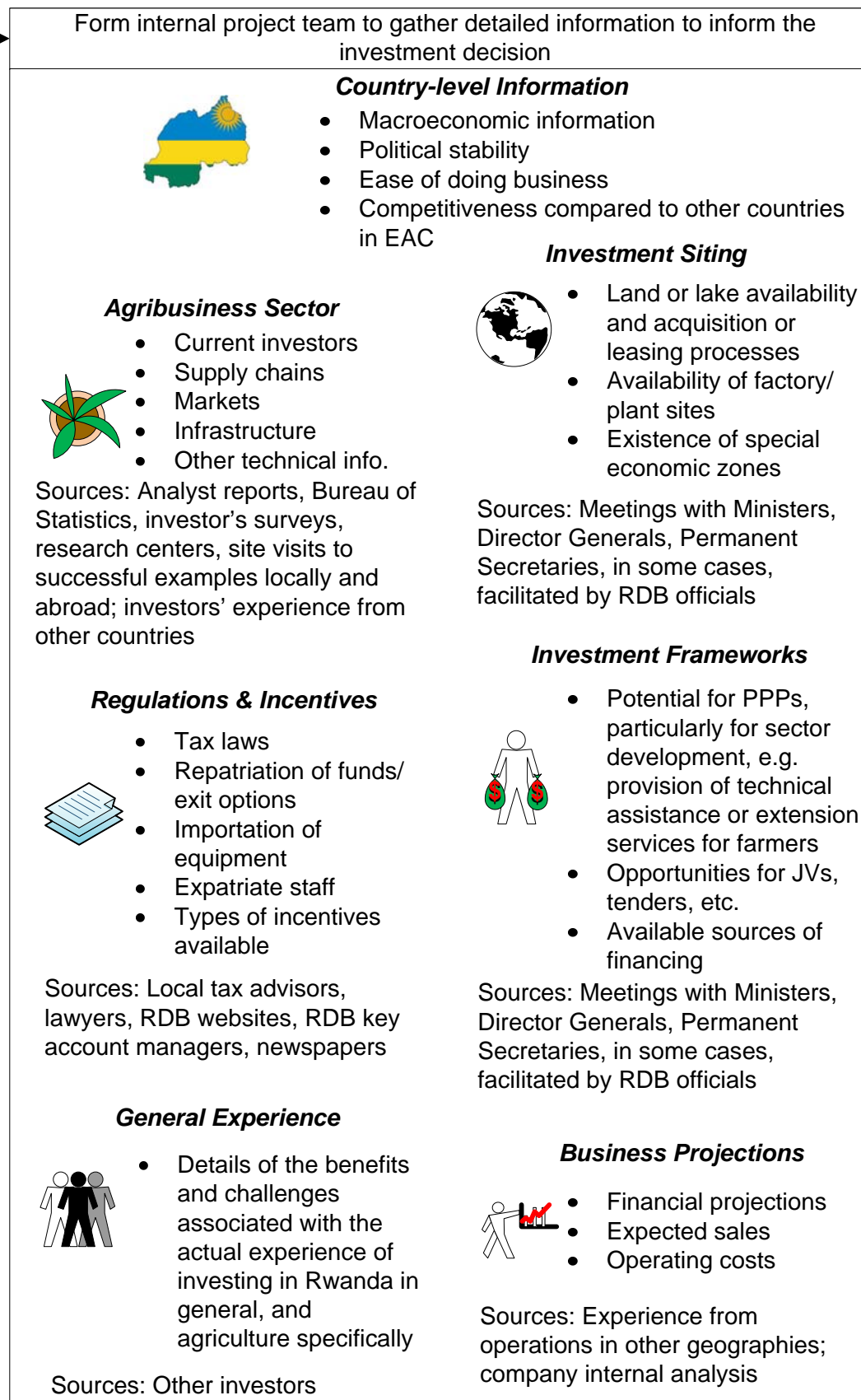
Notes: ¹ Based on Bank of Kigali – RDB branch interview

INVESTOR INTERNAL PROCESS – GREENFIELD (1/3)

