



## Response to the Independent Technical Review to the Second Cycle of Rwanda CAADP Implementation

### A. Background

1. The response follows the Independent Technical Review (ITR) by the NEPAD Agency as set out in the Aide Memoire presented to the Ministry of Agriculture and Animal Resources (MINAGRI) in June 2014. The ITR examined the degree of alignment of the MINAGRI Agriculture Sector Investment Plan (ASIP<sup>1</sup> 2013-2018) to the Comprehensive African Agriculture Development Programme (CAADP) principles and frameworks with the aim of enhancing the quality of the ASIP.

### B. Introduction

2. Rwanda was the first country to sign its CAADP Compact in 2007 through the Strategic Plan for Agricultural Transformation (PSTA II 2008-2012). This Compact was endorsed by the Government of Rwanda (through MINAGRI), development partners, the African Union, COMESA, the private sector and civil society. The Compact is built on Rwanda's Vision 2020 and the medium-term Economic Development and Poverty Reduction Strategy (EDPRS).
3. Based on the achievements realized during implementation PSTA II/ASIP I (2008-2012), MINAGRI has developed the third generation of the PSTA (PSTA III 2013-2018) and ASIP II, which quantifies the amount of potential private investment expected to support agricultural development over the medium term and serves as a framework for public and private investment in agriculture.

### C. The Independent Technical Review

4. While recognizing successes in designing ASIP II from lessons learnt of ASIP I, the Independent Technical Review presented the following main action points to ensure that every possible action taken in the plan is in line with the CAADP agenda:
  - a. Weakness of de-emphasis and de-linking of institutional capacity investments from productivity enhancing investments.
  - b. Returns on investment for Program II (Research, technology transfer and professionalization of farmers) and Program IV (Institutional development and agricultural cross-cutting issues) are much lower than Program I (Agriculture and animal resource intensification) and Program III (Value chain development and private sector investment) and that the ASIP uses the above result to accord Program II and IV lower investment and budgetary allocations.

<sup>1</sup> Referred to by NEPAD and CAADP as the National Agriculture and Food Security Investment Plan (NAIP)



#### D. Responses to the Independent Technical Review

5. The costing methodology of ASIP II followed a sound methodology consistent with the sector objectives and targets (8.5% annual growth) with consideration of the following principles:
  - a. A more rigorous application of the PSTA III prioritization criteria to a prioritized Results Framework.
  - b. A costing output-based, i.e. based on the key-outputs identified during the Results Framework planning exercise with proper documentation of unit costs of each output.
  - c. An elaboration of the Results Framework that follows a prioritisation exercise of outputs and sub-programs based on the degree to which sub programs/activities contribute to:
    1. Vision 2020 and EDPRS II strategic objectives and targets;
    2. increased crop, livestock productivity and food security;
    3. inclusive agricultural private sector investment;
    4. enhanced market-oriented commercialization and value addition;  
and
    5. agriculture export growth.
  - d. An analytical cash flow model designed to assess the ex-ante productivity, effectiveness, and efficiency of public sector investments in different sub-programs over 5 years.
  - e. A financial and economic analysis based on a 25 year model conducted to support the ASIP II cost scenarios and estimate annual net benefits using the economic Net Present Value and Economic Rate of Return techniques.
6. With the costs of all programs and sub-programs included in the analysis, a mapping of the private sector (including both foreign and domestic investment) and Public-Private Partnership (PPP) investments needed in the ASIP costs and their economic viability was conducted.
7. Counting on a strong enabling framework for private sector growth and development with a business friendly regulatory environment and proposed aggressive investment promotions, MINAGRI reallocated the total public sector investment costs of USD 1,213.5 Million (52.14% capital costs and 47.86% recurrent costs) for implementing ASIP II as follows: 52.74% to Program I, 7.09% to Program II, 31.52% to Program III and 8.65% to Program IV.
8. Furthermore, the ASIP II estimated a total private sector cost of USD 543 Million (86.39% capital costs and 13.61% recurrent costs) as follows: 14.25% to Program I, 13.61% (all the recurrent costs) to Program II and 72.13% to Program III.



9. During implementation of PSTA III, further opportunities -whether from public investment or through PPP and collaboration with all stakeholders in the agriculture sector- were identified to support Program II and Program IV development, although the funding gap still remains:
- a. Agricultural research was significantly scaled up, from 3% of the total public budget allocated to agriculture in 2014 to 7% in 2016, to provide more innovative technologies for farmers, which is critical for achieving yield targets.
  - b. Extension was improved and expanded to provide support and training for farmers through *Farmer-to-Farmer Extension Model*. In collaboration with the Rwanda Agricultural Board (RAB), the Centre for Communication and Information in Agriculture (CICA) of MINAGRI and the Belgian Development Agency (BTC), MINAGRI invested USD 20 Million (initially € 18,6 Million) to improve access to advisory services for crops and livestock as well as improved access and use of high quality planting materials of food crops for men and women. In addition, there are other initiatives supporting the implementation of PSTA III with different investment portfolios (e.g. African Forum for Agricultural Advisory Services -AFAAS, which provides a mechanism for supporting and coordinating agriculture extension and advisory within AUC-CAADP framework, and donor-funded projects in the agriculture sector).
  - c. Program IV was supported through different initiatives including collaboration with the Capacity Development and Employment Services Board and technical assistance facilities with Development Partners on institutional development and cross-cutting issues. The Capacity Development and Employment Services Board supported the capacity development of PSTA III to the level of USD 4 Million while the collaboration with the Department for International Development (DfID) and the European Union amounting to USD 4.9 Million (equivalent to £ 4.0 Million) and USD 4.2 Million (equivalent to € 4.0 Million) respectively, was dedicated to mainstreaming of cross-cutting issues, capacity development and institutional support to PSTA III.

#### E. Conclusion and way forward

10. Considering the above, MINAGRI reiterated the costing methodology presented in the ASIP and ensured the necessary steps were taken on the: i) execution of technical and financial commitments made during ASIP II elaboration, ii) collaboration with all stakeholders, at national, regional and continental levels, to support the ASIP II implementation and associated institutional capacity building and investments.



11. There is a well-established structure for stakeholder dialogue, consultation, monitoring and evaluation in the agriculture sector comprising the Agriculture Sector Working group, the SWAp Group and the Joint Agriculture Sector Review, where all stakeholders meet to reach consensus on agricultural policy, strategy and programme priorities and targets. In addition, MINAGRI closely work with continental and regional institutions in charge of CAADP implementation to straighten internalisation of CAADP principles and values as well as the newly developed Malabo Declaration and related CAADP Results Framework and Strategic Guidelines for the Biennial Review Mechanism. The government of Rwanda has a well-established coordinated system through the joint performance contracts and various clusters where all government institutions meet for planning and implementation.

  
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