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Investing in rural people in **Rwanda**

Rwanda is a small, landlocked and resource-poor country with an estimated population of 12.3 million (2019/2020). Its population density is the highest in Africa, with 500 people per square kilometre (2020). With an annual growth rate of 2.3 per cent, the population is expected to reach 14.6 million by 2025.

Rwanda has succeeded in translating economic growth into poverty reduction, but more than 4.4 million people remain poor and the country was ranked 160 out of 189 countries in the Human Development Index (2019).

The 2018 Comprehensive Food Security and Vulnerability Analysis shows that 16.8 per cent of Rwandan households are food-insecure, with the highest levels in the western and southern provinces (35.2 per cent and 24.0 per cent, respectively). Despite progress over the last decade, almost 34.9 per cent of children under five years of age are chronically malnourished, with stunting levels above 34.9 per cent.

Rwanda has targeted transformation of the agriculture sector with significant public investments in land use consolidation, irrigation, land improvement, soil and water conservation, access to inputs, increasing livestock herds, and capital accumulation. Smallholders typically farm four to five plots amounting to an average land size of 0.33 hectares (2016), which limits their ability to expand their operations,



commercialize, increase production and income, and thereby escape poverty. While marketable surpluses have increased, harvest and post-harvest losses of about 30 per cent for key commodities are a major drain on production. This makes improving post-harvest handling and infrastructure for harvesting, cleaning, sorting, drying and storing essential.

Eradicating rural poverty in Rwanda

The National Strategy for Transformation (NST1), also known as the Seven-Year Government Programme, comes at a unique moment in the country's development trajectory as it makes the transition from Vision 2020 towards Vision 2050. The strategy is expected to lay the foundations for sustained growth and transformation that will accelerate the move towards achieving higher standards of living for all Rwandans. It focuses on three pillars: economic, social and governance transformation.

For the agriculture sector, the government's flagship investment programme is the Strategic Plan for Agriculture Transformation, which outlines public investments in agriculture and estimates the sector's public resource requirements for the period 2018-2024. The plan recognizes that agricultural growth must be driven by private sector investment, including by farmers themselves, with government becoming a market enabler rather than a market actor. It has four priority areas: innovation and extension; productivity and resilience; inclusive markets and value addition; and enabling environment and responsive institutions.

IFAD's strategy in Rwanda

Since 1981, IFAD has financed 19 rural development programmes and projects in Rwanda, for a total amount of US\$358.04 million, and directly benefiting about 1,540,157 rural households. The IFAD country programme has contributed significantly to improving incomes and food security in rural areas, particularly



through watershed development, increased production in marshland and hillsides, development of livestock and export crops, and support for cooperatives and rural enterprises.

Projects have piloted a number of innovations, including a rice intensification system, crop-livestock integration and intensification, support for water users' associations, and development of farmer-managed veterinary pharmacies, which have now been mainstreamed into government programmes. New technologies such as flexi-biogas (a low-cost biogas digester) are providing rural areas with affordable energy. An apprenticeship programme is helping rural youth gain new skills.

IFAD also supports the government in mainstreaming climate resilience. This includes the development of drought- and flood-tolerant seeds, low-cost and energy-saving technologies (e.g. solar- and biogas-powered machinery), "climate-proof" building, elaboration and communication of climate information services, renewable energy and climate-smart practices.

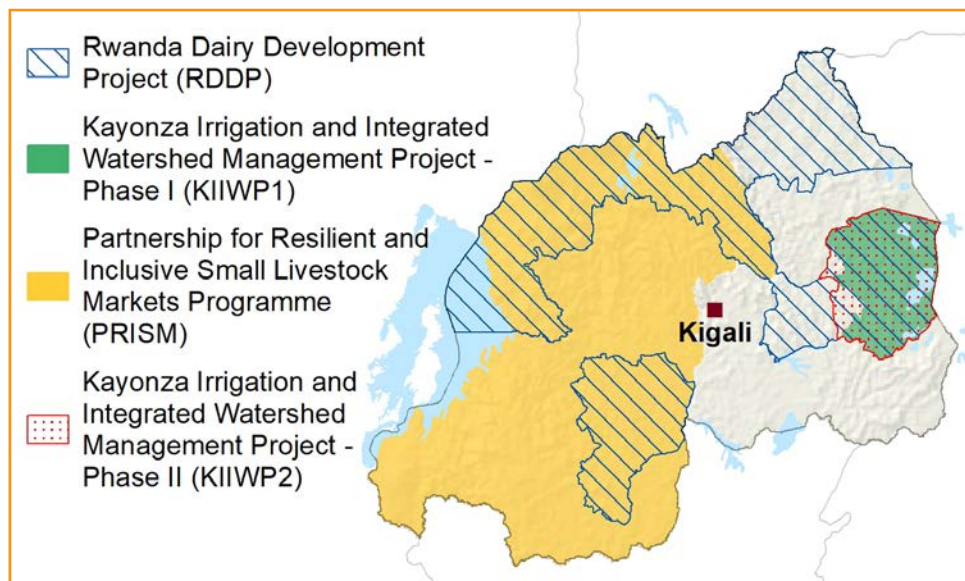
IFAD's strategy in Rwanda is aligned with the government's strategies and objectives and elaborated in the results-based country strategic opportunities programme (COSOP) for 2019-2024. IFAD's investments aim to reduce poverty by empowering poor rural men and women to actively participate in the transformation of the agriculture sector and rural development, and by reducing their vulnerability to climate change. The strategic objectives of the country programme are:

