

demand through the development of at least one improved crop technology per year.

Cost: 2 billion FRw.

2. PROMOTION AND DEVELOPMENT OF SPECIALTY CROPS

Target: To increase the value added of specialist crops and promote their market linkages. The proportion of fully washed coffee will rise from 10 percent to 100 percent, good leaf tea will increase from 70 to 80 percent, pyrethrum crude extract will increase from 44,635 kg to 89,270 kg, 'blue wet' hides and skins will increase from 3,183 T to 6,366 T. Horticulture exports are intended to increase from 0.15 percent to 2 percent of total production, or from 1,992 T to 32,000 T. In particular, mulberry trees for silk worm and sericulture production will increase from 15 ha to 10,000 ha.

Activities:

- i. Provide training in best practices and quality control in specialty crops and animal husbandry to all cooperatives involved in export-crop production.
- ii. Promote private investment through support to branding and investment mobilisation through the organisation and participation in at least two trade fairs annually.
- iii. Provide incentives for construction of five low-cost pack houses and one modern pack house, and support the maintenance and full utilisation of the newly constructed cold-chain facility.

Cost: 2 billion FRw.

3. TRANSFORMATION AND COMPETITIVENESS OF AGRICULTURAL AND ANIMAL PRODUCTS

Target: To increase the number of farmers and farmers' cooperatives integrated in the commodity chain from 5 percent to 40 percent, and increase the number of firms reaching international export standards from 1 to 12.

Activities:

Transformation and increased competitiveness is implemented through the promotion of private initiatives that may transform production and improve the competitiveness of export crops:

- i. Provide training for farmers' organisations in entrepreneurship and farming as a business, reaching at least 50 percent of women's organisations.
- ii. Provide training for agribusinesses in meeting international export standards in response to demand.
- iii. Offer support to enable an increase in agroprocessing units from 121 to 400.
- iv. Supply incentives and support for the establishment of coffee-washing stations with sufficient water and power supply, increasing their number from 75 to 240.
- v. Provide support and incentives for the establishment and use of three hides and skins tanneries.

Cost: 16 billion FRw.

4. DEVELOPMENT OF RURAL INFRASTRUCTURE

Target: To improve the market accessibility of agricultural products through the rehabilitation and construction of rural infrastructure for agriculture and animal produce.

Activities:

- i. Construct 170 km of rural roads annually—130 km gravel and 40 km earth—and maintain the existing network.
- ii. Construct and rehabilitate rural markets, so that there are three markets per district.
- iii. Establish food-grain storage facilities, particularly hermetic ones, to increase capacity from 100 T to 2,000 T.
- iv. Facilitate and support the private sector in the construction of five animal-produce collection centres and one UHT plant. Establish one slaughterhouse per province and increase the number of cold-chain storage facilities from 1 to 20.

Cost: 6 billion FRw.

Table 1 — Cost of PSTA/EDPRS Programme 3: Export Promotion and Competitiveness Development

Subprogramme	Cost for 2007: Unconstrained Scenario (billion FRw)	Cumulative cost 2007–2011: Unconstrained Scenario (billion FRw)
3.1 Export Promotion and Business Development	.33	1.65
3.2 Promotion of Traditional Export Crops	.47	2.35 ¹
3.3 Promotion of Agribusiness and Value Additions	2.73	16.03 ²
3.4 Rural Infrastructure Development	1.18	6.36 ³
Programme 3 TOTAL	4.71	26.39⁴

¹ Contribution from the private sector is estimated at about 18 billion FRw, bringing total investment to just above 20 billion FRw.

² Investment from the private sector is estimated at around 96 billion FRw with total investment of about 102 billion FRw.

³ private sector will contribute to infrastructure development, particularly through establishment of hermetic storage facilities. The Ministry of Infrastructure will finance construction and rehabilitation of the larger part of the rural roads. Total investments for rural infrastructure are estimated at about 35.6 billion FRw.

⁴ investments, including those from the private sector, will amount to around 160 billion FRw.

Promotion of Commodity Chains and Development of Agribusiness

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 Systems
2. Support to Professionalisation of Producers
3. **Promotion of Commodity Chains and Development of Agribusiness¹**
4. Institutional Development.

Outcomes and Objectives

The expected outcome for the **Promotion of Commodity Chains and Development of Agribusiness** is expanded access to domestic and export markets through greater competitiveness and diversification of production. The related objective is to boost tea, coffee, and horticultural production by 50 to 60 percent and double output in the pyrethrum and hides and skins sectors.

Cost

Under an unconstrained resources scenario, the estimated cumulative investment costs for the programme would be 26 billion FRw. Assuming a continuation of current levels of resource allocation to the sector, cumulative investment costs would amount to 6 billion FRw. It should be noted that the majority of investments in this programme are undertaken by the private sector and are therefore not included in this amount.

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. CREATION OF AN ENVIRONMENT CONDUCIVE TO BUSINESS AND ENTREPRENEURSHIP DEVELOPMENT

Target: To increase the production of selected traditional and non traditional export crops through an improved business environment. Tea production will increase from 16,973 T in 2006 to 27,477 T, coffee production will increase from 26,000 T in 2006 to 40,000 T, pyrethrum production will increase from 44,635 kg in 2006 to 89,270 kg, hides and skins will increase from 3,183 T to 6,366 T, and horticulture production will increase from 1.04 million T to 1.6 million T by the end of the EDPRS period.

Activities:

A conducive business environment will be facilitated through the following measures:

- i. Providing each business development centre with at least one agribusiness specialist.
- ii. Developing and providing targeted credit facilities for traditional and nontraditional export products.
- iii. Supporting all horticulture farmers' organisations through sensitisation in best practices through service providers.
- iv. Supporting export production in response to client

¹This brief summarises the specific objectives, activities, and funding requirement for **Programme 3: Promotion of Commodity Chains and Development of Agribusiness**.