

AGRICULTURAL TRANSFORMATION STRATEGIC PLAN SUPPORT PROJECT (ATSPSP).

INTRODUCTION

As indicated in its name, ATSPSP is a project whose objective is to support the agricultural transformation strategic plan (ATSP) so as to accomplish its mission and attain its objectives. The project was designed and approved in 2005. The funds necessary for the implementation of the project will mainly come from the International Agricultural Development Fund (IFAD) and other donors like DFID, the Netherlands, Belgium and the Government of Rwanda. The loan agreement was signed on 7 October 2005 between IFAD, the funding agency and the Government of Rwanda, the Borrower.

AGRICULTURAL TRANSFORMATION STRATEGIC PLAN (ATSP)

What is ATSP?

The ATSP is a plan which was elaborated by the Ministry of Agriculture and Animal Resources (MINAGRI) to facilitate effective implementation of the new national Agricultural policy. The major objective is to transform the agricultural sector and integrate it into Vision 2020 and the Poverty Reduction strategy. The two strategic policy frameworks consider agriculture as the engine of national economic development.

ATSP was the first participatory approach in planning in the agricultural sector. This innovation has enabled ownership and the participation by the population in the planning process, of monitoring and evaluation of development programmes.

THE MISSION OF THE ATSP

The Mission of the ATSP is “to stimulate economic prosperity of the rural population and to ensure improved living conditions within a modernized and well organised agriculture”.

THE OBJECTIVE OF THE ATSP

The objective of the project is “To contribute in a sustainable manner, to poverty reduction and to support Rwanda’s economic growth through increased productivity of production factors, maximum valorisation of products, diversification of sources of income, conservation and rational management of environmental natural resources”.

Strategic orientations of ATSP

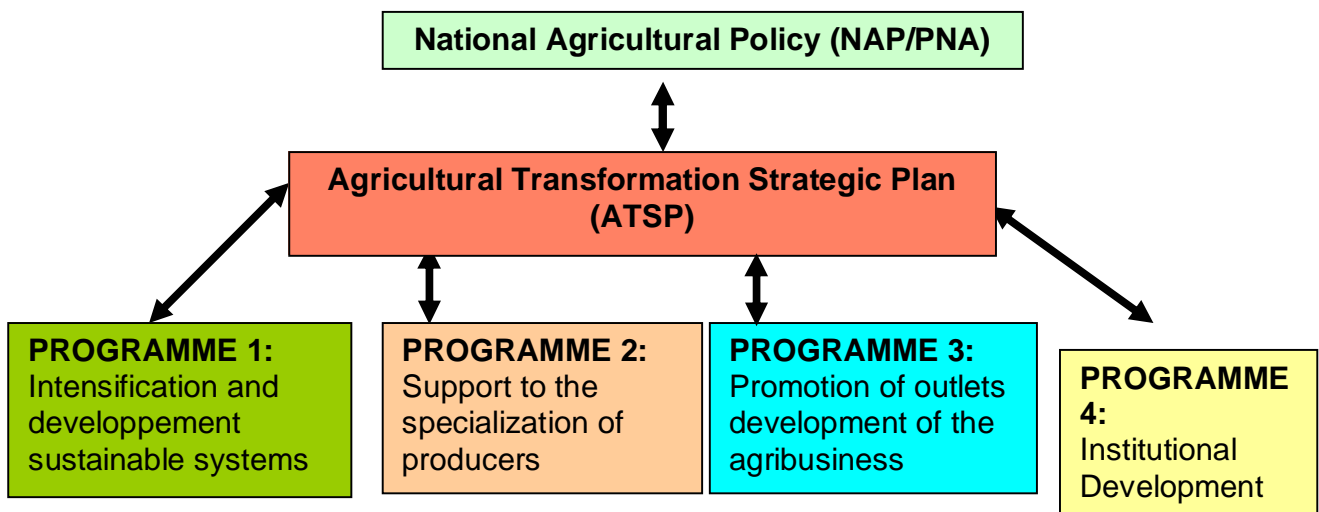
The ATSP is based on the following 10 main strategic lines:

1. Diversification and intensification of crop, animal and halieutic production.

2. Diversification of sources of income and employment opportunities for the rural population.
3. Link between production and the market as well as the integration of the agricultural economy into national and regional economy.
4. Sustainable management of natural resources, particularly land water.
5. Organization, mobilization and capacity building for producers and professional organizations.
6. Building the capacity of service providers, privatization and promotion of the private sector.
7. Creation of an institutional frame work favourable for specialisation of producers and the Rwandan agricultural transformation.
8. Creation of a suitable environment for productive investment and the development of entrepreneurship, the creation of employment in the area of agrobusiness.
9. Refocusing of the role of MINAGRI and restructuring its activities towards a sector-wide approach programme in a decentralised framework.
10. Promotion of gender approach and reduction of vulnerability of vulnerable groups.