- **Strategic objective 1:** Sustainably increase agricultural productivity in priority food and export value chains.
- **Strategic objective 2:** Improve post-harvest processes and strengthen market linkages.

The COSOP has been prepared in line with the Government of Rwanda's Fourth Strategic Plan for Agriculture Transformation 2018-2024 (PSTA 4) to ensure that IFAD's programme of loans and grants operations will support the government's investment programme and policy framework for growth and poverty reduction, in which agriculture plays a central role.



Ongoing operations



Kayonza Irrigation and Integrated Watershed Management Project, KIIWP – Phase I (2019-2022) and Phase II (2022-2028)

The project's overall goal is to contribute to poverty reduction in the drought-prone Eastern Province, sustainably improve the food security and incomes of 50,000 rural households, and boost their climate resilience.

The first phase of the project, KIIWP I, responds to the urgent need to tackle water issues in nine drought-prone areas in the Eastern Province – Gahini, Kabare, Kabarondo, Murama, Murundi, Mwiri, Ndego, Ruramira and Rwinkwavu. The project aims to bring 1,690 hectares of land under climate-resilient management; construct 35 valley tanks and boreholes in rainfed areas; protect and develop 1,950 hectares of catchment areas; and invest in environmental and social impact assessment and feasibility studies for large irrigation schemes.

The total project cost of phase one is US\$24.73 million, including an IFAD loan of US\$17.8 million and a climate financing grant of US\$8.3 million. Cofinancing is provided by the Government of Rwanda (US\$5.42 million) and beneficiaries (US\$1.53 million).

The second phase, KIIWP II, was approved in December 2021. It will promote climate-smart agriculture for irrigated and rainfed lands through farmer field schools, and disseminate good nutritional practices. KIIWP II will also invest in catchment rehabilitation, livestock and domestic water infrastructure development and the establishment of efficient infrastructure management institutions.

The total estimated cost of phase two is US\$61 million. IFAD will contribute US\$21.7 million, the Government of Spain US\$28 million, the Government of Rwanda US\$8.0 million, beneficiaries US\$2.1 million, the Inter Church Organisation for Development Cooperation (ICCO) US\$0.65 million and the private sector US\$0.32 million.

Partnership for Resilient and Inclusive Small Livestock Markets Programme, PRISM (2019-2026)

PRISM is a partnership programme implemented by the Rwanda Agriculture and Animal Resources Development Board and jointly funded by IFAD and ENABEL, the Belgian development agency, with Heifer International and Vétérinaires Sans Frontières Belgium as the implementing partners.

The overall objective of PRISM is to reduce poverty by empowering poor rural men, women and youth to participate in the transformation of the Rwandan livestock sector and to enhance their resilience.

IFAD-supported interventions target primarily smallholder livestock holdings and vulnerable households in 15 districts across the northern, southern and western provinces. Districts and sectors are selected based on the incidence of poverty and food insecurity. The ENABEL-funded interventions engage and support larger-scale commercial and industrial actors focusing on areas with higher potential for market-oriented poultry and pig production.

The total cost of the project – which aims to reach 26,355 poor rural households – is US\$45.64 million, including an IFAD loan of US\$14.9 million. It is cofinanced by Heifer International Kenya (US\$4.68 million), ENABEL (US\$17.43 million), the Government of Rwanda (US\$3.31 million) and beneficiaries (US\$2.38 million).

Rwanda Dairy Development Project, RDDP (2017-2022)

RDDP contributes to pro-poor economic growth and improves the livelihoods of resource-poor rural households. The project has increased the dairy sector's competitiveness and profitability by providing domestic and regional consumers with quality products from small-scale producers, thus improving livelihoods, food security and nutrition while building overall resilience. RDDP focuses on three areas:

- Climate-smart dairy production intensification.
- Producer organizations and value chains development.
- Institutional and policy development.