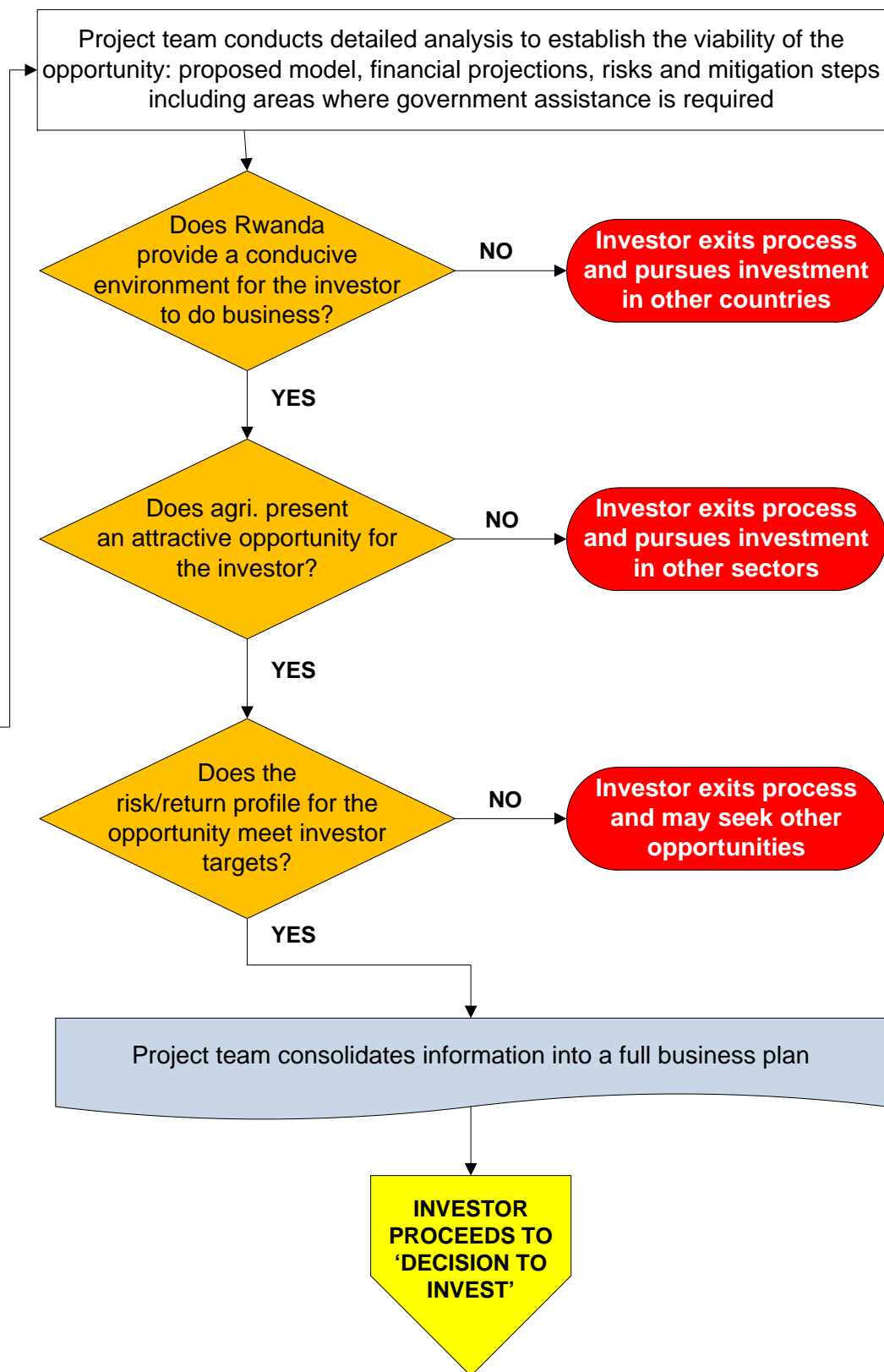
ORIGINATION



INFORMATION GATHERING



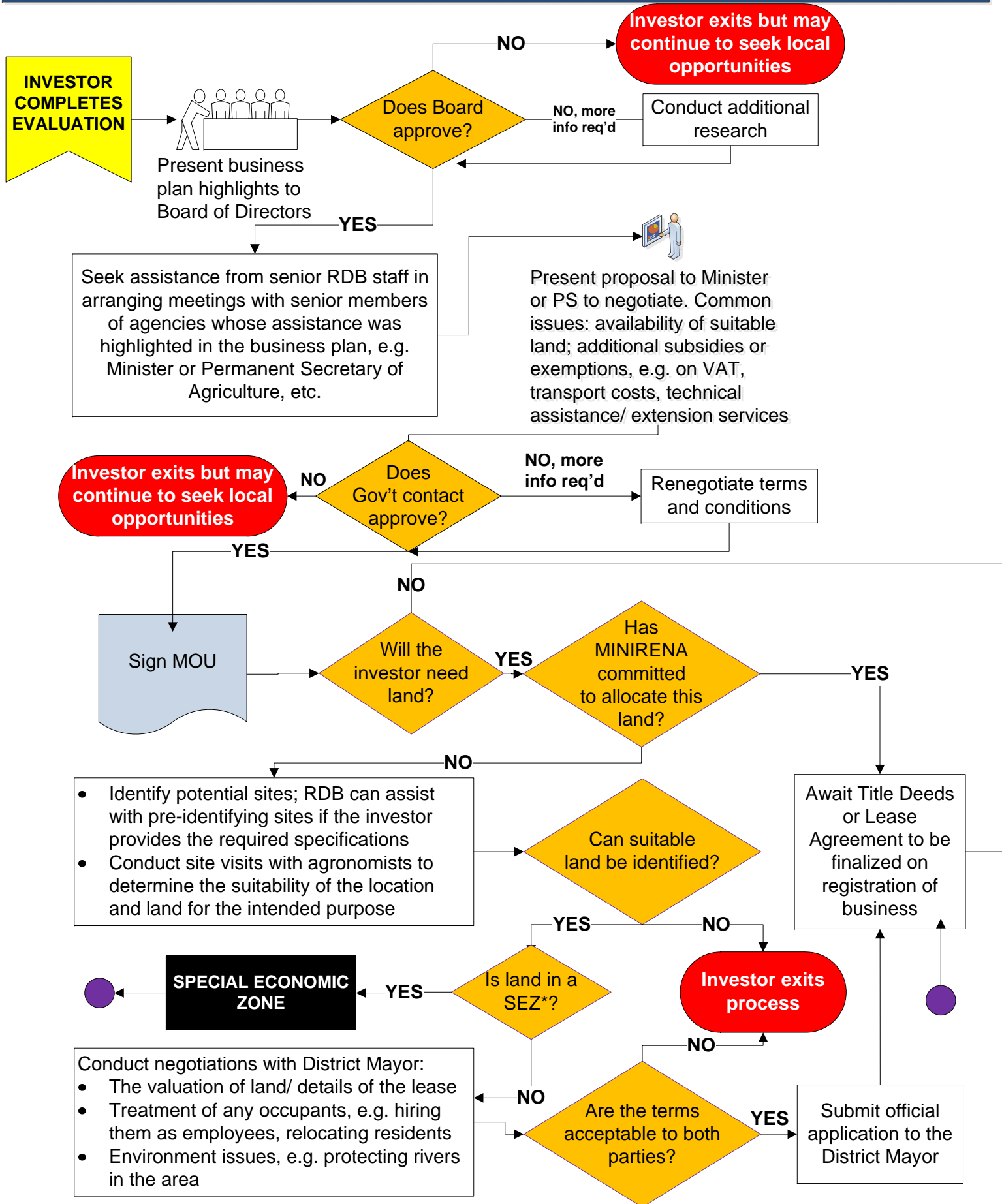
EVALUATION



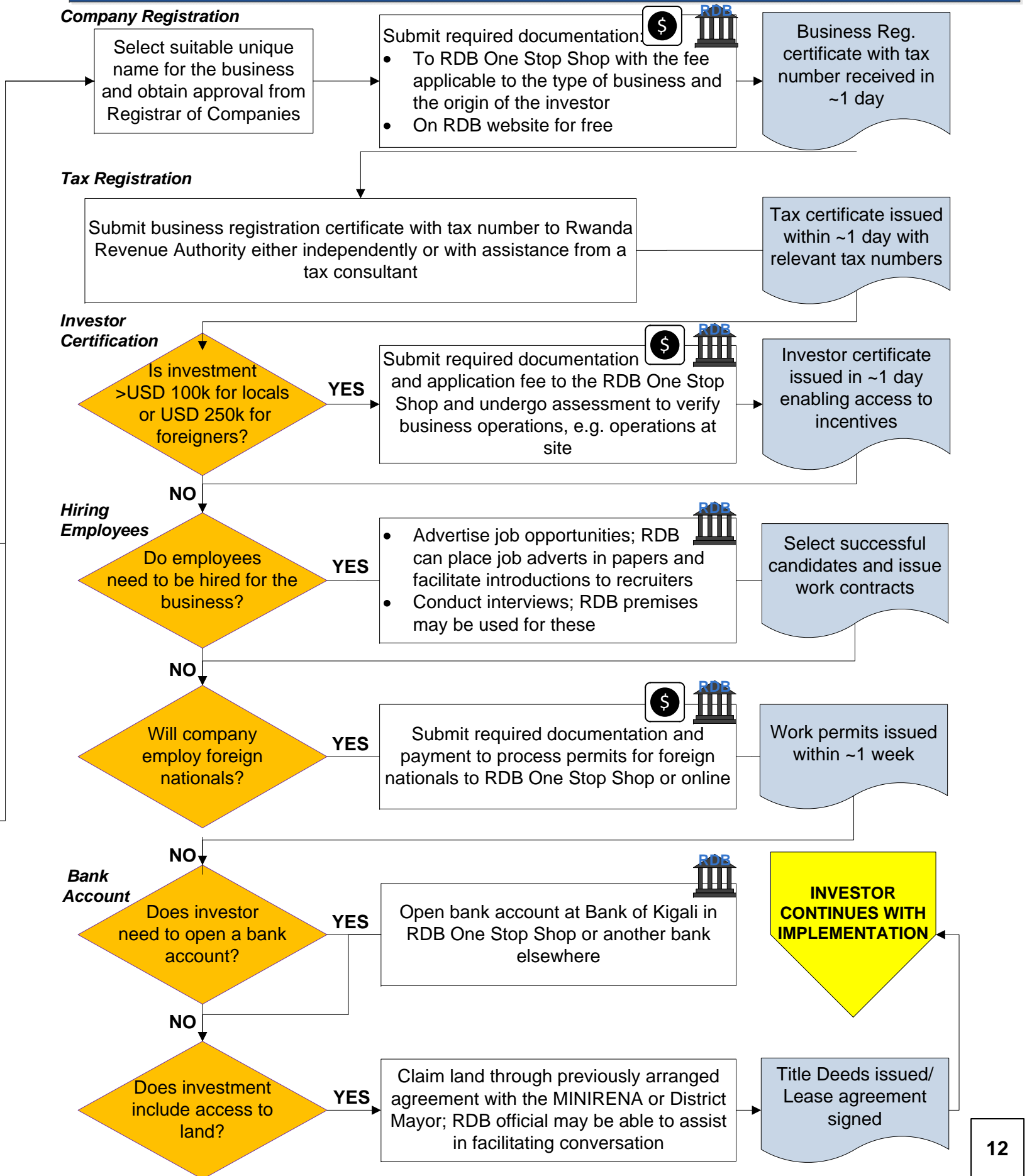
Note: *Investors priorities include, but are not limited to: sub-sector focus, value chain stage, size of investment, targeted countries for geographical expansion (in the case of multinationals) based on climatic conditions, ease of doing business, size of markets, etc.
Source: Investor Interviews

INVESTOR INTERNAL PROCESS – GREENFIELD (2/3)

