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RWANDA

FY 2010 Implementation Plan

U.S. Government Working Document

The Feed the Future (FTF) FY 2010 implementation plans are working documents outlining U.S. government planning for the first year of the Global Hunger and Food Security Initiative. These plans represent a transition towards the development of multiyear strategies and are targeted at investments that lay the foundation for a new country-level and coordinated approach with a diversity of partners. Multiyear strategies are under development that will span development and diplomatic actions across multiple USG agencies.

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Abbreviations and Acronyms

ACTESA	Alliance for Commodity Trade in East and Southern Africa
ADB	African Development Bank
AGOA	African Growth and Opportunities Act
ASWG	Agricultural Sector Working Group
AU	African Union
BRD	La Banque Rwandaise de Développement
BTC	Belgian Technical Cooperation Agency
CAADP	Comprehensive African Agriculture Development Program
CGIAR	Consultative Group on International Agricultural Research
CIDA	Canadian International Development Agency
CIP	Crop Intensification Program
COMESA	Common Market for Eastern and Southern Africa
DFID	Department for International Development
DLI	Development Leadership Initiative
EAC	East African Community
EAGC	East African Grain Council
EC	European Commission
EDPRS	Economic Development and Poverty Reduction Strategy
EG	Economic Growth
EICV	Enquêtes Intégrale sur les Conditions de Vie des Ménages
EU	European Union
FAO	Food and Agriculture Organization
FOREDEM	Fund for the Refinancing and Development of Micro-Finance
GDA	Global Development Alliance
GDP	Gross Domestic Product
GIS	Geographic Information Systems
GOR	Government of Rwanda
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IEHA	Initiative to End Hunger in Africa
ICT	Information Communication Technology
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFDC	International Fertilizer Development Corporation
IFPRI	International Food Policy Research Institute
ILRI	International Livestock Research Institute
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
JSR	Joint Sector Review
LES	Locally Employed Staff
LWH	Land husbandry, Water harvesting and Hillside irrigation
MDGI	Millennium Development Goal I
M&E	Monitoring and Evaluation
NEPAD	New Partnership for African Development
OECD	Organization for Economic Cooperation and Development
OPIC	Overseas Private Investment Corporation
P4P	Purchase for Progress
PIO	Public International Organization
PSTA II	Strategic Plan for the Transformation of Agriculture

RSSP	Rural Sector Support Program
ReSAKSS	Regional Strategic Analysis and Knowledge Support System
SIDA	Swedish International Development Agency
SPS	Sanitary and Phytosanitary
SSA	Sub-Saharan Africa
SWAp	Sector Wide Approach
UNDP	United Nations Development Program
USADF	United States African Development Foundation
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USDH	United States Direct Hire
USG	United States Government
USPSC	United States Personal Services Contractor
USTDA	United States Trade and Development Agency
USTR	United States Trade Representative

I. INTRODUCTION

Rwanda has made remarkable development progress since the tragedy of the 1994 genocide, which left the social fabric in tatters and decimated its economy. Since then, Rwanda has more than doubled primary-school enrollment and established a national health insurance system, Kigali is a clean and functional city with modern skyscrapers and prosperous suburban neighborhoods. Over the last five years, Rwanda has seen real per capita income growth average more than six percent. Despite these impressive achievements, Rwanda remains one of the world's poorest countries. Rwanda ranked 167 out of 182 worldwide in the UNDP 2009 Human Development Index, and 143 out of 160 in the February 2010 Economist Intelligence Unit Quality of Life Index.

Eighty two percent of households who rely on agriculture for a majority of their income are poor.¹ Many factors contribute to chronic malnutrition and food insecurity issues including inefficiency of scale, soil erosion, and lack of access to markets and finance. In addition, climate change-related shocks appear to be leading to more volatile, highly variable rainfall in Rwanda, placing agriculture in a vulnerable and unpredictable position.²

Despite a decade of rapid economic growth in Rwanda, poverty remains high and economic opportunities for women are limited, particularly in rural areas. The fight against poverty is driven by the Government of Rwanda (GOR), which sees poverty as a threat to internal security, national unity, and nascent regional stability. Females head approximately one-third of all households in Rwanda.³ There is a direct correlation between low levels of education among women and food insecurity.

The majority of women (56%) have no access to financial services, either formal or informal.⁴ Despite laws making primary school mandatory, approximately one in three Rwandans are illiterate⁵. One out of ten children die before their fifth birthday; of those who live, approximately 52% are chronically malnourished.⁶ Rwanda's "Vision 2020" program seeks to address these deficiencies by the year 2020 by: increasing per-capita income to the level of a middle-income country; reducing the number of people living on less than a dollar per day from 57% to 25%; and improving the population's literacy rate from the current 65% to 90%.

The GOR was the first country to sign a Comprehensive African Agricultural Development Program (CAADP) Compact. The 2007 Compact signing showed the GOR's commitment to strengthening the agriculture sector, which provides 40% of GDP and 80% of employment.⁷ To implement the Compact, the GOR developed the Strategic Plan for the Transformation of Agriculture (PSTA) II, which aligns development partners (including the USG) with GOR strategies and tactics. The Sector Wide Approach (SWAp) and Agriculture Sector Working Group (ASWG) are the two donor coordinating mechanisms through which the GOR ensures policy continuity and maximizes the effectiveness of development assistance.

One out of ten children die before their first birthday; of those who live, approximately 52% are chronically malnourished.

In FY 2010, USAID/Rwanda will allocate \$27 million to the following new programs:

- rural feeder roads;

¹ Enquêtes Intégrale sur les Conditions de Vie des Ménages (EICV) Poverty Analysis for Rwanda's Economic Development and Poverty Reduction Strategy (EDPRS), OPM, May 2007

² Sources of and Obstacles to Economic Growth in Rwanda, DFID, 2008

³ UNDP, 2009

⁴ Finscope 2008, DFID

⁵ UNDP Human Development Index, 2009

⁶ Rwanda Interim Demographic and Health Survey, Macro ORC International, 2009

⁷ Sources of Obstacles to Economic Growth in Rwanda: An Analytical Overview, Discussion Draft for Working Meeting, DFID, February 2008

- land husbandry, water harvesting, hillside irrigation;
- post-harvest storage and processing;
- privatization of fertilizer import and distribution;
- Information Communication Technology (ICT)/Rural Market Linkages;
- dietary customs survey;
- ReSAKSS; and
- specific interventions designed to uplift and harness the potential of Rwandan women.

Analytical scoping activities will build a platform to support expanded FY 2011 activities.

The proposed investments are built upon strong analytical rationale and consultations. These investments will incorporate vigorous monitoring and evaluation by the GOR and development partners, and in coordination with other private and civil society actors. Post will consider a wide range of implementation mechanisms that reflect the strength of host country systems, continual improvement in GOR management systems, and the fight against corruption. FY 2010 activities are intended to build a foundation upon which a larger sustained commitment could be made to the GOR in FY 2011. The US Mission in Rwanda has established a clear management, budget, and obligation plan to support the GOR and lead the USG in advancing the L'Aquila principles in Rwanda.

2. FY 2010 OBJECTIVES

2.1. COUNTRY-LED COMPREHENSIVE STRATEGY

The GOR was the first country to sign a CAADP Compact in March of 2007 as part of the development of a comprehensive strategy to highlight agriculture as a national priority. The USG supports and remains an active stakeholder in the implementation of Rwanda's CAADP plan. The CAADP Compact was developed through a valid, consultative process with stakeholders representing public, private,

and civil society sectors. In 2006, the GOR convened a roundtable as part of the consensus-building process with representatives from the Common Market for Eastern and Southern Africa (COMESA), bilateral and multilateral entities, local government, civil and private sectors to address the following four points.

- Ensure that the country is on track to achieve CAADP growth and budgetary objectives.
- Classify possible gaps in terms of sector policy, budgetary and investment measures.
- Provide an opportunity for information sharing and experience with other member states.
- Bring all stakeholders on board with the CAADP process and objectives.

The result of the GOR-driven roundtable approach is a CAADP Compact that guides the implementation of national agricultural strategies. The compact also explains commitments in terms of sector policies, public expenditures, and development assistance through an investment plan. The CAADP Compact also created a mechanism for review and dialogue to track implementation and progress in meeting commitments.

The agricultural SWAp is the instrument that formalizes this dialogue among the GOR, bilateral and multilateral development agencies, and development partners. The SWAp uses monthly ASWG and annual Joint Sector Review (JSR) meetings to coordinate agriculture-related monitoring and evaluation. The SWAp is also a forum through which the Ministry of Agriculture (MINAGRI) and development partners can harmonize funding modalities. Lastly, this GOR agriculture investment plan reflects the fluidity of human, technical, and financial resources that are available to support MINAGRI.

2.1.1. Consultative Process

Under the leadership of the Ministry of Agriculture, the USG actively participates in the

ASWG to achieve Rwanda's CAADP objectives. The consultative approach has been and continues to be fundamental to developing Rwanda's implementation plan. This approach reflects the range of contact Mission staff has with the GOR, private sector actors, and other development partners.

Throughout the IP drafting process, three key actors from the Ministry of Agriculture have provided clear and timely feedback. First, the Minister of Agriculture, who spoke at the Road from L'Aquila meeting in Washington D.C., and co-hosted the CAADP High-Level meeting in Kigali, continues to provide high-level strategic advice on maintaining continuity between planned USG investments and GOR investment priorities. Second, the Permanent Secretary was the lead CAADP negotiator and presenter at the CAADP Roundtable meeting in Addis Ababa, Ethiopia, and is the most frequent GOR chair of the ASWG. The Permanent Secretary's feedback to the Mission in Rwanda resulted in useful changes to targeted areas of operation for a number of projects. Dialogue between the Planning Unit in the Ministry of Agriculture and USAID continues to be open, frequent, and beneficial. The Planning Unit is a key partner through which information is shared, debated and strengthened.

The USG has sought advice from, and continues to exchange ideas with, consultants and other private stakeholders in the agricultural sector. Private sector actors such as One Acre Fund, Voxiva, and commercial food processors believe that investments in irrigation, post harvest handling, rural roads, and fertilizers distribution will stimulate production, increase participation in the formal sector, and be attractive to the bottom line.