The total project cost is US\$65.1 million, including an IFAD loan of US\$43.6 million and a grant of US\$1.1 million. The project is cofinanced by Heifer International (US\$4.0 million), the private sector/banks (US\$6.6 million), the Government of Rwanda (US\$3.9 million) and beneficiaries (US\$5.9 million). To date, RDDP has reached 420,000 households, which is 91 per cent of the overall targeted beneficiaries.



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Rural Poor Stimulus Facility, RPSF (2020-2022)

The project seeks to provide smallholder farmers with short-term assistance to mitigate shocks related to the COVID-19 pandemic by improving their food security, resilience and livelihood status. This is being achieved through two main clusters of activities: provision of agricultural inputs and basic assets for production, and facilitated access to markets.

In Rwanda, the project targets smallholder farmers, mostly women, with a farm size of less than 0.5 hectares who, even before the COVID-19 pandemic, were food-insecure and need support to increase crop productivity.

The total project cost is US\$1,911,794, including an IFAD grant of US\$1,399,591 and US\$512,203 in cofinancing from the Government of Rwanda. A total of 50,000 households are expected to benefit from this project.

Creating Employment Opportunities for Rural Youth in Africa: Support to Integrated Agribusiness Hubs in Rwanda (2020-2025)

The project is implemented by the Kilimo Trust and seeks to create sustainable employment and income-generating opportunities for young people in agriculture-related activities. Specifically, the project aims are:

- Support the development of integrated agribusiness hubs for young people through strategic partnerships.
- Generate empirical evidence on developed and tested integrated agribusiness hub models to inform national policy and the scaling up of successful models to create jobs for youth.

The project will benefit at least 1,200 young people.



Increasing Water Productivity for Sustainable Nutrition-Sensitive Agricultural Production and Improved Food Security (2019-2023)

This global grant is aimed at strengthening the capacity of smallholder farmers to adopt sustainable water management and nutrition-sensitive agriculture practices, which in turn increases their productivity (yields), income and nutritional outcomes. The grant is also being implemented in Benin, Niger, Mozambique and Egypt.

In Rwanda, it will directly benefit 1,000 smallholder farmers and an additional 10,000 are expected to benefit indirectly from the development and promotion of global guidelines on nutritional water productivity.

The total project cost is US\$2.4 million, including an IFAD grant of US\$2 million and a grant of US\$0.4 million from the Food and Agriculture Organization of the United Nations (FAO).

Promoting the Sustainability and Resilience of Smallholder Irrigation Impacts in Sub-Saharan Africa (2020-2023)

The project seeks to identify, analyse and promote opportunities for inclusive and sustainable smallholder irrigation services. It is being implemented in Burundi, Gambia, Niger, Senegal and Rwanda.

In Rwanda, 100 smallholder farmer households are expected to benefit directly and a further 200 smallholder farmers indirectly.

The total cost of the project is estimated at US\$1.49 million for the three years. This amount includes an IFAD grant of US\$1 million, with cofinancing from the Daugherty Water for Food Global Institute amounting to approximately US\$490,000.

Dairy for Social Impact: Enhanced Knowledge and Sustainability (2019-2023)

The project aims primarily to generate evidence and assess the impact of employment and income opportunities that sustainable dairy development provides for youth and women through an enhanced enabling environment and increased investment in the sector.

The outcomes will be available to the public, especially organizations that are able to exchange knowledge and pilot the recommended actions. Indirectly, smallholder farmers will also benefit from an increased number of publicly or privately funded investment projects supporting dairy production and processing, creating jobs, enhancing income-generation and improving nutrition security.

The total cost of this project is estimated at US\$955,000, including an IFAD grant of US\$500,000 and cofinancing of US\$455,000 from Global Dairy Platform.

Joint programme

IFAD is also implementing a joint programme – Rural Women’s Economic Empowerment – in collaboration with FAO, the World Food Programme and UN Women. The programme aims to improve rural women’s food and nutrition security, increase their incomes, enhance their decision-making power and encourage policy environments conducive to their economic empowerment. To reach these objectives, the project leverages each United Nations agency’s comparative advantages and institutional strengths to generate more sustainable and wider-scale improvements in women’s livelihoods and lives.



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IFAD is an international financial institution and a United Nations specialized agency. Based in Rome – the United Nations food and agriculture hub – IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided more than US\$23.2 billion in grants and low-interest loans to fund projects in developing countries. Last year, IFAD-supported projects reached an estimated 130 million people.

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