

Summary of the Joint Sector Review for the Agriculture Sector¹ September 2011

1. Summary of Sector Performance: EDPRS/CPAF Objectives & Overall EDPRS Objective 2012/2013

The sector exhibited strong performance in the FY 2010-2011. The agriculture sector continues to be a key catalyst for growth and poverty reduction. Firstly, it provides a solid base for economic expansion in Rwanda - with agricultural growth 3.2% in the FY 2010-2011 (NISR). As a share of GDP, the agriculture sector makes up 31%(NISR). MINAGRI's has contributed effectively towards the poverty reduction targets of Vision 2020 and EDPRS - not only by increasing food availability and labour productivity and employment opportunities, but also by implementing risk-mitigating infrastructures in irrigation and land husbandry. The main driver for meeting these targets has been MINAGRI's integrated approach to food security and income generation - agricultural development through irrigation and land husbandry, crop intensification drive, post harvest handling and storage improvements, integrated livestock management and export and value-addition promotion.

The Crop Intensification Program continues to be the driver of crop production for the sector. Crop production has continued to follow an upward trend in 2010-2011, with Season B improvements supplementing the Season A's shortfall that was due to weather shocks. Both Season A and B illustrates that increased area for fruits, wheat and rice have been made available. This is explained by a number of reasons, including MINAGRI's priority in nutrition interventions and facilitating improved in value-addition of agricultural products. In season B, due to irrigation infrastructures, improved land consolidation, effective season preparations and good weather, yield and production increases have been significant. In particular Maize, Wheat, Rice, Yams and Fruits saw increased production of over 30% in comparison to the 2010 Season B. In terms of yield, significant improvements are evident. In particular, wheat, maize and pea production have improved dramatically. However, while these gains are significant, when set against the estimated full potential, the current yields are still small. With the continued irrigation development, land husbandry and improved use of agricultural inputs at the farm-level, MINAGRI will continue to improve farmer productivity.

Animal production and the integration of livestock into smallholder farming is a key contributor to food security. MINAGRI-led programs such as disease control, artificial insemination, hatchery development, One Cow Per Poor Family, fish farming and small-ruminants development has resulted in significant increases in the animal populations across Rwanda. The quality of livestock has increased the production capacity for both household consumption and marketability - liters of milk produced in Rwanda have increased by 20 percent over the past year and eggs, honey, meat and fish have also seen similar magnitudes of improvement.

The combination of improved production in crop and animal related products has resulted in improved food calorie availability. The international standard endorsed by FAO and WFP is that adult humans require 2100 kcal/capita/day, 59g of proteins and 40g of lipids. Currently in Rwandan, the energy for population estimation (Kcal/Capita/Day) is 2,675 for Season 2011 A and 2,938 for Season 2011 B. The aggregated average production of protein and lipids (g/capita/day) for Season A and B is estimated to be 70g and 24g, respectively. The homegrown availability of lipids however remains below international standards. MINAGRI is seeking to improve household access to nutritious food with the country-wide promotion of practices such as small-livestock raising, kitchen gardens and fish ponds.

All EDPRS/CPAF targets have been met for the FY 2010-2011 and 8 out of 8 policy actions have been met. The information is given in Annex 1.

¹ For more information on sector performance, budget execution, challenges and strategic priorities please consult the Sector Performance Report (SPR) for the September JSR 2011.

2. Budget Execution

MINAGRI had a particularly effective year in terms of budget implementation. The total budget was executed at 133%, primarily due Programme 1 of the PSTA II: *Intensification and Development of Sustainable Production Systems*. GFI (Immediate Action Irrigation), Crop Intensification Program, and Food Security & Vulnerability Management (Strategic Grain Reserve managed by Taskforce PHHS) over-executed their budgets significantly. Firstly, MINAGRI execution has been impressive which conveys an improving level of capacity within the Ministry. Secondly, the issue of significant over-execution is explained by the timing of transfers from MINECOFIN, Thirdly, this shows their developmental importance. This points to the demand for resources in-order to keep up with the ambitions of the sector.

In the context of the budgetary allocation trends to MINAGRI, FY 2010-2011 represents increased allocation to agriculture. This shows that there was a large increase in mobilization of external finance in the FY 2010/2011 budget when compared to FY 2009/2010 budget. The total budget allocated is 6.8% up from 3.8% in 2009/2010. The expectation is that this trend will continue given the up-scaling of MINAGRI's programmes. Widening the definition of "agriculture" as per the "COFOG definition" by CAADP, government allocation to the agricultural sector stand at RwF 100 billion or 10.2 percent of the total national budget. A large share of the agriculture budget, which is equivalent to RwF 67 billion and representing 6.8 percent, goes to MINAGRI and the remaining RwF 33 billion, representing 3.4 percent, is allocated to other public institutions involved in the agriculture sector.

In FY 2010-2011, 2.9 billion RwF was initially earmarked to be transferred to districts in July 2010 and this was increased in the budget revision to 4.0 billion RwF. This is a significant increase compared to the 1.2 billion RwF in FY 2009-2010. Fiscal decentralization is still a relatively recent initiative in Rwanda. In order to build capacity, MINAGRI has sought to engage districts in the decentralization process to improve implementation and PFM capacities. For example, throughout the budget cycle, MINAGRI provided technical and administrative support to district offices in planning, budgetary, implementation and monitoring and evaluation.

