Executive Board

Republic of Rwanda
Country strategic opportunities programme 2025–2030

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Action: The Executive Board is invited to review the country strategic opportunities programme 2025 to 2030 for the Republic of Rwanda.

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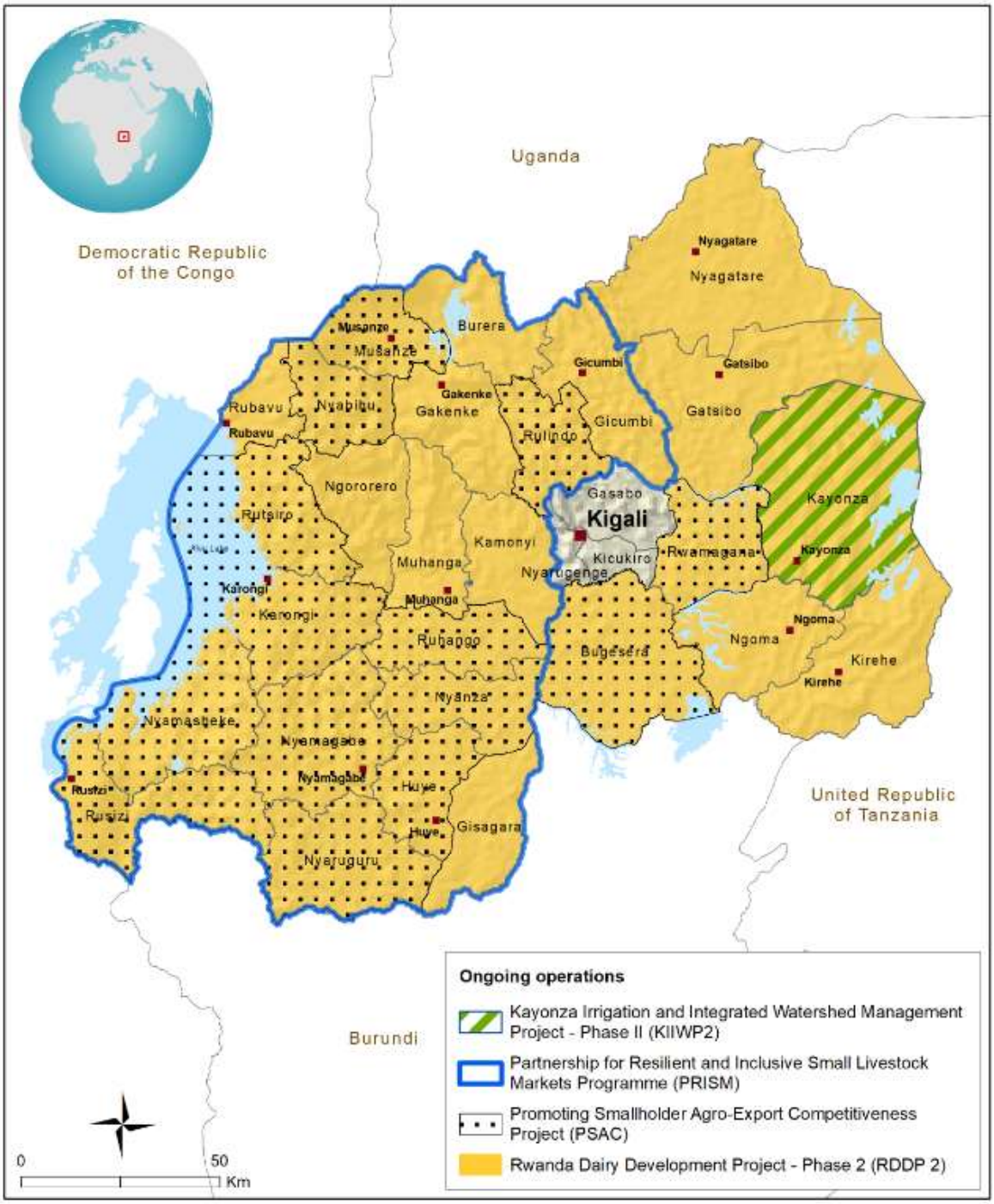
Map of IFAD-funded operations in the country



Executive summary

1. The Republic of Rwanda is classified as a country with low but improving human development and poverty levels, although rates in rural areas remain high. The Rwanda economy is reliant on the agricultural sector, and enhancement and diversification of the sector is a government priority.

2. Based on the opportunities and challenges in the agriculture sector and IFAD's strategic advantages, the goal of the country strategic opportunities programme (COSOP) will be to reduce poverty and improve sustainable food security and nutrition in vulnerable rural households. The aim will be to achieve this through the following strategic objectives (SOs):

   (i) SO1: 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.

   (ii) SO2: Increased efficiency and investment across agrifood systems through frontier innovation, digital technologies and financing mechanisms.

3. IFAD interventions will include loan/grant-financed rural investment projects, private sector investments and non-lending support for activities such as analytical work, capacity-building, country-level policy engagement and South-South and Triangular Cooperation. The COSOP will cover the period from 2025 to 2030 and will be financed by two IFAD funding cycles.

Republic of Rwanda
Country strategic opportunities programme
2025–2030

I. Country context

1. The Republic of Rwanda is a small landlocked country in East Africa with strong governance and political stability. Rwanda's Human Development Index score has steadily improved from 0.328 in 2000 to 0.548 in 2022, though its rank remains at 163 out of 193 countries.[1] Similarly, poverty rates have fallen but remain high, particularly in rural areas. The rate of severe multidimensional poverty is 19.7 per cent,[2] while 20.6 per cent of the population are food insecure, and the stunting rate of 32.4 per cent is among the highest in Africa.[3] Rwanda has the second highest population density in the continent, and around 50 per cent of the population are between the ages of 12 and 29.[4]

2. The Rwandan economy is reliant on the agricultural sector, which employs two thirds of the working population and in 2024 contributed 25 per cent to GDP. Other important sectors are construction, services and tourism, but further diversification of the economy is a strategic priority, as is reducing the youth unemployment rate of 21.5 per cent.[5]

A. Socioeconomic setting

Table 1
Country indicators

Indicator	*Data*	*Reference year*
GNI per capita	US$3,330 [a]	2023
GDP growth	6.9% [b]	2023
Public debt (% of GDP)	64.5% [c]	2024
Debt service ratio	11.6% [d]	2022
Debt-to-GDP ratio	66.6% [e]	2023
Inflation rate (%)	7% [f]	2025
Population size	14.09 million [g]	2023
Population, female	7.19 million [h]	2023
Youth population	27.1% [i]	2022
Unemployment rate	14.9% [j]	2023
Fragility index	81.8 [k]	2024
INFORM Risk Index	2.4 (medium) [l]	2024

[a] World Bank. 2025. GNI per capita, PPP (current international $) – Rwanda.
[b] International Monetary Fund (IMF). 2025. World Economic Outlook.
[c] Ibid.
[d] World Bank. 2022. Joint World Bank-IMF Debt Sustainability Analysis.
[e] African Development Bank (AfDB). 2025. Rwanda Economic Outlook.
[f] IMF. 2025.
[g] World Bank. 2024. Population, female (% of total population) – Rwanda.
[h] Ibid.
[i] NISR. 2023. 5th Population and Housing Census 2022.
[j] World Bank. 2024. Unemployment, total (percentage of total labour force) (national estimate) Rwanda https://data.worldbank.org/country/rwanda.
[k] The Fund for Peace. 2024. Fragile States Index.
[l] European Union. 2024. INFORM Report 2023.

[1] United Nations Development Programme (UNDP). 2024. Human Development Index 2023–2024.
[2] Ibid.
[3] World Food Programme (WFP). 2021. Rwanda Comprehensive Food Security and Vulnerability Analysis.
[4] NISR. 2023. Main Indicators Report: 5th Rwanda Population and Housing Census.
[5] NISR. 2023. Labour Force Survey Trends – May 2023 (Q2).

B. Transition scenario

3. Rwanda is a low-income country that aspires to become an upper-middle-income country by 2035 and a high-income country by 2050. It is expected to continue to benefit from political stability for the foreseeable future and has also created an environment conducive to investment, with a ranking of 38 out of 190 countries on the 2020 Ease of Doing Business Index. As explained further in appendix III, after a period of rapid economic growth in the past two decades, it has experienced setbacks due to the COVID-19 pandemic, drought, flooding and the war in Ukraine, but is now recovering, and GDP growth per capita is forecast at around 7 per cent up to 2029. However, persistent macroeconomic imbalances could hinder the Government's ability to promote development outcomes. Given an expected reduction in official development assistance, upon which the country is heavily dependent, Rwanda's medium-term trajectory will depend on improving other sources of development finance, especially foreign direct investment (FDI), which has been historically low but is growing thanks to the Government's measures to make investment in the country more attractive.

4. GDP from agriculture is expected to grow by around 5 per cent up to 2027, highlighting an opportunity for IFAD to promote agriculture as a development driver and key source of FDI and private sector investment. The past 15 years have seen a significant growth in commercial agriculture and agroprocessing, particularly by micro, small and medium-sized enterprises (MSMEs), driven mainly by domestic markets.[6] Given the country's high population density, further growth in the agriculture sector is likely to be driven by graduation from subsistence farming and greater profitability of agrifood systems, ideally through a mix of production for domestic consumption and export.

C. Food system, agricultural and rural sector agenda

Challenges and opportunities

5. Based on the diagnostics in the key files in appendix II and the Social, Environmental and Climate Assessment Procedures (SECAP) background study in appendix IV, there are several challenges that hinder the modernization, inclusivity and sustainability of Rwanda's agrifood systems – defined as the networks of suppliers, consumers, traders and governors of agrifoods in a given area. First, agricultural production remains dominated by smallholder farmers producing mainly for subsistence, with only 7 per cent classified as market-oriented, who face significant barriers to their production, including:

- Land scarcity, with an average household landholding of 0.4 hectares;
- Inability to adapt to the effects of climate change (including drought, flooding and increased seasonal variability), with Rwanda ranking as the 19th most vulnerable country on the ND-GAIN Index and irrigation coverage of just 8 per cent a particular issue;
- Financial inclusion, with only 64 per cent of smallholders being members of a savings and credit cooperative organization and 5 per cent of a commercial bank (despite recent improvements).

6. Smallholders also face significant barriers to market access, which, along with limited access to finance, include underdeveloped post-harvest storage, processing facilities, markets and transportation networks. Compounding this supply-side issue, Rwandan agrifood systems also suffer from weak value addition and value chain linkages, driven mainly by limited access to suitable finance and other support for MSMEs.

[6] International Food Policy Research Institute (IFPRI). 2022. *Transformation of Rwanda's Agrifood System: Structure and Drivers.*

7. Rural women and youth face specific challenges to both their agricultural productivity and market access. Women's labour force participation rate is 47 per cent, and women suffer from unequal access to education, land and financial services. Female-headed households are also more likely to be food insecure. Approximately 32.9 per cent of the youth population are neither employed nor in education or training, with access to finance also a key issue for this group.

8. Nevertheless, with high untapped potential and a demographic dividend, there are significant opportunities to accelerate agrifood system transformation in Rwanda. First, the country has a strong cooperative and farmers' organization (FO) base that with sufficient support could help drive smallholder inclusion. Second, Rwanda has a well-developed rural finance sector and heavy focus on promoting green finance that could fill financing service gaps for smallholders and MSMEs if incentives can be found. Finally, Rwanda is ranked highly for digital infrastructure in the continent,[7] highlighting its readiness to promote the uptake of digital technologies in agrifood systems.

9. Regarding opportunities in specific value chains, as explained further in the thematic note in appendix XII, the livestock sector, including dairy and small stock, offer particular opportunities for smallholder inclusion and economic growth. Moreover, there are significant opportunities for export promotion in the coffee, tea and horticulture sectors, given their agroclimatic conditions and investment-friendly environment.

Government policy and institutional framework

10. This country strategic opportunities programme (COSOP) is fully aligned with Rwanda's new 5th Strategic Plan for Agriculture Transformation (PSTA 5). Its key theme is the establishment of resilient, sustainable and market-oriented agrifood systems. This strategy integrates objectives from Vision 2050 and the Food Systems Transformation Pathway. Other relevant policies with which the COSOP is aligned include the National Agriculture Policy (NAP) 2018, National Irrigation Master Plan and National Investment Policy.[8] The promotion of innovation, especially in digital technology and finance, is a cross-cutting theme in these government policies and strategies.

11. The COSOP will also support Rwanda's updated Nationally Determined Contribution (NDC). The NDC seeks to reduce greenhouse gas emissions by 38 per cent by 2030 through the promotion of renewable energy, waste management, conservation agriculture and other low-carbon production practices.

12. The Ministry of Agriculture and Animal Resources (MINAGRI) is the lead institution for agricultural policy (and IFAD's principal partner), supported by the Rwanda Agriculture and Animal Resources Development Board (RAB) and the National Agricultural Export Development Board (NAEB). IFAD projects are managed by a single project implementation unit housed in MINAGRI. Public sector capacity issues that IFAD will seek to improve include limited resources for extension services, suboptimal use of infrastructure, limited local government capacity, inefficient procurement systems and insufficient coordination among agrifood system stakeholders. There is also a need to build supportive regulatory frameworks for rural institutions such as water-user associations and cooperatives and public-private producer partnerships (PPPs).

13. This COSOP is also aligned with the Rwanda United Nations Sustainable Development Cooperation Framework (2025–2029) guidance, the IFAD Strategic Framework (2016–2025) and Sustainable Development Goals 1 and 2, among other instruments.

[7] IMF. 2023. AI Preparedness Index.
[8] Ministry of Finance and Economic Planning (MINECOFIN). 2023. National Investment Policy.

II. IFAD engagement: lessons learned

A. Results achieved during the previous COSOP

14. As outlined in the COSOP completion report (CCR), only the youth outreach target was not met in projects in the previous COSOP (2019–2024). Overall income per capita increased by 118 per cent (against a target of 20 per cent), and, as also noted in the country strategy and programme evaluation (CSPE) (see appendix V), objectives were met or exceeded for increased production, land brought under climate-resilient agricultural practices, reduced post-harvest losses, more resilient infrastructure and the general strengthening of value chains and market access. Key to this success was the focus on key thematic areas across the portfolio, including climate resilience support (with priority given to watershed management), livestock and export promotion, as well as the introduction of a range of technological, financial, social and institutional innovations. COSOP projects also made significant contributions, both directly and indirectly, to the formulation of national policy and legislation in their respective sectors.[9]

B. Lessons from the previous COSOP and other sources

15. **IFAD strategic advantage.** IFAD's results in promoting climate resilience, livestock, exports and innovation, among other areas, highlight their continued strategic value for this new COSOP. Moreover, the Fund's financial resources and growing expertise in private sector investment and innovative finance highlight this as another strategic advantage for this new COSOP. Under this new focal area, the new COSOP will emphasize the lesson from the previous COSOP that extensive use of matching grants can lead to reliance on unsustainable financing resources.

16. **Youth.** Based on the significant opportunities and past underperformance in youth outreach, a more intensive focus on youth is necessary under this COSOP, including increased targets for youth outreach, innovative creation of income-generating opportunities and improved monitoring (pursuant to the CSPE recommendation).

17. **Women.** The CCR highlighted the effectiveness of the Gender Action and Learning System (GALS). Across the portfolio, GALS led to better household and community decision-making, shifts in household gender roles, greater family cohesion and a reduction in gender-based violence. Another key lesson is the need to develop better indicators of gender performance.

18. **Information and communications technologies for development (ICT4D)** should be further integrated into the portfolio, building on the positive results noted in the CSPE in the areas of decision-making support and agro-advisory services, access to financial services, mechanization, risk management, traceability and post-harvest facilities. This will also create additional opportunities for including youth and persons with disabilities in wage labour.

19. **Grants and non-lending activities.** As recommended by the CSPE, the COSOP will emphasize greater synergies between supplementary funded grants and the investment portfolio, using a new action plan for non-lending activities containing priority activities and partners.

20. **Portfolio management.** Key portfolio-level strategies are required to address implementation bottlenecks. This will include working directly with the project agencies and national institutions to ensure smooth alignment with IFAD and country systems, as well as ensuring through formal agreements that implementing partners monitor the justification of advances, thus avoiding time-consuming management of refunds for ineligible expenditures.

[9] These included the Animal Health and Production Law; the Rwanda Animal Genetic Resources Improvement Strategy and Implementation Plan 2022–2035; the Livestock Development Strategy 2024–2029; the National Policy for Water Resources Management and the revised National Gender Policy.

21. **Recording government in-kind cofinancing.** This is an issue across the portfolio that requires closer collaboration between the finance officer and national institutions. Customizing the Integrated Financial Management Information System to track in-kind contributions is one option, as are changes in the auditing policy to facilitate accounting.

III. Strategy for transformational country programmes

A. COSOP theory of change

22. This COSOP will seek to build more efficient, inclusive and sustainable agrifood systems by supporting and connecting system actors. Smallholder producers and FOs will be provided with a range of support to increase the scale and resilience of their production, with emphasis on (i) watershed management and other climate resilience support; (ii) support for cooperatives and FOs; and (iii) access to finance and efficiency-enhancing technologies and innovations. This is combined with support for higher sales of produce through improved market access and linkage with the private sector (including domestic off-takers and exporters). To promote the agrifood system midstream and complement support to producers, COSOP activities will include capacity-building support and innovative financing mechanisms for MSMEs, including green financing. Food consumers will receive support to improve their nutrition, and cross-cutting policy activities will aim to create an enabling environment for actors across the system. The COSOP will focus on improving these agrifood systems, particularly the livestock sector, along with export-based systems for coffee, tea and horticulture and nutrition-sensitive value chains.

23. Through this support, the COSOP seeks to enable low-income smallholder households, particularly those of women and youth, to enjoy more profitable engagement in more vibrant and advanced agrifood systems through product sales and employment with MSMEs and other system actors. This will lead to sustainable poverty reduction gains at low-risk of derailment by climate change and other stressors and shocks. Thanks to increased productivity, incomes and nutrition support, the COSOP is also expected to achieve significant reductions in food insecurity and malnutrition.

B. Overall goal and strategic objectives.

24. The COSOP goal is **to reduce poverty and strengthen sustainable food security and nutrition in vulnerable rural households**, supported by two mutually complementary strategic objectives (SOs):

25. **SO1: 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.**

26. Under this SO, IFAD will provide support for enhanced climate-smart crop and livestock productivity, promoting market access and connections with MSMEs and other private sector actors to increase domestic sales and exports, at the same time promoting nutritional behavioural change and nutrition-sensitive value chains.

27. **SO2: Increased efficiency and investment across agrifood systems through frontier innovation, digital technologies and financing mechanisms.**

28. Benefitting from and complementing the support to smallholder producers under SO1, under the second strategic objective, IFAD will promote: (i) more vibrant and advanced agrifood systems, with support for various agrifood system actors to increase their adoption of efficiency-enhancing digital technologies, and (ii) innovative financing mechanisms (such as blended financing) for private sector actors, including MSMEs and FOs, particularly for green finance.

Table 2
COSOP strategic objectives

Key development priority	*Underlying institutions*	*Policy reform challenges*	*Proposed interventions*
SO1	MINAGRI MINECOFIN MOE MYA RAB RYAF	• Regulation of production aggregators • Regulation of water associations and other cooperatives • Lack of coordination for agrifood systems	• All ongoing and planned investment projects and non-sovereign operations (NSOs) • Country-level policy engagement (CLPE) support for regulatory reform • Support for improved coordination for agrifood systems (SO1) • Encourage deployment of innovative financing mechanism to increase agricultural financing (SO2)
SO2	MINAGRI MINECOFIN BRD FONERWA MINICT NAEB RYAF	• Weak PPP regulatory framework	

Note: Ministry of Environment (MOE); Ministry of Youth and Arts (MYA); Rwanda Youth in Agribusiness Forum (RYAF); Development Bank of Rwanda (BRD); Rwanda Green Fund (FONERWA); Ministry of ICT and Innovation (MINICT).

29. **Sustainability.** Each of the projects implemented during the COSOP period will be guided by in-depth sustainability strategies that will employ tailored support, innovations and institutional capacity-building (at various levels) to promote: (i) innovative adaptation and resilience to environmental and other shocks and stressors; (ii) sustainable use of natural resources and biodiversity; (iii) local ownership of assets and other project investments; (iv) the establishment of an enabling environment for market-driven private sector participation in value chain development; and (v) phased project approaches.

30. **Scaling up.** Special focus will be placed on support for interventions that increase private sector engagement in the development of value chains and market access and accelerate graduation out of poverty. Proven project innovations, particularly by the private sector and FOs and for inclusive rural finance, will be harmonized and scaled up. Knowledge management (KM) will be instrumental in promoting scaling up, as will CLPE for promoting scaling up by the Government.

Mainstreaming

31. **Climate and environment** mainstreaming will include support for adaptation and mitigation, including climate-smart agricultural practices and technologies (e.g. for conservation agriculture and water management), climate-proof rural infrastructure and access to green finance. These activities will be augmented with innovative measures and techniques aimed at more effective waste management and water-saving, energy-efficiency and renewable energy solutions. Soil conservation and sustainable land management will be implemented to enhance soil carbon reforestation, afforestation and agroforestry to improve ecosystem services and overall climate resilience. Dairy-sector emissions reduction will be a priority.

32. **Gender.** The COSOP will boost the economic empowerment of women by supporting their productive inclusion in agrifood systems. This will include increasing their access to agricultural inputs, climate-smart and labour-saving technologies and appropriate financial services. The COSOP will build on proven practices such as the Value-based Holistic Community Development graduation approach and GALS to amplify women's voices and household and community decision-making. The COSOP will support the upcoming National Transformative Strategy Engaging Men and Boys for Gender Equality Promotion (as outlined further in appendix IV), targeting social norms and power dynamics.

33. **Youth.** The COSOP will aim to capitalize on Rwanda's youth dividend through capacity-building and the creation of on- and off-farm employment opportunities in

agrifood systems, including in production, distribution, processing and marketing. Job creation in these areas will be promoted through a private sector-driven approach to unlock opportunities across value chains without requiring land ownership and will build upon IFAD's integrated agribusiness hub initiative by strengthening partnerships with technical vocational education and training institutions to match labour market needs and create self-employment opportunities. It will also support initiatives to increase youth access to finance and land. Projects will invest in leadership skills to strengthen the voice and representation of youth in FOs and continue to engage with youth-led organizations, such as the Rwanda Youth in Agribusiness Forum (RYAF), including for service delivery and capacity-building.

34. **Nutrition.** The COSOP will focus on ensuring the production of nutritious food through continued investment in nutrition-sensitive value chains, including dairy and other livestock products, leveraging digital technologies for information and tracking. Biofortification of crops and vegetable varieties will help to address household nutrient deficiencies, along with the promotion of nutritious foods that are already available. Leveraging school feeding programs, the COSOP will connect supported smallholder farmers with FOs to supply them with nutritious foods. Activities will also promote behavioural change by increasing awareness and knowledge, fostering a culture of healthy and balanced diets, including through the use of social and behavioural change communication.

35. Further information on the intended impact pathways for the mainstreaming themes are described further in the SECAP background study in appendix IV.

C. Target group and targeting strategy

Target group

36. IFAD operations in Rwanda are nationwide but concentrated in districts selected on the basis of government priorities and development plans. The Western, Northern, and Southern Provinces in particular have the highest Multidimensional Poverty Index scores, and for sovereign projects, the prioritization of districts is informed by the following: (i) high poverty and food insecurity rates; (ii) vulnerability to climate change (drought and flooding); (iii) comparative advantage for the development of targeted value chains (especially for women and youth); and (iv) potential alignment with the activities of the COSOP's strategic partners.

37. The COSOP will focus on smallholder suppliers for agrifood systems who are poor and food insecure but have the economic potential to graduate to more productive and market-oriented farming systems. This will include support for suitable FOs, which will also be engaged as project partners.

38. In order to achieve the desired impacts on the smallholder target group and generate a more vibrant rural economy, the COSOP interventions will also target other linked agrifood system actors in a bid to increase the modernization, inclusivity and sustainability of agrifood systems in which smallholders are operating. This will include MSMEs involved in processing, aggregation and domestic sales and export, plus semi-commercial and commercial farmers and financial institutions (see appendix XI for a list of potential private sector companies that could be targeted for private sector investment).

Targeting strategy

39. The COSOP will utilize the Government's new Imibereho Social Registry System (based on over 37 socioeconomic indicators), as well as the Integrated Household Living Conditions Survey (EICV), to identify vulnerable rural households in targeted districts. District authorities will receive lists of households that meet the graduation criteria and will prioritize them in development programming.

40. The combined outreach of projects during the COSOP period will be an estimated 450,000 beneficiaries, consisting of 45 per cent women and 35 per cent youth. Concerted efforts will be made to target and include persons with disabilities[10] and prioritize nutrition-vulnerable households and priority groups, such as pregnant women and nursing mothers.

41. Targets will also be set for women and youth leadership positions, and women- and youth-led cooperatives and MSMEs will be selected for graduation and business acceleration programs. Nutrition-vulnerable households will be prioritized for nutrition interventions by prioritizing key relevant indicators used in the Imibereho System, specifically those in areas with high malnutrition rates, and households with pregnant women, nursing mothers and children under 2 years of age. Self-targeting measures will focus on selecting value chains favourable for women and youth. This will be further complemented by capacity-building and empowerment measures, investing in confidence-building and leadership and technical skills to ensure that target groups with less voice and power can actively participate in planning, implementation and decision-making processes.

IV. IFAD interventions

A. Financing instruments

42. The four ongoing sovereign projects to be implemented under this COSOP are summarized in table 3, contributing to meeting the objectives of both SO1 and SO2. In addition to these sovereign projects, IFAD in Rwanda is developing a portfolio of NSOs, including the recently approved Africa Rural Climate Adaptation Financing Mechanism (ARCAFIM) project, as well as additional regional and single-country NSOs in the pipeline, which constitute the core of the innovative financing under SO2.

Table 3
IFAD sovereign lending portfolio for the COSOP period (2025–2030)

Project	*Objective*
PRISM – Partnership for Resilient and Inclusive Small Livestock Markets Programme 2019–2026	To reduce poverty by empowering poor rural people to participate in the transformation of the livestock sector and to enhance their resilience.
KIIWP2 – Kayonza Irrigation and Integrated Watershed Management Project – Phase II 2022–2028	Improve food security and incomes of rural households on a sustainable basis and build their climate resilience.
PSAC – Promoting Smallholder Agro-Export Competitiveness Project 2023–2029	Increase incomes of the rural poor by supporting inclusive and sustainable agri-export value chains.
RDDP2 – Rwanda Dairy Development Project – Phase 2 2024–2030	Enhance income, nutrition and resilience of rural households through a more inclusive, sustainable, digitalized and competitive dairy sector.

B. Country-level policy engagement

43. CLPE will be used to promote a facilitating environment for building more modern, inclusive and sustainable agrifood systems under the two SOs. Working primarily through the sovereign portfolio (potentially combined with grants, supplementary

[10] According to the latest census in 2022, Rwanda has around 391,775 persons with disabilities, representing 3.4 percent of the population aged 5 and above. The COSOP will not set a quota but identify strategic entry points for enhanced disability inclusion in project activities, using insights from the national census (see appendix IV for further information).

funds and reimbursable technical assistance), support will focus on informing policies, regulatory frameworks and incentives, including for improved market access for smallholders, export promotion, smallholder productivity, natural resource management and climate change adaptation and mitigation. There will also be a focus on supporting formalization of the legal status of FOs, as well as regulation of the activities of other agrifood system actors. CLPE will also be used to support the scaling up of innovations and digital solutions.

44. Based on the diagnostic in the government policy and institutional framework section above, a further focus of CLPE will be strengthening coordination among key partners and applied policy research on key issues constraining productivity and economic growth in the agriculture sector. One specific opportunity during the COSOP period is supporting the Government in the creation of a contingency fund to allow for a swift response to mitigate the impacts of the various shocks affecting the livestock sector.

C. Institution-building

45. IFAD will continue to strengthen the capacity of the single project implementation unit (SPIU), as the COSOP's main implementation unit, to ensure it is fit for purpose, as per CSPE findings. Furthermore, in response to Government requests, the COSOP will support institutional development at different levels of the administrative hierarchy. At the national level, capacity-building will be provided to partnering government agencies to improve programme implementation and policy-making. Support will also be provided to assist in building the administrative and corporate capacity of district authorities, particularly with respect to ensuring post-project sustainability. At the community level, governance and technical support will be provided to watershed associations, dairy cooperatives and other beneficiary organizations to boost their administrative effectiveness and strengthen their voice in policy-making processes.

D. Innovation

46. Reflecting its importance, this COSOP has a dedicated SO for innovation (SO2). Innovation will be supported in production systems (including climate-smart agriculture, climate change-resilient seed strains, the reduction of post-harvest losses, improved and affordable fodder), the digital realm (technology to improve market linkages) and, especially, the development of and access to agriculture finance. In particular, IFAD will support home-grown and regionally developed innovative solutions with high potential to scale up. Innovation will also be used to meet the mainstreaming themes, especially in leveraging digital technologies to support nutrition.

E. Knowledge management

47. Guided by the SPIU's ongoing KM and communication strategy for IFAD projects, key audiences for KM activities will include: (i) project teams, to ensure lessons are integrated to promote continued implementation improvement; (ii) beneficiaries, to promote engagement in project activities and cross-learning among beneficiaries; (iii) government policymakers, to support the COSOP's CLPE agenda; and (iv) cofinanciers, donors and other development actors to maintain IFAD visibility and continued collaboration and coordination. Aligned closely with the planned monitoring and evaluation (M&E) activities, instruments will include tailored KM products and digital tools for information capture and sharing, alongside capacity-building for project staff. The IFAD Country Office (ICO) will also conduct KM activities to promote cross-learning within the portfolio and with other countries.

F. Information and communications technologies for development (ICT4D)

48. In line with SO2, IFAD investments will seek to leverage growth in the application of digital technologies in agrifood systems. This could include digital platforms for enhanced data-driven decision-making (management information system and dashboards), value chain e-extension services, mobile banking for financial inclusion (including for remittances), market information, real-time weather information and the dissemination of best practice in climate resilience and adaptation to smallholder farmers.

49. IFAD will also seek to support the implementation and management of digital public infrastructure in the agriculture sector, which will facilitate the development of market linkages between smallholder farmers, aggregators and commercial buyers and encourage private sector investment in value chains. Digital technologies will also be used to promote cross-cutting priorities, such as gender equality, youth empowerment and improved nutrition. A key initiative during the COSOP period will be the ongoing Enabling Private Sector Investment and Access to Services for Smallholder Farmers through Digital Farmer Registry grant.

G. Strategic partnerships and South-South and Triangular Cooperation

Government and civil society

50. IFAD will strengthen its partnerships with key ministries and agencies to ensure effective implementation. It will also continue to partner with high-value-added non-state partners, including Cordaid (rural finance and value chain development), Kilimo Trust (youth skills development), RYAF (capacity-building for youth and cooperatives), DUHAMIC-ADRI (GALS implementation) and IFPRI and AKADEMIYA2063 (policy research). Furthermore, it will engage in strategic multi-stakeholder and multisector platforms to support Rwanda's national pathway towards food system transformation, including through partnerships with FOs, supported by the Global Agriculture and Food Security Programme (GAFSP) financing.

Development partners (United Nations agencies, international financial institutions, NGOs, etc.)

51. IFAD will continue to collaborate closely and maximize the complementarity of projects with other agencies as part of the new Rwanda United Nations Sustainable Development Cooperation Framework. The COSOP also aims to strengthen its co-funding partnerships with the World Bank, the Government of Spain, the African Development Bank, the Equity Bank and the OPEC Fund for International Development, as well as with the Korean International Cooperation Agency (KOICA), the Japan International Cooperation Agency (JICA) and other development agencies in the agriculture sector working group. The Development Bank of Rwanda is also anticipated to be a key collaborator in promoting access to finance.

Private sector

52. IFAD will increase its support for public-private partnerships to leverage innovative private sector investment in the development and integration of agrifood systems (SO2) and to strengthen market access linkages between producers and commercial buyers. As elaborated further in the thematic note in appendix XI, engagement with the commercial banking sector will be important in building linkages with smallholder farmers and the development of financial products suited to their needs to promote their financial inclusion.

53. The COSOP sovereign projects will encourage direct private sector investment by de-risking operations in key agricultural value chains and continue to partner with

businesses such as Inyange Industries (food processing) and Hello Tractor (mechanization services). The COSOP non-sovereign investment projects will mobilize investment resources for agricultural development through local financial intermediaries and directly to agribusinesses.

South-South and Triangular Cooperation (SSTC)

54. As explained further in appendix VII, SSTC will be promoted primarily through sovereign projects, including through regional and national learning routes and exchange visits. Projects will leverage the strong institutional framework for SSTC through the existing Rwanda Cooperation Initiative to foster strategic partnerships for knowledge-sharing and technology transfer. Key SSTC interventions will focus on improving irrigation development and water management, promoting climate-smart agriculture, strengthening livestock and export value chains and building capacity for PPPs. Partnerships with countries such as Brazil, India, Kenya and Nigeria will be explored. As in the previous programme, Rwanda will continue to be both a recipient and provider of SSTC.

V. COSOP implementation

A. Investment volume and sources

55. The Rwanda COSOP 2025–2030 investment portfolio will utilize financing from the Thirteenth Replenishment of IFAD's Resources (IFAD13) and IFAD14,[11] both from the performance-based allocation system (PBAS) and potentially from the Borrowed Resource Access Mechanism (BRAM). As part of a consolidation strategy, funds from IFAD13 are expected to be used as additional financing for the ongoing PRISM and KIIWP2 projects, with final plans for the use of IFAD14 funds still to be confirmed. Efforts will be made to ensure that greater use of additional financing will not disrupt the focus on mainstreaming themes and other priorities. During the COSOP period, IFAD will work to mobilize additional funds from its Private Sector Financing Programme (PSFP) for one regional NSO to promote financing for FOs and a potential single-country NSO.

56. Several ongoing supplementary financed operations will also be leveraged to complement the portfolio, among them:

- **SMART Farm. A Global Environment Facility (GEF) grant** to build climate resilience through KIIWP2 by promoting digital and data-based farm management solutions.
- **Irish Aid grant.** To promote women's financial inclusion through RDDP2 through capacity-building for savings organizations.
- **Financing Facility for Remittances.** Offers opportunities for grants and project support to enhance digital remittance technologies and integrate remittances into financial services, plus support for diaspora investment initiatives.
- **INSURED Initiative.** To promote agricultural insurance and complement both SOs.
- **Agricultural research for development (AR4D) facility.** To leverage grant funding to promote innovation through research.
- **Farmers' Organizations for Africa, Caribbean and Pacific (FO4ACP) Programme.** To complement FO support across the portfolio, including the upcoming NSO.

57. Under SO2, Rwanda will also benefit from the IFAD-financed grant for Enabling Private Sector Investment and Access to Services for Smallholder Farmers through Digital Farmer Registry.

[11] The proposed IFAD14 financing will be determined subject to internal procedures and subsequent Executive Board approval.

Table 4
IFAD financing and cofinancing of ongoing and planned projects
(United States dollars)

Project	*IFAD*		*Cofinancing*		
	IFAD financing	*Source*	*Domestic*	*International*	*Cofinancing ratio*
Ongoing					
PRISM	14.9 million	PBAS	8.6 million	22.1 million	1:2.06
KIIWP2	21.8 million	PBAS	10.2 million	28.7 million	1:1.78
PSAC	30 million	PBAS	11 million	21.8 million	1:0.93
RDDP2	44.7 million	PBAS/BRAM	37.7 million	37.5 million	1:1.68
ARCAFIM	-	-	-	180 million	-
Planned (approximate amount, pending further discussion with the Government and other stakeholders)					
Additional financing for KIIWP2	65 million	IFAD13 PBAS/ACC *	TBC	TBC	-
Additional financing for RDDP2	44 million	IFAD13 PBAS			
Additional financing for PRISM	15 million	IFAD13 PBAS	TBC	TBC	-
Either one new sovereign project or further additional financing	TBC	IFAD14 PBAS **	TBC	TBC	-
Regional non-sovereign operation	TBC	PSFP	TBC	TBC	-
Single-country non-sovereign operation	TBC	PSFP	TBC	TBC	-

* ACC = Core additional climate contribution.
** The proposed IFAD14 financing will be determined subject to internal procedures and subsequent Executive Board approval.

B. Resources for additional activities

58. Sourcing cofinancing will be a priority – in particular, leveraging from the three main climate funds, in conjunction with the Rwanda Green Fund (FONERWA), which will facilitate the absorption and deployment of these funds. The COSOP will introduce measures to coordinate loan and grant activities and ensure synergies between them to maximize their impact.

C. Transparency

59. Transparency will be advanced by communicating project objectives to all stakeholders through CLPE processes and the wide dissemination of project supervision and completion reports, together with data on implementation progress, financial statements and audit reports. This information, along with IFAD's guidelines on procurement procedures and grievance mechanisms, will be displayed on SPIU project websites.

D. Country programme management

60. All IFAD sovereign projects will continue to be implemented through the SPIU in MINAGRI. The country portfolio will be managed by the ICO, led by an in-country

director in close collaboration with the SPIU. COSOP implementation will also receive technical support from IFAD's regional office in Nairobi.

E. Monitoring and evaluation

61. The COSOP results management framework will guide M&E activities during the COSOP period (see appendix I), with the SPIU facilitating aggregated reporting across the portfolio. The portfolio will further benefit from the strong M&E capacity of MINAGRI, which includes a dedicated management information system for IFAD projects, with capacity for capturing and analysing geospatial data as well as mobile phone-based digital data collection. Complementary capacity-building will also be provided for project staff through the portfolio.