PROGRAMMES AND SUB PROGRAMME OF ATSP

The ATSP consists of 4 priority programmes subdivided into 17 sub programmes.



Programme 1: Intensification and development of sustainable production systems.

SP 11: Sustainable management of natural resources and water and soil conservation.

SP 12: Development of an integrated animal farming system

SP13: Swamp drainage
SP14: Development of Irrigation
SP 15: Procurement and use of agricultural inputs
SP 16: Food security, management of risks and vulnerability

Programme 2: Support to the specialisation of producers.

SP21: Promotion of rural farmers' organizations and building the capacity of producers
SP22: Restructuring of proximity services to producers and rural innovation.
SP 23: Rural innovation and research for development
SP 24: Rural financial systems and development of agricultural loan schemes.

Programme3: Promotion of procedures and agro business development.

SP 31: Creation of an attractive and motivating business environment and promotion of entrepreneurship
SP 32: Promotion and development of product outlets and channels
SP 33: Processing and competitiveness of agricultural products.
SP 34: Rural support infrastructure for producers.

Programme 4: Institutional development.

SP41: Legal and regulatory framework
SP42: Reforms and institutional support for public institutions
SP 43: Coordination, monitoring and evaluation of the agriculture sector.

The ATSP supporting sectors

Effective implementation of the ATSP will largely depend on the supportive actions of Ministries and other partners in the following areas:

1. Governance and local development
2. Environment, water, land tenure security.
3. Education and scientific research
4. Trade, industry and art handcrafts
5. Health and social protection
6. Transport and communication infrastructure.
7. The financial sector

Coordination and modalities for implementation of ATSP

Effective implementation of ATSP will be carried out through the following activities:

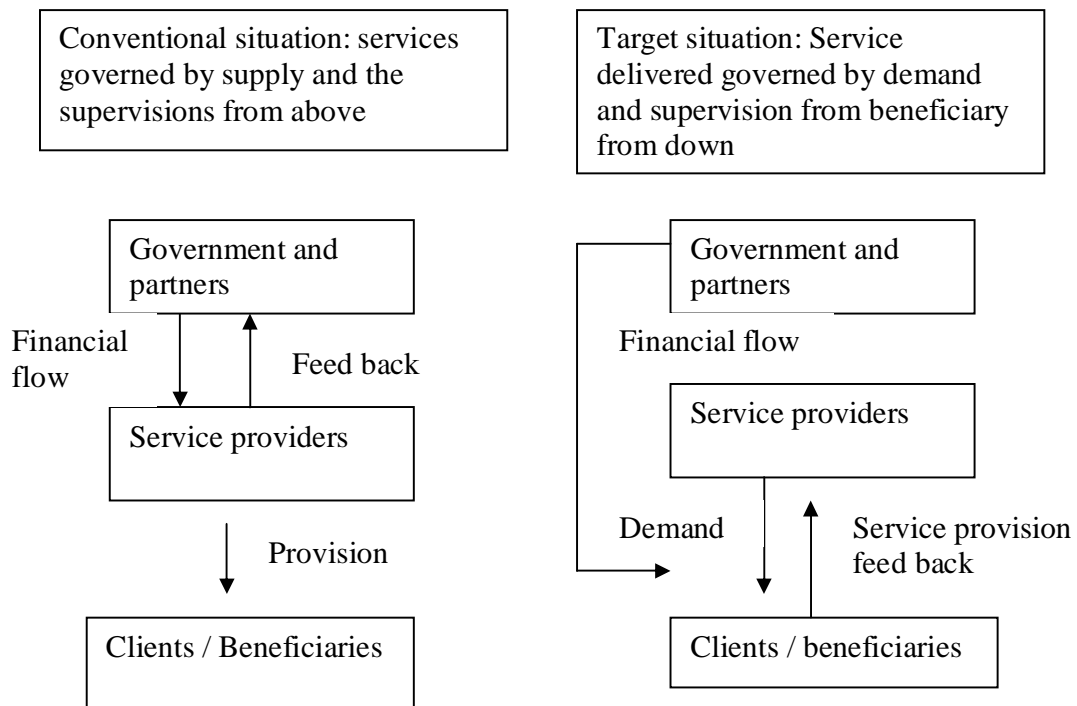
1. To harmonise ATSP with other strategic frameworks as well as other programmes and projects
2. Elaboration of operational programmes and investment programmes

