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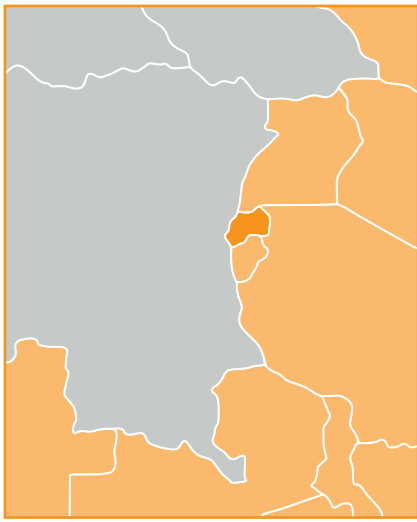
# Investing in rural people in **Rwanda**

Rwanda is a small, landlocked and resource-poor country with an estimated population of 11.61 million (2015). The population density is the highest in Africa. The annual demographic growth rate is 2.3 per cent and the population is expected to increase to about 14.6 million by 2025.

Rwanda has been able to translate sustained economic growth into poverty reduction, but more than 4.4 million people remain poor and the country is ranked 163<sup>rd</sup> out of 188 countries in the 2015 United Nations Development Programme (UNDP) Human Development Index.

The 2015 Comprehensive Food Security and Vulnerability Analysis (CFSVA) shows that 19 per cent of Rwandan households are food insecure with peaks in the northern (46.2 per cent) and western (45.3 per cent) provinces. Despite progress on chronic malnutrition over the last decade, almost 38 per cent of children under 5 are chronically malnourished, with stunting levels above 40 per cent.

Rwanda has targeted the transformation of the agricultural sector with significant public investments in land use consolidation, irrigation, land improvement, soil and water conservation, access to inputs, increasing livestock herds, and capital-building through support to cooperative development. Smallholders farm an average of four to five plots that make up an average land size of 0.33 hectares (2016), limiting their ability to expand their operations, commercialize and escape poverty.



While marketable surpluses have increased, harvest and post-harvest losses are a major drain on agricultural production, running at rates of about 25-30 per cent of harvested products for key commodities. Thus, it is crucial to improve post-harvest handling and infrastructure for harvesting, cleaning, sorting, drying and storing processes and smallholder access to markets.

## Eradicating rural poverty in Rwanda

Rwanda's Vision 2020 is a strategy for stimulating economic growth and reducing poverty. This vision is further laid out in the second Economic Development and Poverty Reduction Strategy (EDPRS 2), covering the period 2013-2018, which identifies the agriculture sector as a key sector and a significant engine of inclusive growth. With the main objective of reducing poverty to 30 per cent and extreme poverty to 9 per cent, it focuses on four main themes: accelerated economic growth towards achieving middle-income country status; rural development for sustainable poverty reduction; productivity and youth employment; and improved service delivery and citizen participation in the development process.

As part of EDPRS 2, the Strategic Plan for Agriculture Transformation (PSTA III) is implemented by the Ministry of Agriculture and Animal Resources (MINAGRI). The strategy (covering 2013-2018) has four broad programme areas: agriculture and animal resource intensification; research, technology transfer and professionalization of farmers; value-chain development and private-sector investment; and institutional development and cross-cutting issues. PSTA III puts great emphasis on value chains and markets, product quality and obtaining premium prices, as well as arrangements for bulking up production in order to ease access to inputs, services and markets. It aims to increase exports of tea, coffee and horticultural products and to develop the role of the private sector in agricultural production.

PSTA III is guided by the Comprehensive Africa Agriculture Development Programme (CAADP). Rwanda was the first country to sign a CAADP Compact and prepare an Agriculture Sector Investment Plan (ASIP) fully aligned with CAADP. A second CAADP Agricultural Sector Investment Programme (ASIP) based on PSTA III was launched in June 2014. PSTA III has also targeted nutrition and household vulnerability.

## IFAD's strategy in Rwanda

Since 1981, IFAD has financed 16 rural development programmes and projects in Rwanda, for a total amount of US\$284.6 million, and directly benefiting about 634,300 rural households. The IFAD country programme has contributed significantly to improving incomes and food security in rural areas, particularly through watershed development, increased production in irrigated marshland and hillsides, development of livestock and export crops, and support for cooperatives and rural enterprise promotion.

IFAD's country programme has piloted a number of innovations, including a rice intensification system (SRI), crop-livestock integration and intensification, support for water users' associations, and development of farmer-managed veterinary pharmacies, which have now been mainstreamed into government programmes. In addition, new technologies such as the flexi-biogas (a low-cost biogas digester) are providing affordable energy to remote rural areas. An apprenticeship programme is helping rural youth gain new skills. IFAD also supports the government in mainstreaming climate resilience in all stages of agricultural value chains. This includes the development of drought and flood-tolerant seeds, low-cost and energy-saving technologies (e.g. solar- and biogas-powered machineries), "climate proof" building, elaboration and communication of climate information services, renewable energy and climate-smart practices.