VI. Target group engagement

62. The COSOP will continue to support the portfolio's proven participatory processes. The views of targeted beneficiaries will be prioritized in project design, the development of M&E systems and supervision. Projects will continue to support community-based decision-making in setting priorities and targets and determining individual and group responsibilities in implementation. All IFAD projects will include grievance redress mechanisms.

VII. Risk management

63. As outlined further in appendix X, key contextual risks relate to environment and climate. A key mitigation measure will be to support greater climate resilience through the COSOP projects, with emphasis on promoting climate-smart technologies. Financial management, procurement and other project management risks are considered to be moderate; nevertheless, a range of mitigation measures will continue to be implemented. The issue of political commitment has also been raised as a potential risk in recent supervision missions and will be mitigated through close engagement between the ICO and the Government, including in project designs, as well as a recently developed joint action plan to improve timely commitment and proper accounting of the Government's contribution to IFAD projects.

Results management framework

Country strategy alignment	Related UNSDCF/SDG outcomes [N.B UNSDCF pillars to be added after COSOP Results Review once new UNSDCF is agreed]	IFAD's SOs	Key COSOP results			
			Strategic objectives	**Investments and non-financial activities for the COSOP period**	*Outcome indicators* *Including targets*	*Output indicators* *Including targets*
Vision 2050 Rwanda Strategic Plan for Agriculture Transformation (PSTA5); National Strategic Transformation (NST2)	**SDG Outcomes**: SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 13 (Climate Action)	**SO1, SO2, SO3**	**SO1, SO2**	PRISM PSAC KIIWP-II RDDP-II Investments of IFAD13 and 14 allocations and NSO investments	Households reporting increased income: 68% Weighted average of following targets: PRISM: 25% PSAC: 60% RDDP-II: 80% KIIWP-II: 60	CI 1. Persons receiving services promoted or supported by the project - Total: 450,000 - Females: 202,500 - Youth: 157,500 Including: PRISM: 26,355 (3,178F, 7,096Y) PSAC: 73,704 (29,482F, 22,111Y) KIIWP-II: 40,000, (20,000F, 12,000Y) RDDP-II: 187,500 (84,375F, 46,875Y) [Targets TBC for investments of IFAD13 and 14 allocations and NSO investments] CI 1.a Corresponding number of households reached: 450,000 CI 1.b Estimated corresponding total number of household members: 2,250,000

Country strategy alignment	Related UNSDCF/SDG outcomes [N.B UNSDCF pillars to be added after COSOP Results Review once new UNSDCF is agreed]	IFAD's SOs	Key COSOP results			
			Strategic objectives	Investments and non-financial activities for the COSOP period	*Outcome indicators Including targets*	*Output indicators Including targets*
PSTA5 National Agriculture Policy National Strategy for Climate Change National Agriculture Finance Strategy Workplace Learning Policy	**SDG Outcomes**: SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 13 (Climate Action)	**SO1, SO3**	**SO1**	PSAC KIIWP-II RDDP-II PRISM Investments of IFAD13 and 14 allocations and (potentially) NSO investments	CI 1.2.4: Households reporting an increase in production: 60% Weighted average of following targets: KIIWP-II 75% PRISM 30% RDDP-II 75% PSAC 60% CI 2.2.6 : Households reporting improved physical access to markets, processing and storage facilities: 60% Informed by the following targets: (RDDP-II: Markets 70%; processing facilities 60%, storage facilities 50%; PSAC: markets 80%, processing facilities 80%, storage facilities 80%.	CI 1.1.4: Persons trained in production practices and/or technologies: - Total: 179,725 - Females: 89,862 - Youth: 62,903 Including: KIIWP II: 12,100 (6,050F, 3,630Y) PRISM – Not indicated at the output level (assumption is all beneficiaries will receive this training); RDDP-II: 140,625, no females and youth disaggregation provided; PSAC: 27,000. No female and youth disaggregation provided. 2.1.6 Total market, processing or storage facilities constructed or rehabilitated: 488 Including: RDDP-II: total facilities 234, markets 90, processing 25, storage 119; PRISM: total facilities 52, markets 15, processing 10, storage 7. PSAC: total facilities 202.
National Employment Policy TVET Policy National Youth Policy	**SDG Outcomes**: SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 13 (Climate Action)	**SO2**	**SO2**	PRISM PSAC KIIWP-II	CI 2.2.1: Beneficiaries with new jobs/employment opportunities: 12,000	CI 2.1.2: Persons trained in income-generating activities or business management - Total: 10,000

Country strategy alignment	Related UNSDCF/SDG outcomes [N.B UNSDCF pillars to be added after COSOP Results Review once new UNSDCF is agreed]	IFAD's SOs	Key COSOP results			
			Strategic objectives	**Investments and non-financial activities for the COSOP period**	*Outcome indicators* *Including targets*	*Output indicators* *Including targets*
SME Development Policy Made in Rwanda Policy Financial Sector Development Strategic Plan Workplace Learning Policy				RDDP-II Investments of IFAD13 and 14 allocations and NSO investments	Including: RDDP-II: 3,915 (2,349F, 1,958Y); PSAC: 7,125 (2,850F, 2,138Y). PRISM: Included in logframe but no target	- Females: 5,000 - Youth: 3,500 Including: - KIIWP-II: 8,000 (4,000F, 2,400Y) CI 2.1.1: rural enterprises accessing business development services: 1,465 Including: RDDP-II: 1,115; PSAC: 350; PRISM: No target CI 1.1.5: Persons in rural areas accessing financial services (savings, credit, insurance, remittances, etc.) - Total:165,349 - Females 70,920 - Youth:43,848 Including: KIIWP-II: 12,500 (6,250F, 3,750Y); RDDPII: 85,173 (38,332F, 21,295Y); PSAC: 55,000 (20,000F, 15,000Y); PRISM: 12,676 (6,338F, 3,803Y)

Country strategy alignment	Related UNSDCF/SDG outcomes [N.B UNSDCF pillars to be added after COSOP Results Review once new UNSDCF is agreed]	IFAD's SOs	Key COSOP results			
			Strategic objectives	**Investments and non-financial activities for the COSOP period**	*Outcome indicators Including targets*	*Output indicators Including targets*
National Strategy for Climate Change Rwanda Irrigation Master Plan National Policy for Water Resources Management National Land Use and Development Master Plan	**SDG Outcomes**: SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 13 (Climate Action)	**SO3**	**SO1**	PRISM KIIWP-II PSAC RDDP-II Investments of IFAD13 and 14 allocations and NSO investments	CI 3.2.2: Households reporting adoption of environmentally sustainable and climate- resilient technologies and practices: 147,000 Including: RDDP-II: 9,000 PSAC: 27,000 KIIWP-II: 30,000 PRISM: No target in LF	CI 3.1.4: land brought under climate-resilient management: 5350ha. Including: KIIWP-II: 5,350ha
NST2	**SDG Outcomes**: SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 13 (Climate Action)	**SO1, SO2, SO3**	**SO1, SO2**	PRISM PSAC KIIWP-II RDDP-II Investments of IFAD13 and 14 allocations	Policy 3: Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment: 17 Including: PRISM: 6 PSAC: 3 KIIWP-II: 6 RDDP-II: 2	Policy 1: 13 policy-relevant knowledge products completed: 13 Including: PRISM: 5 PSAC: 4 RDDP-II: 4

Key files

Key file 1: Rural Poverty and agricultural sector issues

Priority Areas	Affected Group	Major Issues	Actions Needed
Food security for 2.8 million food insecure rural people	Smallholder and land-less rural population	• Production system remains vulnerable to shocks (climate and price). • Small scale production with limited access to improved inputs, technology and supporting services. • Low soil fertility. • Scarcity and volatility of water supply.	• Foster production systems, through improve technology and organization. • Support rain-fed production under good agricultural practices, with small scale irrigation. • Increase access to supporting services.
Access to inputs	Rural population	• Limited access to quality inputs at affordable rate.	• Improve extension services, advising on type and source of inputs. • Work with agro-dealers to tailor products and payments to meet target group's needs. • Support appropriate sector regulations.
Access to output markets for produce	Small producer	• Lack of access to markets under remunerative conditions (e.g. clear pricing, quality requirements). • Coordination along the commodity value chains weak. • Absence of pro-active private sector (besides for Tobacco). • Relatively weak degree of organization of farmers.	• Increase coordination along value chains. • Strengthen producers' organizations. • Partner with private sector on in- and output side and oversee that partnership agreements are beneficial for small producers (sustainable). • Support appropriate sector regulations.
Climate resilient rural road and irrigation infrastructure	Rural population	• Roads and bridges damaged by severe weather events, rendering access to/from rural areas more difficult. • Irrigation schemes damaged by weather events and sedimentation	• Investments in and appropriate, cost-efficient maintenance of rural roads/bridge. • Investment in small/medium scale irrigation schemes. • User-based management and maintenance of irrigation schemes.
Access to secure saving	Rural population	• Absence of deposit-taking rural MFIs (only 2 of the MFIs take deposits).	• Create market incentive for MFIs to establish deposit-taking business line.
Sustainable extension service	Rural population and SMEs	• Lack of appropriate service provision for small producers/SMEs, smallholders and other VC actors.	• Establish sustainable model of private sector service provision to address aforementioned issue.

Key file 2: Target group identification. Priority issues and potential response (refers to chapter I-C, III-C)

Typology	Poverty Levels And Causes	Coping Actions	Priority Needs	COSOP Response
Economically Active Rural Poor	Food secure households, slightly above subsistence level (able to make small savings and minimal investments)	Use savings in periods of hardship	• Reliable savings schemes • Access to credit • Technical assistance (business & production, marketing)	• Good agricultural practices • Irrigation and soil- and water conservation • Value chain development • Rural finance mechanisms • Mainstream nutrition
Emerging farmers	Poor food insecure households with potential to re-invest small amounts annually and slowly to grow their asset-base	Curbing next season investments to cope with present crises	• Access to credit • Access to input • Technical assistance (business & production, marketing) • Insurance	• Good agricultural practices • Irrigation and soil- and water conservation • Value chain development • Access to value chains • Access to rural finance • Food and nutrition support • Training in farming and market access
Women	70% of farmers are women, but only 10 % of women have control over credit use. Women have lower literacy rates that men Women assume 80% of domestic tasks including fuelwood collection. They are less active in salary-based work than men Both patrilineal and matrilineal lineal systems exist with different effects on access to land	Strong dependence on husband Engage in small livestock rearing and gardening	• Access to skills training • Access to finance • Access to producer groups • Nutrition training • Access to markets • Secure access to land and assets	• Household approach to help developing a development path • Working with men and women through Household methodologies to address unequal power dynamics and change discriminatory social norms • Food and nutrition support • Skills training • Off-farm opportunities • Land tenure support • Graduation approach

Youth	27 percent of the population is aged 16 to 30 68 percent live in rural areas Literacy rate is 89.4 percent, but only around 21.9 and 16.2 percent of youth attend lower and upper secondary school Youth unemployment rate is 20.8 percent, higher than the national rate of 17.2 percent 32.9 percent of the youth population is neither employed, nor in education or training (NEET rate) 45.8 percent are engaged in agriculture, forestry, fishing sector (54 percent young women) Skill mismatch with labor market requirements, limited access to productive assets, e.g land, appropriate credit facilities, training/capacity building	Internal Migration Working in subsistence agriculture and low-paying jobs	• Access to skills training • Access to finance • Engagement in Rural Producer Organizations • Access to self-and wage-employment opportunities • Access to productive assets	• On and off-farm opportunities & self-and wage-employment opportunities and capacity-building in the agri-food systems, across food processing, distribution, marketing and technology development • Capacity building for rural unskilled, semi-skilled and school-drop outs • Partnerships with private sector for provision of internship, apprenticeship, mentorship opportunities • Partnerships with TVET institutions for systematic upskilling to match labor market needs • Graduation approach (VBHCD) • Enhance voice and representation in farmer-based organizations • Engagement and capacity building of youth-led organizations, such as RYAF

Key file 3: Organization matrix (strength, weaknesses, opportunities and threats analysis)

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
Enablers				
Ministry of Agriculture, Irrigation and Water	• Strong presence throughout the country • various in-house experts • Coordinates all interventions in the agricultural sector (overview)	• Implementation of FISP requires staff time and limits implementation capacity on the ground; almost 50% of extension staff position vacant, indicating difficulties to deliver services at village level	• O: synergies with national and other donor-funded programmes • O: in-house expertise in agriculture, irrigation, etc. • T: slow delivery due to staff capacity and time limitations	• ASWAp recently reviewed • Start-up of SAPP under MoAIWD was delayed by almost 3 years
Ministry of Local Government and Rural Development	• Focuses on rural development beyond agriculture production • Presence at district level	• Low presence at village level	• O: Work toward rural-transformation promotion of off-farm opportunities • T: somewhat limited capacity at district affecting implementation	• Leading on RLEEP
Service Providers				
Agricultural Commodity Exchange (ACE)	• National outreach through several own warehouses, plus links with other third-party warehouses • MIS for warehouse management, generating data on user (buyer, seller) • Trade-system: matching buyer and seller through various tools (auctions, reversed auctions, forward contracts)	• Not yet self-sustainable, but requires donor support • Focus on cereals and legumes (commodities) • Mostly interacting with larger traders (who, however, buy from smallholders and aggregators)	• O: MIS could generate good ME data • O: forward contracts and reverse auctions could link with contract farming • T: Active with several donor projects, potentially lack of focus on IFAD • O: Business-oriented player	• CEO is open to innovative ideas on promoting price stability • A2F could be improved through ATMs at Warehouses
Client Organizations				
MUSCO	• Formation of community member based financial institutions • Aggregation of groups to SACCOs • Member-based institution with wide outreach to MFIs	•	• O: As apex body, could have multiplier effect • T: Despite tasked to supervise SACCOs, moral hazard problem since SACCOs are members	•

Key File 4: Strategic partnerships potential

Partnering objective	Partner	Nature of project or justification for partnering	Project Coverage	Status	Expected results from the partnership
Project Implementation	Key GoR Ministries: Ministry of Agriculture and Animal Resources (MINAGRI); Rwanda Ag. and Animal Resources Development Board (RAB); National Agricultural Export Development Board,	Primary implementer of IFAD projects	All sovereign projects	Ongoing	Effective implementation of IFAD projects
Co-financing	Development Bank of Rwanda, Rwanda Green Fund	Collaboration on access to finance and accessing funds for climate adaptation/mitigation	Various	Potential	Enhanced access to finance for beneficiaries and green co-financing for projects
Co-financing and alignment of activities through the UNCT	World Bank, Government of Spain, African Development Bank, Equity Bank, OPEC Fund, JICA, KOICA, etc	Joint funding and collaboration, including through UNCT and Agriculture Sector Working Group	Various	Ongoing	Increased scale of IFAD-supported activities in-country and strong alignment in supporting the UNSDCF
Project Implementation	CORDAID	Implementing partner	Various	Ongoing	Improved performance on rural finance and value chain development
Project Implementation	UNICEF	Implementing partner	Various	Potential	Improved performance on nutrition through Social and Behaviour Change Communication
Project Implementation	Kilimo Trust	Implementing partner	Various	Ongoing	Improved performance on youth skills development
Project Implementation	Rwanda Youth in Agribusiness Forum (RYAF)	Channel to reach youth for capacity building of youth and cooperatives	Various	Ongoing	Improved capacity for youth and cooperatives
Co-Financing / Project Collaboration	Mastercard Foundation	Potential for financing agripreneurship project, with discussions ongoing	TBC	Potential	Scaled up agripreneurship support
Project Implementation	Duhamic-ADRI	Implementing partner for GALS	Various	Ongoing	Improved outcomes on women's empowerment
CLPE	IFPRI, AKADEMIYA2063	Service Provider/Collaborator on Policy Research	Various	Potential	Improved CLPE outcomes through strengthened research
Project Implementation	Various private sector companies, including Inyange Industries (food processing) and Hello Tractor (mechanisation services), and financial intermediaries	Promoting market linkages and access to finance for IFAD's target group	Various	Ongoing	Sustainably improved incomes for smallholders through improved market linkages
Complementary partners Initiatives	World bank, ENABEL, USAID, EU, WFP, FAO, UNICEF, AfDB	Linkages will be sought to ensure alignment of investments and complimentarity with partners initiatives	Various	Ongoing	Enhanced impact of IFAD projects.
SSTC	Brazil, India, Kenya, and Nigeria	Knowledge sharing on key areas including water management, promoting climate-smart agriculture, livestock and export vc, and building capacities for 4Ps			Strengthened project outcomes through knowledge sharing and increase capacity

Transition projections

1. Table 1 presents the medium-term macroeconomic outlook for Rwanda. On the positive side, the economic recovery from the COVID-19 pandemic and Ukraine Crisis is expected to continue, with GDP growth per capita forecast at around 7 per cent up to 2029. This growth is also expected to be sectorally balanced, with GDP from Agriculture expected to grow by 5-6 per cent annually up to 2027, compared to 8-10 per cent for Industry and around 7 per cent for Services. Inflation is also expected to reduce and stabilise from the spike of 2022-23. However, as a result of successive and ongoing shocks that have placed strains on public finances—including COVID-19, the Ukraine crisis, climatic shocks, and reducing Overseas Development Assistance (ODA)—Government Gross Debt is expected to remain at around 70 per cent of GDP until a gradual reduction from 2028, alongside limited current account balance up to 2029. As per the IMF Article IV Consultation of December 2023, despite robust economic growth, these macroeconomic imbalances will hinder the Government's ability to promote its ambitious development objectives in the medium-term.[12]

2. Perhaps of most significant concern for the country's development outlook is an expected reduction in ODA. While Rwanda is expected to remain on its current 80 per cent Super Highly Concessional/20 per cent Highly Concessional IFAD Lending Terms in the coming years, and continues to be eligible for International Development Association financing, as a result of reduced ODA flows worldwide, one estimate expects Rwanda's overall ODA inflows to reduce from 14.8 per cent of GDP in 2019 to 7 per cent by 2043.[13] Rwanda has one of the highest dependencies on ODA in the continent, accounting for 43 per cent of Rwanda's development financing mix, compared to 34 per cent from tax revenue, 11 per cent from remittances, 9 per cent from Foreign Direct Investment (FDI) and 2 per cent from Other Official Flows (OOF).[14] This highlights the need for increased inflows from these other sources to offset the reduction in ODA.

3. Of these alternative sources of development finance, Rwanda's development trajectory will likely be shaped by its ability to attract increased FDI. The country has a historically low FDI level, but recent Government measures as part of an ambitious economic transformation strategy have increased its attractiveness,[15] and Rwanda now ranks among the highest in the continent on the Ease of Doing Business Index,[16] complemented by favourable scores within the continent on the Corruption Perception Index.[17] Given the expected steady growth of the agriculture sector over the medium term, there are likely to be significant opportunities to attract FDI into this sector, which is also likely to promote development outcomes.

4. GDP from agriculture is expected to grow by around five per cent up to 2027, highlighting an opportunity for IFAD to promote agriculture as a development driver and a key source of FDI and private sector investment. The past five-teen years has seen significant growth of commercial agriculture and agro-processing, particularly by Micro, Small and Medium Enterprises (MSMEs), driven mainly by domestic markets.[18] Given the country's high population density, further growth in the agriculture sector is likely to be driven by a shift away from subsistence

[12] IMF, 2023. Rwanda, IMF Country Report No. 23/422. https://www.imf.org/en/Publications/CR/Issues/2023/12/18/Rwanda-2023-Article-IV-Consultation-Second-Reviews-Under-the-Policy-Coordination-Instrument-542581
[13] Institute for Security Studies, 2024. Geographic Futures: Rwanda. https://futures.issafrica.org/geographic/countries/rwanda/
[14] OECD, 2023. Transition Finance Toolkit – Rwanda. https://public.tableau.com/views/TransitionFinanceDashboard/FINANCINGMIX?%3Adisplay_count=y&publish=yes&%3Atabs=no&%3Aorigin=viz_share_link&%3Atoolbar=no%3F&%3AshowVizHome=no#2
[15] See Bertelsmann Stiftung's Transformation Index, 2024. BTI 2024 Country Report: Rwanda. https://bti-project.org/fileadmin/api/content/en/downloads/reports/country_report_2024_RWA.pdf ; and US Department of State, 2023. 2023 Investment Climate Statements: Rwanda. https://www.state.gov/reports/2023-investment-climate-statements/rwanda/
[16] World Bank, 2024. Ease of Doing Business Rankings. https://archive.doingbusiness.org/en/rankings
[17] Transparency International, 2024. Corruption Perception Index 2023. https://www.transparency.org/en/cpi/2023
[18] IFPRI, 2022. Transformation of Rwanda's Agrifood System: Structure and Drivers

farming and enhanced modernisation, efficiency, profitability and sustainability of agri-food systems, ideally through a strong mix of production for domestic use and export.

5. Based on this outlook, IFAD has a key role to play in helping Rwanda to optimise its development trajectory over the medium term. First, it will remain a key source of concessional development financing in a context of reducing ODA, and during the COSOP period must continue to leverage additional co-financing for sovereign projects, including from international co-financiers and the private sector (such as commercial banks), plus Non-Sovereign Operation investments, to support the development financing mix. Also, along with IFAD objectives to use agri-food markets to promote rural livelihoods, through support particularly to export markets through PSAC and other projects, IFAD can also play a key role in increasing the attractiveness of the country to FDI, and in particular to the agriculture sector. Finally, through policy support, IFAD can help to ensure the country is able to maximise its influence on development outcomes despite limited fiscal space, including promoting growth of the agriculture sector along with FDI.

Table 1. Rwanda macroeconomic projections 2020-2029

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Real GDP growth (%)*	-3.4	10.9	8.2	6.9	6.9	7	7.3	7.3	7.3	7.3
Real GDP growth by sector (%)**:	-3.4	10.9	8.2	6.2	6.7	7.0	7.3	7.3	-	-
Agriculture	0.9	6.4	1.6	4.0	5.0	4.8	5.0	6.0	-	-
Industry	-4.2	13.4	5.0	7.7	8.3	8.8	10.0	8.4	-	-
Trade & Services	-5.5	11.9	12.2	7.0	6.7	7.3	7.2	6.9	-	-
Infl. rate, ave. consumer prices (%)*	7.7	0.8	13.9	14	5.8	5	5	5	5	5
Gov't gross debt (% GDP)*	65.6	66.7	61.1	62.1	69.9	71.7	71.6	69.9	65.5	61.8
Current account balance (% GDP)*	-12.1	-11.2	-9.8	-11.7	-12.1	-9.8	-9.7	-9.4	-8.1	-7.7

* Source: IMF 2024. *IMF Datasets: Rwanda*. https://www.imf.org/external/datamapper/profile/RWA

** Rwanda Ministry of Finance and Economic Planning, 2023. *Updated Macro Framework Data*. https://www.minecofin.gov.rw/publications/data?tx_filelist_filelist%5Baction%5D=list&tx_filelist_filelist%5Bcontroller%5D=File&tx_filelist_filelist%5Bpath%5D=%2Fuser_upload%2FMinecofin%2FPublications%2FDATA%2FUpdated_MacroFramework_Public_Dataset%2F&cHash=e6d4bf999e49cc31598061bf23acc6e9

SECAP background study

Introduction

1. The Government of Rwanda has developed several policies and strategies to create an enabling environment for inclusive and sustainable development, green growth, and climate resilience in all sectors of the economy. This SECAP background study aims to guide IFAD's future investments in green, resilient, and socially inclusive development.

2. The approach and methods used to conduct this background study include: (i) a desk review of relevant national policies and strategies; (ii) an analysis of ongoing projects within IFAD and development partner portfolios; and (iii) consultations with national stakeholders, civil society organisations and farmers' organisations. In addition, this report draws on existing institutional and context analyses, country programme evaluations, and environmental, social and climate change studies and assessments.

Part 1 – Situational analysis and main challenges

1.1 Socio-economic situation and underlying cause

3. Rwanda is a small, landlocked country with population of 13.2 million, and predominantly rural with 72.1 percent of the resident population living in rural areas compared to 27.9 percent in urban areas. It is the second highest population density in Africa at 503 inhabitants per square kilometres. At the national level, three out of ten Households are headed by women (29 percent), which is more prevalent in rural areas than in urban areas (30 percent vs. 26 percent). average Household size is almost four persons, varying according to the sex of the households (4.3 for males and 3.2 for females) and slightly by area of residence (3.8 in urban and 4 in rural areas).

4. Of its population, 8.6 million are under 30 years of age (27.1 percent of the population are youth aged from 16 to 30 years). According to the latest census in 2022, 3.4 percent of the population aged five years and above live with a disability. The prevalence of disability was higher among females (3.6 percent) than males (3.1 percent). The Elderly (aged 60 and above) make around 6.5 percent of the population, with females largely outnumbering males among the elderly, representing 58.7 of females as compared to 41.3 percent of males, and mostly residing in rural areas (82.2 percent).

5. In the past two decades, the Government of Rwanda has achieved significant progress in poverty reduction, gender equality, environmental sustainability, education, and public health, aligning with the Sustainable Development Goals. Fertility has markedly declined over the past 44 years, from 8.6 children per woman in 1979 to 3.6 in 2022. Similarly, childhood mortality has decreased significantly, with infant mortality dropping from 49 per 1,000 live births in 2012 to 28.9 per 1,000, and under-five mortality decreasing from 72 per 1,000 to 40.8 per 1,000. Whereas life expectancy at birth has also increased substantially, from 46 years in 1978 to 64 years in 2012, reaching 69.6 years in 2022 (67.7 years for males and 71.2 years for females), according to the latest RPHC5. Currently, 79 percent of Rwandans aged 15 and above are literate. Over half of the population has attained primary education (54 percent), while 15 percent have completed secondary education, and 3 percent have reached university level. However, 22 percent of the population has never attended school. The rate of non-attendance is lower among those aged 6-17 years, with a nationwide rate of 6.2 percent and 6.6 percent in rural areas.

6. The country’s economy remains predominantly dependent on agriculture, with 69 percent of rural households involved in small-scale farming. However, on

average, only 32 to 38 percent of food crop produce is sold to a market, considering that the average farm size of smallholding farming is around 0.4ha. More than 90 percent of the poor in Rwanda live in rural areas, especially in the Southern, Western, and Eastern provinces. Female-headed households are more vulnerable to poverty. Based on national poverty line, 39.5 percent of female-headed households were poor in 2017 compared to 37.6[19] percent of male-headed households mostly because rural female-headed households are less market-oriented than male-headed households and have fewer members with off-farm work.

Evolution of Rwanda's social protection and poverty alleviation efforts:

7. Rwanda is a remarkable example of recovery and resilience, emerging from the trauma of the 1994 Genocide against the Tutsi to implement deliberate actions and key policies aimed at uplifting communities out of poverty and fostering social cohesion and harmony.

8. Rwanda developed its first National Social Protection Policy to establish a social protection system that delivers "universal protection for all citizens" (GoR, 2005). This policy was put into practice through the first Economic Development and Poverty Reduction Strategy (EDPRS, 2007-2012), which established social protection as a formal sector and introduced the Vision 2020 Umurenge Programme (VUP) as a flagship initiative.

9. The Ubudehe system, recognized as a participatory development approach to poverty reduction, was introduced to allow communities to define poverty levels through an inclusive process. Conducted every two years, this process informed the development of priorities and the selection of households for social security programs such as Umuganda and Girinka. IFAD has been following the Ubudehe categorisation to identify and select the most vulnerable Households, focused on Category C, D and E[20].

10. Social protection schemes and poverty alleviation has evolved over time through the development of the second EDPRS (2013-2018), National Protection Strategy (2013-2018), the first National Strategy for Transformation (2018–2024) and the updated National Social Protection Policy reaffirming its commitment to developing an inclusive and comprehensive social protection system. This multi-sectoral approach focuses on poverty reduction in the 17 poorest districts, where malnutrition and extreme poverty are highest.

11. Given the EICV5 report, which indicated insignificant reduction rates, Rwanda revised its graduation approach and strategies based on lessons learned from implementing the minimum package for graduation, the multi-sectoral approach, and the Vision 2020 Umurenge Programme. The updated Social Protection Strategic Plan (2017-2024) is pivotal in achieving national, regional, and international commitments in the social protection sector. It ensures key developments, such as the eradication of extreme poverty and malnutrition and the achievement of prosperity and well-being for everyone, are realized. The plan is built on four pillars: social security, social care services, short-term social assistance, and livelihood and employment support.

12. Rwanda's social protection efforts extend beyond mere poverty reduction, aiming to achieve prosperity and well-being for all. These policies and strategies contribute

[19] World Bank Rwanda Country Assessment 2021

[20] Category C and D include self-reliant Households who benefit from social protection interventions and multi-sectoral interventions. They were obliged to sign a performance contract (Imihigo) containing a plan for graduation from this assistance within a period of two years. Category E covers Households who benefit from full state social protection. They are not expected to graduation and do not need to sign a performance contract. They would fully benefit from the Vision 2020 Umurenge programme, subsidies for solar-based domestic electrical systems, Community-Based Health insurance (CBHI), fortified blended foods, Girinka, and other schemes. Girinka is a programme led by MINAGRI that distributes cattle and other livestock to poor households, also known as the 'one cow per poor family' programme.

to societal resilience, human capital development, economic growth, and social cohesion, driving social transformation. This approach aims to transition Rwanda to a middle-income country by 2035 and a high-income country by 2050.

13. Similarly, the graduation strategy launched in 2022 adopts a deliberate multi-sectoral approach at all levels, ensuring strong coordination across ministries, agencies, non-governmental actors, and decentralized levels. This strategy builds on the definition set forth in the 2020 National Social Protection Policy: "Graduation: A situation whereby a previously poor household increases their productivity and resilience to the extent that their consumption permanently remains over and above the official poverty line."

14. This definition emphasizes the necessity of a multi-sectoral approach, where graduation efforts extend beyond social protection and require contributions from various sectors to help households sustainably move out of poverty. The strategy recognizes the numerous factors impacting poor households and their vulnerability to shocks, including natural disasters, socio-economic changes, and market fluctuations. It also acknowledges multiple barriers, such as social, health, educational, and infrastructural challenges, which increase the risk of "churning"— where a household briefly escapes poverty only to fall back.

15. According to the graduation strategy, the poor households are likely to be:

- Female-headed households which tend to have higher dependency ratios;
- Households whose head was aged 40-49, and
- Location matters, according to EICV5 reports 93 percent of the poor live in rural areas.

16. A one-size-fits-all approach is ineffective; instead, it requires the collaboration of different stakeholders and varied strategies to lift households out of poverty and ensure they remain above the poverty line, maintaining sufficient resilience to sustain a decent livelihood.

17. Rwanda has introduced the Imibereho Social Registry System, a comprehensive database that contains information on the socio-economic characteristics of all Rwandan households to assess vulnerability and poverty levels. This system marks a milestone in the country's poverty alleviation efforts and underscores its commitment to streamlining graduation support. The database collects approximately 50 indicators, including education, health, and other socio-economic factors, to assess vulnerability and prioritize households for graduation programs. So far, around 800,000 households have been identified as eligible for graduation. A clear measurement tool is still under development.

18. While poverty has dropped with the population share living below the income poverty reduced from 82.4 percent in 2010 to 52 percent in 2019/2020, poverty is still widespread. Rwanda ranks 161 out of 193 countries in the Human Development Index. According to the latest reported Gini Index, Rwanda shows a rating of 43.7 in 2016/2027. High public debt levels, vulnerability to climate change, degradation of natural assets, low agricultural productivity hamper Rwanda’s target to become a middle-income country by 2035 and a high-income country by 2050. The highest food inflation in 15 years amounting to 63 percent in March 2023 which lasted for around 18 months put enormous pressure on household budget, especially on poor households, impacting their purchasing power and food security. 19.7 percent of the Population lives in severe multidimensional poverty, and 22.7 percent of the population is vulnerable to multidimensional poverty.

19. According to the latest Multidimensional Poverty Index (MPI) estimates, based on 2019/2020 data, 48.8% of Rwanda's population is multidimensionally poor, with an additional 22.7% classified as vulnerable to multidimensional poverty. The intensity of deprivation in Rwanda is 47.3%. Comparing the MPI with monetary poverty

reveals that the incidence of MPI is 3.2 percentage points lower than the incidence of monetary poverty, suggesting that some individuals living below the monetary poverty line have access to non-income resources.

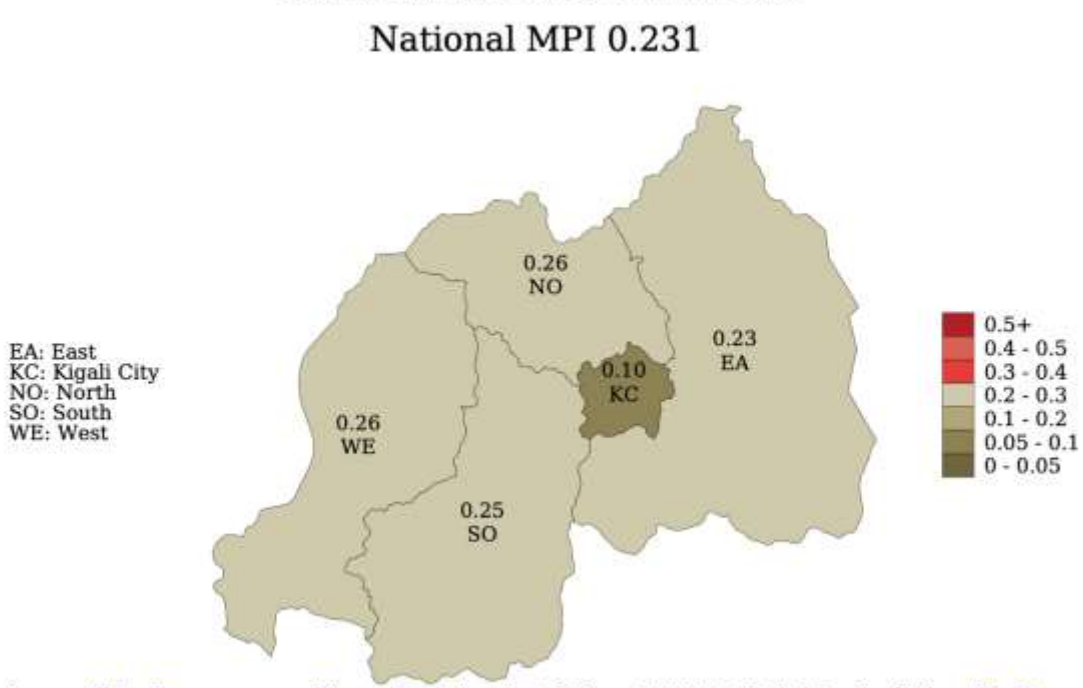
Table 1. Global MPI in Rwanda

Area	*MPI*	*H*	*A*	Vulnerable	Severe Poverty	Population Share
National	0.231	48.8%	47.3%	22.7%	19.7%	100.0%
Urban	0.090	19.6%	45.6%	17.6%	6.8%	16.9%
Rural	0.260	54.8%	47.4%	23.7%	22.3%	83.1%

Source: Alkire, Kanagaratnam and Suppa (2023a,b) based on DHS year 2019-2020.

20. Severe poverty is mostly situated in rural areas (22.3) percent with 83.1 percent of the population share. Western, Southern and Northern Rwanda showcase the highest MPI.

Figure 9. Mapping MPI Value by Subnational Region



Source: Alkire, Kanagaratnam and Suppa (2023b) based on DHS year 2019-2020. Underlying shp-file from The Demographic and Health Surveys Program (2019).

21. However, growth forecasts are promising. Inflationary pressure have eased thanks to improvement in domestic food production, lower commodity process, and tighter monetary stance by the central bank. The World Bank thus projects a real GDP growth at 7.6 percent on average in 2024-2025. With the updated Strategic Plan for Agricultural Transformation and the associated policy objectives of increasing contribution to wealth creation, economic opportunities and prosperity, improved food security and nutrition and increased resilience and sustainability, there is momentum to strategically invest in modernizing the agricultural sector, building climate resilience and setting small-holder farmers and producers on the path of graduation towards commercialization.

Livelihood

22. According to the latest CFSVA in 2021, Rwanda divides Households into nine livelihood groups, including (i) low-income agriculturalists (purely crop-growing farmers with an annual per capita expenditure of less than 159,375 RWF), (ii) medium/high income agriculturalists (earning more than 159,375 RWF); (iii) agro-pastoralists (earning at least 10 percent of their income from livestock); (iv) agricultural daily labour; (v) unskilled daily labour; (vi) skilled labour; (vii) formal/informal trade and petty trade; (viii) salaried work and own business; and (ix) artisanal work.