3. Elaboration of policies and sub sector strategies
4. Establishment of an monitoring and evaluation system
5. Elaboration of the expenditure framework Macroeconomic and financial framework

The coordination of these activities will be carried out by MINAGRI, which will also ensure monitoring and evaluation of the performance of the sector. Activities for the implementation of the objectives of the ATSP and services to beneficiaries will be under the responsibility of MINAGRI, namely RADA (Rwanda Agricultural Development Agency, RARDA (Rwanda Animal Resources Development Agency, and ISAR (*Institut des sciences Agronomique du Rwanda*))

ATSP proposes a change in the approach in the development of the sector from the project approach to programme approach (SWAP). It also proposes a change in the funding mechanism, from a conventional situation, which is governed by the supply to a new situation which is governed by demand, so as to respond in an effective manner, to the needs of beneficiaries.

Appropriate Funding Mechanism



XIII. A rationale of the project

24. The project is in the frame work of the implementation of sector activities of the DSRP in the area of agriculture. It constitutes one of the instruments MINAGRI will put in place for the implementation of the ATSP in a sector programme approach.

The programme is a logical result of the needs in capacity building of MINAGRI and agricultural actors on the ground, which are considered as crucial for the attainment of the Vision 2020, DSRP and ATSP.

25. During the ATSP elaboration, a number of problem and constraints were identified namely:

- a) MINAGRI in its present state cannot fulfil the mandate it was assigned in the Vision 2020. Nor can it achieve the expected results;
- b) Its performance does not allow it to access a more balanced share of the ordinary budget and financial investment in relation to the expected contribution of the sector in the GNP;
- c) In the decentralised context, cooperation between different actors and local stakeholders is not adequate for the local communities and grassroots administrative authorities to elaborate their local development plan; it is therefore important that more functional links be established with central institutions and their capacity strengthened;
- d) The present production systems based on subsistence agriculture are outdated. They must undergo complete transformation so as to face the challenges related to increased land and food demand resulting from population pressure.

The ATSP has emphasised the necessity of ensuring increased and harmonious integration of animal husbandry and crop growing which requires the definition of operational and exploitation models which put animal farming at the centre of the system. It also stresses soil protection and improvement in the soil fertility (by systematic production and use of manure), as ultimate objective of the new system. The task of the agriculture and animal farming transformation need the adoption of modern, intensive technologies available in the region, especially the increase in rice production, to transform Rwanda from an importing to an exporting country. There is urgent need to increase milk and meat production to improve on the contents of lipids and proteins in the diet of the population, especially in the area of child nutrition.

26. The other constraint identified by ATSP is the need to reform the present structure of MINAGRI, to fundamentally, change the way its activities are managed in the implementation of the four priorities programmes of ATSP:

This will be achieved through:

- a) Intensification and sustainable development of agricultural production systems.

- b) Support for the specialisation of producers;
- c) Promotion of procedures and the agro business, and;
- d) Institutional development and establishing a new form of collaboration with decentralised stakeholders.

27. In addition to the Netherlands and DFID, which fund this project, other donors expressed interest in joining their effort to support ATSP and upgrade all these actions towards the establishment of Sector Wide Programme Approach (SWAP) for the agricultural sector.

B. Objectives of the project

28. **General objective:** The general objective of the project is to increase agriculture income and to improve the nutritional level of the poor rural population, thanks to the implementation of priority programmes of the Agricultural Transformation Strategic Plan (ATSP) in the framework of renewed partnership with all actors involved in the sector.

