

profile

Number 83, March 2012

Rwanda country programme evaluation

From reconstruction to growth

Rwanda's population of about 10.9 million is living in Africa's most densely populated country where the majority obtain their living from farming small plots on erosion-prone hills. During the first years after the 1994 genocide, the main rural development priorities were the rehabilitation of destroyed infrastructure and resettlement of returnees. Recovery from the genocide has been impressive and during the last decade Rwanda has achieved high economic growth, recently also in agriculture, primarily thanks to a strong accountability framework and government's effective implementation of policies and strategies.

Since 1981, IFAD has approved 13 projects with a total cost of USD 345 million of which IFAD has provided US\$187 million (54 per cent) as loans on highly concessional terms and recently as grants under the Debt Sustainability Framework.

This profile provides a summary of the second country programme evaluation (CPE) of Rwanda undertaken by the Independent Office of Evaluation of IFAD in 2010/2011. The main objective of the CPE was to assess the results and impact of IFAD-funded activities in Rwanda between 2005 and 2010 and generate findings and recommendations to serve as building blocks for the next country strategic opportunities programme (COSOP).



Coabinamu. Pineapple growers preparing a new field.
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Main evaluation findings

The CPE found that, during the period under review, the IFAD/Government of Rwanda partnership made a significant contribution to reducing rural poverty, and that the performance of the portfolio improved. On IFAD's part, contributing factors include a more participatory approach and transition to direct supervision, while, on the part of the Government, they include the introduction of clearly-defined strategies and programmes as well as a strong accountability framework. Rwanda's governance culture is highly results-oriented, thereby ensuring that policies and strategies are in fact implemented.

The focus and objectives of the portfolio have been highly relevant to the context and aligned to government and IFAD policies. However, some of the approaches in rural finance, cooperative development and capacity development of local governments were not aligned with IFAD policies and best practices.

Overall, the programme has made satisfactory progress in meeting the projects' immediate objectives, and in some cases exceeded them. This is particularly the case for support to watershed development and, in part, the support to export crops and rural enterprise development. Support to developing the capacity of cooperatives and local governments has been less effective to date, while that for rural finance made little contribution to developing a sustainable rural finance system.

The portfolio is having a significant positive impact on household income and assets and has reached many poor and vulnerable households. With respect to food security, there are noticeable improvements from the interventions in the watersheds, while the support for export crops has mixed impact, in particular for very small farmers replacing food crops with export crops. Impact on institutions is mixed. The support for watershed development has introduced new structures which are not yet an official part of the local government structure. Many grass-roots institutions have been strengthened but only few are self-reliant. Generally, there is high participation of women in the supported activities and institutions.



Abateranankunga tailoring cooperative.

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Sustainability prospects are moderately satisfactory. The agricultural interventions have good sustainability indicators while there are major challenges related to rural finance, cooperatives and other grass-roots organizations. The CPE expresses concern that the Government's policy to formalize the economy, pushing informal entities to register as cooperatives or companies, is implemented too rapidly, without allowing for a proper transition. Some of the newly-formed cooperatives do not as yet have the capacity to manage high levels of debt and complex operations (e.g. coffee cooperatives).

The 2007 COSOP objectives and ensuing interventions have focused on projects. The evolving country context calls for greater attention to institutional and policy-level matters, for which there is currently a gap in the IFAD-supported programme. Many of the issues are of a sectoral and systemic nature and thus cannot be properly addressed by individual project components such as support to cooperatives and rural finance. Policy dialogue calls for continuous dialectic exchanges at a higher level as well as better consultation and harmonization with other development partners. It also calls for an enhanced analytical capacity and greater knowledge generation and management.

The CPE recognizes that demand from national counterparts for IFAD engagement in policy dialogue has not always been strong, such as in the case of the policy on micro and small enterprises and the revised coffee-sector strategy that were produced without inviting IFAD's input. On the other hand, the Government is now more and more willing to participate in consultative processes with international cooperation groups on specific themes and sectors. This implies that opportunities to engage in policy dialogue are emerging.

Key recommendations

- Place greater emphasis on institutional support and non-lending activities to promote scaling up of innovations and harmonized approaches. This includes two sub-areas: (i) providing institutional support to local government for the scaling up of agricultural innovations; and (ii) development of programme-based support to harmonized frameworks in the areas of rural finance and cooperative development.
- Move towards more strategic programme management and reliance on national systems. In line with the Paris Declaration, IFAD/ Government project cooperation should rely more on the Government's accountability and implementation systems, recognized as among the best and most efficient in sub-Saharan Africa. IFAD should move away from micro management, leaving this to government systems, while adopting a more strategic management approach, addressing strategic issues within and above projects. IFAD should also adapt to Government policy of replacing the individual project coordination units within a ministry with one single project implementation unit for all donor-assisted projects.
- Develop support programmes for protection of watersheds and pro-poor agricultural value chains in food and export crops. IFAD's future programme should continue its watershed development initiatives, scaling up agricultural innovations. Future support should focus on Rwanda's long-term competitive advantages, which are likely to be in higher-value commodities (food/cash/export) produced in intensive systems with a high labour input and potential for creating significant non-farm employment in processing and marketing enterprises. The support should apply a pro-poor value chain approach based on public-private partnerships and aligned to the decentralization process.

RWANDA AT A GLANCE

Population: **10.9 million (mid 2011)**
 Population growth: **2.1% (2010)**
 GDP growth: **7.8% (2005-2009) in real terms**
 Population living in poverty according to national poverty line: **57% (2005/06)**
 Agriculture share of GDP: **34% (2010)**
 Life expectancy at birth: **55 (2009)**
 Human development index: **0.460 (2007)**
 IFAD lending since 1981: **US\$187 million**

Sources: World Bank World Development Indicators, UNDP Human Development Report 2010, Population Reference Bureau 2001 World Population Data Sheet.

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; email: evaluation@ifad.org.