

**Rwanda: Rural Small and Microenterprise Project Phase I**

Item	Assessment Remarks	Rating
<b>Country &amp; Project Name</b>	<b>Rwanda: Rural Small and Microenterprise Project Phase I (PPMER I)</b>	
Loan No.:	411-RW	
Project Id.:	500	
Board Date	April 1996	
Effectiveness Date	March 1998	
Final Closing date	December 2004	
Total Project Cost USD(M)	5,9M US\$	
IFAD loan USD (M)	5,4M US\$	
Cofinanciers if any	none (beneficiaries 0,5M US\$)	
Implementing Agency	PMU	
Principal Components	1) organisation and mobilisation of producers; 2) RSME (Rural Micro and Small Enterprises) promotion; 3) Programme Management support.	
Link to PCR	<a href="https://rms.ifad.org/OfficialRecords/OP1/RW/0500/[0000134333]%201625-RWAND.pdf">https://rms.ifad.org/OfficialRecords/OP1/RW/0500/[0000134333]%201625-RWAND.pdf</a>	
<b>Project Performance</b>		
Design	The activities are in general well designed and well-coordinated (no Logframe). Very important the detailed description of the follow up of the training. Despite it wasn't an innovative element, the creation of IBG for rural credit access improvement is one of the most useful aspects of the programme (for sustainability). The credit activities, part of the RSME promotion component, were divided into 3 types to broaden the outreach: (i) micro credit for the recovery of disadvantaged RSME (rural small and medium enterprises) and beginners (around 100 US\$), (ii) higher credits (around 3500 US\$) for the activities improvement and (iii) the highest loans were dedicated to the RSME wishing to renew their technologies (around 10500 US\$). The programme was designed before the dramatic genocide, no revision after was needed.	5
Implementation	Fully satisfactory both implementation and M&E. Pro-active role of both GoR and BDR (Rural Development Bank: GoR asked to reinforce and to refill the rural credit line of the budget, to increase these activities, the programme wasn't modified but a commercial bank decided to interact and to create a US\$60 000 credit line. Unique (and limited) failure: not completely satisfactory the accomplishment of the focus on gender because of social constraints not properly faced.	6
Relevance	When the programme was designed IFAD was approaching at Rwanda studying the possibilities of its rural development. One of the needs was the support to small and micro private sector and the programme responded to this matter properly. Probably other sectors of the weak rural economy of Rwanda were priorities.	4
Effectiveness	1) The most successful activity of this component was the creation of IBG Interdependent Backing Groups (170%); the objective to increase the beneficiaries' capabilities and auto-management skills has been passed (120%) in all the districts; the open-door demonstration for youths beginners were satisfactory as well (120%); the organisation of RSME (Rural Small and Micro Rural Enterprises) in association slightly passed the target (107%). Very effective the support to structuring of professionals organisations and adult literacy courses (for both 300%). 2) retraining in accountancy (105%), project design and credit management (100%), entrepreneurial spirit, marketing and finance (80%), training for new IGA (230%) and follow up of trained beneficiaries (40%). Very effective the credit activities, part of the RSME promotion component, distributing loans to more than 1500 RSME.	5
Efficiency	The average cost per household was 500 US\$ and the activities very detailed, with a very proper follow up of the training and the start-up of RSME. Very efficient.	6
<b>Partner Performance</b>		
Partner Perf. & Quality	GoR implemented the programme very satisfactorily and the Rwanda Development Bank – BRD, not part of the programme, was proactive. IFAD and UNOPS performed satisfactorily.	IFAD=5; UNOPS=5; GoR= 5; BRD=6.

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<b>Rural poverty impact</b>		
Physical Assets	No assessment of physical assets directly created by the programme. Maybe through the potential increase of income the access will increase.	NA
Food Security	Probably the indirect effect is the increase in income (see fin. ass.) and thus in access to food.	4
Environment	No impact.	NA
Human Assets	The human capabilities were reinforced by the literacy courses and professional training, in a sustainable manner.	5
Soc. Cap. & Emp.	The RSME were also trained for the creation of associations, which increase their bargaining power (see markets) and their social organisation.	5
Ag. Productivity	Agriculture absent in the PPPMER. Indirect effects not foreseeable with data presented.	NA
Inst. & Serv.	Probably the impact is limited to the BRD, but this can influence the intervention of other institutions in the programmes.	4
Financial Assets	The micro finance activities are positively contributing to the development mainly because of the training on credit management. The creation of new IGA through the qualitative maturation process of the RMSE will have a strongly positive impact (and apparently sustainable) on the access to financial assets.	5
Markets	Creation of fairs and diversification or enhancement of the quality of the handicraft activities will increase the exchanges through the markets. Associations of RSME: positive effects for marketing.	5
Rural Poverty	The decision to focus on the need of RSME responded to a marketing need which, after the dramatic genocide, impacted very positively on the excess of dependency, very frequent after war periods. The success of the credit component, the improvement of labour skills contributed in generating an increased ownership of development. Very good indirect impact.	5
<b>Overarching factors</b>		
Targeting	The target is focused on the poorest among the entrepreneurs: 2 groups (i) the beginners, with small capital but savoir-faire, (ii) the senior with higher savoir faire but disadvantaged as well. A particular attention was paid to women and youths household head, to illiterate rural youths and to vulnerable groups in general. Good targeting. 12 000 households direct beneficiaries. After the design the conditions of the country and the needs of the poor changed. The targeting wasn't focussed only on the poorest, but also on people able to be stimulated by market dynamics.	5
Gender	Gender was focused since the beginning. Partly missed the chance to change the dimension of women's RSME (no 'social lift').	4
Sustainability	Strongly improved by the creation of IBG for rural credit access, which gave the organisations the skills to manage credit and to continue accessing to it. A progressive ownership of the beneficiaries of the activities realised has been assessed (strongly positive trend and impact on sustainability).	5
Innov, Rep & Scaling	The detail of activities is surely replicable, not that innovations within the programmes, but very interesting the introduction of fairs and demonstration open-days.	5
<b>Overall Performance</b>	The programme positively influenced the non-agricultural side of rural development in Rwanda. Small and Micro enterprises benefited of the training programme, social cohesion and optimism in the economic relation increased. The sustainability is assured by the training activities on management and by the creation of associations of RSME. Gender has been focused but the impact on women's empowerment increases is not sufficiently assessed.	5
Contribution to IFAD Strategic Objectives	The focus on SO2 and SO3 within the PPPMER contributed directly in enhancement towards these goals in a satisfactory way.	5
Contribution to MDG's	Indirect positive contribution to MDG1 and important contribution to MDG2. Gender (MDG3) not sufficiently assessed.	4
<b>PCR Quality</b>		<b>5</b>
Scope	The PCR covers all the points required in a very well-structured way.	5

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Quality	While for the other aspects the analysis is satisfactorily deep, the impact on gender is very poorly analysed. Despite women are a focus issue, data are rarely split by gender, slightly impoverishing the value of the PCR. For the rest the assessment is complete, but the impact could have been better assessed.	5
Lessons	Women tend to ask for small loans: not clear whether this is a social matter or in general they behave as being too risk averse. Important to focus on this aspect for following programmes. 'Open-door' demonstrations increase the effectiveness of the training (valence both at national and international level).	5