INTERNATIONAL FUND FOR AGRICULTURE DEVELOPMENT

Rwanda: Agricultural Transformation Strategic Pan Support Project
Pre-evaluation Report – Main Report

29. **Specific objectives:** The specific objectives of the project are the following
* To strengthen technical and institutional capacity of units and stakeholders responsible for the implementation of ATSP programmes and priority actions at the central level, Provincial and District.

At the central level, the objective of the project is to improve the performance and the absorption capacity of central ATSP programme management units in physical and financial terms: measured by the implementation rate of the agricultural PIP and the contribution of the sector to national GDP. At the local level the project aims at strengthening (building) the capacity of the CDC at implementing their CDP and (for peasant /rural organisation and association to increase their capacity in productive project management where their contribution is measured in terms of increase in agricultural production supported by the project and by the increase of household incomes of the beneficiary households.

The professional organisation and producers' associations representing the poor rural populations will be the main targets.

* To validate and disseminate the working method and technical innovations whose use will enable:

- The establishment of mechanisms appropriate to the change process dictated by the transformation of the agricultural sector which results in a comprehensive integration of functions of different actors (Ministries, Provinces, where the producers' communities will play a proactive role;
- The improvement of the effectiveness of ATSP priority programmes, to increase crop and animal production and to improve the income of the beneficiary population as well as their nutritional level through modern food conservation and crop storage mechanisms;
- To fight against soil degradation, by terracing activities, restoration of soil fertility, integration of animal farming and intensification of rice growing and the growing of high-value marketable and nutritional crops.

C. Methods adopted by the project

30. The project will be based on the on going decentralisation process, and particularly on the participative approach as well as on community planning. The project will be based on demand, which will favour "*faire-faire*" of the population. Emphasis will be put on sensitisation on gender issues, social organisational approach of development, and transfer and sharing of knowledge.

31. "The Soil Approach" will include the development and rational management of the catchments basin and wet lands and the linked low lands. The pilot activities, after having proved successful, will be replicated in other zones. District where the pilot project shall have been implemented as well as in other districts, this will happen during the project lifespan.

32. For the funding of necessary investments, the beneficiary communities or organisations will require a financial mechanism in form of fiduciary funds, which shall be put at the disposal of MINAGRI and managed at District levels, according to participative and decentralised principles, as it is done by the Common Development Fund (CDF)

33. In support to these approaches and basic principles, inter-sector activities will be undertaken to build the capacity of producers including literacy education.

D. Description of components

34. The project hinges on 3 components namely: (1) institutional support (7 million USD, 29% of basic costs); (2) Pilot activities (10.6 million USD, 55% of basic costs); (3) coordination and management (2.5 million USD, 16% of basic costs)

Component 1: Institutional support to agricultural sector

35. The institutional support component to agricultural sector is subdivided into 4 subcomponents. The activities were identified in response to urgent needs to improve the

capacity of MINAGRI so as to attain the objectives of the agricultural transformation strategic plan (PRSP), but also to build the capacity stakeholders at decentralised level, to provide an enabling environment for the replication of the pilot activities (developed by component 2) and to transfer and share the skills acquired.

36. Subcomponent 1-1: Coordination of the ATSP will be developed on the basis of a complete functional analysis and the implementation of a process of institutional change as well as the identification of the needs in the area of technical assistance and training of the staff of MINAGRI and of its technical agencies, which enable strengthened and coordinated implementation of the four ATSP programmes. This action will evolve towards the sector wide programme approach (SWAP), on the basis of the Government policy and depending on the partnership with donors and progress made. The midterm review of the project will be an opportunity to decide the direction and the form that the management of the project will adopt.

37. Sub component 1.2. Strengthening of capacity at the decentralised levels

Will be composed of support activities at the district level, sectors and cells and to grassroots professional organisations notably through the CIC's. Activities will be in form of training sessions, study tours; The Community Innovation Centres will act as meeting points, training venues and more importantly a kind of show-case for development initiatives. Essential activities conducted by the centres will include the dissemination of innovation programmes literacy programme and agricultural shows.

38. Sub component 1.3. Support to producers' organisations.

The aim of this subcomponent is to strengthen the role of these organisations, to enable the establishment of links with producers, to participate in local mobilisation and training and to the creation of organised groups, to provide essential services to their members, to promote economic development, etc, The project will target IMBARAGA in particular, a national farmers trade Union and UNCORIRWA, which brings together rice growers cooperatives.