IFAD's strategy in Rwanda, as documented in its results-based country strategic opportunities programme (RB-COSOP) for 2013-2018, is well aligned with EDPRS 2 and PSTA III. The COSOP's overall objective is to reduce poverty by empowering poor rural men and women to actively participate in the transformation of the agriculture sector and rural development, and by reducing their vulnerability to climate change. The three interrelated strategic objectives of IFAD's country programme in Rwanda are:

- To sustainably increase agricultural productivity
- To develop climate-resilient export value chains, post-harvesting processes and agribusiness
- To improve the nutritional status of poor rural people and vulnerable groups included in the process of economic transformation.

## Ongoing operations

### Rwanda Dairy Development Project (2017-2022)

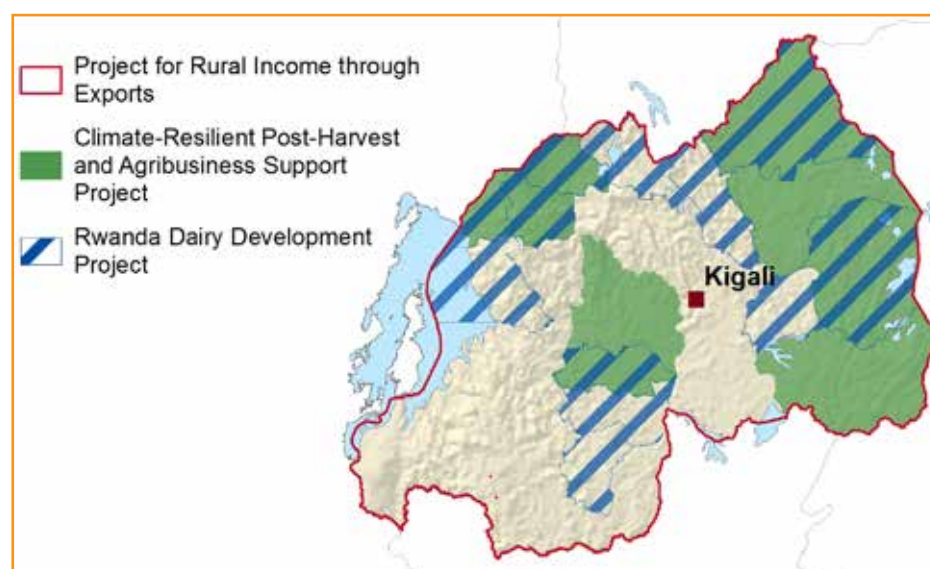
RDDP is meant to contribute to pro-poor economic growth and improve the livelihoods of resource-poor rural households. RDDP seeks to increase the dairy sector's competitiveness and profitability through provision of quality products from small-scale producers to domestic and regional consumers, thus increasing their livelihoods, food security and nutrition while building overall resilience. To achieve its objectives, RDDP includes three components:

- Climate-smart dairy production intensification
- Support for producer organizations and value chains, focusing on capitalizing on productivity gains
- Institutional and policy development.

The total project cost is US\$65.1 million, including an IFAD loan of US\$43.6 million and a grant of US\$1.1 million. The project is expected to reach approximately 100,000 resource-poor rural households.

### Climate-Resilient Post-Harvest and Agribusiness Support Project (2014-2019)

The PASP aims at reducing post-harvest losses in key value-chain commodities (maize, beans, cassava, Irish potatoes and dairy) and thus increasing the incomes of smallholders and rural labourers, especially women and young people.





The total project cost is US\$83.4 million, and it is expected to benefit to about 32,400 rural households. IFAD is financing approximately US\$27 million, half in loan and half in grant form. The project is strengthened through an investment of US\$7.0 million from the Adaptation for Smallholder Agriculture Programme (ASAP), launched by IFAD to channel climate and environmental finance to smallholder farmers so that they can increase their resilience. The project components are:

- Capacity development and business coaching for cooperatives, farmers' organizations, small businesses and microenterprises
- Support for agribusiness investment in climate-resilient drying and processing technologies and infrastructures, value addition, storage, distribution and other post-harvest processes.

### Project for Rural Income through Exports (2011-2018)

PRICE aims to increase benefits to farmers from key export-driven and sustainable agricultural value chains through greater production volume and quality, improved marketing and effective farmer organizations. The total cost of the programme is US\$56.1 million. IFAD is providing US\$37.4 million, half as loan and half as grant. This project benefits approximately 128,700 households, especially woman-headed households and households with little land, and which are involved in coffee or tea production, sericulture and horticulture. The project promotes:

- Sustainable increased returns to farmers from key export-driven agricultural value chains
- Strengthened producer cooperatives as full-fledged economic partners of the private sector.

PRICE is supporting the National Agricultural Export Board (NAEB) in demonstrating what can be achieved with new business models that benefit smallholder farmers in selected value chains. The project has shown that horticulture is bankable and sustainable.



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IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$18.5 billion in grants and low-interest loans to projects that have reached about 464 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.

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For further information on rural poverty in Rwanda, visit the Rural Poverty Portal:  
<http://www.ruralpovertyportal.org>



Investing in rural people

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