Table 6: Profile of livelihood groups

LIVELIHOOD GROUPS (% proportion	DESCRIPTION (based on average group characteristics)	2018	2021
		% in the two lowest wealth quintiles	% in the two lowest wealth quintiles
Low-income agriculturalists Rwanda: 35%	Low income agriculturalists obtain the vast majority (79%) of their income from their own land, with some contribution from daily agricultural labour (10%).	48%	47%
Agricultural daily labour Rwanda: 19%	Agricultural daily labourers gain 75 percent of their income from daily agricultural labour and 18 percent from their own crop production.	64%	66%
Agro-pastoralists Rwanda: 15%	The main income source of Agro-pastoralists is crop production on their own land (63%) with an important contribution from raising livestock for sale (28%).	38%	29%
Medium/high income agriculturalists Rwanda: 9%	The medium/high income agriculturalists obtain the vast majority (80%) of their income from their own land and other numerous activities.	17%	25%
Artisanal work/other Rwanda: 5%	Artisans and households in other activities gain 37 percent of their income from artisanal work and 43 percent from "other activities" with other contributions from own agricultural production (10%).	14%	34%
Unskilled daily labour Rwanda: 7%	These households combine income from daily labour (73%) with agricultural production (13%).	34%	40%
Salaried work/own business Rwanda: 5%	This group gains 66 percent of income from salaried work and 17 percent from their own business or self-employment.	3%	5%
Trade/petty trade Rwanda: 3%	These households on average get 67 percent of their income from informal/petty trade, 10 percent from trade with agricultural products and 9 percent from their own agricultural production.	6%	17%
Skilled labour Rwanda: 2%	This group gains 40 percent of income from unspecified skilled labour activities and 36 percent from transport.	5%	18%

CFSVA, 2021

23. 35 percent of Households relied on only one livelihood activity, 44 percent on two livelihood activities, and 21 percent on three or more livelihood activities, with the highest engagement in agricultural production (90 percent if HHs), livestock raising for sale (83 percent but mainly as a second or third activity), daily labour agricultural work (49 percent) and unskilled daily labour (26 percent).

Agri-food system

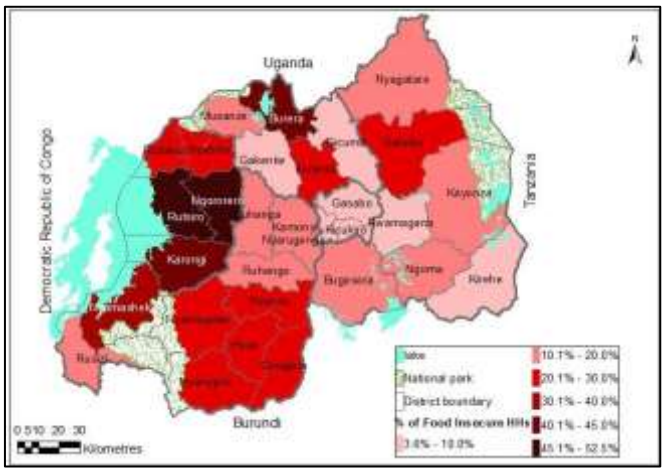
24. Out of Rwanda's 3.4 million farmers, approximately 241,000 (7%) are market-oriented, employing around 1.4 million farm workers. About 2.9 million farmers are involved in subsistence farming, with 1.8 million relying on it as their main livelihood. Female farmers are more engaged in subsistence farming (56%) compared to their male counterparts (45%), and only 6% of female farmers participate in crop production for sale. The average landholding is 0.4 hectares, with half of agricultural households owning less than 0.2 hectares. Male-headed

households own larger plots on average (0.5 hectares) compared to female-headed (0.34 hectares) and youth-headed households (0.24 hectares).

25. Beyond primary production, the broader food systems sector employs about 400,000 people and contributes an estimated USD 1.1 billion to GDP. Women make up 58% of farmers, and 95% of farmers live in rural areas. Youth (aged 16-30) constitute 32% of farmers, with two-thirds of all farmers being under 46 years old. Youth farmers generally have significantly more education than their older counterparts, which should be considered when developing programs to strengthen household resilience.

Food security

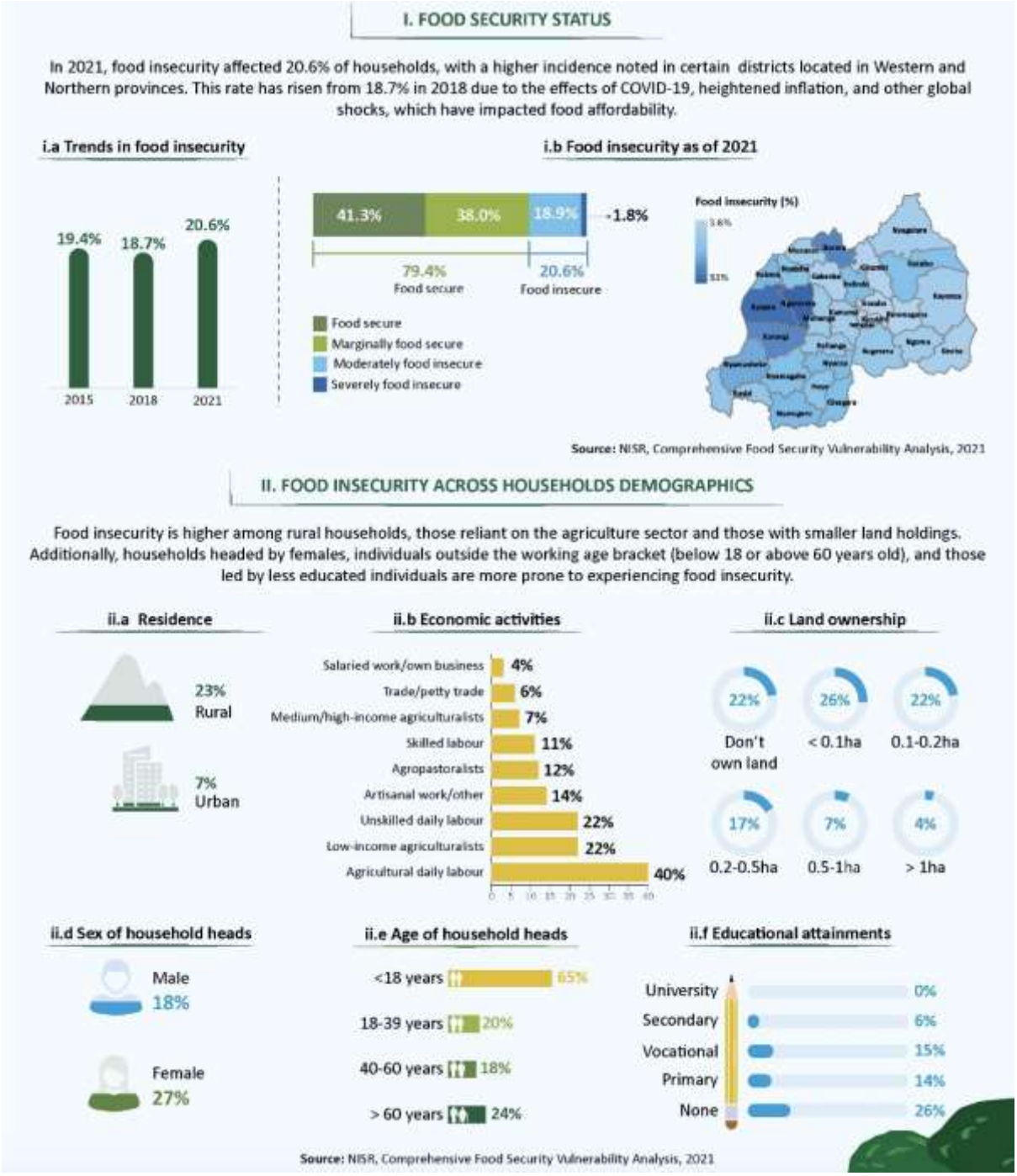
Figure 1: Prevalence of Food Security



26. According to food security assessment[21], 79.4 percent of households in Rwanda are food secure and 20.6 percent are food insecure. The Western Province has the highest prevalence of food insecure households (35.3%), followed by the Southern Province (22.2%), Northern Province (18.6%) and Eastern Province (14.6%). In western province, highest prevalence of food insecurity is mainly in Ngororero district (54%), Rutsiro (49%), Karongi (39%), Nyamasheke (33%). Agricultural daily labourers are typically the more food insecure (40%) followed by low-income agriculturalists (22%) and unskilled daily labourers (22%).

27. Food insecure households are more often headed by a woman, or by a single or less educated person. Land ownership and land size contribute to the reduction of food insecurity in Rwanda. Owning a cow reduces the proportion of being food insecure by two. More than 24 percent of households classified in the poorest quintiles are food insecure compared to 10 percent in the wealthiest ones. This includes more than 30 percent of households classified in Ubudehe category 1, 19 percent in Ubudehe 2 and 15 percent in Ubudehe 3 (Figure 2). Irregular rainfall, drought, floods, pests and diseases, together with limited land for agriculture, continue to affect their food security. With 89 percent of rural households engaged in small-scale farming, many Rwandans are at risk of food insecurity.

[21] The 2021 Rwanda Comprehensive Food Security and Vulnerability Analysis 2021 (CFSVA) http://www.wfp.org/food-security and www.statistics.gov.rw.



28. Rwanda faces significant food-related risks affecting availability, access, and stability. High food inflation, peaking at 65% in November 2022, was driven by reduced global supplies of grains and fertilizers, regional food export restrictions, and climate change impacts on domestic production.

29. The country relies on imports for 20% of its dietary energy needs, making it vulnerable to international food crises. Staple crops are the primary contributors to dietary energy: maize (16%), beans (15.6%), bananas (14.9%), cassava (13.4%), and sweet potatoes (14.6%). The contribution of animal products to dietary energy has slightly increased from under 10% in 2018 to over 11%, with milk being the most significant, contributing 5%.

Gender

30. Rwanda is widely recognized for its commitment to gender equality, reflected in its robust legal and policy framework. Key measures include a revised constitution enshrining gender equality and a 30% quota for women in decision-making positions. Gender is a cross-cutting issue in national policy strategy documents, supported by an independent national gender policy (2010), a girls' education policy (2008), and a national policy against Gender-Based Violence (GBV, 2011). The country also mandates gender-responsive planning and reporting through Gender Budget Statements, enforces gender-sensitive land reform with joint titling for partners, and ensures gender equality in inheritance laws.

31. These efforts have yielded significant results. Rwanda has the highest global representation of female parliamentarians (61%) and women make up 50% of cabinet ministers. However, at the local level, women hold less than 30% of mayoral positions and 15% of vice mayor roles in charge of economic affairs. In the private sector, women constitute 37% of managers or business owners, primarily in micro and small enterprises (NISR 2020). Rwanda ranks 2nd in Africa on the Global Gender Gap Index 2023, highlighting its strong political will and institutional framework for gender equality.

32. Despite progressive commitments to gender equality, challenges persist. According to the latest Labour Force Survey, women's labour force participation stands at 46.9%. The disparity between men and women is especially evident among married individuals, with participation rates of 70% for men and 52.9% for women. For divorced or separated individuals, the participation rate is around 74% for both sexes. Additionally, informal employment is higher among females (91.7%) compared to males (89.2%). Women predominantly work as crop farm labourers, domestic cleaners and helpers, stall and market salespersons, and shopkeepers. They are more likely to be engaged in market-oriented agriculture than men, especially in growing cereals (excluding rice), leguminous crops, oil seeds, vegetables, melons, roots, and tubers. However, most people employed in market-oriented agriculture are paid employees, often on daily contracts (89.8%), with an average monthly salary of 28,324 Frw.

33. Girls and young women aged 16-30 are also more likely to be not in education, employment or training (NEET) than boys and young men (39.4 percent of young women versus 25.9 percent of young men). The FinScope Rwanda 2020 shows clear gender gap in accessing and using formal financial services where women (74 percent) are lagging with 7 percent gap compared to male counterparts at 81 percent[22]. 19 percent of women rely exclusively on informal financial products and services, compared to only 12 percent of men (AFR, 2020).

34. Unpaid care work remains predominantly occupied by women. Women and girls aged 16 and above, especially in rural areas, devote a significant portion of their time to household care activities. According to the latest Labour Force Survey, women spend nearly twice as much time on these activities as men (24 hours per week for women vs. 13.6 hours for men), leading to considerable time poverty for women. They spend more time cooking and shopping (12 hours), caring for children or the elderly (8.2 hours), and collecting firewood and fetching water. This data underscores persistent gender roles, with women still expected to engage in unpaid care work and domestic-bound income generation.

35. Gender-based violence (GBV) remains pervasive, affecting many women throughout their lifetimes, including physical, sexual, emotional, and economic violence. According to the latest Demographic and Health Survey, 45% of women and girls in Rwanda aged 15 to 49 have experienced sexual or physical violence. Among these, only 43% have sought help to stop the violence. The prevalence of

[22] Rwanda Finscope Survery 2020 https://www.statistics.gov.rw/publication/finscope-rwanda-2020

any type of spousal violence among ever-married women increased from 40% in 2014-15 to 46% in 2019-2020 (DHS, 2021). To raise awareness and knowledge on GBV policy, law and referral mechanism, Rwanda has been organizing a range of outreach activities on GBV prevention, response and access to justice. Further, Rwanda developed and disseminated simplified legal guide booklets on newly amended laws, including land law, family law, succession law, child rights' law and the GBV law (CEDAW, 2021). For enhanced evidence-based planning, monitoring and evaluation, Rwanda developed a web-based GBV Management Information System (GBV-MIS), collecting data across all Isange One Stop Centers (IOSCs), which provide free and comprehensive services to GBV and child abuse victims 24/7, including medical care, psychosocial support, legal services, relief and reintegration.

36. A qualitative study in Rwanda revealed that unpredictable weather conditions, particularly floods, erosion, and droughts, exacerbate existing gender inequalities, increase incidents of sexual and gender-based violence (SGBV), and heighten socio-economic vulnerabilities for women and girls. Tasks such as collecting firewood and fetching water become more time-consuming during droughts or natural disasters and can expose women and girls to a higher risk of GBV.

37. The above challenges can not be bridged with interventions aiming solely at promoting gender parity, but requires interventions that challenge gender norms and unequal power dynamics at the individual, community and system level. Equally important, is to engage men and boys alongside girls and women.

Youth (aged 16-30 years)

38. According to the latest census, youth aged 16 to 30 make up around 27 percent of the total resident population, with a large majority of youth living in rural areas (68 percent). About 3 percent of the youth population in Rwanda has at least one disability, with a higher prevalence than the national average in rural areas, especially in the Southern and Western provinces. 20 percent of the youth population are heads of households, with higher rates among males (23 percent).

39. Around 44.5 percent of the population is under 18 years old [23]. Adolescents (10-18 years) suffer multiple deprivations including delayed schooling, many forms of violence, etc. Recent studies show that over half of children and young people experience physical, sexual or emotional violence before age 18.[24] Only around 21.9 and 16.2 per cent of youth attend lower and upper secondary school. In rural areas, only 12.3 percent of youth attend upper secondary school However, it is worth noting that Rwanda has been implementing a range of measures to address girls' school dropout because of menstruation, including allocating resources at district level to procure sanitary pads for distribution in schools, equipping girls' rooms with hygiene facilities, as well as establishment of girls' rooms in all secondary public and Government aided day schools to create a safe and comfortable environment for girls. Sexual and reproductive health issues are discussed in school health clubs established in schools. Further, in 2019, the Government of Rwanda exempted the VAT on sanitary pads to increase affordability and accessibility to women and girls in the community.

40. Poverty among the youth can be attributed to various factors, including low literacy levels, limited access to information, limited access to productive assets, e.g. land, limited access to appropriate credit facilities, and limited access to trainings/capacity building (PSDYE).

41. The most recent labor force data shows that the unemployment rate among youth is approximately 20.8 percent, higher than the national rate of 17.2 percent.

[23] UNICEF Situation of Children in Rwanda Situation of children in Rwanda | UNICEF Rwanda 2023
[24] UNICEF Situation of Children in Rwanda Situation of children in Rwanda | UNICEF Rwanda 2023

Notably, a breakdown by education level reveals that youth with upper secondary and university education face higher unemployment rates (30 percent and 22.7 percent, respectively) compared to those with no educational attainment (17.3 percent). This indicates that the higher the educational attainment of a young person, the greater their risk of unemployment.

42. Nearly half of the country's youth, 45.8 percent, are engaged in agriculture, forestry, and fishing sector (54 percent young women). Following the agriculture sector, the wholesale and retail trade sector, including repair and motor vehicles and motorcycles, represents 9.7 percent of youth occupation.

43. Nearly four out of five (77.2 per cent) of young Rwandans aged 15-29 who are still in transition are either in unsatisfactory employment or in potential labour force[25]. Young agripreneurs venturing into commercial farming and other agribusinesses face challenges such as a lack of financial capital and practical experience needed to sustainably start and run profitable businesses. Additionally, a skills mismatch with labor market requirements reduces their chances of being hired by the private sector.

44. Approximately 32.9% of the youth population is neither employed, nor in education or training (NEET rate). This rate is higher among young women (39.4%) compared to young men (25.9%). The labor underutilization rate (LUUR) among youth is around 57.2%, higher than other age groups, indicating a significant unmet need. The LUUR is also higher in rural areas (59.7%) compared to urban areas (43.1%), reflecting fewer employment opportunities and limited access to training, finance, and knowledge, making rural youth less competitive in the labor market (Kilimotrust).

45. Participation in trade or technical vocational courses does not always lead to employment, with 41.9% reporting no improvement in their situation post-completion. However, according to the latest labor study in 2023, the unemployment rate is 2 points lower for TVET graduates than for those who only completed general education. TVET graduates are more likely to be employed compared to their peers with general education alone. Among graduates who improved their livelihoods, females reported starting their own businesses as a result of training completion more than men (13.5% compared to 4.1%), while men reported getting a job more than females (57.2% compared to 34.9%).

46. Major identified skill gaps among youth include managerial, technical, entrepreneurial, customer care, innovativeness/creativity, IT, communication, and marketing skills. Promoting youth skill development, employment, and entrepreneurship was a key objective of Vision 2020, with a focus on developing vocational and technical training, skills development, entrepreneurship, and access to finance.

47. To support these goals, the Government established the Business Development Fund (BDF) to facilitate access to credits and grants for youth. Access to the internet presents an opportunity to enhance knowledge, skills, and financial access. However, only about 19.5% of youth have internet access, with significant discrepancies between urban (39%) and rural areas (8%). Additionally, male youth have more internet access than female youth (22% vs. 17%). Regarding mobile phone usage, four in ten youths have an ordinary phone with a radio, while 16% have smartphones, predominantly in urban areas (33%) compared to rural areas (7%).

48. Notably, around 29.7% of the youth population are migrants, having internally migrated between districts, indicating a willingness to move for better education and work opportunities. Migration is significantly higher in urban areas (55.9%)

[25] **Unsatisfactory employment** - Not in school and currently employed in a temporary and unsatisfactory job; Potential labour force - Not in school and not in employment but aiming to be employed later.

compared to rural areas (17.1%). Social factors heavily influence women's migration decisions, such as family conflicts, unstable incomes, and limited access to land, leading them to seek wage employment in urban areas.

49. The implementation of the National Youth Policy (NYP) is therefore crucial. It emphasizes the need to integrate youth employment promotion with education and training to create sufficient and decent work opportunities for young people.

Persons with Disabilities

50. Rwanda has ratified the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) in 2008 and since then enacted laws and policies supporting and protecting the rights of persons with disabilities, including the National Policy on Disability Inclusion.

51. According to the 2022 census, Rwanda has approximately 391,775 persons with disabilities (174,948 males and 216,826 females), representing 3.4 percent of the population aged five years and above. The prevalence is higher in rural areas (3.7 percent) than in urban areas (2.8 percent), with the Eastern Province having the highest rate at 4.7 percent. Severe disabilities affect 0.5 percent, moderate disabilities 2.9 percent, and mild disabilities 3.0 percent of the population. Households headed by persons with disabilities make up 35.3 percent of all households.

52. Visual impairment is the most common type, affecting 1.4 percent (158,712 people), followed by mobility limitations at 1.1 percent. About 31 percent of persons with disabilities experience visual limitations, 24 percent mobility limitations, and 14 percent cognitive limitations. Nearly all persons with disabilities (96.7 percent) have health insurance, compared to 97 percent of those without disabilities.

53. Identity card possession is high, with 91.8 percent of persons with disabilities having one, ensuring access to basic public services. In regard to access to education, among children, 24 percent with disabilities have never attended school, versus 8 percent without disabilities. The likelihood of not attending school is three times higher in rural areas for children with disabilities (25.6 percent vs. 23.3 percent). Regarding higher education, 35 percent of persons with disabilities have no formal education, compared to 14 percent of those without disabilities. Employment is lower among persons with disabilities (30 percent) compared to those without (48 percent), with Nyagatare district having the highest employment rate for persons with disabilities at 41 percent.

54. A significant percentage of persons with disabilities (79.7 percent) are engaged in agriculture. Rwanda is investing in ICT to improve access to information, knowledge, and communication, aiming for greater independence for persons with disabilities. Mobile phone ownership among persons with disabilities in rural areas is 31 percent, and 6 percent have internet access.

55. However, according to the HRC, the committee expressed concerns regarding accessibility of the physical environment, transportation, services, information, and communication. According to the 2015 Comprehensive Food Security and Vulnerability Analysis (CFSVA) report, about 25 percent of HHs heads in severely food-insecure HHs are disabled, compared to only nine percent in food-insecure HHs. The National Policy on Disability Inclusion also notes limited participation and inclusion in national programs such as One Cow Per Poor Family (GIRIKNA) and the Vision 2020 Umurenge Programme (VUP). Further, they continue to face social stigma and cultural beliefs influencing how communities, local authorities and service providers engage with them. Accurate and reliable data is limited. However, the Government of Rwanda is taking concerted efforts in collecting disaggregated data, including in the last Population and Housing census in 2022 (RPHC5), which

will gradually fill data gaps and systematically inform development programming for enhanced disability inclusion.

Indigenous Peoples

56. The Indigenous Twa Community in Rwanda is estimated to amount to around 30,000; however, in the reconciliation efforts post-Genocide, the Government put measures in place to eliminate ethnic and other identity categories as a way to avoid any form of 'divisionism'. Ultimately, that means they cannot officially claim rights, resources, or representation based on their identity as an Indigenous or ethnic minority, nor does the Government have disaggregated data to inform policy-making and tailored social welfare programming to uplift the community out of poverty. While the pursuit of unity and reconciliation is commendable, the repercussions are immense. According to the IWGIA, Twa live in ethnically isolated villages as pottery makers or day labourers with limited access to basic needs. Further, they face generations of ethnic stigma, discrimination, and extreme poverty. Being invisible in the state records, including census, negatively impacts the ability to monitor discrimination and inequality, demographic changes over time, needs and opportunities.

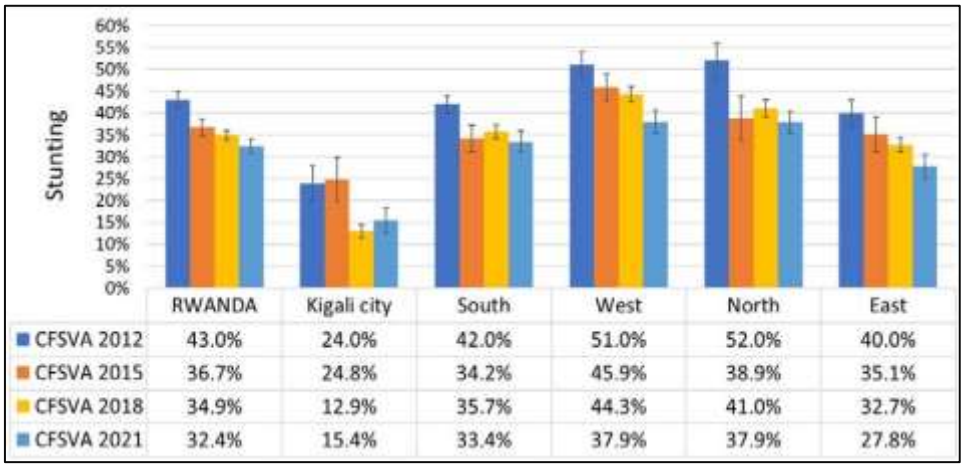
57. Land scarcity and Rwanda's ambitions on large-scale industrialized agriculture, may also have serious impacts on Twa community, which can result in physical and economic displacement. This becomes apparent in the tourism industry, especially popular spots around the borders of Volcanoes National Park (VPN), home of the famed mountain gorillas, but also home to Twa communities, previously evicted from the VPN forests. With the Twa not being officially recognized as an Indigenous Group, they have little leeway to engage in the park expansion as official partners and claim territories as their own with Rwanda rendering the FPIC process as irrelevant, given the country context.

Nutrition

58. Rwanda has seen an encouraging decline in stunting trend from 2012-2021(Figure 3). However, the current national stunting rate of about 32.4 percent[26] remains among the highest on the African continent and is out of sync with Rwanda's overall socio-economic performance and potential. The government has placed stunting high on its priority list and is taking measures to reverse the trajectory of stunting by involving key stakeholders. The government has set a bold target for all districts to reach a 22 % stunting rate by 2028/29, in line with the PTSA 5. It is noteworthy that stunting rates in severely food insecure households declined from 62 percent to 40 percent, mostly likely due to Government-led initiatives, such as community-based nutrition programs where monthly growth monitoring and malnutrition screening were conducted, therapeutic feeding programmes, involving 25 percent and 11 percent of children in the 6-23 months age group.

[26] WFP Comprehensive Food Security and Vulnerability Analysis (CFSVA)2021 http://www.wfp.org/food-security *accessed 24.05.23*

Figure 3: Rwanda Stunting Trend 2012- 2021



	RWANDA	Kigali city	South	West	North	East
CFSVA 2012	43.0%	24.0%	42.0%	51.0%	52.0%	40.0%
CFSVA 2015	36.7%	24.8%	34.2%	45.9%	38.9%	35.1%
CFSVA 2018	34.9%	12.9%	35.7%	44.3%	41.0%	32.7%
CFSVA 2021	32.4%	15.4%	33.4%	37.9%	37.9%	27.8%

59. Rwanda faces significant food-related risks affecting availability, access, and stability. High food inflation, peaking at 65% in November 2022, was driven by reduced global supplies of grains and fertilizers, regional food export restrictions, and climate change impacts on domestic production.

60. Nearly 33[27] percent of children from the bottom two wealth quintiles (ubudhere 1 and 2) and 20 percent for the richest are stunted, highlighting large disparities and uneven opportunities for children to grow, thrive, and become productive adults. Children from the lowest wealth quintiles continue to be disadvantaged by: (i) high poverty and inequality; (ii) mothers' relatively modest education levels and high parity; and (iii) geographic location (stunting stands at 36 percent in rural areas compared to 20 percent in urban areas[28]).

61. The prevalence of **wasting** among children under 5 (0-59 months) is 1% and anaemia at 37%. Anaemia prevalence among women of reproductive age is at 13% and 18.8 percent among adolescents. The primary cause of anaemia among young children is insufficient bioavailable dietary iron, which supports rapid growth and brain development.

62. The 2019-20 RDHS results showed that 68% of women have a normal BMI, while 6% are thin and 26% are overweight or obese; the mean BMI among women is 23.3. The prevalence of overweight or obesity rises with increasing education and wealth. For example, 22% of women with no education are overweight or obese, as compared with 52% of those with more than a secondary level education. Similarly, 13% of women in the lowest wealth quintile are overweight or obese, compared with 44% of women in the highest quintile.

63. In regard to infant and young child feeding, only 24 percent of children under the age of 2 received adequate care, 34 percent had a minimally acceptable diet, 37 percent had adequate environmental health, and only four percent had access to all three critical dimensions.

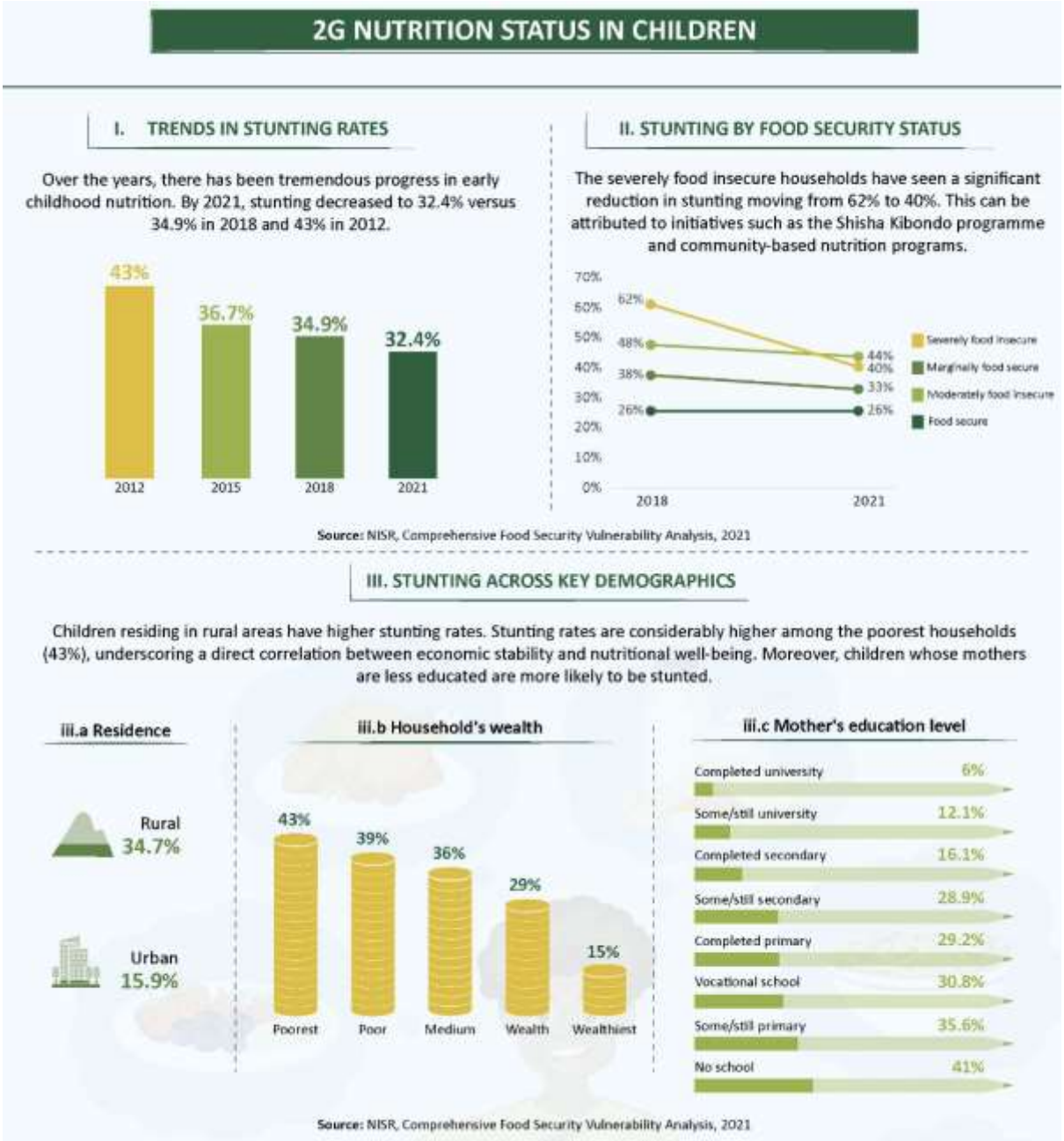
64. Causes of malnutrition include lack of adequate quantity and quality of food, frequent illnesses, poor maternal and childcare practices, substandard access to health services and environmental shocks (e.g., drought, irregular rains, prolonged dry spells) that affect their ability to access food. The Rwandan diet is primarily starch based, with plantains, cassava, sweet potatoes and potatoes providing the majority of energy consumed. However, the diet composition trend is changing to

[27] Demographic and Health Survey 2019-20 Rwanda Demographic and Health Survey 2019-20 Final Report[FR370] (dhsprogram.com)
[28] Ibid.

increased consumption of processed foods with increasing urbanization and wealth. Only 24 percent of children under the age of 2 received adequate care, 34 percent of children had a minimally acceptable diet, 37 percent had adequate environmental health, and only four percent had access to all three critical dimensions, underscoring the importance of a multi-sectoral approach. Implementing comprehensive measures are critical ranging from gender-sensitive interventions, fostering community engagement, rural water access, strengthening healthcare services, aligning policies, and maintaining rigorous data monitoring.

65. Dietary diversity scores have stabilized around 5.5 different food items per week on average according to recent CFSVA surveys, indicating a deficiency in protein intake and several micronutrients. This issue stems from economic, behavioural, and systemic factors, highlighting the need for increased investment in several areas. These include improving access to nutritious food, supporting the processing of whole grains and fortified foods, intensifying research in bio-fortified and other highly nutritious commodities, and promoting the consumption of already available nutritious foods such as liver, small, dried fish (rich in Vitamin B12), dark green leafy vegetables (rich in Vitamin A), carrots, mango, and milk.

66. Additionally, efforts should focus on boosting the production of nutritious food, increasing income from agriculture to facilitate access to a diverse diet, and empowering women as key influencers of family nutrition.



1.2 Environment and climate context, trends and implications

67. **Topography and agro-ecological features.** Rwanda is a landlocked country bordered by Burundi to the south, Tanzania to the east, Uganda to the north and the Democratic Republic of Congo to the west. Rwanda's borders extend for up to 900 kilometres. The total area of the country is 26,338 km², of which 3% is covered by water. Rwanda is divided into five provinces (Northern, Western, Southern, Eastern and the city of Kigali) and 30 districts, which are further subdivided into 416 sectors.[29]

[29] REMA (2021) Rwanda State of Environment and Outlook Report. Available at: https://www.rema.gov.rw/fileadmin/user_upload/Rwanda_SOER_-_Summary_for_Policy_Makers_Final-HR.pdf.

Figure 1. Rwanda's agro-ecological zones[30]

68. Rwanda's topography is characterised by hilly and mountainous terrain, with altitudes ranging from 900 metres in the southwest to 4,507 metres in the Congo-Nile crest region. Rwanda's northern fringe is characterised by volcanic mountains, while most of the central plateau consists of rolling hills. In contrast, the eastern part of the country is relatively flat, with elevations well below 1,500 metres. This diverse relief pattern gives Rwanda a tropical temperate climate, with an average annual temperature of 18.5°C and average annual rainfall of 1,250 mm.

69. Rwanda is situated in two major basins, the Nile and the Congo, and its hydrological network comprises nine catchments. The country is divided into 12 agro-ecological zones, which can be grouped into three natural regions: highlands, midlands, and lowlands. Geomorphologically, Rwanda can be divided into five regions from west to east: (i) the Congo-Nile Rift, (ii) the volcanic Virunga Mountains and high lava plains of north-western Rwanda, (iii) the narrow Great Rift Valley region along or near Lake Kivu, (iv) the rolling hills and valleys of the central plateau, and (v) the savannahs and marshlands of the eastern and south-eastern border areas, which are lower, warmer and drier than the central upland plateaus.

70. **Agriculture.** Agriculture is the main economic activity in Rwanda, employing 64 per cent of the working population. Agricultural GDP grew from 418.14 billion Rwandan francs (Rwf) in 2006 to 570 billion Rwf in 2019, accounting for 26 per cent of total GDP in 2020. Of Rwanda's total land area of 26,338 km², 1.4 million hectares are cultivated. About 90 per cent of households cultivate at least one plot of land, with 84 per cent cultivating less than 0.9 hectares. The Eastern Province has the most agricultural land (439,000 ha), while the Northern Province has the

[30] M. Mugabowindekwe, G. Rwanyiziri (2022) Comparative assessment of homogeneity differences in multi-temporal NDVI strata and the currently used agricultural area frames in Rwanda. Available at: https://www.ajol.info/index.php/sajg/article/view/231558.

least (212,000 ha). The average area per household is 0.76 ha, and 80 per cent of farms are less than 1 ha. There are two agricultural seasons in Rwanda: September to February (season A) and March to July (season B). Tea and coffee are the main exports, while bananas, cassava, potatoes, sweet potatoes, maize and beans are the most common food crops.

71. The rapid and intensive development of crops and livestock in Rwanda has led to several agro-environmental problems. These include soil erosion, land degradation, water pollution and increased greenhouse gas emissions. Almost all agriculture in the country is rain-fed, making it highly dependent on natural resources and vulnerable to climate change. Land scarcity has led to over-cultivation and land degradation, creating a vicious cycle of erosion and reduced soil fertility. Heavy rainfall often leads to soil degradation and increased soil acidity, which hinders nutrient uptake, root growth and access to water, ultimately reducing productivity. It is estimated that 1.4 million tonnes of soil are lost annually, resulting in a loss of $320,000. In addition, the conversion of wetlands to agricultural land has affected biodiversity, water regulation and water purification. Hilly areas, which make up 70 per cent of Rwanda's total land area, are particularly vulnerable to drought, soil erosion and landslides, while wetlands are prone to flooding.[31]

72. **Livestock.** Livestock are an important source of income and food security in Rwanda, also providing organic manure for crop fields. Approximately 68% of households raise livestock, with goats, cattle, and chickens being the most common. This prevalence is partly due to government initiatives such as the "One Cow per Poor Family" (Girinka) program, which has distributed 134,548 cows, with an additional 40,352 heifers passed on by beneficiary households to other poor households, and the Ubudehe program, which has distributed various types of livestock. IFAD projects such as RDDP and PRISM have supported the development of the sector, and shown its importance for poverty reduction in Rwanda. The Northern Province has the highest percentage of households raising cattle and sheep, with crossbred (Ankole X Holstein Friesian) and pure Holstein Friesian cows being dominant in the north and north-west.[32]

73. Rwanda has three main dairy production systems: open grazing, semi-grazing and zero grazing. Milk production ranges from 1 to 4.5 litres per cow of local breed to 10 to 20 litres per crossbred and purebred exotic cow. Dairy farms are also common in urban and peri-urban areas, with an average of 5.7 cows per household using zero-grazing and pasture management practices. Milk production has increased ninefold since 1999. From being a major milk importer, Rwanda is now largely self-sufficient in milk production. Livestock production accounts for just over 9% of total output value (2010-12 average), with rising incomes likely to increase demand for livestock products. Milk consumption has increased from 20 litres per person per year in 2006 to 75 litres per person per year in 2021.[33]

74. However, challenges remain at the production, marketing, and retail levels. Since the mid-1990s, milk production has been affected by droughts and outbreaks of livestock diseases such as anthrax, lumpy skin disease (LSD), foot-and-mouth disease (FMD) and Rift Valley fever (RVF). In 2008, livestock disease outbreaks caused a 13% loss in milk production compared to the previous year, resulting in US$10 million in lost income and US$163,000 in the value of cattle destroyed, slaughtered, or died. Droughts often force pastoralists to move their herds in search of fodder and water, sometimes to neighbouring countries or national parks. These movements can lead to reduced milk yields or cattle deaths and increase the spread of disease through mixing of herds and contact with wild animals.

