

Rwanda country programme evaluation

## Farm intensification, crop diversification and non-farming jobs

**The Rwandan government is working to address its rural development challenges by encouraging rural communities to intensify their production, switch to higher value crops or seek non-farming employment. IFAD has been working in partnership with them to support these strategies. There have been some notable successes, such as major increases in rice productivity, extensive planting of coffee and tea bushes and an effective apprenticeship programme. However, all three arms of the strategy would be strengthened by a stronger value chain approach.**

Rwanda has the highest population density in Africa: currently 399 people per km<sup>2</sup> and projected to reach at least 500 per km<sup>2</sup> by 2020. The majority of the rural poor make their livelihoods from small, fragmented plots in fragile watersheds subject to erosion and loss of soil fertility. The Government has adopted a three-pronged strategy to address this challenge.

- (i) Intensification of farming. The Government has sought to improve soil fertility and productivity, particularly in the watersheds, and to reclaim marshlands in the valley bottoms for intensive crop production under irrigation.
- (ii) Diversification into higher-value crops. Efforts are being made to support agricultural diversification into higher-value produce including cash and export products such as tea, coffee, pyrethrum, and silk.
- (iii) Rural development is often thought to be synonymous with agricultural development, yet the two things are not always the same. The third prong of the Government's strategy is to support diversification into off-farm incomes and to enable young people to move out of agriculture by creating non-farm employment. The target is to create two million new non-farm jobs by 2020.

A recent country programme evaluation (CPE) documents how IFAD-supported interventions have assisted the Government of Rwanda in implementing these strategies and assesses how well they have performed.



A wood carver with folding bowl holder.

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### Intensification of food crops and livestock systems

The IFAD-supported interventions that were found to be the most effective in improving productivity were:

- Interventions to control erosion in watersheds and other areas, such as terracing and planting forage trees and grasses;
- The provision of dairy cows and small livestock (pigs, goats, sheep) to poor farmers, especially widows;
- Interventions to increase crop yields (e.g. maize, beans and Irish potatoes) by enhancing access to: chemical fertilizers, improved cultivation methods, seed multiplication, and training;
- The conversion of marshlands into irrigated crop production;
- The importation of intensive rice cultivation techniques from Madagascar (doubling yields to 6-7 tons/ha).

These interventions helped to boost agricultural output, improve access to basic food staples and raise farm incomes. Some areas of Rwanda were turned from food deficit to food surplus zones. Challenges for the future include controlling possible detrimental effects on the environment (soil pollution, loss of biodiversity), improving storage and processing facilities and shifting towards higher-value food products. With its limited amount of land, Rwanda's comparative advantages are likely to lie in dairy products, horticulture, fruit trees and silk farming, rather than in cereal production.



Fodder grass cutter provided by an IFAD-supported project.

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## Diversification to higher value produce

Cash and export crops are a strategic area for intervention because of the benefits on farmers' incomes, the induced labour demand from processing and the macroeconomic importance of export crops in earning foreign currency. IFAD-supported interventions have mainly worked with coffee and tea. Some 16 million coffee seedlings and 9 million tea seedlings have been distributed. As these coffee tree and tea bushes come into full production, increases in production and quality should become apparent, as a result of improved crop varieties and better crop management. Initiatives have also been implemented to help farmers' cooperatives to handle and process their produce, and manage coffee-washing stations. However, the majority of these washing stations have yet to achieve a sound financial footing and few operate at full capacity.

The effect of these interventions on smallholders and marginal farmers is difficult to judge. It is challenging for them to shift land from staple crops to cash crops, particularly when the cash crops take several years to mature. There is however evidence of indirect benefits on the incomes of small holders and the landless through seasonal work in coffee cooperatives and tea factories.

## Supporting routes out of agriculture

The IFAD-assisted portfolio supported (i) capacity development of micro and small-sized enterprises in

trades such as carpentry, welding, tailoring, commerce, beekeeping, and pottery and (ii) vocational training, primarily through an apprenticeship programme. According to available data, of those that had completed their apprenticeship: 46% had created their own enterprises, 28% had been employed by local businesses, 11% had found employment in urban areas, and 15% were still looking for jobs.

There were limitations in overall achievements, mainly due to the weak sustainability prospects of many micro and small enterprises. Almost half of them were assessed as "just surviving", suggesting that external support will be required. There was low emphasis on technology upgrading and product development.

## The need for a stronger value-chain approach

In land-scarce Rwanda, the IFAD-supported interventions have assisted the Government's complementary approaches to rural development. According to the CPE, the three sub-strategies described above are relevant and effective overall but need to be re-invigorated through a stronger value chain approach, that improves the links between agriculture, processing and marketing. This is essential for non-farm job creation. Several obstacles to reaching this objective were identified:

**Weak cooperatives.** Cooperatives, particularly those engaged in processing, manufacturing, handicrafts, and financial services, face challenges of high indebtedness, poor internal governance, and the inability to attract and retain qualified staff. It is pertinent to question whether cooperatives should always be prioritized. For certain levels of scale and complexity, private companies may fare better.

**Low sustainability of rural finance services.** Without sustainable rural finance services, the development of value chains will be constrained. Past interventions have focused on subsidized credit lines which were not sustainable. Emerging initiatives such as Access to Finance Rwanda are trying to develop a sub-sectoral programme inspired by internationally recognized good practice and deserve more attention.

**Formalizing the informal economy.** The Government's drive to formalize informal profit-making organizations, by having them registered as companies or cooperatives may have valid justifications but raises concerns. Formalization may apply too strictly without time to adapt or test the consequences. Many small private initiatives may be stifled this way before they can flourish.

**Lack of support to agricultural product processors.** Greater focus needs to be placed on supporting processors, a key element in developing value chains for agricultural production.

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### Further information:

Republic of Rwanda, Country Programme Evaluation, Report No. 2434-RW, March 2012, ISBN 978-92-9072-300-4, Independent Office of Evaluation of IFAD, Via Paolo di Dono, 44, 00142, Rome, Italy. The full report, Profile and Insights are available online at [www.ifad.org/evaluation](http://www.ifad.org/evaluation); email: [evaluation@ifad.org](mailto:evaluation@ifad.org).