DECISION TO INVEST



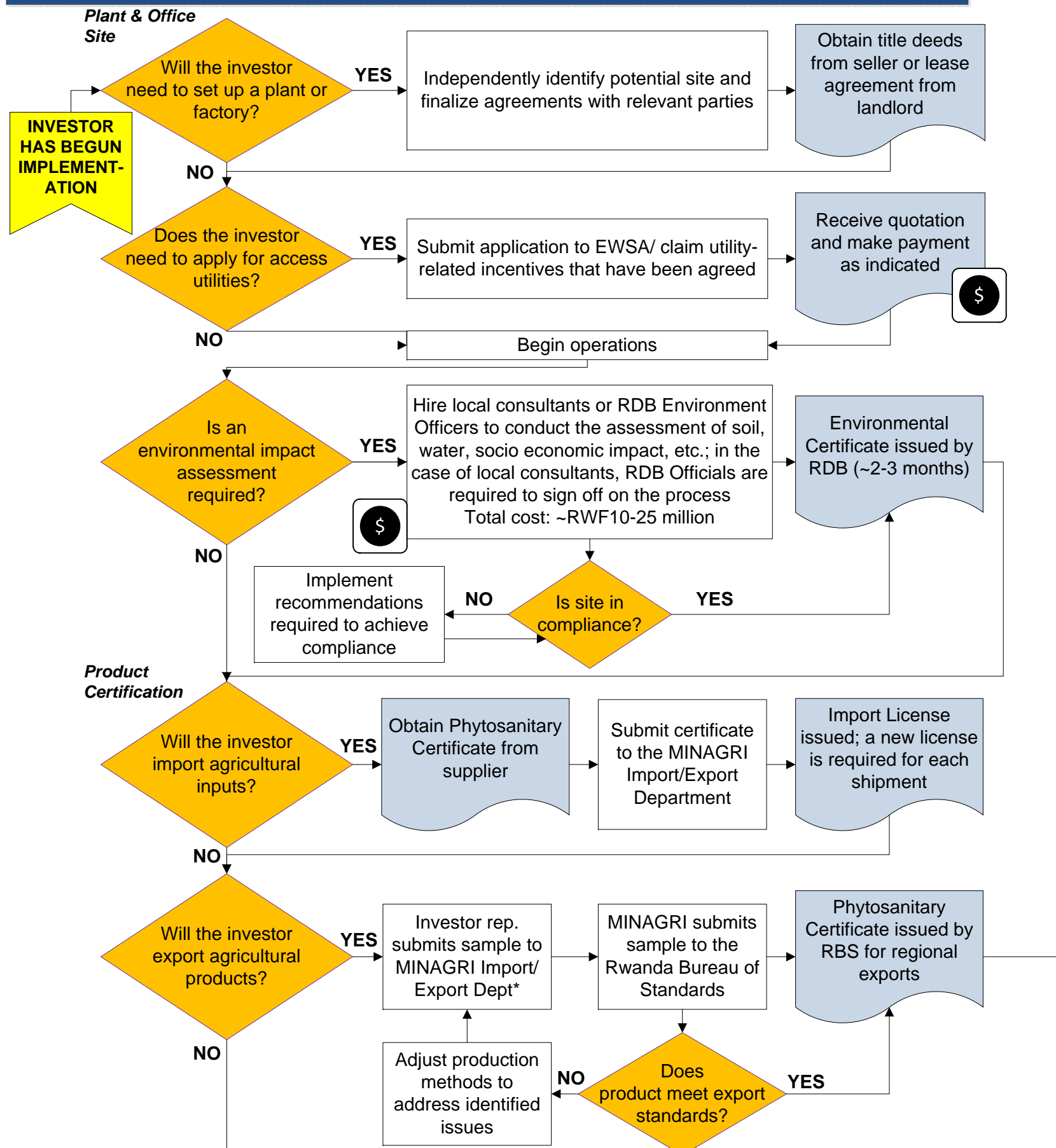
IMPLEMENTATION



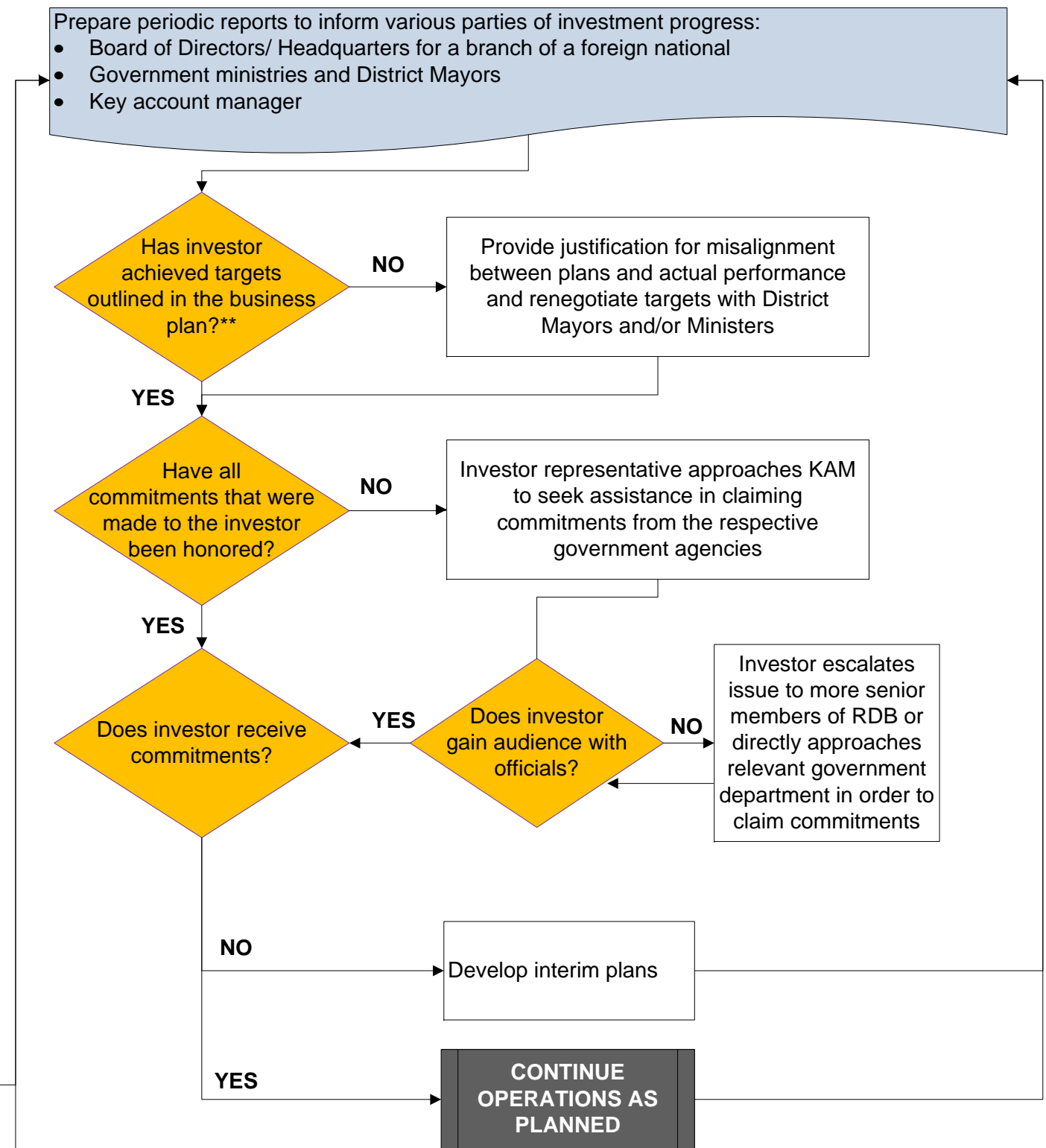
Note: * Special Economic Zone; Source: Investor Interviews

INVESTOR INTERNAL PROCESS – GREENFIELD (3/3)