Meetings, consultations, and negotiations with other development partners have also informed USG planning. Particularly instructive have been our relationships with the Belgian Technical Cooperation (BTC), United Kingdom's Department for International Development (DFID), Embassy of the Netherlands, Food and Agriculture Organization (FAO), International

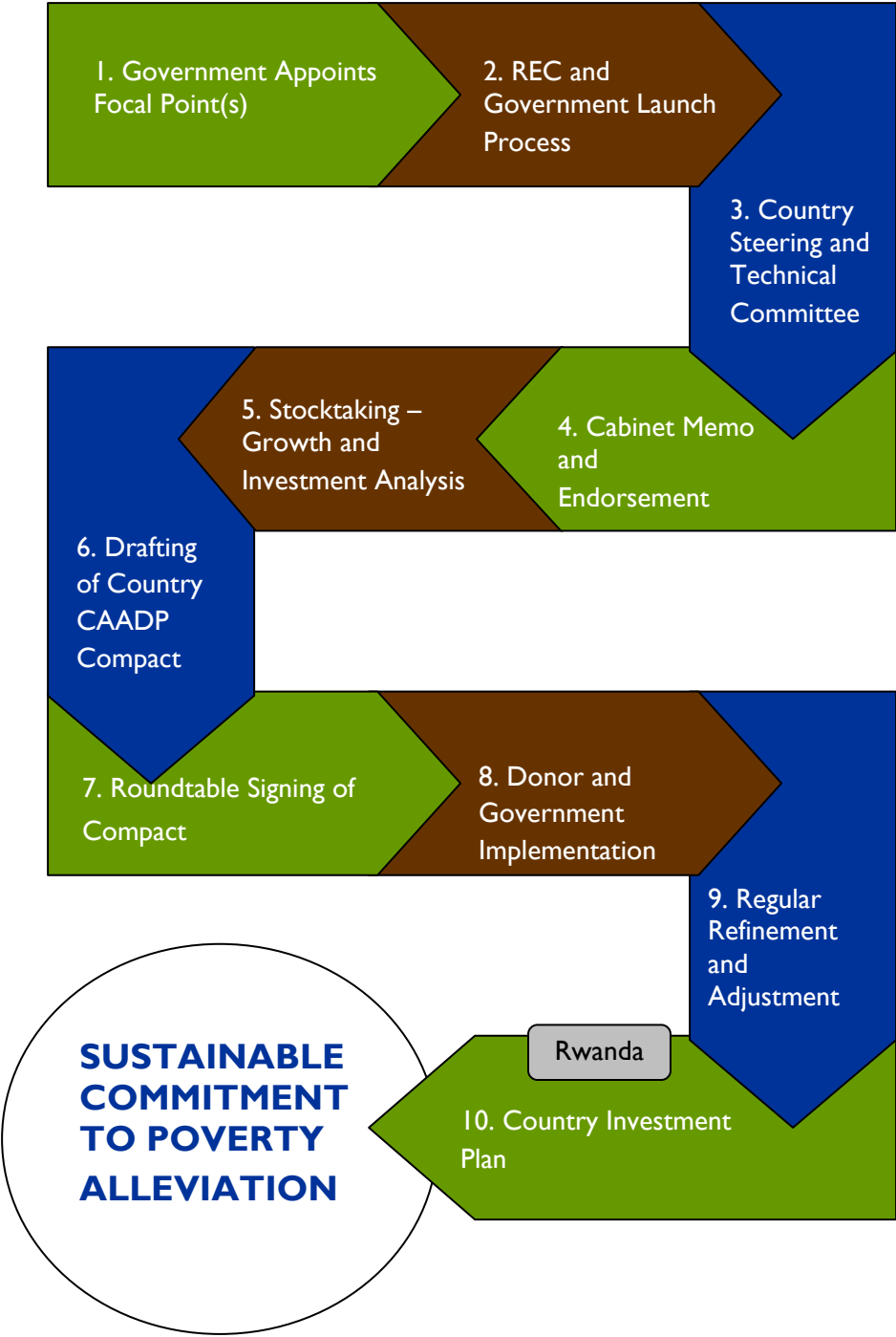
Fund for Agricultural Development (IFAD), International Food Policy Research Institute (IFPRI), The World Bank, and International Fertilizer Development Corporation (IFDC). This consultative process guided USAID/Rwanda's choice of project investments as described under Section 4.

2.1.2. Status of CAADP

In December 2009, the African Union (AU) and New Partnership for Africa's Development (NePAD) led a technical review of Rwanda's Agriculture Sector Investment Plan under the auspices of the Comprehensive Africa Agriculture Development Program (CAADP). Participants included the Common Market for East and Southern Africa (COMESA), several ministers of agriculture from throughout the continent, and Rwanda's Agriculture Sector Working Group. During the high-level meeting GOR officials presented the Investment Plan to development partners and private sector representatives. The AU/NePAD technical review of the Investment Plan was a continental first, providing a useful model for compact implementation, and re-established Rwanda's leadership in advancing the CAADP process.

The AU/NePAD gave a general endorsement of the Investment Plan for its technical soundness and alignment with CAADP principles. Simulations performed by the International Food Policy Research Institute (IFPRI) suggest that a fully funded Investment Plan, if efficiently implemented, could deliver the 6.5% sustained growth in agricultural productivity necessary to cut national poverty in half by 2020. The review and subsequent high-level stakeholder meeting highlighted the importance of mobilizing resources from non-traditional partners, including the private sector, a new multi-donor trust fund to be managed by the World Bank, and working with regional economic communities to capture opportunities presented by regional markets. The review also highlighted the importance of cross-sectoral coordination in developing comprehensive food security programs.

Figure 1: The CAADP Process



The Investment Plan is essentially an agricultural sector productivity plan managed by MINAGRI and, as such, only addresses one element of the comprehensive approach to food security of the US Government's Global Hunger and Food Security Initiative (GHFSI) – “advance sustainable agriculture-led growth.” However, several other programs managed by other government ministries, such as the Integrated Nutrition Investment Strategy managed by the Ministry of Health, complement the Agriculture Investment Plan and, when accounted for, reflect a more comprehensive approach to addressing food insecurity in Rwanda.

Post CAADP Progress

The Post-CAADP Road Map established milestones for the ASWG to achieve by July 2010. The first milestone was a cost-risk assessment of the Investment Plan. The FAO Investment Center concluded that the Investment Plan is a sound document in which GOR, development partners, and other potential investors, should have confidence. The total value of the Agriculture Sector Investment Plan (ASIP) is \$796 million, with a funding gap of \$325 million.

On-going evaluations among members of the ASWG include an evaluation of the GOR Crop Intensification Program, and a CIDA-led Gender Integration Study. The ASWG's analyses will inform the operational planning needs for the SWAp set-up.

2.2. AFRICAN CAPACITY BUILDING

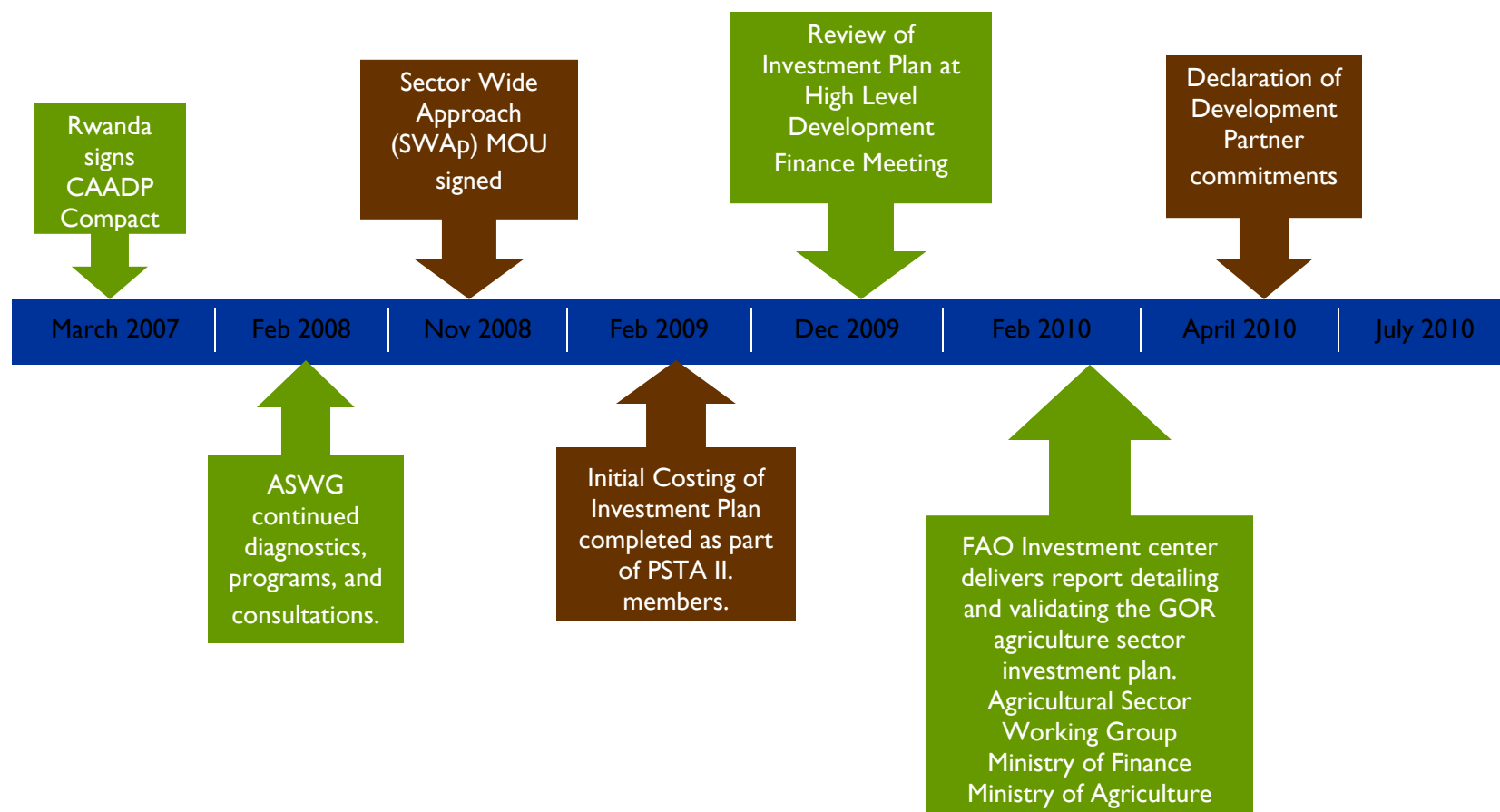
At least 100 individuals will be trained this year. They will be trained through the new programs, and will position Post to absorb additional food security-related funding in out years. Individuals will be trained in areas ranging from financial and information management to rural road maintenance. Please refer to the Section 8 for further detail.

2.3. INVEST IN PRIORITY ACTIONS

The PSTA-II, which provides the basis for the GOR ASIP includes four programs, twenty sub-programs, and 122 activities. Valuation, at the program level, ranges from 77% of the total budget dedicated to Program I, to 2% dedicated to Program IV. Post, therefore, used valuations of the PSTA-II/ASIP to reinforce areas identified through consultation for investment.

Briefly, Program I (worth \$658 million) focuses on the intensification and development of sustainable production systems. Program II (worth \$42 million) supports the professionalization of producers. Program III (worth \$128 million) will promote commodity chain and agribusiness development. Program IV (worth \$19.5 million), while small, represents the essential element of institutional development. Ongoing and planned food security-related projects align with the PSTA-II/ASIP at each of the four program levels.

Figure 2: Rwanda Investment Plan Timeline



2.4. ADDRESS PRIORITY POLICY ISSUES

Our Country Team's strategy to advance the Global Hunger and Food Security Initiative in Rwanda reflects USG policy goals. This US strategy is part of our broader strategy to support Rwandan efforts to achieve regional and national development, peace, and stability, and shared prosperity from partnership with their neighbors. Our approach focuses on achieving sustained agricultural growth by increasing agricultural productivity and other means, and ensuring quality-of-life improvements for rural Rwandans. We take a comprehensive approach to addressing food insecurity in Rwanda, including working to combat Rwanda's severe malnutrition problem. For each issue identified below, background is provided, followed by Post's strategy

2.4.1. Increase the GOR's Budget Share for Agriculture

The first country to sign a CAADP compact, Rwanda committed itself to taking actions to generate sustained agricultural growth of 6% per year, including increasing the share of the state budget allocated to agriculture to 10% per year. Prior to compact signing, real expenditure on agriculture averaged less than 5% of the state budget. Since compact signing, this trend has been reversed; and the GOR allocated 6.8% of its FY 2009/10 budget to agriculture. The International Food Policy Research Institute (IFPRI) simulations suggest that public expenditure on agriculture must rise to at least 10%--and possibly as high as 18%--of the state budget by 2015 to generate the growth necessary to reduce poverty by one-half. The GOR's own projections are that agriculture's share of the state budget will rise to just over 7% annually by 2012.