[31] Ministry of Disaster Management and Refugee Affairs (2015). National Risk Atlas of Rwanda. Available at: https://www.gfdrr.org/sites/default/files/publication/National_Risk_Atlas_of_Rwanda_electronic_version_0.pdf.
[32] National Institute of Statistics of Rwanda (2013 and 2022).
[33] FAO Corporate Statistical Database [FAOSTAT] 2014; 2004–2006 prices. Available at: https://www.fao.org/faostat/en/.

75. Monthly milk prices are volatile, and the milk and feed supply chains are vulnerable to contamination. The milk cold chain faces problems with power outages that threaten food safety standards, while the feed and forage chain have sporadic problems with aflatoxin contamination. The livestock sector is expected to grow with consumption, increasing the importance of managing health and food safety risks, controlling disease outbreaks and meeting the demand for feed and water.[34]

76. **Forests and biodiversity.** Rwanda boasts a rich diversity of plants, animals and habitats that contribute to its unique character. The country is home to 402 species of mammals, representing 40 per cent of the continent's mammal species, as well as 1,061 species of birds, 293 species of reptiles and amphibians, and 5,793 species of higher plants. Among these, mountain gorillas (Gorilla beringei beringei) are of particular importance to Rwanda, contributing to tourism revenues and found in only two other countries.[35]

77. Forests cover approximately 724,695 hectares, or 30.4 per cent of Rwanda's total land area. Of this, 387,425 hectares (53.5 per cent) are plantations, 130,850 hectares (18.1 per cent) are natural mountain rainforest, 161,843 hectares are wooded savannah (22.3 per cent), 43,963 hectares are scrub (6.1 per cent), and 614 hectares are bamboo. Rwanda has several national parks, including Volcanoes National Park, Akagera National Park and Nyungwe Forest.[36] In western Rwanda, most forest plantations have been established with the dual aim of protecting fragile soils from erosion and reducing pressure on protected areas. In 2020, the forestry sector contributed 6 per cent to Rwanda's GDP and supported the agriculture sector. In addition, forests serve as the basis for the country's tourism industry and provide about 86 per cent of primary energy, mainly for domestic cooking.

78. Rwanda's natural resources have been significantly affected by the expansion of settlement and cultivation, displacement during the 1994 genocide against the Tutsi, mining activities and poaching. Between 1960 and 2007, the country lost 64% of its forest cover, leading to high rates of soil erosion, depleting topsoil in forests and riparian corridors. The mountainous Gishwati ecosystem is particularly vulnerable to these pressures.

79. **Land degradation and soil erosion.** Rwanda has experienced accelerated soil erosion due to unsustainable human activities and land use changes. The main factors influencing the extent of soil erosion are land use practices, vegetation cover, topography, soil composition and climatic conditions. About 90 per cent of the country is characterised by sloping terrain, which poses a significant risk of soil erosion and declining fertility. Large areas of soil have been depleted by continuous cultivation, soil degradation and erosion, exacerbated by limited use of fertilisers that could replenish lost nutrients. Approximately 11 per cent of Rwanda's land is classified as being at extremely high or very high risk of soil erosion. The districts most affected by soil erosion, based on the percentage of high-risk areas compared to the total district area, include Ngororero (83 per cent), Muhanga (82 per cent), Karongi and Gakenke (both 71 per cent), and Rutsiro (69 per cent).

80. **Water and wetland resources.** Surface water in Rwanda covers a total of 135,295 hectares, or 5.3 per cent of the country's land area, and includes 101 lakes and 861 rivers. Renewable groundwater is estimated at 401 million cubic metres. Groundwater is an important source of water in rural areas, although data on its quantity remains limited.

[34] Habiyaremye N., Ouma E.A., Mtimet N. and Obare G.A. (2021). A Review of the Evolution of Dairy Policies and Regulations in Rwanda and Its Implications on Inputs and Services Delivery.
[35] REMA (2021) Rwanda State of Environment and Outlook Report. Available at: https://www.rema.gov.rw/fileadmin/user_upload/Rwanda_SOER_-_Summary_for_Policy_Makers_Final-HR.pdf.
[36] Rwanda National Parks. Available at: https://www.safaribookings.com/rwanda.

81. Water and wetland resources are threatened by population growth, climate change impacts and increasing competition for water. The main consumers of water in Rwanda are the domestic and agricultural sectors. Minor water users include industry, mining, fishponds, coffee washing stations and infrastructure. Overall, there is an increasing demand for water resources, leading to competition between different sectors of the economy.

82. In 2012, the ratio of water use to availability was less than five per cent, rising to nine per cent by 2019. Rwanda is home to 935 wetlands, which covered approximately 176,337 hectares in 2016, down from 276,498 hectares in 1988, representing a 36 per cent loss of wetland ecosystems in 28 years. Three per cent of Rwanda's wetlands have Ramsar status, while 53 per cent are proposed for Ramsar designation. These are mainly located in Kigali city, Akanyaru, Akagera and Rweru-Mugesera wetland complexes.

83. Rising temperatures and prolonged dry spells are expected to reduce surface and river flows, potentially causing water shortages, especially in eastern Rwanda and around Kigali, and reducing groundwater recharge. Higher temperatures also contribute to increased bacterial growth and degradation of water quality. In addition, a greater proportion of annual rainfall is occurring in the form of intense rainfall events, leading to rapid run-off and flooding. These events contribute to reduced groundwater recharge, sedimentation of rivers, lakes and reservoirs, and contamination of industrial, agricultural and domestic water sources.

84. **Waste management.** Rapid urbanisation and economic expansion are leading to increased waste generation. Effective waste management is emerging as a critical priority and must be seamlessly integrated into Rwanda's development strategies to advance its green growth agenda towards sustainable development. Currently, less than ten per cent of collected waste is recycled and an even smaller proportion of organic waste is formally composted.

85. Solid waste generation is projected to increase by 14% by 2035. A significant proportion of organic waste ends up in landfills, where it contaminates other non-organic waste. In addition, Rwanda suffers significant losses - 40% of total food production annually - due to post-harvest food losses, mainly due to inadequate technical equipment such as storage and refrigeration facilities, and insufficient infrastructure for timely transport of produce. These losses account for 21% of total land use, 16% of greenhouse gas emissions and a 12% reduction in Rwanda's annual GDP. The valorisation of organic waste through composting and anaerobic digestion offers potential solutions, producing organic fertiliser, biogas, or insect-based animal feed.[37,38]

86. As for wastewater treatment, Rwanda relies mainly on decentralised and semi-centralised systems, with a significant proportion of sanitation facilities still using pit latrines (84.6%). Many industries discharge untreated wastewater into the environment, highlighting gaps in the regulatory framework and enforcement of cleaner production principles, as well as issues of public awareness. In response to these challenges, Rwanda has developed the National Sanitation Policy, which aims to improve sanitation services and water quality.

87. **Energy.** Energy plays a central role in Rwanda's economy and development goals, which aim to ensure reliable, efficient, and affordable access to energy for all citizens. The country benefits from abundant natural energy resources, including hydropower, solar energy and methane gas.

88. Most energy consumption in Rwanda is in the residential sector, which accounts for 82% of total consumption, followed by the transport and industrial sectors at 8%

[37] World Bank (2020). Rwanda Food Smart Country Diagnostic. Available at: https://openknowledge.worldbank.org/handle/10986/34523.
[38] Republic of Rwanda (2022). Rwanda National Circular Economy Action Plan and Roadmap.

and 6% respectively. Biomass remains the dominant energy source, accounting for 97% of total consumption. Fuelwood accounts for the largest share at 86%, while charcoal accounts for 11%. On average, households use about 1.8 tonnes of fuelwood per year for cooking, typically with traditional stoves, and spend about RWF 1,930 per month on fuelwood. From 2013 to 2021, Rwanda has steadily increased its installed power generation capacity to 238.36 megawatts (MW), with hydropower dominating the energy mix at 52% of total electricity generation.

89. Rwanda's commitment to the Paris Agreement on climate change requires a strategic shift towards clean and renewable energy sources.[39] The country has significant potential for solar energy, particularly in the Eastern Province, where average monthly solar radiation ranges from 4.3 to 5.2 kWh per m2 per day. In addition, Rwanda has identified a significant biogas market potential, which is estimated to benefit 150,000 households.

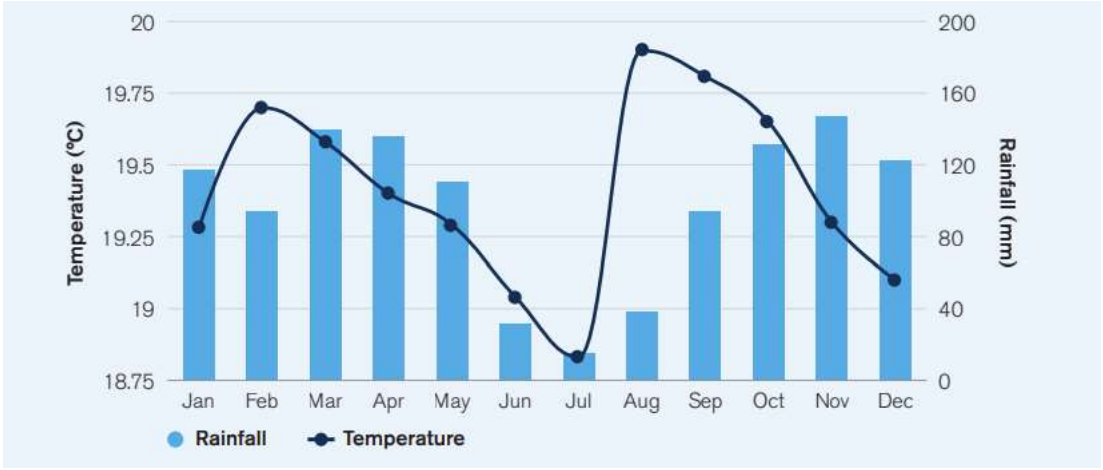
90. **Climate profile.** Rwanda has a tropical climate, which is determined by its undulating terrain that stretches from east to west. The country has four main climatic regions: the eastern plains, the central plateau, the highlands, and the areas around Lake Kivu. In the eastern plains, annual rainfall ranges from 700 mm to 1,100 mm, and average annual temperatures range from 20°C to 22°C. In the central plateau region, average annual rainfall is between 1,100 mm and 1,300 mm, with average annual temperatures between 18°C and 20°C. The highlands, including the Congo-Nile Rift and the Virunga volcanic chain, have higher rainfall, ranging from 1,300 mm to 1,600 mm per year. Average annual temperatures in these areas range from 10°C to 18°C. The regions around Lake Kivu and the Bugarama plains receive between 1,200 mm and 1,500 mm of annual rainfall, with average temperatures ranging from 18°C to 22°C.

91. Rwanda's climatic seasons are characterised by a long rainy season from March to May and a short rainy season from September to November.[40] These are interspersed with a long dry season from June to August and a short dry season from December to February. The country's rainfall patterns are periodically influenced by El Niño and La Niña phenomena. Looking ahead, increased seasonal variability and long-term climate change are expected to exacerbate Rwanda's existing vulnerabilities, including high poverty rates, food insecurity and potential displacement and conflict, particularly along its eastern and southern borders.

92. **Historical climate trends.** From 1991 to 2020, Rwanda's average annual temperature was 19.1°C, with monthly averages ranging from 18.8°C (July) to 19.8°C (September). Annual precipitation averaged 1,177.6 mm, with most rainfall occurring between September and May. Temperatures vary, with high altitudes averaging 15-17°C and lowlands reaching up to 30°C. Between 1971 and 2016, temperatures increased by 1.4°C to 2.6°C in the southwest and east, with significant fluctuations in annual rainfall and increased extremes influenced by the El Niño Southern Oscillation. The eastern region frequently experiences dry spells, while the northern and western provinces face shorter, more intense rainy seasons, raising erosion risks.[41]

Figure 2. Average Monthly Temperature and Rainfall for Rwanda, 1991–2020

[39] Rwanda (2011). Green Growth and Climate Resilience – National Strategy for Climate change and Low Carbon Development. Available at: https://cdkn.org/wp-content/uploads/2010/12/Rwanda-Green-Growth-Strategy-FINAL1.pdf.
[40] Ministry of Environment (2018). Third National Communication under the United Nations Framework Convention on Climate Change. Available at: https://unfccc.int/sites/default/files/resource/nc3_Republic_of_Rwanda.pdf.
[41] WBG Climate Change Knowledge Portal (CCKP, 2021). Rwanda. Available at: https://climateknowledgeportal.worldbank.org/country/rwanda/climate-data-historical.



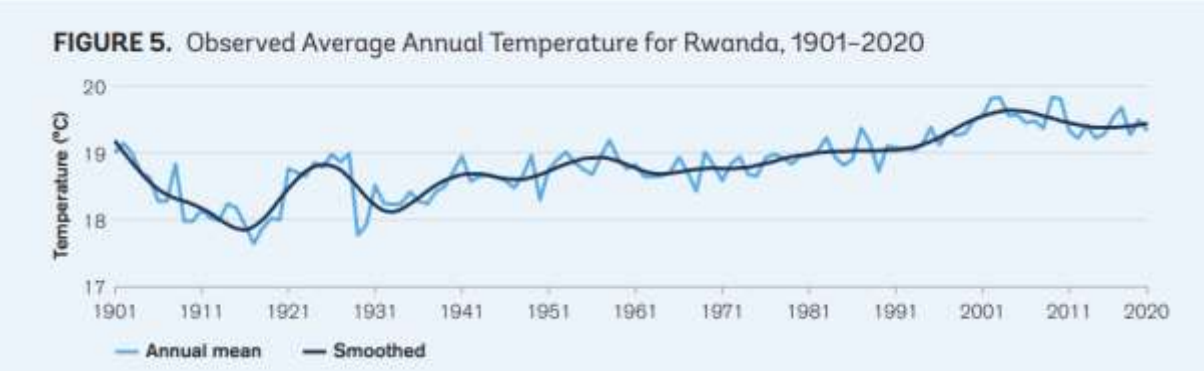


Figure 3. Observed Average Annual Temperature for Rwanda, 1901–2020

93. **Projected climate trends.** According to the German Climate Service Center (GERICS), annual mean temperatures in Rwanda are expected to rise by 1.1°C to 3.9°C by the century's end. Heat waves and dry spells will likely increase, and summer days (Tmax > 25°C) will extend from October to May. Annual rainfall is projected to increase during the main rainy season (December to April) but decrease from July to September. The intensity and frequency of heavy rainfall are also expected to rise, with significant rainfall deficits anticipated in parts of the eastern and southern provinces.[42]

[42] WBG Climate Change Knowledge Portal (CCKP, 2021). Rwanda Agriculture Dashboard. Available at: https://climateknowledgeportal.worldbank.org/country/rwanda/climate-data-projections.

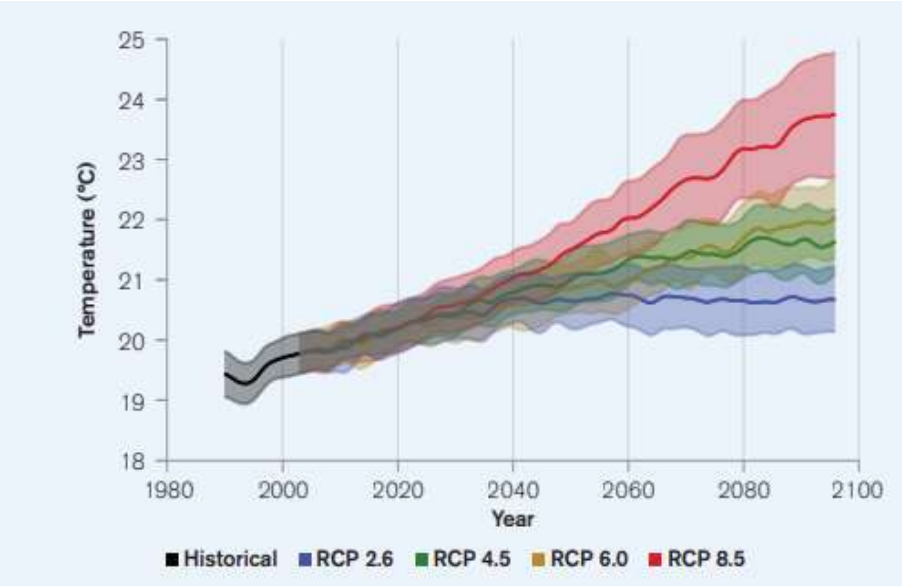


Figure 4. Projected Annual Mean Temperature for Rwanda (Reference Period, 1986–2005)

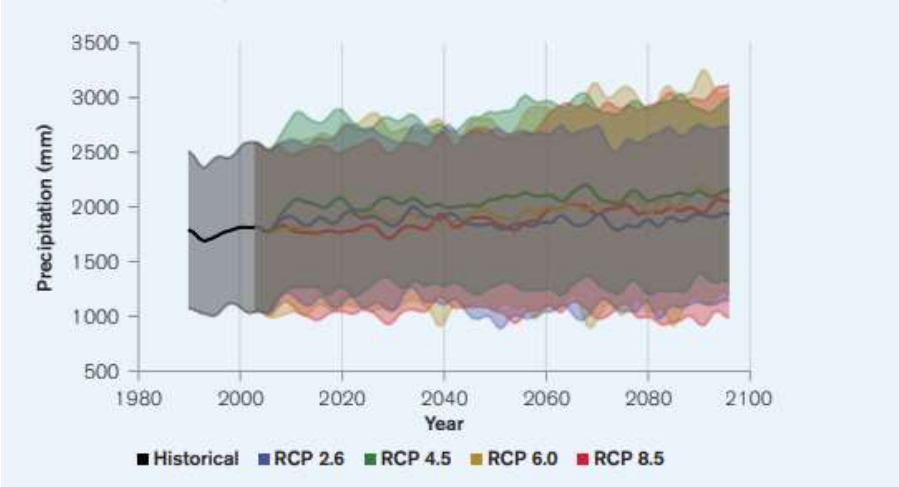


Figure 5. Projected Annual Average Precipitation for Rwanda (Reference Period, 1986–2005)

94. **Climate hazards.** Rwanda faces various natural hazards, including droughts, floods, landslides, and storms. Since the early 2000s, the frequency and severity of these events have increased, particularly floods, landslides, and droughts, causing human casualties, economic losses, and food insecurity. Population growth and land scarcity have exacerbated flood impacts, especially in Northern and Western Provinces. Droughts are a major concern in the Eastern Province, affecting food security. Rising temperatures threaten tea and coffee production, increase the range of pests and livestock diseases, and exacerbate soil erosion and landslides. Heavy rainfall events have led to significant infrastructure damage and economic losses, while urban areas face growing concerns over water shortages and flooding impacts on informal settlements.[43]

95. **Climate change impacts.** Climate change is a significant driver of environmental change and poses a serious challenge to future economic development, particularly in vulnerable regions like sub-Saharan Africa, including Rwanda. Despite Rwanda's low per capita greenhouse gas (GHG) emissions—ranking 185th out of 188 countries—the country is significantly impacted by climate change. Rwanda's high

[43] USAID (2019). Climate Change Risk Profile – Rwanda. Available at: https://www.climatelinks.org/sites/default/files/asset/document/2019_USAID-ATLAS-Rwanda-Climate-Risk-Profile.pdf.

vulnerability and readiness scores place it in the upper-right quadrant of the ND-GAIN Matrix, indicating a relatively strong capacity to respond effectively to climate change. However, the need for adaptation remains urgent, as Rwanda is the 32nd most vulnerable and the 88th most ready country to tackle climate issues.

96. Rwanda faces rising temperatures, heavy rainfall, and prolonged dry spells, which exacerbate soil erosion, land degradation, biodiversity loss, and the spread of invasive species like water hyacinth. These changes threaten native species and agricultural productivity, with key crops such as cassava and bananas being particularly vulnerable to climate risks like drought and excessive rainfall. The Albertine Rift's biodiversity, including 107 mammals, 199 bird, 31 fish, 34 amphibian, and 79 plant species, is highly susceptible to climate-related changes.

97. In 2015, Rwanda's emissions, excluding forestry, were estimated at 5.33 million tCO2e, with agriculture being the largest contributor, accounting for 70.4% of the total. The AFOLU (Agriculture, Forestry, and Other Land Use) sector in Rwanda sequesters more carbon than it emits, with forests being the most important carbon sinks. From 2006 to 2015, GHG emissions/removals showed an annual average increase of 2.37%.

98. Rwanda has been proactive in addressing climate change. It was one of the first African countries to submit a National Adaptation Programme of Action (NAPA) in 2006. The Green Growth and Climate Resilience Strategy was revised in 2023 to align with Vision 2050, ensuring a climate-resilient development path that harnesses green economic innovation.

Part 2 – Institutions and legal framework

1.1 Institutions

99. In Rwanda, the management of natural resources is shared between several ministries (Ministry of Environment, Ministry of Agriculture and Animal Resources, Ministry of Infrastructure and Ministry of Local Authorities), decentralised bodies (districts and sectors), public institutions (Rwanda Environmental Management Authority, Rwanda Land Management and Use Authority, Rwanda Water Resource Board, Rwanda Meteorology Agency) local and international non-governmental organisations (NGOs), research and/or higher education institutions and investment funds (Rwanda Green Fund).

2.2 Policy and regulatory frameworks

100. Over the years, the government of Rwanda has formulated and revised relevant policies to reflect changing national priorities and international commitments. As Rwanda implements Vision 2050 through the National Transformation Strategy, priorities and targets related to environment and natural resource management are captured in this implementation framework.

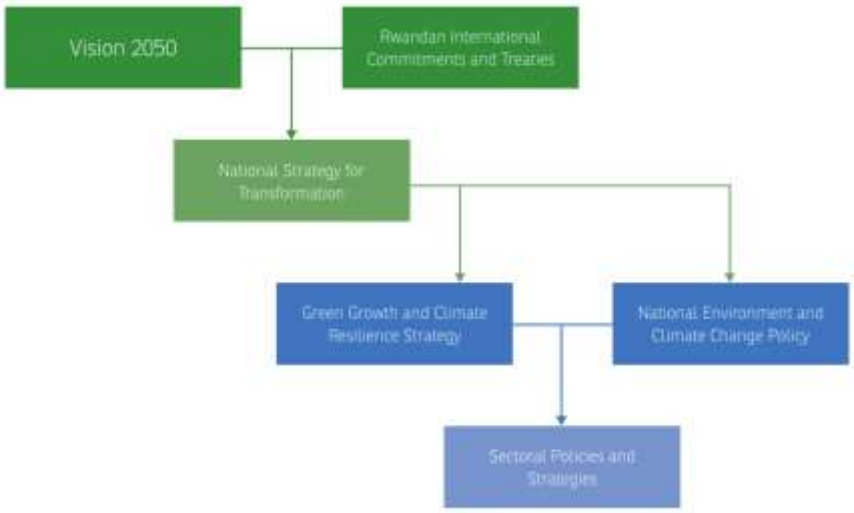


Figure 6: Hierarchy of Rwandan Sustainable Policies[44]

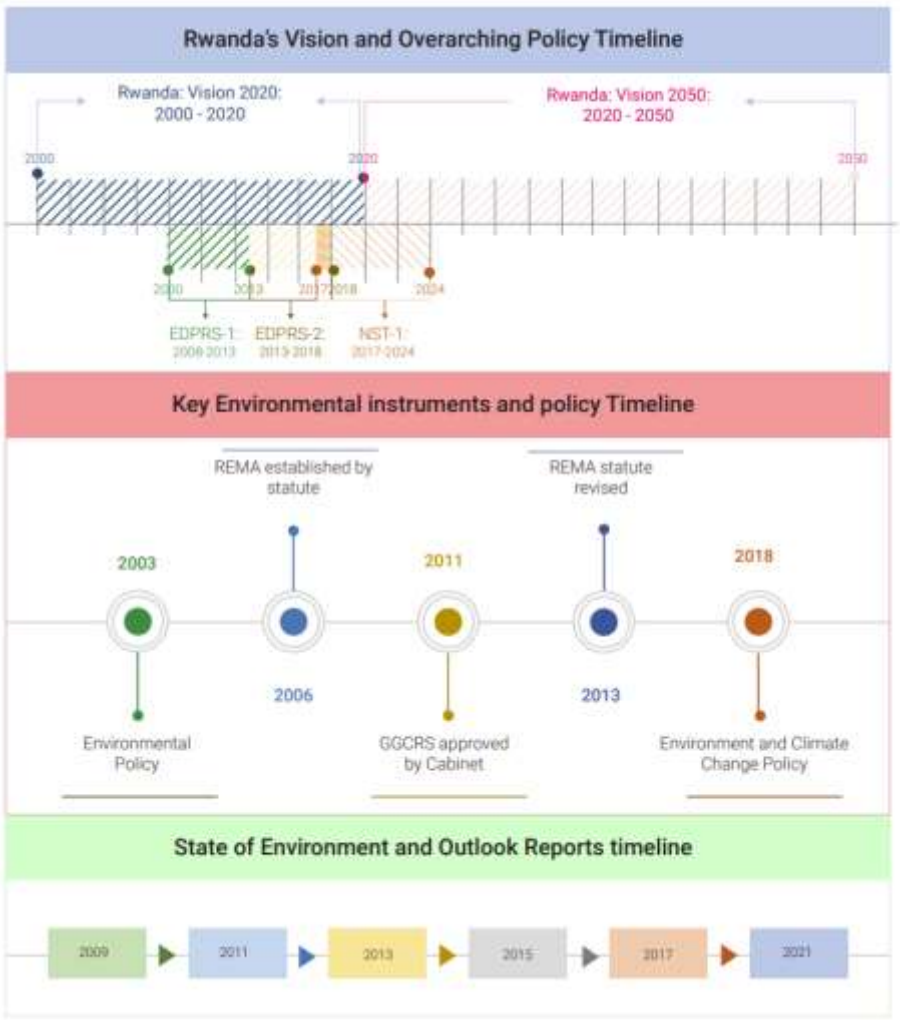


Figure 7: Evolution of environmental governance in Rwanda (2009-2021)[45]

101. Sustainable land use and environmentally sound agricultural practices are at the heart of the policies and strategies being implemented to reduce the environmental impact of agriculture in Rwanda. Examples include the Rwanda Strategic Plan for

[44] Republic of Rwanda (2024). Rwanda Green Taxonomy.
[45] REMA (2021) Rwanda State of Environment and Outlook Report. Available at: https://www.rema.gov.rw/fileadmin/user_upload/Rwanda_SOER_-_Summary_for_Policy_Makers_Final-HR.pdf.

Agricultural Transformation 2024-2031, the Rwanda Livestock Master Plan 2018-2022, the Rwanda National Agricultural Policy 2018, the Economic Development and Poverty Reduction Strategy 2013 (EDPRS), the Green Growth and Climate Resilience Strategy 2023 (GGCRS) and Vision 2050. Rwanda also developed its first National Biodiversity Strategy and Action Plan (NBSAP) in 2003, which was revised in 2016 to align with the CBD's Strategic Plan for Biodiversity 2011-2020.

102. **Vision 2050 (2020).** Rwanda's Vision 2050 sets forth an ambitious long-term goal of becoming an upper-middle-income nation by 2035 and a high-income country by 2050. The government of Rwanda has committed substantial resources to enhancing agricultural productivity, expanding the livestock sector, promoting sustainable land management, and developing supply chains and value-added activities. Under Vision 2050, the agriculture sector aims to increase the number of professional farmers, commercialize value chains, and become market-driven, targeting nearly 15 times greater productivity. To achieve this, the agriculture value added per worker must increase more than eight-fold by 2035 and more than triple by 2050. This transformation will also reshape Rwanda's landscape, with farmers using less land while producing more through modern, land-efficient techniques such as urban farming and greenhouses. The goal is for the agricultural sector to meet all domestic dietary needs by 2050, while traditional cultural exports are expected to double in volume and quadruple in value. However, this transformation will require significant increases in the availability of electricity and water, resources that are increasingly threatened by climate change. With this in mind, Vision 2050 aims to transform the economy and enhance the quality of life for all Rwandans by fostering a carbon-neutral and climate-resilient economy. The strategic direction and pathways to achieve this are outlined through five pillars: Human Development, Competitiveness and Integration, Agriculture for Wealth Creation, Urbanization and Agglomeration, and Accountable and Capable State Institutions.

103. **Strategic Plan for Agricultural Transformation (PSTA 5)** (2025-2031) – with the tile **"Building resilient and sustainable agri-food systems".** In a world that is becoming increasingly volatile, the transformation of agriculture requires a more adaptive strategy that takes into account the multifaceted nature of the sector and exogenous factors such as climate change and other global events. PSTA 5 emphasizes the need to consider broader agri-food systems and climate resilience to achieve national economic development as well as food security and nutrition objectives. This plan recognizes the substantial resources required and, more importantly, the need to strengthen the interlinkages between agricultural development and other areas such as health, environment, commerce, finance, ICT, education, gender equality, and youth empowerment. The mission of the plan is to ensure food security and nutrition for Rwandans by using modern agribusiness technologies, professionalizing farmers in terms of production, commercialization of outputs, and creating a competitive agricultural sector. The 4 key policy objectives are (i) Increased contribution to wealth creation; (ii) Economic opportunities and prosperity - jobs and poverty alleviation; (iii) Improved food security and nutrition; and (iv) Increased resilience and sustainability. Recognizing climate change as a tremendous force with severe impacts on incomes and food security, PSTA 5 will prioritize climate resilience. This includes climate-smart land management, land health, water management, and improved seeds and breeds. Regenerative conservation agriculture techniques will be embedded in the extension system, with a research focus on developing and implementing climate-resilient technologies and practices.

104. **Green Growth and Climate Resilience Strategy (2023).** The revised Green Growth and Climate Resilience Strategy (GGCRS) has three strategic objectives:

(i) Achieve energy security and low-carbon energy supply to support the development of green industry and services while avoiding deforestation.

(ii) Achieve sustainable land use and water resource management to ensure food security, appropriate urban development, and the preservation of biodiversity and ecosystem services.
(iii) Ensure social protection, improved health, and disaster risk reduction to reduce vulnerability to climate change impacts.

105. To foster inclusive growth, Rwanda aims to create green opportunities and enhance climate resilience in rural areas through targeted off-grid services and restructuring settlements. The revised GGCRS supports this by optimizing land use for maximum GDP contribution and sustainable development. By 2050, the strategy aims to increase the value added per worker to over $14,000 annually and ensure all rural residents have access to integrated, green, and clustered settlements.

106. The strategic interventions prioritize policy actions and investments in green industrialization and trade, green urban transition and integration, sustainable land and natural resource management, and the development of vibrant, resilient, and green rural livelihoods. Specifically, for the agriculture sector, the GGCRS objectives include: (i) Enhancing agro-ecology, crop variety development, and climate resilience for markets; (ii) Improving on-farm water and energy management with efficient irrigation systems; (iii) Adding value through diversification, manufacturing, and market expansion; (iv) Developing agroforestry and soil management for sustainable agriculture; (v) Rehabilitating forests and improving forest management; (vi) Promoting conservation, ecotourism, and Payments for Ecosystem Services (PES).

107. The investment required to implement the revised GGCRS will average $2 billion annually, with approximately $700 million coming from government budgets and spending.

108. Ensuring food security in the face of urbanization, population growth, and climate change involves:

- Implementing climate-smart agriculture practices, such as mechanization, efficient irrigation, and improved livestock husbandry.
- Investing in climate-resilient crop varieties, multi-cropping, crop rotation, and organic fertilizers to boost yields and manage soil quality.
- Developing insurance markets to protect farmers from climate and disease risks.

109. As the population grows, agriculture will shift towards consolidated rural settlements. Land will be assessed for suitability, and value chains will be developed to improve market access and reduce post-harvest losses. Improved forest management and natural resource conservation will be encouraged through private sector incentives, reforestation, eco-tourism, PES, and community adaptation agreements.

Strategic Intervention	Mitigation	Adaptation	Green Growth	Key indicator	Total cost until 2050 (US$ millions)
Enhance agro-ecology, crop variety, climate resilient cultivars and animal breeds, local and export markets		✓	✓	Climate resilient crop varieties: (i) number of varieties developed and (ii) percentage of farmers adopting them	1,089
Improved on-farm water and energy management incl. efficient irrigation and farming systems	✓	✓	✓	Number of hectares under irrigation within IWRM (Integrated Water Resources Management) framework	2,955
Diversification and manufacturing with expansion of local and export market access		✓	✓	Capacity of storage constructed in MT (million metric tonne)	470
Developing agroforestry and soil management for sustainable agriculture and fruit production	✓	✓	✓	Average tree density (tree/ha) in crop and agroforestry lands	734
Rehabilitation of degraded forest resources and improvement of forest management	✓	✓		Number of ha restored and set under approved management plan	150
Promoting conservation, community-based ecotourism, and enforcement of PES	✓	✓	✓	Tourism revenue generated by ecotourism parks sites per year	72

Figure 8: Strategic interventions summary[46]

Enabling pillars:

110. **Updated Nationally Determined Contributions (2020).** Rwanda's contribution to climate change through greenhouse gas (GHG) emissions is relatively small. However, emissions from deforestation, agriculture, and land use, combined with anticipated growth in emissions due to economic development and increased energy use, significantly impact Rwanda's carbon footprint, necessitating a mitigation response. Rwanda's mitigation efforts focus on reducing GHG emissions relative to a business-as-usual (BAU) emissions baseline for the period 2015-2030. Total emissions, excluding forestry, were estimated at 5.33 million tCO2e in the baseline year. The agriculture sector accounted for the largest share (2.94 million tCO2e, 55% of the total), followed by energy (1.68 million tCO2e, 31%) and waste (0.64 million tCO2e, 12%). Under a BAU projection, Rwanda's total emissions are expected to more than double from 5.3 million tCO2e in 2015 to 12.1 million tCO2e by 2030. Despite the potential for increased productivity, agricultural output is expected to be limited by land availability, which will constrain emissions growth

[46] Green Growth and Climate Resilience Strategy: A coherent framework of interventions and actions for a climate-resilient and carbon neutral Rwanda, 2023.

from this sector. Therefore, Rwanda will need to explore innovative agricultural approaches, such as utilizing vertical farming technologies, to increase crop yields within smaller land areas.

111. A detailed assessment of identified GHG mitigation options for Rwanda estimates a total emissions reduction potential of around 4.6 million tCO2e by 2030 against the BAU emissions of 12.1 million tCO2e for the same year. In the agriculture sector, soil conservation measures—such as terracing, conservation tillage, multi-cropping, and crop rotation—account for around half of the sector's mitigation potential. Other significant measures include reducing enteric fermentation emissions from livestock through improved animal genetics, husbandry practices, feeding and manure management.

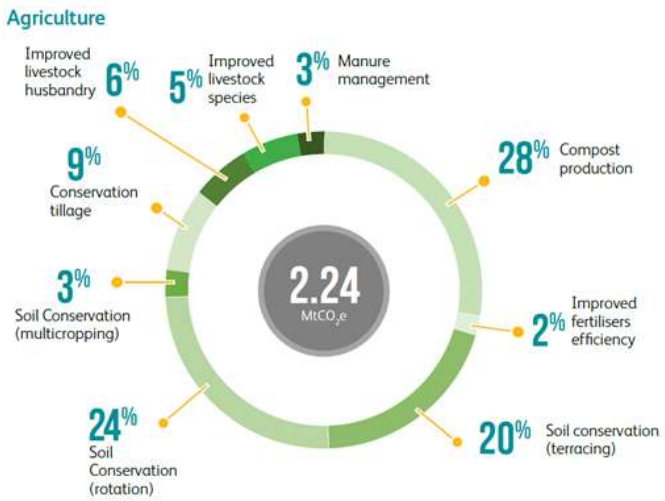


Figure 9: Estimated GHG mitigation potential in 2030 from all mitigation measures[47]

112. Though Rwanda is among the countries with lowest emission per capita worldwide, it is highly vulnerable to climate change. Therefore, adaptation to climate change is a key concern and priority for Rwanda. A total of 24 adaptation interventions are proposed, classified into 8 key sectors. Of these interventions, 15 are focused on the water, agriculture, and land/forestry sectors, as detailed in the table below.

Water	1	A national water security through water conservation practices, wetlands restoration, water storage and efficient water use
	2	Water resource models, water quality testing and hydro-related information
	3	Develop and implement a management plan for all level 1 catchment
Agriculture	4	Develop climate resilient crops and promote climate resilient livestock
	5	Develop climate resilient post-harvest and value addition facilities and technologies
	6	Strengthen crop management practices
	7	Develop sustainable land use management practices
	8	Expand irrigation and improve water management
	9	Expand crop and livestock insurance
Land and Forestry	10	Development of agroforestry and sustainable agriculture
	11	Promote afforestation/reforestation of designated areas
	12	Improve forest management for degraded forest resources
	13	Integrated approach to planning and monitoring for sustainable land use management
	14	Harmonized and integrated spatial data management system for sustainable land use
	15	Inclusive land administration that regulates and provides guidance for land tenure security

Figure 10: Selected adaptation interventions in the water, agriculture, and land/forestry sectors

113. **Environment and Climate Change Policy (2019)**. The policy's aim is to create a climate-resilient nation with a clean and healthy environment and its main objectives include:

[47] Republic of Rwanda (2020). Updated Nationally Determined Contributions.

