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Investing in rural people

Republic of Rwanda

Country Strategic Opportunities Programme 2019 – 2024

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Contents

Appendices

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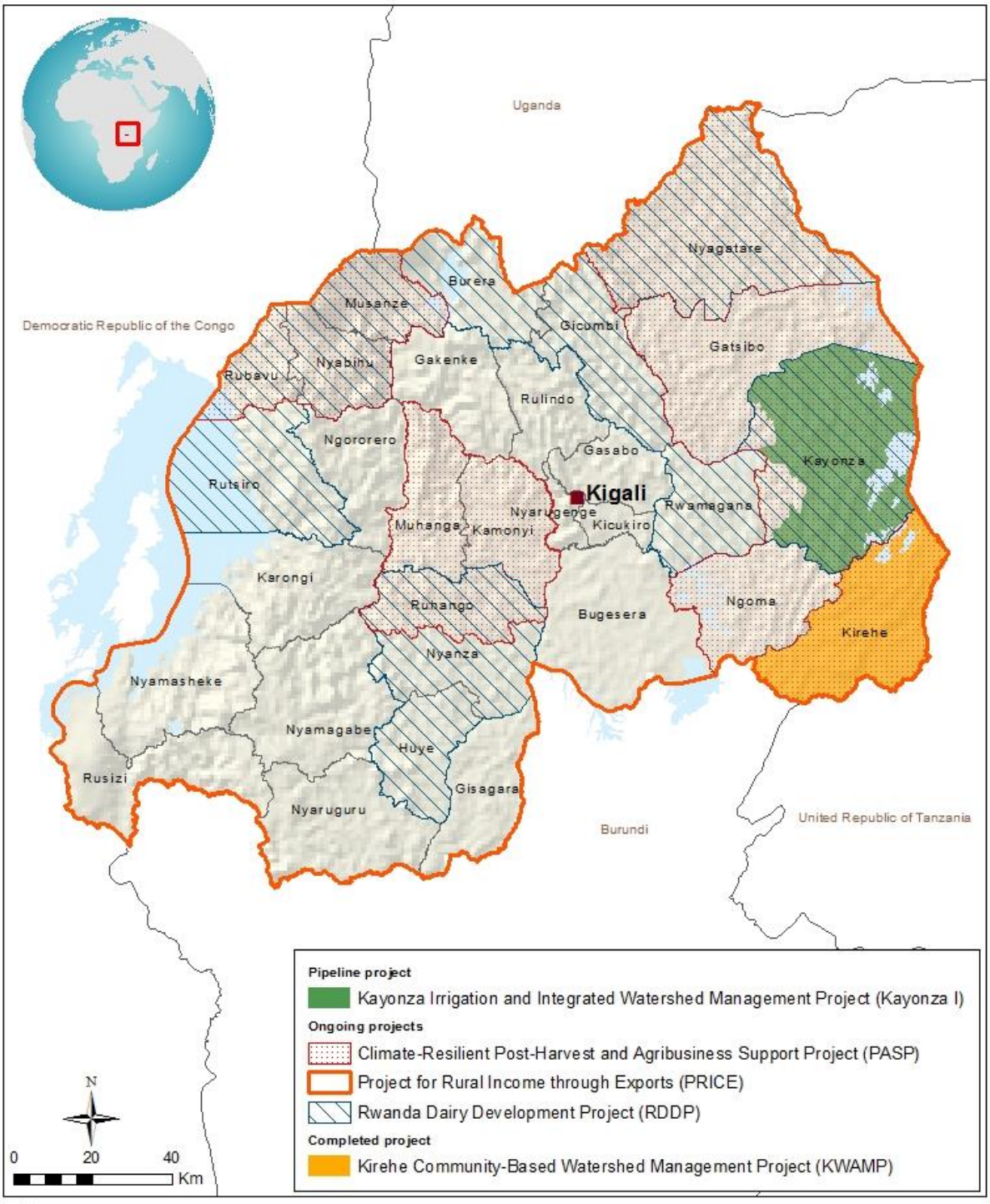
Abbreviations and acronyms

AFR	Access to Finance Rwanda
CIAT	International Centre for Tropical Agriculture
FAO	Food and Agriculture Organization of the United Nations
IITA	International Institute for Tropical Agriculture
KIIWP	Kayonza Irrigation and Integrated Watershed Management Project
KM	Knowledge Management
KWAMP	Kirehe Community-based Watershed Management Project
NAEB	National Agricultural Export Development Board
NST 1	National Strategy for Transformation
PASP	Climate Resilient Post-Harvest Agribusiness Support Project
PBAS	Performance-based allocation system
PPPP (4P)	public-private-producer partnership
PRICE	Project for Rural Income through Exports
PSTA 4	4th Strategic Plan for the Transformation of Agriculture 2018-2024
RAB	Rwanda Agriculture and Animal Resources Development Board
COSOP	Country strategic opportunities programme
RDDP	Rwanda Dairy Development Project
RYAF	Rwanda Youth in Agribusiness Forum
SDG	Sustainable Development Goal
PRISM	Project for Inclusive Small Livestock Markets
SPIU	Single Project Implementation Unit
SSTC	South-South and Triangular Cooperation
UNDAP	United Nations Development Assistance Plan
WFP	World Food Programme

Map of IFAD-funded operations in the country



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IFAD *Map compiled by IFAD* | 12-02-2019

Executive summary

1. The country strategic opportunities programme (COSOP) for Rwanda covers the period 2019-2024. The completion review of the preceding COSOP (2013-2018) was conducted in October-December 2018. The new COSOP encompasses the 2019-2021 and 2022-2024 cycles of the performance-based allocation system (PBAS). Based on the current PBAS scores, IFAD funding for the two cycles (2019-2024) is estimated at US$110 million.

2. The COSOP has been prepared in line with the Government's 4th Strategic Plan for the Transformation of Agriculture 2018-2024 (PSTA 4) to ensure that IFAD lending and non-lending operations will continue to support the Government's investment programme and policy framework for growth and poverty reduction, in which agriculture plays a central role.

3. The overall COSOP objective is to reduce poverty by empowering poor rural men, women and youth to participate in the transformation of the agriculture sector and to enhance their resilience. This objective will be achieved through action focusing on the following:

    - Strategic objective 1: To sustainably increase agricultural productivity in priority food and export value chains.
    - Strategic objective 2: To improve post-harvest processes and strengthen market linkages.
    - Cross-cutting thematic areas: access to finance; improved nutrition; empowerment of women and youth; and natural resource management and climate change.

4. The focus of IFAD interventions is on the lending portfolio, which is combined with grants in order to promote innovation. Further support in this regard is provided through country-level policy engagement, capacity-building and knowledge management. IFAD will enhance its strategic partnerships, in particular with the Rome-based United Nations agencies, and its focus on South-South and Triangular Cooperation.

Republic of Rwanda
Country Strategic Opportunities Programme

I. Country context and rural sector agenda: key challenges and opportunities

1. **Socio-economic background.** Between 2000 and 2016, the Rwandan economy grew by an impressive average of 7.9 per cent a year, while GDP per capita increased from US$242 to US$729.[1] According to an IMF analysis,[2] the medium-term macroeconomic outlook remains favourable, and GDP growth is expected to remain strong. This trend is supported by continued diversification of the export base, public investment spending designed to crowd in private sector investment and greater resilience in the agriculture sector thanks to extensive irrigation programmes. Inflation is expected to remain below the central bank's target figure of 5 per cent.

2. Financial inclusion had increased from 48 per cent in 2008 to 89 per cent by 2016,[3] while mobile phone ownership had risen from 6 per cent in 2006 to 65 per cent by 2014.[4] However, Rwanda remains a low-income country with a highly dense population of 12.2 million people[5] on a land area of 26,338 km^2. The population is expected to grow to 22 million by 2050. Over 50 per cent of the population is under 20 years of age, putting increasing pressure on the already limited amount of available land. Rwanda is predominantly rural, with 83 per cent of the population living in rural areas.[6]

3. **Rural poverty context.** National poverty[7] levels had dropped from 60 per cent of the population in 2000 to 39 per cent[8] by 2014. Poverty levels remain higher in rural areas (48.7 per cent in 2010).[9] Overall inequality has declined, and the Gini coefficient decreased from 0.49 in 2011 to 0.45 in 2014. While Rwanda has succeeded in translating sustained economic growth into poverty reduction, rural poverty remains a challenge and is greatest among households with little or no land, which obtain their income mainly from the performance of seasonal labour. Rural women and young people are more likely than others to fall into this category.

4. **Political and business environment.** Since 1994, Rwanda has had a stable, enabling policy environment that has ensured the successful delivery of development programmes. Rwanda has a strong anti-corruption policy, ranking 48th out of 180 countries in the 2017 Corruption Perceptions Index released by Transparency International, making it the third-least corrupt country in sub-Saharan Africa. The World Bank *Doing Business 2018* report ranks Rwanda second in Africa and twenty-ninth globally out of 190 countries.[10] Despite strong economic growth, Rwanda still depends on official development assistance for 16 per cent of its budget, however.[11]

5. **Agriculture sector.** The Rwandan economy relies heavily on agriculture, which employs 70 per cent of the active population, provides 91 per cent of the food supply and 70 per cent of export revenues, and contributes 32.7 per cent of the

[1] National Institute of Statistics of Rwanda (NISR), *National Accounts*, 2016.
[2] Rwanda's macroeconomic programme is supported by the IMF Policy Support Instrument.
[3] NISR, FinScope, 2016.
[4] NISR, Integrated Household Living Conditions Survey 4 (EICV 4).
[5] World Bank, 2017.
[6] World Bank indicators for Rwanda.
[7] NISR defines the poverty rate as the percentage of the population that cannot afford a basic basket of food and non-food items.
[8] NISR, EICV 1-4.
[9] World Bank, *World Development Indicators*, *2010*. More recent data are not available.
[10] In terms of the quality/efficiency of business regulatory environments.
[11] World Bank indicators for Rwanda.

country's GDP. About 96 per cent[12] of rural households rely on agriculture for their livelihoods. Increases in environmentally sustainable food and export commodity production, productivity and marketing will be essential in order to reduce rural poverty and to convert this still largely subsistence sector into a more competitive and market-oriented one. Despite significant efforts by the Government, staple food production remains below the level required to cover domestic demand, and the gap is filled by imports.

6. About 80 per cent of the rural population consists of smallholder households that use rainfed farming systems. The average landholding is only 0.33 of a hectare in size, reflecting the strong degree of population pressure on the country's land resources. This has led to the settlement of marginal areas, overgrazing, soil erosion and fertility losses.

7. **Food and nutrition security.** Despite the steady improvement seen in the country's ranking on the Global Hunger Index,[13] about 20 per cent of households[14] are still food-insecure; this indicator displays a similar pattern to the one seen in the distribution of poverty across districts, with the highest rates being seen in the north of the country (46.2 per cent) and the west (45.3 per cent). While chronic malnutrition has decreased significantly over the last decade, stunting is still above the World Health Organization high severity threshold and remains a major public health concern. Almost 38 per cent of children under 5 years of age are chronically malnourished,[15] with stunting levels standing at above 40 per cent in over 30 districts.

8. **Impact of climate change.** Climate change has brought recurrent mid-season droughts[16] and shorter but erratic rainy seasons of higher intensity. The droughts have caused agricultural production to decrease, especially in the Eastern Province,[17] whereas the Northern and Southern Provinces suffer from heavy floods that cause landslides, soil erosion, the destruction of infrastructure and crops, and the loss of human and animal lives.

II. Government policy and institutional framework

9. Rwanda's long-term development goals are defined in the Vision 2020 and Vision 2050 documents, which focus on transforming the country from a low-income agriculture-based economy into a knowledge-based, service-oriented economy with middle-income status. The National Strategy for Transformation (NST 1) integrates international commitments deriving from the United Nations Sustainable Development Goals (SDGs), the African Union Agenda 2063, the job creation component of the East African Community Vision 2050 strategy and agreements reached at the Conference of the Parties to the United Nations Framework Convention on Climate Change.

10. The 4th Strategic Plan for the Transformation of Agriculture 2018-2024 (PSTA 4) provides guidelines for strategic action and priority investments designed to transform the sector. It identifies the private sector, including farmers and cooperatives, as a driver of change, while the Ministry of Agriculture and Animal Resources and the public sector as a whole provide an enabling environment.

11. At the continental and regional levels, the PSTA 4 constitutes Rwanda's commitment to the African Union's Comprehensive Africa Agriculture Development

[12] NISR, Fourth Integrated Household Living Conditions Survey (EICV 4).
[13] Rwanda scored 58.1 in 2000 and improved to 28.7 in 2018, ranking 91st out of 119 countries. Source: https://www.globalhungerindex.org/results/.
[14] NISR, Comprehensive Food Security and Vulnerability Assessment, 2015.
[15] NISR, Rwanda Demographic and Health Survey 2014-2015.
[16] In 2012, the rains failed to come, causing a drop in agricultural growth and a 4 per cent decline in GDP growth in 2013.
[17] Famine Early Warning Systems Network (FEWSNET), Water Requirement Satisfaction Index (WRSI).

Programme. Within this framework, the 2014 Malabo Declaration[18] sets specific targets for the agriculture sector's contribution to economic growth and opportunities, nutrition and food security, and resilience. Rwanda leads the top performers in terms of its rate of progress.[19]

12. The National Strategy on Climate Change and Low-Carbon Development for Rwanda underlines the need to deal with climate variability in the pursuit of the social, environmental and economic development of the country. The country's intended nationally determined contribution is built upon the Strategy and is aimed at achieving category 2 energy security. It will support the development of green industries and services, sustainable land and water management, urban development, biodiversity and ecosystem services.

13. The National Food and Nutrition Policy reaffirms the country's strong commitment to achieving food security, eliminating malnutrition and preventing stunting in children under 2 years of age. Furthermore, the Rwanda Youth Sector Strategic Plan, the National Gender Policy and, in particular, the Agriculture Gender Strategy seek to address the challenges faced by women and youth by means of a comprehensive joint approach.

14. Other government policies and strategies related to the COSOP include the National Policy on Promotion of Cooperatives, Irrigation Master Plan, National Post-Harvest Staple Crop Strategy and National Information & Communication Technology for Rwanda Agriculture Strategy. Relevant sector strategies include the National Horticulture Policy and Strategic Implementation Plan, the Livestock Master Plan, and particularly those of its components that focus on small livestock producers, and the National Dairy Strategy. Initiatives for value chain development include the Made in Rwanda Policy and the Domestic Market Recapture Strategy.

III. IFAD engagement: lessons learned

A. Previous and ongoing lessons and results

15. The completion review of the previous country strategic opportunities programme (COSOP) demonstrates the effectiveness of IFAD's country programme and its contribution to rural poverty reduction over the period 2013-2018.

16. The main lessons from IFAD's past and ongoing interventions in Rwanda and the region include:[20]

Partnership with the private sector

- Public-private-producer partnership models and the hub[21] approach successfully formalize agribusiness linkages between farmers and buyers, and this helps buyers to become co-investors and farmers to access financial services and output and input markets.[22] Hubs are instrumental in the provision of post-harvest handling facilities, extension services and resilient post-harvest technologies.
- Performance-based matching grants, when used strategically, attract private investment and facilitate beneficiaries' access to financial services. Strategic partnerships need to be established, however, with various types of financial institutions (banks, microfinance institutions, insurance providers, savings and credit cooperative organizations) in order to promote beneficiaries' long-term access to a wide range of sustainable and affordable financial services.

[18] Source: https://au.int/en/documents/31247/malabo-declaration-201411-26.
[19] The country has a score of 6.1 on the CAADP Africa Agricultural Transformation Scorecard.
[20] See the 2013-2018 COSOP completion report for details.
[21] A hub is the physical place where primary products are aggregated and where value is added. The hub approach leverages the facilitation of the necessary managerial and technical skills, technologies and equipment.
[22] As piloted in the Climate Resilient Post-Harvest Agribusiness Support Project (PASP) and the Rwanda Dairy Development Project (RDDP).

Capacity-building for cooperatives

- Governance and sustainability challenges have remained even after cooperatives have been provided with support. Further tailored capacity-building support that incorporates a graduation model and the involvement of farmers' organizations' apex bodies is therefore required. One element that is of fundamental importance for the introduction of systemic changes is the use of a holistic approach focusing on: (i) social capital enhancement; (ii) production and productivity improvements; and (iii) the development of cooperatives' capacity to access sustainable markets.

Decentralization

- As demonstrated by the Kirehe Community-based Watershed Management Project (KWAMP), a district-level approach to project design and implementation contributes to strong district ownership and capacity-building in planning, implementing and monitoring actions focusing on the transformation of the agriculture sector, thereby supporting the decentralization process.
- A critical element in ensuring the sustainability of watershed management is the use of an integrated, participatory approach to the preparation, implementation and monitoring of watershed management plans. Strengthening irrigation water user associations and other decentralized structures helps to ensure community ownership and sustainable infrastructure management.

Cross-cutting areas: youth and nutrition

- In order to promote youth engagement in agriculture, strategic partnerships and innovative approaches are key. The Rwanda Youth in Agribusiness Forum (RYAF) is an important partner[23] in the effort to engage youth in agriculture as service providers as well as beneficiaries of capacity-building and business and financial services.
- A more explicit incorporation of nutrition issues into projects is called for. The Rwanda Dairy Development Project (RDDP) is already supporting the Ministry of Agriculture's "One Cup of Milk per Child" programme, which has significantly increased the number of students enrolled in nursery schools, their attendance rates and health status, thereby contributing to better school performance.

Policy engagement

- Support for evidence-based policymaking and investment identification should be enhanced in order to complement and draw on the experience and lessons afforded by other projects and strategic grants. Explicit references to projects such as the RDDP will strengthen the policy engagement fostered by IFAD through various projects and grants.

B. IFAD's current engagement

17. The performance and strong results orientation of IFAD's portfolio in Rwanda has served as a model for the Fund. Rwanda has the capacity to absorb a greater performance-based allocation system (PBAS) allocation and it has done so on a regular basis in every financing cycle by submitting all its new operations during the first year of the PBAS cycle and capturing additional resources when they subsequently became available.[24] Key success factors are national political commitment and the quality of governance and project management.

[23] With the PASP and the RDDP.

[24] The PBAS allocation for Rwanda for 2016-2018 the Tenth Replenishment of IFAD's Resources (IFAD10) was increased from US$45 million to US$54.9 million.

IV. Country strategy

A. Comparative advantage

18. The overall objective of the COSOP for 2019-2024 is to reduce poverty by empowering poor rural men, women and youth to participate in the transformation of the agriculture sector and to enhance their resilience. IFAD's comparative advantage is its focus on rural communities, in particular smallholders, and on helping them to stabilize their holdings in a vulnerable environment, boost farm productivity and gain greater access to markets and services through hubs and agribusiness linkages.

19. The overall objective and strategic objectives of COSOP 2013-2018 remain valid, although they have been reformulated to align them with PSTA 4. The COSOP will contribute to the achievement of the SDGs, in particular SDG 1 (no poverty), SDG 2 (zero hunger), SDG 5 (gender equality), SDG 8 (decent work and economic growth), SDG 13 (climate action) and SDG 15 (life on land).

20. In line with PSTA 4, the priority value chains are maize, Irish potatoes, beans, horticulture, rice, dairy products, small livestock and export crops (coffee, tea, horticulture and sericulture). Opportunities for developing fisheries and aquaculture will be explored, and substantial growth in these industries is expected in the coming years.[25]

B. Target group and targeting strategy

21. **Targeting mechanism.** The nationwide country programme will use project-specific target area selection criteria. The Project for Rural Income through Exports (PRICE), the RDDP, the Climate Resilient Post-Harvest and Agribusiness Support Project (PASP) and the Project for Inclusive Small livestock Markets (PRISM) will select project target areas on the basis of various poverty criteria and their assessment of the potential for the development of specific value chains. The Kayonza Irrigation and Integrated Watershed Management Project (KIIWP) will follow the same approach as the one taken by KWAMP by targeting a specific district (in this case, Kayonza). The selection criteria include relatively high poverty levels, high population density, a languishing agricultural sector, a physical environment under stress and, crucially, a good potential for the development of irrigation systems.

22. The primary target group comprises at least 350,000 households, representing 1.4 million household members, and reflects a special focus on supporting women, youth and rural vulnerable groups. Women from female-headed households and male-headed households account for 50 per cent of the target group.

23. IFAD will mainly focus on poor and food-insecure rural households with economic potential. These households will be identified on the basis of the national wealth-ranking *Ubudehe* system. Households in category 1[26] are covered by the national social protection scheme (the *Umurengu* Programme),[27] while category 2[28] includes subsistence farmers and the vulnerable poor who have limited land and access to resources. These two categories will benefit from asset- and capacity-building project interventions. Households in category 3[29] and category 4[30] are targeted as

[25] According to a Rwanda Agriculture Board (RAB) 2015 feasibility study, aquaculture production could increase to 95,000 metric tons over five years.
[26] Category 1: Families who do not own a house and can hardly afford to meet their basic needs.
[27] Targeting of category 1 households is in line with the targeting of the second United National Development Assistance Plan (UNDAP II). It also contributes to the achievement of the Eleventh Replenishment of IFAD's Resources (IFAD11) commitment 2.2 to focus on the poorest and most vulnerable people.
[28] Category 2: Those who have a dwelling of their own or are able to rent one but rarely obtain full-time jobs.
[29] Category 3: Those whose members have a job and farmers who go beyond subsistence farming to produce a surplus which can be sold.
[30] Category 4: Those who own large-scale businesses.

market-oriented producers and as drivers and lead enterprises of public-private-producer partnership (4P) models.

C. Overall goal and strategic objectives

24. **Strategic objective 1 (SO1):** To sustainably increase agricultural productivity in priority food and export value chains. SO1 focuses on improving household food security and increasing production surpluses available for sale as a means of strengthening the resilience of rural populations. Investments in the achievement of SO1 will include marshland and hillside irrigation, improved mechanization, production technologies, soil fertility, pest management, soil and water conservation, and crop/livestock integration. Farmer field schools will be used to provide training to farmers in good agricultural practices. Livestock intensification will focus on dairy and small livestock. Support will be given for the formation and/or strengthening of farmers' organizations, including cooperatives, water user associations and their apex bodies.

25. **Strategic objective 2 (SO2):** To improve post-harvest processes and strengthen market linkages. SO2 focuses on strengthening post-harvest processes and market linkages in order to increase the production surpluses available for sale, including in export markets, and generate economic opportunities for rural men, women and youth. Drawing on successful experiences, the achievement of SO2 will be based on dairy and other hub development, agribusiness linkages and private sector engagement through 4P arrangements, cooperative development, linkages with financial institutions and business advisory services, together with skills training. Investments will also focus on reducing the vulnerability of rural people to climate and economic shocks that could push them back below the poverty line.

26. Cross-cutting areas:[31]

- A harmonized approach to rural finance. IFAD will work with actors such as Access to Finance Rwanda to address systemic barriers that hinder access to financial services in agriculture. Support will include policy dialogues and partnership-building between rural financial service providers and public and private sector partners in order to foster innovative solutions and knowledge-sharing.
- Nutrition. In this area, the emphasis will be on: (i) nutrition-sensitive agriculture, including sensory evaluation of varieties, on-farm evaluation of drought- and flood-tolerant varieties, distribution of high-quality seeds and promotion of bio-pesticides; (ii) social behavioural change communication, including awareness campaigns; (iii) good practices in post-harvest handling, certification and food safety standards; (iv) small livestock and dairy development having an impact on nutrition; (v) prevention of aflatoxin contamination; and (vi) nutrition sensitization.
- Gender equality and women's empowerment. Women will account for at least 50 per cent of the beneficiaries, and female-headed households and women in male-headed households will be empowered to participate in project activities or engage in economic activities. It is now mandatory for at least 30 per cent of the members of all decision-making bodies in the country to be women. In line with IFAD's intention to ensure that its projects take a more gender transformative approach,[32] the Gender Action Learning System will be introduced in order to tackle the root causes of inequality.
- Empowerment of youth.[33] Young people will make up 30 per cent of the beneficiaries and will gain access to employment opportunities through:

[31] Action in the cross-cutting thematic areas of nutrition, gender, youth and climate will contribute to the fulfilment of IFAD11 commitment 3.3 on mainstreaming.
[32] Draft mainstreaming gender transformative approaches at IFAD: Action Plan 2019 - 2025
[33] This refers to persons between the ages of 18 and 35.

(i) vocational and business skills training; (ii) job creation by project activities, hubs, 4Ps and service delivery; (iii) apprenticeship programmes; and (iv) access to financial services. Projects will actively engage with the RYAF.

- Natural resource management and climate change. Investment in adaption to climate change and in the prevention of environmental degradation will be strengthened. Steps will be taken to increase the use of climate-smart technologies and practices such as rainwater harvesting, the use of drought-tolerant and early-maturing crop varieties, the dissemination of weather information, the promotion of drought-tolerant forage and agroforestry fodder species, and manure management.

