

Support to Professionalisation of Producers

EDPRS: Agricultural Sector Goals and Programmes

The Government of Rwanda plans to implement the Economic Development and Poverty Reduction Strategy (EDPRS), which includes an agricultural development and investment programme, from 2007-2011. As defined under the EDPRS, the overall agricultural sector goal is to achieve sustainable economic growth and social development, leading to the increase and diversification of household incomes and ensuring food supply and food security for the entire population. The specific objectives are:

- Annual growth rates of 7, 8, and 6 percent for agricultural GDP, agricultural export output, and food-crop production, respectively, against a 2001–2005 baseline value of 4.2 for the former and 2006 baseline values of 7 and 0 percent for the latter two;
- Average real per capita income increase of 8 percent in agriculture, against current trends of 4 percent;
- 20 percent increase in off-farm employment in all districts compared to 2005–2006, particularly for women;
- Reduction of the population below minimum food requirements to 16 percent from 20 percent in 2006.

EDPRS: Agricultural Sector Investment and Development Programmes

The Strategic Programme for Agricultural Transformation / Programme Stratégique pour la Transformation de l'Agriculture (PSTA) will serve as the operational framework for the implementation of the EDPRS agricultural investment programme. Its strategic objective is to achieve the targets defined in the larger planning frameworks of the EDPRS, CAADP, and Vision 2020. The PSTA focuses on the following key programmes:

1. Intensification and Development of Sustainable Production Systems¹
2. **Support to Professionalisation of Producers**
3. Promotion of Commodity Chains and Development of Agribusiness
4. Institutional Development.

Outcomes and Objectives

The projected outcome for the **Support to Professionalisation of Producers Programme** is to acquire a high level of professionalism through client-oriented research as well as extension and proximity services. The related objective is to halve the number of households reached per extension agent and triple the number of farmers' associations that are upgraded to cooperatives with higher commercial and technical capacities.

Cost

Under an unconstrained resources scenario, the estimated cumulative investment costs for the programme would be 66 billion FRw. Assuming a continuation of current levels of resource allocation to the sector, cumulative investment costs would amount to 13 billion FRw.

Activities

The set of activities to be carried out and the related targets to be realised in order to achieve the above development objectives are organised into four subprogrammes. The baseline year is 2006 and the target year is 2011.

SUBPROGRAMMES

1. PROMOTION OF FARMERS' ORGANISATIONS AND CAPACITY BUILDING OF PRODUCERS

Target: To increase the number of professional producer organisations, particularly for women, by increasing the number of agricultural cooperatives from 1,105 to 3,000.

Activities:

- i. Provide training in farming as a business to cooperatives and promote their professionalisation through training planning and financial-management training.
- ii. The Government of Rwanda will implement and disseminate the new law on cooperatives.

Cost: 15 billion FRw.

2. RESTRUCTURING OF SERVICES TO PRODUCERS AND RURAL INNOVATION

Target: To increase access of private service providers and producers to extension and proximity services in collaboration with community innovation centres, and to monitor the performance of extension and proximity services through the use of Citizen Report Cards (CRCs).

¹This brief summarises the specific objectives, activities, and funding requirement for **Programme 2: Support to Professionalisation of Producers**.

Activities:

- i. Recruit and train 550 additional extension workers, so as to decrease the workload of each worker from 3000 households to 1500 households.
- ii. Increase the number of demonstration plots from one per province to one per district, which requires constructing and maintaining 25 additional demonstration plots.
- iii. Conduct a study on the use CRCs by pilot testing CRCs for three agricultural services in four districts.

Cost: 900 million FRw.

3. PROMOTION OF RESEARCH FOR DEVELOPMENT

Target: To promote the development of technologies that respond to real client demand, in order to produce the projected productivity improvements, and to strengthen the institutional capacity of the agricultural research agencies, particularly the Agricultural Research Institute of Rwanda (ISAR).

Activities:

- i. Increase the number of qualified researchers at ISAR from 65 to 300.

- ii. As a response to demand, conduct increased research in the fields of (a) animal and crop improvement; (b) new crops and breeds; (c) disease control; (d) soil-fertility management and erosion control; (e) post-harvest technologies; and (f) energy-saving technologies, particularly those that are gender sensitive.

Cost: 25 billion FRw.

4. RURAL FINANCIAL SYSTEMS AND AGRICULTURAL CREDIT DEVELOPMENT

Target: To raise agricultural credit as a percentage of total credit from 3 percent to 15 percent.

Activities:

- i. Raise awareness among farmers and financial institutions to encourage the provision of agricultural credit
- ii. Develop and provide financial incentives for financial institutions through targeted mechanisms to reduce the risk and price of credit.

Cost: 25 billion FRw.

Table 1 — Cost of PSTA/EDPRS Programme 2: Professionalisation of Producers

Subprogramme	Cost for 2007: Unconstrained Scenario (billion FRw)	Cumulative cost 2007–2011: Unconstrained Scenario (billion FRw)
2.1 Agricultural Extension and Promotion of Cooperatives	2.38	15.31
2.2 Promotion of Proximity Service Providers	0.9	0.90
2.3 Research and Agricultural Technology Development	4.75	25.34
2.4 Promotion of Agricultural Financing	4.13	24.78
Programme 2 TOTAL	11.35	66.33

Table 2: Cost of EDPRS/PSTA Programmes under Three Funding Scenarios

Programme	Budget 2007 ¹ (billion FRw)	Cost for 2007 Unconstrained Scenario (billion FRw)	Cumulative Cost 2007–2011		
			Base Scenario (billion FRw)	Medium Scenario (billion FRw)	Unconstrained Scenario (billion FRw)
1. Intensification and Development of Sustainable Production Systems	8.9	79	155	215	437
2. Support to Professionalisation of Producers	2.2	11	13	19	66
3. Promotion of Commodity Chains and Development of Agribusiness	6.7	5	6	11	26
4. Institutional Development	2.1	3	5	8	16
TOTAL – MINAGRI	19.9	98	179	253	545

¹Budget includes Recurrent Budget, Development Budget, and transfers to districts.