US Strategy

The USG will urge the GOR to meet Rwanda's CAADP commitment and allocate at least 10% of the government's budget to agriculture. Embassy officials will use public diplomacy to underscore USG support for Rwanda's

leadership in the CAADP process, and our commitment to support Rwanda's efforts to achieve its food security, nutrition, and economic targets. We will highlight that sustained, rapid agricultural growth and full CAADP implementation are essential to achieve Rwanda's Vision 2020 goals. At the same time, we will advocate for continued improvements in the business climate in Rwanda and in trade policies that affect growth. This will include efforts to advance regional economic integration in the East African Community (EAC) and between the EAC and its neighbors and global trading partners.

2.4.2. Explore Using New Implementation Mechanisms

In 2006, the GOR issued its "Rwanda Aid Policy" with the twin aims of increasing the effectiveness of external assistance and mobilizing additional resources to meet its investment needs. This Policy strengthens GOR ownership and capacities, encourages the development of sector-wide approaches (SWAPs), and gives preference for budget support and pooled funding arrangements to reduce transaction costs. Such mechanisms are consistent with the Paris Declaration and Accra Agenda for Action principles, as well as certain key principles of the GHFSI: "Invest in Country-Led Plans," "Leverage the Benefits of Multilateral Institutions," and "Strengthen Strategic Coordination."

Despite its capacity limitations, Rwanda's impressive record on delivery makes it an excellent place for the US to broaden the range of implementation mechanisms beyond project assistance. Transparency International ranked Rwanda 89 out of 180 countries surveyed in its 2009 Corruption Perception Index, making it the "least corrupt" in East Africa and among the top ten performers on the continent. Rwanda also ranks very high on the Millennium Challenge Account's Control of Corruption and Government Effectiveness indicators, at the 98th and 94th percentiles, respectively, among low-income countries.

US Strategy

US Embassy Kigali will explore implementing GHFSI activities using host-country systems and delegated cooperation arrangements to the extent US law and regulations allow. This may include host-country contracting and/or fixed amount reimbursement, potentially for rehabilitation of rural feeder roads, and sector program assistance, often referred to as sector budget support. Such implementation mechanisms would support effectively the development of an agricultural SWAp.

To inform decisions about utilizing host-country-managed mechanisms, US Mission Kigali representatives will seek to participate in several analytical efforts in 2010, including a public expenditure review of MINAGRI and a more general Public Expenditure and Financial Accountability assessment. In addition, at least two activities identified in the FY 2010 implementation plan will take the form of grants to Public International Organizations, an example of delegated cooperation in which management and oversight are outsourced to another development partner.

2.4.3. Advance Security of Land Titles In Rural Areas and Advocate Land Consolidation by Consensus

Rwanda's agricultural productivity is generally low and its agricultural system is dominated by small, fragmented farms. Rwanda is finally now developing a national property registry. Rural residents received formal land titles for the first time in late 2008, when a donor-supported pilot project began mapping smallholdings and assigning titles. Success on a small scale has led to a nationwide process of mapping and titling all agricultural lands throughout Rwanda. This initiative is a critical measure to protect rights and reduce friction since over 90% of disputes now lodged with the national Ombudsman are reportedly land-related. Most are disputes within families.

To raise farm incomes and productivity, the GOR is pursuing a policy of land consolidation—having property owners of many

smallholdings farm them together as a single unit. The GOR notes that the consolidation process has gone slowly; and senior leaders attribute that slow pace, in part, to their need to communicate to smallholders the benefits of consolidation. Some smallholders' reluctance to participate in the program may be rooted in uncertainty over their actual control of land rights.

The GOR Land Use Consolidation Decree mandates integration, coordination, or facilitation of individual landholdings to unify production of one crop. Through use of improved seed, fertilizer, and extension services, the Crop Intensification Program (CIP) incentivizes farmers to plant a single crop. The incentives are based on the condition of consolidating land to grow one crop. Some local leaders keen to achieve consolidation goals in their areas have, reportedly, mandated small holders to join the program.

US Strategy

We will advocate continued GOR and donor support for the land titling process; encourage the GOR and other donors to publicly highlight the benefit of land titles in reducing friction in rural areas; urge national and regional GOR leaders to demonstrate publicly the benefits of CIP in increased productivity and income; coordinate with national and local GOR officials on communication strategies and incentives to help them communicate the benefits of voluntary consolidation more effectively; and advocate and coordinate on outreach strategies to help small farmers mitigate the risks of mono-cropping, including through the development of crop insurance, improved marketing and transport networks, and diversified home gardens.

2.4.4. Encourage Fertilizer Market Privatization at a Steady Pace

The number of households using chemical fertilizers doubled from 2000/1 to 2005/6, but only about 12% of households use them. To encourage the use of fertilizer, MINAGRI imports it in bulk. It is then auctioned to pre-

qualified distributors who benefit from subsidies valued at approximately 10% of MINAGRI's total budget. MINAGRI's longer-term vision includes a fully privatized fertilizer market, and it plans to begin withdrawing subsidies gradually in 2012.

Recent experience suggests a slow and deliberate approach to privatization of the fertilizer market is warranted. Previous World Bank-supported attempts at privatization failed to develop a sufficiently robust private market for agricultural inputs. Conversely, going too slowly runs the risk of creating other problems, including sustaining dependence on subsidies and draining MINAGRI's budget. Making the market as predictable as possible is essential to encourage private sector involvement.

US Strategy

The US Government supports a deliberate approach to privatizing the fertilizer market, with tiered withdrawals of subsidies as the private sector's capacity grows. We will work closely with GOR officials to increase understanding of the fertilizer market, explain the need for it to become more predictable to attract private sector interest, and help identify objective benchmarks so that subsidies can gradually be reduced. The U.S. will provide technical assistance to help facilitate the transition to a fully privatized fertilizer market.

2.4.5. Capture the Benefits of Biotechnology

Rwanda's economy is almost wholly dependent on rain-fed agriculture, making it vulnerable to the negative effects of climate change. At the same time, as a low-income country, Rwanda's capacity to adapt to climate change is limited. The GOR's climate change adaption strategy, the National Adaptation Programs of Action, identifies the promotion of new, resistant crop varieties as a key climate change mitigation project. Biotech- improved crops can also enhance food security by increasing agricultural productivity while decreasing production costs.

The GOR developed a draft National Biosafety

Framework in 2005. If adopted, it would put in place appropriate policy, regulatory, and institutional mechanisms to help the country capture biotechnology benefits while minimizing risks. Skepticism regarding biotechnology remains, even among some key stakeholders, despite its increased application in other developing countries. In 2008, some 12.3 million farmers in the developing world benefited from biotechnology crops, including, for the first time, farmers in Burkina Faso and Egypt. In 2009, Kenya began field trials of biotechnology-derived maize.

US Strategy

The USG will seek opportunities to highlight the potential role of biotechnology in achieving Rwanda's food security and growth objectives. We will encourage prioritizing the adoption of the National Biosafety Framework in their policy agenda. Because biotechnology is generally poorly understood in Rwanda, we will develop and implement a public diplomacy strategy to expose key stakeholders and the general public to the benefits of biotechnology. This strategy will include media outreach, study tours to the US, seminars, and private meetings with stakeholders and leading biotechnology experts. We will also enlist the help of visiting private sector leaders and officials to advance this agenda in Rwanda and in the EAC.

2.4.6. Combat Malnutrition

As noted above, malnutrition remains a significant public health problem in Rwanda. Rwanda's President visited a local hospital in April 2009 and saw the severity of the problem firsthand. This led to the launch of the national Malnutrition Emergency Plan, placing nutrition squarely on the national development agenda. As part of this plan, more than 1.1 million children, aged 6-59 months, were screened for acute malnutrition. Of these, over 85,000 cases were identified, and some 17,000 severely malnourished children were treated. The GOR now plans to use community health workers to routinely monitor nutritional status of young children and to refer those severely malnourished for therapeutic feeding and health

care. In addition, school and other supplementary feeding programs will be expanded.

The US spent about \$2.3 million in health funding on nutrition efforts in Rwanda in FY 2009, the vast majority of which was directed at meeting the specific nutritional needs of people living with HIV/AIDS. Given the increased GOR political commitment to combating malnutrition and the potential for this problem to stunt the physical and mental development of the next generation of Rwandans, there is tremendous need and scope to scale up U.S. assistance in support of Rwanda's efforts.

US Strategy

US Mission Kigali will support GOR's effort to reduce malnutrition directly, using resources provided under PEPFAR and elsewhere to target some of the most vulnerable populations. We will support technical approaches such as food fortification and behavior change, such as diversifying diets. Diplomatically, we will work closely with UNICEF, other multilateral partners, and the broader US community in Rwanda, including private sector leaders and non-governmental groups.

2.4.7. Support Private-Sector-Driven Agricultural Growth

Currently almost half of Rwanda's public sector spending comes from the donor community in the form of budget support, grants, and development assistance. The GOR seeks to transition from this direct development assistance to private sector-led development, utilizing public private partnerships; expanded foreign direct investment; and encouragement of local capital markets. This strategic goal is consistent with US policy and objectives. Given the priority of agriculture in Rwanda's economic development, encouragement of private sector initiatives in the agriculture and agro-processing sectors is critical.

US Strategy

US Embassy Kigali seeks to identify private sector partners that can play a transformational

role in the Rwandan agricultural sector by generating new job opportunities, exports, and food and energy self-sufficiency. Our focus will be on encouraging joint US/Rwandan ventures and engaging agencies such as USTDA, OPIC, Ex-Im Bank, and USAID, to support these projects. We will work with our counterparts in the GOR to facilitate new investment in such areas as agro-processing, fertilizer production, improved market information mechanisms, and food distribution systems.

We will reach out to other USG foreign assistance agencies to support feasibility studies, political risk insurance, financing, trade finance, training, and technical support. We will also look for ways to help local government strengthen its capacity in order to address agricultural issues more effectively and encourage more decentralized decision making. That will enhance farmers' participation and buy-in.

We will look for public diplomacy opportunities to develop schools and training centers that promote science and technology-related education. We will also work closely with our Rwandan counterparts to develop new uses for technology—such as telephone banking—to help the agricultural sector succeed.

We will look for ways to support Rwanda's budding financial sector. The high cost of loans currently inhibits farmers from being able to invest in more highly productive agriculture. Our strategies to implement the Global Hunger and Food Security Initiative address critical needs that must be met to sustain Rwanda's internal reconciliation and progress, to achieve prosperity and integration in the EAC, and to forge a lasting partnership benefiting the people of the Great Lakes region.