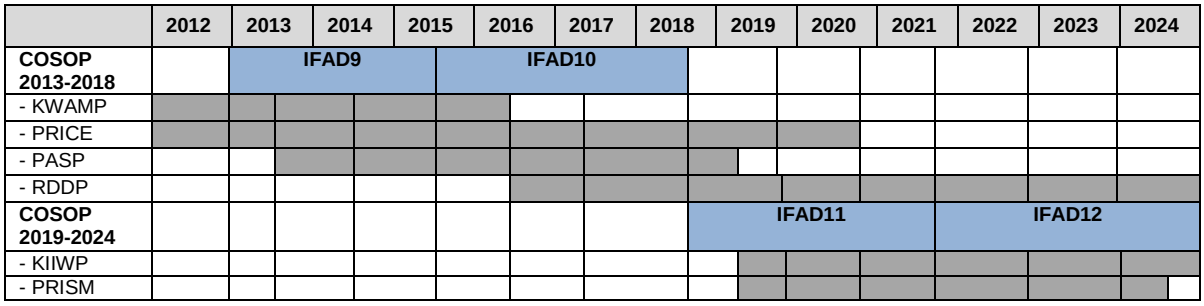
D. Menu of IFAD interventions

27. **Loans and grants.** The lending portfolio to support government investments will include three projects (PRICE, PASP, RDDP) designed under the previous COSOP and potentially two new projects (KIIWP and PRISM). See table 1 for further details on each project and figure 3 for the phasing of the projects over the course of the COSOP.

Table 1
IFAD lending portfolio under the 2019-2024 COSOP

Project	*Objective*
PRICE Project for Rural Income through Exports - US$67.4 million - Dec 2011-Dec 2020	PRICE focuses on coffee, tea, silk and horticulture for export. It aims to promote sustainably increased returns for farmers through increased volumes and quality, improved marketing and effective farmers' organizations.
PASP Climate Resilient Post-Harvest and Agribusiness Support Project - US$83.4 million - Mar 2014-Sep 2019	PASP aims to increase smallholders' incomes, including the incomes of women, youth and vulnerable groups, by aggregating output for the market, supporting transformation, reducing losses and creating value added. PASP focuses on maize, beans, cassava, Irish potatoes and dairy products.
RDDP Rwanda Dairy Development Project - US$65.1 million - Jan 2017-Dec 2024	RDDP aims to increase the competitiveness and profitability of the dairy sector so that smallholders can provide quality products to domestic and regional consumers and thus improve their livelihoods, food security, nutritional status and overall resilience.
PRISM (Concept note) - Project for Inclusive Small Livestock MarketsUS$30 million - 2019-2024	PRISM will focus on production, productivity and business opportunities with a view to improving the nutritional status and boosting the incomes of households that rear small livestock. Heifer International will be a co-financier and key partner in the project's implementation.
KIIWP (pipeline) Kayonza Irrigation and Integrated Watershed Management Project - US$79 million (tentative) - 2019-2025	KIIWP will build on the lessons learned in KWAMP and will seek to improve the resilience of smallholders to droughts and the effects of climate change. It will focus on raising the production and productivity levels of selected food and cash crops and improving market access.

Figure 1
Phasing of IFAD lending portfolio - 2019-2024



28. Regional and national grants will be further mobilized in order to pilot strategic innovations in partnership with regional research institutions and strategic partners (see table 2).

Table 2
Ongoing national and regional grants

Partner	***Objective***
Heifer International	Dairy hub model integration into IFAD-funded projects
International Centre for Tropical Agriculture (CIAT)	Climate-smart dairy systems in East Africa based on improved forage and feeding strategies
International Institute of Tropical Agriculture (IITA)	Fighting cassava brown streak disease and cassava mosaic disease through deployment of new resistant germplasm and clean seed
Eastern Africa Farmers Federation (EAFF) and Global Agriculture and Food Security Programme (GAFSP)	Using the innovative eGranary mobile platform to deliver economic services to farmers in East Africa
Helvetas and Itad	Mainstreaming AG-scans and a knowledge-based approach to enhance national monitoring systems
UN-Women, World Food Programme (WFP) and United Nations Food and Agriculture Organization (FAO)	Economic Empowerment of Rural Women Programme focusing on food security, nutrition, income-generation opportunities, leadership and a gender-responsive policy environment
SunDanzer and Winrock International	Sustainable development of value chains for perishable crops and animal products through the use of green technologies

29. **Results-based lending.** Under its Transition Framework, IFAD has committed to offering client countries a broader range of financing products in line with changing country capacities. Under IFAD11, the Fund will explore the possibility of piloting results-based lending in Rwanda, given the strong performance of its IFAD portfolio.[34]

30. **Country-level policy engagement.** Support for evidence-based policymaking and investment identification will be enhanced. IFAD's policy engagement agenda will contribute to the achievement of the proposed strategic objectives. Evidence-based policy engagement will complement, support and draw on the experience and lessons of projects and strategic grants. IFAD will share best practices and lessons learned in forums such as the Agricultural Sectoral Working Group and its clusters. Support will be provided for: (i) the formulation of sector policies and strategies, such as the National Dairy Policy; (ii) sectoral working groups, such as the Horticulture Sector Working Group; and (iii) agricultural finance platforms at the national level, in cooperation with AFR.

31. **Knowledge management** (KM) will be emphasized in line with the Ministry of Agriculture's and IFAD's agenda for scaling up and innovation mainstreaming and in support of country-level policy engagement. A KM plan will be prepared to guide these activities, which will include: (i) generating and sharing knowledge derived

[34] This will contribute to the fulfilment of IFAD11 commitment 3.6 to pilot diversified products, including results-based lending, tailored to different countries' circumstances.

from the operations of the country programme, national and regional grants, partnerships and other experiences; (ii) furthering technical and policy-related aspects of the country programme; and (iii) organizing learning routes for sharing lessons learned.

32. More specifically, the KM plan will involve:

(a) Collaborating closely with the Agricultural Information and Communication Centre (CICA) of the Ministry of Agriculture and Animal Resources to produce relevant knowledge products and communication materials;

(b) Leveraging and strengthening the KM function of the Single Project Implementation Unit (SPIU) as a means of promoting cross-learning between projects, a structured approach to development, documentation of practical knowledge and know-how, and evidence-based identification of critical areas that require policy focus and support; and

(c) Identifying channels for dissemination, including existing national sectoral working groups and online platforms, such as AFR.

33. **South-South and Triangular Cooperation** (SSTC) will be strengthened and linked with the agenda on innovation and scaling up.[35] Core activities[36] will include support for knowledge platforms and South-South exchanges and studies with a view to possible co-investments:

(i) SSTC will take the form of exchange visits, study tours and other types of learning and technology transfer. One such initiative could involve cooperation between the Argentine Government and the Government of Rwanda under the RDDP in connection with livestock production and food security;

(ii) As part of regional non-lending activities, IFAD regional portfolios could be developed and regional exchanges and cooperation could be facilitated. The Brazilian Government has shown interest in SSTC with Rwanda. Cooperation modalities may include needs assessment, training activities, knowledge-sharing and assistance in design and implementation.

V. Innovations and scaling up for sustainable results

34. The generation of innovation will be based on: (i) partnerships with international research centres, the CGIAR, FAO, Rwanda Agriculture and Animal Resources Development Board (RAB) research centres and the College of Agriculture, Animal Sciences and Veterinary Medicine; (ii) innovation platforms with NGOs and public services; and (iii) strategic IFAD grants.

35. Priority areas for innovation include: (i) the agriculture-energy nexus (e.g. small and large biogas units and solar energy for irrigation and cooling); (ii) ICT and e-agriculture in support of the National ICT for Agriculture Strategy, including arrangements for mobile payments; and (iii) priority value chains, such as soil fertility testing.

36. Priority approaches and successful activities to be scaled up include 4P models and the hub approach. These approaches have proved to be successful in formalizing agribusiness linkages between farmers and buyers and in enabling buyers to become co-investors and help farmers to access financial services, inputs and output markets.

[35] This will contribute to the fulfilment of IFAD11 commitment 3.4 to strengthen synergies between lending and non-lending engagement.
[36] See the SSTC Strategy in appendix VIII.

VI. COSOP implementation

A. Financial envelope and cofinancing targets

37. The COSOP 2019-2024 will cover two IFAD PBAS cycles: US$54.4 million for IFAD11 (2019-2021) and approximately US$60 million for IFAD12 (2022-2024).

38. Thanks to steady GDP growth, Rwanda moved from highly concessional (HC) lending terms under the Debt Sustainability Framework (50 per cent grant – 50 per cent HC loan) to HC loan financing terms in 2015. Rwanda will continue to remain eligible for HC loans over the coming six years, given its current average GDP growth rate of 6.9 per cent per year and the nature of both the corresponding high-growth scenario (growth projections of 10 per cent) and low-growth scenario (projected GDP growth on a par with its population growth rate of 2.4 per cent).[37] Rwanda's debt is also considered to be sustainable[38] and it continues to be at a low risk of debt distress.[39]

39. IFAD will use its capabilities as an assembler of development finance. The cofinancing ratio in Rwanda for the three-year cycle 2015-2017 was 0.36 (domestic and international). Future Green Climate Fund opportunities for cofinancing will be explored in support of Rwanda's Green Growth and Climate Resilient Strategy. Additional cofinancing is expected from other development partners, including the World Bank, the African Development Bank, the Korea International Cooperation Agency and the Spanish Government. The total cofinancing ratio under IFAD11 is expected to be approximately 0.7 (0.5 domestic; 0.2 international).[40] The cofinancing ratio will be further increased under IFAD12.

Table 3
IFAD financing and cofinancing of ongoing and planned projects
*(*Millions of United States dollars)

		Cofinancing		
Project	***IFAD financing***	***Domestic***	***International***	***Cofinancing ratio***
Ongoing				
RDDP (2016-2022)	44.7	16.4	4.0	0.5
PASP (2013-2019)	33.9	49.5	-	1.5
PRICE (2011-2020)	57.2	8.6	-	0.2
Planned				
PRISM (2019-2024)	18.0	8.0	7.0	0.8
KIIWP (2019-2025)				
KIIWP 1 (2019-2021)	17.8	2.8	0.3	0.2
KIIWP 2 (2021-2025)	26.0	11.0	22.0	1.3
Total	**197.6**	**96.3**	**33.3**	**0.7**

B. Resources for non-lending activities

40. Resources from regional and country grants will be mobilized in addition to ongoing investment projects in order to promote innovations and facilitate learning and exchanges in specific thematic areas. Resources available under the SSTC framework will also be used to promote a range of technical cooperation activities. IFAD administrative budget allocations will complement project investments in the formulation of sector policies and strategies and the promotion of broader country-level policy engagement.

[37] Based on the 2018 threshold of US$1,507 for eligibility for highly concessional financing, given the current GDP per capita of US$729.
[38] Rwanda's debt is below the Low-Income Country Debt Sustainability Analysis public debt benchmark of 74 per cent for countries with strong policies and institutions.
[39] IMF Debt Sustainability Analysis, 2017.
[40] IFAD11 commitment 1.2 to strengthen IFAD's role as an assembler of development finance.

C. Key strategic partnerships and development coordination

41. IFAD will remain an active member of the Agriculture Sector Working Group, in which the Government of Rwanda and development partners discuss sector and cross-sector strategies, programmes and progress in implementation. IFAD will also actively participate in the Development Partner Coordination Group. Engaging with development partners will make it possible to leverage IFAD's financial resources and policy dialogue.[41]

D. Partnerships with other members of the United Nations development system

42. IFAD is a signatory to the second United Nations Development Assistance Plan for Rwanda 2018-2023 (UNDAP II), in which agriculture is included in the strategic result area for the economic transformation pillar. The result areas are aligned with the Government's Vision 2050, the 2017-2024 NST 1 and the corresponding sector strategic plans and are grounded in the 2030 Agenda for Sustainable Development of the United Nations and the Agenda 2063 of the African Union.

43. Other key areas to which IFAD will contribute are the sustainable use of natural resources and the promotion of climate change adaptation and nutrition and food security. IFAD is also a member of the United Nations Network for Scaling Up Nutrition, which aims to develop joint nutrition initiatives in Rwanda in coordination with United Nations agencies, development partners and NGOs. Potential areas of cooperation with the International Labour Organization include entrepreneurial skills development and technical and vocational training.

E. Collaboration with other Rome-based agencies

44. IFAD will continue its close collaboration with the other Rome-based United Nations agencies. It plans to work with FAO leveraging its expertise in livestock farmer field schools and its farming-as-a-business training packages, assessment of post-harvest losses, dairy cattle performance recording and livestock census-taking, the use of RuralInvest to develop bankable business plans and the use of FAO-developed mobile apps. IFAD, together with FAO, will support the Rwanda youth facility, an initiative which aims to promote youth employment and engagement in agriculture.

45. The WFP Strategy for Rwanda 2019-2023 will strengthen engagement with smallholders. Potential areas for collaboration include the Farm to Market Alliance.

F. Beneficiary engagement and transparency

46. This COSOP has been prepared on the basis of consultations with a wide range of stakeholders and players (see appendix VI). Beneficiary engagement is a priority, since the use of effective feedback mechanisms enhances good governance, transparency, and accountability. At the project level, beneficiary feedback mechanisms will be strengthened (e.g. monitoring and evaluation [M&E], grievance redressal, procurement monitoring processes) in order to improve project delivery and quality and to contribute to the empowerment of poor rural people in Rwanda. These mechanisms will be leveraged to inform COSOP reviews and could be enhanced by the application of existing national transparency standards.[42]

G. Programme management arrangements

47. All IFAD-supported projects in Rwanda will be implemented through the SPIU, which has recently moved to the implementing agencies of the Ministry of Agriculture and Animal Resources, namely, RAB and the National Agricultural

[41] See appendix VII.

[42] Aid transparency standards developed by the International Aid Transparency Initiative are applied in the Rwanda Development Assistance Database (DAD), which is a national aid information management system.

Export Development Board (NAEB). A core team of IFAD technical staff deployed at the Eastern Africa and Indian Ocean Hub in Nairobi will provide support to the Rwanda Country Office. The country programme manager will be based at the Nairobi hub, while a country programme officer in Kigali will manage the day-to-day activities of the Country Office.

H. Monitoring and evaluation

48. The Ministry of Finance and Economic Planning will lead an annual COSOP review with support from the country portfolio performance review group and the country programme management team. A Government/IFAD COSOP result review will be organized in 2021/2022 to assess progress and make adjustments if required.

49. Impact monitoring in terms of poverty reduction and food and nutrition security will use NST 1 and PSTA 4 indicators. Building on the *Ubudehe* system, the Integrated Household Living Conditions Survey and malnutrition data, self-evaluation will be used at cooperative, community and district levels to monitor beneficiary satisfaction and facilitate feedback and participation in decision-making.

VII. Risk management

50. Potential risks are identified together with their mitigation measures below.

Table 4
Risks and mitigation measures

Risks	*Risk rating*	*Mitigation measures*
Political/governance	Low	Institutional capacity-building at all levels and strengthening governance of programme stakeholders.
Macroeconomic	Low	Supporting national production and productivity increases and building export-oriented value chains.
Sector strategies and policies	Low	Supporting policy dialogue and the design of sector strategies and policies.
Institutional capacity	Medium	Careful planning and execution of implementation support missions and ongoing communication between government counterparts and the IFAD Country Office.
Portfolio	Medium	Ongoing capacity-building in project management, safeguards, fiduciary matters, M&E.
Fiduciary – financial management	Medium	Timely preparation of satisfactory procurement and financial management manuals. Assessment of the fiduciary capacity of implementing entities and their capacity-building needs.
Fiduciary - procurement	Medium	Timely preparation of satisfactory procurement and financial management manuals.
Environment and climate	Medium	Proper implementation and monitoring of safeguards. Mainstreaming of climate-smart technologies.
Social	Medium	Targeting of vulnerable groups.
Other COSOP-specific risks	Low	
Overall	**Medium**	

See appendix XII - Financial management issues - summary

COSOP Results Management Framework

Country Strategy Alignment	Related SDG UNDAF outcome	Key Results for COSOP			
		COSOP's Strategic Objectives	**Lending and non-lending activities for the COSOP period**	**Outcome Indicators**	**Milestone indicators**
PSTA4 **Overall objective:** Transformation of Rwandan agriculture from a subsistence sector to a knowledge-based value creating sector, that contributes to the national economy and ensures food and nutrition security in a sustainable and resilient manner. **Priority areas** **PA 1**: Innovation and extension provide the knowledge base for PAs 2-3. The focus is on improving agronomic knowledge and technology in terms of basic research and innovation, development of efficient proximity extension services, as well as promoting knowledge and skills of value chain actors. **PA 2**: Productivity and resilience focus on promoting sustainable and resilient production systems for crops	**SDG 1**	**COSOP overall objective** Reduce poverty by empowering poor rural men, women and youth to participate in the transformation of the agricultural sector and rural development and to enhance their resilience.		- 1) 350,000 rural households are reached (representing 1.6 million people of which at least 50% are women and 30% youth) - 2) 20% of very poor (Category 1) and poor (Category 2) move up one Ubudehe category - 3) 20% average increase in rural per capita income, derived from targeted value chains - 4) 5% reduction in share of underweight children under five in project area	
	SDG 2 **SDG 5** **SDG 13** **SDG 15**	**SO 1** To sustainably increase agricultural productivity in priority food and export value chains	Lending / investment activities • PRICE (tea, sericulture, horticulture) • RDDP (dairy) • KIIWP (food crops) • Project for Inclusive Small livestock Markets (poultry, pigs, goats) Non-lending / non-project	- 5) 30% farmers reporting an increase in production (CI 1.2.4) - 6) 30% average yield increase in selected value chains - 7) Volume of dairy produced is at least 100,000 MT; Value of dairy produced is at least USD 24	- 2000 hectares of farmland under water-related infrastructure constructed or rehabilitated - At least 1300 L/FFS put in place - 400 associations and/or cooperatives formed and

Country Strategy Alignment	Related SDG UNDAF outcome	Key Results for COSOP			
		COSOP's Strategic Objectives	**Lending and non-lending activities for the COSOP period**	**Outcome Indicators**	**Milestone indicators**
and animal resources. **PA 3**: Inclusive markets and value addition seek to improve markets and linkages between production and processing. This includes key input markets such as fertilisers, insurance and finance as well as upstream activities such as aggregation, promotion of value addition, market infrastructure and export readiness. **PA 4**: Enabling environment and responsive institutions provide the regulatory framework and define and coordinate public sector involvement.			activities • CPLE (dairy policy, horticulture policy) • Partnerships (Heifer Int., FAO, NAEB, RAB) • Knowledge management (scaling up experiences from past projects)	million - 8) Volume of export horticulture products supported by PRICE is at least 2,750 MT - 9) 50% average increase in percentage of farmers (baseline 80,000 farmers) organised in associations and/or cooperatives, with at least 30% of them with women in leadership positions	strengthened - 5 outgrower schemes established and contractually linked to horticulture exporters - 150,000 farmers (at least 50% women) adopt environmentally sustainable and climate resilient technologies and practices (C.I. 3.2.2)
	SDG 2 **SDG 5** **SDG 8** **SDG 13**	**SO 2** To improve post-harvest processes, strengthen market linkages	Lending / investment activities • PASP (food crops) • PRICE (tea, sericulture, horticulture) • RDDP (dairy) • KIIWP (food crops) • Project for Inclusive Small livestock Markets (poultry, pigs, goats) Non-lending / non-project activities • CPLE (ASWG) • Partnerships (NAEB, RAB) • STTC (Brazil, Argentina) • Knowledge management	- 10) 30% of farmers reported an increase in sales (C.I. 2.2.5) - 11) 20% average reduction on post-harvest losses in targeted value chains - 12) 35 million litres of milk exported and 5% penetration in the East Africa Community dairy market (currently at 1%) - 13) 25,000 jobs created (C.I. 2.2.1), of which at least 50% for women and 30% for youth	- 150,000 of farmers engaged in formal partnerships / agreements or contracts with public or private entities - 40,000 persons trained in income-generating activities or business management (C.I 2.1.2)

Transition scenarios

The purpose of this appendix is to offer an understanding of likely and possible country trajectories over the period of the COSOP, and to identify the possible implications of these for IFAD's country programme over the COSOP period.

Table 1: Projections for key macro-economic and demographic variables[43]

Case	Projection
Avg. GDP growth	7.6% (2018-2020)
Avg. GDP per capita (USD)[44]	765.20 (2018-2020)
Avg. Public debt (% of GDP)	33.9 (2018-2020)
Avg. Debt service to revenue ratio (2018-2020)	12.3 (2018-2020)
Avg. Inflation rate (%)(2018-2020)	4.3 (2018-2020)
Rural population	Current: 10.1M inhabitants (WB 2017) (end of COSOP period): 14.25M[45] Annual growth rate: 1.95% (2018-2022)
Private sector enabling environment	**5/6** • WB Doing Business: ranked 29th out of 190 countries. • The authorities' medium-term policies are geared towards sustaining improvements in the business environment for private sector development and increasing productivity through strategic infrastructure investments.
Vulnerability to shocks	**2.5/6** • See below

As per the IMF[46] and EIU[47] analyses, overall, since Rwanda's political and economic situation is deemed to be highly stable and is projected to continue on this very positive trajectory, only one scenario is provided for the period 2018-2020, which is based on the assumption that international oil prices increase by cumulative 40% over Q3 2018 and Q2 2020. Although data is not available for 2021-2024, it is confidently assumed that there will not be dramatic changes in the country's macroeconomic environment:

- The economy is expected to continue to grow at above 7% over the next three years while inflation will be kept under control.
- Rwanda's external debt is expected to remain sustainable and the country will continue to rank in the category of *low-risk of debt distress*. In order to preserve

[43] Suggested data sources: World Bank's "Global Economic Prospects", with 2-year projections; IMF Article IV consultations, with 2-year projections; Economic Intelligence Unit (EIU) "Country Forecasts" with 4-year projections.
[44] Source: https://tradingeconomics.com/zambia/gdp-per-capita
[45] UN DESA – Population Division 2017
[46] https://www.imf.org/en/Publications/CR/Issues/2018/11/30/Rwanda-Tenth-Review-Under-the-Policy-Support-Instrument-Press-Release-Staff-Report-and-46407; https://www.imf.org/en/Publications/CR/Issues/2017/07/13/Rwanda-Staff-Report-for-the-2017-Article-IV-Consultation-Seventh-Review-Under-the-Policy-45083
[47] http://country.eiu.com/rwanda

debt sustainability, the authorities will continue to resort to prudent borrowing to finance their development projects.

Risks to the medium-term outlook pertain specifically to the country transitioning to a Middle income status. The IMF states that these risks include unpredictable weather, pests, and regional political issues, together with risks of further adverse movements in international commodity prices. In this context, policies should, on the one hand, bolster the improved macroeconomic conditions by preserving low-inflation, continuing to increase external buffers, and maintaining low risk of debt distress, while meeting Sustainable Development Goal (SDG) targets.

Projected Implications for IFAD's Country programme

(a) *Lending terms and conditions*

- It is expected that the country's lending terms would remain as Highly Concessional (HC) throughout the COSOP period.

(b) *PBAS allocation*

- In line with the projected implications for the lending terms and conditions, it is foreseen that Rwanda will utilize its IFAD11 allocation and given its high absorption capacity, the country is expected to request for more resources from IFAD, as was the case under IFAD10.

(c) COSOP Priorities and Products

- Actions towards the ownership of projects will continue to be essential to ensure programme's sustainability at its early stages.
- Whilst the main financial products with IFAD will continue to remain projects and grants, it is also foreseen that Rwanda would be a best candidate for testing new financial instruments, including the Results-Based Lending instrument.
- It is not deemed that the identified COSOP priorities would change and thus policy engagement could be pursued within the COSOP's currently defined strategic objectives.

(d) *Co-financing opportunities and partnerships*

- It is foreseen that IFAD will have relatively sizeable co-financing opportunities.
- Partnerships with Non-Governmental Organisations (NGOs) and key players, such as Heifer International, AGRA, Helvetas and Technoserve, will continue during this COSOP period, notably to pilot innovations and mobilise additional non-lending financing for the achievements of the COSOP's strategic objectives.