39. Subcomponent 1.4. Support to information management system (SGI) and communication.

It consists of advisory activities and support in the development of an information management system and support in the area of communication. Emphasis will be put on the development of system for the transfer and skills, which will be based at the district levels and monitoring and will include participatory evaluation and monitoring system and for measuring the impact of development activities.

Component 2: Pilot actions by innovative models

40. Pilot action will be based on the protection of catchments basins, improvement of animal farming and wet land drainage. Pilot actions will be managed by community-

based beneficiary structures, and will be implemented with the support of service providers on contract, including the new community innovative centres and MINAGRI institutions. The component will contain 5 subcomponents (a) protection of catchments basins, (b) integration of crop animal farming; (c) drainage of swamps and low lands; (d) research and development and (e) replication of successful experience.

Sub component 2.1 Bloage and soil protection

41. Subcomponent 2.1 will help in stopping the process of land degradation by a sustainable land management system, based on the fight against erosion, a systematic planting live hedges and fodder plants for maintaining soil on hillsides and mountain slopes. These mechanical protection measures shall be complemented by the systematic introduction of improved breed of dairy cattle, which feed on the hay and fodder planted along the anti-erosion trenches. In turn these cows shall produce milk and manure, which will then increase crop production and productivity.

A partnership will be established between the producers, extension services and research results so as to share acquired work for the sharing of new technological skills.

Subcomponent 2.2: Integration of Animal Farming and Agricultural Intensification.

42. The objectives are:

- a) To restock Rwanda with improved animal breed, and to improve the bovine genetic potential of livestock by artificial insemination;
- b) To improve soil fertility and increase basic crop productivity using manure;
- c) To develop small animal farming in small size farms, which can not feed larger animals, especially cattle, and;
- d) To increase income of producers and improve the family nutritional status.

The strategy is based on previous experience of livestock restocking that was a success both in Rwanda and in the region. The project intends to introduce animals of Jersey pure breed and cross-breeds. Beneficiaries will not be individuals but community associations who must adhere the general approach, and who will build a solidarity chain that will result in the needed transformation. At the end of the project, more than 3000 crossed cows will have been reproduced and 3000 local cows will have been replaced by the cross-breeds with more than 80% of exotic race. Small milk collecting centres will be established in production areas where these structures are presently non existent. An efficient animal health monitoring system established, with the support of the service offered by ORDRA.

Subcomponent 2.3: Swamp drainage and low lands

43. The objective is to improve rice production and other priority crops grown in wet lands and low lands. The strategy will include the introduction of intensive rice growing system (SRI) developed in Madagascar and initiatives to adapt the variety of WARDA rice in Rwanda.

The intended work includes the drainage in the first place of 250 ha of swamps where three models of production will be developed:

- (a) 2 rice growing;
- (b) Rice and other vegetables / legumes; and
- (c) Soya beans /maize and vegetables. SRI system was to be tested in the year 2005 in the framework of FIDA grant. If results confirm its interests, the project envisages training 7000 rice producers in SRI techniques.

Training, demonstrations, lectures, study tours as well as advisory support services to improved vegetable material, are other main results expected in this sub component.

Subcomponent 2.4: Research: Action and Support to the Transformation of Household Farming

4.4. The objective is to develop intensive systems and production models for household farming and to provide adequate support and advisory or extension services.

ISAR and the two new MINAGRI offices (ORDA and ORDRA) will be the main partners for these activities Models integrating wetland crops and ordinary irrigation development will be considered in the elaboration of annual activity plan for each pilot zone.

Subcomponent 2.5: Mechanism for replication of technical innovations and financial support

45. This subcomponent aims at disseminating to other agro ecological areas the experience resulting from successful pilot activities and to take into account the models studied in this project, other existing technical models in the country, arising from rural community experience or international experience. To carry out these activities, the subcomponent will have two sources of funds;

- I. The extension of pilot actions in five new agro- ecological areas from the fourth year of the project and;
- II. The dissemination of technical model in other district sectors, depending on the demand from communities that participated in CIC activities. As for the support fund, it will be used on income- generating activities and will be managed according to the principles of local rural Microfinance.