- **Greening economic transformation**: This encompasses resource efficiency, low carbon initiatives, climate resilience, a circular economy, green technology and procurement, green urbanization and settlements, and green mobility.
- **Strengthening meteorological and early warning services**: The focus is on the production and mainstreaming of climate and weather services into all sectors of Rwanda's socio-economic development, ensuring the production and accessibility of these services for better planning across the economy.
- **Promoting climate change adaptation, mitigation, and response**: This involves strengthening mitigation and adaptation efforts in both planning and implementation phases.
- **Enhancing environment and climate change governance**: This includes mainstreaming environment and climate change considerations into all sector policies, coordinating the management of critical ecosystems, inclusive decision-making and interventions for environmental and climate change management, educating and raising awareness among the Rwandan society on environmental, weather, and climate change issues, and reinforcing the institutional framework and coordination mechanisms.
- **Promoting green foreign and domestic direct investment and other capital inflows**: This aims at strengthening environmental and climate financial mechanisms for greater efficiency, effectiveness, and impact, and enhancing the integration of climate-proofing in capital inflows within national economic planning.

114. **Sixth National Report to the Convention on Biological Diversity (2020).** Rwanda has shown a strong commitment to biodiversity conservation, with key targets including:

- Increasing forest cover to 30% of the country's total land area.
- Reducing the use of biomass fuel from 95% to 50% by 2020.

115. Furthermore, emphasis is placed on biodiversity and ecosystem management, pollution control, and waste management. The Government's pledge to maintain 30% forest cover has been achieved, but attention must also be given to the quality and usability of forest resources. Poverty, a major driver of environmental degradation and biodiversity loss, necessitates comprehensive poverty reduction initiatives. Efforts to promote sustainable agriculture, especially agroforestry, have been significant, but more needs to be done regarding Integrated Water Resources Management (IWRM). Improperly managed irrigation can lead to soil fertility loss, increased erosion, water body sedimentation, and pollution. Over-extraction of groundwater and surface water is also a concern. The Government remains dedicated to erosion control and optimal land use. Safeguards are essential to ensure sustainable agriculture, both irrigated and rain-fed. Scaling up the reintroduction of native fish species and selective fishing of invasive species, along with intensifying aquaculture as an alternative to capture fisheries, is also recommended.

116. **Environment Management Authority Strategic Plan (2022-2026).** The plan highlights the need to enhance silvicultural practices, particularly among small-scale plantation farmers, to increase the productivity and quality of wood. It also recommends diversifying the species grown, which are currently dominated by Eucalyptus. Environmental conservation has been integrated across various sectors and disseminated to lower levels of government. While continuing to raise environmental awareness is essential, it should be complemented by intensifying alternative livelihood options and technologies. These include fuel-efficient cook stoves, improved farming techniques, on-farm husbandry practices, efficient irrigation systems, and advanced charcoal production kilns. Such measures will help address the threats leading to biodiversity loss.

Key Laws and Regulations

117. **National Environment Law (2005):** The National Environment Law provides a framework for the protection, conservation, and promotion of the environment in Rwanda. It requires Environmental Impact Assessments (EIA) for all projects or policies that may affect the environment, as stipulated in Article 67, and mandates that these assessments be approved by the Rwanda Environmental Management Authority (REMA). Additionally, the law prohibits harmful activities such as waste dumping in water bodies, unauthorized bush burning, and construction in wetlands without approval. Penalties for non-compliance include suspension of activities and the obligation to rehabilitate environmental damage.

118. **Law N°48/2018 on Environment:** This law is rooted in the precautionary principle, ensuring that activities suspected of causing negative environmental impacts are not implemented unless a scientific assessment confirms the absence of harm. This principle reinforces a proactive approach to environmental protection.

119. **Law No. 43/2013 Governing Land in Rwanda:** The Land Law establishes guidelines for allocating, using, and managing land. It allows citizens to obtain freehold titles for up to 5 hectares and longer-term emphyteutic leases for up to 99 years. The law emphasizes the necessity of land registration and prohibits subdivision of agricultural plots below 1 hectare to ensure sustainable land use.

120. **Law No. 32/2015 on Expropriation in the Public Interest:** This law governs the process of expropriation, ensuring fair compensation for affected individuals. It requires the publication of expropriation plans and valuations, with compensation covering both land and improvements. Payments must be made within 120 days of approval, offering clarity and fairness to those impacted.

121. **National Water Law (2008):** The National Water Law regulates the use, conservation, and management of water resources in Rwanda. It defines public water domains, establishes rules for compensation for water resource damage, and imposes penalties for activities like pollution, ensuring sustainable water use and protection.

122. **Law N°30/2012 on Agrochemicals:** This law regulates the production, distribution, use, and disposal of agrochemicals to protect human and animal health as well as the environment. The Ministry of Agriculture and Animal Resources oversees its implementation, promoting safe and sustainable agricultural practices.

123. **Ministerial Order No. 001/2006 on Land Registers:** This order outlines the structure of land registers and assigns responsibilities to district land bureaus. It ensures the effective registration and monitoring of land, promoting transparency and encouraging rural populations with customary rights to register their land.

Nutrition Policy Environment

124. **Food systems pathways**: Rwanda's journey towards a food systems transformation is well captured in Vision 2050, the National Strategy for Transformation (NST 1), Strategic Plan for Agriculture Transformation (PSTA 5), and strategic plans for sectors such as agriculture, health, nutrition, commerce, and the environment. These priorities are addressed in some of the ongoing programs and investments of the government and partners. The country has also committed to Global and Regional declarations, which cover many of the food system components (CAADP). Rwanda has identified nine potential pathways to address food system challenges[48], covering issues across the agricultural landscape, nutrition security, equity, resilience and social inclusion to be addressed under four strategic priorities:

[48] Pathways for Rwanda's food systems transformation in support of the SDGs 2030 agenda.

1. Ensuring Availability, Accessibility, Affordability and Food Safety for all while increasing demand for healthy and nutritious diets.
2. Developing food systems that contribute to environmental sustainability.
3. Enabling farmers and others in the food chain to enjoy decent livelihoods and to promote rural development while building resilience to vulnerabilities, shocks and stresses
4. Emerging cross-cutting themes include enhancing the contributions from women and young people and financing for Food Systems transformation.

125. Rwanda has put considerable efforts towards transforming its food systems, but the country is yet to develop a strategy for the food system transformation. A comprehensive diagnostic and landscaping analysis by the Food System Transformative Integrated Policy (FS-TIP)[49] Initiative identified the following as integral areas that constraint the potential of food supply chains to meet the population's needs for healthy diet:

- Insufficient production and low crop yields (crop production remains at ~45% of potential yield)
- Limited diversity in production with a focus on priority, staple crops;
- Under-developed supply chains with limited private sector investment;
- Poor infrastructure for transportation, storage, and distribution

126. **National Food and Nutrition Policy (NFNP) 2013-2018:** The National Food and Nutrition Strategic Plan of 2013-2018 links nutrition, household food security and social protection through seven strategic directions (SDs) that address Rwanda's nutrition issues using a conceptual framework adapted from the Health Sector Strategic Plan III (HSSP-3), which includes multi-sector ownership, responsibilities, joint participation, with foundational principles of good governance and linkages to national and international policies. Nutrition programs are decentralised through District Action Plans to Eliminate Malnutrition (DPEM) and Joint Action Development Forum (JADF).

127. **The National Early Childhood Development Strategic Plan 2018-2024:** This National Strategic Plan for Early Childhood Development (2018-2024) has been developed to speed up the implementation of the National Policy on ECD, and ensure it is in line with the national development objectives outlined in the National Strategy for Transformation (NST 2017-2024). It is a statement of intent underlining what should be done to ensure that Rwandan children are given a fair chance to survive, grow, develop and participate. While the pivotal role of ECD services in supporting child development is well recognized, such services are accessed by less than one-fifth of eligible children in Rwanda. This Strategic Plan is designed therefore to increase access to ECD services, as well as to ensure that services are integrated and of adequate quality.

128. **National Gender Policy (2010) and Strategic Plan (2011-2016)** In regard to FNS, the gender policy contains several strategies across various sectors of gender mainstreaming. Within agriculture, for example, the policy recognizes the need for "undertaking gender sensitive measures aimed at transforming the subsistence agriculture into a market-oriented agriculture and empower the farmers, especially women, with appropriate knowledge and skills for food production and processing". The policy also calls for the enhancement of men and women's agricultural productivity to improve food security; increased capacity in the areas of food preservation and the storage of surplus; and for the provision of efficient facilities for food distribution. Furthermore, the 2011-2016 Gender Strategic Plan set three strategic outcomes which apply to FNS: (1) Gender mainstreaming is improved in all sectors in compliance with the National Gender Policy. (2) Gender Based

[49] Accelerating Rwanda's Food Systems Transformation - Diagnostic and Landscaping Analysis by the Food System Transformative Integrated Policy (FS-TIP) Initiative August 2021.

Violence (GBV) is adequately responded to in all sectors. (3) The implementation of all international commitments related to gender is improved.

Gender

129. COSOP aligns with the Revised National Gender Policy 2021,which is promoting an intersectional approach to gender equality, understanding that gender issues can not be addressed in isolation from issues related to race, disability, faith, sexual orientation, etc. COSOP's approach and emphasis on social and economic empowerment of women, and their equitable engagement in different spheres of society, but also the evolvement in measures for gender transformation, which addresses underlying patriarchal unequal power dynamics for an equal society in which men and women have equal rights and equal opportunities in society, politics and economic spheres. The approach is in line with key policies, acts, and laws in the Rwandan context, including the midterm Economic Development and Poverty Reduction Strategy (EDPRS), District Development Plans, Vision 2050, and now the latest National Transformative Strategy Engaging Men and Boys in Gender Equality Promotion. This strategy includes working through educational institutions and other channels to promote gender equality, and reduced GBV, plus education on reproductive health. Relevant acts and policies include the Law No.43/2013 on governing land in Rwanda that determines the modalities of allocation, acquisition, transfer, use and management of land in Rwanda and puts equal rights to land ownership.

Youth

130. Rwanda's Youth priorities are articulated in the Constitution of 2003 (revised in 2015), Youth Policy 2015 (currently being revised) and vision 2050. Thereby, the emphasis is on promoting youth economic empowerment and engaging them to fully participate in the economic transformation of Rwanda into an upper-middle-income country by 2035 and a high-income country by 2050. Promoting youth skills development, employment and entrepreneurship were among the objectives of the Vision 2020 with focus on developing vocational and technical training in the fields of technology, engineering and management. The COSOP will build on the country's efforts in creating a thriving ecosystem for rural transformation and employment creation that harnesses Youth potential, levelling on the Private Sector Development and Youth Employment Strategy (PSDYES) and the new Strategic Plan for Agriculture Transformation (PSTA).

Institutional Capacity to Implement SECAP and Manage SECAP-Related Risks

131. Rwanda has made significant progress in developing institutional capacity to address environmental, social, and climate risks. Key strengths include:

- **Policy framework**: Rwanda has a robust policy environment, with institutions such as REMA (Rwanda Environment Management Authority) and RAB (Rwanda Agriculture Board) actively enforcing environmental regulations and promoting sustainable practices.
- **Institutional structures**: REMA oversees environmental safeguards, while other agencies like the Ministry of Environment and Ministry of Agriculture support policy alignment with climate resilience and sustainability objectives.
- **Experience in project implementation**: Rwanda has successfully implemented projects funded by international development organizations, demonstrating a capacity for compliance with safeguard requirements and risk management practices.

132. However, there are notable gaps in capacity:

- **Limited technical expertise**: There is a shortage of trained personnel specialized in environmental, social, and climate risk assessments, particularly at decentralized levels.
- **Inadequate monitoring and evaluation (M&E)**: Systems for continuous monitoring of safeguards implementation remain underdeveloped.
- **Resource constraints**: Limited financial and human resources hinder the ability of institutions to fully integrate SECAP principles into project planning and implementation.

133. Recommendations for capacity building activities: To enhance institutional capacity for implementing SECAP and managing risks in future projects, the following activities are recommended:

- **Training**:
  - Conduct targeted training for REMA, RAB, and local government staff on SECAP principles, risk assessment methodologies, and safeguard implementation.
  - Develop and disseminate training materials, including practical case studies and tools, to guide project implementers.
- **Strengthening M&E systems**:
  - Invest in digital tools and technologies for real-time monitoring of environmental, social, and climate risks.
  - Train local institutions on advanced M&E techniques and integrate SECAP-related indicators into existing frameworks.
- **Stakeholder engagement**:
  - Enhance engagement with local communities and civil society organizations to ensure inclusive project design and implementation.
  - Provide participatory training programs to build awareness of SECAP safeguards among stakeholders.
- **Resource mobilization**:
  - Work with international development partners to secure funding for long-term capacity-building initiatives.
  - Promote partnerships with multilateral development banks to support SECAP integration into national development plans.
- **Institutional coordination**:
  - Establish a centralized coordination mechanism involving REMA, RAB, and other key stakeholders to ensure alignment of SECAP objectives across sectors.
  - Foster inter-agency working groups to share expertise and streamline safeguard implementation.

2.3 Programmes and partnerships

National Institutions

134. The **Ministry of Environment (MoE)** is the coordinating institution for the Environment and Natural Resources Sector in Rwanda. It was established to promote environmental development, safeguard green and climate-resilient economic growth, and ensure the optimal and rational utilization of water resources, lands, and forests for sustainable national development. The MoE's key priorities include environmental assessment and enforcement, climate-smart agriculture, landscape restoration and forestry, biodiversity conservation, waste management and the circular economy, sustainable cities and settlements, sustainable transport, renewable energy and energy efficiency, as well as disaster and risk management. MoE in Rwanda is spearheading several significant projects:

- Transforming Eastern Province through Adaptation (TREPA): Running through 2027, this project aims to shift from degraded to resilient landscapes and sustainable livelihoods in the Eastern Province. Implemented by World Agroforestry (ICRAF), the International Union for Conservation of Nature (IUCN), the Ministry of Environment, Rwanda Forestry Authority (RFA), Enabel, World Vision, and Cordaid, TREPA intends to increase the resilience of 75,000 smallholder farmers and restore 60,000 hectares of drought-prone degraded landscapes. The project focuses on agroforestry, soil erosion control, reforestation, and pastureland restoration, with economic incentives linked to climate-resilient agricultural and tree products.
- Reducing Vulnerability to Climate Change through Enhanced Community-Based Biodiversity Conservation (COMBIO): This project, led by the Ministry of Environment with support from RFA, IUCN, and Enabel, targets the districts of Kayonza, Nyagatare, Gatsibo, Kirehe, Ngoma, Bugesera, and Rwamagana. Running from December 2021 to December 2027, COMBIO addresses climate change impacts on ecosystems through restoration of degraded lands and vulnerable ecosystems. The project aims to sustain biodiversity, re-establish ecological functions, and improve community livelihoods by adopting measures to mitigate climate change impacts.
- Volcanoes Community Resilience Project (VRP): Supported by the World Bank and coordinated by the Ministry of Environment, this project aims to strengthen climate resilience, reduce flood risks, and improve natural resource and tourism asset management in the Volcanoes Region. Implemented by REMA, Rwanda Water Resources Board, Rwanda Development Board, Rwanda Forestry Authority, Ministry of Emergency Management, Rwanda Meteorology, and Rwanda Housing Authority, VRP focuses on flood risk reduction, ecological restoration, and livelihood improvement. The project spans five years with an estimated investment of over USD 300 million from various partners.
- Strengthening Climate Resilience for Rural Communities in Northern Rwanda (GREEN GICUMBI): Mobilizing over USD 32 million from the Green Climate Fund (GCF), this project aims to strengthen climate resilience in nine sectors of Gicumbi District over six years. It focuses on restoring ecosystem services in the Muvumba watershed, increasing community capacity to manage forest resources, and supporting climate-resilient agriculture. The project also invests in climate-resilient settlements for vulnerable families and supports community-based adaptation planning and livelihood diversification. Overseen by the Ministry of Environment and executed by the Rwanda Green Fund (FONERWA) in partnership with the Gicumbi District, the project has made significant progress since its launch in 2019.

135. The **National Land Authority (NLA)**'s mandate is to manage and administer land in Rwanda, including implementing land policy, land use planning, land registration,

land consolidation, and management of land conflicts. The agency is under the Ministry of Environment. One key area of focus is the development of crop suitability mapping and soil analysis strategies. These initiatives aim to determine the suitability of land for various crops and recommend agricultural practices for soil protection, such as terracing, and flood prevention. The Authority also developed the National Land Use and Development Master Plan (NLUDMP) 2020–2050, a comprehensive plan outlining the long-term development vision for the country's land resources. This master plan provides the overarching land use framework for Rwanda.

136. The **Rwanda Water Resources Board (RWB)** is committed to ensuring sustainable management and availability of water resources for development, with a focus on addressing floods, erosion, and enhancing artificial water storage through initiatives like dam construction. RWB's efforts encompass diverse areas such as sustainable land management, carbon credits, terracing, water fees, and waste management of water bodies. Key priorities include flood control in critical landscapes and developing storage solutions for the eastern and southern provinces. Additionally, RWB emphasizes certification and citizen science for erosion control, promoting sustainability and community involvement. Leveraging climate and carbon investments is crucial, alongside implementing hydro-analytics to enhance water security amidst climate change, urbanization, and agricultural intensification. RWB is also advancing initiatives like water fees, payment for ecosystem services, and fostering public-private partnerships. Notably, RWB plays a pivotal role in the Integrated Strategic Water Resources Planning and Management for Rwanda, partnering with FONERWA and the World Bank to assess water resource availability and vulnerability, formulate investment plans, and align policies with sustainable development goals.

137. **Meteo Rwanda** plays a vital role in Rwanda's development by providing accurate and timely weather and climate information essential for socioeconomic progress and public well-being. Their responsibilities include delivering hydro-meteorological services such as weather forecasts, climate data analyses, projections, and early warnings. They support public and private sectors and individuals in integrating weather and climate information into their short and long-term investments. Meteo Rwanda operates a national meteorological data centre and telecommunication system to facilitate rapid exchange of weather data in alignment with international guidelines from organizations like the WMO, ICAO, and IPCC. They oversee meteorological station operations, conduct research and training in weather and climate science, implement international meteorological agreements, and advise the government on weather and climate-related issues. On a daily basis, Meteo Rwanda drafts funding proposals for climate fund mobilization, enhances capacity in climate services for agriculture and rural development, and develops climate services such as historic climate analyses and agrometeorological bulletins. They also conduct research on climate projections, provide extension services to assist farmers in planning crop calendars and seasonal production, and offer training to farmers and facilitators in climate-smart practices.

138. A collaborative effort among several government institutions, including the Ministry of Local Government (MINALOC), Rwanda Water Resources Board (RWB), Ministry of Environment (MoE), Rwanda Environment Management Authority (REMA), Rwanda Forestry Authority (RFA), Rwanda Meteorology Agency (METEO Rwanda), Ministry of Agriculture and Animal Resources (MINAGRI), Rwanda Agriculture and Animal Resources Development Board (RAB), Ministry of Emergency Management (MINEMA), and Ministry of Finance and Economic Planning (MINECOFIN), is exemplified by the National Program for Soil Erosion Control (NAPROSEC). Currently, soil erosion affects over 663,891 hectares across Rwanda. NAPROSEC aims to raise awareness about soil erosion issues, foster citizen involvement in erosion control efforts, implement immediate erosion control measures to prevent

disasters like landslides, enhance soil productivity, and establish and empower soil erosion task force teams at local and national levels. The program seeks to promote comprehensive actions to combat erosion and safeguard the country's land resources.

Civil society organizations

139. The **Albertine Rift Conservation Society (ARCOS) Network** is an environmental organization dedicated to biodiversity conservation and sustainable development in the Albertine Rift region. ARCOS aims to improve environmental stewardship, climate resilience, and community livelihoods through various initiatives. In Rwanda, ARCOS integrates conservation efforts with sustainable development to create resilient ecosystems and communities.

140. Its six strategic pillars include:

1. Forest Landscape Restoration (FLR), including tree planting, agroforestry, and community-based forest management.
2. Sustainable Agriculture and Agroforestry, including training farmers in agroforestry techniques, improving soil health, and enhancing crop yields.
3. Climate Resilience and Adaptation, including implementing climate-smart agriculture, promoting sustainable land management practices, and supporting community-based climate adaptation strategies.
4. Biodiversity Conservation, including conserving critical habitats, protecting endangered species, and promoting sustainable natural resource management.
5. Water Resource Management, including watershed management, improving water use efficiency, and promoting water conservation practices.
6. Community Livelihood Improvement, including developing eco-friendly income-generating activities, supporting sustainable enterprises, and promoting environmental education.

141. Ongoing initiatives include:

- The Great Lakes Freshwater Programme, which promotes integrated management of freshwater ecosystems, enhances freshwater biodiversity conservation, and improves community livelihoods and ecosystem services. This programme also focuses on reducing environmental threats through effective policies and practices and disseminating information through a regional participatory information system.
- The Sustainable Mountain Development for Global Change (SMD4GC) Africa Programme, which contributes to sustainable mountain development under changing climatic, environmental, and socioeconomic conditions. This involves launching policy instruments for sustainable mountain development (SMD) and implementing knowledge based SMD activities.
- The Nature-Based Community Enterprises (NBCEs) programme, which aims to sustain community development through sound environmental management and strengthen nature-based enterprises by supporting community engagement in environmental management and building networks for knowledge exchange.
- The Building Resilience to Climate Change and Sustainable Livelihoods in Rwanda’s Agrosystems Programme, which aims to build resilient ecosystems for carbon sequestration and empower community groups for inclusive and sustainable livelihoods in the Rulindo and Bugesera landscapes. The project addresses issues such as soil erosion, reduced soil moisture, crop damage from flooding and landslides, and water quality and quantity problems.
- The MuLaKiLa Project, which aims to enhance community resilience to climate change through agroforestry. This project focuses on restoring approximately 20,000 hectares of land in the Rutsiro and Ngororero Districts, planting over 4.5 million perennial trees and an additional 5 million fast-growing trees and shrubs

and establishing sustainable agroforestry value chains. The MuLaKiLa Project also prioritizes enhancing community socio-economic conditions by promoting the sustainable production of tea and coffee, thus improving local resilience to climate change impacts and enabling communities to attain consistent income and enhanced food security.

UN agencies and other international organizations

142. UN agencies are significantly engaged in Rwanda, implementing various programs and projects aimed at sustainable development and improving livelihoods.

143. **UNDP** and **FAO** are particularly active in the areas of forest and landscape restoration, agroforestry, and green economy transformation in Rwanda. Some notable projects include:

- Forest and Landscape Restoration Mechanism: This project aims to restore degraded forests and landscapes, promoting biodiversity and improving the livelihoods of local communities. The initiative supports the implementation of Rwanda's national forestry policies and contributes to global efforts to combat climate change.
- Sustainable Energy for Food Production: Implementing solar-powered irrigation systems to ensure sustainable and efficient energy use in agriculture, this project enhances food security and supports smallholder farmers in adapting to climate change.
- Rwanda Improved Cookstoves: Promoting the use of clean cooking technologies, this initiative aims to reduce indoor air pollution, deforestation, and greenhouse gas emissions. By distributing energy-efficient cookstoves, the project improves public health and conserves natural resources.
- Mitigating Food Losses through Energy-Efficient and Climate-Friendly Cooling: In partnership with the Rwanda Environment Management Authority (REMA), the African Centre of Excellence in Sustainable Cooling and Cold-chain (ACES), and the Green Climate Fund (GCF), this project focuses on reducing food loss through energy-efficient refrigeration and emission reduction. It aims to decrease post-harvest losses, increase agricultural exports and nutritious food, enhance skilled labour, improve livelihoods, and reduce greenhouse gas emissions.
- Capacity Building on Multilateral Environmental Agreements in African, Caribbean, and Pacific Countries (ACP MEAs 3): This initiative focuses on implementing multilateral environmental agreements on biodiversity and chemical management at both policy and field levels. It enhances the capacities of local institutions and stakeholders to address environmental challenges.
- Green Cities Action Programme for Africa: This program promotes urban greening initiatives, focusing on sustainable urban planning, green infrastructure, and climate resilience in Rwandan cities.
- Resource mobilization from climate funds is allocated to projects focusing on agroforestry and coffee (GEF), aquaculture, ecosystem, and landscape restoration (GCF), and ethanol for clean cooking.

144. **WFP** also plays a crucial role in addressing food security and nutrition in Rwanda through various projects. It is also actively involved in disaster risk reduction and resilience building, working closely with communities to enhance their resilience against climate shocks and disasters. This comprehensive approach includes promoting climate-smart agriculture, improving water management, and strengthening early warning systems.

145. **GIZ** is particularly engaged in Nationally Determined Contributions (NDC) and their updates in Rwanda. Their work includes data collection and validation, report drafting, and dissemination of results. GIZ's expertise spans both climate change adaptation and mitigation, including activities such as greenhouse gas (GHG)

inventory development. Additionally, GIZ is involved in mainstreaming NDCs into national strategic plans as well as district strategic and action plans. In terms of climate finance, GIZ focuses on building the capacity of civil society, the private sector, and commercial banks to develop attractive financial products that address climate change. Specific projects include (i) the NDC Assist Project, which supports the integration of NDC targets into national and local planning processes through capacity building, technical assistance, and fostering multi-stakeholder engagement, (ii) the E-Mobility Programme, promoting the adoption of electric vehicles in Rwanda to reduce carbon emissions from the transport sector, involving infrastructure development, policy support, and public awareness campaigns, (iii) waste management and energy efficiency projects aimed at improving waste management systems and enhancing energy efficiency in various sectors to reduce environmental pollution and improve resource utilization, (iv) forest and landscape restoration in collaboration with the International Climate Initiative (IKI), focusing on restoring degraded forests and landscapes to contribute to biodiversity conservation and community livelihoods, and (v) climate finance training for the private sector, where GIZ provides training to help private sector entities develop bankable projects for climate finance, such as sustainable, climate-resilient projects in the agro-processing sector.

146. **CIAT** focuses on climate information services, climate-smart agriculture, and digital tools for agriculture in Rwanda. It is involved in the USAID-financed Climate Services for Agriculture project, developing the Participatory Integrated Climate Services for Agriculture (PICSA) approach, which has reached 120,000 farmers. PICSA integrates experts from the Rwanda Agriculture Board, district extension services, and village lead farmers, using community radio to train journalists and create interactive broadcasts. A key feature of PICSA is comprehensive training workshops for stakeholders to use climate information services for agricultural decisions and evaluate yield improvements. CIAT collaborates with 16 farmer cooperatives across six districts to disseminate PICSA further. Additionally, CIAT is engaged in an $800,000 project funded by the Foreign, Commonwealth & Development Office (FCDO) to deliver climate information services to farmers. Regionally, CIAT operates in Rwanda, Kenya, Tanzania, and Uganda, focusing on farming systems and production hubs, ensuring gender and disadvantaged group inclusion through advisory committees.

147. CIAT is also heavily involved in digital tools for agriculture, such as the AVAYA project, which uses integrated voice recording with mobile companies. With the increasing digital penetration of smartphones, CIAT develops context-specific content for smallholder farmers and sets up digital hubs in communities where smartphone users share information. This information is tailored to local needs and provided in the local language, with continuous capacity building to ensure stakeholders have access to new knowledge. Similar initiatives include Lersha in Ethiopia, Esoko in Ghana, Jokalande in Senegal, and DACA across Africa.

148. CIAT partners with the Rwanda Agriculture Board (RAB), Rwanda Meteorological Agency, ICPAC, and Shamba Shape Up (a TV series in Kenya and Uganda). In Rwanda, CIAT emphasizes community radios, supporting the development of broadcast topics related to planting, crops, and harvesting. CIAT also assists the Rwandan government in incorporating climate information services and resilience components into policies, focusing on capacity building to ensure effective use of tools like the Meteo Rwanda Map Room, an online tool for determining seasonal timelines.

149. A notable project funded by the Bill and Melinda Gates Foundation, with an $8 million budget, focuses on unpacking agricultural climate-smart technologies along specific value chains. It involves data collection, developing agricultural risk management (ARM) practices, cost-benefit analysis, and creating a dashboard to advise Rwandan districts on the most appropriate ARM practices for specific

locations. Additionally, CIAT collaborates with FONERWA and Ireme Invest on a $2 million project to attract investors in green, sustainable development projects. This initiative includes developing blueprints for potential investors, capacity development, and profit-making strategies, with an upcoming call for proposals for investor grants.

Private sector companies

150. The private sector in Rwanda is also actively engaged in climate-smart agriculture and innovative environmental solutions. For example, Ampersand designs electric motorcycles and partners with asset investors. While the current focus is on urban areas, there is potential for expansion into rural areas. These electric motorcycles offer energy efficiency and cost reduction, with 90% of customers purchasing through loans. The typical cost is 2.1 million Rwandan francs (approximately $800), with asset financing options available at around $2,000 over 18 months. Customers pay a weekly fee to the loan provider and cover maintenance costs, with an interest rate of about 19%. Initial deposits range from $60 to $100, and the repayment period is 18-24 months, after which the motorcycles are often sold.

151. HelloTractor is another private sector company involved in conservation agriculture, providing training and connecting smallholder farmers with tractor services. Their fleet management solutions include remote control and a marketplace that connects equipment with farmers. Community agents can graduate to become tractor owners after cultivating 1,200 hectares, supported by a 5% down payment incentive. About one-third of their portfolio consists of women in asset ownership. They also train farmers on best practices in climate-smart agriculture and conservation agriculture.

Nutrition activities are coordinated at three administrative levels: Central, Sector and district:

- **The Inter-Ministerial Coordination Committee (IMCC)** is the highest-level convening body under the leadership of the MOH and co-chaired by Ministry of Finance and Economic Planning (MINECOFIN) as well as the United Nations Resident Coordinator. The committee brings together Government and development partners and reports to the Office of the Prime Minister.
- **The Social Cluster Food and Nutrition Steering Committee (SCF&NSC**). At the next level, senior officials from the MOH, MINAGRI and Ministry of Local Government (MINALOC) (or from affiliated agencies), co-chair the Social Cluster and Food and Nutrition Steering Committee (SCF & NSC). Their roles are to coordinate and implement the National Food and Nutrition Policy (NFNP) and the National Food and Nutrition Strategic Plan (NFNSP). Under the current coordination arrangement, the social cluster includes the following ministries: the MoH, MININFRA, MINEDUC, MINALOC, the Ministry of Youth and ICT (MYICT), MIGEPROF, and MIDMAR.
- **The National Food and Nutrition Technical Working Group (NF & NTWG**) was introduced in 2013 and is Rwanda's multi-sectorial food and nutrition coordination platform. This working group includes representation from the SCF & NSC, donors, UN agencies, civil society, academia and the private sector.
- **The Nutrition and Food Coordination Secretariat (NFNCS**), established in 2016, was formed as a government response to implement a higher priority targeted monitoring and evaluation and coordination mechanism which aims to improve nutrition and nutrition-related household food security issues.
- **District Multi-sectorial Nutrition Committees** are composed of District Vice-Mayors, Directors of Health and Agriculture, nutritionists, social protection, veterinary, and hygiene & sanitation officers. They operationalize and implement the District Plans to Eliminate Malnutrition (DPEM). International and National NGOs intervene at District levels through the JADF (Joint Action Development Forum)

structures. At the lowest level, CHWs as well as Farmer Promoters (FPs), play an important role in implementing community-based nutrition programs.

- **National donor coordination** for the Scaling Up Nutrition movement, chaired by the National Early Childhood Development Program (NECDP) and the United States Agency for International Development (USAID). These include participation from a wide range of local stakeholders. The quarterly consultations, under the government's leadership, are instrumental in ensuring that donor-supported interventions are well aligned to national plans and mutually complementary, discussing achievements, and resolving implementation bottlenecks.
- **Scaling Up Nutrition (SUN) Business Network** was officially launched in December 2022 and is supported by the World Food Programme (WFP), Sight and Life, and the National Child Development Agency (NCDA). The private sector plays a pivotal role throughout the food chain, from production to supply. Several efforts have been made to involve Rwandan businesses in the advancement of the nutrition agenda, including the Rwanda Food and Drug Authority, food fortification platform, Rwanda Standards Board technical committees, the nutrition and WASH technical working groups, and the Private Sector Federation.
- **United Nations Country Team:** One of UNCT's responsibility is to ensure achievement of nutrition results outlined in the UNSCDF in support of the National Strategy for transformation and Sustainable development Goals. The current UNSCDF cycle ends in 2024.

Gender

- **The Ministry of Gender and Family Promotion (MIGEPROF):** ensure strategic coordination of policy implementation around gender, family, women's empowerment and children issues;
- **The Gender Monitoring Office (GMO):** monitoring gender mainstreaming and the fight against GBV in public, private, civil society and religious institutions to achieve gender equality in Rwanda;
- **National Women's Council (NWC):** build women's capacity and ensure their participation in the national development through advocacy and social mobilization;

Youth

- **The Ministry of Youth and Arts**: Is the Central Government Institution mandated to create an enabling environment for Youth socio-economic empowerment.
- **The National Youth Council**: Social dialogue platform for the youth which convenes to discuss ideas for self and national development, achievements, and challenges, and jointly propose activities to be implemented.
- **Rwanda Youth in Agribusiness Forum (RYAF):** Supports young entrepreneurs to change their attitude towards agriculture by encouraging young people to seek job opportunities and business in the sector, advocacy, and coordination of youth by connecting them to opportunities: financially, internships, and microfinance institutions.
- **Youth Engagement in Agriculture Network (YEAN):** YEAN shares agriculture information and facts to the community especially to young people to lead in transforming traditional subsistence agriculture into agribusiness. The network aims at empowering young people to address community needs. YEAN inspires the youth to transform agriculture from substance to modern farming through skills development; teaching farmers new methods of farming to adopt modern and emerging techniques and approaches aimed at developing agripreneurs and the community. Such mobile apps include #WeAreFarmers250.
- Grassroots Youth Alliance: The Grassroots Youth Alliance is an approach initiated by IFAD to establish a mechanism that connects and aggregates youth voices from diverse backgrounds. In Rwanda, RYAF is the convener organization and is in charge of the elaboration of a ''RYA Procedure Manual'' that will define the aspects of

membership, mobilization, governance to give RYA a clear operational framework. As part of this COSOP, collaboration with RYA will be sought for advisory, consultative and advocacy functions to ensure rural youth voices are being heard and can co-shape strategies and opportunities relevant to them,

Part 3 – Strategic recommendations

3.1 Lessons learned

Lessons learnt from IFAD portfolio in Rwanda

152. IFAD's portfolio in Rwanda features several projects that emphasize climate and environmental sustainability, women empowerment and gender equality, youth empowerment and nutrition. Here are the 4 PoLG projects and their respective mainstreaming activities, along with the main insights gained and lessons learnt:

Kayonza Irrigation and Integrated Watershed Management Project - Phase II (KIIWP2)

i. **Watershed management:** This project integrates watershed management practices to enhance water resources, reduce soil erosion, and boost land productivity. Activities include reforestation, construction of check dams, and soil conservation measures.
ii. **Strengthening resilience to droughts:** The project addresses drought resilience through catchment rehabilitation and protection measures such as afforestation, reforestation, and agroforestry. These interventions support biodiversity, provide critical habitats, and increase tree cover, contributing to ecosystem stability.
iii. **Irrigation development and management:** KIIWP2 focuses on developing and rehabilitating irrigation systems to mitigate the effects of climate variability and ensure consistent water access for agriculture. It promotes efficient water use through techniques like the System of Rice Intensification (SRI) and supports the adoption of drought-tolerant crop varieties.
iv. **Biodiversity enhancement and climate resilience:** The project incorporates climate-smart agriculture practices to help farmers adapt to changing weather patterns. Balancing storages within irrigation systems create habitats for aquatic biodiversity. Efficient water and soil management practices are integral to enhancing climate resilience.
v. **Mainstreaming nutrition through production pathway**: KIIWP2 is promoting (i) climate-smart and nutrition-rich crop varieties, targeting the most vulnerable and food insecure Households, including Orange Fleshed Sweet Potatoes (FSP), iron rich beans, dark green leafy vegetables, (ii) trees, such as moringa, mango, avocado, and citrus trees, in agroforestry systems. For kitchen garden activities, it is important to consider the land size and the feasibility of growing vegetables.
vi. **Climate and Nutrition-Smart Technologies to reduce post-harvest losses** and improve year-round availability of nutritious crops: Provision of technologies and infrastructure (storage facilities, dryers, warehouses) coupled with training will address micronutrient deficiencies and provide.
vii. **Improve multi-sectoral approach and partnership:** For instance, strengthen partnership with the WFP led Home-Grown School Feeding Program to inform needs-based production for school feeding and link project producers to the procurement committees at district/senior levels.
viii. **Formal partnership with Rwanda Youth in Agribusiness Forum and the Rwanda Cooperative Agency:** Empowering initiative for a youth-led organisation support cooperative support. However, it is critical to consider capacity-building as part of such partnerships to strengthen governance and technical capacity.

Promoting Smallholder Agro-Export Competitiveness Project (PSAC)

i. **Sustainable agricultural practices:** PSAC promotes sustainable farming among smallholders, emphasizing soil health management and integrated pest management to reduce environmental impact while boosting productivity. The project also advocates for climate-resilient practices and energy/resource efficiency across value chains.
ii. **Climate-smart technologies and innovations:** The project supports the adoption of climate-smart technologies, including improved seed varieties, water-saving irrigation methods, and innovative drying technologies. Practices such as live mulching, intercrops, and crop rotation enhance environmental sustainability and food security.
iii. **Market access and infrastructure:** Enhancing market access and infrastructure indirectly promotes sustainable agricultural practices by facilitating efficient production and resource use.
iv. **Youth Employment ecosystem:** Building on the IFAD's agribusiness hub grant to create agri-preneurship (start-ups and business acceleration) and youth access to wage employment.