Agricultural and rural sector issues

Priority areas	Affected group	Major issues	Actions needed
High levels of poverty in general and chronic malnutrition (stunting) in children under five	Landless households or households with very small landholding (<0.2 ha) without alternative employment possibilities; Often women-headed households	The affected households do not have enough land to feed their families and productivity is low. Situated in more remote areas with reduced access to social services, credit and opportunities for non-farm employment resulting in very low-income levels. Low level of knowledge regarding nutritious diet and inaccessibility to nutritious food. Low level of education and often confronted with difficulty to participate in farmers association or cooperatives, thus remaining isolated.	Adopt strategies to maximize equitable distribution of lands, including land consolidation, benefiting from major investments in rural infrastructure, including irrigation. Promote access to livestock on cut-and-carry systems and/or small ruminants and poultry. Facilitate linkages to government social protection and nutrition programmes. Promote the establishment of kitchen gardens with water collection systems. Provide nutrition education. Assist in vocational training and generation of off-farm employment. Support adult literacy programmes. Coordinate with other UN agencies in assisting in the implementation of District Plans to end malnutrition, to mainstream specific activities supported by IFAD. Targeted women and youth empowerment and asset building initiatives.
Productivity of crop and livestock production	Majority of smallholder producers and micro-small enterprises	Current estimates indicate that major crops such as cassava, maize, wheat, potatoes, and beans are at 40-50 percent of their productivity potential. Small plot size, limited land availability and low soil fertility due to erosion.	Continue supporting the CIP programme, promoting diversity of the production systems and produce, and their related services. Improve access and use of agricultural inputs (in particular improved seeds and

Priority areas	Affected group	Major issues	Actions needed
		Soils low in organic matter and high acidity. Production on marginal lands due to population pressure on arable land. Public sector services focused on narrow range of food staples under flagship CIP. Limited utilisation of improved technology, improved seeds and fertiliser, pest management. Non-sustainability of the fertilizer and seed subsidy, inefficiency in use and crowding out of private sector. Limited access to irrigation. Vulnerability to climate change with less than 20% land irrigated. Low productivity of endogenous livestock breed, inappropriate feeding and management. Limited access to advisory services & credit.	organic fertiliser use) and mechanisation. Adopt integrated soil fertility management practices to improve efficiency of fertiliser and reduce costs. Promote sustainable pest management techniques, soil conversation and land husbandry. Expand the coverage of Farmer Field School for empowering farmers and improving their technical capacity. Improved public and private research and extension services. Continue supporting livestock programmes. Develop rural infrastructure, in particular small-scale irrigation. Promote climate smart agricultural practices and diversification.
Access to credit	Majority of producers and micro-small enterprises	Low involvement of financial institutions in the agriculture sector. Inadequate skills for risk assessment. Lack of products to serve rural smallholders. Lack of financial knowledge and skills of farmers and enterprises Insufficient trust among the actors across the value chain. Women and youth have limited access to formal finance and are more at risk of financial exclusion	Alignment with national entities such as Business Development Fund. Develop innovative financial products tailored for agriculture. Capacity building of MFIs and SACCOs. Improve financial literacy of producers and enterprises. Strengthen public-private dialogue along value chain actors. Target women and youth in financial literacy and access to finance
Post-harvest, value	Majority of	Post-harvest losses are significant,	Support extension system to provide

Priority areas	Affected group	Major issues	Actions needed
addition and agro-processing	producers, in particular the resource poor with marketable surpluses, and micro-small enterprises	estimated between 20 and 40%. Insufficient organisation of farmers associations for bulking of inputs and produce, and low negotiation power. Markets informal and unorganised, with challenges in aggregating fragmented, remote farmers. Lack of knowledge on post-harvest handling to obtain quality products. Lack of knowledge in value addition and certification. Lack of infrastructure for drying and storage as well as processing. Lack of private investment in processing and value addition.	training on post-harvest handling and processing. Assist in investing in necessary drying and storage infrastructure, which improves productivity, food safety and quality of agricultural produce. Promote aggregation, market information and linkages. Support HUBs to establish contractual relations with private sector with knowledge of rights and duties of each party. Promote and facilitate private sector investment, in particular in value addition. Promote value chain development, in particular diversification into high value crops.
Farmers organisations/cooperatives	Majority of producers	Cooperative movement is growing rapidly, but still a minority of farmers are organised. Need of capacity development, in particular regarding management and business skills. Low organisational and governance capacity of cooperatives. Lack of know-how of market linkages and demand-driven service provision to members. Low capacity specifically of the Water Users Associations (WUAs) and their insufficient independence from the cooperatives. Rwanda Cooperative Agency (RCA) needs to coordinate and harmonise approaches.	Support capacity development of cooperatives to: (i) provide training to their members on production, post-harvest handling and quality control of produce; (ii) acquire business skills to serve as a bulking centre for their members; and (iii) organisational, governance and management skills. Strengthen WUAs. Assist RCA in its regulatory and coordination of capacity development role.
Off-farm employment and youth	Micro and small enterprises	Large number of youth entering the workforce (200,000 per year).	Promote entrepreneurial and business skills. Provision of vocational training.

Priority areas	Affected group	Major issues	Actions needed
		Limited private sector investment, due to perceived risk in the agricultural sector and lack of available finance. Lack of capacity, skills and collateral. Weak linkages to financial and other markets.	Promote technical and related off-farm business and services in the agri-food sector. Strengthen linkages to rural finance and development of tailored products for youth and women.
Decentralisation	Majority of producers and district governance systems	Insufficient resources at district level to offer required services. Limited capacities at district level - lack of trained personnel, both technical and in planning and monitoring. Lack of coordination between RAB and district technical extension services. Insufficient coordination between partners intervening in same district	Align district development planning to national strategies. Strengthen capacities at district level in order to maximise synergies between different partners and improve the level of services delivered. Increase the capacity of local organisations to participate in the decision-making processes.

Social, Environmental and Climate Assessment Procedures (SECAP) background study

SECAP Preparatory Study

A. Objectives

1. The Government of Rwanda has developed several policies and strategies which provide a vibrant environment for enabling inclusive and sustainable development, green growth and climate resilience in all the sectors of the Rwandan economy. This SECAP background study aims at orientating IFAD future investments into green, resilient and socially inclusive development.
2. This COSOP covers the period between 2019 and 2024. Based on lessons learned from the previous COSOP (2013-2018), the overall objective of this framework is to reduce poverty by empowering poor rural men, women and youth to participate in the transformation of the agricultural sector and rural development and to enhance their resilience. It is aligned to the recently developed policies, mainly the Government Strategic Plan for the Agricultural Transformation 2018-2024 (PSTA IV) and National Strategy on Climate Change and Low-Carbon Development (NCCLCD) for Green Growth and Climate Resilience (2011) and the Nationally Determined Contributions (2015).
3. Within this COSOP, IFAD will contribute to national targets for achieving sustainable development goals and targets for gainful employment, productivity and economic transformation; and mitigating and adapting the agricultural sector to the adverse effects of climate change. Ongoing and future programmes will scale up innovations and interventions on gender and youth empowerment, nutrition security and mainstreaming natural resource management and climate-smart agriculture.
4. **Approach and methodology**. The approach and methodologies used for conducting this background study include: (i) desk review of relevant national policies and strategies, (ii) analysis of ongoing projects within IFAD and development partners portfolios and iii) consultations of national stakeholders, civil society organisations and farmers organisations. This report is also informed by existing institutional and context analysis, country programme evaluations and existing environmental, social and climate change studies and assessments.

Part 1 - Situational analysis and main challenges

1.1 Socio-economic situation and underlying causes

5. The population is estimated at 12.2 million people and the population density is the highest in Africa with 495 people per square kilometre (WB, 2017). With a growth rate of 2.4%, the population is expected to reach 14.6 million by 2025. The livelihoods of over 80% of Rwanda's population depend directly or indirectly on the agriculture sector. The majority of the population of Rwanda lives in private households with an average size of 4.3 persons. Households are a bit smaller in urban areas, with 4.0 persons.
6. Rwanda's economic structure is dominated by the service sector which represents 47. 3% of GDP and the agriculture sector representing 30. 9% of GDP while the industry sector only amounts to 15. 8 % of GDP (WB, 2017). The agricultural sector employs 66.5% of the active population. While marketable surpluses have increased, harvest and post-harvest losses amounts to more than 20% for key commodities and are a major drain on production. This makes improving post-

harvest handling and infrastructure for harvesting, cleaning, sorting, drying and storing critical.

7. Rwanda has been able to translate its sustained economic growth into poverty reduction. Yet, more than 4.4 million people remain poor and the country is ranked 159th out of 188 countries in the Human Development Index (2016). In addition, the 2017 Transparency International Corruption Perception Index ranked Rwanda 48th out of 180 countries.

8. **Demographics:** The population of Rwanda is young, with one in two persons being under 19 years old. People aged 65 and above account for 4.9% of the resident population. The elderly population is composed of 207,239 elderly men and 304,499 elderly women (RPHC4, 2012). The larger proportion of elderly women is also reflected in the population shares, as the proportion of elderly females in the total female population (5.6%) clearly exceeds the proportion of elderly males in the total male population (4.1%). The share of elderly population is higher in rural (5.2%) than in urban areas, where they represent 3.0% of the total urban population. The largest proportion of elderly people lives in the Southern Province (29%), followed by the Western and the Eastern provinces (both 23%).

9. About 42% of the population living in rural areas is under 15 compared to only 35% in urban areas. On the contrary, urban areas attract more young adults, presumably for studies or work: 34% of the urban population is aged between 20 and 34, compared to 24% of the population in rural areas.

10. Overall, 446,453 persons with disabilities aged 5 and above are living in Rwanda according to the 2012 Census, out of which 221,150 are male and 225,303 are female. The distribution of the resident population by nationality shows that 99% of the populations are Rwandan.

11. At national level, according to the latest Household Living Conditions Survey (EICV4, 2016), the percentage of female-headed households account for about 26%; the percentage of households headed by minors is under 1%; while households headed by persons with disabilities is 9%.

12. **Poverty**. The recently published fourth Integrated Household Living Conditions Survey (EICV4) 2013-2014 shows that the standard of living of Rwanda's population has improved over the last 5 years, the birth rate has fallen, literacy levels amongst the young have grown, electrification was improved and so have sanitation methods and access to health.

13. Poverty has reduced from 44.9% in 2011 to 39.1% in 2014 and extreme poverty from 24.1% to 16.3%. This follows similar reduction between 2006 and 2011 where poverty dropped from 56.7% to 44.9% and Extreme poverty from 35.8% to 24.1%. Inequality reduced as well with both the Gini coefficient dropping from 0.49 in 2011 to 0.45 in 2014 and the ratio of the wealthiest 10% to the poorest 10% dropping from 6.36 to 6.01.

14. Despite considerable progress, poverty is still widespread and extremely deep. Rwanda ranks 158 out of 189 countries in the 2017 Human Development Index (HDI value for 2017 was 0.524). Poverty is estimated at 39.1% nationally and 43.8% in rural areas. The minimum food consumption basket needed by someone involved in physically demanding work is calculated at current RwF 159,375 per year. Extreme poverty which is estimated at 16.3% nationally and 18.5% in rural areas is calculated at RwF 105,064 a year.

15. **Poverty and Vulnerable groups**: Poverty in Rwanda is concentrated among certain groups. According to the National Social Protection Strategy (2011) and the Comprehensive food security and vulnerability analysis (2015) priority vulnerable categories of the population, which corresponds to the poorer and the

poorest are the following:

- Households with older people aged above 65 years are one of the poorest groups in the country. They have a poverty rate 5.7% higher than the national average.

- Households with a disabled member have a poverty level 1.7% above the national average and 76.6% are either poor or vulnerable to living in poverty.

16. **Children:** Poverty levels of households with children under-12 are 1% above the national average.

17. **Female-headed households**: Have a poverty rate that is 4.4 percentage points above the poverty rate for all households. Female-headed households are slightly more likely to be poor than male-headed households, with 44% of female-headed households being poor compared to 37% of poor male-headed households in 2013/14. Poor households seem to have more dependents (infants, children and elderly people) than non-poor households and this difference is especially striking in relation to extremely poor households.

18. **Rural women.** Women represent 51% of the population[48]. The agriculture sector is worked mainly by poor women (86%) with lowest levels of schooling and highest rates of illiteracy (23%). As a result, women remain in the subsistence agriculture, they receive low prices for their products due to weak knowledge of markets, they lack capacities to participate in agri-business and are employed in low-paid positions in secondary agriculture. All these result in a vicious cycle of poverty that transcend generations. Women contribute immensely to the agriculture value chain by providing labour for planting, weeding, harvesting and processing in addition to reproductive activities and community work. They also produce and sell vegetables from home gardens or forest products and the income obtained is mainly used on meeting family food, health, and education needs. In male-headed households, women work for more hours (15.5 hours) than men (7 hours), spending over three hours more on farming activities than the seven hours worked by men, in addition to five hours on unpaid reproductive and household work. In all IFAD funded projects, women represent at least 40% of total beneficiaries.

19. Women perform the bulk of the labour in the agriculture sector, putting in approximately 51 hours per week on farm and domestic duties compared to men who work 40 hour[49]. Most women farmers lack the means to purchase high-quality seeds and proper storage facilities to protect their crops. Many also never received education on effective farming methods to increase yields and to ensure that the soil on their land remains healthy. This creates a cycle of subsistence farming leaving very little or no profit from outputs for farmers to use as a source of income or capital.

20. The 2015 CFSVA also reveals that Rwanda has made significant achievements in terms of gender empowerment. The country has a high representation of women in parliament and an enrolment rate of girls to boys in primary school of 1.02. However, the report observes that a higher proportion of households headed by women are found to be poor, a higher proportion of women are employed in subsistence farming than men, and women are more likely to carry out unpaid work such as household chores which keep their income levels at lower level. In addition, it is stressed that agricultural daily labourers, low-income agriculturalists are among the poorest segments of the population (WFP, 2015).

[48] This section draws on the findings, analysis and gender gaps in the agriculture sector presented in the Agriculture Sector Strategy prepared by MINAGRI (2010).
[49] National Gender Statistics Report, 2016

21. **Livelihoods:** Agriculture is still the backbone of the Rwandan economy and is regarded as the major catalyst for growth and poverty reduction. The sector continues to account for around one-third of GDP. Agriculture is also important for national food self-sufficiency, accounting for well over 90.0% of all food consumed in the country50. Because of its forward and backward linkages, it remains a key driver of overall economic performance and poverty reduction (accounting directly for over one-third of the overall reduction in poverty from 59% in 2001 to 39% in 2013). The Rwandan labour market is predominated by agriculture (73%). A higher percentage of employed females is employed in agriculture (82%) compared to males (63%) and a higher percentage of employed persons in rural areas is farmers (83%) compared to those in urban areas (21%).

22. Farm size is a major challenge. The average farm size is only 0.33 ha with perhaps 0.12 ha per worker. Men and women farmers with very small fields survive by selling labour to those with larger plots of land. Such families do not afford to pay for education costs resulting in children dropping out of school early, do not access medical care, quality of housing very poor, food insecure, malnourished children and children migrate to search for livelihoods opportunities.

23. It is widely accepted that population pressure, compounded by limited land availability is one of the major challenges faced by the government and by the largely agricultural workforce. Supported by policies and strategies aimed at reducing the poverty rate by 30% by 202051, the Government of Rwanda has invested substantially in agriculture over the last years through its Crop Intensification Programme and its Land Use Consolidation Programme. This has led to bringing together fragmented plots of land and encouraging the concentration of crop production areas through fully subsidised seed and partly subsidized (50%) fertiliser distribution.

24. Livelihood Groups Besides the EICV data, based on household income, expenditure and consumption, two other sources, the Comprehensive Food Security and Vulnerability Analysis and Nutrition Survey (CFSVA) defines livelihood groups based on their resource base, capacity and livelihood strategy (10 categories): (1) low income agriculturalists; (2) medium/high income agriculturalists; (3) agro-pastoralists; (4) agricultural daily labour; (5) unskilled daily labour; (6) skilled labour; (7) formal/informal trade and petty trade; (8) salaried work and own business; (9) transfers/support/begging; and (10) artisanal work and other activities; and the Ubudehe, a classification of poverty based on a participatory self-assessment (6 categories), provide substantive information on livelihood groups, comparable over time.

25. According to the latest CFSVA (2015), households rely on three most important income activities to sustain their livelihoods. In Rwanda, almost half of households (48%) rely on two livelihood activities, 41% rely on only one livelihood activity and 10 % rely on three or more livelihood activities. The activities most commonly engaged in by households are: agricultural production (72% of households), daily labour agricultural work (24%), livestock raising for sales (18%), unskilled daily labour (13%) and informal sale/petty trade (11%)[52].

26. Production systems are largely constituted by small family farms that cultivate an average of 0.33 ha, with 26% cultivating less than 0.2 ha. Households manage complex, mostly rain fed farming systems and food crops cover around 67% of cultivated area; whereas two-thirds are consumed by the family, an increasing proportion of households are involved in marketing staple crops (up to 20%).

[50] FAO Country Fact Sheet on Food and Agriculture Trends, Rwanda, 2016
[51] Vision 2020 and its related economic growth and poverty reduction strategy (2013-2018 EDPRS)
[52] Rwanda: Comprehensive Food Security Analysis 2015 (Data collected in April-May2015) WFP

Often, one or more members of the family work as wage labourers to bring in additional income.

27. The prevalence of poverty is associated with low productivity in subsistence agriculture. Poverty is highest by far (76.6%) among households (often landless) who obtain more than half their income from working on other people's farms. The next poorest group is those with diversified livelihoods who obtain more than 30% or more of their income from farm wage work (76.2%). Women are more likely to fall into the category. Given the transition of some men to off-farm employment, there are now more women involved in agricultural subsistence production than before.

28. Based on the EICV 4, the highest poverty levels remain amongst farm wage laborers who increased by 2.8% since 2005/6 (from 6.2% to 9%) followed by those working in agriculture, who remain the vast majority, at 49.5% (54.1% in rural areas).

29. **Gender empowerment**. Women concentrate their work in agriculture (82% are active in the sector) and find it more difficult to find alternative non-farm employment (over the last five years, only 4% of women managed to find work outside of agriculture, as opposed to 9% among men). The incidence of poverty is 4.4% higher in women-headed households (44% compared with 37% of the households headed by men). They have the lowest levels of schooling and highest levels of illiteracy (23%) and are often unable to move beyond subsistence agriculture, have limited market access information, lack access to knowledge and finance, and have difficulty in participating in new ventures and agri-businesses which could provide additional economic opportunities. Women are associated with primary processing and marketing of small quantities in the local markets.

30. Women-headed households are less resilient to both economic and climatic shocks and have limited or no savings. 30% of the country's households are female-headed and most of them are very poor. The increasing number of female headed households in the rural areas makes agriculture vulnerable to any type of shock events because women rarely have asset stocks nor financial savings because of their foundation of being illiterate, poor and stereotyped to be subordinate to male counterparts be it at household, community and governance structure levels.

31. Impoverished women are also vulnerable to discrimination and to a vicious cycle of inadequate health care and education and a lack of awareness of their legal rights. The main objective of the 2014-15 Rwanda Demographic and Health Survey (RDHS) was to obtain current information on demographic and health indicators, including family planning; maternal mortality; infant and child mortality; nutrition status of mothers and children; prenatal care, delivery, and postnatal care; childhood diseases; and paediatric immunization. In addition, the survey was designed to measure indicators such as domestic violence, the prevalence of anaemia and malaria among women and children, and the prevalence of HIV infection in Rwanda. The 2014-15 RDHS included a domestic violence module for both women and men, in recognition of the seriousness of the problem of domestic violence.

32. Statistics show that 35% of women and 39% of men age 15-49 have experienced physical violence since age 15. Fourteen percent and 11%, respectively, experienced physical violence in the 12 months prior to the survey. Ever-married women are more likely to have ever experienced physical violence than those who have never been married, implying that in Rwanda violence perpetrated by spouses is more prevalent than violence perpetrated by other individuals. Fifty-four percent of women who are divorced, separated, or widowed and 39% of currently married women have experienced physical violence since age 15, as compared with 22% of never-married women. The percentage of women who have experienced physical violence decreases as educational level increases from

41% among those with no education to 26% for those with secondary or higher education and is lowest among those in the highest wealth quintile (30 %).

33. Twenty-two percent of women age 15-49 and 5% of men have ever experienced sexual violence and that 8% of women and one percent of men experienced sexual violence in the past 12 months. Younger women (age 15-19) are less likely than older women (age 40-49) to report ever having experienced sexual violence (15% and 26%, respectively). Similarly, those who have never been married and those who have no children are less likely to have experienced sexual violence[53].

34. **Indigenous peoples and marginalised groups.** The only minority group in Rwanda is one classified as an historically marginalized people, the Twa. They are classified as part of the cluster of Twa population found in the Great Lakes Region, mainly in Rwanda, Burundi, Eastern DRC and Uganda. Since 1997, the government of Rwanda encouraged land sharing among all peoples and enforced the policy of village settlement, especially in rural areas benefiting the "Twa" group as well. Historically, this category of people suffered from insecure land tenure and being landlessness. Government addressed their status through the distribution of state land and houses in village settlements to those who were landless and homeless. This was well supported by the prevailing legal framework. For example, the Rwandan constitution, revised in 2015, aims at eradicating all forms of discrimination and divisionism based on ethnicity, region or on any other ground as well as promoting national unity. The 2013 Organic Land Law also highlights that land is a common heritage of all Rwandans, and all forms of land-related discrimination are prohibited. The LTR process has also leveraged existing legal instruments to treat all categories of people equally.

35. Other social vulnerable categories include: Households with older people aged above 65 years. They have a poverty rate 5.7% higher than the national average. Indeed, 79.1% of these households could be regarded as poor or vulnerable to falling into poverty. There are currently an estimated 328,000 people over 65 years of age, but only 24,300 (7.4%) have access to a pension from the Social Security Fund for Rwanda (SSFR). These households – and their children – are particularly vulnerable in the absence of assistance from government54.

36. Households with a disabled member have a poverty level 1.7% above the national average and 76.6% are either poor or vulnerable to living in poverty. The need to care for disabled people means that some households cannot work as much as they otherwise could while many disabled people are inhibited from working themselves because they are too poor and cannot meet the additional costs they face when accessing work. People who are both old and disabled experience double vulnerability. Those who are chronically ill are also very vulnerable to living in poverty: 22% of food insecure households have a chronically ill member.

37. **Youth.** Rwanda's national youth policy was recently revised to define youth as being between the ages of 16-30. The total youth in Rwanda (aged between 14 and 35 as per the old definition of youth) is 4,474,000 people. According to the 4th Rwanda Population and Housing Census (RPHC4) of 2012, the population of Rwanda was 10.5 million with 78.7% aged below 35 years. Young people aged between 16-30 years is 29% of which 51.0% are female and 48.9% are male. Among them, 20.9% live in urban areas and 79.1% in rural areas. On average, young people are more likely to migrate internally and outside the country than the rest of the population. 19% of 14–35 years old people had moved in the five years that preceded the study compared to 13% of all Rwandans. The rate is high (23%) in the 25–29 and 20-24 age groups. Here, males and females move at a similar rate. The majority of Rwandans (59%) migrated internally due to family

[53] Rwanda Demographic and Health Survey (RDHS) 2014-2015
[54] Fourth Population and Housing Census, thematic report: Socio-Economic Status of elderly people.

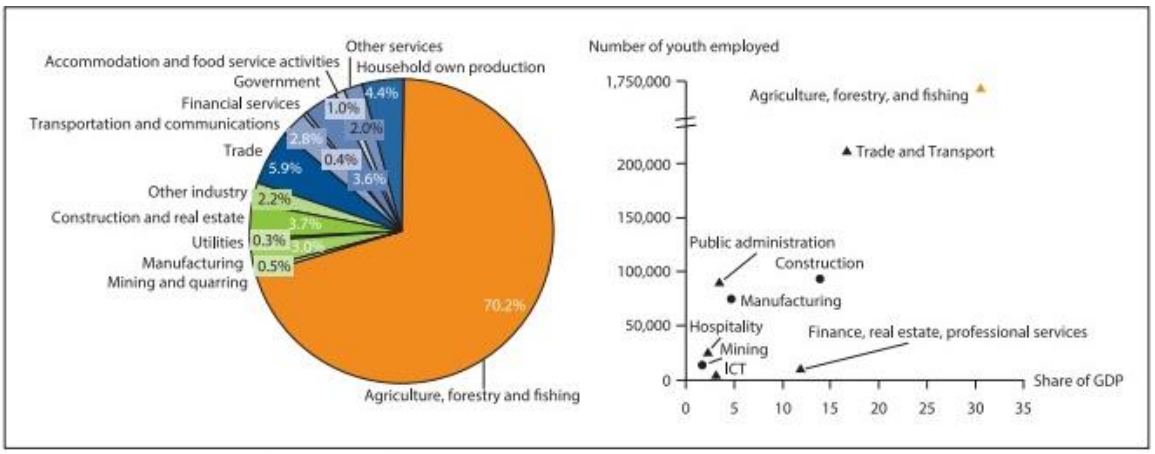
reasons while 22% migrated looking for job in 2013/14. Youth aged 14–19 years migrate a lot internally (73%) due to family reasons.

