
Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme 2025–2030 for the Republic of Rwanda

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Action: The Executive Board is invited to review the comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme 2025–2030 for the Republic of Rwanda.

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Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme 2025–2030 for the Republic of Rwanda

I. General comments

1. The Independent Office of Evaluation of IFAD (IOE) completed its third country strategy and programme evaluation (CSPE) for Rwanda in March 2024 and presented the report to the 124th session of the Evaluation Committee, where the findings and recommendations were discussed with Committee members and Management. The evaluation covered the period 2013–2022, which included two country strategic opportunities programmes (COSOPs) (2013–2018 and 2019–2024) and assessed nine loan-funded projects with a total cost of US\$509.6 million, of which IFAD financed US\$280.1 million; the remaining funds came from the Government, beneficiaries and other cofinanciers. The evaluated portfolio included four closed projects: the Support Project for the Strategic Plan for the Transformation of Agriculture (PAPSTA), the Kirehe Community-based Watershed Management Project (KWAMP), the Project for Rural Income through Exports (PRICE), and the Climate-Resilient Post-Harvest and Agribusiness Support Project (PASP). Five projects were ongoing: the Rwanda Dairy Development Project (RDDP), the Kayonza Irrigation and Integrated Watershed Management Project – Phase I (KIIWP1), the Partnership for Resilient and Inclusive Small Livestock Markets Programme (PRISM), the Kayonza Irrigation and Integrated Watershed Management Project – Phase II (KIIWP2), and the Promoting Smallholder Agro-Export Competitiveness Project (PSAC). The CSPE also reviewed 24 IFAD-funded grants and non-lending activities, including policy engagement, partnerships and knowledge management.
2. The evaluation assessed the performance of the Rwanda portfolio as satisfactory, highlighting contributions to increased agricultural productivity, with notable gains in the production of milk and of crops such as rice, coffee, cassava, maize, sorghum, potatoes, horticultural crops, beans and tea. Progress was also made in mitigating post-harvest losses and strengthening smallholder market linkages, particularly through PRICE, PASP and RDDP, with investments in storage and processing facilities and promotion of formal offtaker arrangements.
3. Despite these achievements, the portfolio also faced some constraints, including overreliance on matching grants, weak value chain analysis and limited private sector linkages, which affected smallholder market linkage opportunities. Capacity-building for cooperatives and farmers' organizations did not translate into stronger performance, as many continued to struggle with governance, business skills and weak apex structures. Although the single project implementation unit (SPIU) model contributed to efficiency gains, the SPIU was constrained by high staff turnover, heavy workloads and coordination challenges. Monitoring and evaluation (M&E) remained output-focused and non-lending activities were underdeveloped.
4. The CSPE found that key recommendations from the 2012 country programme evaluation – which called for stronger institutional support and non-lending activities, greater reliance on national systems and strategic programme management, and strengthened subsectoral support through watershed protection and pro-poor value chain development – were only partially implemented. Institutional support and non-lending activities remained weak, with limited progress in scaling up innovations and harmonizing approaches to rural finance, although newer projects such as PRISM and PSAC introduced more inclusive models and improved coordination with service providers. More significant progress was achieved through subsectoral support for watershed management, value

addition and pro-poor value chain engagement supported by enhanced private sector involvement and promotion of public-private-producer partnerships.

5. The CSPE put forward five recommendations to inform the next COSOP. First, it urged a sharpening of the thematic focus, with greater reliance on markets and private initiative in areas where IFAD has a comparative advantage, such as livestock farming, export crops and irrigation. Second, it called for clearer and more systematic integration of environment and natural resources management, climate change adaptation and nutrition across the portfolio. Third, it recommended that targeting strategies be refined to strengthen the poverty focus and improve youth inclusion, supported by better disaggregated data. Fourth, it proposed the development of a coherent action plan for non-lending activities, particularly knowledge management, policy engagement and scaling up. Finally, it stressed the importance of ensuring that the SPIU is fit for purpose by addressing staffing shortfalls, turnover and workload challenges.
6. The goal of the Rwanda COSOP 2025–2030 is to reduce poverty and strengthen sustainable food security and nutrition in vulnerable rural households. This goal is to be achieved through two strategic objectives (SOs): (i) enhanced production, climate resilience, market access and nutritional practices for smallholder households within agrifood systems, with a particular focus on the empowerment of women, youth and vulnerable groups; and (ii) increased efficiency and investment across agrifood systems through frontier innovation, digital technologies and financing mechanisms.
7. The new COSOP acknowledges the CSPE recommendations in its lessons learned section and refers to its findings across several parts of the document. While this demonstrates alignment at the strategic level, there remains scope for more nuanced operational guidance to ensure that the full intent of the CSPE 2024 recommendations is adequately addressed during implementation. The following specific comments highlight how the COSOP addresses the CSPE recommendations and where further clarification or strengthening may be needed.