3. TARGET GROUPS BY LOCATION AND INCOME

The Global Hunger Food Security Initiative (GHFSI) may operate throughout Rwanda with special emphasis on the Southern and Western Provinces where spillover effects with current projects have the highest probability. However, planning will not be limited geographically. USAID will consult with GOR to determine critical districts throughout the country for investment. USAID will be able to effectively target populations based on the three GHFSI objectives using criteria that reflect performance measures in implementing mechanisms. Likewise, the GHFSI will work with people of all income levels, with a focus on rural and vulnerable populations. By working with the approximately 80% of Rwandans who live in rural areas, USAID will be able to design specific activities to address undernutrition, food insecurity, and exclusion from economic development. Although there is a nearly 1:1 male/female ratio in Rwanda, it is widely accepted that women carry a proportionally greater burden of responsibility on the farm and in the family. Therefore, specific actions to support increased opportunities for women will be included in implementing mechanisms. Target groups will also include rural producer groups, entrepreneurs, and small processing units.

4. CORE INVESTMENT AREAS

USAID/Rwanda's Global Hunger and Food Security Initiative objectives are: increase sustainable market-led growth, prevent and treat undernutrition, and increase the impact of humanitarian assistance.

4.1. CORE AREAS

USAID's proposed FY 2010 investments support each of the three key objectives and the five core investment areas, build on earlier investments, support Rwanda's CAADP priorities, respond to key GOR needs, and are linked to the Foreign Assistance Framework. These linkages are described in the table below.

USAID/Rwanda's food security portfolio is closely aligned to and supports the Initiative's first objective; increase sustainable market-led growth across the entire food production and market chain. The seven key areas within which USAID supports Objective 1 are: agricultural productivity, trade and markets, climate change, regional integration, research and development, very poor, nutrition, and improved humanitarian assistance

Table 1: Area Activity and Project Links

Area/Activity	LWH	Fertilizer	Micro-finance	Roads	Nutrition	ReSAKSS	ICT
Agricultural Productivity	X	X		X			X
Trade and Markets		X		X			X
Climate Change	X						
Regional Integration						X	X
Research and Development			X			X	X
Very Poor			X		X		
Nutrition					X		

4.1.1. Increased Agricultural Growth

Current/Potential

USG/Development Partners: USAID, BTC, IFDC, TechnoServe, Caritas, One Acre Fund, World Bank, CIDA, JICA, FAO, IFAD, Starbucks, Grameen Foundation, MTN, and Google.

MDGI: Increased agricultural productivity and resulting increased food availability will allow Rwandans to break out of the poverty-hunger-malnutrition trap.

Every 1% increase in per-capita GDP driven by growth in staple crops and livestock reduces national poverty by 1.3% compared to 0.86% for export crops.⁸ USG funding for GOR's Land husbandry, Water harvesting and Hillside irrigation (LWH) project, led by the World Bank, and technical assistance to support privatization of the fertilizer market will directly contribute to this objective of improved agricultural productivity.

The Land Husbandry, Water Harvesting and Hillside Irrigation (LWH) Project will increase crop yields and farm incomes by reducing soil erosion and expanding irrigated agriculture. The GOR's overall LWH Program will include 101 project sites, covering 30,250 ha. The World Bank, USAID, CIDA and JICA will jointly finance six initial LWH project sites, covering nearly 5,000 ha. Farmer organizations and water user associations will be strengthened, extension services will improve, and financial literacy will increase. Crops with high market demand and good yield potential for a given soil type will be emphasized in the irrigation areas. Root and tuber crops, such as bananas, maize, wheat, beans, tomatoes, and avocado are likely candidates. Extension agents working in concert with Community Health Workers could be trained to promote household consumption of these items, particularly for women and children.

Support for fertilizer privatization will increase staple food supplies and incomes by strengthening the role of the private sector importers and wholesalers in fertilizer markets. The Grant will also build on funding from the Embassy of the Netherlands to IFDC/Rwanda, and will result in more efficient delivery of fertilizers to farmers. This project trains private importers and wholesalers (including farmer cooperatives), and develops dealer networks.

The existing system of fertilizer procurement, delivery, inventory management, distribution, and reporting of sales and stock is weak, inefficient and leads to preventable losses. These weaknesses occur at all levels, including private traders and farmer cooperatives, which are involved in input procurement and distribution of fertilizer to their members. Additional USAID support could be provided through a Development Credit Authority (DCA) mechanism that would be available to actors throughout the agriculture sector.

In addition, three other projects, Rural Roads, Post-Harvest Storage, and ICT/Rural Market Linkages, will indirectly support this objective.

The Rural Roads Project will increase agricultural productivity by lowering transport costs of agricultural inputs. Improved roads will increase farmers' profit margins, increase marketable surpluses, contribute to reduced vulnerability to hunger, and reduce food losses en route to markets.

The Post-Harvest Storage/Processing Project will improve agricultural productivity by providing facilities for farmers to process and store their products. Hermetic storage facilities for cereals, beans, and soybeans will significantly reduce pest infestations, reducing the need to use agro-chemicals. Crop losses due to ineffective post-harvest handling, estimated to be as high as 40% in some areas, will be mitigated thereby helping stabilize local food supply.

The first crops that tend to be lost to poor storage or processing are fruits and vegetables.

⁸ Agricultural Growth and Investment Options for Poverty Reduction in Rwanda, ReSAKSS, 2009

Given that women are most frequently the producers of these commodities, there is the possibility of developing a new component in this project to strengthen fruit and vegetable post-harvest and processing techniques, such as drying, with micro-finance and nutrition education.

Farmer income will also benefit from post-harvest storage facilities by offering farmers the opportunity to store their crops after harvesting in order to avoid selling them in a seasonally depressed buyers market.

The Global Development Alliance (GDA/ICT Rural Market Linkages)

This project will increase agricultural productivity by providing timely access to information such as weather forecasts, fertilizer application tips, pruning/weeding reminders, and local market prices. Utilizing mobile technology will also empower agricultural extension agents to organize meetings with farmers more efficiently, and to reach more farmers.⁹

4.1.2. Trade and Markets

Current/Potential

USG/Development Partners: USAID, DFID, International Finance Corporation (IFC), German Technical Cooperation (GTZ), COMESA, ReSAKSS, FAO, Alliance for Commodity Trade in East and Southern Africa (ACTESA), and East African Grain Council (EAGC).

MDGI: Transport and information access provides opportunities for Rwandan farmers to engage in agricultural-led economic activities that reduce extreme poverty and hunger.

Rural Roads and ICT/Rural Market Linkages will directly support this objective. The Rural Roads Project will reduce transportation barriers in order to increase staple food supplies. High transport costs are primarily due to the low quality of roads.¹⁰ The ICT/Rural

⁹ Developing Sustainable Mobile Content with Social Value, Grameen Foundation, 2009

¹⁰ Diagnostic Trade Integration Study (DTIS), World

Market Linkages Project will improve value chain efficiencies through transportation logistics coordination and a trading database that is fully indexed and searchable via SMS.

The Fertilizer and the Post-Harvest Storage Projects will indirectly contribute to reducing trade barriers. Specifically, the Fertilizer Project will support the GOR's plan to exit the fertilizer market, thus enabling private-sector actors to manage importation and distribution. The Fertilizer Project will develop a market-oriented agricultural-input marketing system. It will identify the respective roles of the public and private sectors and establish a set of clear, well-defined interventions to support increased fertilizer distribution and sales to farmers. The GOR will provide an enabling and supportive role by prioritizing a macro-level policy environment that is conducive to private-sector importation and distribution of fertilizers.

4.1.3. Climate Change

Climate and agriculture matter to each other in several ways, both positively and negatively. Indeed, agriculture can increase the carbon content of soils while also being a primary driver of deforestation. Smallholder farmers are the first to suffer from and the least resilient to unexpected climatic changes.

By enabling Rwandan farmers to expand irrigated agriculture, the LWH Project will contribute to adaptation to climatic variations such as drought. The water harvesting for irrigation will also reduce the risk of landslides, which are occurring in some areas of the country attributable in some cases to climate change. The Post-Harvest Storage Project contributes indirectly to climate change resilience, as it will allow the farmers to have access to food in cases of climate variations such as late rainfall and prolonged drought.

4.1.4. Regional Integration

Current/Potential

USG/Development Partners: USAID,

Bank, 2005

DFID, GTZ, COMESA, ReSAKSS, FAO, ACTESA, and EAGC.

MDGI: Effective Regional Integration means trade from food surplus to food deficit areas will meet changes in demand, resulting in increased food security.

The Post-Harvest Project will bring smallholder farmers into the international trade of commodities as well as encouraging markets to respond to shocks in lieu of food aid. These advances will also encourage local and regional stakeholders to reinforce the need and accountability for pro-trade policies and regulation—critical elements in reducing vulnerability.

Regional Strategic Analysis and Knowledge Support System (ReSAKSS) Supporting ReSAKSS on a number of policy initiatives will allow smallholders to benefit from regional integration. USAID will work with ReSAKSS to ensure that policy development in Rwanda lowers inequity by ensuring benefits from market-led agricultural growth are distributed equally.

Additional Support To achieve the goals of the GHFSI, we will encourage Rwanda to work with its neighbors to support regional integration. Increasing regional trade and opening up an integrated regional market for staples in eastern Africa that will allow countries to take advantage of regional diversity and different harvest periods by moving foods from surplus to deficit areas. This will build on the Common Tariff Structure under the EAC, which is already in place and allows for free trade in agriculture and primary materials. Furthermore, the EAC will become a common market on July 1, 2010. COMESA's newly launched Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) is expanding regionally coordinated actions to open up market access for staple foods. Post will work closely with our regional counterparts to identify and promote regional policy initiatives that have potential to increase agricultural trade in Rwanda and the region.

4.1.5. Research and Development

Current/Potential

USG/Development Partners: BTC, CGIAR research centers, and Embassy of the Netherlands.

MDGI: Innovative approaches to eliminating hunger require a nuanced understanding of local perceptions, and the willingness to take risk.

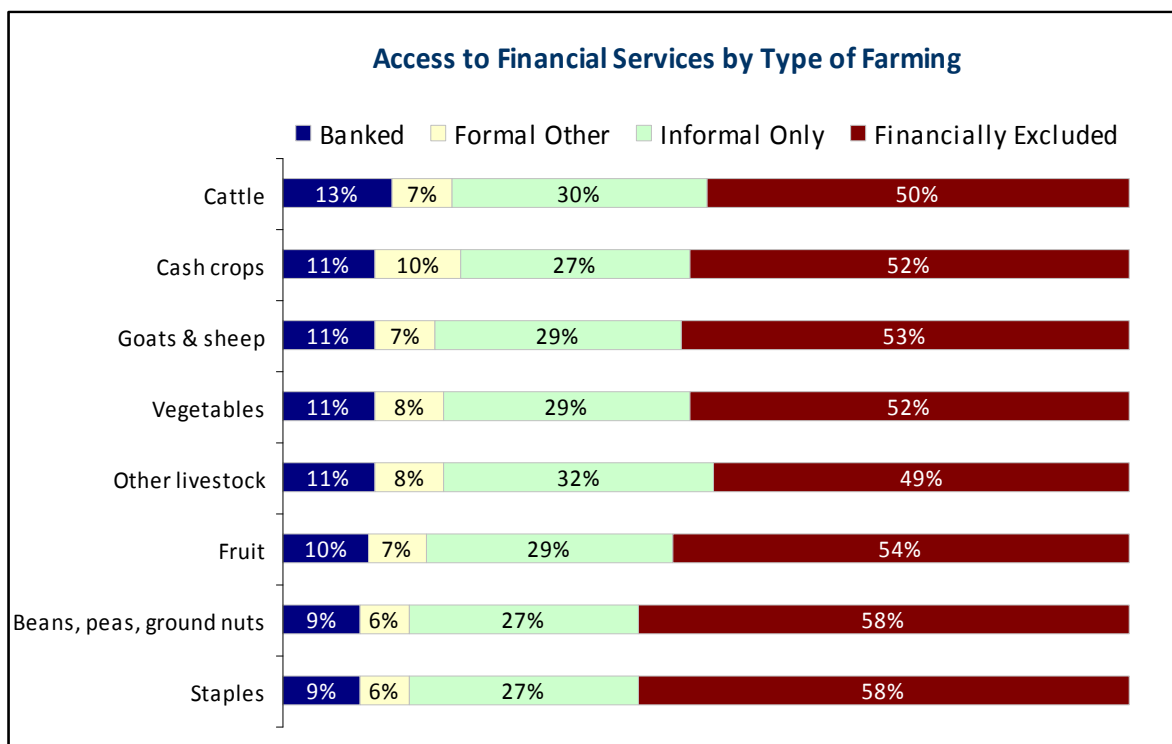
The ICT/Rural Market Linkages Project will enable farmers to make more informed decisions about application techniques, processing choices and storage prices for their products. The information products that will be developed under this potential Global Development Alliance are on the cutting edge of service delivery in developing and emerging markets.