38. Thanks to the significant efforts made over the last decade by the Government of Rwanda and its partners to expand access to education throughout the country, Rwanda is one of the top-performing countries in sub-Saharan Africa in education, having achieved Millennium Development Goal (MDG) 2 for access to Universal Primary Education, with a net enrolment rate of 97.7% (boys: 97.3%; girls: 98%) (MINEDUC, 2016). In terms of gender equality in education, Rwanda's education system boasts the highest participation rates in East Africa as well as gender parity in net and gross enrolment at the pre-primary, primary, and secondary levels. In fact, girls' enrolment surpasses boys' enrolment at all levels. Despite these achievements, gender disparities exist, namely in learning outcomes for girls and negative social norms that impact both boys and girls, which have been informed by a Knowledge, Attitudes, and Practices Study on Gender in Education. These impressive gains in access at the primary level now need to be matched by similar increases in access at the pre-primary level, which presently stands at only 23.7 gross enrolment rate (MINEDUC, 2016), and significant improvements in quality and efficiency throughout the system.

39. Around 81% of the population aged 14–35 years know how to read and write. This varies from about 68% for those in the lowest quintile to 90% in the highest quintile. The youngest age groups have a higher literacy rate (85%) than the older age groups (74% for 30–35 years), reflecting the expansion of education in recent years. 10% of Rwandans aged 14–35 years are computer literate. The number is high in Kigali (27%) and among the wealthiest quintile (27%). There is a high difference between urban and rural areas in computer literacy rates. Only about 6% of rural youth are confident in using a computer compared to 27% in Kigali city.

40. Employment and economic activity rates for young people (14–35) is lower than the one for all working age people (16 years+) which is about 87% especially in 14–19 age category. The overall employment rate for youth is 76 % and most of those who are not active are students (16%). 64% of young people work in agriculture, forestry, and fishing as their main job(EICV 4, 2016). Among the youth working in wage employment, the majority (92%) is in private sector and 7% are in the public sector. Unemployment is predominant in urban areas and affects young people (16-30 years) more than adults. The unemployment rate in urban areas (9%) was slightly above four times the one at the national level (2%), whereas it was 0.6% in rural areas. The unemployment rate among active youth (16–30) was 3.3% at the national level and reaches 12% in urban areas.

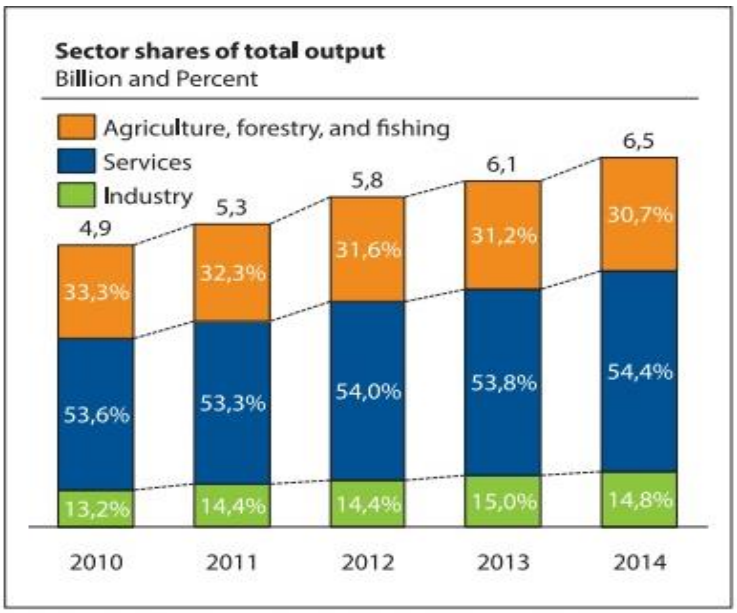
Figure 1:Youth employment by sector and GDP growth reports



Source: RPHC4, National Institute of Statistics Rwanda, 2012

41. The economy has experienced fast and sustained growth at an average of 8% from 2000 to 2013; it is predicted to continue on this strong trajectory. Growth has been driven by strong policies such as the Economic Development and Poverty Reduction Strategy (EDPRS-II 2013- 2018that builds on the country's Vision2020. There is significant emphasis on infrastructure development, particularly in power generation, rail and road connectivity and on productivity investments in agricultural value chains. As a result, the services and agriculture sectors have been key growth drivers for Rwanda's economy.

Figure 2: Economic Sector Shares in Rwanda GDP

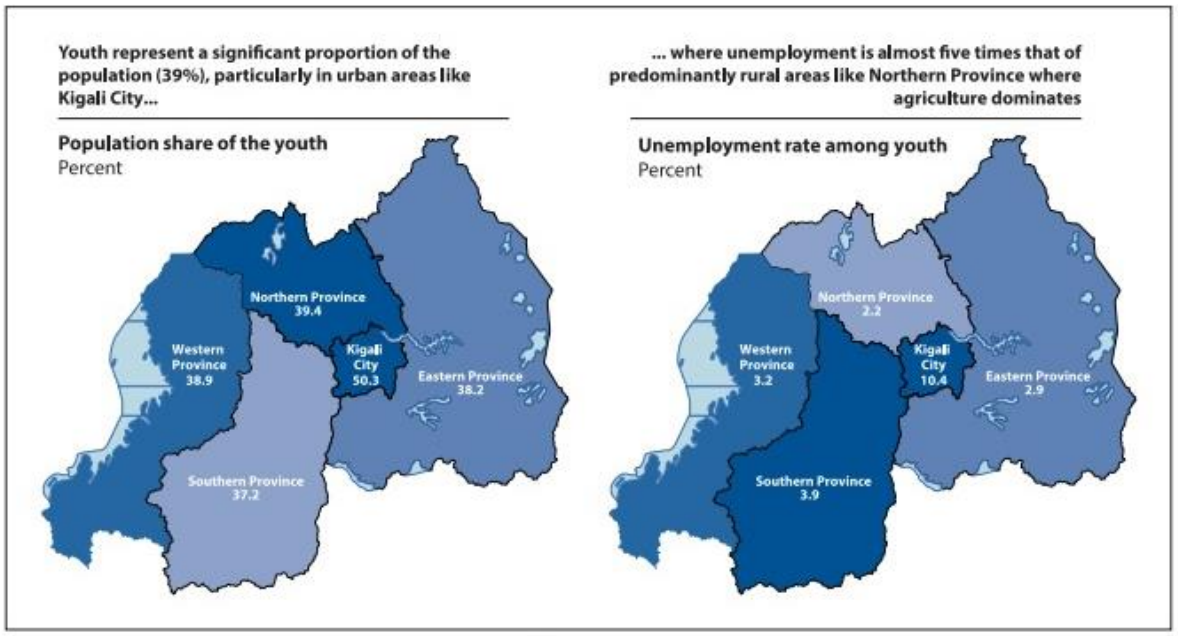


Source: MINECOFIN Macro-Framework dataset, June 2015

42. This economic growth has not translated into sufficient productive employment particularly for the growing youth cohort aged 14-35 years, which represents 39.3% of the population. Driven by 2.8% average annual population growth over 2010 – 2013, the size of the working-age population has continued to increase and outpace job creation. Each year, 125,000 first-time job seekers enter the labour market which the economy is not able to absorb. Indeed, with a total of 396,000 waged jobs in the formal economy today, only a handful of new labour market entrants will gain access to the formal sector. While only 4% of active youth are unemployed, 65% are underemployed and youth are disproportionately located in—and migrating to—urban areas where youth unemployment is three

times that of rural areas.

Figure 3: Mapping of youth and unemployment



Source: EICV3, National Institute of Statistics Rwanda, 2011

43. To address this growing urban 'youth bulge,' the government of Rwanda is engineering a shift from a low productivity agriculture-dependent economy to a service-based 'knowledge economy'. 'Productivity and youth employment' is thus central to the government's Economic Development and Poverty Strategy, which targets the creation of at least 200,000 off-farm jobs annually.

44. Despite this progress there is a need for more interventions and rapid actions in order to limit the negative impact of disempowerment on the youth population, and the negative impact of youth unemployment on Rwandan society. Youth unemployment represents a sizeable economic loss stemming from unrealized human resources, foregone potential income tax revenues, and a loss of returns on government investment in education. In addition, protracted joblessness increases youth disenfranchisement, which can lead to increased social unrest, political instability, and crime while increasing youth's vulnerability to poverty.

45. **Nutrition**. Nationally, 38% of children under 5 years are stunted. Stunting increases with the age of the child up until 23 months, rising from 18% among children 6–8 months to a peak of 49% among children 18–23 months. Variation in children's nutritional status by province is quite evident, with stunting being highest in West (45%) and lowest in the city of Kigali (23%). Forty-one percent of rural children are stunted, as compared with 24% of urban children. Both a mother's level of education and wealth quintile have a clear inverse relationship with prevalence of stunting. For example, the prevalence of stunting is higher among children living in the poorest households (49%) than among children in the richest households (21%) and is higher among children whose mothers have no education (47%) than among those whose mothers have a secondary education or higher (19%) (RDHS 2015).

46. Underweight (low weight for age) affects 9% of children under 5 while wasting, (acute malnutrition or low weight for height) which is associated with a high death rate, affects 2.2% of children under 5 (wasting rates <5% are considered within an acceptable range).

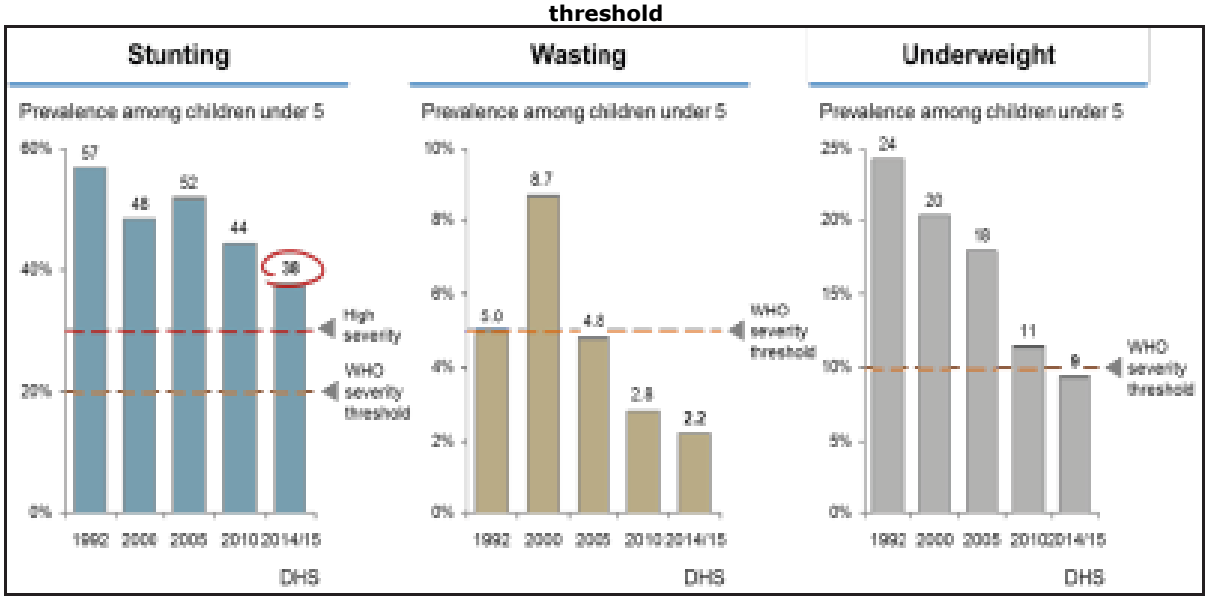
47. Early childbearing also contributes to malnutrition in Rwanda. By age 19, 21% of adolescent girls had begun childbearing in 2014–2015, which is a slight increase

from 20% in 2010 (RDHS 2010 and 2015). This has serious consequences because, relative to older mothers, adolescent girls are more likely to be malnourished and have a low birth weight baby who is more likely to become malnourished, and be at increased risk of illness and death than those born to older mothers. The risk of stunting is 33% higher among first-born children of girls under 18 years in Sub-Saharan Africa, and as such, early motherhood is a key driver of malnutrition[55].

48. Undernutrition, especially stunting, in children is attributed not only to food insecurity and poverty, but also to inadequate feeding. In fact, while breastfeeding rates are very high throughout the country, complementary feeding practices are inadequate for any infant. Only 19% of children 6–23 months receive a minimum acceptable diet (RDHS 2015).

49. In addition to chronic and acute malnutrition, anaemia levels in children under 5 are high and the pace of reduction is slow while steadily increasing in prevalence among women. Currently, anaemia affects 37% of Rwandan children under 5 and 19% of women of reproductive age (15-49 years). Although the trend is changing, Rwanda's staple diet is starch-based. With plantains, tuber and root crops providing the majority of food energy, very little bio-available iron is consumed by the average person. Existing surveys and studies do not provide information on essential minerals and vitamins other than iron. Moreover, some studies indicate that while having sufficient and diverse foods serves as a preventive measure, food alone is not sufficient to eradicate stunting in Rwandan households.

Figure 4 – Trends in under nutrition among children under 5 years compared to the WHO severity threshold



Source: NISR, RDHS 2010 and RDHS 2014/15

50. Additional influencing factors include (a) access to quality water, health services and sanitation (WASH) and (b) care practices of women and children. Findings show that access to improved sources of water and/or potable water is important in reducing the risk of stunting among children. Unfortunately, access to clean drinking water remains a challenge both in rural (47% have access to water within 500 meters of their residence) and urban areas (61% have access to water within 200 meters of their residence), consequently increasing the burden on women and children who are generally responsible for fetching water.

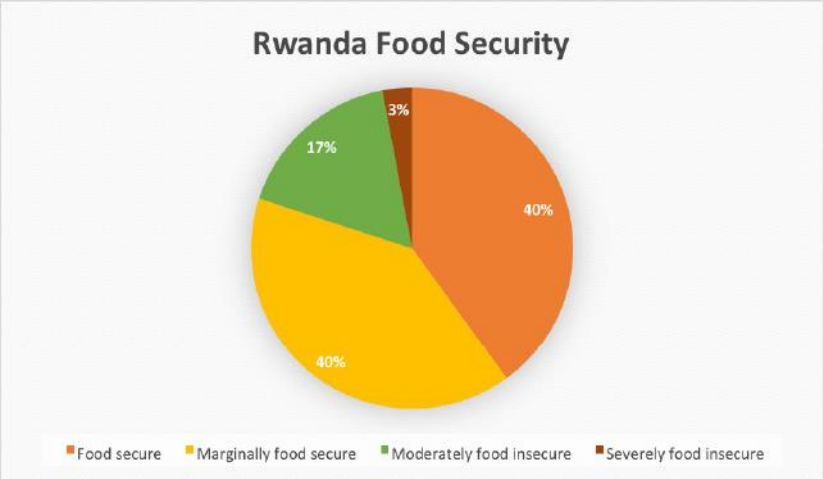
51. Rwanda is also experiencing the double burden of malnutrition with 21% of

[55] Fink, G., Sudfeld, C.R., Danaei, G., Ezzati, M., and Fawzi, W.W. 2014. "Scaling-Up Access to Family Planning May Improve Linear Growth and Child Development in Low and Middle-Income Countries."

women and 8% of children under 5 years suffering from overweight and obesity (RDHS 2015). Recent studies also indicated that overweight and obesity rates are rising with the increase of wealth. Some cultural attitudes and perceptions are suspected to contribute to overweight and obesity rates among women more than men based on popular beliefs that fatness among women is considered a sign of beauty in some Rwandan communities. Nonetheless, obesity is associated with an increased risk of various non-communicable diseases in all sex and age categories.

52. Eighty percent of all households are food secure, which corresponds to about 1,963,975 households. However, 979,045 (40%) of these households are considered marginally food secure, meaning they are at high risk of becoming food insecure. Of the 473,847 (17%) households considered food insecure, 63,696 (3%) are severely food insecure. The level of food insecurity is particularly high in the western and northern parts of the country, especially in the livelihood zones of Western Congo Nile Crest Tea Zone (49%), Lake Kivu Coffee Zone (37%), and the Northern Highland Beans and Wheat Zone (32%). At the provincial level, the Western Province is most concerning, with over 35% of its households considered food insecure. Although the Western Province holds 22% of the country's households, 42% of all severely food insecure households in Rwanda are found there. At the district level, Rutsiro (57%), Nyamagabe (42%), Nyabihu (39%), Nyaruguru (37%), Rusizi (36%), Karongi (35%), and Nyamasheke (35%) have the highest percentages of households classified as food insecure[56].

Figure 5 – Households' Food Security situation in Rwanda(2018)



Source: MGFP. Rwanda Country Strategic Review of Food and Nutrition Security. 2018

53. In general, Rwanda's food basket is primarily dominated by tuber and root crops (37.3%), bananas (27.6%) and cereals (11%). Legume and pulse crops (7.6%), as well as vegetables and fruits (4.7%), represent a smaller proportion. Currently, average energy consumption measures 2,754 Kcal/per capita/day, while the availability of protein and lipids is estimated at 69 and 31 g/per capita/day, respectively. To date, food imports represent a substantial proportion of Rwanda's food balance sheet. One of the major constraints to domestic food production is low productivity gains for smallholder farmers. Low crop and animal productivity levels have negative implications for the food security of Rwandan households, especially small landholders and those who depend on their own food production for subsistence.

[56] WFP, MINAGRI and NISR (2015). Comprehensive Food Security and Vulnerability Analysis Report (CFSVA). Kigali, Rwanda.

54. Food access in Rwanda is mainly determined by seasonal patterns, commodity prices and people's purchasing power. Many Rwandans continue to face difficulties in accessing adequate amounts of food at some point of the year, especially during lean seasons. These periods are generally coupled with an increase in food prices which in turn lead to food inflation, thus reducing a household's purchasing power. Other factors such as the limited physical access to markets, inadequate market infrastructure, and a short supply of post-harvest handling facilities also affect access to food.

55. Despite tremendous increases to food availability, stability of food throughout the year and at all times remains an important constraint in Rwanda. Shocks and disaster-induced food insecurity disproportionately impact poor households in Rwanda, rendering relevant the need for a shock-responsive/sensitive social protection system that strengthens risk mitigation and rapid response capacities. In implementing and strengthening social protection interventions, it is crucial to ensure that early warning systems are established along with contingency plans, financing mechanisms and appropriate institutional arrangements in order to adequately respond to potential shocks. Currently, production systems are very similar with harmonized cropping calendars and unified uses of inputs and cropping techniques. While these similarities allow gains in the penetration and adoption of technology and increased access to markets, they also increase the seasonality of food production and impact of shocks. Production patterns affect the stability and access to food through an aligned seasonality of prices. This also implies the need for more flexibility in the use of risk mitigation techniques for staple crop production including production diversification in a given area, use of mixed-cropping techniques, crop rotation and diversification of calendars. Increasing the resilience of the production system is a key determinant for more stable food systems and food access. As emphasized previously, resilience is partly influenced by the production system, particularly in regard to diversification and integration with other sub-programs such as agroforestry, livestock and fish farming[57].

1.2 Environment and climate

56. Rwanda is a land-locked country, bordered by Burundi in the South; Tanzania in the East; Uganda in the North, and the Democratic Republic of Congo in the West. The borders of Rwanda stretched up to 900 kilometres. The country total area is 26,338 km^2 of which 3% is covered by water. The country counts five provinces (Northern, Western, Southern, Eastern provinces and the City of Kigali) and is subdivided into 30 districts which are further partitioned into 416 sectors.

57. The country is characterized by hilly and mountainous landscapes with widely varying altitudes across the country (900 m in south-west, 1,500-2,000 m in the south and the centre of the country, 1,800-3,000 m in the highlands of the north and the west and 3,000-4,507 m in the regions of Congo-Nile Crest and the chain of volcanoes. The average altitude is 1,700 meters. The country has a tropical temperate climate due to his high altitudes. The average temperature is 18.5 ºC and the average rainfall is about 1,250 mm per annum. The country is divided into 12 agro-ecological zones that can be clustered into three natural regions: highlands, midlands, and lowlands.

[57] Ministry of gender and Family Promotion. Rwanda Country Strategic Review of Food and Nutrition Security. 2018.

Figure 6: Agro-ecological zones (AEZs) in Rwanda and their characteristics[58]

Natural regions	*AEZs*	*Elevation (m)*	*Relief*	*Temperature (C°)*	*Rainfall (mm)*	*Dry season (month)*	*Major limitation*
Highlands	*Birunga**	*> 1900,*	*Mountainous*	15- 17	*1250-2000*	*1 to 2*	*Slope^{+++} Acidity^{+++}*
	Buberuka						
	CNWD						
Midlands	*Impala*	1,600-1,900	*Dissected Plateaus*	*17-20*	*1000- 1250*	*3 to 4*	*Slope^{++} Acidity^{++}*
	Kivu lake borders						
	Central Plateau						
	Granitic Ridge						
Lowlands	*Imbo*	< 1,600	*Pediplains*	*20-21*	*700 – 1000*	*4 to 5*	*Slope+ Erratic rainfall^{+++}*
	Mayaga						
	Bugesera						
	Eastern Plateau						
	Eastern Savanna						

58. **Scarcity of agricultural land.** Due to the country's mountainous geography, only about 60% of the total land area is currently under cultivation. The favourable climatic conditions and the generally fertile soils allow cultivation of a wide range of agricultural products comprised of both cash and food crops. The most important cash crops are coffee, tea, sugar cane and pyrethrum while food crops include roots and tubers, bananas, fruits, vegetables, cereals and pulses (beans and peas).

59. Due to high population density, smallholders farm an average of four to five plots that make up an average land size of 0.33 hectares (GOR, 2016), limiting their ability to expand their operations, commercialize, increase production and income, and thereby escape poverty.

60. **Environmental degradation**. Rwanda's topography is characterized by steep slopes. The majority of Rwandan crop land (90%) is located at slopes which have a gradient ranging from 5% to 50%. The 2015 State of Environment report highlights that large parts of Rwanda were once covered with natural montane-grassland ecosystems, which today are occupied mostly by terraced agriculture. This situation exacerbates vulnerability to the impacts of climate change such as heavy rainfall leading to soil erosion and permanent fertility loss (GoR 2015).

61. Rural communities are at the forefront of environmental degradation as they rely mostly on natural resources. In the Rwandan context, a major environmental issue is the imbalance between the growing population and the pressure on the natural resource base (land, water, forests, flora, fauna, and non-renewable resources). The agricultural sector is the hardest hit by adverse climate conditions as agricultural production is very exposed to climate risks such as floods, droughts, intense and erratic rainfall, increasing incidence of high winds and temperature shifts.

62. Rwanda Environment Management Authority (REMA) acknowledges that land scarcity in Rwanda has led to the reduction or abandonment of fallow periods in many areas of Rwanda, along with limited manure and mineral fertilizer inputs, few soil conservation practices and associated low yields. In many instances, it resulted in over-cultivation and land degradation. The impact has been a vicious cycle of erosion and reduced soil fertility and thus low agricultural productivity (REMA, 2010). FAO classifies 40% of land in Rwanda at a high erosion risk and

[58] **Source**: Rushemuka, 2015, N.P, Priorities for sustainable soil fertility management for Rwanda, FAO : https://www.slideshare.net/FAOoftheUN/rwanda-53016797

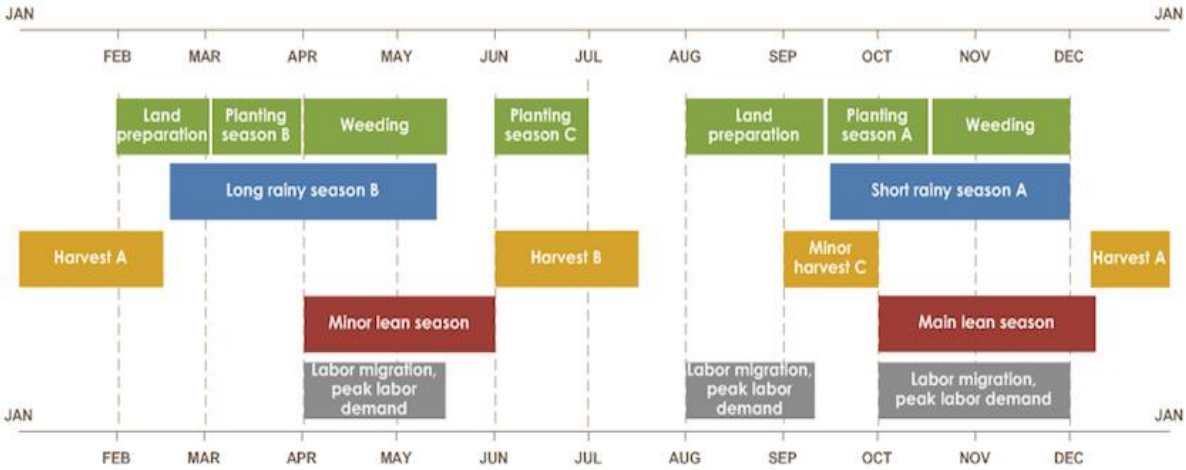
with about 37% requiring soil retention measures before cultivation. In addition, REMA stresses that poor farming practices, deforestation, and environmental degradation are triggered by humans and exacerbate the intensity of many natural hazards (REMA, 2015).