Component 3: Project management

46. The project coordination unit will be established by MINAGRI. It will be responsible for the financial management of project resources, and will be in charge of the coordination of activities, administration, monitoring and evaluation. National and international consultants will provide support to PCU as well as to the activities of the project.

47. Monitoring evaluation systems (based on SYGRI/RIMS of FIDA) will be established under UCP and linked to SGI of MINAGRI. Background studies will be carried out on the FIDA grant funds before the project starting, they will enable to establish a reference situation for all the pilot actions and finalize PTBA pilot zones financial partners of the project will participate in supervision and review activities and evaluation of the project.

VI. COST AND FUNDING OF THE PROJECT

48. The cost of the project for 7 years is detailed in the table below. The funding consists of a Government contribution of 1.1 million USD, and of the beneficiaries amounting to 1.1 million USD. IFAD granted a loan of 8.2 million US and a donation of 200.000 USD while the Netherlands donated 4.8 million USD. DFID provided a grant of 3 million USD and BSF contributed 1.5 million USD for supporting the establishment of the community innovation centres.

Taking into account the flexibility of the project, other partners may join in the phase of replication of successful experience. Beneficiaries will participate in the protection of catchments basins and watersheds and in the agro-forestry plantation.

49. The cost of the project is summarized the table below.
USD (000S) of:

Component 1: Institutional support 7059. 38%

Sub. Component 1: Coordination of ATSP 2872

Sub Component 2: Support to decentralized level 2277

SUB Component 3: Support to mountainous organization 780

Sub Component 4: Information management system 1129

Component 2: Pilot actions 10600 529 %

Sub component 1: Soil protection and bocage 1626

Sub component 2: Animal faming integration 2745

Sub component 3: Swamp, and wet land drainage 1246

Sub component 4: Research and development 643

Sub component 5: Replication mechanism

Component 3: Project management 2466 12.3%

Total Cost 20125 100%

50. The project will be managed in accordance with IFAD general conditions and according to Government regulations in place for the procurement of goods and services agreement with the recent decisions concerning harmonization of the international aid

VII. ADVANTAGE, JUSTIFICATION AND RISKS

51. Impact on poverty reduction: The project will profit institutions involved in its activities in the area of capacity building by improving their efficiency in attaining their objectives in increasing production and income in the context of the Millennium Development Goals. 7200 small producers will also benefit by improving the soil fertility and protection of their land. Their production will increase in terms of milk, rice, vegetables and this will in turn improve their nutrition situation. Among these 7200, 4000 will have access to a genetically improved livestock and 7000 rice producers will be able to double their production. The overall internal profitability rate of the project was estimated at 15% (26 % for the pilot activities alone)

52. Innovation by introducing new technologies, mainly:

- a) A progressive application of a sector artificial programme approach (SWAPP) , a methodology based on field results and closely linked to the local planning process;
- b) Soil protection, thanks to the “bocage” and terracing Systems;
- c) Introduction of intensive rice growing;
- d) Improved genetic livestock, thanks to artificial insemination and embryo transfer;
- e) Establishment of community innovation centres, which will play a significant role in the transfer of skills and knowledge and in the replication of successful pilot projects, and finally
- f) Development of a support and advisory or extension services based on tripartite partnership between producers, training services and the agricultural research institutions

These innovations are mainly the integration and combination of existing techniques into models that develop synergies and which have a considerable impact on agricultural production.

53. Environmental impact: No negative impact can result from the activities of the project. Instead technological innovations proposed aim at stopping, reversing the process of land degradation and improving efficiency in the management and use of water resources. This is why the project was classified “ B” according to IFAD procedures.

54. RISKS: The following hypotheses and risks were identified:

- People adherence to participatory method, this is about a working hypothesis since people in the programme zone have proved to have social cohesion.
- Availability and capacity of operators: an inventory of operators was done during the formulation and pre-evaluation and discussions showed that the risks related in the implementation of the project are minimal;
- The Impact on the people's work load. The drainage programmes require intensive mobilisation of the population. The working calendar of beneficiaries will have to be well analyzed before engaging in activities;
- Mobilization of financial resources and coordination between different actors, projects and programmes is identified as risk factors but also as working hypothesis. In fact, proposals in terms of measures, strategies and objectives were favourably welcome by most of partners consulted during the designing of the mission.