II. Specific comments

8. **Market-oriented approach to value chain development.** The CSPE concluded that there had been limited success in embedding a market orientation in value chain development efforts, as projects focused predominantly on upstream activities, with insufficient attention to the feasibility of downstream interventions, the availability of market outlets, and the sustainability of input supply. It recommended stronger private sector engagement, deeper value chain analysis and careful monitoring of benefits for poorer smallholder farmers. In response, COSOP SO1 embodies a commitment to enabling market-driven private sector participation in export-oriented value chains (dairy, coffee, tea, horticulture), tackling constraints such as standards and trade barriers, undertaking more detailed value chain analyses and building agribusiness partnerships to align investments with market demand.
9. While the COSOP's proposed actions largely address the intent of the CSPE recommendation, the document could more clearly articulate how poor smallholders will be supported in engaging with the private sector and micro, small and medium-sized enterprises, including monitoring benefits to smallholders. Although references to public-private-producer partnerships and productive alliances appear in the South–South and Triangular Cooperation (SSTC) strategy (appendix VII) and the thematic note on rural finance (appendix XI), they are not clearly integrated from an operational perspective or linked to mechanisms that will guarantee smallholder benefits. The absence of a dedicated thematic note on challenges and opportunities in inclusive value chain development further reduces clarity on which models will be pursued.

10. **Rural finance.** The CSPE highlighted the need to reduce overreliance on matching grants and to support a variety of financial providers and products. This means documenting the rural finance needs of target groups and engaging proactively with financial services providers to design appropriate products and incentives to better serve the agricultural sector and the rural poor. The new COSOP, under SO2, reflects this recommendation by expressing a commitment to broaden the range of financial services providers (commercial banks, microfinance institutions, savings and credit cooperative organizations, village savings and loan associations), scale up digital solutions, and promote climate finance and tailored instruments for women and youth, while also introducing blended finance, guarantees and risk-sharing mechanisms to crowd in private investment, in line with Rwanda's policy framework. While the COSOP sets out broad directions, it does not clearly specify the approach to be taken to the assessment of smallholders' finance needs and measures for ensuring the sustainability of incentive mechanisms for financial services providers after IFAD support ends.
11. **Digital solutions.** The CSPE also highlighted the need to give more prominence to digital solutions in order to address gaps in finance, market access, mechanization, risk management and traceability, while also overcoming barriers to the adoption of such solutions, such as high costs and lack of skills and digital literacy. The COSOP responds comprehensively by embedding digitalization across the portfolio, including digital platforms for data-driven decision-making (management information systems and dashboards), value chain e-extension services, mobile banking for financial inclusion (including remittances), market and weather information services, and dissemination of climate resilience practices. In rural finance, the country programme will promote digital tools for credit assessment, client tracking, e-banking and mobile money, with partnerships to expand outreach through savings and credit cooperative organizations, microfinance institutions and commercial banks. This represents a stronger and more ambitious approach to digitalization, but the COSOP does not specify how adoption barriers (affordability, digital literacy, connectivity) will be overcome, nor does it set indicators to track adoption or assess the use of digital solutions to strengthen traceability in a way that benefits smallholders and agribusinesses.
12. **Environment and natural resources management.** The CSPE found that, while the country programme promoted sustainable practices, it paid insufficient attention to negative impacts, such as poor waste management and deforestation; it also focused on short-term risks over long-term adaptation and missed opportunities to build smallholder resilience and apply safeguards. The COSOP mainstreams climate and natural resources management across both strategic objectives, committing to climate-smart agriculture, waste reduction, renewable energy, ecosystem restoration and climate-resilient livestock systems, aligning with Rwanda's Nationally Determined Contributions, the Green Growth and Climate Resilience Strategy and the Strategic Plan for Agriculture Transformation. It also calls for the mobilization of climate finance through the Rwanda Green Fund and the Green Climate Fund. Adaptation and mitigation indicators are embedded in the results framework. At the operational level, this will require support to strengthen institutional capacity for safeguards – an area acknowledged as a gap in the COSOP.
13. **Nutrition.** The COSOP 2025–2030 explicitly integrates nutrition into its overall goal. Under SO1, it proposed to strengthen the integration of nutrition through nutrition-sensitive value chains (notably dairy, livestock, biofortified crops and vegetables), leveraging digital tools for tracking, and linking farmers to school feeding programmes. It also emphasizes behavioural change communication to promote healthy diets and awareness. By prioritizing nutrition-vulnerable households (for example, those that include pregnant women, nursing mothers and children under 2 years of age) and combining this with empowerment and