IMPLEMENTATION

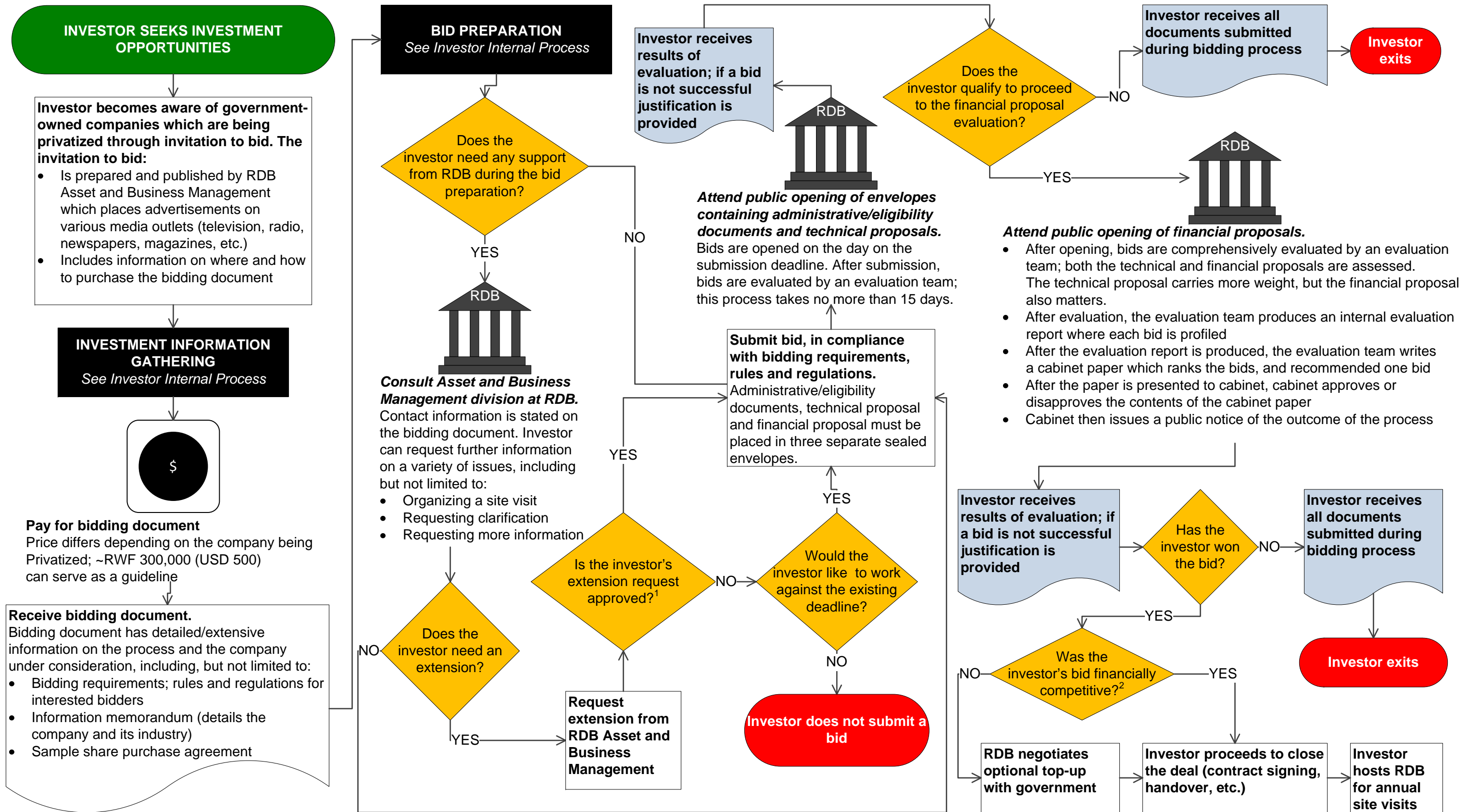


AFTERCARE



Note: *For international exports, investors will need to ensure that the product not only meets regional but international export standards and samples may be sent to international certifying bodies; **Includes financial, socio-economic and environmental targets
Source: Investor Interviews

