I. Project Context

Country Context

The agricultural sector in Rwanda accounts for about 36 percent of GDP, 80 percent of employment, and around 20 percent of foreign exchange earnings. It also provides 90 percent of the country’s food needs. In terms of the country’s growth, agricultural growth continues to be the main driver. In addition to the short and medium term realization of Rwanda’s growth, poverty reduction and food security objectives, raising agricultural productivity is also critical to the realization of Rwanda’s vision of transforming itself into a knowledge-based economy. The sectoral context in which this needs to take place is characterized by a number of challenges, including: (i) a binding land constraint that rules out extensification (bringing more and more land under cultivation) if growth is to be environmentally sustainable; (ii) small average land holdings (0.3 ha); (iii) poor water management (uneven rainfall and ensuing variability in production) resulting from very low levels of irrigation (15,000 ha in the whole country); (iv) the need for greater (public and private) capacity from the district to the national levels and the lack of extension services for farmers; and (v) limited commercial orientation.

II. Sectoral and Institutional Context

The Rural Sector Support Program (RSSP) is the Government of Rwanda’s (GoR’s) flagship vehicle for supporting agricultural development in Rwanda. This program supports capital investments and human capacity development investments that would increase the productivity and total output of the agriculture sector. Government of Rwanda has a well-defined agricultural program comprising a number of pillars. The RSSP program covers mainly the first of these pillars. The Government’s RSSP is financed by several donors. The IDA support to this program is through a three-phase adaptable program loan (APL). The long term programmatic objective of the RSSP APL series is to help the GoR achieve its strategic goal of unlocking rural growth in order to increase incomes and reduce poverty. The series, at its inception, envisioned the first phase to be about building the capacity needed to support the adoption of sustainable intensification technologies in developed marshlands and surrounding hillsides. The emphasis of the second phase was to broaden and deepen the support provided, in order to accelerate intensification and commercialization. The third phase was envisioned to extend and build on successful growth-stimulating RSSP activities, while emphasizing diversification of economic activities to increase and stabilize rural incomes. This is the third and final phase of a demonstrably successful APL supported by the World Bank since its inception.

The first phase of the APL, RSSP1, became effective in 2001, and the second phase, (RSSP 2,) in 2008. Due to exemplary implementation progress by the Government team, by midterm review (MTR, October 2010) it was apparent that RSSP 2 would meet and exceed its triggers for the next phase of the APL in January 2012, well ahead of its planned October 31 2012 closing date. The GoR therefore requested the World Bank to support them in the advance preparation of RSSP 3.

III. Project Development Objectives

In line with the overall APL objective and its programmatic phasing, the Project Development Objectives (PDOs) for RSSP3 are to:

(i) Increase the agricultural productivity of organized farmers in the marshlands and hillsides of sub-watersheds targeted for development in an environmentally sustainable manner; and

(ii) Strengthen their participation in market-based value chains.
IV. Project Description

Component Name
- Infrastructure for Marshland, Hillside and Commodity Chain Development
- Capacity for Marshland, Hillside and Commodity Chain Development
- Project Coordination and Support

V. Financing (in USD Million)

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VI. Implementation

Project implementation arrangements take place at four levels: national, provincial, district and community levels. At the national level, project's implementation arrangements have been designed to build upon (and build up) the SWAp structure at MINAGRI. The merged structure for RSSP/LWH (acting on behalf of MINAGRI) will be responsible for the day-to-day implementation including procurement planning, financial monitoring and reporting, disbursement and internal controls, maintenance of project accounts and preparation of project management reports. At the district level, the RSSP/LWH team will deploy a strong implementation team which will oversee the actual execution of activities on the ground and be in constant liaison with the local administration and subject matter specialists from the decentralized authorities. The following core competencies will be required for a District Implementation team: rural engineering, agronomy, community development, monitoring and evaluation, agribusiness and SLM. The Project will recruit one member of the core team to be District Implementation Coordinator. At the provincial level, the team will be comprised of the Project Provincial Procurement Officer and a Project Provincial Accounting Officer. At the community level, the Provincial and District teams will work with community based organizations and their members to identify and implement activities consistent with the project objectives. Community-based organizations will also be involved in monitoring and evaluation of Project activities, in line with the philosophy of the Project to promote participatory M&E and community-demand driven (CDD) approach.

VII. Safeguard Policies (including public consultation)

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<td>Environmental Assessment OP/BP 4.01</td>
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<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
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VIII. Contact point

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