



## Aide Memoire

### Rwanda CAADP Independent Technical Review (2<sup>ND</sup> Cycle of CAADP Country Implementation)

28 May- 2 June 2014, Kigali Rwanda

#### A. Context

1. This Aide Memoire sets out the recommendations presented to the Minister of Agriculture and Animal Resources (MINAGRI) Hon Minister Dr Agnes Kalibata by the CAADP Independent Technical Review Team (ITR). The ITR is facilitated by the NEPAD agency as part of the due diligence process to examine the degree of alignment of the MINAGRI Agriculture Sector Investment and Food Security Plan (ASIFSP 2013/14-2017/18)/ CAADP National Agriculture and Food Security Investment Plan (NAIP) to the CAADP principles and frameworks as contained in the broader CAADP Guide, Pillar Framework documents and the Sustaining CAADP Momentum-Results Framework. The recommendations are aimed at enhancing the quality of the ASIFSP and also guide post-Business Meeting operationalisation of the investment plan.

#### B. Introduction

2. The CAADP framework is the AU-NEPAD sectoral policy framework to stimulate agriculture and agriculture-led economic growth on the continent to improve livelihoods through wealth creation, economic and youth employment opportunities; and ensure improved food security and nutrition. The CAADP framework is implemented as an inclusive, participatory and evidence based making decision process in which national governments and key agricultural stakeholders commit to a set of key actions and programmes to achieve agricultural development and growth goals. To date, 40 over African Member States have signed their compacts and with 31 Business Meeting held so far.
3. Rwanda was amongst the first countries to embrace the CAADP framework. Launched in 2007, the Government of Rwanda implements CAADP within the framework of the sector Plan for the Transformation of Agriculture (PSTA). Under the leadership of MINAGRI, stakeholders and development partners signed a CAADP Compact as a commitment for joint action in the implementation of the PSTA II/CAADP I (2008-2012).
4. Building on the gains and achievements of the PSTA II, the Government of Rwanda is sustaining this momentum to enhance agricultural performance by implementing PSTA III/CAADP II (2013/14-2017/18). PSTA III is the third strategic plan of MINAGRI to operationalise the Economic Development and Poverty Reduction Strategy (EDPRS II, 2013-2017). The strategic plan has carried forward its existing 4 programmes from the PSTA II which are:
  - a. Intensification and Development of Sustainable Production Systems (Pillar 1 – Land and Water Management and Pillar 3 – Food Supply and Hunger)
  - b. Support to Professionalization of Producers (Pillar 4 – Agricultural Research and Pillar 2 – Market Access)
  - c. Promotion of Commodity Chains and Development of Agribusiness (Pillar 2 – Market Access)
  - d. Institutional Development (Pillar 4 – Agricultural Research)

5. The Agriculture sector Investment and Food Security Plan (ASIFSP) therefore sets the framework for medium term public and private investment in the agriculture sector for the period 2013/14-2017/18, and targets and guides all public and private resources that are available to the agriculture sector. The consultation and technical planning process followed thus far has been compliant with CAADP principle.

### **C. The Independent Technical Review- Mission Purpose and Objectives**

6. Following receipt of the ASIFSP (version - May 28 May 2014), the NEPAD Agency assembled a team comprising the AUC, NEPAD Agency, COMESA and a team of independent technical consultants to conduct a technical review of the MINAGRI ASIFSP, as foreground preparation for the 2nd Cycle Rwanda CAADP implementation Business Meeting which is to be held on 9-10 June 2014. In this way, CAADP seeks to support African governments prepare quality strategies and investment plans, ensure enabling policy environments to implement the plans, and translate these plans into programmes that are efficient at stimulating growth and reducing poverty.
7. The Technical Review took place in Kigali, Rwanda from the 28 May to 2 June 2014 and was undertaken by a team of six persons and three others providing virtual desk top support. The team was tasked to collectively evaluate the ASIFSP in respect of the following aspects:
  - a. likelihood for the investment programmes to realise the growth and poverty reduction prospects laid out in the national and sector strategies;
  - b. use of best practise and other technical guidance such as the pillar frameworks and cross-cutting thematic issues in the design ASIFSP
  - c. technical realism (alignment of resources with results) and adequacy of institutional arrangements of the programmes; the integration of CAADP principles of inclusive review and dialogue and alignment of the set targets to the continental Sustaining CAADP momentum- Results Framework;
  - d. consistency with budgetary and development assistance commitments and principles agreed in the compact;
  - e. potential to contribute and link to regional integration objectives;
  - f. coherence and consistency between policies, implementation arrangements and delivery mechanisms and investment areas, priorities or programme objectives;
  - g. adequacy of institutional arrangements for effective and efficient 'delivery' including information and knowledge support, M&E and on- going evaluation and learning; and various other technical aspects.
8. In addition to the extensive literature review of the ASIFSP, the PSTA III and related policy and strategy documents, studies and workshop reports, consultation meetings were held with senior management of MINAGRI, including the Hon Minister Dr Agnes Kalibata and the Permanent Secretary Mr Tony Nsanganira; and other key stakeholders from the farmer organisations, cooperative unions and development partners (see ITR Report Annex 1: List of Interviewees).
9. As per the CAADP principles, the Review is not to approve or grade the investment plan but rather to ensure that every possible action is being taken to make sure that the objectives and targets laid out in the plan and defined in the CAADP agenda will be met.