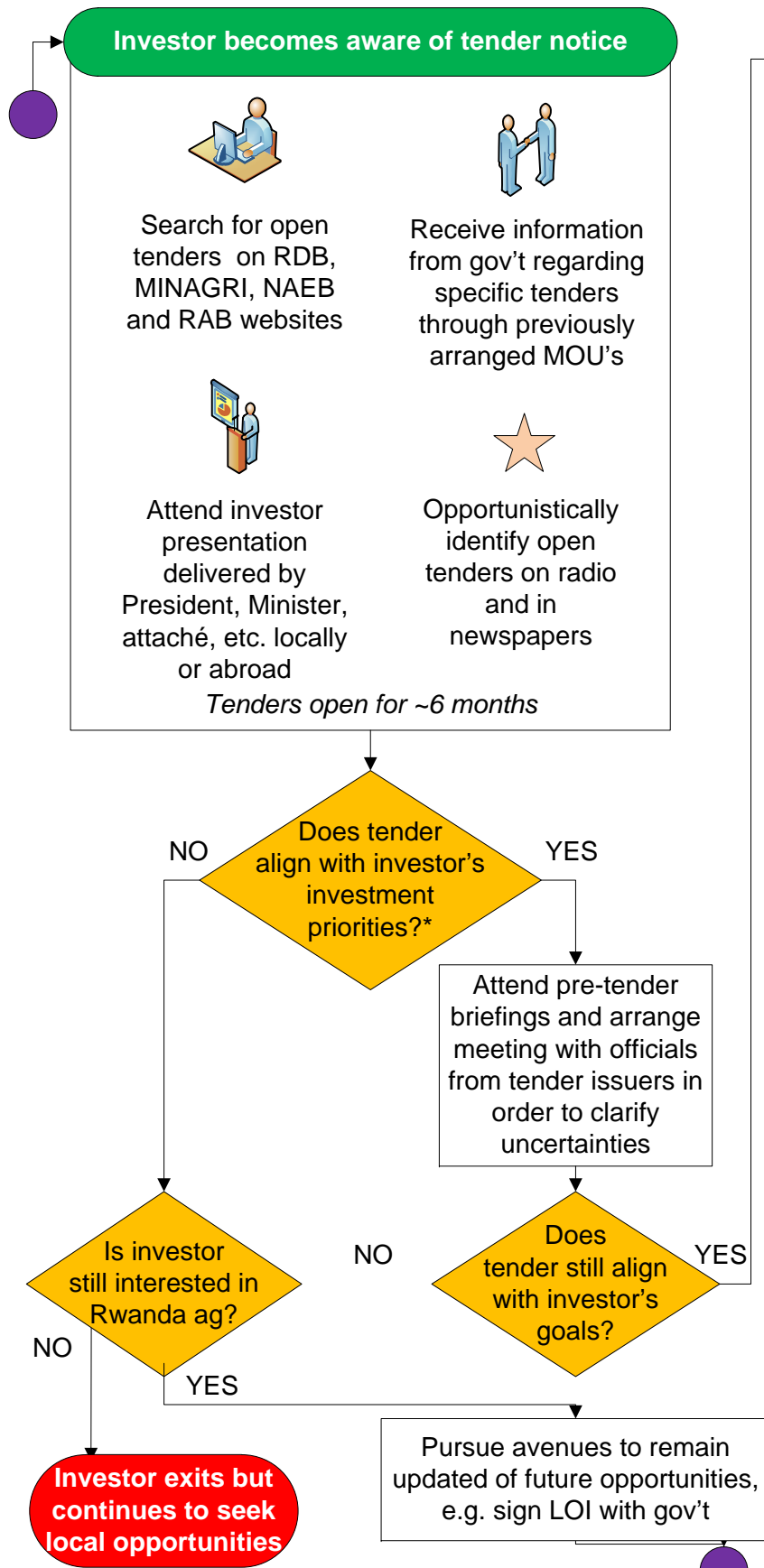
PRIVATIZATIONS



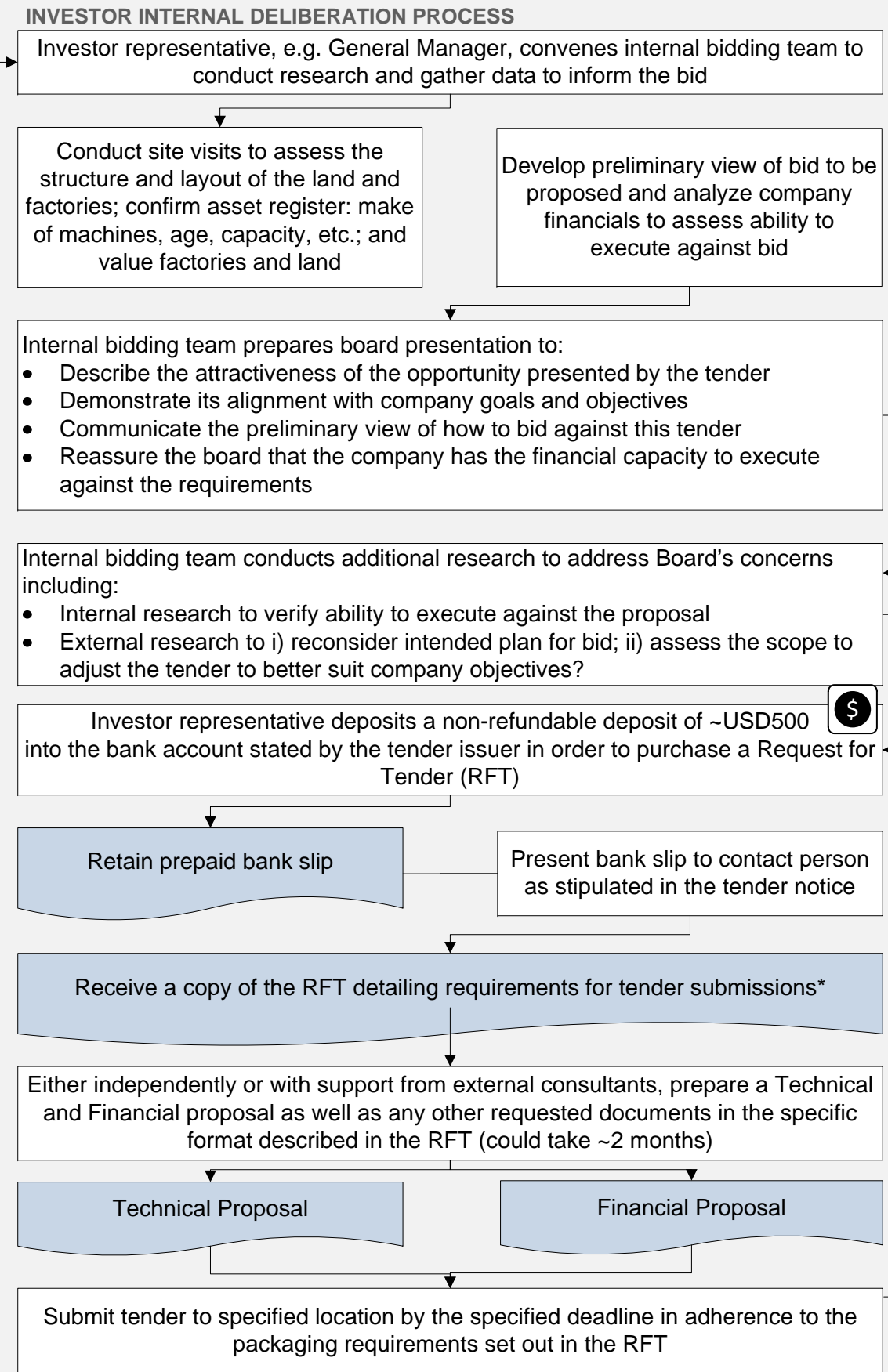
Notes: ¹ Extension requests for 15-30 days are typically approved; ² A bid is financially competitive if: (1) it is higher than the valuation arrived at by RDB Asset and Business Management, and (2) it is in the same range as other bids which made it through to the final evaluation

INVESTOR INTERNAL PROCESS – PRIVATIZATION (1/2)