Rwanda Dairy Development Project - Phase 2 (RDDP 2)

i. **Sustainable livestock management:** RDDP 2 promotes sustainable dairy farming through improved feed and water management, and waste management systems.
ii. **Climate adaptation:** The project supports climate-resilient dairy farming practices to address climate impacts such as heat stress and water scarcity. Measures include rainwater harvesting, solar-powered systems, and climate-resilient fodder varieties.
iii. **Energy efficiency and waste management:** Solar panels at milk collection centres and processing plants improve energy efficiency. The project also emphasizes manure and waste management to reduce greenhouse gas emissions and environmental pollution.

Rwanda Dairy Development Project (RDDP)

i. **Leveraging on successful government-led campaigns** to promote milk and dietary diversity at household-level: The project also supported the creation of a specific module to be utilized in the FFS on nutrition and support distribution of other campaigns on nutrition at the household, health service and school level. Further, the project was testing distribution models for the ''One-cup of milk per child per day'' programme on the efficiency and effectiveness of varied distribution mechanisms, with a strong focus on local/community purchase. However, documentation of different approaches was very limited, and nutrition budget was quickly absorbed without meeting its initial target. For the future, adequate budgeting is pivotal.
ii. **Nutrition education through national campaigns and program such as GIRINKA, using the VBHCD model from Heifer, complemented with the Pass on Gift (activity) for dairy animals served as successful entry points.**
iii. **Investing in infrastructure** to complement nutrition education and increased demand: This included milk collection points and processing infrastructure, ensuring adherence in milk quality standards of traded milk, which ultimately also improved access to market for dairy farmers reducing the post-harvest losses through spoilt milk.
iv. **Strengthen women's decision-making role in the household and community, including membership and leadership in local institutions:** Complementary to GALS, women's participation in L-FFS were used to encourage their membership and leadership in dairy farmers' organizations and apex

organizations. To that end, leadership training for women, along with gender awareness training for cooperative leaders, was organized. Additionally, women were incentivized to participate in the district and national forums for dairy policy formulation through per diem and transportation allowances.

v. **Reduced workload and equitable balance between men and women** through the adoption of labour-saving technologies, such as rainwater harvesting, and the intensification of dairy production and provide opportunities for biogas systems for household energy and the introduction of GALS for improved allocation of tasks within the household.

vi. **Integration of GALS through L-FFS groups** seems to bear fruits, leading to improved participation of women in dairy cooperatives along with increased income for more purchasing power.

vii. **For RDDP II it is important to conduct and incorporate results of a gender analysis of the dairy value chain,** unpacking gender roles in livestock value chains, including management of animals, access and affordability of information, services and products and incomes, and impact on women's workload.

Partnership for Resilient and Inclusive Small Livestock Markets (PRISM)

i. **Climate-resilient livestock systems:** PRISM focuses on building resilience in small livestock systems through improved management practices and infrastructure development. The project includes rainwater harvesting, energy efficiency measures, and the establishment of fodder nurseries. These practices contribute to climate resilience by addressing water scarcity and promoting sustainable fodder management.

ii. **Waste management:** Effective waste management is implemented at abattoirs, veterinary clinics, and livestock markets to reduce environmental contamination.

iii. **Market integration:** Enhancing market access and infrastructure supports smallholder livestock producers in adapting to environmental changes and improving their livelihoods.

iv. **Pro-poor graduation pathways** with tailored services provided to the socio-economic conditions and specific households needs, leading to increased incomes and well-being. VBHCD model is using an integrated and holistic approach, combining efforts on knowledge creation and awareness raising on topics related to nutrition, finance, social cohesion, combined with technical capacity-building and Pass-on Gift activity for increased production and productivity.

v. **Pass-on Gift** activities increased the availability of animal-source foods at the household level, promoted consumption, especially amongst women and children, and increased purchasing power for nutritious foods.

vi. **Strategic link to social protection programmes**

Lessons learned:

At Design:

- **Ensure all required SECAP documents are developed with high quality**: It is crucial to develop all necessary documents early in the project cycle and ensure their quality. A qualified consultant should be hired for these tasks, and the ECG PDT should closely follow the content of these documents.
- **Defer non-critical documents to the start-up phase**: Some documents can be postponed to the start-up phase, but it is important to budget for them and ensure their timely development as needed.
- **Assign competent individuals to SECAP responsibilities**: Ensure that individuals with the necessary technical expertise are assigned SECAP responsibilities from the very beginning of the project. These individuals should

be tasked with providing reports that are reviewed by management. Having one dedicated person in the PMU responsible for SECAP from the outset is essential.

- **Sub-project and activity screening**: Conducting environmental and social screening at the outset of each sub-project or activity helps identify potential impacts early. This allows mitigation measures to be integrated into the project design, reducing negative effects.

During Implementation:

- **Environmental and Social Impact Assessments (ESIAs)**
  - **Thorough and early planning**: Updating ESIA and ESMP documents early and in accordance with SECAP guidelines helps avoid delays. Integrating climate-related impacts into these assessments ensures a more comprehensive analysis, addressing environmental sustainability gaps.
  - **Collaboration with authorities**: Ensure the ESIA is approved by the relevant environmental authority (e.g., RDB in Rwanda). This ensures the project complies with national regulations and strengthens its credibility.
- **Environmental and Social Management Plans (ESMPs)**
  - **Integration into procurement documents**: Incorporating ESMPs into procurement documents ensures that environmental and climate measures are adequately funded. It also clarifies contractors' responsibilities regarding environmental safeguards, improving accountability and implementation.
  - **Clear monitoring mechanisms**: Detailed mitigation measures and monitoring tools should be included in ESMPs to track progress, particularly in complex projects with significant environmental impacts.
  - **Adequate budgeting for mitigation measures**: Ensure that the ESCMP's mitigation measures are properly budgeted for in the COSTAB, and that they are detailed in the PIM, AWPB, and M&E strategy. This is key for successful implementation and monitoring.
- **Resettlement and land issues (RAPs and FPIC)**
  - **Timely recruitment and completion**: Completing RAPs on time is essential for preventing delays, especially in resettlement and irrigation projects. Consultants should be engaged early to align the RAP process with SECAP requirements.
  - **Community engagement**: Continuous engagement with affected communities throughout the RAP process (also through FPIC) ensures the social acceptability of resettlement actions, helping to minimize conflicts.
- **Grievance Redress Mechanisms (GRM)**
  - **Proactive establishment and communication**: Establish GRM mechanisms early to manage conflicts effectively. Ensure beneficiaries and staff are trained on how the GRM works, allowing them to raise concerns confidently. Budgeting for GRM implementation and planning with climate/environment and SI focal points is critical.
  - **Local ownership**: Involving local community representatives in forming grievance committees enhances the legitimacy and effectiveness of the GRM, allowing issues to be addressed promptly and fairly.
- **SECAP and procurement**
  - **Securing environmental safeguards in contracts**: Incorporating SECAP requirements into procurement contracts (e.g., BOQs) ensures that contractors are held accountable for implementing environmental

safeguards, which can reduce the negative impacts of construction and other activities.
    - **Pilot testing in procurement**: Piloting SECAP integration in specific contracts, as demonstrated with PSAC, allows for testing its feasibility and effectiveness before rolling it out across all procurement activities.
- **Training**
    - **Training as a continuous process**: Regular refresher training is essential to keep stakeholders updated on evolving SECAP guidelines, ensuring compliance, and addressing any emerging issues promptly.
    - **Tailored training materials**: Developing bilingual (or multi-lingual) training materials ensures better understanding, particularly in multi-lingual environments. For example, training materials for GRM in both English and Kinyarwanda broaden accessibility.
    - **Training for all stakeholders**: Training should be extended to not just project staff but also beneficiaries, local authorities, and community committees to ensure proper implementation and smooth functioning of safeguards.
- **Monitoring and reporting**
    - **Continuous monitoring**: Implementing ongoing monitoring systems ensures SECAP actions are consistently tracked, adjusted, and reported to relevant stakeholders. This helps address challenges early and ensures the project remains on track.
    - **Clear accountability structures**: Assigning clear responsibilities for monitoring and reporting ensures accountability and timely action. It is essential to provide quantitative evidence of progress to demonstrate the effectiveness of SECAP measures.
- **Biodiversity conservation**: Projects like KIIWP2 demonstrate that integrating biodiversity conservation into agricultural practices enhances ecosystem services and overall resilience. Activities such as reforestation and afforestation contribute to habitat creation and ecosystem stability, which are crucial for sustaining environmental health and productivity.
- **Climate-smart practices**: The PSAC and RDDP 2 projects underscore the significance of adopting climate-smart technologies and practices. Key innovations include improved seed varieties, drought-tolerant crops, water-saving irrigation and conservation methods, and energy-efficient and renewable energy systems. These practices not only enhance agricultural productivity but also minimize environmental impact.
- **Holistic approach**: Projects such as PRISM emphasize that a holistic approach, combining multiple interventions like water harvesting, energy efficiency, and waste management, leads to more substantial impacts on climate resilience and environmental sustainability. Integrating various strategies creates synergies that enhance overall effectiveness.
- **Community engagement**: Effective community and stakeholder engagement in planning and implementation is crucial for the sustainability and success of interventions. Ensuring that local communities are actively involved helps tailor solutions to their needs and fosters ownership and long-term commitment.
- **Enhanced infrastructure and market access:** Improving infrastructure and market access, as seen in PSAC and PRISM, indirectly supports environmental sustainability by facilitating efficient and sustainable agricultural practices. Well-developed infrastructure enables better resource management and access to climate-smart technologies.
- **Innovative financing**: Utilizing innovative financing models, such as asset financing, makes sustainable technologies more accessible to a broader range of farmers and entrepreneurs. This approach helps scale up the adoption of climate-smart practices and enhances their impact.

- **According to** the Labour Study conducted by Kilimotrust, the following agricultural value chains have the highest potential for youth inclusion:
    - Crops: Horticulture including vegetables (such as chili, green pepper, French beans & tomatoes) and fruits (such as passion fruits, watermelons, tree tomatoes, mangoes & avocado); maize; potatoes; tea; beans; cassava; soya; rice and coffee.
    - Livestock: poultry; pig; dairy; goat; fish; sericulture and rabbits
- Based on the assessment, the majority of youth are concentrated in the produce aggregation and marketing node (47.7%), followed by production (33.9%), sale and marketing of value-added products (10%), processing and value addition (2.7%), and pre-production nodes (5.7%). Youth engagement in specific value-chain nodes is primarily driven by profitability. This underscores the importance of ensuring that both on-farm and off-farm opportunities for youth are financially lucrative.
    - According to estimates by Kilimo Trust, the most profitable opportunities are:
    - Yoghurt making in the dairy value chain, with a net annual profit of approximately USD 55,996.6.
    - Input sales in the vegetable value chain, with a net annual profit of approximately USD 52,494.
    - Selling and distribution of live animals in the piggery value chain, with a net annual profit of approximately USD 25,510.
- **Employment Creation**: Wage employment through micro and small-scale enterprises (which constitute 92% of enterprises) is a significant driver of job creation. Sectors with the highest potential for creating new jobs per enterprise include maize, rice, potatoes, dairy, vegetables, and piggery, while poultry has the least potential. Profitable off-farm employment opportunities requiring minimal start-up capital include:. (i) provision of spraying services in the maize value chain; (ii) pasture production and management in the dairy value chain, (iii) buying and selling eggs in the poultry value chain, (iv) establishing small-scale fast foods/restaurant in peri-urban areas.

153. These projects underscore the importance of integrating climate-smart practices into agricultural development to enhance resilience and sustainability.

154. IFAD is also actively exploring climate finance mobilization from various international climate funds, including the Green Climate Fund (GCF), Global Environment Facility (GEF), and Adaptation Fund (AF). In particular, Rwanda is part of a significant GCF regional program named DaIMA - Dairy Interventions for Mitigation and Adaptation. This program spans Kenya, Rwanda, Tanzania, and Uganda, with a total funding envelope of USD 200 million. DaIMA aims to reduce methane and other greenhouse gas (GHG) emissions from the dairy sector while enhancing the resilience of livestock-dependent communities. It supports a transition from low production efficiency to improved, gender-sensitive, integrated, and Nationally Determined Contributions (NDC)-aligned practices that reduce emissions at both farm and food system levels. Interventions include reducing milk losses, increasing milk collection, decarbonizing processing through renewable energies, formalizing dairy value chains, and strengthening partnerships with the private sector. Additionally, the program promotes circularity and increases the resilience and services of rangeland ecosystems, including carbon sequestration in grasslands. It also contributes to positive environmental impacts, particularly soil quality and conservation. A key element is the promotion of biodiversity conservation and healthier ecosystems through better management and restoration of rangelands.

155. Mobilizing climate finance has offered several key lessons, which can provide valuable insights for future climate finance initiatives to enhance their effectiveness and sustainability. These lessons learnt are listed below:

- **Direct access accreditation**: Rwanda's achievement of direct access accreditation through its Ministry of Environment with the GCF illustrates the importance of building national capacities to access and manage international climate funds directly. This can enhance ownership and alignment with national priorities.
- **Strong institutional frameworks**: Rwanda's establishment of the Rwanda Green Fund (FONERWA) has been instrumental in effectively mobilizing and channeling climate finance. FONERWA serves as a national mechanism to attract and manage climate finance, ensuring that funds are directed towards strategic national priorities.
- **Integrated planning and implementation**: Successful projects in Rwanda have demonstrated the value of integrating climate resilience into broader development planning. For example, the GCF-funded projects in the Congo Nile Divide and Gicumbi District have combined climate adaptation measures with agricultural and forest restoration practices, providing multiple co-benefits.
- **Public-private partnerships**: The Ireme Invest initiative highlights the role of facilitating access to finance for the private sector. By providing lower-interest credit for green investments, Rwanda has encouraged private sector involvement in climate-smart agriculture, renewable energy, and other sustainable practices.
- **Community-based approaches**: Projects focusing on community-based adaptation, such as those funded by the Adaptation Fund, have shown that engaging local communities in planning and implementation increases project relevance and sustainability. This approach ensures that interventions are tailored to local needs and conditions.
- **Leveraging co-financing**: Rwanda has effectively leveraged co-financing from the government and other partners for climate projects. This not only increases the financial resources available but also enhances collaboration and shared responsibility.
- **Blended finance approaches**: Combining public and private financing can enhance the scale and impact of climate projects. Public funds can de-risk investments and leverage private sector participation.
- **Stakeholder engagement**: Inclusive participation of all stakeholders, including local communities, private sector, civil society, and government entities, is crucial. Engaging these groups ensures that projects are well-targeted and locally accepted.
- **Monitoring and evaluation**: Establishing strong monitoring and evaluation mechanisms is essential to track progress, learn from implementation, and adjust strategies as needed. This helps in ensuring accountability and effectiveness of climate finance utilization.
- **Policy and regulatory frameworks**: Supportive policies and regulatory frameworks are fundamental. These can include incentives for renewable energy investments, regulations to phase out high-emission technologies, and policies that promote sustainable land use.

Lessons learnt from Development Partners

156. The lessons learned from development partners highlight key challenges and gaps in critical areas, along with opportunities for progress:

1. Limited financial resource availability:

- **Challenges:**
  - Mobilizing resources from diverse institutions is hindered by conflicting requirements and competition, which often diverges from national priorities. Financial constraints limit investment in climate adaptation technologies.
  - The high cost of inputs, equipment, and infrastructure required for sustainable farming practices poses a significant barrier. Without access to credit or insurance, farmers are less likely to adopt innovative solutions that could enhance their resilience and productivity.
- **Opportunities:**
  - Forge strategic partnerships with both international and regional financial institutions that align with Rwanda's priorities. Develop joint investment frameworks and leverage multilateral development banks to streamline resource mobilization. Utilize the Rwanda Green Fund and seek assistance from international entities. Explore climate financing opportunities from sources such as GCF, GEF, and AF.
  - Providing financial support and creating innovative financing mechanisms can enable farmers to invest in climate adaptation. Microfinance, credit schemes, and insurance products tailored to the needs of smallholder farmers can reduce financial barriers. Partnerships with asset financing companies can serve as models for financing agricultural innovations.

2. Fragmented institutional efforts:

- **Challenge:** Scattered efforts across different institutions reduce effectiveness and efficiency.
- **Opportunity:** Establish a centralized coordination mechanism to enhance communication, collaboration, and joint planning among institutions. Form integrated working groups to streamline decision-making and optimize resource allocation. Developing supportive policies and regulations can also facilitate the adoption of sustainable practices, reducing duplication and achieving more impactful outcomes.

3. Limited sustainability of project interventions:

- **Challenge:** Ensuring the long-term sustainability of project impacts is difficult.
- **Opportunity:** Implement robust monitoring and evaluation frameworks throughout project lifecycles. Engage local communities in project design and implementation to foster ownership and align with community needs. Promote community-led initiatives and cooperative development models and provide capacity-building and technical support to enhance governance and management capabilities.

4. Strict eligibility criteria for climate-smart investments:

- **Challenge:** Navigating Rwanda Green Fund's complex criteria for climate-smart innovations can be challenging despite available grants.
- **Opportunity:** Enhance stakeholder engagement and simplify eligibility criteria. Facilitate workshops, training sessions, and provide guidance materials to help potential applicants meet fund requirements effectively.

5. Information gaps:

- **Challenge:** There is a disconnect between available information and farmers' practices, hindering the adoption of innovative agroecological and climate-resilient practices.
- **Opportunity:** Increase awareness among farmers through targeted educational programs about agroecological practices, climate-resilient technologies and agroforestry. Develop extension services that offer practical guidance and demonstrate the benefits of sustainable farming techniques.

6. Limited access to mobile applications:

- **Challenge:** Farmers often lack access to and understanding of mobile applications for weather and climate information.
- **Opportunity:** Create user-friendly mobile applications tailored to local agricultural needs. Provide training and technical support on app usage and interpretation of weather data and enhance connectivity in rural areas to facilitate widespread adoption.

7. Limited understanding of weather forecast products:

- **Challenge:** Farmers have a basic grasp of weather forecast products but may not fully comprehend the information.
- **Opportunity:** Conduct educational programs to improve farmers' understanding of weather forecasts. Use participatory approaches to gather feedback and enhance the usability of forecast information for agricultural decision-making.

8. Location-specific climate information:

- **Challenge:** Weather and climate information often lacks customization to meet individual farmer needs.
- **Opportunity:** Implement a demand-driven service model providing personalized climate advisories based on location, seasonality, and crop specifics. Develop decision support tools integrating local knowledge and scientific data to enhance productivity and resilience.

9. Data gaps:

- **Challenge:** There is a lack of critical data on relative humidity and soil moisture, and the absence of radar or satellite capabilities hampers hazard prediction.
- **Opportunity:** Invest in technology and infrastructure to improve data collection and monitoring. Collaborate with research institutions and international partners to develop innovative solutions for filling data gaps. Emphasize remote sensing technologies and satellite data analytics to enhance hazard prediction accuracy and agricultural planning.

10. Land fragmentation:

- **Challenge:** Small, fragmented plots hinder efficient farming and scalability.
- **Opportunity:** Promoting land consolidation and cooperative farming can mitigate the effects of fragmentation. By pooling resources and land, farmers can achieve economies of scale, invest in shared infrastructure, and adopt advanced agricultural practices.

11. Dependence on rainfed agriculture:

- **Challenge:** Reliance on rainfall makes farming vulnerable to climatic variability.

- **Opportunity:** Developing efficient irrigation systems and adopting water management practices (e.g., water conservation, drought-tolerant crop varieties) can reduce dependency on rainfall and improve agricultural resilience. These interventions ensure a stable water supply for crops, enhancing food security and farmer livelihoods.

12. Environmental degradation:

- **Challenge:** Deforestation and soil erosion reduce productivity and biodiversity.
- **Opportunity:** Implement agroforestry and afforestation projects to restore degraded lands and promote biodiversity. Promoting agroforestry and afforestation can restore degraded lands, enhance biodiversity, and improve soil fertility. Agroforestry integrates trees and shrubs into agricultural landscapes, providing windbreaks, reducing soil erosion, and contributing to carbon sequestration. These practices not only restore environmental health but also provide additional income sources for farmers through timber and non-timber forest products.

13. Inadequate infrastructure and technology:

- **Challenge:** Poor infrastructure and limited technology access restrict productivity and resilience. The lack of storage facilities, processing units, and transportation networks affects the entire value chain, from production to market access. Limited technological penetration also restricts farmers' ability to benefit from digital tools and platforms.
- **Opportunity:** Invest in infrastructure, such as storage facilities, processing units and transportation networks. Upgrading these elements can minimize post-harvest losses, improve product value, and streamline market access. Additionally, expanding digital tools and connectivity will enable farmers to leverage modern technologies for better productivity and resilience. Strategic investments and public-private partnerships can drive these improvements, creating a more efficient and robust agricultural sector.

157. Addressing these challenges with targeted strategies and collaborative efforts can significantly advance sustainable development goals in Rwanda.

3.2 Strategic orientation

Alignment between IFAD potential interventions and NDC targets:

	NDC targets	Examples of IFAD interventions
Emission reduction	Reduce greenhouse gas (GHG) emissions by 38% by 2030 compared to a business-as-usual scenario.	• Promote sustainable agricultural practices that reduce methane emissions from livestock. • Improve soil carbon sequestration through sustainable land management. • Implement renewable energy solutions like solar-powered irrigation systems to replace diesel pumps.
Renewable energy	Increase the share of renewable energy to 70% of the national energy mix by 2030.	• Provide solar-powered irrigation to reduce reliance on fossil fuels. • Develop biogas systems from agricultural waste for energy production and waste management.
Climate change adaptation	Enhance climate resilience in agriculture, water resources, and infrastructure.	• Introduce and support cultivation of drought-resistant crop varieties. • Develop and implement efficient irrigation methods such as drip and sprinkler systems. • Install systems to capture and store rainwater to mitigate water scarcity.
Forestry	Increase forest cover to 30% of the national land area by 2030.	• Support the planting of native tree species and restoration of degraded lands.

		• Promote integrating trees into farming systems to improve soil health and provide additional income sources.
Agriculture	Promote climate-smart agricultural practices.	• Implement practices such as terracing, contour farming, and use of organic soil amendments, for soil conservation. • Encourage the cultivation of diverse crops to reduce risk and increase resilience. • Support conservation tillage, reduced use of chemical fertilizers, and organic farming. • Encourage investments in irrigation systems and watershed management.
Integrated approach	Integration across energy, agriculture, and infrastructure sectors.	• Combine agricultural development with infrastructure projects to enhance overall rural development and climate resilience. • Fund projects to improve seed quality, fertilizer access, and farmer training. • Invest in rural roads, storage facilities, and market access improvements. • Support capacity-building programs and educational initiatives on climate adaptation.

3.3 Strategic actions and targeting

158. The Rwanda Green Taxonomy is a pivotal document that outlines the strategic areas for interventions in climate and natural resource management (NRM) in Rwanda. It serves as a guideline for aligning investments with sustainable development goals and enhancing climate resilience. Below are examples of practices highlighted in the Taxonomy where IFAD could leverage its expertise and have a competitive advantage:

Best practice	Description	Eligible inputs
Crop rotation	In short-cycle crops, rotations are carried out according to a periodic programme, establishing associated crops for moisture management, fertility, and biological activity. Rotation with green manure to improve productivity can also be carried out.	Seeds, seedlings, equipment, and labour to enable crop rotation.
Fertiliser management	• Determine the ratio and design a plan for using nitrogen and phosphate products per hectare. • Monitor soil fertility and crop nutritional status based on local conditions. • Introduce best practices to optimise productivity, avoiding contamination by excess nutrients. • Preferably use organic fertilisers, if available locally. If not possible, avoid excessive contamination of the environment.	Fertilisers in measured doses; Fertigation (a technique that allows the simultaneous application of water and fertilisers through the irrigation system); fertiliser application equipment and materials that allow timely and efficient dosage (hardware and software).
Pest and disease control	• Apply Integrated Pest Management for pest and weed control. • When introducing natural enemies, use bio-inputs, bio-pesticides, and biofertilizers for organic production and biocontrol. • A minimum amount of chemical pesticides shall be used to avoid biodiversity loss. • Use autonomous, laser-based weed eliminators to cut the use of herbicides.	Inputs for biological and physical pest and disease control, e. g., repellent plant seeds, traps or nets; laser-based weed eliminators.
Soil conservation	• Carry out conservation agriculture practices such as minimum soil preparation or tillage with permanent soil cover and green manures. • On sloping soils, planting on contour lines through terracing, deep-rooting mulching or other methods. • Maintain soil biomass cover on at least 80% of the farm. • Applying techniques of radical or progressive terraces against erosion and improving efficient use of land for increased productivity.	• Seeds, fertilisers, and light equipment for soil protection works. • Cover crops. • Living mulch. • Terraces construction.
Water management	• Improve crop water productivity by comparing documented water yields per hectare by crop type.	• Technologies for improvement of irrigation, storage, drainage

	• Introduce water use efficiency measures in water supply, irrigation and storage. • Prevent water pollution with organic or chemical residues. • Avoid excessive crop waterlogging with better drainage.	systems, water remediation and treatment systems. • Installation of efficient water management systems (rainwater harvesting systems, water rationing and water recycling). • Establishment of individual/community-based pumping systems associated with small-scale irrigation systems with solar energy powered with water-saving technology like drip irrigation.

Environment and climate financing

159. The **Rwanda Green Fund (FONERWA)**, established by the Government of Rwanda in 2012 under the Ministry of Environment, is a pioneering investment fund dedicated to environmental and climate change initiatives. Its mandate is to catalyse transformational change by incubating, accelerating, and providing growth capital to high-impact green ventures. The Fund plays a crucial role in attracting climate finance and green investments, thereby advancing Rwanda's commitment to a green economy and sustainable development.

160. The Fund mobilizes resources to protect natural resources and combat climate change through partnerships with public, private, bilateral, and multilateral sectors, supporting environmental conservation and climate mitigation efforts. The Fund conducts public Calls for Proposals, inviting submissions of Project Profile Documents (PPDs) developed according to rigorous criteria. Proposals undergo a fair, transparent, and competitive screening process overseen by the Fund Management Team and Fund Managing Committee. The Fund offers various financial instruments including Grants for public institutions and NGOs, Innovation Grants supporting research and development initiatives, and Credit Lines providing accessible financing at favourable rates in collaboration with Rwanda's Development Bank.

161. The Green Fund operates two investment windows: IREM for private sector investments and INTEGO for supporting the public sector in implementing Rwanda's Nationally Determined Contributions (NDCs) for climate action. The Fund advocates for favourable policies and regulatory frameworks conducive to climate finance. Embracing a programmatic approach, the Fund consolidates projects into Investment Plans (IPs) aimed at attracting multi-year platform financing and achieving common long-term outcomes across sectors. This strategic shift minimizes resource mobilization costs, diversifies funding sources beyond multilateral climate funds, enhances climate finance tracking, and fosters transformative change in Rwanda's sustainable development landscape.

162. Not only is IFAD leveraging climate finance, but Rwanda is also exceptionally well-positioned to absorb and utilize it effectively. Rwanda has established a strong partnership with the Green Climate Fund (GCF) and was the first country to achieve direct access accreditation through its Ministry of Environment. This accreditation underscores Rwanda's capability and readiness to manage and deploy climate finance efficiently.

163. Recently, the **Green Climate Fund (GCF)** approved two significant investments aimed at enhancing climate resilience in Rwanda.

- Building Climate Resilience in the Congo Nile Divide: This project, valued at USD 39.1 million, focuses on building the climate resilience of vulnerable communities in Rwanda's Congo Nile Divide. It involves forest and landscape restoration using agroforestry techniques, which help reduce fuelwood demand and deforestation.

- Ireme Invest - Rwanda's Green Investment Facility: With an additional USD 42.8 million investment, facilitated through the African Development Bank, this initiative supports Rwanda's private sector in accessing lower-interest credit for investments in renewable energy, climate-smart agriculture, water-efficient systems, green buildings, and clean transportation. This project is pivotal in fostering green business growth and bolstering Rwanda's climate change response efforts.

164. Previous GCF-funded projects include a USD 32 million initiative in Gicumbi District aimed at strengthening rural community resilience and a USD 33.7 million climate adaptation project in the Eastern Province, co-financed by the Government of Rwanda and various project partners.

165. The **Global Environment Facility (GEF)** has a robust presence in Rwanda with several key projects: (i) Reducing Vulnerability to Climate Change through Community-Based Adaptation in the Nyabihu and Rubavu Districts – implemented by UNDP, with a focus on enhancing the resilience of vulnerable communities; (ii) Landscape Approach to Forest Restoration and Conservation (LAFREC) - managed by the World Bank, and aiming to restore forest landscapes and promote sustainable land management practices; (iii) Building the Capacity of Rwanda's Government to Advance the National Adaptation Planning Process – executed by UNEP, with the aim to bolster the planning and implementation capacity of the Rwandan government in terms of climate adaptation.

166. The **Adaptation Fund (AF)** also supports significant projects in Rwanda, such as (i) Reducing Vulnerability to Climate Change in North West Rwanda through Community-Based Adaptation, which seeks to increase community resilience in the north-western regions through adaptive practices in agriculture and water management; and (ii) Climate-Resilient Infrastructure Development Facility, which aims to integrate climate change adaptation into national infrastructure planning and development, often with the Rwanda Environment Management Authority (REMA) as the executing agency.

167. IFAD can play a crucial role in leveraging these climate finance opportunities by aligning its projects with the goals of the GCF, GEF, and AF. By working closely with the Rwanda Green Fund (FONERWA), IFAD can help mobilize additional funds and support the implementation of climate-resilient agricultural practices. FONERWA, as Rwanda's primary vehicle for green investment, can facilitate the efficient absorption and deployment of these funds, ensuring that investments reach the intended communities and sectors. This collaboration can enhance food security, increase income, and create employment opportunities, particularly for women and youth, while promoting environmental sustainability.

168. In summary, Rwanda's readiness to absorb climate finance, supported by strong partnerships with GCF, GEF, and AF, presents a significant opportunity for IFAD to amplify its impact through strategic collaborations with the Rwanda Green Fund and other stakeholders. This integrated approach can drive sustainable development and climate resilience across the country.

Social inclusion

- **Economic and social youth empowerment:** According to the PSTA 5, youth farmers have more formal education, are more commercially oriented, and achieve higher land productivity and hold more off-farm jobs compared to households with elderly heads. However, they only have access to about half the land that non-youth households do. By harnessing the potential of youth, the COSOP can contribute to creating on and off-farm opportunities and building capacity in the agri-food systems, across food processing, distribution, marketing, and technology development. Thereby targeting rural unskilled, semi-skilled and

school drop-outs in rural areas. This approach will build on IFAD's flagship programme, Integrated Agribusiness Hub, by strengthening partnerships with TVET institutions for systematic upskilling to match labor market needs. Micro- and small-scale enterprises are significant drivers of job creation and will be leveraged for wage-employment creation. This aligns with the PSTA 5's ambition to enhance TVET provision for professional farming, scale up formal partnerships with the private sector for **internship, apprenticeship, and mentorship** opportunities, and create self-employment opportunities in the wider agri-food system. Building on PSTA 5 ambitions, the COSOP will link skilled youth workers and entrepreneurs, to Foodbasket Sites and Agrihub clusters. Further, the COSOP will invest in enhancing access to productive assets, inputs and services, including financial services. Leveraging on the grassroots alliance approach piloted in Rwanda, the COSOP will invest in leadership skills to **enhance voice and representation** in farmer-based organizations and continue to engage with youth-led organisations, such as RYAF, for project implementation.

- **Women and empowerment and gender transformation**: The COSOP and its agri-food approach will enhance women's economic empowerment by linking them to productive value chains, including those for animal products and crops with high economic potential, creating on and off-farm work opportunities along the value chain. The COSOP will enhance women's access to agricultural inputs, climate-smart technologies, and formal financial services and products. Support for Foodbasket sites will be accompanied by assistance for smallholders, with at least 30 percent of household support directed to women-headed households. Furthermore, the COSOP will invest in amplifying women's voices and leadership roles in household and community decision-making processes, building on good practices in the current portfolio, such as VBHCD graduation approach and GALS. Recognizing that women are still disproportionately involved in unpaid care work, the COSOP will build on the national transformative strategy to engage boys and men in changing social norms and addressing unequal power dynamics. Additionally, the program will facilitate enhanced access to and adoption of timesaving, energy-saving, and labour-saving technologies to boost labour productivity and enhance women's well-being by reducing the time spent on manual tasks.

- **Nutrition pathway**: Food security and nutrition will be tackled through multiple pathways aimed at enhancing household resilience, improving nutrition, and lifting families out of poverty. Ensuring the **availability, accessibility, and affordability of nutritious food** will involve continued investment nutrition-sensitive value chains (e.g. dairy, fish, poultry, pigs, honey, to name a few). Priority crops identified in PSTA 5 include maize, Irish potato, beans, banana, sweet potato, cassava, rice, avocado, and various fruits and vegetables. Promoting biofortified crops and vegetable varieties with higher levels of essential nutrients like iron and zinc are key and will help address household nutrient deficiencies. The program will enhance the skills of smallholder farmers and producers in climate-smart practices, post-harvest handling, animal husbandry, breeding, and animal health. It will also provide appropriate infrastructure for production and value addition, along with new technologies for aggregation, quality testing, packaging, storage, and transport, to enhance production and availability of nutritious foods. Investing in post-harvest handling is critical to reducing losses and ensuring the availability and access to healthy diets. To address high food losses for staple crops and perishable goods like milk, meat, and fruits, the COSOP will align with PSTA 5 to establish Postharvest Training Centers. These centers will enhance post-harvest handling and storage of perishable nutritious foods and animal products, while developing viable private sector models for post-harvest handling.

Leveraging school feeding programs, the COSOP will connect supported cooperatives and smallholder farmers to supply schools and early childhood development centers with nutritious foods. Investment in high-value products, such as coffee, will boost farmers' **purchasing power**, enabling them to buy nutritious foods for improved livelihoods. Capacity-building for families, especially **nutrition-vulnerable households**, including pregnant and lactating women and households with children under 5, will be fostered to enhance child feeding practices and decisions on food purchase. The COSOP will also build on nationwide campaigns like the One Cup of Milk per Child Program to improve **awareness and knowledge, fostering a culture of healthy and balanced diets.** This will involve collaboration with key strategic stakeholders and development partners, such as UNICEF, on social and behavior change communication (SBCC) and nutrition education. Holistically and sustainably implementing Rwanda's national pathway on food system transformation requires a multi-stakeholder and multi-sectoral approach by strengthening interlinkages between agricultural development and other sectors, such as health, environment, commerce, finance, ICT, education, gender equality and youth empowerment.

- **Disability inclusion:** The COSOP will apply a twin-track approach combining disability mainstreaming and targeted support for enhanced inclusion in project activities. Thereby, working with organisations for persons with disabilities to identify and support persons with disabilities. COSOP will build on the country's commitments to provide access to ICT4D facilitating access to information, knowledge and skill-training for upskilling to engage in value-chain activities. COSOP will work with a variety of actors, including Government, TVET institutions, and private sector to adapt curriculum for PWD and offer wage and self-employment opportunities with targeted support, including reasonable accommodation.

3.4 Monitoring

169. The COSOP can incorporate the following IFAD Climate and Environment Core Indicators:

CCA core indicators	CCM core indicators
Indicator 3.1.1: Number of groups supported to sustainably manage natural resources and climate-related risks	Indicator 3.1.3: Number of persons accessing technologies that sequester carbon or reduce greenhouse gas emissions
Indicator 3.1.2: Number of persons provided with climate information services	Indicator 3.2.1: Number of tons of greenhouse gas emissions (CO2e) avoided and/or sequestered
Indicator 3.1.4: Number of hectares of land brought under climate-resilient management	
Indicator 3.2.2: (Number) Percentage of persons/households reporting adoption of environmentally sustainable and climate-resilient technologies and practices	
Indicator 3.2.3: (Number) Percentage of persons/households reporting a significant reduction in the time spent for collecting water or fuel	
Indicator 1.1.1: Number of beneficiaries gaining increased secure access to land	

170. To effectively measure the impact of resilience-building interventions, it is recommended to utilize the IFAD Resilience Design and Monitoring Tool (RDMT).[50] Additionally, ongoing collaborations with FAO can be leveraged to take advantage of several valuable tools, including:

[50] RDMT. Available at: https://www.ifad.org/en/web/knowledge/-/resilience-design-and-monitoring-tool.

- The Ex-Ante Carbon-balance Tool (EX-ACT) to assesses the impact of agricultural projects on greenhouse gas emissions.[51]
- The Global Livestock Environmental Assessment Model – interactive (GLEAM-*i*) to evaluate the environmental performance of livestock systems.[52]
- The Tool for Agroecology Performance Evaluation (TAPE) to assesses the sustainability and performance of agroecological practices.[53]

List of environmental and climate change stakeholders consulted:

Organization	Focal point	Contact details
National institutions		
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[51] EX-ACT tool: https://www.fao.org/in-action/epic/ex-act-tool/suite-of-tools/ex-act/en/.
[52] GLEAM-i tool: https://gleami.apps.fao.org/.
[53] TAPE tool: https://www.fao.org/agroecology/tools-tape/en/.