63. In 2011, UNEP has stressed that the growth and displacement of population has led to conversion of wetlands into agricultural lands, which affect biodiversity, water regulation, and water purification. In addition, many forests across the country have been under high human pressure and degraded due to agriculture expansion, trees cutting for firewood collection, charcoal production, poles and timber production (CBD 2016).

64. The agriculture sector contribution to GHG emissions is estimated at 5,345 million of CO2. Rema stated that between 2006 and 2015, agriculture sector was the main contributor to total GHG emissions followed by the energy and waste sectors. Livestock production contributes significantly to greenhouse gas emissions. In addition, mismanagement of cattle may lead to environmental degradation. In some areas of the country, cattle herds are continually being observed on or near the boundaries of protected areas. This may negatively impact on the delimitation and biodiversity conservation in the national park as well as potential disease transmission between wildlife and livestock. Furthermore, erosion caused by overgrazing by cattle has caused extensive topsoil loss (GoR, 2015).

65. **Impacts of climate change and projections on key agricultural and rural development sectors.** Rwanda is ecologically diverse for its size ranging from highland mountain forests in the west to savannah grasslands and low altitude marshes in the east. The climate of Rwanda is dominated by the Inter Tropical Convergence Zone (ITCZ) which passes over the country twice a year and is further modified by varied altitudes and and by the presence of large adjacent water bodies of the great lakes. Most of the country benefits from two agriculture rainy seasons (February - May; September – December) (see below figure 2 on typical seasonal calendar). The duration of the two rainy seasons is increasingly variable, ranging from seven to nine months, with an annual rainfall up to an amount of 1,500 mm. Rainfall in the eastern part of the country is below the national average of 1,250 mm per annum.

Figure 7: Rwandan seasonal calendar for a typical year



66. Environmental and ecosystem degradation in Rwanda is triggered by two main factors: climate disturbances and anthropogenic activities. The former is caused by several factors including the El- Niño and La Niña phenomena associated with

surface temperatures in the Indian and Atlantic Oceans. A study by the University of Reading59 shows that climate variability in Eastern Africa is due to the influence of ocean –atmosphere climate phenomena, namely El Niño Oscillations (ENSO) and the Indian Ocean Dipole (IOD). Warm ENSO events are thought to be responsible for a build-up of warm sea surface temperatures (SSTs) in the Eastern Pacific Ocean which lead to increasing rainfall. These events are specifically observed in the short rains seasons. Furthermore, the recently discovered Indian Ocean Dipole (IOD), in addition to ENSO effects, most probably causes anomalously high rainfall in East Africa (see Marchal et al., 2006; REMA, 2011). For some years (1963, 1972, 1982, 1997), El Niño events are thought to have coincided with positive IOD events leading to high rainfall in East Africa, whereas high rainfall anomalies in East Africa have been documented when positive IOD events occurred independently of ENSO events. However, as East Africa has varied topography (e.g. mountains and rift valleys) its features are not yet adequately represented in climate model projections and deserve further investigation, especially with the modifying influence of the Congo basin.

67. In 2015, the Ministry of Disaster Management and Refugees Affairs (MIDIMAR) published the National Risk Atlas. This report encompasses a comprehensive assessment of existing risks at national and local levels. It highlights that over the last decade, the frequency and severity of natural disasters, such as floods and droughts, have significantly increased. The National Risk Atlas highlights the most known disasters as the droughts that occurred in 1989, 2000, 2005-2006 and 2014 and the devastating landslides that occurred in 1988, 2006, 2010, 2011 mainly in the Northern and Western provinces. The extreme weather events have recently destroyed crops, caused serious environmental degradation and led to food insecurity, malnutrition and famine in affected areas, with water shortages affecting livestock and pasture productions. Below is a table summarizing main climate change projections and potential impacts on agriculture and livestock production.

[59] Black, 2005, “The relationship between Indian Ocean sea surface temperature and East African rainfall”, Phil. Trans. Roy. Soc., A.,N 363, 43-47

Figure 8: Scenarios analysis of potential climate change impacts on agriculture and livestock sector (2018[60])

Climate change scenarios (TNC report on CCS&P)	Potential impacts on agriculture and livestock
Increasing trend in mean temperatures (projected annual mean temperature increase between 0.10°C and 0.30°C)	• Decrease in tea and coffee production; • Leads to significant reduction of crop yields of cereals; • Shift in pest ecologies, and thus resulting in pest and disease outbreaks in new areas; • Heat stress affects physiological processes health and mortality of livestock.; • Higher disease pressure on livestock, through change of the thermal optimum for pathogens, hosts, vectors and epidemiology, together with a number of indirect effects;
Decreasing trend in mean rainfall and number of rainy days coupled with more days with extreme rainfall intensities particularly in the Eastern and parts of Southern regions	• Late harvests, delay of sowing in the next season, seasonal crop failures and low yield; • Famines and food insecurity; • Limited grazing and feed resources during long dry spells significantly reduce milk productivity and thus affect food security of cattle farmers;; • Increased use of swamps for agricultural purposes will soon or later also have implications for overall water balance in the country and its availability for agriculture.
Increase in rainfall intensities in North-west highlands and South-western regions	• Increase soil loss and nutrient leaching from soil, thus challenging agricultural productivity growth. • Increased runoff during heavy storms destroy existing soil conservation facilities, increase sedimentation of lakes and ponds thus altering fish habitats..
More frequent violent storms (strong winds, hailstones, thunders, torrential rains)	• Crop damage or total crop destruction and thus yield reduction; • Increased flooding and landslides destroying crops cultivated on vulnerable/fragile areas such as valleys and steep slopes;

Part 2. Institutions and legal framework

2.1 Institutions

68. **Nutrition Coordination Mechanism**: In Rwanda, several multi-stakeholder platforms have also been set up at central and local level to scale up nutrition. The Inter-Ministerial Coordination Committee is the highest level convening body under the leadership of the Minister of Health and co-chaired by the Minister of Finance and the United Nations (UN) Resident Coordinator. The committee brings government and development partners together. Together, they coordinate and implement the National Food and Nutrition Policy (NFNP) and the National Food and Nutrition Strategic Plan (NFNSP) with the support of the ministries of education, gender & family promotion, disaster management & refugees, and public service & labour. The National Food and Nutrition Technical Working Group (NF&NTWG) was set up in 2013 and is Rwanda's multi-sectoral nutrition coordination platform. The NF&NTWG includes representation from the SCF&NSC, donors, UN agencies, civil society, academia and the private sector. The Civil Society Alliance was established in 2014 and academia is engaged through the NF&NTWG. The private sector has established the National Food Fortification Alliance under the auspices of the NF&NTWG within the Ministry of Health.

[60] Republic of Rwanda (2018). Third National Communication: Report to the United Nations Framework Convention on Climate Change. Republic of Rwanda, Kigali

69. **Gender**: (i) Ministry of Gender and Family Promotion: In addition to the leading role in facilitating the implementation of the National Gender Policy and action plan, the Ministry of Gender and Family Promotion had to ensure effective gender mainstreaming and full participation of women in all activities related to the socio-economic development of the country; (ii) The Gender Monitoring Office: With the view to strengthen gender monitoring the Gender Monitoring Office, established as an independent organization in 2007. The office has undertaken the role to effectively monitoring progress towards gender equality; (iii) The National Women's Council: The National Women's Council promoted by the government as a platform to advocate for the integration of women's development and non-development concerns into the national policies, the country's legal framework and local development initiatives.

70. **Youth**: The Ministry of Youth and Information Communication Technology 's mission is to address national priorities for economic growth and poverty reduction through the development and coordination of national policies and programs. The institution carries out its primary role in the implementation of EDPRS II (2013-2018) priorities that shall drive the country towards Vision 2020 aspirations. These focus mostly on youth employment and skill creation.

71. **Environment and climate change**. In Rwanda, management of natural resources is shared by several ministries (Ministry of Environment, Ministry of Agriculture and Animal Resources, Ministry of Infrastructures and Ministry of Local Authorities), decentralized organs (Districts and Sectors), public institutions (Rwanda Environmental Management Authority), local and international non-governmental organizations (NGOs), research and/or higher education institutions. With the new administrative reform, each district has an officer in charge of environment.

2.2 Policy and regulatory frameworks

72. **Gender**: The government of Rwanda has made a strong political commitment to gender equity and equality. Rwanda is signatory to various international conventions, including, the Convention for the Elimination of all Forms of Discrimination Against Women (CEDAW), the Beijing Declaration and Platform for Action and other instruments for promoting gender equality. The National Gender Policy has been developed to serve the government and its partners as a framework for guiding the mainstreaming of gender into the national development process and outcomes. The main objective of the policy is to integrate gender into critical areas such as poverty, health, agriculture and food security, education and professional training, governance, human rights and gender based violence, peace building and reconciliation, environment protection and information, communication and technology. The commitment was also translated into action by integrating gender dimensions into the Rwanda Vision 2020 and by establishing institutional structures to address challenges of achieving gender equality, including placing it and women's empowerment at central level.

73. The development of the Agriculture Gender Strategy is in line with Rwanda's Constitution of 2003, the Economic Development and Poverty Reduction Strategy (EDPRS), the National Gender Policy and MINAGRI's Strategic Plan for the Transformation of Agriculture in Rwanda (PSTA-4). These provide the need for equality between men and women and boys and girls in all spheres of socio-economic development. MINAGRI's Gender Strategy notes that, as far as access and control over livestock and its products is concerned, women have weak decision making powers over product and sales and are unable to build any physical assets as cattle ownership is predominantly in men's hands[61].

[61] MINAGRI Gender strategy 2010

74. **Social Protection**: The social protection sector strategy contributes to a range of EDPRS2 objectives, with a particular focus on the poorest in the population. The mission of the social protection sector strategy is to ensure that the poor and vulnerable are guaranteed a minimum standard of living and access to core public services, while the goal of the policy is to "contribute to reduced poverty and vulnerability and to promote equitable growth". Some of the social protection sector priorities are: to increase the coverage of social protection programmes among the extremely poor and vulnerable; to build an effective, efficient and harmonized social protection sector; to build a sustainable social protection system; measuring and communicating social protection results and impacts; and to respond to climate related risks.

75. Food and nutrition are considered foundational issues of Rwanda's EDPRS-2. FNS development goals are captured and acknowledged first in the National Food and Nutrition Plan (2013) and again reiterated in the 7YGP (2010-2017), EDPRS-2 (2013-2018), the National Food and Nutrition Strategic Plan (2013-2018), the third Health Sector Strategic Plan (HSSP-3, 2012-2018), and PSTA-3 (2013-2018). Food and nutrition issues outlined in these strategic documents, include a high prevalence of child stunting, high levels of anemia among children and women, and insufficient food intake levels, among others. Furthermore, the understanding and nature of FNS interventions are shifting from a purely agriculture and health related framework, to prioritization in other sectors which are increasingly accommodating various dimensions of FNS in their respective policies and strategies. This inclusion further enforces the need to link household FNS to social protection, education, safe water, hygiene and sanitation, gender, family issues, and emergency and disaster management. Adequate and integrated approaches from these multi-sectors are expected to substantially reduce the prevalence of stunting in children under two years of age, and to improve household food security, particularly among the most vulnerable families. The table shown in figure 4 lists all relevant policies/ strategies with the potential to impact food and nutrition security.

Figure 9 - Sector Policies and Strategic Plans Relevant to Food and Nutrition Security

Policy/Strategy /Programme	Sector	Lead Ministry
School Health Policy (2013-draft)	Education	MINEDUC
Revised Agricultural Policy (2017-)[1]	Agriculture	MINAGRI
Health Sector Strategic Plan (2012/2013-2017/ 2018)	Health	MoH
National Trade Policy (2010(	Trade and Industry	MINICOM
National Food and Nutrition Policy (2013)	Health	MoH
National ICT4Ag Strategy (2016-2020)	Agriculture	MINAGRI
National Social Protection Strategy (2011)	Social Protection	MINALOC
National Water Supply Policy and Implementation Strategy (2016)	Water and Sanitation	MININFRA
National Sanitation Policy and Implementation Strategy (2016)	Water and Sanitation	MININFRA
National Policy for Family Promotion (2005)	Gender and Family	MIGEPROF
National Gender Policy (2010)	Gender and Family	MIGEPROF
National Strategic Plan for Fighting Against Gender-Based Violence (2012)	Gender and Family	MIGEPROF
National Disaster Management Plan (2012)	Emergency and Disaster Management	MIDIMAR

Source: MGFP. Rwanda Country Strategic Review of Food and Nutrition Security. 2018

76. **Youth**. The national youth policy was revised in 2015 and highlights the overall objective as to promote the "economic, social, cultural, intellectual and moral welfare of youth". The revised policy reiterates the Country's commitment to undertake systematic Youth programming through a multi-sectorial strategy involving partnerships between Government, Development Partners, Private Sector, Civil Society Organizations, and Communities.

77. The policy categorically highlights the policy objectives that include enabling youth to utilize their full potential and tap into existing opportunities for gainful employment, productivity and economic transformation; encourage youth to be innovative and creative especially through the use of ICTs; mobilising youth for positive behaviour and mind-set change towards physical, reproductive and psychological health; nurture a civic and patriotic generation with ethic values.

- Several key policy areas have been identified and are as follows :
- Education and Skills development;
- Employment, productivity and economic empowerment,
- Information communication and technology;
- Youth and health;
- Youth Arts, Sports, recreation and talent development;
- Youth mobilization, participation and outreach;

- Global opportunity;
- Coordination, M&E, mainstreaming job based budgeting;

78. In this regard, three major priority programs have been identified: (i) Youth mobilization and training; (ii) Support to youth initiatives and; (iii) Youth Cooperation.

79. In regards to agriculture, "the programs to be delivered in youth centres up to the sector levels will provide skills to/change the attitude of rural youth towards work and entrepreneurship thereby contributing to an increase of their productivity even in farm activities. In addition, interventions in this strategic plan such as sensitizing youth to join cooperatives will enhance linkages between rural farms and SMEs.

Environmental management and climate change policies

80. The **National Strategy on Climate Change and Low-Carbon Development (NCCLCD) for Green Growth and Climate Resilience (2011)** underlines the need to manage the implications of climate variability for the social, environmental and economic development of the country. Given that Rwanda seasonal agriculture is vulnerable to climate change and population pressure, the strategy recognizes that slight changes in rainfall patterns would have significant impacts on crop and livestock production. Therefore, the Green Growth Plan fosters the development of irrigation infrastructure that give farmers more control of the water resource, facilitate diversification of crops, contribute to efficient land and water usage and ensure water availability in dry areas.

81. The **Nationally Determined Contributions (2015)** are built upon the NCCLCD and advocate for a climate resilient economy. The framework aims at achieving Category 2 energy security and low carbon energy supply that supports the development of green industry and services, sustainable land-use and water resource management, appropriate urban development as well as biodiversity and ecosystem services. The development of irrigation infrastructure and other water efficient technologies will contribute to both sustainable intensification of agriculture and integrated water resources management and planning. These are the pillar for enhancing food security, biodiversity and ecosystem conservation and preservation.

82. In 2015, the Ministry of Disaster management and refugees affairs elaborated the **National Contingency Plan for Drought (2015)** that aims at minimizing drought impacts by improving agency coordination; enhancing monitoring and early warning capabilities, water shortage impact assessments and preparations, response, and recovery programs. The crucial objective of the drought response system is to promote early mitigation efforts that reduce the time that elapses between the drought early warning message and the active response at the country level.

83. The phase 4 of the **Strategic Plan for Agricultural Transformation (PSTA 4)** (2018-2024) outlines the priority public investments in agriculture and estimates required public resources for the agricultural sector for the period 2018/2024. As changes in weather and climate patterns are becoming more acute, PSTA 4 seeks to build resilience through on-farm measures and enabling actions to increase productivity. Maintaining and promoting farmers' practice of mixing crop varieties mitigates certain risks, including the spread of pest and diseases as well as ensuring dietary diversity. PSTA 4 emphasises alternative land management to complement terracing with comprehensive climate smart soil and integrated watershed management. PSTA 4 also encourages better weather and climate information and early warning and seeks to ensure all investments are climate smart.

84. In October 2017, the Rwanda Environment Management Authority (REMA), with support from the United Nations Development Programme (UNDP) and UN Environment through the Poverty-Environment Initiative (PEI), commissioned the development of **an Environment,** Natural **Resources, and Climate Change (ENR&CC) Mainstreaming Strategy for Rwanda (2018)**. The rationale for the mainstreaming strategy is that sustainable use of environment and natural resources (ENR) will maintain and increase the social and economic benefits generated from ENR as well as resilience in the face of climate change, and contribute to mitigation. Given its reliance on natural resources, the strategy recognizes that agriculture must be given priority. In order to achieve food security and poverty reduction objectives, the agricultural sector must increase efficiency through sustainable resource use, biodiversity conservation, climate mitigation and adaptation to changing weather patterns so as to improve productivity and reduce climate related risks. While the strategy advocates for an inclusive sustainable use of environment and natural resources (ENR) in all sectors of Rwandan economy, it also recognizes that specific policies and strategies for climate change adaptation in the agriculture sector have only recently been identified and promoted, and more time is needed to assess their effectiveness. It recommends: (i) enforcing the institutional coordination of land-use planning and monitoring systems, with inspection and enforcement mechanisms supported by public awareness; establishing of ENR revenue raising schemes in agriculture, forestry, energy and water.

2.3 Programmes and partnerships

85. **Social Protection and poverty reduction**: The Vision 2020 Umurenge Programme (VUP) - is an Integrated Local Development Program to Accelerate Poverty Eradication, Rural Growth, and Social Protection. This is an initiative by the Government of Rwanda (GoR) in collaboration with development partners and NGOs. It is led by the Ministry of Local Government, Good Governance, Community Development and Social Affairs (MINALOC) and supported by the Ministry of Finance and Economic Planning (MINECOFIN). The ongoing WB funded *strengthening social protection programme aims at* improving the effectiveness of Rwanda's social protection system, notably the flagship Vision 2020 Umurenge Program (VUP), for targeted vulnerable groups.

86. The objectives of the VUP programme are to:

    i. Contribute to the reduction of extreme poverty;
    ii. Stimulate changes in the effectiveness of poverty eradication (coordination, interconnectedness of services, mind-set change);
    iii. Ensure that economic growth is pro-poor and that the majority of the population have improved their living conditions as a result of GDP growth

87. The programme has three components: (1) direct support through cash transfers to those among the poorest who are unable to work; (2) public works offered seasonally to the poorest households with the aim of building productive community assets; and (3) financial services such as microcredits and training for the start-up of small businesses. The programme has also developed a component on Nutrition.

88. The Government of Rwanda recognizes that the problem of malnutrition is a multi-sectoral challenge that requires all concerned sectors to work together in synergy; and it recognizes the importance of nutrition in achieving national economic and social development goals through access to an age-appropriate balanced diet and living in a favourable healthy environment. Fighting against stunting, requires all actors to work together in synergy, therefore, the Government is collaborating with development partners to implement the National

Food and Nutrition Plan (2013) and the National Food and Nutrition Strategic Plan (2013-2018).

89. In additional to the official country programs from UN Agencies (UNICEF, WFP, FAO, WHO, UNDP), non-government organizations such as Heifer International, Catholic Relief Services, and SNV, etc. implement significant plans which contribute to the improvement of FNS in Rwanda. International research and technology transfer organizations such as CGIAR Centers (e.g. CIP, CYMIT, CIAT, IITA, Africa-Rice, ICRAF, IFPRI, etc.), the Alliance for a Green Revolution in Africa (AGRA), and Harvest Plus play a significant role in bridging research and knowledge gaps (as well as disseminating technology) on various areas of FNS in Rwanda. For instance, CIP, CIAT, Harvest Plus and AGRA support initiatives aimed at developing (breeding) and disseminating bio-fortified crops in Rwanda (e.g. Orange Flesh Sweet Potato, Iron-reach Beans, Orange Maize, etc.). Additionally, IFPRI specializes in providing research-based policy solutions to sustainably reduce poverty as well as end hunger and malnutrition in developing countries. Within the private sector, the Private Sector Federation (PSF), in collaboration with MINICOM, developed the Rwanda Private Sector Development Strategy (RPSDS, 2013-2018). One of RPSDS's priority programs focuses on Entrepreneurship Development, with a specific focus on Commodity Chain Development based on CIP achievements. To date, there are several large and SME agri-processors (e.g. Inyange Industries Ltd, AZAM Industries, Sina Gerard Enterprises, MINIMEX, DUHAMIC ADRI, SHEMA Fruits, etc.) involved in businesses that promote the availability and access of nutritious food products on Rwanda's domestic market. One of the major players (African Improved Foods- AIF) has begun producing energy-dense and nutrient-rich food products that are being used under the VUP program to improve the nutrition status of Rwanda's most economically disadvantaged people.

90. **Youth**. Given the cross cutting nature of the sector, the national youth policy clearly spells out the need for effective implementation of all interventions will entail the involvement of all Government Ministries, Departments and Agencies, CSOs, FBO, Development Partners, Private Sector, NGOs, and Youth Organizations, among others. The Policy is designed to complement a set of existing policies and provides a framework for collective action and coordination of strategies for youth socio-economic development and empowerment. The current Youth Policy pushes to ensure effective response for the sensitive and high risk category such as educated but not employed, non-educated, unemployed, redundant, urban, rural, youth with disability, orphans, sex workers, marginalized youth among others.

91. All public initiatives, including those targeted at youth, fall under the umbrella of the National Employment Program (NEP). The NEP (2013 – 2018) is the implementation framework for employment interventions in seven different ministries, national agencies, the Rwanda Development Board (RDB), the National Youth Council (NYC), and the Workforce Development Authority (WDA). The program's chief aim is to facilitate the creation of 200,000 off-farm jobs annually. While NEP programs are well-coordinated by the Ministry of Labor, they all need to achieve scale and require significantly more resources. The Rwandan government has recognized the need to expand and strengthen the TVET system. Indeed, TVET accounts for a predominant part of the cost assigned to the 'Productivity and Youth Employment' (pillar III of EDPRS-II)

92. One of the major multi-sectoral programs is the YouthConnekt Hangout that serves as a platform that brings together various partners including UNDP, ADMA, Tigo Rwanda, Zilencio Creativo and HeHe Ltd to connect Rwandan youth to resources and opportunities for employment and business development. In addition, alternative programs such as TechnoServe's "Strengthening Rural Youth Development through Enterprise" (STRYDE) program addresses the need of

creating livelihoods for youth in agricultural value chains but has only reached 4,860 youth so far—0.12% of the total youth population.

93. The One UN flagship Youth and Women Employment Program, which aims to support government efforts, is the only other large-scale comprehensive program. So far, it has suffered from large funding gaps; it is budgeted at more than USD 28 million but has only received about USD 3.5 million since its inception in July 2014. Most other initiatives, including the comprehensive USAID Akazi Kanoze program, target fewer than 50,000 youth.