leadership support for women, the COSOP will implicitly address aspects related to care practices (although these could be more explicitly framed), environmental health, and water and sanitation from a behaviour change perspective and through stronger engagement with national platforms such as the Scaling Up Nutrition movement.

14. **Targeting strategy.** In line with the CSPE recommendation to sharpen poverty targeting and strengthen youth inclusion, the COSOP aims to prioritize districts with high poverty, food insecurity and climate vulnerability, using the Imibereho Social Registry System to identify beneficiaries and setting explicit targets (45 per cent women, 35 per cent youth). The COSOP could be further strengthened by clarifying how disaggregated data will be collected and used and how monitoring will link poverty reduction with social inclusion outcomes (for women, youth, persons with disabilities and Indigenous Peoples). While the COSOP makes the linkage between smallholders and other agrifood system actors conceptually clear, it provides limited detail on the mechanisms for building these connections and on safeguards to ensure that benefits reach poor smallholders. Clarity is also needed on whether the adoption of the Imibereho system will entail a full transition from the participatory Ubudehe approach and on the potential for combining Imibereho with community-based validation, in keeping with the spirit of Ubudehe, which could strengthen the targeting strategy.
15. **Non-lending activities.** Non-lending activities were assessed as a weak area of the portfolio, and the CSPE called for a more coherent and strategic action plan to strengthen such activities, including bolstering government capacity in knowledge management and M&E. The COSOP acknowledges this need and lays important groundwork through a knowledge management framework, a broad partnership strategy and promotion of SSTC. It also lays out several thematic priorities, including climate-smart agriculture, irrigation and water management; livestock and export value chains; youth and financial inclusion; and food systems transformation, but these priorities have not yet been incorporated into a coherent non-lending action plan. At the strategy level, such signalling is appropriate, provided that a detailed action plan, with priorities, indicators and resources, is drafted during implementation.
16. **Programme management.** The evaluation found that, while the SPIU generated efficiency gains, it faced recurrent problems of turnover, heavy workloads and limited technical capacity. The CSPE therefore recommended an assessment and action plan to address recurrent issues, such as the competitiveness of salaries, timely recruitment to fill vacancies and targeted capacity-building at national and district levels. Although the COSOP acknowledges the need to strengthen the SPIU in line with the CSPE findings, it could be improved by specifying priority capacity-building areas, such as gender, M&E, policy development, value chain development and safeguard management, particularly in light of the recently finalized SPIU organizational and salary structure. Echoing concerns expressed in the CSPE, the COSOP also cautions that merging financial management posts and reducing salaries could lead to staff demotivation and increase turnover, and highlights the need for proactive operational follow-up and monitoring during implementation of activities to enhance the functionality of the SPIU.

III. Final comments

17. The Rwanda COSOP 2025–2030 aligns well with national priorities and CSPE recommendations. It sets out a clear path to progress in sharpening the thematic focus on inclusive value chain development and private sector engagement, expanding rural finance, mainstreaming digitalization, embedding environment and natural resources management and climate change adaptation in the country programme, expanding nutrition-sensitive practices, strengthening youth and gender inclusion, and giving more attention to non-lending activities. At the same

time, the document could provide further detail on smallholder engagement in private sector partnerships; the challenges and opportunities for inclusive value chain integration; the assessment of rural finance needs and sustainability of incentives for financial institutions; the framing of care practices; environmental health, water and sanitation within the nutrition strategy; and mechanisms for improving targeting effectiveness, including data disaggregation. Issues related to SPIU capacity and non-lending activities are primarily operational and can be addressed through follow-up action plans outside the COSOP framework.