The Fertilizer Project seeks to create a vibrant private sector to distribute fertilizer, and perhaps other inputs, by developing innovative user-led solutions to availability. Input supply stores, smaller packaging units, and development of substitute or complementary products are areas in which the private sector can adapt to local input preferences.

The Micro-finance Project will develop new and appropriate lending products to serve the vast, unbanked population. Clearly, the majority of the population limited or no access to financial services as evidenced in Figure 3.

Areas to consider for further analytical study include: local and regional research capacity to develop drought-resistant or fast-growing seed varieties; better construction methods for food storage facilities; and/or fortification of local common foods.

Figure 3: Access to Financial Services by Type of Farming



4.1.6. Accelerated Participation of the Very Poor In Rural Growth

Current/Potential

USG/Development Partners: USAID, DFID, The World Bank, GTZ, and several NGOs.

MDGI: Women drive rural growth. Empowering them with the right set of tools and consistent support will reduce poverty and hunger.

Generally, low-income women and the very poor (earning less than \$0.75/day) are excluded from the process of economic development because they lack access to resources and services. There is a direct correlation between low levels of education and food insecurity. Both UNDP and DFID¹¹ estimate that one in three adults are illiterate, thus reducing their chances to access micro-finance. USAID is

currently analyzing the breadth and depth of the most vulnerable groups—women and the very poor. USAID/ Rwanda plans to create non-farm employment for women by providing economic opportunities through the Post-Harvest, LWH, Micro-finance projects.

Additional recommendations from the ongoing study could include investments that will enhance adult literacy, financial literacy, create financial products that fit their operating environment, and train women in better agricultural management practices.

4.1.7. Nutrition

Current/Potential

USG/Development Partners: UNICEF, World Vision, WFP, and USAID.

MDGI: Building on the National Nutrition Policy and the commitment of the Rwandan government to reduce food insecurity, the USG will invest in nutrition programming that

¹¹ Finscope Rwanda, DFID, 2008

supports reducing under-nutrition. Global evidence indicates that improved agricultural productivity does not equate to improved nutrition. More than half (52%) of Rwandan children were stunted according to the 2005 DHS. More recently, a WFP nutrition survey conducted in 2009 suggested that levels of stunting had shown no improvement. Rwanda is a perfect example of implementing complementary agricultural and nutritional interventions.

USAID will invest in critical actions that support the scale-up of the Integrated Nutrition Investment Strategy by focusing on the prevention of chronic undernutrition and community-based programming. As outlined by the Ministry of Health, priority investment areas include training for health and community workers; development of district Community-based Nutrition program (CBNP) action plans; and promotion of good nutrition practices on the nutritional window of opportunity (from pregnancy to two years of age) through behavior-change communication.

USAID/Rwanda is currently undergoing a strategic nutrition investment assessment to identify specific activities, investment levels, and mechanisms for FY10.

To strengthen the GOR's National Nutrition Strategy and build a strong foundation for reaching the target of 80% coverage of the GOR's CBNP program, USAID will examine advocacy opportunities with the GOR on:

- Mild to moderate undernutrition;
- Costing and finalization of the National Nutrition Plan;
- Analysis of successful community-based programming in Rwanda such as World Vision's PD Hearth and Care Group program;
- introduction of new tools such as "Sprinkles" through social marketing;
- Feasibility study on small-scale fortification; and
- Technical assistance on expansion of kitchen gardens and local production and

consumption of appropriate foods for stunted children.

The nutrition assessment will be finalized in February 2010 and activities prioritized.

4.1.8. Humanitarian Assistance in Rwanda

Current/Potential

USG/Development Partners: WFP and USAID at a reduced scale.

MDGI: Responsive contingency plans will enable the GOR to rebound quickly and continue progression towards eradicating extreme poverty and hunger.

While the Mission is no longer implementing humanitarian assistance, the activities proposed under this IP build on the work completed to date under the Title II program. Specifically, the IP builds on US Mission's expertise built through Title II in developing terracing, building cooperative capacity, and managing road rehabilitation.

In addition, the planned activities will be closely coordinated with and facilitate the ongoing WFP Purchase for Progress (P4P) program. It is envisioned that P4P will purchase increased food surpluses resulting from increased agricultural yields and food production as the LWH and Fertilizer projects begin to produce results. The P4P will purchase food commodities from improved storage facilities supported through the newly launched Post Harvest Project. New feeder roads planned under this IP will facilitate P4P access to storage facilities and transportation of food.

Moreover, USAID participates in the GOR Disaster Management Task Force within the Ministry of Internal Affairs. The Mission Disaster and Relief Officer is responsible for planning and implementation of activities in response to disasters. Improved storage facilities, increased food stock, and improved soil cultivation will be instrumental in mitigating Rwanda's vulnerability to disasters.

4.2. AFRICAN PRIORITIES

USAID/Rwanda's planned investments reflect Rwanda's priorities outlined in four strategy documents: PSTA II, CAADP Compact, EDPRS, and Vision 2020. The GOR recognizes the critical role agriculture plays in addressing nutrition and food security issues in achieving MDG1. Agriculture is clearly a priority for the GOR. This is reflected in the growth in the state budget dedicated to agriculture from less than \$35 million in 2007 to nearly \$100 million this year, representing an average annual increase of 42%. USG investments will support the GOR program-level goals:

- Intensification and development of sustainable production systems.
- Professionalization of producers.
- Promotion of commodity chain and agribusiness development.
- Reinforcing institutional development.

Support to each of the program-level goals will be achieved by projects at the sub-program (under PSTA II) level.

Under program element one of the PSTA II, intensification and development of sustainable production systems, nutrition programs will complement the existing GOR program "One Cow–One Family." The Land Husbandry, Water Harvesting, and Hillside Irrigation (LWH) and the Post-Harvest Storage/Processing Projects support three of four pillars in the Rwandan CAADP Compact: intensify and develop sustainable production systems, support professionalization/training of producers; and promote commodity chains and agribusiness.

Each of the previously mentioned projects address two strategic PSTA-II/ASIP targets: 1) decrease the share of the rural population living below the poverty line from 67.6%¹² to 52%, and 2) reduce the percentage of population with less than the minimum food requirements from 28% (2006) to 18% by 2012.

¹² ReSAKSS 2008 Estimate

LWH, Rural Roads, and the Fertilizer projects support the Rwandan EDPRS goal of raising agricultural productivity while ensuring food security. USG investments in the agricultural sector support the GOR's longer-term Vision 2020 strategy, which is the key socio-economic policy document that guides sector policies, strategies, as well as resource allocation.

The Rural Roads Project will directly support the PSTA II sub-program objective of improving market oriented rural infrastructure. This project will expand access to transporters, input suppliers, purchasers, and technical services in previously underserved areas.

The ICT/Rural Market Linkages Project will invest in the Institutional Development sub-program objective of building sector-wide access to ICT services. In addition, this project supports the other six proposed USAID investments by developing demand-driven, cost-effective services that recognize the important role women play in sustaining growth in the agricultural sector.

4.3. HOW AREAS BUILD ON EARLIER INVESTMENTS

USAID/Rwanda is strategically aligned with GOR plans to modernize the agricultural sector. USAID/Rwanda's Integrated Strategic Plan has three Strategic Objectives.

The Rural Economic Growth Strategic Objective, which includes agriculture and food security, is "Expanded Economic Opportunities in Rural Areas." The focus of the Strategic Objective is to expand economic opportunities through partnerships that result in increased incomes from both farm and non-farm employment. The focus on economic opportunities in rural areas is completely aligned with the GOR's long-term strategy (Vision 2020), and medium-term strategy and investment plan (EDPRS and Agriculture Investment Plan), all of which call for the transformation of agriculture and the expansion of off-farm employment in the rural sector.

Planned investments, as outlined below highlight further linkages to previous investments.

The LWH, Roads, and Fertilizer Projects build on investments USAID made under Title II activities, which strengthened capacity of seven cooperatives with a total membership of 5,300 members, and worked with farmers to improve their soil fertility through terracing (2,000 ha) and planting of agro-forestry trees. Title II resources also enhanced the capacity of cooperatives in the production, processing, and marketing Rwanda's key staple crops of wheat, sweet potatoes, cassava, and rice.

The LWH and Roads Projects build on previous USAID investments in agribusiness development such as the Agribusiness Development Assistance in Rwanda program, Title II, and the Partnerships Enhancing Agriculture in Rwanda through Linkages program. They also build on previous investments in agriculture through the Sustaining Partnerships to Enhance Rural Enterprise and Agribusiness Development program. That program strengthened the Ministry of Agriculture's crop systems for both increased domestic food supply and exports.

Between 2002 and 2009, the Title II Program rehabilitated 55.5 km of tertiary feeder roads and 30 small bridges in Rubavu and Rwamagana Districts, benefiting 21,000 local inhabitants.

Between 2002 and 2009, the Title II Program rehabilitated 55.5 km of tertiary feeder roads and 30 small bridges in Rubavu and Rwamagana Districts, benefiting 21,000 local inhabitants. Rural roads reduce the cost of agricultural inputs such as seeds and fertilizer, as well as reduce spoilage rates by ensuring more timely delivery to a storage facility or market.

"Before the rehabilitation of these roads, we used to sell our products at a lower price as very few traders could reach our place. To reach our market, traders from Rwamagana town had to use another road and travelled 50

km, but now they only travel 28 km." Mr. Wikizu Innocent, agronomist of Nzige Sector.

The LWH Project builds on Title II investments in roads and terraces by promoting conservation techniques that increase productivity of key cereal crops. The Rural Roads Project links earlier and proposed investments together and to external markets; dairy sites, post-harvest storage centers, producer/ processor groups, fertilizer supply and demand centers, school feeding sites, adult literacy groups, micro-finance services and clients, micro-enterprise sites.

The ICT/Rural Market Linkages Project works in a similar manner to the Rural Roads Project by linking production centers to input and output markets. The difference is that the network will be based on software and mobile technology instead of laterite and gradient calculations.