### **D. Outcomes of the Independent Technical Review**

10. As per the standard procedure and requirement, a detailed and substantive Technical Review Report is being prepared to be submitted to MINAGRI with recommendations which to be considered in defining a set of concrete and implementable actions to facilitate mobilisation of

required expertise, capacities and partnerships for on the ground implementation, including alignment, coordination, M&E and mutual accountability and learning and value for money.

11. This Document is a pre-Report Aide Memoir presenting a summary of particularly the immediate action points as agreed in the final de-briefing meeting between the Ministry team led by the Hon. Minister, Dr Kalibata and the Technical Review Team on Monday 2 June 2014.
12. On the whole the Review team wishes to commend the Government of Rwanda MINAGRI for the results and achievements made in the implementation of the PSTA II/CAADP I in the first cycle of CAADP implementation. The successes, lessons learnt and challenges experienced were noted in the reports submitted by (Rwanda progress under CAADP I Report (MINAGRI) and the Review of PSTA II/CAADP I and Lessons for PSTA III/CAADP II (Stryker and Amin); and how these have been taken into account for design of the PSTA III and ASIFSP.
13. The following are the priority and most significant issues to be addresses ahead of the Business Meeting:
  - a. Lower grading and hence low investment allocation to institutional capacity development programme:
    - i. The results of economic analysis are such that returns on investment (ERR) for Programme 2 (capacity of farmers) and Programme 4 (capacity of farmer-support institutions) are much lower than Programme 1 (production intensification) and Programme 3 (value-chain development).
    - ii. The ASIFSP uses the above result to accord Programmes 2 and 4 lower investment and budgetary allocations.
    - iii. The net result is that the ASIFSP does not capture the complementarities between the Programmes, and rather treats them as mutually exclusive for the purposes of investment and resource allocation.
    - iv. The ITR team discussed this anomaly with the Minister and PS and agreed that Programmes 2 and 4 are crucial to the implementation of the ASIFSP, and that these should not be understated. Moreover this is line with CAADP Results Framework Level 3 that places top priority to building systemic capacity to deliver results at country level.
    - v. Upgrading the Programmes 2 and 3 is also consistent with resolutions of the ASIFSP priority setting stakeholder workshop.
  - b. The strategies for promoting the growth of a vibrant private sector:
    - i. The ITR's finding is that while the ASIFSP places the right emphasis on the transformative role of the private sector, there is still need for a more robust analysis and articulation of the strategies and interventions.
    - ii. Rwanda's target of middle-income status by 2020 can only be reached by leveraging the multipliers from the cropping, horticulture and livestock sectors. This requires rapid growth of the manufacturing sector, initially at artisanal and intermediate levels, and then industrial levels
    - iii. Although Rwanda has a good 'doing business' policy environment, it will require some direct interventions to build viable intermediate manufacturing entities, ideally trough domestic investment.
    - iv. The Technical Review team postulates that Rwanda will leverage more from FDI when that is able to partner at the industrial level with local intermediate entities without which, the experience in Africa is that FDI will gravitate

‘downstream’ where margins are high, thereby crowding out local initiative, as opposed to synergising.

- v. There is therefore need for some feasibility studies to be completed on local manufacturing opportunities especially targeting the intermediate sectors which push the links and multipliers in the economy: truckers, processors, cold chain suppliers, warehousing, as well as local options for input supplies including finance.

#### **E. Recommendations for Next Steps**

14. MINAGRI consider the above recommendations and takes necessary steps to incorporate necessary changes to the ASIFSP and associated implementation roadmap;
15. Hon Minister will consider and advise on next steps with regard to the offer by the NEPAD Agency to facilitate a dialogue and reflection involving senior management from MINAGRI, other related Ministries and key implementing Agencies which are implicated in the ASIFSP. The reflections will initially focus on issues related to the ASIFSP implementation roadmap with the aim to strengthen internalisation of CAADP principles and values as well as the newly developed CAADP Results Framework
16. The NEPAD Agency will facilitate submission to MINAGRI of the full ITR Report on which basis any further expert support will be determined

#### **F. Appreciation and Conclusion**

17. The NEPAD Agency, on behalf of the Independent Technical Review Team, expresses appreciation for the hospitality and cordial working environment afforded to the team. The NEPAD Agency remains committed to supporting the Government of Rwanda achieve its economic development and poverty reduction goals and improve the livelihoods of her citizens and takes this opportunity to wish MINAGRI success in this second cycle of CAADP implementation.