List of Social Inclusion Stakholders consulted:

Organization	Focal point	Contact details
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Ministry of Youth	John Bosco Rwayitare, Youth Policy Mainstreaming Specialist	
Ministry of Education	Jeanne Izabiriza, Head of School Feeding project	Jizabiliza@mineduc.gov.rw
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FAO		
Civil society organisations		
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Kilimotrust	Andrew Gashayija, Team Leader Rural Youth Employment Support (R-YES)	agashayija@kilimotrust.org

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Country strategy and programme evaluation agreement at completion point

A. Introduction

1. IFAD's Independent Office of Evaluation (IOE) undertook a country strategy and programme evaluation (CSPE) in the Republic of Rwanda, as approved in its 2023 work plan by the 137th Session of the IFAD Executive Board. The CSPE, which was the third country-level evaluation in Rwanda, covered the period 2013-2022 and was carried out in accordance with IFAD's Evaluation Policy (2021). The main objectives of the CSPE, in accordance with IFAD's Evaluation Manual (2022), were to (i) evaluate the results and performance of the IFAD country strategy and programme and (ii) generate findings and recommendations for the future partnership between IFAD and the Government of Rwanda in achieving enhanced development effectiveness and sustainable rural development.

2. This agreement at completion point (ACP) contains the recommendations made in the CSPE report, which were accepted by IFAD and the Government of Rwanda, as well as the proposed follow-up actions agreed on. The ACP is signed by the Government of Rwanda, represented by the IFAD Governor, and the IFAD Management, represented by the Associate Vice President of the Programme Management Department. The signed ACP is an integral part of the CSPE report in which the evaluation recommendations are presented in detail, and submitted to the IFAD Executive Board as an annex to the new country strategic opportunity programme. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the IFAD's Management.

B. Recommendations and follow-up actions

3. Recommendation 1: Sharpen the thematic focus, with a greater reliance on markets and private initiative. There are good reasons for IFAD to focus on thematic areas where it has demonstrated a comparative advantage (e.g., livestock, agricultural export and irrigation) and deepen its engagement there, through a greater reliance on markets and private initiative, which will ensure that investments are based on expected economic returns. This requires a gradual shift in the public sector's role to facilitate the fair implementation of those private sector decisions. More detailed value chain analysis and closer engagement with the private sector should help to ensure the supported value chains respond to market demand and strengthen economic sustainability. It also requires supporting a diversity of financial providers and products, which respond to the different needs of smallholder farmers and rural poor. Digital solutions should be given more prominence in these endeavours.

Accepted

Proposed follow-up actions

- Improve market linkages between farmers' organisations and the private sector in order to inform them about markets' requirements.
- Facilitate contracts arrangements between farmers' organisations and the private sector.
- Invest in building the capacities of farmers' organizations and other actors along the agricultural value chains in order to effectively develop their business skills.
- Advocate for more policies and regulatory frameworks that create an enabling environment for private sector to be involved in agriculture.
- Promote innovative financial products, including guarantees and equity funds, while developing strategic partnerships.
- Embark on a series of pilots of innovative approaches to better integrate sustainable private sector engagement across the projects.

Responsibility	Timeframe
RAB/NAEB/SPW	Continuous

4. Recommendation 2: The next COSOP should clearly state a focus on environment and natural resources management and climate change and addressing malnutrition. The country programme should deepen its engagement in these areas, including in terms of non-lending activities. More attention needs to go to the management of environmental safeguards, making sure that interventions being offered are adapted to the context and actually tackling the root causes of malnutrition in Rwanda.

Partially accepted

Proposed follow-up actions

- Incorporate climate change and natural resource management into the next COSOP that will be presented to the EB in December 2024.
- Partnerships and coordination will be sought with development partners investing in addressing malnutrition to compliment IFAD's work in access to nutritious foods
- Invest in capacity building, development of monitoring and evaluation frameworks, and foster partnerships to address environmental and nutrition challenges.

Responsibility	Timeframe
RAB/NAEB/SPIU/IFAD	Continuous

5. Recommendation 3: Refine the targeting strategies to sharpen the poverty focus and increase attention to youth inclusion. IFAD needs to make concerted efforts to building the assets, capabilities and agency of those living in extreme poverty so that they can break out of the poverty trap and graduate to sustainable and resilient socio-economic livelihoods. This should be done by building on PRISM's experience and incorporating clear graduation pathways for different target groups in the country programme. More specifically, the youth focus needs to be strengthened by addressing their unique challenges, especially by promoting their financial inclusion, supporting entrepreneurship and creating off-farm employment. Finally, targeting strategies needs to be followed up through appropriate monitoring of disaggregated data, both in terms of poverty and social inclusion.

Partially accepted

Proposed follow-up actions

- Assess the effectiveness of IFAD's interventions in supporting youth inclusion and develop tailored interventions targeting the youth, with a special focus on innovation and off farm activities.
- Put in place a robust monitoring and evaluation mechanisms to track the impact of youth-targeted interventions while fostering partnerships with relevant stakeholders to support youth inclusion in agriculture.
- Maintain the focus on rural people already strong in IFAD country programme based on the "social protection and graduation programme in beneficiaries' targeting" put in place by the GOR, with clear strategies and modalities for reaching out to beneficiaries are focus on access to finance and off farm interventions targeting the youth.

Responsibility	Timeframe
RAB/NAEB/SPIU	Continuous

6. Recommendation 4: Articulate a coherent action plan for non-lending activities that allows to increase IFAD's scale of impact and influence. At a minimum, this plan should: (i) identify priority themes, the main knowledge partners, and the target audiences; (ii) outline how results will be

identified, analysed, documented, shared and used in support of improved programme/project design, performance, policy influence and scaled up impact; (iii) identify tools and approaches to support knowledge flows and learning in the country programme; and (iv) identify related indicators. Dedicated human and financial resources need to be allocated to support the implementation of the plan. This calls for a greater involvement of the Country Director, but also of the different project delivery team members and regional thematic experts based in Nairobi.

Accepted

Proposed follow-up actions

- Articulate a coherent action plan for non-lending activities that allow to increase the portfolio's scale of impact and influence.
- Ensure that innovative/best practices of the country portfolio are documented and disseminated in order to support policies and strategies formulation.
- Ensure that supplementary funds are used to showcase

Responsibility	Timeframe
IFAD and SPIU	Continuous

7. Recommendation 5: Make sure the SPIU is fit-for-purpose. IFAD and the Government should carry out an assessment and come up with an action plan to address recurrent issues. Issues to be addressed include, amongst others, staff turn-over, heavy workload, capacity issues. This could be done, for example, by increasing the competitiveness of salaries of SPIU staff, filling vacant positions as soon as possible, investing in building their capacity in specific areas and making sure all necessary expertise is on board.

Accepted

Proposed follow-up actions

- Finalize and approve the new SPIU structure in charge of DPs portfolio including but not limited to; IFAD, World Bank and KOICA.
- Develop and implement a capacity building plan for the SPIU Staff.

Responsibility	Timeframe
MINAGRI/IFAD	June 2024

Signed on .... .. (Signed in Rome, on.....
For the Government of Rwanda For the International Fund for Agricultural Development (IFAD),
Minister of Agriculture and Associate Vice-President — PMD Animal Resources
Donal BROWN

Dr Ildephonse MUSAFIRI

COSOP preparation process

1. The COSOP preparation process was led by the IFAD Country Team in Rwanda. As a point of departure, development of the country programme was informed by the findings of the COSOP Results Review conducted in 2022, the Country Strategy and Programme Evaluation conducted in 2023, and the COSOP Completion Report conducted in 2024. in collaboration with PMI, ECG, FMD and GPR.

2. In-country consultations were undertaken during the period 27 May to 14 June 2024. These included interviews with: (i) IFAD's key Government implementing partners (to elicit their views on rural development priorities); (ii) meetings with key private and non-government stakeholders, including apex farmers' organisations, apex private sector organizations, and NPOs providing sector relevant policy research and service; and (iii) meetings with UN, donor and other development partners. Key informant interviews and focus group discussions were conducted in the field with beneficiaries of various COSOP projects. A stakeholder workshop was held on 10 June 2024 with representatives from the GoR and other key partners to elicit their views on the issues and approaches which might be included in the design of the COSOP.

3. The final validation workshop will be held with Government in February 2025.

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South-South and Triangular Cooperation Strategy

I. Introduction

1. South-South and Triangular Cooperation (SSTC) is a collaborative framework which enables developing countries to play an active role in shaping global development agendas. SSTC fosters a space where successes, innovations, and achievements from the Global South are shared and adopted by nations pursuing the Sustainable Development Goals. This approach shifts the traditional North-South development aid model to a more inclusive and participatory process, utilizing technical resources, innovations, and expertise from the Global south.

2. Over the past year, IFAD has incorporated SSTC into its operations, adopting a dedicated corporate strategy that emphasizes the systematic promotion of knowledge sharing and policy dialogue for rural development. Within the context of its country strategies, this commitment is reflected in narratives that highlight opportunities for collaboration among southern nations to support agricultural development priorities.

3. In Rwanda, SSTC will be employed within the COSOP to enhance the sustainability of its operations, in particular by contributing to local ownership, strengthening value chains, and building the resilience of rural communities. Under the first strategic objective of the COSOP, dedicated to developing transformative, inclusive, sustainable, and climate-resilient agri-food systems for rural communities, SSTC will contribute to enhanced water resource management, support climate change adaptation, strengthen livestock and dairy value chains. In support of the second strategic objective — SSTC will support digitalization of the agriculture sector and capacity building of farmer organizations, to improve their access to innovations and frontier technologies as well as access to financial services, regional and international markets.

II. Opportunities for rural development investment promotion and technical exchanges

4. Over the past years, IFAD has focused its efforts in Rwanda on supporting climate adaptation, resilient value chains, and farmers' access to markets. The country portfolio has adopted a programmatic approach and key interventions, such as the Kayonza Irrigation and Integrated Watershed Management Project (KIIWP) and the Rwanda Dairy Development Project (RDDP), have been renewed for second phases, building on their initial successes. Additionally, initiatives such as the Promoting Smallholder Agro-Export Competitiveness Project (PSAC), supporting the Government’s agenda on commercialization have been designed to extend these achievements further. South-South and Triangular Cooperation will aim to maximize the impact of these operations by fostering opportunities for knowledge exchange, technology transfer, and policy dialogues, all in alignment with the dual strategic objectives of the COSOP.

Development of Transformative, Inclusive, Sustainable, and Climate-Resilient Agri-Food Systems

5. IFAD's interventions in Rwanda have underscored the need for improved water infrastructure and governance to support agriculture in drought-prone regions. The KIIWP2 initiative, which aims to introduce advanced water management technologies and build the capacity of Water User Associations (WUAs) to enhance the sustainability of the water infrastructure, could be further strengthened by leveraging SSTC to transfer successful water management innovations and models from countries which have faced similar challenges.

6. Through SSTC, women could be trained as water managers and equipped with water monitoring technologies, thus enhancing their roles within communities and

ensuring the inclusivity of water schemes. Additionally, South-South policy dialogues could be explored to promote enabling policies and regulations that would ensure the effectiveness of the WUAs.

7. Beyond strengthening local resilience through improved water management practices, SSTC could also be utilized to promote digital platforms for extension services such as weather forecasting. These platforms would provide farmers with critical information to better prepare for droughts and other climatic events.

8. Promoting climate-smart agriculture (CSA) will also be crucial to mitigate the impacts of climate change on farming communities in Rwanda. With the RDDP, as well as the GCF DaiMA projects noting an increase in greenhouse gas emissions from increased livestock activities, SSTC could facilitate the exchange of good practices, such as aerobic composting and optimized feed formulation to reduce these emissions.

9. Further support to the livestock value chain can be provided by engaging with countries that have robust veterinary and biosecurity systems. Recurrent disease outbreaks highlighted by the Partnership for Resilient and Inclusive Small Livestock Markets Programme (PRISM) project could be mitigated with the support of other developing countries, offering comprehensive training programmes for local veterinary staff on advanced disease detection and control techniques. Developing regional information platforms in collaboration with neighbouring countries could also ensure regional biosecurity and reduce the risk of disease spread.

10. In the horticulture value chain, SSTC initiatives in the forms of regional Farmer Field Schools and international learning routes, could introduce climate-resilient coffee and tea varieties, best practices for fertilizer use in tea plantations, and technical assistance for the certification of Rwandan products.

Enhancing Productivity Efficiency through Market and Private Sector Engagement

11. One of the primary challenges faced by Rwandan farmers in enhancing their productivity is limited access to financial services and insufficient collaboration with the private sector. IFAD and its country partners have been working to empower Farmers' Organizations to access financial services by improving the financial literacy and business management skills of cooperative leaders, addressing demand-side constraints. To complement these efforts, SSTC could target regulatory gaps and the lack of financial products suited to farming activities. The agricultural finance sector in Rwanda is constrained by high credit costs, low collateral valuation, and a shortage of specialized agricultural insurance products, which further complicate these issues.

12. SSTC can enhance IFAD's efforts in the country by building the capacity of private financing institutions in Rwanda to extend agricultural loans to farmer cooperatives. By facilitating technical exchanges with financial institutions from other developing countries, Rwandan banks and microfinance institutions could adopt more effective risk assessment and management strategies tailored specifically for agricultural lending. These collaborations could lead to the creation of financial products that effectively mitigate the high risks associated with agricultural loans. Additionally, this initiative could be further supported by policy dialogues involving lawmakers, aimed at fostering a more favourable financing environment for agricultural investments.

13. Engaging the private sector will also be vital in building Productive Alliances to strengthen market opportunities for rural farmers. Drawing on experiences from countries with vibrant agribusiness sectors, Rwanda can foster public-private-producer partnerships (4Ps) to increase private investments in input supply chains and market development. These linkages would be particularly relevant for farmers in small livestock production and horticulture. Such partnerships could contribute

to trade discussions during global events involving potential market countries for Rwandan products.

14. Finally, supporting capacity building through SSTC to deploy market intelligence officers on key export products to gather real-time data on market trends, consumer preferences, and regulatory requirements could ensure better market alignment for Rwandan products.

Rwanda as a provider country

15. The unique development trajectory of Rwanda positions the country as an important provider for SSTC activities. In particular, Rwanda shares its successful experiences in governance, technology, healthcare, and education with other developing nations. It actively disseminates its expertise in decentralization, anti-corruption, digital transformation, social protection programmes and post-conflict reconstruction.

16. In the area of agriculture, IFAD has supported Rwanda in the successful development of youth employment incubation hubs. The Agribusiness hub by Kilimo Trust provides technical, vocational, and business skills training, facilitates access to capital, and enhances market linkages. The hub model aims to create sustainable employment by fostering both wage employment and self-employment opportunities, with a focus on practical, market-driven agricultural and agribusiness activities. Since its establishment, the Hub has developed 10 agribusiness curricula, partnered with over 20 private companies and trained more than 350 youths, serving as an example of an integrated approach to empowerment the youth in the agribusiness sector.

III. SSTC engagement rationale

17. Rwanda's commitment to South-South and Triangular Cooperation is a cornerstone of its sustainable development strategy, particularly in regional integration. Deeply rooted in the cultural heritage of the country, SSTC is positioned to contribute to its ambition to transition from a Least Developed Country to a High-Income Country by 2050. This commitment was solidified in 2018 with the establishment of the Rwanda Cooperation Initiative (RCI), a public company under the Ministry of Foreign Affairs, dedicated to the promotion of SSTC.

18. Through the RCI, Rwanda has demonstrated significant leadership in facilitating and participating in SSTC, aiming to enhance development outcomes both domestically and across Africa and beyond. As a "Single Window Access" platform, the RCI has hosted over 5,000 delegates from Africa, Asia, Europe, and Latin America, facilitating the exchange of lessons and experiences from Rwanda’s public sector and home-grown solutions. In 2023, in collaboration with the Rome-Based Agencies (FAO, IFAD, and WFP), the RCI marked the United Nations Day for South-South Cooperation. During this event, the Rwandan government, along with other international development stakeholders, reaffirmed their commitment to leveraging SSTC to assist countries in meeting the SDGs.

19. The integration of SSTC within the COSOP will capitalize on the country's established engagement and robust framework in southern collaborations to further support rural and agricultural transformation. Its success can serve as an example for other countries to further institutionalize SSTC within their national development frameworks.

IV. Partnerships and initiatives

20. To fully harness the potential of SSTC in Rwanda, several regional and international partnerships and initiatives can be developed.

21. In the water management area, past IFAD interventions such as the Upper Tana Catchment Natural Resource Management Project in Kenya offer a compelling

model. By adopting best practices from this IFAD-funded project, rural communities in Rwanda could enhance their water management practices and governance frameworks. In complementarity, partnering with institutions such as the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), which has extensive experience in watershed projects, could further strengthen IFAD's interventions targeted at better water management in the country.

22. Additionally, within the framework of the Rome-Based Agencies project in Rwanda, the UN Joint Programme on Rural Women's Economic Empowerment (JP RWEE2), interventions could specifically focus on equipping women with advanced water management tools. Introducing technologies such as the Chameleon soil sensor from the Virtual Irrigation Academy – tested in Malawi and South-Africa, could significantly strengthen their role in efficient water usage at the community level.

23. Regarding CSA, Rwanda could benefit from partnerships with Latin American Countries, such as Brazil. The Brazilian Agricultural Research Corporation (EMBRAPA), which focuses on developing and disseminating tropical agriculture innovations can enhance Rwanda's capacity in precision agriculture and optimized fertilizer use, particularly for tea and coffee plantations. Additionally, knowledge sharing on climate-resilient coffee varieties and sustainable farming practices with Colombia, particularly its Federation of Coffee Growers, could improve both the yield and quality of Rwandan coffee under changing climatic conditions.

24. With the adoption of modern technology foreseen to strengthen the impact of the COSOP, India and other Asian countries such as Thailand, could share their advancements in ICT solutions for agriculture, including weather information systems and digital market platforms. These tools, supported by the adequate capacity-building interventions, would improve digital advisory services, market information, and weather forecasting for Rwandan farmers. This can lead to more informed decision-making and better preparedness for climatic events.

25. On the subject of livestock biosecurity, Rwanda can partner with the Chinese Academy of Agricultural Sciences (CAAS) for comprehensive training programs for Rwandan veterinary staff on advanced disease detection and control techniques, to mitigate disease outbreaks and enhance livestock health. Partnerships with countries in the Asia and Pacific Region, such as India and Vietnam, could support the adoption of digital solutions for extension services and improved productivity monitoring tools.

26. Engagement with the Climate and Clean Air Coalition, which supports Uruguay in implementing agricultural practices could further contribute to the livestock value chain, to reduce methane emissions from livestock farming in Rwanda. Similar engagement with the NDC Partnership could also provide access to sustainable management practices to reduce emissions from Livestock. Farmers could acquire successful methodologies to mitigate greenhouse gas emissions, contributing to environmental sustainability and climate resilience. These best practices in greenhouse gas emission reduction could also be shared within the framework of the GCF DaiMA project, implemented across Kenya, Rwanda, Tanzania, and Uganda.

27. Strengthening market linkages and fostering private sector engagement will also be crucial. Nigeria's Commodity Alliance Forum (CAF) has successfully aggregated producers, input dealers, credit suppliers, and processors, creating a robust model for public-private-producer partnerships (4Ps). Rwanda can learn from Nigeria's experience to strengthen market opportunities for rural farmers, enhancing their ability to access larger markets and secure better prices for their produce. Additionally, Brazil's experience with Community Development Banks (CDBs), which provide financial services, including microloans and capacity-building activities to small-scale entrepreneurs, can offer valuable lessons for improving the

financial literacy and business management skills of Rwandan cooperatives, and support policy dialogues with public and private sector actors.

28. Moreover, to expand Rwanda's export markets, engaging in collaborations with Middle Eastern countries such as the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE)—both renowned for their roles as global logistics hubs and their high demand for exotic fruits—could prove beneficial. SSTC interventions might take the form of dialogue events that bring together Rwandan producer organizations, relevant ministries, and fruit sector stakeholders from the KSA and UAE. These dialogues would aim to explore potential collaborations, address challenges in trade activities, and facilitate smoother market access, aligning with mutual economic and development goals. This approach could significantly enhance the visibility and reach of Rwandan fruits in lucrative markets, fostering long-term trade relationships.

V. Conclusion

29. The integration of SSTC within Rwanda's COSOP offers a strategic pathway to enhance the sustainability and effectiveness of the IFAD country programme. By leveraging the strong institutional capacity in Rwanda, SSTC can facilitate experiences, innovations, and expertise sharing from the Global South, to improve agricultural productivity, market linkages, and climate resilience. Proposed initiatives, such as partnerships with Brazil, Colombia and Kenya for climate adaptation, the Middle East for export markets, could be complemented with other interventions. Based on the evolving global context and Rwanda's national priorities, additional opportunities for South-South partnerships could be identified during the course of the COSOP implementation.

Financial management issues summary

COUNTRY	*Rwanda*	COSOP PERIOD	*2025 – 2030*

COUNTRY FM ANALYSIS

Country Disbursement Ratio (rolling-year)	12.7 %
Unjustified Obligations: *Outstanding Ineligible Expenditure* *Outstanding Advances (Projects in Closed Status)*	There is no ineligible expenditures in Rwanda Portfolio. There is outstanding advance of USD 55,222 (RDDP: USD 50 840.78 and KIIIWP 1: USD 4 381.00). The financial closing date of the RDDP is June 30, 2024. The final withdrawal application (WA) has not yet been submitted for justification. FMD monitors the submission of final WAs and the return of unused funds.
PBAS Available allocation (current cycle) :	Allocated Amount: 68,463,032 Available Balance: NIL
BRAM access	Yes
Country income category	LIC

Economic update 2023[54]. Real GDP growth stabilized at 8.2% in 2022 and 2023 and projected to drop to an average of 6.6% in 2024 and 2025, driven by climate shocks to agriculture. Inflation is expected to be moderate to 7.0% in 2024 and 5.2% in 2025, reflecting stabilization of supply chains, monetary policy tightening, and falling international commodity prices. The fiscal deficit is projected to improve to 6.4% in 2024 and 5.9% in 2025 due to continued fiscal consolidation and stronger domestic revenue mobilization. Rwanda has committed to achieving a debt-to-GDP ratio of 65% by 2031. The current account deficit is projected to rise slightly to 10.9% of GDP in 2024 before narrowing to 10.7% in 2025 as capital imports decline, conference tourism receipts recover, and remittances from the diaspora improve. Foreign exchange reserves are expected to moderate to 4.8 months of import cover in 2024 and 5.2 months in 2025. The overall moderate economic performance is attributed to mitigation of climate shock risks by government climate risk action plans**.**

Governance. The inherent country risk is low. Transparency International Corruption Perception Index for Rwanda scored 53 (+2 since 2022), which places the country in the 49th position out of 180 surveyed countries. According to 2023 CPIA[55], Rwanda is a medium-to-high policy performer with score of score 4.1 (Above IDA Avg.). The lowest performing cluster is public sector management and institutions with score of 3.9. As per the assessment, score of Quality of Budgetary and Financial Management is 4.0, which is well above the average and the lowest scored indicator is Transparency Accountability and Corruption in the Public Sector (scored as 3.5), although well above cluster average of 2.7.

Debt Sustainability[56]. In accordance with IMF's Article IV, which was released on December 18, 2023, the Country's risk of debt distress is moderate with some space, improvement from the previous rating moderate with limited space. The country is eligible for IFAD resources on 80% super highly concessional and 20% highly concessional. Rwanda's financing strategy assumes continued support from bilateral and multilateral development partners over the medium term, with highly concessional loans for new external borrowing under IDA20 and an increasing share of domestic financing in the long term. Besides financing from the World Bank and the IMF, the projection assumes disbursements of external financing from the African Development Bank and several other multilateral and official bilateral partners. The share of market-based external financing is also projected to increase starting 2030, although very slowly. Under the IDA20 financing terms, the volume of loans is projected to increase given the shift from 50-50 grant-loan financing under IDA19 to 100 percent loans, hence, the fiscal deficit

and the nominal debt will increase as well, but given the higher concessional terms of IDA20 loans, the expected impact on the present value of debt is marginal. IDA financing signed after 2024 is assumed to be in the form of 100 percent credit on regular IDA terms.

PEFA Assessment[57]. According to latest PEFA assessment, conducted in 2021, most aspect of the PFM system remain at satisfactory level. The PFM system is able to produce credible national budget (including external donor support) with contained composition variances (PI-2) and transparent (PI-4) comprehensive (PI-5) documentation available to public. Guidance to budget preparation is good (PI-17). Cash forecasting, Treasury Single Account (TSA) consolidation and IFMIS integrated accounting secure reliable predictability of fund allocation to government entities (PI-21) for budget execution. Financial integrity is secured through the IFMIS (PI-27), however accuracy and timeliness of reporting requires improvements (PI-28). There is reasonably strong external audit (except for financial independence of OAG) and legislative oversight functions, ensuring that the executive is held accountable for the use of public funds. As per the assessment, compliance with PFM systems and international standards has been increased.

PORTFOLIO – LESSONS

Existing Portfolio:

Project	Project Status	%Disb'd of all financing instruments	Project FM inherent risk rating	Performance Score: Quality of FM	Performance Score: Quality & Timeliness of Audit	Performance Score: Disb. Rate	Performance Score: Counterpart funds	Compl. date
RDDP	Project Completed	99.19	Moderate	Moderately Satisfactory	Satisfactory	Satisfactory	Moderately Satisfactory	31/12/ 2023
KIIWP1	Project Completed	100.03	Moderate	Satisfactory	Satisfactory	Moderately Satisfactory	Moderately Satisfactory	29/09/ 2023
KIIWP2	Available for Disb.	10.3	Moderate	Moderately Satisfactory	Satisfactory	Moderately Satisfactory	Moderately Unsatisfactory	29/06/ 2028
PRISM	Available for Disb.	85.41	Moderate	Moderately Satisfactory	Satisfactory	Highly Satisfactory	Moderately Satisfactory	30/03/ 2026
PSAC	Available for Disb.	5.33	Substantial	Not Specified	Not Specified	Not Specified	Not Specified	29/09/ 2029
RDDP 2	Entry into Force		Moderate	Not Specified	Not Specified	Not Specified	Not Specified	31/03/ 2030

Update on On-going Portfolio.

There are four ongoing projects in Rwanda: KIIWP2, PRISM, PSAC, RDDP2, and the FM quality is generally moderately satisfactory. The average Financial Management (FM) inherent risk of IFAD-financed projects is moderate.

Strengths: (i) IFAD's funded projects in Rwanda are well integrated/aligned to the solid country PFM systems; (ii) internal audit is provided by the central unit at LPA; (iii) the external audit is secured by the Office of the Auditor General as mandated under the government act, and timeliness and quality of the audits are satisfactory; (iv) All on-going IFAD projects are implemented by the Ministry of Agriculture and Animal Resources, they have relevant experience in the implementation of donor funded projects and there is a single project coordination unit, which is facilitating the faster start-ups and knowledge sharing between staff; (v) budgets are included into state envelope and follow national procedures; and (vi) all projects use the government Integrated Financial Management System (IFMIS), which is automating the execution and accounting processes for the effective Public Financial Management.

Weaknesses:

(i) The salary of FM staff assigned to IFAD's projects has been reduced in the last few

[54] https://www.afdb.org/en/countries/east-africa/rwanda/rwanda-economic-outlook
[55] https://www.worldbank.org/content/dam/documents/cpia/WB_CPIA_ENG_rwanda.pdf
[56] https://www.imf.org/en/Publications/CR/Issues/2023/12/18/Rwanda-2023-Article-IV-Consultation-Second-Reviews-Under-the-Policy-Coordination-Instrument-542581
[57] https://www.pefa.org/node/5061

years in accordance with the decision of the National Authority. RAB/Government has recently approved a new organizational and salary structure for the SPIU and there is a risk of rising demotivation and loss of experience due to potential turnover. Additionally, some appointees may not be sufficiently familiar with IFAD procedures, which may lead to non-compliance with IFAD requirements.

(ii) Lack of clarity in roles and responsibilities in the annual planning process, and late submission of AWPBs;

(iii) There is a strong financial data integrity process in Rwanda using the strengthened PFM ICT infrastructure (IFMIS). However, IFMIS does not allow financial reporting by component and category. Additionally, advances are recorded in IFMIS as expenditure once they are transferred to implementing partners, which makes the advance monitoring process difficult at project level and leads to mismatches between reported expenditures and actual expenditures at the implementing partner level. There are also weaknesses in the mapping/evaluation of in-kind co-financing and recording into IFMIS.

(iv) Lack of effective monitoring of the activities implemented by implementing partners, which may lead to ineligible expenditures if the activities are not implemented by the project completion date (e.g. Ineligible expenditures were identified by OAG during external audit of PASP, because activities that were implemented by BDF were not completed by the project completion date);

(v) Significant delays in submission of withdrawal applications due to lengthy delays in approval;

(vi) Cross financing practices due to liquidity shortage for delay/non-materialization of third parties co-financing

(vii) Lack of valuation and reporting in-kind contributions. Proper documentation and recording of government in-kind contributions is one area that is currently not performing well across the portfolio. MINECOFIN previously confirmed the feasibility of the IFMIS/M&E module to record IKC and the Auditor General agreed on the reporting of IKC in the notes to the FS, however, no action is taken to date.

The mitigation measures are listed in the IPRM in the COSOP document.

Lessons learned: (i) Finance Officer to directly meet with national institutions to unlock implementation bottlenecks due to alignment to country systems (e.g. Ministry of Finance for IFMIS customizations; Auditor General for IKC treatment into FS); (ii) up-front scrutiny of MoU with Implementing Partners for maintaining a close monitor on justification of advances (for recognition into WA submission) and to avoid down-stream complex and time-consuming management of refunds for ineligibility of expenditure.

Use of country systems. IFAD funded projects in Rwanda are well integrated with the country PFM systems. The PFM system is led by MINECOFIN and the fiduciary risk in using FM country systems is currently deemed moderate.

Staffing and Organization.

Budget. A clear and detailed annual budget process/calendar is in place and is generally adhered to. The calendar, issued by MINECOFIN, allows up to six (6) weeks for Ministries, Departments, and Agencies (MDAs) to complete their revenue/expenditure budget estimates. A Budget Framework Paper (including commitment from external donors) is consolidated by MINECOFIN and is presented on early April to Parliament. After consultation with ministries, the Parliament approves the Fiscal Law by mid-June, before the start of the fiscal year.

Flow of Funds. Funds flow through accounts pooled in the TSA system .The opening of any government bank account (MDAs and District Councils) requires the approval of MINECOFIN. These are consolidated (zero-balanced at day end) into the Treasury Single Account (TSA), held at National Bank of Rwanda. TSA allow GoR to ascertain in real time the total cash position at end of business day. It is mandatory that donor funded project bank accounts are included into the TSA mechanism.

Accounting and Financial Reporting. There is a high degree of reliance on IFMIS, which has been deployed to all MDAs and District Councils and adopted by external donors. IFMIS already include budget, accounting, treasury, and e-procurement modules. IFMIS treasury module is linked to bank accounts, hence to the TSA. Reconciliation are performed monthly in IFMIS. Reporting to GoR is performed monthly and quarterly through IFMIS. However, GoR chart of account does not have the

required granularity to report donor projects by component and category, and this requires ad hoc customization (on-going). Accounting is done on a Modified Accrual basis (and GoR is implementing a roadmap to move to IPSAS-Accrual).

Internal Audit. The IA function is within MINECOFIN. It is fully staffed with decentralised sub-units within MDAs and Districts. Its independence may be impaired as staff are recruited and can be dismissed at the entity level. IA follow a risk-based approach following the Internal Auditors' Professional Practices Framework. Audit recommendations are consolidated by the internal audit Central Unit into an internal audit report to MINECOFIN.

External Audit. is the responsibility of the Office of the Auditor General (OAG) who covers all government entities. OAG follow INTOSAI standards of Audit.

Prepared by: SENGUL JAMES

Date:18 July 2024

Procurement risk matrix – part A country level

Procurement issues	Inherent risk	Residual risk	Mitigation measures
Pillar I. Legal, regulatory and policy framework The legal framework is clearly structured, distinguishing laws, regulations and procedures and with precedence firmly established. Use of non-competitive methods of procurement with RPPA prior approval has a risk of misuse by the PEs. No provision in the law excluding bidders with criminal conviction from participation, which may result in contract awards to them. There are no specific provisions covering the use of life cycle costing or considerations of environmental/social characteristics, which has a potential risk of SECAP non-compliance.	**Low**	**Low**	Use of non-competitive procurement methods in IFAD projects, must be identified in the Procurement Plan and IFAD prior reviewed. National SBDs shall be amended to include mandatory reference to IFAD's SECAP standards. Also, with IFAD Self-Certification form.
Pillar II. Institutional framework and management capacity RPPA is still involved in providing authorization to PEs for use of less competitive bidding (PPR A.59) which has a potential risk for conflict of interest. Procurement training is irregular and there are no specific procurement accreditation schemes or certification. The Rwanda Association of procurement professionals' independence is compromised due to budget allocation from MINECOFIN and has serious staff and financial constraints.	**Low**	**Low**	Engage in policy discussion with the government to encourage strengthening RPPA and NIRP's institutional independence. Procurement training to be provided at the startup of IFAD projects. All project procurement personnel shall be encouraged to undergo BuildProc trainings. The IFAD OPEN procurement reporting system will be used for conducting procurement processes and managing contract data.
Pillar III. Public procurement operations and market practices Market research rarely guides the identification of procurement strategies, which may result in inappropriate procurement methods and market approach. Potential risk of less competition due to low Bidder participation in most of the procurements. Engagement of private associations in public procurement processes, compromising a transparent and consultative process when formulating changes to public procurement frameworks.	**Moderate**	**Moderate**	IFAD Projects shall follow the Project Procurement Strategy outlined in the PIM. Advertise ICB opportunities on UNDB and other internationally accessible sites. Engage in policy dialogue to encourage inclusion of private sector in public procurement processes and increased access for private sector organizations to the public procurement market.
Pillar IV. Accountability, integrity and transparency of the public procurement system Absence of protocol or MOU between RPPA and OAG, to ensure effective	**Moderate**	**Moderate**	IFAD projects shall develop mechanisms to ensure that all audit recommendations are acted upon in a timely manner. Compliance to be monitored during supervision missions.

audit control mechanisms, with a risk of non-compliance of audit observations. NIRP's independence is compromised as its budget is provided by RPPA. Civil society organizations in Rwanda remain weak due to a variety of constraints and are largely excluded from public consultation and monitoring. There is no home grown. There is no clear provision that civil society contributes to shaping and improve integrity of public procurement.			Non-compliance could lead to ineligibility. IFAD projects shall proactively engage with civil society organisations.

Integrated country risk matrix

Integrated Country Risk Matrix			
Risk type	**Inherent risk**	**Residual risk**	**Mitigation measures**
Country context	Moderate	Moderate	
Political commitment The long-standing political stability of Rwanda, together with good governance and policy consistency has ensured successful delivery of IFAD development programmes and projects. During the previous COSOP, the Government demonstrated strong demand for IFAD financing and commitment to project implementation. For the recent design of RDDP-II, for example, GoR demonstrated strong commitment in co-financing the project and mobilizing potential additional co-financiers. However recent supervision missions for IFAD projects have observed the Government's contribution to IFAD-funded projects has been either lacking or delayed primarily caused by the Government's varied priorities. As such, one potential risk could be delays in signing of Financing Agreements for new financings during the COSOP period	Substantial	Substantial	The IFAD ICO will continue to work closely with the Government to secure political commitment. This will include involving them closely in the design of new financings to avoid potential delays in signing Financing Agreements. Close alignment of IFAD activities with the Government's strategies and priorities will also help to mitigate political commitment risks With the support of IFAD (FMD), joint action plan has been developed to improve the timely commitment of the Government's contribution to IFAD projects. This includes the newly developed system (IFMIS) launching to monitor and record of the counterpart funding.
Governance In 2023, Transparency International's Country Corruption Perception Index assessed Rwanda at a moderate level of risk in terms of corruption (53 points, showing a decrease of 1 point compared to 2020), which places the country in 49th position out of 180 countries. The World Bank 2024 Country Policy and Institutional Assessment rates Rwanda as a good policy reformer with a score of 4.1 (no change compared to previous year).	Moderate	Moderate	Efforts have been enhanced by the GoR to prevent corruption through the identification and reduction of vulnerability to corruption. The National Council to fight against Corruption and Injustice and Corruption Advisory Councils at national, district, sector, and cell levels have been established to strengthen the efforts to prevent corruption. Since 2000, Rwanda has adopted the National Decentralization Policy which promotes good governance, reduction of poverty as well as efficient, effective, and accountable service delivery. To further mitigate Governance risks that could affect the COSOP objectives, IFAD will carry out institutional capacity-building at all levels and strengthening governance of programme stakeholders.