Nutrition activities are currently integrated under PEPFAR and Maternal and Child Health Programs. Treatment of undernutrition is focused on people living with HIV/AIDS through a feeding program that provides a corn-soy-blend meal. Other current activities include promotion of community-based nutritional activities such as positive- deviance models and distribution of vitamins. USAID partners also provide support to GOR technical working groups who are developing nutrition policy guidelines. Humanitarian programs will continue to reflect the continuing partnership between WFP and USAID.

The Mission will explore options with the GOR to expand successful models of agricultural support services more broadly by collaborating with organizations such as The One Acre Fund, a US non-profit organization, which supports over 7,000 farmers, farming more than 700 ha, in Nyamasheke and Rusizi Districts in the Western Province. The Fund links the poorest farmers—whose average farm size is one-fifth of a hectare—to commercial markets and services.

First, it groups farmers together to learn

agricultural techniques, such as land measurement, composting, planting in lines, and use of fertilizer. The next step is to provide farmers with inputs like seed and fertilizer on credit. Once harvested, One Acre offers a guaranteed buy-back price to farmers and bulk-seller institutional buyers. This enables the crops to reach larger markets and command higher prices than they would if each farmer sold immediately upon harvest. Together this creates a complete value chain, one that is usable by the very poor.

Table 2 shows that, on average in 2008, One Acre's clients reported yields significantly higher than Rwanda's 2003-2005 national average (latest available data). Higher yields and higher prices from bulk sales translated into more than doubling of these farmers' incomes (from \$105 to \$244/year).

Table 2 One Acre Yield Increases

	2003 National Average	One Acre's 2009*	One Acre's Max Harvest
Climbing Beans	6.4 kg/are**	28 kg/are	58 kg/are
Bush Beans	6.4 kg/are	17 kg/are	23 kg/are

* Sept 2008 – Jan 2009

** 1 are = 100m² = 0.01 ha

4.4. LINK TO FOREIGN ASSISTANCE FRAMEWORK

The USG's approach to engaging in and aligning support behind GOR priorities reflects the foreign assistance objectives of increasing market-led agricultural growth, preventing and treating undernutrition, and increasing the impact of humanitarian assistance and social safety-nets. The Regional SAKSS (ReSAKSS) Node and the Fertilizer Project will improve the agricultural enabling environment through the advancement of agricultural and food policies.

Specifically, the ReSAKSS project will support the GOR in establishing a data collection and analysis node. The data node will serve as a central knowledge and information center that will support policy debates and inform policy decisions. The Fertilizer Project will support the GOR to establish a macro-level policy environment conducive to private sector actors.

Investments in LWH, Rural Roads, Microfinance and Adult Literacy, Rural Markets Linkages, and

Fertilizer projects will improve the capacity of Rwanda's agricultural sector through enhanced land and water management, expanded access to rural and agricultural finance, strengthened agribusiness and producer organizations, and bolstered linkages of small-scale producers to commercial markets.

The LWH Project will increase crop yields and farmer incomes by reducing soil erosion on hillsides and expanding irrigated agriculture. The Fertilizer Project will focus on total soil fertility management in addition to best practices for fertilizer application. The Rural Roads Project will increase agricultural productivity by lowering the currently high transport costs of agricultural trade. Improved roads will increase profitability, contribute to reduced food prices in rural areas and reduce transport-related food losses.

The ICT Project will increase agricultural productivity by providing more timely access to weather, fertilizer application, and pruning/weeding reminder data, among many

other possibilities. Utilizing mobile technology will also empower agricultural extension agents to organize meetings with farmers more efficiently.

The Post Harvest Storage/Processing Project will increase incentives by providing facilities to farmers to process and store their products. Farmers will capture higher margins on their harvest because they will have the ability to properly store food products after harvest when prices are depressed and to sell them when prices rise again.

The Integrated Nutrition Investment Strategy outlines critical actions that support

the scale-up of the National Nutrition Strategy by focusing on the prevention of chronic undernutrition and community-based programming.

The Microfinance and Adult Literacy Project will increase financial literacy among women and the very poor through savings and lending small groups. These activities will help women and the very poor enhance micro-financed trade and agricultural activities.

Table 3 shows the relationship of the projects to the Elements and Sub-Elements of the Foreign Assistance Framework.

Table 3: Attribution to Elements and Sub-Elements

Attribution to Elements and Sub-Elements		
Element	Sub-Element	Project
Transport Services	Basic Transport Infrastructure Services	- Roads
Agricultural Enabling Environment	Agricultural Resource Policy	- ReSAKSS
	Food Policy	- Fertilizer
Agricultural Sector Capacity	Land and Water Management	- LWH - Fertilizer
	Rural and Agricultural Finance	- Post-Harvest
	Agribusiness and Producer Organizations	- Microfinance & Adult Literacy
	Markets and Trade Capacity	- ICT/Rural Market Linkages
Improving Undernutrition	Individual Prevention Programs	-Strategic nutrition investment assessment
	Enabling Environment	

5. FY10 RESULTS/ INDICATORS/TARGETS

Each project will have its own detailed Performance Monitoring Plan, which will include indicators, targets, and plans for data collection and data quality assessment. This section provides a summary of the overall results sought by this IP.

5.1. INCREASE SUSTAINABLE MARKET-LED GROWTH

5.1.1. Agricultural Productivity

USG investments in this area will support soil conservation measures to reduce soil erosion, construct irrigation systems, build the capacity of farmer organizations, and strengthen the role of the private sector in fertilizer markets. By 2012, these interventions are expected to increase the yield for traditional annual crops on rain-fed areas in project sites by 20%; for perennial crops, by 40%; and for irrigated crops, by 50%. In addition, it is anticipated that within two years, these investments will increase revenues of the project-assisted farmer cooperatives by 30%.

5.1.2. Trade and Markets

USG investments will expand the role of markets through capacity building of agricultural businesses and support of policy reforms to liberalize trade in currently state-managed seed and fertilizer markets. To reduce trade barriers for small scale farmers, the programs will improve feeder road networks, enhance rural market linkages through increased access to and use of information and communication technologies (ICT), and improve storage facilities.

By 2012, the quantity of staple food crops sold at markets due to increased crop production and reduced storage losses will increase by 30%, and the number of farmers accessing information on market prices and agronomic crop advice by 100%. In addition, the USG,

through USAID projects, will rehabilitate 150 km of rural roads and construct or purchase 265 storage facilities. Activities in post-harvest handling and storage will lead to a 12% reduction in post-harvest loss of targeted crops.

5.1.3. Regional Integration

Investments in the liberalization of fertilizer procurement and distribution systems, improvement of post harvest handling and storage, as well as promotion of policy reforms, will ease barriers to regional trade and foster greater regional integration. Anticipated results include privatization of the fertilizer sector, improved customs procedures, and increased cross-border trade in fertilizer and crops.

5.1.4. Research and Development

USG efforts will help increase access to and use of ICT to improve the ability of farmers to have timely information on market prices and agronomic crop advice. It is anticipated that by 2012, the number of farmers using ICT to access information on market prices and agronomic crop advice will increase by 100%. As part of planning for FY 2011 scale-up, additional analytical studies will be carried out to identify agricultural research and innovation centers with which USG development partners will collaborate and promote use of innovative and research-based approaches to agriculture in Rwanda.

5.1.5. The Very Poor

USAID/Rwanda will provide nutritional, financial, adult literacy support, and promote access to financial services for the very poor, particularly women, in order to enable their participation in productive and profitable rural economic activities. It is envisioned that 15,000 very poor (of whom 60% are women) will increase their incomes by 50% through micro-financed trade and agriculture activities.

5.1.6. Nutrition

In partnership with the GOR and other donors,

the USG's comprehensive nutrition strategy targets vulnerable population during the development window of opportunity – “minus 9 to 24 months.” As part of an investment in a comprehensive approach to reduce poverty and hunger, USG can assist Rwanda to reduce undernutrition by 2015 through an Integrated Nutrition Investment Plan that aims to:

- Reduce stunting to 30%
- Reduce underweight to 15%
- Reduce wasting to 2%

5.1.7. Climate Change and Humanitarian Assistance

Climate Change results will be measured as part of different activities that will be developed with Global Climate Change money. The Humanitarian Assistance component does not include activities.

See further detail on proposed indicators below.

Table 4: Illustrative Indicators

Activity	Indicators/Results by Investment Area
Increased Agricultural Productivity	
LWH ¹³	No. of farmer associations formed and agreements reached regarding dry-season crop selection in new irrigation command areas.
	No. of districts finalizing government plans for increased extension services.
	% increase in LWH farmer cooperatives' revenues.
	% increase in share of commercialized products in LWH project sites.
	No. of farmers receive financial literacy training in project sites.
	No. of farmers receive technical assistance from agricultural extension officers in project sites.
	Yield increase for traditional annual, perennial and irrigated crops on rain-fed areas in project sites.
	Value of canopy/side branches of newly-planted forest plantations for erosion control for charcoal production.
	Value of additional livestock feed produced from fodder trees and perennial forage legumes used for water catchment protection in project sites.
	Value of additional milk produced from improved water access and higher quality fodder for livestock.
	Value of increased employment opportunities created in the irrigated/ command areas of the project sites.
	Value of yield loss to be avoided due to soil erosion control.
Fertilizer	Agreement finalized with GoR on “next steps” for privatizing fertilizer import and distribution.
	Effective links established between the newly privatized fertilizer sector and regional/international suppliers.
	Improved fertilizer import procurement planning & implementation.
	Improved fertilizer sector accounting, business plans, and negotiations with banks.
	No. of fertilizer retailer networks established to better serve farmers' demands.
	Improved fertilizer advisory services.
	No. of new entrepreneurs and extension agents active in fertilizer supply chains.
	% increase in yields of staple food crops in selected areas using fertilizer.

¹³ LWH commences in January 2010 (World Bank Board approval of the project is expected mid-December 2009) with activities in the rain-fed areas (nearly 75% of each site). Irrigation infrastructure expected to be completed in 2011.

	Increased operational efficiency and cost effectiveness of fertilizer delivery systems.
	Key policies identified and agreed upon for the smooth transition of fertilizer import and distribution from the public to the private sector.
ICT	Negotiations with Google, MTN (South African private phone company), and Grameen Bank completed for the ICT/Rural Market Linkages Project to provide farmers updated weather information, market prices, and agronomic crop advice. GDA agreement finalized.
Private Sector Promotion	
Post Harvest	Post-Harvest Storage/Processing project team mobilized in country.
	Post-Harvest Storage work plan developed.
	Construction for post-harvest/processing units commenced.
	No. of post-harvest storage/processing centers, for which site selection finalized.
	No. of storage/processing centers constructed/purchased.
	No. of months of food consumption stored in post-harvest/processing centers used by 5,000 farmers.
	Amount of private-sector funds leveraged to support post-harvest storage/processing centers.
	% decrease in post-harvest food losses in project sites.
	No. of farmers using storage/processing centers.
	Quantity of selected commodities stored in improved storage facilities.
	% increase in staple food crops sold at markets from increased crop production and reduced storage losses.
Roads	Environmental review for the roads project completed.
	Technical analysis for roads project completed.
	Design activity for the roads project completed.
	Solicitation for roads project finalized.
	Technical and financial evaluation of roads proposals finalized.
	Roads contract award executed.
	Roads contract team mobilized in country.
	Roads LOP work plan developed.
	Sites selected for up to 200 km of roads to be rehabilitated to link input suppliers, farmers, and markets.
	Length of rural roads rehabilitated (km).
	No. of person days (\$1.00/day) working on rural road rehabilitation.
	Amount of cash infusion into the communities working on road rehabilitation.
ICT	See ICT Results under "Increased Agricultural Productivity"
Natural Resource Base and Adaptation to Climate Change	
LWH	% reduction in soil erosion loss in project sites.
	% increase in site visits by extension agents in project sites.
	No. of extension agents trained in soil erosion control techniques.
	No. of farmers applying soil conservation techniques using terracing, agro-forestry plantings, and related practices.
Increased Trade for Small Scale Farmers	
Rural Roads	See Rural Roads Results under "Private Sector Promotion"
Post Harvest	See Post Harvest Results under "Private Sector Promotion"

	Policy Reform and Good Governance
SAKSS	Key personnel in SAKSS trained in agricultural and rural development policy, program analysis and design, monitoring and evaluation, and evidence-based policy decision making.