Country priorities and links to environmental and climate change regional and international policy, plans and programmes

94. In 2017, REMA commissioned **a Detailed Implementation Plan for the NDCs** which aims at assessing each measure listed in the NDC as well as further relevant measures. The report provides a prioritization of efforts based on stakeholder consultations undertaken in May and June 2017. It provides an estimate cost and sustainable development co-benefits of the measures as well as Measurement, Reporting and Verification (MRV) of results and suggests timelines for their implementation. The report acknowledges that the agricultural sector is vulnerable to soil erosion, with 50% of the country's farm land affected by modest to severe soil erosion and nutrient depletion due to excessive farming. The report recommends promoting agro-forestry as sustainable agricultural practices combining both agriculture and forestry and contributing to income generation and diversification, energy and water security as well as biodiversity conservation and restoration. Rwanda's NDC sets out targets for increasing the share of households applying agro-forestry to 100% by 2030. The implementation plan for the NDCs has established two main areas of interventions: sustainable agricultural production and agricultural diversity in local and export markets. Below is a table that depicts the alignment between NDC priorities programmes and IFAD portfolio:

Table 7: Alignment between NDCs priorities actions and IFAD programmes

NDC programmes relevant to IFAD mandate	***IFAD contributions to the national NDC targets***
Mainstreaming agroecology techniques using spatial plant stacking as in agroforestry, kitchen gardens, nutrient recycling, and water conservation to maximize sustainable food production	- KIIWP aims at increasing climate resilient management and practices through sound land husbandry and soil and water conservation practices (including use of nitrogen fixing trees such as agroforestry, erosion control measures, etc. - In addition both RDDP and Small Livestock Project will support improved pasture management practices through the adoption of drought resistant forage and fodder varieties within the Farmer Field School (FFS).
Utilizing resource recovery and reuse through organic waste composting and wastewater irrigation	- KIIWP will promote water use efficiency through sound irrigation infrastructures and the capacity building of water user associations; - Within the Small Livestock project, waste management facilities will be integrated in the building codes of livestock infrastructures.
Using fertilizer enriched compost	- KIIWP will promote efficient use of fertilizer

	through appropriate fertilizer selection, timing and split application. - All projects in IFAD portfolio (RDDP, KIIWP and Small Livestock project) will encourage storage and proper use of manure; improving nutrient management so as to increase productivity and thus volume of crop residues available for soil carbon sequestration, soil fertility and animal feeds.
Soil conservation and land husbandry	- KIIWP will build local adaptive capacities to cope with prolonged dry spells and droughts through soil conservation techniques and improvements in soil quality through the promotion of integrated soil fertility management practices. In addition, the project will promote animal and land husbandry. This approach aims at conserving natural resources, raising productivity, increasing animal productivity and optimizing the use of resources.
Irrigation and water management	- KIIWP intends to build communities resilience through better management of water resources. The project will support the construction of water harvesting and small storage technologies (e.g. rainwater and floodwater harvesting, water storage units, etc.). This will contribute to reduced raindrop impact and runoff.
Add value to agricultural products through processing to meet its own market demand for food stuffs	- The second strategic objective of the Rwanda COSOP aims at improving post-harvest processes and strengthen market linkages. Hence, in all projects in IFAD portfolio (RDDP, KIIWP and Small Livestock project), processing and linkages to the market will be essential for improving local livelihoods and increase smallholder incomes. For instance, Small Livestock Project will support national and local authorities to enforce the sanitary regulations (including support to sanitary inspection of abattoirs and processing facilities) while RDDP is promoting infrastructure for collection, handling, processing and marketing of milk and other dairy products improved and tailored to adverse climate risks.

95. Rwanda is developing seven **Nationally Appropriate Mitigation Actions** (NAMAs), including two pertaining to the agricultural sector: sustainable fertilizers production and use and sustainable charcoal value chain in Rwanda.

96. According to the 2014 **Fifth National Report to the Convention on Biological**

Diversity (CBD), biodiversity has over the years been subjected to various threats. Currently the country is losing its biodiversity due to anthropogenic activities, especially agriculture expansion which constitutes the main threat to remnants forests. In the Eastern Province, the report deplores that the wetlands complex which have a very rich biodiversity are encroached by agriculture development both in the vicinity of wetlands and surrounding hillsides, causing erosion and siltation downstream. Therefore, within the **Aichi Biodiversity targets**, the country has pledged the following targets:

- By 2020, fishing and aquaculture, agriculture and forestry are managed sustainably, legally and taking into consideration ecosystem specificities to ensure biodiversity conservation.
- By 2020, environmental pollutants including those from excess nutrients are controlled and their harm has been brought to levels that are not detrimental to ecosystem function and biodiversity.
- By 2020, invasive alien species, their pathways, spatial distribution are identified. Harmful species are controlled or eradicated, and related mitigation measures are put in place.
- By 2020, at least 10.3% of land area is protected to maintain biological diversity.

Part 3 - Strategic recommendations

3.1 Lessons learned from previous COSOP 2014-2018.

97. The overall objective of COSOP 2013-2018 was to reduce poverty by empowering poor rural men and women to actively participate in the transformation of the agricultural sector and rural development and by reducing vulnerability to climate change. The previous COSOP included 4 projects: **KWAMP** (2009-2016)[62], **PRICE** (2012-2020)[63,] **PASP** (2014-2019)[64] and **RDDP[65] (**2017-2022). Within the IFAD portfolio, food nutrition security is a priority thematic in all IFAD-funded projects in Rwanda:

- **KWAMP** has addressed food security through intensification and diversification of agricultural production in addition to an improved access to agricultural knowledge, technology and information.
- The primary objective of **PRICE** is to increase farmers' revenues by dint of increasing production, processing, and marketing of exports crops. However, the project is supporting food security through generating additional incomes, creating new jobs for labour in new plantations and in processing facilities, offering thus a source of income to poorer and landless categories; finally promoting intercropping with food crops whenever possible. Intercropping is promoted during first years of plant maturation in the new plantations of coffee and tea.
- **RDDP:** The dairy subsector is crucial for rural development, poverty reduction and food and nutrition security for the country. Through applying the nutrition lens to

[62] Kirehe Community Based Watershed Management Project (2009-2016) totalizes a budget of US $ 64.8 million http://operations.ifad.org/web/ifad/operations/country/project/tags/rwanda/1431/project_overview
[63] Project for Rural Income through Exports (2012-2018) totalizes US$ 68.1 million http://operations.ifad.org/web/ifad/operations/country/project/tags/, rwanda/1550/project_overview
[64] Climate Resilient Post-harvest and Agribusiness Support Project (2014-2019) http://operations.ifad.org/web/ifad/operations/country/project/tags/rwanda/1497/project_overview
[65] Rwanda Dairy Development Project (2017-2022) https://operations.ifad.org/web/ifad/operations/country/project/tags/rwanda

the dairy value chain, the project envisages to maximize the positive impact of the project on household food and nutrition security with specific focus on increasing the availability and accessibility of affordable and nutrient-rich dairy products through behaviour change communication and nutrition education. The nutrition-sensitive interventions aims to generate positive impacts on three different pathways: increased safe and affordable milk availability from production leading to increased direct consumption (Consumption Pathway); improved access to diversified food as a result of increased income (Income Pathway); and increased awareness on shared-income, appropriate infant caring capacity and practices through women's empowerment (Empowerment through Increased Knowledge Pathway). RDDP project design envisioned exploring alternative milk distribution schemes for improving efficiency and effectiveness of the national initiative called "one-cup of milk programme". In the first year of the project (2017-2018), RDDP replicated the existing programme initiated by MINAGRI, by buying milk at the standard prize (800 Rwf/liter) including free deliveries to 26 schools (target 36) reaching 20,396 pupils (target 12,170). With one litre per child per week, this intervention had significant impacts on attendance rate; increase on number of students enrolled in the nursery schools; and health status, thereby contributing to better school performance.

98. The former COSOP acknowledged that Rwanda is severely affected by frequent extreme weather events, which cause major socio-economic impacts and reduce economic growth in various regions. Hence, the 2013-2018 COSOP intended to provide greater attention to the environmental risks and potential opportunities for greening the agricultural sector. Climate change adaptation and mitigation as well as environmental management were well mainstreamed in all three strategic objectives and materialized in the following interventions:

- **KWAMP:** Rural competitions were organized as a strategy to address and fight against environment degradation through an integrated community-based watershed management approach that took into account ecological, economic and social factors. Furthermore, KWAMP supported 451 Households to get biogas systems. 141 households got fixed dome systems and 310 Households got flexi biogas. The project also piloted a large fixed dome digester which is a large scale biogas plant in one of the communal cowshed. The impact of these technologies consists of reduction of the consumption of wood for energy and well-being of targeted households.

99. **KWAMP** investments in Soil and Water Conservation (SWC) were critical in addressing issues of natural resources management. SWC activities and comprehensive land husbandry practices had increased the total area protected in the 18 Kirehe watersheds from 7,507 ha in 2009 (baseline) to 25,302 ha as of 31 March 2016. This had a positive impact on erosion control. KWAMP supported plantation of trees on private and public land. Regarding tree plantation, 13.3 million seedlings of forestry and agroforestry trees were produced and planted. The large scale reforestation was done as part of a Hilltop Reforestation Initiative where 323 ha were reforested in the three most degraded sectors of the district of Kirehe.

100. **PASP.** Climate resilience was integrated into the project design, through ASAP grant funding to facilitate the introduction of climate-smart post-harvest practices and structures, adaptive research to identify and promote crop varieties (maize, beans, Irish potatoes) that are tolerant to climate-related stresses and have

farmer preferred traits, post-harvest management technologies. Adaptation to climate change is a core objective of the project approach and related activities are well implemented. The Business Plans financed with a matching grant from the Adaptation for Smallholder Agriculture Programme (ASAP) include mainly: (i) rehabilitation of existing or construction of climate resilient infrastructures so as to integrate ventilation systems, waste management and rainwater harvesting facilities; (ii) purchase of low carbon and labour saving post-harvest facilities, equipment and technologies; and (iii) renewable energy systems (solar and biogas). In addition, together with Rwanda Meteorological Agency(RMA) PASP agro-meteorologist is producing and communicating several climate information products tailored to the post-harvest stages, including seasonal forecast, ten-day forecast and daily weather SMS communicated to farmers, project and MINAGRI staff, district and sector agronomists.

- **RDDP** has started implementing activities contributing to building the resilience of local communities. The climate-smart livestock interventions include improvement of animal nutrition, better dairy farm and dairy infrastructures management and rehabilitation. L-FFS members have received seeds of forage varieties adapted to climate change. In addition, the project includes supporting small-scale dairy farmers implement climate smart and strategic investments such as improved water access, biogas, rainwater harvesting as well as climate proofing the building codes of the rural infrastructures (e.g. boreholes, MCCs, MCP, etc.). At design, it was proposed to conduct an assessment on GHG emissions that will be conducted at baseline, mid-term review and completion. At project level, the study will help to clarify the optimum number of animals that the country could afford considering the animal feed resources locally available. The study will draw lessons and recommendations in terms of economic development of the dairy sector and poverty reduction. At national level, the findings of the study will be critical to assist the political authorities in deciding about the key orientations and priorities for the livestock development in Rwanda. Practically, it will analyse the impact of the projects interventions in terms of human nutrition, particularly in terms of food balance in animal proteins consumption. The study will also analyse the impacts on natural resources and on global GHG emissions. This assessment will be integrated in the M&E plan developed for each Annual Work Plan and Budget (AWPB).

Lessons learned from development partners

101. Within the previous national and sector development planning period (PSTA III 2013-2018), climate change adaptation and environment management were identified as a priority cross-cutting theme. Within the Climate Smart Agriculture profile of Rwanda, CIAT has listed the most important climate smart agriculture (CSA) practices implemented in the country. The CSA practices include improved management of pasture, the use of improved crop varieties, pest and disease tolerant varieties of coffee and food commodities, soil conservation techniques (for cassava, maize, tea/banana system), agroforestry, watershed management and conservation, efficient use of fertilizer, water harvesting, afforestation, early warning systems, among many others (CIAT, 2015).The development partners, international and national research institutions engaged in mainstreaming climate risk management in the agricultural sector include DfiD, World Bank, Fonerwa, USAID, CCAFS, CIAT, Embassy of the Kingdom of Netherlands, Belgian Development Agency, African Development Bank, KfW, FAO, to name a few. Their support comprises financial support in form of project or programme, policies and strategies development, and technical assistance.

3.2 Strategic orientation and strategic actions and targeting

Recommendations to enhance environmental and climate resilience in the agriculture and rural development sectors

IFAD planned intervention	*Main environmental and climate resilience considerations to be adopted during project design or implementation process*
RDDP	A SECAP review note was prepared in 2016 and recommended the following climate smart livestock interventions : **In extensive grazing system:** • introduction of flood/or drought and nutritional tolerant forage and fodder varieties, agro-forestry and intercropping to prevent soil erosion and enhance provision of animal feed • Better rotational and grazing management plan • Manure management and composting to increase soil fertility and crop yields which will participate to increasing beneficiaries incomes (acknowledgment of farm as multi-entreprises) • Establishment of cow-sheds to ease milking process and protect animals from heat stress • (Flood prone areas) small dams and water ponds for increasing water accessibility and availability at grazing land area and hygiene when cleaning milking equipment • small-scale choppers, chilling and dairy machineries powered by biogas and solar energy sources • (in drought prone areas) Boreholes, well, and small-scale dams to increase water availability and accessibility • (in drought prone areas) Charcoal evaporative cooling systems for transport as well as at farm level to avoid milk spoilage • Climate information service on weather forecast to assist farmers with cattle keeping planning //L-FFS • Waste management at farm and processing units levels • Identify and develop evaporative cooling systems during transport (coolers boxes, etc…) • Advocate for investments in climate resilient infrastructures (withstand higher winds, heavy rains increased temperature, etc..) along the dairy value chain **In zero-grazing system:** • introduction of improved flood or drought and nutritional forage and fodder varieties, agro-forestry species and intercropping to enhance provision of animal feed • rainwater harvesting systems to increase animal water consumption and hygiene at farm level as well as MCCs level • Biogas which will allow heating water for washing milking equipment and thus enhance hygiene at farm level • Manure management and composting to increase soil fertility and crop yields which will participate to increasing beneficiaries incomes (acknowledgment of farm as multi-enterprises • (Drought prone areas) Conservation of forage for dry periods • Valorisation of crop residues as animal feed as well as crop by products (sunflower cake, maize bran, rice polish, etc.) • Charcoal evaporative cooling systems at farm and collections points for adding value to evening milk and avoid milk spoilage • (Drought prone areas)Charcoal evaporative cooling facilities for transportation of milk • Climate information service on weather forecast to assist farmers with cattle keeping planning //L-FFS • Waste management at farm and processing levels • Identify and develop evaporative cooling systems during transport (coolers boxes, etc…)

	• Advocate for investments in climate resilient infrastructures (withstand higher winds, heavy rains, increase in temperatures, ,etc..) along the dairy value chain
KIIWP	• A preliminary SECAP review note was prepared in 2018 and recommended the following interventions: - Building local adaptive capacities to cope with prolonged dry spells and droughts, - Promotion of improved agricultural technologies from farm plot to market, crop diversification, - Soil conservation techniques, - Efficient use of fertilizers, - Improvements in soil quality through the promotion of integrated soil fertility management practices - Promotion of a wide range of cost-effective erosion control measures (tree belts, contour belts, grass strips, contour bunds, planting of fodder grasses on bunds/ridges, use of permanent, perennial vegetation on contours, etc.) - Promotion of agro-forestry (intercropping, integration of trees on farm plots, tree belts, protective forests, nitrogen fixing, erosion control measures, etc.). - Improved pasture management practices through the adoption of drought resistant forage and fodder varieties within the FFS, - Storage and proper use of manure, - Improving nutrient management so as to increase productivity and thus volume of crop residues available for soil carbon sequestration, soil fertility and animal feeds - Hydrological survey for assessing water status and monitoring project water use - Biodiversity conservation, especially near the protected areas, - Buffer zones management - An ecological risk assessment should be conducted to identify and assess the significance of risks to the wetlands in the project areas that are located upstream and downstream of the proposed irrigation sites • Concomitantly an Environmental and Social Management Framework was prepared in order to guide the preparation of Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) for each irrigation scheme. The report assesses key environmental, social and climate risks and makes recommendations for those risks that should be considered during the Project development and design.
Small livestock project	The Concept note for the a small livestock project (PRISM) was elaborated as an attachment to this COSOP. A specific SECAP review note will be prepared during the Project Design process. Below are preliminary recommendations and considerations for the design: - Better waste management along livestock value chains - Manure management - Water use efficiency and management - Energy use efficiency - Promotion of renewable energy - Rainwater harvesting - Crop and livestock integration (dual purposes crops, nutrient management, composting, etc.) - Improving pasture quality (intercropping and diversification of forage and fodder species) - Support to local animal feed factories through crop residues management - Promotion of agroforestry and fodder species, especially for small ruminants - Improved feed management (improving feed quality, low cost fodder conservation technologies, etc.) - Promotion of heat tolerant breeds - Livestock infrastructures adaptation measures (housing, shades, etc.)
Cross-cutting interventions	- Scaling up the production of drought and flood tolerant/ shorter or longer cycle crops varieties - Scaling up the production of bio-pesticides - Promotion of drip irrigation and closed greenhouse production systems for

	increasing water use efficiency - Development of rainwater harvesting technologies and facilities adapted to rural inhabitants needs - Research on agro-chemicals waste management and recommendations for enhancing integrated pest management - Promoting conservation and management of agro-biodiversity

Recommendations to enhance food and nutrition security

102. In order to accelerate progress towards ensuring food security and eliminating malnutrition, COSOP could consider the following recommendations on actions that have the potential to address existing gaps:

- Encourage programs that promote nutritionally diverse foods (e.g. vegetable kitchen gardens, mushroom production, fruits, poultry and fish farming, etc.);
- Promote short-duration crop varieties;
- Consider new crop varieties with high nutritional values and benefits;
- Promote and support the development of post-harvest management, storage and processing technologies at the household level
- Promote value addition innovations targeting nutrient-rich foods (e.g. fruits, vegetables, milk, fish, etc.);
- Strengthen nutrition awareness and education programs at the household level.
- Strengthen women's education, empowerment and influence within the household; including special access to extension services;
- Integrate a nutrition education component into all relevant agriculture programmes and projects to improve consumption of nutritious crops among producing farmer households;
- Integrate WASH activities into forthcoming and existing programs;
- Contribute to fill the existing research gap on linkages between nutrition and gender in agriculture.

Recommendations to enhance youth employment and empowerment

103. **Youth**. As highlighted in a recent report titled YOUTHSTART[66], young people (72%) are primarily working in agriculture, this indicates that the majority of Rwandan Youth are "employed" in the rural areas. Hence, the modernisation of agriculture sector continues to be a priority area for country development especially by linking and improving farm value chains related to investment opportunities. In particular, the report highlights that since land is a key factor of production, it needs to be used rationally for sustainable development and there is a need to streamline mechanisms that help youth to explore unused land to create new opportunities.

104. Agriculture offers a number of high-potential economic opportunities for youth such as livestock raising, horticulture, vegetable and fruit production and processing. increased productivity investments in the sector have the potential to generate decent livelihoods for youth. However, as also highlighted in the same report, a more demand-side set of interventions in rural areas supporting youth in agriculture are needed, particularly in provinces with low program coverage. 70% of youth are engaged in agriculture but only a handful of programs focus on creating livelihoods for youth in agricultural value chains. In the absence of demand-side interventions in rural areas, migration to urban areas will continue, despite the fact the urban areas are not creating sufficient job opportunities either.

[66] YouthStart Global is a global programme funded by UN Capital Development Fund and the Swedish International Development Cooperation Agency (SIDA)

105. IFAD interventions will lay emphasis on the Monitoring and evaluation of Gender/Social inclusion and Targeting indicators. Interventions will be guided by the Gender, Youth and Social inclusion manual. In this regard, the COSOP should consider the heterogeneity of the youth cohort i.e. Gender, level of education, interest and aspirations in determining investments. The M&E system, which will include age-disaggregated data, will track participation of youth and women in programme activities, and adjust and refine the youth strategy based on results.

106. Hence, the COSOP should consider the following recommendations:

- Address skills and knowledge development of rural young women and men – Training in functional and financial literacy as well as technical and managerial training. Technical and vocational training (TVET) can play a strong role in addressing the critical shortages of hard and soft skills among youth and the difficulties of adapting education curricula to fast changing labour markets. TVET, by its nature, tends to be more strongly linked to labour market realities than does the formal education system.

- Invest in rural infrastructure and labour saving technologies is very important to make activities attractive for youth - Transform agricultural practices to enhance productivity, and increased commercialization.

- Build social empowerment- Support youth groups and encourage youth taking more decision making roles in rural organisations, cooperatives and other community groups

- Promotion of Enterprise Development – Align with the youth policy action areas to (i) Ease Youth Financial Inclusion; (ii) Leverage opportunities provided in the agricultural, non-farming enterprises and technology sectors;(iii) Promote Youth in Agribusiness/Farming is cool Campaign and (iv) Collaborate with the Private Sector to take the lead of availing Apprenticeship, Mentorship and Entrepreneurship

- Identify and exploit opportunities for ICT use in programmes - While ICT is not a labour intensive sector, it is cross-cutting and offers numerous employment opportunities across the labor market, from ICT firms themselves (e.g., telecoms and ICT retail and repair) and most of the services industry (e.g., IT systems in banks, government service delivery, etc.) to the agriculture sector and industry (e.g., databases for market prices, inventories, and accounting systems).

- Support initiatives that also respond to the supply-side of the labour markets in rural economic landscapes

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Agreement at completion point of last country programme and strategy evaluation

A. Background and introduction

1. The Independent Office of Evaluation of IFAD (IOE) conducted a country programme evaluation (CPE) in Rwanda in 2010/2011. The CPE had two basic objectives: (i) to evaluate the performance and impact of IFAD-supported operations in the country; and (ii) to generate lessons and recommendations to inform the next country strategic opportunities programme (COSOP) for Rwanda.

2. Though the CPE was conducted in 2010/2011 and provided value input and recommendations to the IFAD COSOP 2013-2018, the recommendations remain valid for COSOP 2019-2024. It is these lessons learned and recommendations that have been referenced below.

3. The agreement at completion point (ACP) reflects the agreement between the Government of Rwanda (represented by the Ministry of Agriculture and Animal Resources, MINAGRI) and IFAD Management (represented by the Associate Vice President, Programmes) on the main evaluation findings (see section B below), as well as the commitment to adopt and implement within specific timeframes the recommendations included in part C of this document. It is noted that IOE does not sign the ACP, although it facilitated the process leading up to its conclusion. The recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions. In addition, this ACP was submitted to the Executive Board of IFAD as an annex, along with the COSOP 2013-2018 for Rwanda, and is included in the COSOP 2019-2024.

B. Main evaluation findings

4. The CPE found that, during the period under review (2000-2010), the partnership between the Government of Rwanda and IFAD had made a significant contribution to reducing rural poverty, and that the performance of the portfolio has improved since the CPE of 2005. On IFAD's part, contributing factors include a more participatory approach and transition to direct supervision, while, on the part of the Government, they include the introduction of clearly-defined strategies and programmes as well as a strong accountability framework. Rwanda's governance culture is highly results-oriented, thereby ensuring that policies and strategies are implemented.

5. The relevance of the portfolio has been assessed as satisfactory. The main thematic thrusts are highly relevant to the national context and sectoral strategies and to IFAD's COSOPs. Overall, they are technically sound and adopt approaches conducive to achieving their main objectives. Nevertheless, the CPE identified selected design issues. In particular, the support for rural finance, an element of the early part of the period under review, was not designed based on best practices and IFAD's rural finance policies. The design of support for watersheds has not adequately anchored its implementation in local government structures. Finally, the design of support for export crop value chains was broadly valid but did not take sufficient account of the food security risks faced by households with very small landholdings.

6. Overall, the portfolio has been effective. It made satisfactory progress in meeting the projects' immediate objectives, and in some cases exceeding them, particularly for watershed and rural enterprise development. Support to developing the capacity of cooperatives and local governments has been less effective to date, while that for rural finance made no contribution to developing a sustainable rural finance system. The portfolio has been generally efficient: target achievement, time overruns and the share of project management costs in total project costs are generally in the satisfactory zone. Monitoring and evaluation

systems are generally superior to those of other projects in the region, and include systems for assessing impact.

7. Impact has been strong in generating income and access to household assets and in improving food security. In the case of cash crop development, however, protection measures have been missing for very small landholders during the cash tree growing. Prospects for sustainability have been found moderately satisfactory. While many of the activities in the watersheds are likely to be sustained, either by the beneficiaries alone or with government assistance, there are serious questions as to the sustainability of rural finance and cooperatives. The evaluation expressed concern that the Government's policy to formalise the economy, pushing informal entities to register as cooperatives or companies, will be implemented too rapidly, without allowing for a proper transition. Some of the newly-formed cooperatives do not as yet have the capacity to manage high levels of debt and complex operations (e.g. coffee cooperatives).

8. The portfolio has been moderately innovative. The most important innovations are in the area of improved agricultural practices for yield increases and soil management, which have been the subject of a major testing effort and gradual scaling up. Outside this area, innovativeness and the potential for scaling up have been more limited. Progress has been more modest in upgrading the technology for microenterprises, particularly in relation to the processing of agricultural produce. Progress in gender equality and women's empowerment has been satisfactory, thanks to the participation of women in the activities supported and in the management of cooperatives and associations, which has contributed to raising their status and economic independence.

9. The performance of non-lending activities is assessed as moderately satisfactory overall, with policy dialogue rated moderately unsatisfactory and knowledge-management and partnership building both rated moderately satisfactory. IFAD has provided technical assistance to the Government to develop its policies and strategies (e.g. the Strategic Plan for the Transformation of Agriculture) but there has been limited institutional-level dialogue between IFAD and the Government on policy directions and strategic objectives. It should be recognised, however, that in the past the Government has seldom invited IFAD to join in such dialogue. Financial partnerships with the Government and other development partners are well established, but there is need for a more active and profiled IFAD participation in sector working groups. Partnerships with the private sector and NGOs have taken the form of contracting out service provision in projects. A new experiment of private- public partnership has recently emerged in the tea sector. Regarding knowledge-management, the situation is positive within and among the projects but IFAD has invested limited resources in capturing and learning from the experiences of other development partners.