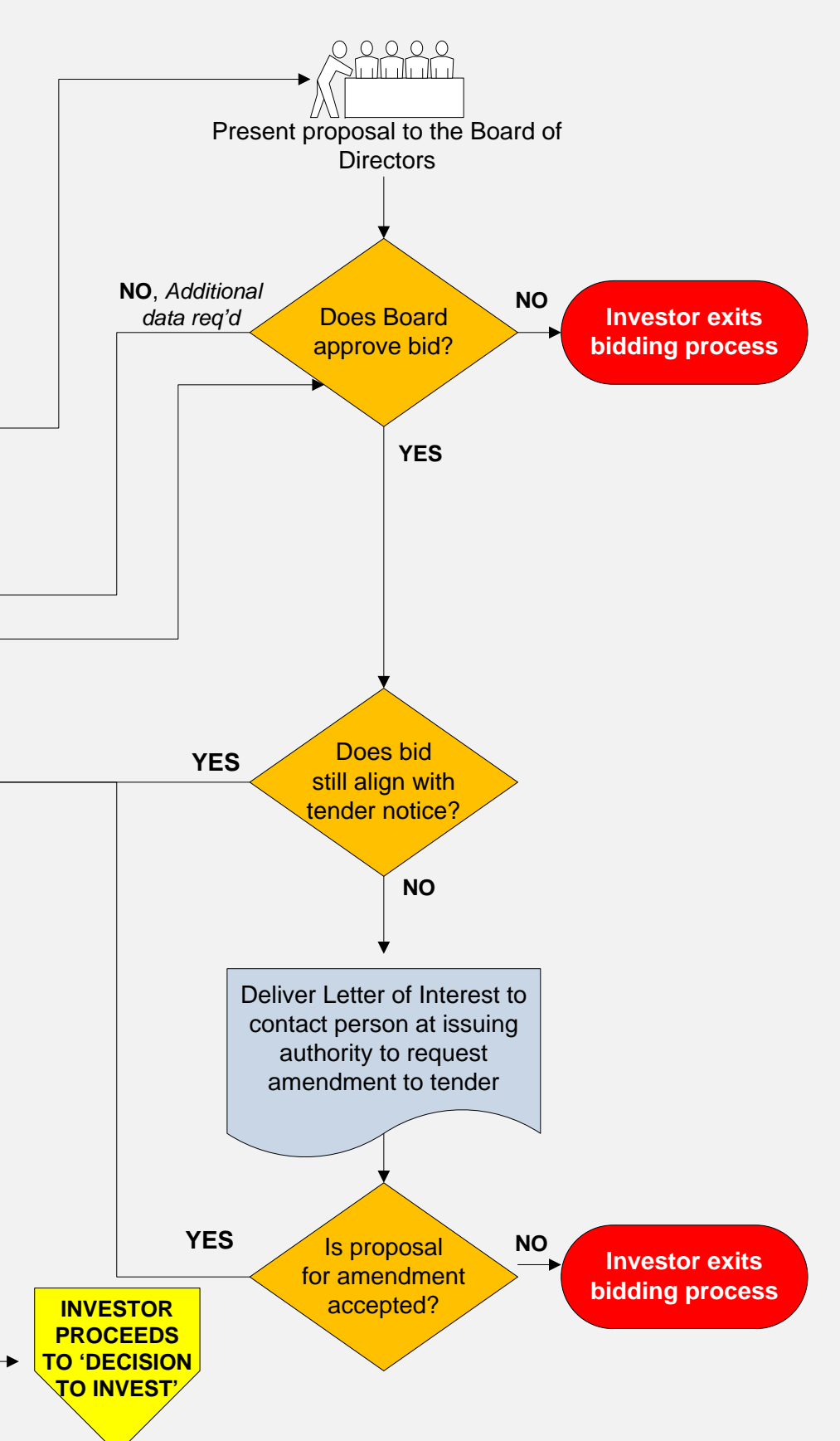
ORIGINATION



INFORMATION GATHERING



EVALUATION



Note: *Investors priorities include, but are not limited to: sub-sector focus, value chain stage, size of investment, targeted countries for geographical expansion (in the case of multinationals) based on climatic conditions, ease of doing business, size of markets, etc.; **Contents of RFT: Description of investment opportunity; requirements that applicants should meet; criteria that will be used to evaluate proposals; desired content and format of submissions including templates if necessary; process rules and info including timelines; additional contract conditions; time and locations of pre-tender briefings; Source: Investor Interviews

INVESTOR INTERNAL PROCESS – PRIVATIZATION (2/2)

DECISION TO INVEST

INVESTOR COMPLETES EVALUATION

Investor representative visits specified location on the final date of the tender to witness:

- The opening of technical proposals and announcement of applicants; financial proposals remain sealed
- The announcement of the date on which decisions on technical proposals will be made; ~1 week later

TECHNICAL COMMITTEE* REVIEWS TECHNICAL PROPOSALS AND COMMUNICATES DECISION TO APPLICANTS

Conduct exit interview with Tech Committee representative

Was Tech. proposal short-listed?

NO

YES

Investor representative attends meeting to witness the opening of financial proposals and announcement of proposed bids and payment terms

TECH. COMMITTEE SELECTS TOP TWO FINANCIAL PROPOSALS AND COMMUNICATES DECISION TO APPLICANTS

Conduct exit interview with Tech Committee representative

Was financial proposal successful short-listed?

NO

YES

Was the investor's Fin. proposal the best bid?

NO

YES

Wait for negotiation with best bidder

Engage lawyers to enter contract negotiations with tender issuer to agree on final terms: timetable of proposed investments and expansions; commitment from gov't to enable investments, e.g. land for expansion; confirm financial health of company; confirm social impact, etc. (~ 6 months)

Can investor and tender issuer agree on terms and conditions?

YES

NO

Runner up bidder contacted

First investor exits process

IMPLEMENTATION

Transfer documents:

- Signed contract
- Company registration
- Tax registration
- Documents of ownership for movable and immovable assets, i.e. land, buildings, machines
- Share certificates

Set up Board of Directors including government official to represent government's minority shareholding as well as cooperatives' interests

Visit RDB One-Stop shop to:

- Obtain investor certificates
- Obtain work permits for expats



BEGIN OPERATIONS ON SITE PER PLANS SET OUT IN THE TECHNICAL PROPOSAL

AFTERCARE

Prepare periodic reports to inform various parties of investment progress:

- Board of Directors/ Headquarters for a branch of a foreign national
- Government ministries and District Officials
- RDB Key account manager

Has investor achieved targets outlined in the business plan?*

NO

YES

Provide justification for misalignment between plans and actual performance and renegotiate targets with District Mayors and/or Ministers

Have all commitments that were made to the investor been honored?

NO

YES

Investor representative approaches KAM to seek assistance in claiming commitments from the respective gov't agencies

Does investor receive commitments?

NO

YES

Does investor gain audience with officials?

NO

YES

Investor escalates issue to more senior members of RDB or directly approaches relevant government department in order to claim commitments

Develop interim plans

CONTINUE OPERATIONS AS PLANNED

Note: *The identities of members of the Technical Committee are not disclosed to investors but these will typically be experts in the concerned fields.
Source: Investor Interviews