6. KEY ISSUES AND ANALYTICAL ACTIVITIES LOOKING TOWARD FY 2011

The USG's planned work in each core investment area is supported by analytics developed by the GOR, the USG, and other development partners. Indeed, this IP is supplemented by the several additional studies, consultations, and assessments completed by the GOR, USG, and its development partners. USAID/Rwanda plans to commission, or work with other ASWG stakeholders to complete studies that will examine:

- GOR agriculture policies;
- Options to increase economic opportunities for the very poor, particularly women and rural youth;
- Effective interventions to improve the micronutrient intakes of women and children;
- Mechanisms to increase access to credit for small private agribusinesses.

USAID/Rwanda's strategy is analytically underpinned by the work of Diao, et al.,¹⁴ who articulate clearly the linkages at the agricultural subsector level, and show that growth driven by productivity increases in staple and livestock has greater poverty-reduction benefits than growth driven by the non-agricultural sector or export crops. Furthermore, this study identifies priority areas for investment including irrigation, transportation infrastructure, and agricultural research and development. However, this study notes that in order for the GOR to achieve growth rates required to meet MDG1

¹⁴ Diao, et al., "Agricultural Growth and Investment Options for Poverty Reduction in Rwanda," Discussion Paper 00689, IFPRI, 2007

agriculture, spending will need to increase between 22% and 45% per year.

Institutional Capacity Assessment

Rwanda is an excellent place to consider broadening the range of implementation mechanisms for US assistance. Also, there are several analytical efforts already planned for 2010 that will be helpful in informing a decision about whether to utilize host-country-managed mechanisms, such as a public expenditure review of MINAGRI and a more general Public Expenditure and Financial Accountability assessment. There are plans for USAID contracting and financial management analyses to evaluate host-country procurement systems. The USG will seek to participate in those review and assessment exercises to avoid duplication of effort and minimize transaction costs, while at the same time ensuring all its assessment requirements are met.

Agriculture Productivity

As was previously noted, Diao, et al. serves as the foundational study for the work in staple food production in Rwanda. Other work that has influenced and reinforced the focus on agricultural productivity include the ReSAKSS Agricultural Growth and Investment Options for Poverty Reduction in Rwanda study and the World Bank's Project Appraisal Document for the Land Husbandry, Water Management, and Hillside Irrigation project. Additional analytical work could include a study of Rwanda's policies to adapt to climate change, develop a biotechnology engagement framework to address bio-security, third party certification, and SPS issues.

The Very Poor

USAID has contracted a study on the very poor who are also landless, a population segment that represents 11% of the total population, to determine what constrains improvement in

their livelihoods and what interventions could increase their well being. This study will build on the FinScope survey (recently completed by GOR funded by DFID), the GOR's 2007 Integrated Living Conditions Survey, and the Vision 2020 Umurenge Baseline Survey. The study will inform the design of a USG microfinance and adult literacy program planned under this implementation plan.

Linking Small Farmers to Markets

Building on the DFID/ World Bank Diagnostic Trade and Integration Study, and informative work from WFP's Purchase-for-Progress, a series of USAID analyses, completed in 2009, continue to represent the analytical foundation for investing in rural roads.

Encouraging Private Sector Growth Linked To Agribusiness and Ag-Related Businesses

Studies from the GOR, Department of State, and DFID underscore the important role of engaging the private sector and promoting investment in agriculture in Rwanda. Furthermore, the USG in Rwanda maintains dialogue with Rwandan and foreign investors to promote opportunities in the agriculture sector.

Increasing Agricultural Trade

The East African Community (EAC) will become a common market on July 1, 2010. The new relationship between Rwanda and the EAC will present opportunities for Rwanda exporters. Continuing to build on previous analytical work that includes the Diagnostic Trade and Integration Study, and the GOR 'Overview of Organic Agriculture in Rwanda and Options for Policy and Trade Development,' the USG will work with the regional mission in Nairobi to conduct a needs assessment for regional trade in staple food crops and regional agriculture integration.

Engaging Women In Rural Economic Growth

Strengthening women's role in rural economic growth is a topic the USG will further develop in 2010. Planned activities will draw upon by the CIDA Gender Integration Plan, which will

support gender mainstreaming efforts throughout MINAGRI. Analysis that has informed the Mission's work to date includes women, food security, and agriculture in the global marketplace; and an AfDB assessment entitled "Rwanda Gender Assessment: Progress Towards Improving Women's Economic Status I analysis on Gender and Poverty."

Nutrition

The USG will invest in critical actions that support the scale-up of the Integrated Nutrition Investment Strategy by focusing on the prevention of chronic undernutrition and community-based programming. As outlined by the GOR, priority investment areas include training for agricultural extension agents; health and community workers; development of district Community-based Nutrition program (CBNP) action plans; and promotion of good nutrition practices in the nutritional window of opportunity (from pregnancy to two years of age) through behavior change communication.

Access To Credit

USAID has experience offering a range of financial products to medium, small, and micro-businesses, and will explore possibilities for designing a product through a DCA facility, to reach medium-sized agribusinesses, a priority area for the GOR. USAID will most likely develop a debt facility that increases options for private fertilizer dealerships and small private seed producers/ distributors to gain access to capital.

Maintaining Natural Resources Including Adapting To Climate Change

Analytic work from the GOR and UNDP provide an action plan for adapting to climate change and support for watershed management—a main tenant of the GOR LWH program. The World Bank, as a member of the ASWG, is exploring the possibility of expanding the analytic work on adaption to inform technical adjustments to the investment plan

7. PARTNERSHIP PLAN

Robust coordination under planned FY2010 activities at the local, national, and regional levels will focus on advocacy, sharing

information, and supporting Rwanda's CAADP process. Current engagement with USG, GOR, and multilateral organizations is summarized in the table below and is detailed in ensuing subsections.

Table 5: Partnership Plan

Activity	GOR	USG	Other Partnerships
Fertilizers	MINAGRI through the CIP implement and execute increase of fertilizers use in priority crops.	Work with GOR to put in place a policy that facilitate transition in distribution and importation of fertilizer by the GOR to the private sector	World Bank provides the funds to help organize distribution of fertilizer through the CIP project. Balton Corporation, Kenya Seed Company, East African Business Council. COMPETE
Post Harvest and Storage	The GOR has installed cocoon storage facilities at district level and made these accessible to farmers. However, this intervention is limited in term of physical capacity with the recent agricultural surpluses and lack of technical assistance for better use of the facilities.	The Post Harvest Project and Storage facility will work with the GOR CIP project and the World Bank RSSP project to increased agricultural productivity.	Belgian cooperation has provided limited facilities to the Rwanda Agricultural Development Agency for storage purposes. WFP, Private Rwandan Investors, East African Grain Council.
Nutrition	The GOR's main programs on nutrition are the Crop Intensification Program and the One Cow One Family.	Under Title II, CRS, CARE and local NGOs implemented kitchen gardening education, small livestock production. USAID has also provided capacity building to health centers on nutrition skills and through vaccination campaign distributed vitamins to children.	UNICEF supports community based nutrition and infant feeding in six districts. WFP, MINISANTE, World Vision, AfriCare FAO, Partners in Health
Irrigation and Soil Productivity	The LWH project initiated by the GOR but financed by different donors is a result of strong partnership.	USAID will invest in the LWH project with other donors.	The GOR, the World Bank, CIDA and USAID will co-fund this project. JICA will invest in irrigation and land husbandry. The African Development Bank is engaged in soil productivity and irrigation programs.
Economic Empowerment	At the policy level, the GOR put in place a Microfinance Policy and Implementation Strategy that helps improve micro-credit services to women and youth.	Through Title II Food Aid, CRS and CARE implemented small saving and lending programs to the very poor and people living with HIV.	With EU funds, CARE International will implement a program that will enhance livelihood security and financial literacy to 108,200 very poor households. DFID will launch a new Access to Finance program

7.1. USG INTER-AGENCY CONSULTATION AND COORDINATION

A yet-to-be designated in-country coordinator will lead the interagency GHFSI effort. The in-country coordinator will chair monthly meetings with the Country Team to discuss progress and challenges toward achieving GHFSI goals. Department of State will continue to provide country-level, context-relevant support and leadership through the lens of the January 2010 Development and Diplomacy Cable,¹⁵ previously described in section 2.4. Indeed, the Country Team's strategy to advance the Global Hunger and Food Security Initiative in Rwanda is based on Rwanda's own strategic planning as well as US policy goals. The US strategy is part of our broader efforts to partner with Rwandans in support of regional and national stability and prosperity. Peace Corps/ Rwanda agreed to assign some volunteers to food security project sites as early as May 2011. Discussions will continue on this opportunity. We will coordinate our efforts with those of the African Development Foundation (USADF) to build upon each other's earlier investments with rice, passion fruit, tea, tomato and banana-producer cooperatives and private businesses.

USADF Rwanda will continue to support the development of smallholder agricultural producers, small-scale agribusinesses, and small enterprises based in rural areas as well as social programs that benefit the "marginalized" groups: low income people, women and youth.¹⁶ We will work closely with the USDA and the PEPFAR nutrition programs through the Roads Project linking food production sites to underserved areas with inadequate nutrition. USAID will draw on support from the regional level in the form of African Growth and Opportunities Act (AGOA), regional integration, and Sanitary and Phytosanitary (SPS)-related guidance when implementing FY 2010 analytical activities. For further detail on

USAID-led, in-country USG coordination, please see Section 9.1.

7.2. CONSULTATION AND COORDINATION WITH GOVERNMENT

The Mission's agricultural activities are aligned to and support the GOR's priorities as identified in the Compact. USAID has coordinated closely with the Ministry of Agriculture on the development of this implementation plan, and will continue to do so. In addition to relying upon the Ministry of Agriculture as the lead GOR ministry, USAID will coordinate projects with other GOR entities. FOREDEM, a subsidiary of the Rwanda Development Bank, and the GOR's Financial Sector Development Program will be key partners in the rural finance project. The Roads Project will rely heavily upon close coordination with the Ministry of Local Government and the Ministry of Infrastructure. The ReSAKSS Project will forge links with the Rwandan National Institute of Agricultural Research and the National Institute of Statistics. Through the coordination with the Ministry of Foreign Affairs, USAID will be able to maintain open channels of communication with regional integration bodies such as COMESA, the East African Community (EAC), and the Economic Community of the Great Lakes

7.3. MULTILATERAL AND BILATERAL DONOR CONSULTATION AND COORDINATION

USAID is an active member of the Agricultural Sector Working Group, which is co-led by the Ministry of Agriculture and the World Bank, and which includes a wide range of bilateral and multilateral donors, NGOs, private sector entities, and others. Members include, but are not limited to, DFID, IFDC, UNDP, IMF, the Clinton Foundation, SIDA, FAO, CARE, JICA, Concern (Irish NGO), and CIDA.