10. Over the period under review, IFAD prepared two strategies (COSOPs) for its cooperation with the Government of Rwanda, in 2002 and 2007. The strategies were very well aligned to Government and IFAD policies and relevant to the national context. However, the CPE noted some inconsistency in the definition of target groups, in particular the various vulnerable groups. Also, while COSOPs have identified areas of policy dialogue and partnership, no action plans (and related resource allocations) have been drawn up. Within policy dialogue in particular, while there is room for improvement, this will require that the Government invites IFAD to contribute its international experience. And while it is the Government's prerogative to define the country's strategic objectives, IFAD's international experiences could, in some areas, contribute to defining strategies and approaches for achieving objectives. With respect to COSOP effectiveness, the CPE finds that there has been progress in achieving the strategic objectives and that IFAD country programme has contributed to this progress.

11. The partnership between IFAD and the Government of Rwanda has, overall, been

satisfactory and has addressed sub-sectors relevant to poverty reduction. Rwanda has now a more solid institutional and policy environment compared to when the 2007 COSOP was formulated. Adapting to this new context implies, inter alia, pitching the objectives of the programme and the type of interventions at a higher level. Attention will need to be reinforced on, and adequate resources allocated to, non-lending activities (policy dialogue, partnership building and knowledge management) to pursue development objectives that were only achieved in part or not at all (e.g. institutional development of local government, rural finance), as well as to harmonisation and strategic programme management. The present CPE argues that portfolio development activities will remain very important and probably absorb the greater part of IFAD's investments. However, recommendations are deliberately presented starting from "higher plane" objectives as these have so far commanded limited resources.

C. Agreement at completion point Recommendation 1

C.1. Place greater emphasis on institutional support and non-lending activities to promote the scaling up of innovations and harmonised approaches to rural finance and cooperative development.

12. These recommendations include two sub-areas: (i) providing institutional support to local government for the scaling up of agricultural innovations and pave the way to SWAp preparation; and (ii) programme-based support to participate in harmonised frameworks in rural finance and cooperative development. This calls for a gradual shift from project focus towards more attention on the systematisation of lessons learned both from within and outside the IFAD portfolio. It also calls for further dialogue and harmonisation with development partners and for sharing knowledge, experiences and values in the policy arena.

C.1.a. Provide institutional support to local governments in the scaling up of agricultural innovations and in paving the way for the forthcoming agricultural SWAp.

13. Individual projects such as the Support Project for the Strategic Plan for the Transformation of Agriculture (PAPSTA) and the Kirehe Community-based Watershed Management Project (KWAMP) have helped promote emerging agricultural innovations. The long-term challenge to scale up such innovations is of an institutional nature. The challenge is to define an institutional approach that fits into the decentralisation process and local government structure. As decentralisation proceeds into its third phase (2011-2015) and district and sector administrations/governments further develop their capacity, it may be possible to transfer full responsibility for implementation to local governments.

14. Such transfer would need to be facilitated. IFAD, in collaboration with the central and local governments and other developing partners, should support the development and systematisation of approaches and guidance tools that help local governments plan, implement and monitor the various technical interventions. These approaches and tools may create the basis for central government grants to local governments for watershed development, which could be one of the important pillars of the agricultural SWAp. IFAD will explore opportunities for integrating its interventions in the forthcoming SWAp in order to ensure its participation in major strategic and policy dialogue initiatives in the agriculture and rural development sector. IFAD's participation in the SWAp may also include the development of implementation tools and methodologies that ensures ownership by local governments in up-scaling innovations.

15. **Proposed follow-up:** IFAD will explore opportunities for integrating the agricultural existing and new projects it supports in the forthcoming agricultural SWAp by:
(i) strengthening the role of district authorities in project planning and implementation through growing partnerships between districts and the single

project implementation unit, and through improved watershed management planning; and
(ii) supporting MINAGRI in the development of at least 3 concept notes for modular key intervention areas such as Watershed Management Planning (WMP), soil and water conservation, and community innovation centres (CCIs).

Deadlines for implementation:

- No deadline, as this is a continuing process; and
- End-December 2012

Entities responsible for implementation:

- MINAGRI, supported by IFAD implementation-support missions; and
- MINAGRI, supported by IFAD.

C.1.b. Support harmonised thematic programmes in rural/micro finance and cooperative development.

16. Within as well as outside IFAD-financed portfolio, support is provided for the development of rural/micro finance and cooperatives but approaches and methodologies often differ. The present CPE finds that such support is of an *ad hoc* character and that systemic issues are not addressed in a coherent and harmonised manner. Through a modest financial contribution to harmonised thematic programmes, IFAD could establish its presence in high-level policy dialogue and share its experiences.

17. In rural finance, explore the option for support to Access to Finance Rwanda (AFR). IFAD should stay involved in rural finance in Rwanda. Despite problematic experiences in Rwanda, the Fund has relevant lessons to contribute through its regional and global portfolio. AFR, established by the Government and several development partners led by the United Kingdom Department for International Development (DfID), is expected to address systemic issues with a view to increasing access to finance, particularly for the large numbers of people who have no, or only limited, access to financial services. Recently, DfID has supported Government in developing a Rural and Agricultural Finance Strategy and AFR has presented a sustainability strategy for Savings and Credit Cooperatives. Even a modest financial participation from IFAD would be important because it would allow IFAD to contribute to the agenda and work, based on its own experience in implementing the portfolio and, at the same time, benefit from exchanges of information. Being outside these harmonised frameworks would severely limit IFAD's ability to engage in policy dialogue and knowledge management. Obviously, IFAD's contribution to AFR should be based on an assessment of whether this facility provides an effective contribution to rural poverty reduction objectives.

18. Regarding cooperative development, IFAD should contribute to efforts to develop a harmonised support framework. The Rwanda Cooperative Agency reports that it is planning to harmonise the current highly fragmented support for cooperative development; it would be appropriate for IFAD to support this endeavour. If the initiative leads to a harmonised framework with financial support from government and several development partners, IFAD should explore the possibility of making a financial contribution so as to become an active participant, as per the rationale described above.

19. **Proposed follow-up**: IFAD will: (i) work with MINAGRI to implement the Rural and Agricultural Finance Strategy, including possible collaboration with sector-wide initiatives to strengthen rural financial services, such as AFR; and (ii) continue the integration of systematic support packages to cooperative development in its Country Programme.

    - **Deadline for implementation**: End-December 2014.
    - **Entity responsible for implementation**: IFAD

Recommendation 2

C.2. Move towards more strategic programme management and reliance on national systems, in line with the Paris Declaration.

20. Increased engagement in non-lending activities will call for a review of current transaction costs in individual project follow-up. In line with the Paris Declaration, IFAD/Government project cooperation should rely more on the Government's accountability and implementation systems, recognised as among the best and most efficient in sub-Saharan Africa. IFAD should move away from micro management, leaving this to government systems, while adopting a more strategic management approach.

21. In this new role, IFAD would use more of its country programme management resources for addressing strategic issues both within and above projects. This should also include more strategic use of technical assistance grants, not only for project design but also for developing the capacity of institutions so that national institutions can take over activities once the projects end. This would be a gradual process, adapted to capacity improvements in government systems, where IFAD and the Government would continuously reassess what should and can be done by government institutions, and what are the most conducive cooperation procedures for ensuring accountability and local ownership. The introduction of portfolio-wide annual joint reviews between the Government and IFAD has been a commendable step towards strategic portfolio management. Additional measures are indicated below.

C.2.a. Replace PCUs with facilitation support.

22. In the current portfolio, there is a tendency to perceive projects as independent institutions and the PCUs as their managers - while in reality "a project" is no more than a temporary initiative for partner institutions. Recent government policy encourages Ministries to reduce the number of PCUs by establishing a single project implementation unit for all donor-assisted projects. Though the efficiency of this new set-up has yet to be demonstrated, eventually IFAD may have to comply and change its implementation management procedures. Under the new set-up, it is recommended that IFAD-supported projects should include the provision of technical assistance/facilitation support, not as decision-making managers but as advisers and facilitators, to the implementing management units - whether at the central ministry level or within district administrations.

23. **Proposed follow-up:** IFAD will explore opportunities for integrating the agricultural existing and new projects it supports in the forthcoming agricultural SWAp by:
(i) supporting MINAGRI and the MINICOM in transforming the PCUs to a single unit of the MINAGRI Single Project Implementation Unit;

- **Deadlines for implementation:** End-December 2011
- **Entities responsible for implementation**: MINAGRI

C.2.b. Articulate more clearly the division of labour between the headquarters, the IFAD regional office in Nairobi and the country office.

24. This implies giving a more substantive role to the latter in partnership-building, policy dialogue and knowledge management. In this context, consideration should also be given to defining the technical backstopping functions of the Nairobi office, which, for example, could include quality assurance of baseline and impact surveys.

25. **Proposed follow-up:** IFAD will raise the implementation-support role of its Rwanda country office, covering both technical and fiduciary issues. Support will be provided by the Regional Office in Nairobi. However, a quality assurance role is not foreseen for the Regional Office.

- **Deadlines for implementation:** No deadline, as this is a continuing process.
- **Entities responsible for implementation:** IFAD

C.2.c. Undertake joint supervision missions with the Government and development partners.

26. One can reduce transaction costs of IFAD, of the concerned Ministries and of development partners by having more joint supervision and implementation-support missions. When feasible, it should be considered to field a single mission covering several projects executed by the same Ministry.

27. **Proposed follow-up:** IFAD has conducted joint missions with the Department for International Development (United Kingdom) for PAPSTA and UNIDO for PPPMER, with good experience. This practice will continue for financed projects. Single missions covering several projects may be experimented with, in particular thematic supervision missions (for example focusing on M&E, knowledge management or financial management of several projects). However, the prospects of providing concrete implementation-support in the context of increasing project size must be kept in view in such undertakings.

28. **Target for implementation:** At least one joint mission per calendar year, and explore scope for thematic supervision missions.

Entities responsible for implementation: IFAD

Recommendation 3

C.3. Develop strengthened sub-sectoral support activities around three main axes: (a) protection of the natural resource base in the watersheds; and develop pro-poor agricultural value chains based on private-public partnerships in (b) food crops and (c) cash and export crops.

C.3.a. Sustainable natural resources development in the watersheds and carbon financing.

29. IFAD's future programme should continue its watershed development initiatives, including the promotion and scaling up of agricultural innovations and soil and watershed protection. It should better assess and document environmental risks as well as opportunities. Both the 2007 COSOP and past project design documents did not include a detailed assessment of environmental risks and trade-offs, and thus no mitigation plans. The next COSOP should include a strategic analysis of environmental and natural resource management issues, in line with the requirements of IFAD's Environment and Natural Resource Management Policy, and explore opportunities for qualifying for carbon financing. Future project designs should include environmental and social impact assessments.

30. **Proposed follow-up:** The recommendation regarding priority sub-sectors will be considered during the design of the next COSOP. In this context, the possible uptake of the three proposed main axes will remain the joint decision of IFAD and the government, supported by the Country Programme Management Team. However, a detailed assessment of environmental risks and trade-offs is not likely to be practical at the COSOP stage, as a risk analysis and the development of mitigation measures will always depend on the clear definition of activities, which is only done after the COSOP stage when proceeding to project design. Such analysis would thus risk remaining superficial and irrelevant.

- **Deadline for implementation**: September 2013
- **Entities responsible for implementation:** IFAD

C.3.b. Support for the development of value chains for food crops and livestock products through private-public partnerships.

31. While many farm households have increased their production of food crops and livestock products beyond subsistence needs over the last three years, the systems needed to handle these surpluses (e.g. warehouses, processing and marketing) are not available. Major investments (capital and human resources investments) are required to handle the rapidly increasing surpluses. Given Rwanda's small farm sizes, the country's long-term competitive advantage is unlikely to be in low-value staple food crops that can be produced at lower cost in countries with an abundance of land.

32. For this reason, IFAD should consider moving towards higher-value commodities produced in intensive systems with a high labour input, and with potential for creating significant non-farm employment in processing and marketing enterprises. Based on current intensive zero-grazing systems, dairy would be an obvious candidate - but other candidates may include high-value horticultural products.

33. **Proposed follow-up:** The recommendation relates to the choice of both the priority sub-sectors and the support approach. While the former is covered by recommendation 3.a above, the latter (the choice of the value chain approach) is fully agreed for the sub-sectors that require the horizontal integration of the up and downstream industries. Its integration will be looked at during the design of the next COSOP.

- **Deadline for implementation:** September 2013
- **Entities responsible for implementation**: IFAD

C.3.c. Support a pro-poor development of export and cash crops and products through private-public partnerships.

34. Apart from their foreign exchange contributions, some crops have potential for generating significant on- and off-farm employment. For tea and coffee, there are still a number of unexploited value addition activities. Albeit currently in a difficult start-up phase, sericulture could well create many on- and off-farm jobs in activities that are highly labour-intensive and with products of high value to weight. According to international sericulture experts, Rwanda's climatic and natural resource conditions are well suited to sericulture.

35. Special mitigating measures (e.g. based on support to subsistence crops or food-for- work schemes) need to be considered for very poor households. This is because value-chain development for export and cash crops often fails to involve marginal landholders, and expansion of export/cash crop areas may be at the cost of food crops and food security.

36. In pursuing public-private partnerships, support will be needed to promote transparent agreements and competition in order to address situations whereby a large private investor, owing to limited competition, might exploit producers. Consideration will need to be given to the complexity and scale of operations. For certain levels of scale and complexity, private companies may be in a better position than the newly-established cooperatives. Thus, an approach for private-sector development, including development of public-private partnerships, should be developed to guide such support.

37. **Proposed follow-up**: The recommendation has already been implemented in the design of the Project for Rural Income through Exports (PRICE), which builds on the successful public-private partnership of the Smallholder Cash and Export Crops Development Project (PDCRE) in the tea sub-sector. PRICE also includes innovative public-private partnerships in the sericulture and horticulture value chains.

- **Deadline for implementation**: September 2011.
- **Entities responsible for implementation**: IFAD, with support from MINAGRI

COSOP preparation process

1. The COSOP preparation process was led by the IFAD Country Programme Team for Rwanda in collaboration with FAO's Investment Centre Division (TCI). The Country Programme Management Team (CPMT), established by the Country Programme Manager (CPM), both at IFAD headquarters and in Rwanda, participated in and contributed to the entire process.

2. The following consultations were undertaken at national level (i) meetings with the key government agencies involved in the proposed RB-COSOP thematic areas; (ii) meetings with key private and non-government stakeholders, including farmer organisations, farmers' apex organisations, civil society, including the Rwandan Youth Agribusiness Forum, and development partners; and (iii) regular meetings, including wrap-up meetings with CPMT at IFAD and country level to reach agreements on the COSOP. The Government of Rwanda led the discussion on the future IFAD support to the country and a new project/programme pipeline, subject to the PBAS of IFAD. This participatory process aimed to ensure that strategic public and non-public stakeholders provided substantive and prioritised inputs and engagement, at various stages of the COSOP formulation.

3. Two in-country missions took place, the RB COSOP identification mission (16th - 27th May) and the RB-COSOP formulation mission (2nd - 10th October). The mission also conducted field visits to Gicumbi District to visit a dairy hub managed by the IAKIB dairy cooperative.

4. The final draft RB-COSOP was submitted for in-house review at IFAD Headquarters in Rome, together with observations and suggestions from external peer reviewers through existing partnerships with the World Bank. This process involved a peer review, an OSC review, and a Quality Assurance process managed by Operational Strategy and Policy Guidance Committee Secretariat (OSC). Eastern and Southern Africa Division (ESA) addressed the comments emerging from the in-house review process in a revised RB-COSOP draft.

Composition of the Core Country Programme Management Team (CPMT)

5. The in-house component of the CPMT consisted of the below IFAD and FAO staff members (Table 1). Table 2 presents the composition of the extended in-country CPMT, which includes representatives from key government agencies involved in the IFAD country programme, coordinators of IFAD supported projects in the country, key external development agencies, civil society organisations, farmer organisations, and resource persons.

Table 1: In-house COSOP team

Technical Division	Name	Title
East and Southern Africa - HQ	Sana Mbago-Bhunu	Regional Director
ESA-HQ	Shirley Chinien	Lead Regional Economist
ESA-HQ	Elena Pietschmann	Programme Officer
ESA-Kigali	Aimable Ntukanyagwe	Country Programme Officer
ESA-Kigali	Alice Uwimana	Administrative Assistant
ESA-Dar es Salaam	Marie Clarisse Chanoine	Consultant
ESA-HQ	Patrizia D'amico	Programme Assistant
ESA – Dar es Salaam	Francesco Rispoli	Country Program Manager
FAO / TCIA	Frans Goossens	Senior Economist
FAO / TCIA	Myriam Fernando	Agribusiness Expert
Office of General Council (LEG)	Elisabeth Brunat Boulet	Counsel
Financial Management Division	Caroline Alupo	Finance Officer
Programme Management Department	Eduard Heinemann	PMI Lead Adviser
Programme Management Department	Lauren Phillips	PMI Lead Adviser
Strategy and Knowledge Dep., Research and Impact Division	Alessandra Garbero	Senior Econometrician
Sustainable Production, Markets and Institutions (PMI), Livestock	Antonio Rota	Lead Technical Specialist
PMI, Inclusive Rural Financial Services	Michael Hamp	Lead Technical Specialist
PMI, Farmers' Organisations and Markets	Roberto Longo	Senior Technical Advisor
PMI, Water and Rural Infrastructure	Mawira Chitima	Lead Technical Specialist
PMI, Land Tenure	Harold Liversage	Lead Technical Specialist
Environment, Climate, Gender and Social Inclusion (ECG)	Stephen Twomlow	Regional Climate and Environmental Specialist
Operational Programming and Effectiveness Unit (OPE)	Natalia Toschi	Senior Officer

Table 2: Extended In-Country Programme Management Team

Organisation	Name	Title
MINAGRI	Geraldine Mukeshimana	Minister
MINAGRI	Jean Claude Kayisinga	Permanent Secretary
MINECOFIN (External Finance Unit)	Ronald Nkusi	Head of Division
MINECOFIN (External Finance Unit)	Gerald Mugabe	Local expert
MINAGRI	Theogene Rutagwenda	DG Animal Resources Development
MINAGRI	Charles Murekezi	DG Agriculture Development
MINAGRI	Octave Semwaga	DG Planning
MINAGRI/NAEB	Bill William Kayonga	Chief Executive Officer
MINAGRI/NAEB	Maurice Iyamuremye	Operations Manager of PRICE/NAEB
MINAGRI/RALIS	Beatrice Uwumukiza	DG
MINAGRI/ RAB	Patrick Karangwa	Acting DG
MINAGRI/ NAEB	Bill William Kayonga	Chief Executive Officer
MINAGRI/SPIU for IFAD-funded projects	Claver Gasirabo	Coordinator
MINAGRI/PRICE	Alfred Mutebwa	Programme Manager/PRICE
MINAGRI/RDDP	Alexis Ndagijimana	Programme Manager
Heifer International	Elisee Kamanzi	Acting Country Director
Rwanda National Dairy Platform	John Musemakweri	Executive Secretary
Imbaraga Famers' Organisation	Joseph Gafaraga	President
Netherland Embassy	Innocent Matabishi	Agribusiness Specialist
World Bank	Winston Dawies	Senior Agriculture Economist
World Bank	Ange Marie Aimee Mpambara	Agriculture Specialist
FAO	Gualbert Gbehounou	FAO Representative Rwanda
FAO	Otto Vianney Muhinda	Assistant FAO Rep. / Programme
WFP	Ammar Kawash	Coordinator, Smallholder Farmer Unit

COSOP formulation

6. The COSOP 2019-2024 builds on previous results and achievements. Strategic Objectives (SOs) under COSOP 2013-2018 have been reformulated to reflect the objectives of PSTA 4. Greater emphasis will be placed on policy dialogue, institutional support and non-lending activities. The COSOP stresses to continue support to strengthen farmer's organisations and a harmonised approach to access to finance, and increase its engagement and institutional support to youth in agriculture and nutrition. Under the previous IFAD country programmes, nutrition was not systematically and effectively addressed, and hence a more explicit integration of nutrition is taken, including the promotion of nutrition-sensitive agriculture, in particular small livestock and the promotion of Social Behavioural Change Communication (SBCC).

7. In accordance with the Transition Framework, IFAD is diversifying its financing products, and is exploring opportunities to pilot results-based lending in Rwanda. Regarding targeting and poverty monitoring mechanisms, the RB-COSOP takes into account the revisions of the Ubudehe system, of the Local Administrative Entities Development Agency.

COSOP approval

8. The RB-COSOP draft as amended through the IFAD review process was shared with the COSOP formulation team and the Government for their formal endorsement. The meeting consisted of a presentation of the final draft COSOP by the Country Programme Manager, a brief discussion and an endorsement of the strategy by the participants. Subsequently it was shared with the IFAD Economists Network for review and endorsement. Comments have been addressed and included in the RB-COSOP prior to submission to the OSC. The final document will be submitted to the IFAD Executive Board for review in its session of May 2019.

List of persons met and consulted

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Name	Title	Contact details
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Desire Kagabo	CIAT Representativ, Rwanda	D.Kagabo@cgiar.org

Strategic partnerships

Partnership functions	*Partners/networks/ platforms*	*Partnership results and outcomes*	*Justification for partnership*	*Monitoring and reporting(to be completed for CRR and CCR)*
Mobilizing co-financing	Government of Rwanda (MINECOFIN)	Reach a co-financing ratio of 0.4./0.8 especially for KIIWP and PRISM	Key partners	
	Heifer International	USD 3 million to co-finance the PRISM and USD 4 million to RDDP fully disbursed	Capitalize on a solid partnership with a center of excellence in livestock and community development Strong Interest and commitment for working in partnership	
	Spanish Government KOICA;	USD 15 million co-financing of IFAD-GoR investments	Alignment with country programme's objective; interest and commitment for working in partnership	
	DFID	USD 0.3 million in the form of consultancies for an irrigation scheme in KIIWP	Active member in irrigation development	
Strengthening private sector engagement	Business Development Fund	IFAD beneficiaries' sustainable access to working and investment capital,	BDF already partnered with IFAD in the past and actively engaged in supporting SMES ,smallholders and specific target groups (e.g. women; youth) with a wide range of financial products (BDSs, loan guarantees; loan products; matching grants)	
	Participating financial institutions (banks, MFIs, insurance providers and SACCOs)	Financial institutions more willing and better equipped to serve IFAD target group with tailored financial services, with a particular focus on youth	Access to and use of sustainable financial services is essential for smallholder farmers to invest in their farms, smooth incomes at household level and, reduce vulnerability .	
	Africa Improved Food (AIF) and KUMWE Ltd	Co-investment in project activities (PASP). KUMWE Ltd is investing almost 100,000 USD in post-harvest infrastructure and will work with farmers' organizations producing maize.	Strong commitment and interest in partnering with IFAD	
Engaging in policy and influencing development agendas	Agriculture Sector Working Group (ASWG), Horticultural Sector Working Group	Increase engagement in policy discussion, steering and implementation of the PSTA 4	Key platform to engage with the government	
	Development Partners Coordination Group	Increase coordination with the government in order to harmonize responses to the development agendas.	Key platform to engage with the government	
	Rural Women Economic Empowerment – FAO, WFP, and UN Women	Women economic empowerment focusing on a gender responsive policy	In addition to gender, the initiative also focuses on food security, nutrition,	

		environment	income opportunities and leadership	
	AGRA	Facilitate the creation of a conductive policy environment for private sector investments in the agricultural value	Key partner in ABC Fund	
Enabling coordinated country-led processes	ASWG	Coordinate interventions in the sector, identify synergies, develop partnerships	Key platform for coordinating activities in the sector that has strong government support and engagement. All agriculture-related policies and strategies are discussed and validated by the group.	
	RBA + UNICEF and WHO	Collaborative network on nutrition	The RBA are working together on promoting nutrition sensitive interventions	
	Development Partners Coordination Group	Coordinate interventions in the sector, identify synergies, joint support	Coordination Group meetings to discuss the harmonisation of Development Partners' support to the agriculture sector in Rwanda	
	UNCT	Participate in and inform the UDAF/UNDAP process	IFAD is a signatory to the second UNDAP for Rwanda 2018-2023, in which agriculture is a focus area under the Economic Transformation result area.	
Developing and brokering knowledge and innovation (including SSTC)	EAFF, GAFSP	Introduce in the country the eGranary innovative mobile platform to deliver economic services to farmers	The eGranary platform provides an innovative solution to link actors in a commodity value chain	
	CIAT	Climate-smart dairy systems in East Africa in particular improved forages and feeding strategies	CIAT's expertise in this area is recognized and would be useful for RDDP and PRISM	
	AGRA	Expanding market access through value addition and structured trade; enhancement of input markets, technology adoption and access to finance	Active engagement with the private sector and a key partner in ABC Fund	
	Helvetas & ITAD	Mainstreaming of the AG-Scans & Knowledge Approach and enhancement of national monitoring systems	The IFAD funded AVANTI initiative can contribute to strengthen in-country M&E systems and capacities to the Agriculture sector (AG-Scan),	
	FAO	Technical assistance on (Livestock) Farmer Field Schools and Farming as a Business. FAO also provides support to assess	FAO is recognized in the country to have Strong technical expertise on organizing FFS	

		post-harvest losses through PASP.		
	IITA	Fighting Cassava Brown Streak Disease and Cassava Mosaic Disease	IITA's findings on the diseases would be useful for PASP, PRICE and KIIWP	
	SSTC	Brazil, Argentina	The governments of both countries expressed interest in collaborative activities with IFAD.	
Enhancing visibility	CICA in MINAGRI	Collect and disseminate projects information outputs and outcomes leveraging the Government-funded centre	All actors in the agriculture sector participate, along with Government	
	National Farmers organizations	IFAD closely engaged in the framework of the E-granary with the National Confederation of Cooperatives in Rwanda (NCCR) and IMBARAGA an umbrella organization of farmers	Active national organizations that holds relevant and visible events	
	ASWG	IFAD is currently co-chairing the dairy sub-working group in collaboration with MINAGRI	A key platform for increasing IFAD visibility with regard to policy and strategy development.	
	RBAs	IFAD participates in the World Food Day through a joint organization with the government and sister RBAs	The joint organization of the World Food Day is an opportunity to enhance IFAD visibility.	