Integrated Country Risk Matrix			
Risk type	**Inherent risk**	**Residual risk**	**Mitigation measures**
Macroeconomic As detailed in Annex III, Rwanda's economic growth is expected to be robust in the coming years, but there are concerns about levels of debt and fiscal space, driven by lingering effects of the COVID-19 pandemic, Ukraine crisis and recurrent climatic shocks.	Moderate	Moderate	IFAD will seek to stabilise the macroeconomic environment by providing Super Highly Concessions / Highly Concessional funding, to be used to support the economy through national production and productivity increases and building export-oriented value chains. IFAD will also provide support to policy making and implementation to further promote economic performance and stability through the agriculture sector.
Fragility and security Rwanda has maintained its political stability since the 1994 genocide. Regionally, while relations with Burundi and Uganda have normalized, tensions rose with neighbouring DRC in 2022. While the long-term impact of the Ukraine war is still unknown, the rise in the cost of electricity, seeds and fodder has affected the country and may continue in the next few years. In addition, intensity of extreme events such as floods and droughts have increased. The impact of climate change is evident in the longer dry season, resulting in a lack of water (for both human and animals) and fodder availability, with adverse impact on milk production.	Moderate	Moderate	Through the IFAD portfolio during the COSOP period, a strong targeting strategy will be implemented to ensure that the livelihoods of the most disadvantaged rural categories including smallholder farmers, poor households, unemployed youth, women and women-headed households will be strengthened. Special emphasis will be provided to households that have people with disabilities, small children, adolescent girls, pregnant and lactating women. Capacity of these producers will be built in order to build their resilience to the fragility risks including local price changes and the effects of climate change.
Sector strategies and policies	**Moderate**	**Moderate**	
Policy alignment There are no risks of policy alignment as the COSOP is fully aligned with the Fifth Strategic Plan for Agricultural Transformation (PTSA5), and all related policies.	Low	Low	All designs of existing and new projects undergo intensive dialogue and analysis to ensure policy alignment. In order to ensure full alignment with the new PTSA5, the previous COSOP was extended for a short period until the PTSA5 was agreed, to ensure the new COSOP could be finalised in line with the new national strategy.
Policy development and implementation In past projects, while IFAD has experience some success in facilitating policy processes, it has been more difficult to achieve results in directly influencing policy content and directions.	Moderate	Moderate	IFAD will also engage in supporting policy dialogue and the design of sector strategies and policies. This will include sharing of evidence from development projects to strengthen policies. The strength of the SPIU will also be leveraged to increase IFAD's contribution to policy development and implementation. With sufficient capacity building for the SPIU to do so.

Integrated Country Risk Matrix			
Risk type	**Inherent risk**	**Residual risk**	**Mitigation measures**
Environmental, social and climate context	Substantial	Substantial	
Rwanda is recognised for its commitment to gender equality, reflected in its robust legal and policy framework. But disparities remain, including in labour market participation, unpaid care burden, and access to education. Gender Based Violence also remains pervasive. **Around 44.5% of the population is under 18 years old, and around 68% of youth live in rural areas. Education levels at secondary level are low and unemployment rate is around 21%. Skill gapks are high.** Despite Rwanda's low per capita greenhouse gas (GHG) emissions—ranking 185th out of 188 countries—the country is significantly impacted by climate change. Rwanda's high vulnerability and readiness scores place it in the upper-right quadrant of the ND-GAIN Matrix, indicating a relatively strong capacity to respond effectively to climate change. However, the need for adaptation remains urgent, as Rwanda is the 32nd most vulnerable and the 88th most ready country to tackle climate issues. Rwanda faces various natural hazards, including droughts, floods, landslides, and storms. Rwanda faces rising temperatures, heavy rainfall, and prolonged dry spells, which exacerbate soil erosion, land degradation, biodiversity loss, and the spread of invasive species like water hyacinth.			Through all activities during the COSOP period, IFAD will implement proper implementation and monitoring of safeguards, in-line with the SECAP Policy. Moreover, projects will deliver targeted support to address the specific barriers and risks faced by women, youth and other vulnerable groups. To mitigate environment and climate-related risks, IFAD will mainstream the promotion of climate-smart technologies through the portfolio. Through RDDP-II this will include promotion of emissions reduction in the dairy sector.
Financial management	**Moderate**	Moderate	

Integrated Country Risk Matrix			
Risk type	**Inherent risk**	**Residual risk**	**Mitigation measures**
Organization and staffing Following the new organizational and salary structure of the SPIU adopted by RAB/Government, there will be a merging of FM positions and salary reductions. As a result, there is a risk of increased demotivation among employees and potential loss of experienced staff due to turnover. Additionally, there is a risk of facing challenges in finding individuals familiar with IFAD procedures in the job market.	**Moderate**	Moderate	(i) Benefit from overall SPCU-FM team's support to secure timely project start-up, (ii) strengthen linkage of ToRs for FM staff to job title for proper alignment to salary scale, as per national authorities' procedure; (iii) Training on IFAD guidelines once the RAB proposed structure is approved).
Budgeting **(i) The latest PEFA assessment (2021) shows that Rwanda's budget is reliable at the aggregate level (PI- 1 sored "B"). However, there is a risk of low budget credibility due to difference between the budget locked in the national envelope (March) and the most updated / realistic budget projection approved by IFAD, which may make it difficult to align the evaluation of project performance at donor and the government level** (ii) At the project level, there is a risk that roles and responsibilities in the annual planning process are not clear, thus leading to the late submission of AWPBs.	**Moderate**	Moderate	(i) Budget structure (by activity) presented in November with a granularity that enables flexibility in the allocation adjustments in March; (ii) considering that budget needs to be inserted into IFMIS in accordance with the National Budget rules, preparation of annual budgets and clearance process with IFAD should be well planned and executed to precede the Government budgeting calendar; (ii) budget preparation with a minimum quarterly phasing based on procurement plan projections for early identification of activities to be carried forward in the next year and to avoid duplications; (iii) wise allocation of sufficient resources by activities to avoid overdraft of GoR ceilings until mid-year revisions. (iv) Timely submission of AWPB to IFAD to avoid delays in implementation during the year.

Integrated Country Risk Matrix			
Risk type	**Inherent risk**	**Residual risk**	**Mitigation measures**
Funds flow/disbursement arrangements: There is a risk of liquidity shortage cross-financings and implementation delays due to delays in signing the co- financing agreements, fulfilment of first disbursement conditions of donors or non-materialization of third- party co-financings.and currency depreciation. Additionally, the liquidity plan is weak because of unreliable AWPBs and poor alignment with IFAD disbursement reform (IFR-based) for prompt WA submission.	**Moderate**	Moderate	(i) Comply with IFAD withdrawal application submission timelines. (ii) Early identification (at design) of the likelihood of potential funding gaps from co-financier and prudent adoption of financing rules in COSTAB preparation to prevent bottlenecks in the first AWPB preparation/execution. (iii) The Borrower with support from IFAD to follow up on planned co-financings and engage in further discussions with co-financiers to mitigate the risk of delays in co-financings.; (iv) Constant monitoring, mainly during bids, of the impact of exchange rate variations on actual costs compared to the investment initially estimated at design (Costab); (v) Implementation of first disbursement conditions to be well planned at design stage, including allocating start-up advances, which will allow timely fulfilment of disbursement conditions.
Country internal controls The Ministerial Instructions (MI), the Ministerial Orders (MO), and the PFM procedure manual all establish a clear internal control system, including internal auditing. At the project level, there is a risk that funds advanced to implementing partners may not be adequately monitored and reported, potentially resulting in the misuse of funds.	**Moderate**	Moderate	The Memorandum of Understanding (MoU) signed with the implementing partners should include specific clauses on the refund of unused funds, financial reporting and auditing requirements (including specific deadlines), consistent with IFAD's requirements. To minimize the risk of ineligible expenditures, the project completion date and description (as set out in IFAD guidelines) should be clearly stated in the MoUs. Utilization reports of prior advances should be set as condition to subsequent disbursements. Ageing reports on advances should be disclosed in the quarterly IFRs and annual audited financial statements.
Accounting and financial reporting Rwanda has a robust financial data integrity process in place, utilizing a strengthened PFM ICT infrastructure. However, there is a risk that financial reports produced by the IFIMS are not fully adequate to IFAD requirements: IFMIS does not allow financial reporting by component and category. Furthermore, the recording of advances as expenditure in IFMIS upon transfer to implementing partners requires manual reconciliation by projects.	**Moderate**	Moderate	(i) The RAB/SPIU should continue to pro-actively engage the MINECOFIN IFMIS team to ensure that MINECOFIN finalized the customization of the IFMIS Chart of Accounts to enable recording and reporting by component and category. This will allow to extract reliable information from the IFMIS, which will more effectively feed into manual reports and eliminate errors. In the medium term, there should be further customization to automatically generate reports from the IFMIS, as a reliable ring-fenced system and recording/monitoring in-kind contributions through IFMIS-M&E.

Integrated Country Risk Matrix			
Risk type	**Inherent risk**	**Residual risk**	**Mitigation measures**
There are also shortcomings in the mapping/evaluation of in-kind co-financing and its integration into IFMIS. So far, no steps have been taken to incorporate the IKC into the IFMIS/M&E module, as recommended by MINECOFIN.			(ii) Valuation of in-kind contributions on a frequent basis and reporting them in the financial reports.
External audit IFAD funded projects are audited by the Supreme Audit Institution. There is reasonably strong external audit in Rwanda (except for financial independence of OAG) and legislative oversight functions, ensuring that the executive is held accountable for the use of public funds. At project level, the audit reports are generally submitted timely. However, there are usually delays in submission of final external audit reports and implementation of audit recommendations is slow.	**Low**	Low	Mitigations: (i) Early engagement of Auditor General (OAG) for including the Project into yearly work plan; (ii) regular/prompt follow up on auditor's observations.

Thematic note on challenges and opportunities: Rural finance

A) Financial Sector Context

Access to financial services has been a long-term government priority in Rwanda, and financial inclusion is on an upward trend in the country. The 2020 Finscope survey found that 71% of rural people had access to financial services (compared to 95% in urban areas)[58], while a nationally representative survey of smallholder households by IFPRI in 2022 found that 81% had an account in a formal or informal financial institution.[59] A key driver of this expanded financial service coverage is attributed to the exponential growth of mobile money as well as the rapid, government-supported expansion of the SACCO network. At the same time membership in Village Loan and Savings Associations (VSLAs) is widespread in rural areas, providing basic savings and credit services to group members. VSLAs are seen as a key channel to reach the most vulnerable households in rural areas including low-income women, and they receive considerable support from various actors including CARE International and the joint SDG Fund.

There are currently 16 commercial banks in Rwanda, along with 45 deposit-taking microfinance institutions and 416 deposit-taking SACCOs.[60] The large number of SACCOs is a result of a government directive in 2008 to ensure there is one "Umurenge" SACCO per administrative sector. According to the National Bank of Rwanda, financial sector assets continue to grow, thanks to, among other factors, the growth of the microfinance sector. Based on reports from the Central Bank, commercial banks, MFIs and SACCOs all maintain strong levels of liquidity, with each category comfortably exceeding their capital adequacy thresholds.[61] Non-Performing Loan Ratios increased somewhat towards the end of 2023 but remain low in regional comparison. Overall, the drive for economic growth and increased financial inclusion in the coming five years is expected to be supported by a financial sector that remains healthy despite potential global economic shocks and extreme climatic events that may adversely affect Rwanda's economy.[62]

Despite the expansion in financial service coverage and the health of the financial sector, considerable challenges remain for rural value chain actors to access appropriate financial services. First, while access to bank accounts is high and increasing, the IFPRI smallholder survey notes that only 5% of smallholders are clients of a commercial bank, compared to 64% of them being members of SACCOs. In addition, while many have some form a mobile account, access for rural value chain actors, particularly smallholders and rural MSMEs, to credit and insurance services remains low, with particularly high barriers faced in credit access by rural women and youth.

For individual small-scale farmers and their marketing cooperatives and microbusinesses, the lack of collateral and limited business planning, management and financial literacy skills limit their chances to borrow from financial institutions. This situation is exacerbated by the added operating cost to reach small clients in remote rural areas. Moreover, financial service providers often lack the strategy, knowledge, or incentive to adapt their products to the agriculture sector and to the seasonality and

[58] FinScope, 2020. *FinScope Rwanda Survey 2020*. https://www.statistics.gov.rw/publication/finscope-rwanda-2020
[59] See IFPRI, 2023. *Rwanda Smallholder Agriculture Commercialisation Survey: Overview using selected categorical variables.* https://ebrary.ifpri.org/utils/getfile/collection/p15738coll2/id/136914/filename/137126.pdf
[60] See National Bank of Rwanda, 2024. *List of deposition taking microfinance institutions*. https://www.bnr.rw/financial-stability/microfinance-institutions/list-of-licensed-mfis-and-sac/
[61] National Bank of Rwanda, 2023. Quarterly Financial Stability Committee Meeting, August 2023.
[62] National Bank of Rwanda, 2023. Quarterly Financial Stability Committee Meeting, August 2023. https://www.bnr.rw/news-publications/news/news-press-release/?tx_bnrdocumentmanager_frontend%5Baction%5D=activeList&tx_bnrdocumentmanager_frontend%5Bcontroller%5D=Document&cHash=165a1af3a31fab72f95835eb3676421f

other particularities of the agricultural sector. MFIs and SACCOs, with weak institutional connections to the liquid commercial banking sector, also continue to suffer from liquidity and cash flow issues, partly due to the seasonality of repayments and more recently, because of to the destabilising effects of climate change on the production patterns of many key crops.

B) Rwandan Policy on Rural and Agricultural Finance

Promoting sustainable agricultural commercialisation through improved access to rural finance is a key part of Rwanda's Fourth Strategic Plan for Agricultural Transformation (PTSA 4, 2018-2024) and is expected to continue to be a focal area for the upcoming fifth phase. Through Priority Area 3 "Inclusive Markets and Value Addition", the strategy highlights the need for financial institutions at all levels to increase financing and other services to the agriculture sector. Productive alliances with embedded financial services, with an emphasis on smallholder and cooperative market integration, are also prioritised, along with strengthening innovative, alternative financial arrangements including warehouse receipt systems. The Strategy also highlights the need for technical and financial capacity building for financial service providers to develop appropriate agricultural financial products targeting smallholder farmers and small agribusinesses, as well as promoting insurance, guarantees, domestic savings, agent banking and in general, commercial value chain financing.

Two other key government priorities in the promotion of rural finance are digitisation and green finance. Defined as an "urgent priority" in the PTSA 4, promoting improved financial services through digitisation is a key part of the Government's Rwanda Fintech Policy 2022-2027. Regarding green finance, the Government's Green Growth and Climate Resilience Strategy includes a specific "Finance Enabling Pillar", a key element of which is the Government's Rwanda Green Fund for investments in both public and private green initiatives.

Furthermore, a key policy document for IFAD's rural finance operations during the next COSOP is the Rwanda Financial Sector Strategic Plan 2018 – 2024 (RFSTP)[63], which is the long-term development strategy that governs the entire financial sector of Rwanda in the achievement of the financial sector objectives as set out in Vision 2020, Vision 2050 and NST1. Acknowledging that grant-based development efforts have led to limited outreach and weak sustainability of funded activities, this Plan states that "Increasing domestic credit to the private sector is the most fundamental financial sector target relating to social and economic transformation". To reach this target, Government will encourage commercial banks to lend to "credit-worthy enterprises and farmers who may lack a track record". The support action will include guarantee programmes as well as specialised training to lenders in agricultural credit to help to roll out appropriate products through all private FIs. Specifically, "strengthening and building sustainability of MFIs and SACCOs is paramount as these institutions reach out to rural populations". By connecting MFIs, SACCOs and rural SMEs more efficiently to the commercial financing system, RFSTP aims systematically to increase the flow of funds both from the external financiers and the domestic banking system to the rural economy and the agricultural sector in a manner that is expected to produce more sustainable results than what has been achieved in the past with a system that has largely relied on grants from public sources.

C) IFAD Experiences and Lessons Learnt for COSOP 2025 – 2030

[63] Republic of Rwanda," Financial Sector Development Strategic Plan 2018 – 2024", Financial Sector Development Directorate, MINECOFIN, 2018.

In addition to the guidance provided by the above-described Rwandan key policies on rural finance, the new COSOP draws on lessons from a range of past and current projects supporting rural finance, including PASP, PRICE, RDDP and PSAC. Particularly, the COSOP draws on the recent Rwanda Country Strategy and Programme Evaluation (CSPE) covering the period 2013-2022[64], which commended the shift during the COSOP period to addressing both supply and demand side constraints for rural finance, as well as diversification of financing products, and progress in moving away from an over-reliance on matching grants. The evaluation also highlighted the need to continue fostering closer links between producers and buyers as well as with commercial banks, and to promote financial inclusion policies. It also encouraged efforts to increase uptake of credit guarantees, insurance, and digital tools for financial service providers and borrowers, and the need to increase sustainability of cooperatives through access to working capital and improved business skills.

The key recommendations of the CSPE on rural finance can be summarised as follows:

- Sharpen the thematic focus in rural finance operations, with a greater reliance on markets and private initiative.
- Focus the investments in sectors/operations in which IFAD has a demonstrated comparative advantage, such as livestock/dairy, agricultural exports value chains and irrigation.
- Include in in IFAD-supported operations a variety of private sectors financial service providers, including commercial banks, MFIs, SACCOs and VSLAs.
- Give prominence to digital financial sector solutions, to improve efficiency and increase outreach.
- Increase focus on climate change finance, particularly climate change adaptation finance investments.

D) Priorities for Rural Finance during COSOP 2025 – 2030

During the 2025 – 2030 COSOP period, the intention will be to address the supply and demand side constraints to access to finance by rural value chain actors, aiming to capitalise on the opportunities provided in Rwanda by a healthy financial sector, a strong government commitment to increasingly engage private financial institutions in agricultural finance activities, and progress achieved in recent years in IFAD's portfolio operations in Rwanda. The priority approaches recommended for rural finance activities are summarised below and include (a) Focal value chain financing approach, (b) Rural finance supply-side support, (c) Rural finance demand-side support, (d) Multiple funding sources for rural finance, (e) Digital rural finance solutions, (f) Focus on green and climate change finance, and (g) Support to women and youth.

Focal value chain financing approach

During the 2025 – 2030 COSOP period, IFAD support will aim at ensuring improved access to finance in IFAD's focal value chains in Rwanda, in a way that is complementary with other activities implemented across the IFAD portfolio. As part of this approach, different instruments and products will be promoted for the different actors in each value chain, including anchor companies, MSMEs, cooperatives and smallholder producers.

[64] The COSOP will also draw lessons from across the region, in particular a 2024 Project Cluster Evaluation on Rural Finance in the East and Southern Africa Region, which focused on three projects in Ethiopia, Kenya and Zambia. This evaluation highlighted the need for effective capacity assessments of partner financial institutions, plus mechanisms to ensure that the benefits of concessional finance are passed on from financial institutions to borrowers, and for improved targeting and reporting.

Through the Rwanda portfolio operations and upcoming regional financing mechanisms (see more below), support will involve the supply of credit lines, de-risking mechanisms and focused capacity building to incentivise commercial banks, MFIs and SACCOs to lend to each category of value chain actors, using appropriate financial products. Further, through projects including PSAC, PRISM and RDDP-II, the value chain approach will be applied by promoting productive alliances that include provision of finance to small-scale producers and cooperatives by off-takers, aggregators, processors, and other larger actors. Regarding specific value chains, in order to promote both food security and increased income generation in rural low-income households, support to rural finance during the COSOP period will focus on selected value chains in both food and cash crops production.

Rural finance supply-side support

During the new COSOP period, IFAD will continue to support the move away from over-reliance on matching grants towards more sustainable financing mechanisms and products. Increased emphasis will be on incentivising private financial institutions to provide varied and appropriate financial services with effective product tailoring, to promote productivity and efficiency along the focal value chains. IFAD supply side investments will cover commercial banks, MFIs and SACCOs, and will involve technical assistance to increase their rural finance implementation capacities as well as financial incentives for these FIs to reach actors across the priority value chains. Specific support to each category of financial service providers will be provided particularly in the following areas:

- **Commercial Banks:** In recognition of the strong liquidity levels of commercial banks, a priority will be on implementing mechanisms to incentivise banks to release this liquidity to rural value chain actors at competitive pricing levels. Especially important objective is to encourage wholesale financing to MFIs and SACCOs active in rural areas, to support the portfolio development of these local financial institutions. Incentive mechanisms can include credit guarantees as well as concessional credit lines with appropriate matching finance requirements from the own funds of the local banks. The IFAD support will also include technical assistance to develop rural and agriculture lending strategies and products, and capacity building and digital systems for increased outreach. For effective fund utilisation, the IFAD target should be to aim at negotiating mutually beneficial partnerships with already functional guarantee mechanisms in Rwanda as well as with donors and providers of financial sector capacity building services such as Mastercard Foundation, ACELI and Cordaid. All the leading Rwandan commercial banks (Banque Populaire du Rwanda, Bank of Kigali, I&M Bank and Equity Bank) plan, partly following Government active encouragement, to substantially increase their agricultural finance operations during the next IFAD COSOP period and are interested in partnerships with international financiers, including IFAD.
- **SACCOs and MFIs:** These institutions will be key to the COSOP strategy given their ability to reach smallholders and microenterprises in all rural districts in Rwanda. IFAD activities will seek to leverage the natural advantages of MFIs and SACCOs by supporting their increased access to wholesale finance, either through direct lines of credit from IFAD-financed initiatives, or through wholesale lending at competitive rates from the funds of the commercial banks. To qualify for commercial bank wholesale loans, participating SACCOs and MFIs would be provided effective capacity building to establish transparent and effective management and reporting systems. At the same time the technical assistance would support SACCOs and MFIs to develop and offer appropriate agricultural and

MSME loans products, operate relevant risk management practices, and reduce their transaction costs by strengthened, preferably IT solution-based delivery channels. With a government-supported initiative, all SACCOs are expected to have their banking system automated by the end of 2024, which will help to design and implementation of potential IFAD support activities in the new COSOP period.

- **Village Savings and Loans Associations:** VSLAs will provide for IFAD a linkage to grassroot level financial intermediation in rural communities and an effective empowerment tool to actively engage low-income women in IFAD-supported activities. IFAD programmes will actively support the establishment of these groups in programme areas, encourage their savings activity, and direct the small VSLA-financed investments of the members towards productive purposes in the focal value chains. Proactive operations by IFAD projects to link the VSLAs to SACCOs, MFIs and commercial banks will ensure higher future borrowing volumes to VSLA members and improve chances of sustainably including them to formal financial sector operations.

Rural finance demand-side support

On the financial services demand side, the IFAD support during the COSOP 2025 - 2030 will involve intensified and focused capacity building for value chain actors, including smallholders, their marketing cooperatives, and MSMEs operating in IFAD-supported value chains. Supported capacity building activities will depend on the target group and focus on financial literacy, business management, and preparation of bankable loan applications and business plans to be submitted to various types of financial institutions. Combined with the production-based support provided through the other elements of the IFAD Rwanda portfolio, this rural finance support will help to increase the bankability of the value chain actors and reduce the perceived risk by the financial institutions when providing agricultural credit to IFAD's target group. Below, the types of capacity building services planned to be offered to smallholders, marketing cooperatives and MSMEs are summarised.

- **Smallholders.** Rural finance capacity building topics under the IFAD portfolio for farmers on small Rwandan holdings can include (a) knowledge of different investment and diversification options on small farms, (b) basic skills to compare the financial viability of the options for the small producer, (c) "Saving for a Purpose", (d) borrowing with special focus on the medium perspective required particularly for green and climate adaptation-related loans, (e) loan terms and alternative collaterals, and (f) the use of mobile and digital banking services.
- **Marketing Cooperatives.** The IFAD-supported capacity building of marketing cooperatives to develop their services to their rural membership and to improve their own access to markets and financial services can include (i) improving cooperative governance and management structures, with particular focus on financial management and systematic reporting; (ii) developing sustainable business models and preparing bankable business plans for the local cooperatives, and (iii) development of supply contract arrangements with their member farmers/suppliers as well as with the agribusinesses that buy the aggregated produce from the cooperatives.
- **MSMEs in focal value chains.** The aim of the IFAD technical support to rural enterprises operating in IFAD's focal value chains is to strengthen the knowledge of these firms of viable investment options that benefit both the firms and their smallholder suppliers/clients. Capacity building can focus on developing the

business planning, investment start-up, and financial management capacity of the companies, thereby lowering the investment risk for financial institutions. Furthermore, bankability assessments can with IFAD support be completed for smaller and larger agribusinesses, helping to inform the financiers of the real investment risks and opportunities of the projects, as well as of the benefits of the investments to participating smallholder suppliers to ensure the highest possible impact of the investments along the focal value chains.

Multiple funding sources for rural finance

As the demand for working capital and investment loans in rural and agricultural sectors significantly surpasses the current supply in Rwanda, the target during the 2025 – 2030 COSOP is widen the funding base of rural finance in IFAD-supported value chains, to supplement IFAD's own rural finance investments. At the core of this strategy is the above-described approach to proactively support and engage private sector financiers, particularly commercial banks, SACCOs and MFIs, to substantially increase their lending to value chain actors at all levels as a part of their mainstream lending.

Furthermore, during the new COSOP, the aim is to introduce IFAD's large-scale regional funding mechanisms to Rwanda. These include the upcoming Africa Rural Climate Adaptation Finance Mechanism (ARCAFIM), which includes a substantial allocation for the Rwanda operation. Operating through the private sector, ARCAFIM includes a credit line for climate change adaptation investments as well as appropriate loan loss protection mechanisms and capacity building facilities. Further, the design is on-going for a regional financing platform (called "FO Platform") that targets rural cooperatives and their members in selected food value chains and provides ARCAFIM-type of incentives for private financiers (banks, SACCOs and MFIs) to expand their lending to the key IFAD target groups.

With the new COSOP, the target is to attract more similar, IFAD-initiated financing mechanisms to support IFAD portfolio operations in Rwanda, blending externally raised funding to private investment capital from local FIs. Rwanda's various, already functional guarantee mechanism support the facilitation of such mechanisms. Particularly, the operational, reasonably priced forex hedging mechanism by the National Bank of Rwanda is a major comparative advantage to Rwanda, as few countries (if any) in Sub-Saharan Africa offer such services that enable the smoother conversion of forex loans to local currency lending to end-borrowers.

Helping with these efforts to assemble finance for private sector investment is the healthy and growing pipeline of companies that IFAD is assembling in partnership with the Government and others. As summarised in Table XI.1, this currently consists of 15 companies with funding needs ranging from US$1m up to US$7.6m.

Table XI.1. Summary of current pipeline of possible companies for private sector investment

	# Companies
Sector (not mutually exclusive)	
Ag./Forestry/Fishing	7
Manufacturing/Construction	2
Wholesale & Retail Trade	3
Transportation & Storage	2
Other	2

	# Companies
Company Size:	
Small	2
Medium	10
Large	3
Climate Focused	3

The same financing partnership approach applies to the financing of capacity building operations in rural finance. The aim is to widen the already existing TA partnerships to

all rural finance operations. Co-financing and service provider contracts with institutions such as Mastercard Foundation, Cordaid, AGRA, and ACELI not only provide professional implementors for the planned capacity building activities but also reduce the requirement for IFAD to commit its own scarce grant funding to its portfolio operations in Rwanda. With the new COSOP and its private sector finance orientation, the aim is to make this TA partnership building more systematic, based on longer-term joint development objectives.

Digital rural finance solutions

Digital solutions, which will enable more efficient financing operations and increased outreach also in the more remote rural areas in Rwanda, will be a key feature in IFAD-supported operations during the new COSOP period. Through the upcoming ARCAFIM, the planned FO Platform programme, and other planned IFAD-supported initiatives, various rural finance-related digital tools will be promoted. These will include digital solutions for financial service providers (banks, SACCOs and MFIs) to conduct credit risk and eligibility assessments, track clients, and increase operational efficiency. They will also promote e-banking and mobile money services across the priority value chains. Partnerships will be formed with development organisations and digital service companies to introduce up-to-date technologies to implementing FIs with IFAD support.

Focus on green and climate change finance

As Rwanda faces major climate change-related risks, supporting the government's prioritisation of green finance will be a key part of the COSOP rural finance strategy. ARCAFIM will be acting as the key instrument in introducing climate change adaptation finance in the Rwandan financial sector, along with a climate change financing mechanism through RDDP-II programme, supported by the upcoming regional GCF-financed Dairy Interventions for Mitigation and Adaptation (DAiMA). In general, specific efforts will be made to connect beneficiaries across the portfolio to these and other green financing opportunities. RDDP-II will also support access to carbon markets for dairy producers.

Support to women and youth

Focused efforts will be made through the IFAD Rwanda portfolio to address the specific barriers to financial inclusion for women and youth. Through ARCAFIM, the potential new FO Platform, and IFAD's sovereign projects, this approach will include tailored capacity building for women and youth for accessing and utilisation of working capital and small investment loans. Support for improving women's access to finance through cooperatives will be provided through the planned FO Platform and with a grant from the Government of Ireland through RDDP-II. PRISM will also support youth entrepreneurship, including providing start-up capital and Business Development Services. At the same time the participating financial institutions (banks, SACCOs and MFIs) will be assisted to develop specific training modules aiming at full inclusion of women and youth in the savings and credit operations of these FIs. Finally, women's VSLSs will be promoted with support from IFAD's value chain and irrigation projects as the first steps towards full financial inclusion of the members of these groups.

Thematic note on challenges and opportunities: Livestock sector

I. Past and ongoing interventions in the livestock sector

1. Since 2016, IFAD has had a strong and consistent engagement in the Livestock sector in Rwanda, mainly through the following projects:

2. **Rwanda Dairy Development Project (RDDP) – phase I**: RDDP started in 2017 and closed on 31st December 2023. The main rationale of the project was to help the country to meet the rapidly growing domestic and export demand for milk through improving cattle productivity, milk quality and processing capacity, and strengthening the policy framework. Two major features of RDDP were the support to intensification of production through Livestock FFS, and to market access through cooperatives and Milk Collecting Centres. The Project Completion concluded that RDDP's overall performance was satisfactory, in particular regarding innovation and potential for scaling up.

3. **The Partnership for Inclusive Small Livestock Markets (PRISM)** started in March 2021 and is due for completion in March 2026. PRISM focuses on small stock such as poultry, pigs and small ruminants, for poor households and social aspects, including community mobilization and nutrition. A tailored graduation approach, including assets building, is the main foundation of PRISM. PRISM has however faced challenges to implement market access activities, in value chains and with target groups that are mostly subsistence oriented.

4. **RDDP-2**: In 2022, considering the successes recorded by RDDP, and the willingness of GoR to further develop the dairy sector RDDP2 was designed in 2022 and became effective in March 2023. RDDP2 builds on RDDP success and lessons and upscale them at national level, and also introduces some major innovations such as digitalization of the value chain, puts more emphasis on climate change adaptation and mitigation, as well as on sustainable financing mechanisms including climate finance.

5. **Support to livestock value chains through other projects**: Other IFAD supported projects such as PASPE (Climate-Resilient Post-Harvest and Agribusiness Support Project) in particular, have also supported livestock value chains, dairy in particular, at collection and processing stages of the value chain.

II. Current IFAD strategic approach in the Livestock sector

6. **Complementarity of interventions** is an important attribute of IFAD support to the sector. Support to the dairy sector under RDDP has been very successful mostly because of the fast-growing market demand that has pulled sector growth. But since dairy production requires significant availability of fodder and thus of land, very poor farmers could not be targeted through RDDP. PRISM was designed to fill this gap, by targeting in priority households who cannot initially afford raising a cow, and with a more nutrition oriented and social focus, which balanced and widened the targeting of the livestock portfolio.

7. **Comprehensive value chain approach**: all livestock projects (RDDP, PRISM, RDDP-2) follow a value chain approach with interventions addressing primary production challenges, input supply, market constraints, and institutional issues. Market access support is in general more challenging because it requires competencies and tools that project teams do not always master. But its impact in terms of job creation (for youth in particular), community organization, and on farm gate prices is important. Both RDDP and PRSIM have been able to adjust the project approach to the situation of the market, in order to re-balance their efforts in favour of the supply, or the demand, depending on the market situations.

8. **Producer and Community organization/social inclusion approaches**: a critical element of all livestock projects has been and remains the strong focus on social mobilization and graduation of smallholder farmers, using methodologies such as Pass-on-the-gift (PoG), FFS, Heifer Value Based Holistic Community Development (VBHCD), and GALS, often combined. This has resulted in strengthened community organization and capacities, that have allowed farmers to progressively shift from individual subsistence-based livestock production to market-oriented systems and group-based market access mechanisms.

9. **Support to public services (including privatization, PPP):** public services such as animal health, breeding, research, are essential to achieve productivity progress in livestock production. IFAD has always embedded in its livestock projects activities that support these regalian functions. The main challenge related to this type of support is its sustainability, as these services could but should not become too project dependent. Mobilization of the private sector through PPP mechanisms such as the Sanitary Mandate for veterinary services, is thus encouraged to ensure that these delivery mechanisms are durable.

10. **Focus on nutrition**: considering the importance of animal source foods in nutrition, in particular of women and children, IFAD has dedicated important efforts and budgets to ensure that the development of the production has an impact on nutrition. This is critical since market support could have some counterproductive effects on household consumption and nutrition if the market is "too" attractive. Mitigation measures include nutrition awareness campaigns, and support to local and short value chain, that ensure that part of the production remains in the community, and/or that incomes from sales are used to purchase nutritious food.

11. **Climate adaptation and mitigation:** livestock being increasingly affected by climate change, but at the same time increasingly contributing to it if not managed in a durable manner, it has become essential to strongly address these two issues in livestock projects. Water availability and fodder production and conservation are the two main pillars for adaptation, while mitigation can be achieved mostly through improved animal husbandry, in particular feeding, improved animal genetic resources and better manure management.

III. Alignment with national livestock policies and priorities

12. Ongoing livestock projects fully align with continued efforts of the country to increase livestock investment and production outlined in the National Strategy for Transformation (NST1), but also with the new Strategic Plan For Agricultural Transformation (PSTA 4 ; 2024-2030),under finalization, which has prioritized the livestock sector as a key investment area, through key interventions such water for livestock, fodder seed production, control of contagious diseases (vaccination and diagnosis), and construction of livestock market facilities.

13. Increased climate investments in livestock projects contribute to achieving the country's climate adaptation goals set out in the UNFCCC (2018), updated National Determined Contribution (NDC) (2020), Green Growth and Climate Resilience Strategy (2011) National Adaptation Programme to Climate Change (NAPA) (2016). Upscaling of the school milk programme under the AF will contribute to 2019 National Comprehensive School Feeding (NSF) Policy and the national school feeding programme.

IV. Lessons learned from past and current IFAD interventions in the livestock sector

14. Considering the importance, diversity, and recorded successes of its livestock portfolio, and its experience in the domain, IFAD is now recognized as a key player in the sector in Rwanda, both by the Government and other development partners. Some important lessons from IFAD's engagement in livestock over the last decade include:

- **Social mobilization and graduation approaches** are key to ensure inclusivity and enable participation of IFAD target groups in value chains.

- **Financing of livestock value chains remains a challenge**, mostly because of the perceived high risk, which discourages private sector and rural finance institutions to invest in the sector.

- **Management and business capacities of groups** managing livestock infrastructure and market facilities are below expectations and need to be strengthened to ensure sustainability.

- **Feed/food competition:** Feeding animals, especially monogastric species, is a challenge in a country which is land poor and food insecure, as it requires land that could be used to produce food crops. Strong integration between livestock and crop production is the only solution to improve circularity through recycling of biomass and to minimize this competition.

Risks

15. Livestock value chains are by essence complex which multiplies the risks to which investments are subject; they include in particular:

- **Market risks**, especially if value chain relies on international markets, which is the case in Rwanda for milk (with future plans to export a substantial share of the production), but also for small livestock products (pig and sheep meat, eggs) exported to DRC. The regional geopolitical volatility creates generates a high risk which can be mitigated mostly by diversifying markets, and by supporting expansion of the domestic market.

- **Elite capture** is a common risk in livestock projects, and this is also a reality in Rwanda in the dairy sector despite efforts of the Government to make this sector as inclusive as it could be. This risk can be mitigated by ensuring a good balance in geographical targeting between areas where smallholder systems are dominant, and others where large-scale farmers are present; and also, by ensuring that part of the portfolio targets small livestock for which this risk is minimal.

- **Disease risks** are often underestimated but disease outbreaks can jeopardize investments at all levels of the value chains as it can both affect animals and their production, but also paralyse the processing and marketing levels. Investing in disease surveillance, control, and disease emergency response, considerably reduces the risk at national level. But only regional or continental coordinated initiatives are able to effectively control it.

- **Climate change** increases occurrence and amplitude of climate shocks. Droughts are the most impactful climate shocks for livestock, but floods and heavy rains also affect animals, especially through climate sensitive diseases. Investments in water and resilient fodder systems are key to reduce vulnerability, but prudent choice of breeds is also important to preserve resilience traits of local animals and avoid absorption through systematic crossing with exotic breeds.

Looking forward

16. Based on the above, IFAD investments in the Rwandan livestock sector should remain at a high level, to ensure achievements of the COSOP strategic objectives, and should ensure that the following strategic drivers are observed:

- Maintaining complementary of interventions and diversity of targeting through a comprehensive coverage of livestock species, geographical areas, and value chains.

- Ensure that investment packages are in line with the evolving needs and capacities of target groups, and that the type of support provided is adjusted and re-focused when targeted communities progressively graduate, enhance their capacities, and require different type of assistance.

- Market and climate contexts have significantly changed during the last decade, due to structural changes but also unexpected shocks, requiring constant adaptation of production systems, and value chains. Livestock projects have been able to adapt their approaches to this ever-changing context. It is important to preserve this flexibility in implementation, by avoiding overly prescriptive designs, but also ensuring a continuous dialogue between the Government and IFAD, and by avoiding unnecessary administrative burdens.

- Maintaining "Business as Usually" is a risk, especially when interventions are considered as successful. Rwanda is a country where both the private and the public sector are always up for innovations, and this creates an opportunity for IFAD to introduce and pilot novel approaches, that can then be replicated in less innovative countries. In the livestock sector, innovations with good potential for success include digitalization of the value chains, promotion of PPP and productive alliances, innovations for climate mitigation and adaptation, as well as for social mobilization and nutrition.