USAID plans to coordinate closely with NGOs that have experience with adult literacy and micro-finance targeted at the very poor (less

¹⁵ MRN Kigali 29

¹⁶ <http://www.adf.gov/rwanda.html>

than \$0.75/day) and with DFID's micro-finance program focused at the national policy level.

Under the LWH Project co-financed with the World Bank, CIDA, and JICA, coordination will take place under a Common Framework of Engagement recently formed by the GOR. USAID for fertilizer privatization will be closely coordinated with the Embassy of the Netherlands, a current financier of IFDC operations in Rwanda. Other stakeholders in the fertilizer sector include EU, IFAD, ADB, FAO, JICA, and the Embassy of the Netherlands. The Post-Harvest Storage/Processing Project will coordinate efforts closely with the GOR's crop intensification programs, WFP's P4P, COMESA's ACTESA and EAGC. Investments in rural roads and post-harvest activities will leverage resources of all development partners at LWH project sites by linking input suppliers, producers, processors, and markets (domestic, regional and international). The ReSAKSS project will expand USAID coordination and leverage among other agricultural research institutions such as IFPRI, International Livestock Research Institute (ILRI), the EU, and FAO.

7.4. CIVIL SOCIETY AND PRIVATE SECTOR CONSULTATION AND COORDINATION

Input from civil society and private sector actors is one of USAID's strongest assets and has been critical throughout the development of this implementation plan. USAID can reach out to a number of experts at foundations such as The Bill and Melinda Gates Foundation, IFAD, and Heifer International. USAID's ongoing relationship with Texas A&M's AgriLife research center has resulted in investments in MINAGRI's investment plan. Michigan State University, through its Institute of International Agriculture, is a partnership that could be re-cultivated to supplement USAID's planned projects. Private sector actors such as Rwanda Trading Company, SC Johnson, Rabobank, MTN-Rwanda, One Acre Fund, and many agriculture industry business owners, have been

open and willing to partner, and continue coordinating with USAID under the strategic direction of the PSTA II.

8. FY 2010 CAPACITY BUILDING PLAN

To effectively position the Mission for scaled-up food security funds, the Capacity Building Plan, as described below, provides for strengthening skills and expertise of at least 100 individuals associated with the seven new projects described above.

LWH Project

The LWH Project will train eight farmer groups (with an emphasis on women leaders) in basic record keeping, financial management, and leadership skills, for better management of farm cooperatives focused on higher profits and better service for members. In addition, eight farmer groups will be trained in maintenance of irrigation infrastructures and water user associations. The World Bank's training mechanisms will be used. Strengthened management capacity of farmer groups to maintain irrigation infrastructure will enable these groups to increase crop yields and incomes.

Rural Roads Project

The Rural Roads Project will train five Rwandan and District engineers to replicate the methodology used in USAID's feeder roads project. Planning and understanding the different options available to execute the work (labor-intensive, capital-intensive, mix of the two approaches) will be valuable. Additionally, 20 sector chiefs trained by the Rural Roads Project will also be trained in maintenance techniques in order to prolong the life of the feeder roads. This capacity training will enable local production zones to Rwanda's markets in a sustained manner.

Fertilizer Project

The Fertilizer Project will train six individuals in import procurement planning and

implementation. This will include demand/sales forecasting, credit management, business linkage development with suppliers, procurement contracts, technical specifications, and quality assurance. Six individuals will be trained in dealer network development. Business trips to visit key fertilizer enterprises in neighboring countries will be arranged for five individuals who are currently responsible for input procurement and distribution. The training to countries in the region will act as a kind of due diligence for importers and wholesalers. Field assessments in Kenya and South Africa, which have the most developed input market in the region, will be at the top of the list. Lastly, it is expected that Project training mechanisms will develop professionals from both the private and public sector focusing on farmer-to-market linkages. These capacity building efforts will directly contribute to increasing and efficient distribution and use of fertilizer, thus enabling farmers to increase agricultural productivity.

ReSAKSS Project

The ReSAKSS Project will train four individuals with on-the-job training at agricultural think tanks. The training will include effective data collection and analysis systems, improved progress tracking and dissemination in the relevant public and private sectors. The training will also include global information and early warning systems, poverty monitoring, and specific food security policy research technique. Improved research capacity will foster greater regional integration by facilitating regional exchanges of best practices among scientists and policy makers.

The Very Poor

Under an anticipated micro-finance and adult literacy program to target the very poor (less than \$0.75/day), it is anticipated that five individuals will receive training in Dar-Es Salam. This is because micro-financing for the very poor (less than \$0.75/day) has produced outstanding results and lessons learned that can be applied to Rwanda. In addition 15 micro-finance field officers, with an emphasis on training women to interact with the largely female customer base, will be trained in

identification of potentially successful Village and Savings Loan groups, effective group leaders, and monitoring/evaluation technique. This training will directly contribute to increased participation of women and very poor to benefit from economic growth.

Post-Harvest Project

The Post-Harvest Project will train five individuals from selected storage centers in the latest pest control techniques for tropical storage. Five additional persons from selected storage centers will be trained in price negotiation warehousing receipt systems. IFDC's training mechanisms will be used. Capacity building efforts will help increase the number of, and improve the quality of management of storage facilities, thus enabling farmers to increase incomes from storing crops and benefitting from seasonal price fluctuations and contributing to increased productivity, expansion of markets and trade, and increased regional integration.

Strategic Nutrition Assessment

Strategic Nutrition Assessment will train at least two individuals to better respond to and coordinate inter-ministerial efforts to address under-nutrition in rural areas through community based programs.

ICT/Rural Market Linkages Project

The ICT/Rural Market Linkages Project will train eight individuals in the management of weather, agriculture and logistic data. This training will increase use of ICT, thus promoting global innovation and trade.

9. MANAGEMENT PLAN

The USG, through USAID, will manage the implementation of the GHFSI in Rwanda through a whole-of-government approach, with qualified staff, and by applying a joint donor-government evidence-based monitoring and evaluation system to ensure that resources are deployed to attain maximum results.

9.1. WHOLE OF GOVERNMENT COORDINATION STRUCTURE

USAID leads the USG effort in Rwanda, under the Ambassador's direction. The Country Team, including the Department of State and USAID, will continue to coordinate closely on food security-related issues. The Rural Roads Project will benefit the \$9 million annual USDA school feeding program (implemented by World Food Program). USAID and Peace Corps are exploring the possibility of assigning some Peace Corps volunteers to food security activity sites in May 2011. Additionally, USAID, in conjunction with Peace Corps, will grant \$35,000 through the Small Project Assistance mechanism for volunteers to promote food security activities in their communities. USAID is supported at the regional level by the AGOA SPS Capacity Building Program in partnership with USDA, and retains the ability to consider bilateral funding for country-specific technical assistance and programming. USAID works closely with the USAID/East Africa regional mission, particularly on issues related to trade, transport, and SPS.

We expect the micro-economic agricultural business environment to improve as a result of OPIC's financial products, an increasingly important factor in attracting American businesses. Also, USTDA's assessments provide initial scoping for a variety of investments including micro-hydro, while the Department of Commerce's Foreign Commercial Service facilitates individual business owners' attendance at trade shows in the US.

At the macro-economic level, the Department of Treasury's Office of Technical Assistance works with La Banque Nationale du Rwanda (central bank) to improve the business environment. The USTR continues to raise important trade related issues at annual meetings with Rwandan counterparts.

9.2. REVIEW AND EVALUATION SCHEDULE

The high visibility of food security activities makes monitoring and evaluation key

components of the Mission's performance monitoring plan. USAID will rely upon established M&E guidelines as outlined in the GOR SWAp. The three levels of indicators with which progress in country is being monitored are administrative, country-led investment plan, and building a foundation for implementation.

The administrative milestones are addressed throughout this document, and include:

- Approval of the implementation plan;
- Leveraging resources of other donors and government to create a country-led sector investment plan; and
- Getting the appropriate staff in country.

As previously mentioned, the milestones associated with the country-led investment plan have been met or are in the process of being addressed as part of the roadmap that was produced at the December 2009 high-level Stakeholders Meeting. Post continues to develop and advertise for new positions necessary for managing expanded resources in FY 2011. Please see the following section for further detail.

The revised USAID/Rwanda Economic Growth results framework is linked with the larger Global Hunger and Food Security Initiative results framework at the objective and indicator levels. In the Rwanda Economic Growth results framework, the stated objective-level outcome is to 'expand economic opportunities in rural areas,' which will be measured by the percentage change in rural income of targeted populations. This objective maps directly to the first level objective of the Global Hunger and Food Security Objective. A separate, illustrative example of alignment is the planned use of 'yield per unit of targeted agricultural commodities' to address improved agricultural productivity which will also address the second level objective of the GHFSI results framework.

Individual activity managers and other USAID/Rwanda M&E staff will monitor food security program activities throughout the year and performance data will be reviewed for

ongoing performance management. USAID/Rwanda already works with an M&E partner to ensure that strong performance monitoring plans are developed for projects within its nearly \$200 million-a-year portfolio. These monitoring plans include the following.

- Relevant key indicators that serve as data sources for the Economic Growth Strategic Objective performance monitoring plan.
- Standard Operational Plan, and Global Hunger and Food Security Initiative indicators that match the established USG definitions, units of measure, and appropriate disaggregation when required.
- Sufficient and reliable methods of data sourcing, plans for data collection; and targets as established in agreement with A/COTRs and Activity Managers and linked with negotiated annual work plans.

The existence of an external M&E implementer will facilitate efforts to assess and improve data quality and data use to further the USG analytical agenda towards future potential investments in agriculture and food security.

The USAID/Rwanda Mission has developed a web-based partner reporting system that works as a repository for annual performance data and facilitates comparison of progress against targets; required partner reporting; and the use of performance and other data for mapping. Where feasible and appropriate, the EG team plans to develop GIS maps to track progress.

Coverage maps will be shared with relevant GOR counterparts.

If and where the use of PIO grants does not allow for the direct addition of USG indicators into an existing monitoring and evaluation plan, USAID will consult with the implementing organization and relevant staff in Washington to develop a data collection plan for this required information. This may involve the use of external parties to gather key data. The Mission has a contacting mechanism in place which allows for the quick procurement of such analytic activities.

9.3. STAFFING REQUIREMENTS

Current staff working on food security activities in the Office of Agriculture, Food Security, and Economic Growth, includes two Economic Growth Officers, and four local hires. In order to effectively design, implement, monitor and evaluate the scaled-up food security activities in FY 2010 and beyond, USAID plans to recruit the following staff:

- One mid-level Agriculture Officer
- One additional Agriculture Officer
- One Senior Agricultural Advisor
- One nutrition specialist,
- One agricultural engineer;
- One agricultural research and education specialist;
- One M&E specialist.