South-South and Triangular Cooperation strategy

I. Context

1. Developing countries across all income levels have become increasingly interested in learning from and drawing on the development experiences and resources of their peers. This includes knowledge and technologies, but also institutional frameworks and policies. With this comes a demand for a more structured approach to scale up their knowledge- and resource-sharing activities.
2. In response to the growing importance of South-South and Triangular Cooperation (SSTC), IFAD aims to strengthen its comparative advantage and expand its work in SSTC, in terms of both knowledge-based cooperation and investment promotion, seeing it as an integral part of its business model and of its country programming process.
3. SSTC involves a set of activities, with complementary and coordinated measures that contribute to improving the effectiveness of IFAD's country programming. These include the exchange of knowledge, resources, practical skills and technical know-how on small-scale agriculture and rural development, including innovative solutions for operations supported by IFAD.
4. IFAD updated its approach to SSTC in 2016. The new approach proposes two main objectives for IFAD in its SSTC work:

    - Objective 1: Share relevant rural development solutions and knowledge, and promote investments among developing countries; and
    - Objective 2: Establish and support partnerships and other forms of collaboration to improve rural livelihoods.

II. South-South and Triangular Cooperation in Rwanda

5. SSTC is embedded in the country programming of IFAD operations in Rwanda. In line with the two SSTC objectives above, the COSOP 2019-2024 will undertake a range of technical cooperation activities that build on the success of activities already under way as part of its SSTC work in Rwanda, as well as offer new opportunities for further development. It highlights instruments and activities, as well as thematic areas for SSTC. These activities will be integrated into the lending and grant portfolio, and contribute to knowledge sharing and policy engagement of IFAD operations in Rwanda. Furthermore, it identifies areas in which other countries can learn from Rwanda.

Exchanges, study tours, and learning routes

6. IFAD will promote exchange visits and study tours to support activities aimed at transferring and sharing successful solutions through visits, platforms and trainings. One such area of exchange being explored, is between the Argentinian government, Government of Rwanda (GoR), the Rural Dairy Development Project (RDDP) and WFP, in promoting learning and exchange in areas of livestock production and food security. This will be facilitated by IFAD and the Argentine Fund for SSTC. Through this Fund, the Argentine Ministry of Foreign Affairs finances and develops bilateral and triangular technical cooperation projects, by means of partnership, collaboration and mutual support mechanisms. Small livestock breeding and husbandry management was identified as an additional thematic area for SSTC, given the specific context of Rwanda with its high population density and zero grazing.

7. IFAD will explore the possibility of collaborating with the Brazilian government through the Brazilian Agency for Cooperation (ABC). As part of the Action Plan developed by IFAD and ABC, Rwanda is chosen as one of the initial partner countries. Specific areas and types of support will be discussed and documented as a proposal by the end of March 2019. Potential collaborative activities include needs assessment, training activities, knowledge sharing, technical missions and visits and assistance in the design, implementation and monitoring and evaluation of projects, policies and programmes.

8. Participation and sponsorship of thematic, regional and international events (workshops, symposiums, forums, etc.) will remain an important SSTC tool for IFAD Rwanda. This will include sharing experiences and good examples on innovative development solutions and agricultural and rural development policies, as well as to develop professional networks. IFAD Rwanda will therefore seek to identify opportunities for engagement to exchange lessons on programme and policy formulation and implementation. Existing regional structures and frameworks, such as the African Union's Comprehensive African Agriculture Development Programme (CAADP), as well as regional institutions such as Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) are important platforms.

Regional portfolio

9. The regional non-lending activities have been an important vehicle to promote both regional cooperation and facilitate exchange and learning between Rwanda and other countries in the region and beyond, and will continue to be explored. Under RB-COSOP 2019-2024 the following regional grants will facilitate learning and exchange on specific thematic areas: (i) the Climate-smart Dairy Systems in East Africa through improved forages and feeding strategies: enhancing productivity and adaptive capacity while mitigating GHG emissions; (ii) Fighting Cassava Brown Streak Disease and Cassava Mosaic Disease through deployment of new resistant germplasm and clean seed in Rwanda and Burundi; (iii) Missing Middle Window: Using the eGranary innovative mobile platform to deliver economic services to farmers in East Africa; (iv) Mainstreaming the AG-Scans & Knowledge Approach and enhance national monitoring systems; (v) Supporting Investments in Agricultural Water Management through research, capacity development and policy support in 6 countries; and (vi) the Rural Women Economic Empowerment program implemented in Rwanda and 6 other countries focusing on food security, nutrition, income opportunities, leadership, and a gender responsive policy environment.

10. Under the COSOP 2019-2024, further opportunities to develop IFAD's regional portfolio will be developed, in particular in thematic areas of small-scale irrigation, financing models and small livestock to enhance regional collaboration and knowledge sharing.

IFAD Operating Modalities

11. SSTC activities will also cover activities aimed at improving the efficiency and effectiveness of IFADs operating model. The performance and strong results-orientation of IFAD's portfolio in Rwanda, financial management and procurement compliance, has been a model for IFAD. Furthermore, the Single Project Implementation Unit (SPIU) has proven to be an effective vehicle in guiding the process of designing, implementing and monitoring projects together with IFAD. Several IFAD country programmes in Sub-Saharan Africa have already visited Rwanda to learn from this model.

Country at a glance

Country Portfolio Summary

Region	East & Southern Africa	**Member of Country Groups :**	
Country	Rwanda	Least Developed country	Yes
Current Financing Terms	Highly Concessional	Low-income, food deficit	Yes
Ranking all Countries	27	HIPC DI Eligible	Yes
Ranking within region	7		

Country Indicator	Value	Year	Source
Agriculture, value added (% of GDP)	30.96	2017	World Bank
GNI per capita, Atlas method (current US$)	720.00	2017	World Bank
Human development index (HDI) value	0.52	2017	UNDP
Population, total	12,208,407.00	2017	World Bank
Rural population	10,117,717.00	2017	World Bank

Key Dates

Last RB-COSOP Approved AVP/PMD	
First Project Approved	17 Dec 1981
Last Project Approved	22 Sep 2016

IFAD Interventions

	Number of Projects	IFAD Approved USD ('000)
Project Completed	1	42,200
Available for Disbursement	3	135,772
Financial Closure	12	125,665
Total IFAD commitment	**16**	**303,637**

IFAD Interventions Summary

Project Number	Financing Instrument ID	Currency	Approved Amount	Disbursed	Loan/Grant Status	Project Status	Board Approval	Cooperating Institution
1100000079	1000002632	XDR	9,080,000	99%	Closed	Closed	17 Dec 1981	AFDB
1100000079	1000000513	XDR	920,000	100%	Closed	Closed	17 Dec 1981	AFDB
1100000150	1000002010	XDR	3,750,000	87%	Closed	Closed	11 Sep 1984	WB
1100000232	1000002101	XDR	8,350,000	100%	Closed	Closed	30 Nov 1988	WB
1100000264	1000002136	XDR	6,350,000	76%	Closed	Closed	01 Oct 1990	AFDB
1100000314	1000002192	XDR	6,750,000	90%	Closed	Closed	02 Dec 1992	UNOPS
1100000500	1000002300	XDR	3,750,000	91%	Closed	Closed	17 Apr 1996	UNOPS
1100001059	1000001085	XDR	2,100,000	97%	Closed	Closed	11 Sep 1997	IFAD_NB
1100001149	1000002439	XDR	11,850,000	97%	Closed	Closed	04 May 2000	IFAD_NB
1100001222	1000002479	XDR	9,400,000	92%	Closed	Closed	06 Dec 2001	IFAD_NB
1100001232	1000002504	XDR	12,300,000	100%	Closed	Closed	11 Dec 2002	IFAD_NB
1100001276	1000002524	XDR	10,650,000	100%	Closed	Closed	11 Sep 2003	IFAD_NB
1100001320	1000002588	XDR	5,650,000	100%	Closed	Closed	08 Sep 2005	IFAD_NB
1100001320	1000000507	XDR	140,000	100%	Closed	Closed	08 Sep 2005	IFAD_NB
1100001320	1000003629	XDR	1,870,000	100%	Closed	Closed	17 Dec 2009	IFAD_NB
1100001320	1000004099	XDR	800,000	100%	Closed	Closed	10 Sep 2011	IFAD
1100001320	1000004100	XDR	800,000	100%	Closed	Closed	10 Sep 2011	IFAD
1100001431	1000003165	XDR	13,050,000	100%	Closed	Completed	11 Sep 2008	IFAD_NB
1100001431	1000003630	XDR	3,950,000	100%	Closed	Completed	17 Dec 2009	IFAD_NB
1100001431	2000000187	XDR	5,100,000	100%	Closed	Completed	06 Jul 2013	IFAD
1100001431	2000000186	XDR	5,100,000	100%	Closed	Completed	06 Jul 2013	IFAD
1100001497	2000000428	XDR	4,510,000	76%	Disbursable	Disbursable	11 Dec 2013	IFAD
1100001497	2000000427	XDR	8,770,000	91%	Disbursable	Disbursable	11 Dec 2013	IFAD
1100001497	2000000445	XDR	8,770,000	81%	Disbursable	Disbursable	11 Dec 2013	IFAD
1100001550	1000004098	XDR	11,600,000	100%	Disbursable	Disbursable	15 Sep 2011	IFAD
1100001550	1000004097	XDR	11,600,000	100%	Disbursable	Disbursable	15 Sep 2011	IFAD
1100001550	2000001809	XDR	8,410,000	74%	Disbursable	Disbursable	10 Feb 2017	IFAD
1100001550	2000002298	XDR	5,840,000	0%	Entry Into Force	Disbursable	13 Apr 2018	IFAD
2000001195	2000001641	XDR	790,000	44%	Disbursable	Disbursable	22 Sep 2016	IFAD
2000001195	2000001642	XDR	31,350,000	22%	Disbursable	Disbursable	22 Sep 2016	IFAD_NB

Projects in Pipeline

Current Phase	Number of Projects	IFAD Proposed Financing USD ('000)
Concept Approved	3	86,400

Country profile Rwanda

	1990	2000	2010	2016
World view				
Population, total (millions)	7.24	8.03	10.25	11.92
Population growth (annual %)	0.3	5.5	2.7	2.4
Surface area (sq. km) (thousands)	26.3	26.3	26.3	26.3
Population density (people per sq. km of land area)	293.3	325.3	415.4	483.1
Poverty headcount ratio at national poverty lines (% of population)	..	58.9	46.0	39.1
Poverty headcount ratio at $1.90 a day (2011 PPP) (% of population)	..	76.5	60.4	59.5
GNI, Atlas method (current US$) (billions)	2.53	1.94	5.72	8.39
GNI per capita, Atlas method (current US$)	350	240	560	700
GNI, PPP (current international $) (billions)	4.03	4.95	13.48	22.22
GNI per capita, PPP (current international $)	560	620	1,320	1,860
People				
Income share held by lowest 20%	..	5.2	5.1	5.2
Life expectancy at birth, total (years)	34	48	63	67
Fertility rate, total (births per woman)	7.2	5.6	4.5	3.9
Adolescent fertility rate (births per 1,000 women ages 15-19)	63	49	35	27
Contraceptive prevalence, any methods (% of women ages 15-49)	21	13	52	53
Births attended by skilled health staff (% of total)	26	31	69	91
Mortality rate, under-5 (per 1,000 live births)	151	195	64	39
Prevalence of underweight, weight for age (% of children under 5)	24.3	20.3	11.7	..
Immunisation, measles (% of children ages 12-23 months)	83	74	95	95
Primary completion rate, total (% of relevant age group)	43	23	71	67
School enrolment, primary (% gross)	73.1	108.6	145.1	137.0
School enrolment, secondary (% gross)	16	11	33	37
School enrolment primary & secondary (gross), gender parity index (GPI)	1	1	1	1
Prevalence of HIV, total (% of population ages 15-49)	2.2	5.2	3.5	3.1
People using at least basic drinking water services (% rural population)	..	42.4	46.5	48.5
People using at least basic sanitation services (% rural population)	..	41.9	56.9	64.4
Environment				
Forest area (sq. km) (thousands)	3.2	3.4	4.5	4.8
Terrestrial and marine protected areas (% of total territorial area)	8.8	8.8	..	9.1
Annual freshwater withdrawals, total (% of internal resources)	..	1.6	..	..
Urban population growth (annual %)	1.6	11.5	6.8	5.7
Energy use (kg of oil equivalent per capita)	..	..	..	..
CO2 emissions (metric tons per capita)	0.08	0.07	0.06	0.07
Electric power consumption (kWh per capita)	..	..	..	..
Economy				
GDP (current US$) (billions)	2.55	1.73	5.77	8.38
GDP growth (annual %)	-2.4	8.4	7.3	5.9
Inflation, GDP deflator (annual %)	13.5	2.8	2.7	4.9
Agriculture, value added (% of GDP)	..	..	31	32
Industry, value added (% of GDP)	..	..	16	18
Services, etc., value added (% of GDP)	..	..	53	51
Exports of goods and services (% of GDP)	6	6	12	15
Imports of goods and services (% of GDP)	14	25	30	33
Gross capital formation (% of GDP)	15	13	23	26

	1990	2000	2010	2016
Revenue, excluding grants (% of GDP)	10.8	..	..	20.7
Net lending (+) / net borrowing (-) (% of GDP)	-5.4	..	..	-2.1
States and markets				
Time required to start a business (days)	17.1	18	7	4
Domestic credit provided by financial sector (% of GDP)	8.8	13.1	8.4	19.1
Tax revenue (% of GDP)	3.7	..	..	14.9
Military expenditure (% of GDP)	0.0	3.5	1.3	1.2
Mobile cellular subscriptions (per 100 people)	0.0	0.5	34.6	74.9
Individuals using the Internet (% of population)	..	0.1	8.0	20.0
High technology exports (% of manufactured exports)	..	2	5	12
Statistical Capacity score (Overall average)	17.1	..	68	70
Global links				
Merchandise trade (% of GDP)	16	15	30	36
Net barter terms of trade index (2000 = 100)	40	100	196	178
External debt stocks, total (DOD, current US$) (millions)	712	1,290	906	2,783
Total debt service (% of exports of goods, services and primary income)	14.3	25.7	2.1	8.3
Net migration (thousands)	-1,348	-73	-79	..
Personal remittances, received (current US$) (millions)	3	7	106	173
Foreign direct investment, net inflows (BoP, current US$) (millions)	8	8	251	254
Net official development assistance received (current US$) (millions)	287.9	321.5	1,033.1	1,148.4

Source: World Development Indicators database

Figures in italics refer to periods other than those spe cified.

World Development Indicators, 05/02/2018.

Financial management issues summary

FIDUCIARY SUMMARY OF COUNTRY PORTFOLIO

COUNTRY	RWANDA	**CONCEPT NOTE**	Project for Inclusive Small Livestock Markets

COUNTRY and CURRENT PROJECT -Fiduciary KPIs:

Country Inherent Risk	**Medium**	**Transparency International (TI)** The country ranking has improved slightly in 2017 as compare to 2016. Rwanda ranked 48th out of 180 countries with a score of 55/100 in 2017 as compared to a score of 54/100 in 2016. This puts it on the limit of the medium risk bracket: a score of 56 would correspond to a low risk rating. Given the good PSR ratings, the overall inherent fiduciary risk is thus rated low. **PEFA** The Rwanda 2008 PEFA highlighted weaknesses in budgetary credibility, financial control at the service delivery level and quality of reporting, however, the 2016 assessment noted significant improvements, particularly in fiscal discipline, orderly budget preparation process and financial controls. The government accounting system is not fully compliant with international standards but this is being addressed by MINECOFIN through a blue print that will transition it to IPSAS accruals accounting. This will be rolled out in a phased approach over the next couple of years. Capacity in PFM is noted as requiring further improvement especially at district level although in most aspects the PFM system is functioning satisfactorily. **Debt distress assessment** The Rwanda public and publically guaranteed debt has increased in recent years as per the WB/IMF PSI report of May 2018. The upward trajectory since 2013 shows an increase from 37.5% of GDP in 2015 to 44.4 % in 2016. The domestic debt was also noted to have increased slightly due to modest debt guarantees of about 1.1% of GDP. However, in general the debt burden is assessed to be sustainable with a continued low risk of debt distress (significantly below the LIC DSA public debt benchmark of 74% for countries with strong policies and institutions). Rwanda's policies and institutions continue to be classified as "strong" under the world Bank Country Policy Institutional Assessment (CPIA) index. The external debt burden indicators remain below risk thresholds except for one debt service indicator on the Eurobond. A servicing spike is expected in 2023 when the 2013 Eurobond matures and hence the debt-service to revenue indicator is expected to higher than the threshold but this is assumed to be temporal in nature lasting not more than one year. It is however noted that changes in budget support and a shift away from grants together with ambitious development plans will require a focus on sources of financing that do not burden the public balance sheet including the domestic revenue mobilization.
Pending Obligations (Overdue obligation related to pre-financed amount from IFAD's resources to cover for government's contribution)	None	
Country Income Classification	Lower middle income	
Expected IFAD lending terms for IFAD 11	Highly Concessional	
Country Contribution in IFAD Replenishments		
PBAS – Programme's cycle coverage	IFAD 11 allocation: USD 54.4 million IFAD 12 TBD	
Country Fiduciary Risk	**Low**	
Disbursement - Profile	Ranges from moderately satisfactory to moderately unsatisfactory	
Counterpart Funding - Profile	Unsatisfactory	
Current Lending terms	Highly Concessional	

Key Fiduciary OBSERVATIONS:

PROJECT Concept Note – Fiduciary KPIs:

Fiduciary Project risk	***Low***		Lending terms are expected to remain stable highly concessional.
Duration:	*Five and half years*		
Financing Sources:	***USD millions***	***%***	
- *IFAD – PBAS 11*	*10.0*	*33%*	
- *IFAD PBAS 12*	*8.0*	*27%*	
- *Local - Co-financing (Gov.)*	*3.0*	*10%*	
- *Beneficiaries and private Investor*	*6.0*	*20%*	
- *Heifer International*	*3.0*	*10%*	
Proposed size:	*USD 30.0 M*		

PROJECT Concept Note – Key Fiduciary OBSERVATIONS:

1) Result based lending foreseen in the COSOP might be piloted and although the government already has experience on resu based disbursement with the World Bank projects, it is an area that will definitely pose some risks in terms of funds flow and tim reporting given the fact that government policy now requires all projects to be managed through IFMIS. The design will critically asse these areas and taking into considerations/learning points from similar pilots of the results based disbursement framework that are ju starting within IFAD. This in addition to available lessons that can be drawn from ongoing projects of the World Bank within the coun will be carefully reviewed and appropriate mitigation measures put in place at design.
2) Government is steadily moving toward full use of the Integrated Financial Management Information System (IFMIS) system and new approved projects are to be included. However, the PEFA review by World Bank notes the fact that the IFMIS system is not y fully functional and its coverage must still be fully rolled out to all the districts. Although the concept does not mention the fact, giv this requirement for all projects being in the IFMIS system, the design must ensure that this is reviewed at district levels with necessa discussions to avoid funds flow issue during implementation.
3) The Single Implementation Unit has been an excellent facilitating arrangement for faster start-ups, capacity building, experien sharing and problem solving and hence the proposed project will be managed under this arrangement. ICP is already rolled out to t Country and hence the project design will incorporate necessary aspects to this.
4) Proper documentation and recording of beneficiary as well as government contributions is one area that is currently rat unsatisfactory within the current projects. This has not been properly managed and hence the design will ensure right from the costi that a proper and clear mechanism adopted and embedded in the project implementation manual to ensure that these contributions properly captured and report on regularly. Similarly discussions with government during design will need to emphasize the requir percentages of both the local and international contributions that must be met.

Existing Portfolio:

Project	Financing instrument	FLX Status (1)	Lending Terms	Currency	Amount (million)	Completion date
PASP	200000042700	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	8.77	30/03/2019
PASP	200000042800	DSBL	ASAP GRANTS	XDR	4.51	30/03/2019
PASP	200000044500	DSBL	DSF HC GRANTS	XDR	8.77	30/03/2019
PRICE	200000229800	ENTF	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	5.84	29/06/2020
PRICE	200000180900	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	8.41	29/06/2020
PRICE	G-I-DSF-8087-	DSBL	DSF HC GRANTS	XDR	11.60	29/06/2020
PRICE	L-I--845-	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	11.60	29/06/2020
RDDP	200000164100	DSBL	LOAN COMPONENT GRANTS	XDR	0.79	30/12/2022
RDDP	200000164200	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	31.35	30/12/2022

(1) APPR – SIGN – ENTF – DISB – EXPD - SPND

B. PORTFOLIO, FM RISK & PERFORMANCE

Project	Financing instrument	Curr.	Amount (million)	Project risk rating	PSR quality of FM	PSR audit	PSR disb. rate	Disbur d to approv
PASP	200000042700	XDR	8.77	Low	Satisfactory	Highly satisfactory	Mod. satisfactory	81 %
PASP	200000042800	XDR	4.51	Low	Satisfactory	Highly satisfactory	Mod. satisfactory	58 %
PASP	200000044500	XDR	8.77	Low	Satisfactory	Highly satisfactory	Mod. satisfactory	81 %
PRICE	200000229800	XDR	5.84	Low	Satisfactory	Highly satisfactory	Mod. satisfactory	0 %
PRICE	200000180900	XDR	8.41	Low	Satisfactory	Highly satisfactory	Mod. satisfactory	74 %
PRICE	G-I-DSF-8087-	XDR	11.60	Low	Satisfactory	Highly satisfactory	Mod. satisfactory	100 %
PRICE	L-I--845-	XDR	11.60	Low	Satisfactory	Highly satisfactory	Mod. satisfactory	100 %
RDDP	200000164100	XDR	0.79	Medium	Mod. satisfactory	Satisfactory	Mod. unsatisfactory	44 %
RDDP	200000164200	XDR	31.35	Medium	Mod. satisfactory	Satisfactory	Mod. unsatisfactory	22 %

There are three current projects ongoing within the portfolio and all have been consistently rated satisfactory in terms of the FM risk. The projects are supervised under the Single Project Implementation Unit. Rwanda is already fully operational on ICP, also receiving disbursement under the Straight Through Processing (STP) on the two low risk projects.

Although PRICE was first approved for funding under the Debt Sustainability Framework in 2011, it received an additional financing of a loan of SDR 8.4 million under highly concessional terms with a no cost extension. A second additional financing, together with a time extension of two years, was approved under the highly concessional terms of SDR 5.84 million to cover the horticulture component.

PASP is financed fully under the debt sustainability framework and is completing soon.

RDDP was approved in September 2016, becoming effective in 2017 but picked up slowly with a low disbursement rate to date. It is also the first project managed entirely through the IFMIS system.

All the projects are being audited by the Auditor General whose work has been rated highly satisfactory for its comprehensive cover and timely performance. The audit reports are unqualified and timely presented. Although internal management issues are noted in the management letters, Management has always addressed them. With the Single Implementation Unit, it is expected that the quality of work and attention to financial management will continue to be highly rated.