3. Summary of the Challenges Faced and Recommendations for Achieving the Overall 2012-2013 EDPRS

MINAGRI Challenges FY 2010-2011:

1. High execution rates (over 120%) for Government and Donor-funded Irrigation & Soil Conservation projects elucidate the need for more resources to be available for the high-level priorities of the ministry. The financing gap for Irrigation, particularly in the area of hillside irrigation, in the context of the 7-Year Plan is a concern of MINAGRI. (Please consult the SPR JSR 2011 Section 5 for Strategic Priorities FY 2012-2013)
2. Crop Intensification Program and Post-Harvest Infrastructure projects also have a large financing gaps (based on their long-term investment plans) as they have shown ability to execute and develop the sector. In particular, supporting extension services and up-scaling post-harvest infrastructures at the farm, community, district and national level.
3. Facilitating private sector investment and access to finance issues need more attention from both MINAGRI and Donors. Additionally, there is a need to coordinate more with other institutions across government to attract private investment.
4. Strengthening the ASWG to further the SWAp agenda by greater integration of NGO/INGOs and the private sector through active participation of all stakeholders to facilitate increased coordination and mutual accountability.
5. Continued MINECOFIN support for reform on sector-based issues such as public financial management and capacity building would be helpful for MINAGRI's institutional development, particularly in its engagement with districts for effective delivery of decentralized agriculture activities.
6. Climate Resilience and environmental protection is needed to protect the farmer and ensure food security. Increasing adverse and volatile conditions increases the need for MINAGRI to facilitate climate-smart and sustainable agriculture.

For an elaboration of MINAGRI priorities for FY 2012-2013 please consult Annex 2 on page 5.

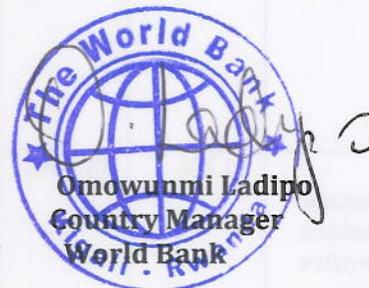
Recommendations from JSR:

1. Development Partners (DPs) and other GoR ministries noted the impressive progress made in terms of sector performance. DPs also commented that the improved budget execution in a number of different projects elucidates the improving capacity across the Ministry. DPs also noted the comprehensive nature of the report and the inclusion of a detailed Strategic Priorities FY 2012-2013 that assists DPs in how they contribute to the sector's development (see Annex 2). Additionally, MINAGRI met all of its policy actions and the EDPRS/CPAF indicator targets. However for the ongoing Fiscal Year targets set are very high and Minagri and its partners need a concerted effort to maintain the momentum in order to achieve them.
2. In FY 2010-2011, the CPAF/EDPRS monitoring process was aided by active participation of the ASWG and the SWAp Committee. MINAGRI made substantial efforts throughout the financial year to engage all stakeholders on the progress and implementation of the policy actions. In particular, MINAGRI presented the final implementation of the policy actions at the end of the June 2011. This enabled continual stakeholders engagement – not simply when the JSR meeting is called - and this regular tracking should be maintained.
3. SWAp committee continues to play a vital role in the SWAp process. The SWAp group leads on the issues that primarily relate to sector budget support: PFM, M&E, Capacity Building and other crosscutting issues. It was decided that MINECOFIN will join the group since these issues that the group address are not simply confined to the sector level.
4. The Nutrition Sub-Working Group presented on the FAO-Commissioned progress of their contribution to the 'Ministry of Agriculture's Contribution to the Implementation of the National Multi-Sectoral Strategy to Eliminate Malnutrition in Rwanda (MSEM)'. DPs and MINAGRI felt that this sub-working group has not moved sufficiently in advancing the nutrition mainstreaming process and sectoral-management guidance of this multi-sectoral issue as discussed during the JSR in April 2011. MINAGRI asked for the group to present the revised and refined proposal for the Ministry's contribution to the NSEM within the next three months.
5. Given the need for improved coordination on agriculture statistics, NISR will make a presentation at the ASWG highlighting their initiatives and the increased funding opportunities for agricultural statistics in Rwanda. The PS confirmed that NISR are to support agricultural statistics with the introduction of a Statistics Sub-Working Group under the ASWG.
6. DPs and MINAGRI agreed that the field visits provoked critical thinking among the participants and facilitated technical discussion on agriculture. In particular, this provided a forum for the opinions of NGOs and those engaged in the field to provide input into project/program policy implementation and overall strategic advice. Such field visits should always be part of the JSR process.
7. All participants in the JSR warmly welcomed the PSTA III (2013-2017) Open-floor SWOT Analysis. DPs and GOR reflected on the PSTA II (2008-2012), speaking on its strengths, weaknesses, and opportunities for PSTA III and threats to its implementation. This was seen to be a particularly open and frank discussion that allowed a diverse range of stakeholders to comment. The initial thoughts shared should be considered in further discussion during the elaboration of the PSTA III.

Signed by Co-Chairs of the JSR, Kigali, 18th of October, 2011

Hon. Dr Agnes Kalibata

Minister of Agriculture and Animal Resources



Annex 1: FY 2010-2011 EDPRS/CPAF Table (CPAF are in bold)

EDPRS Strategic Objectives	Indicator	Performance Status			Public Policy Actions		
		Baseline 2009-2010 (Actual)	Target 2010-2011	Traffic light scoring	EDPRS Policy Action	Status (met, partially or not met)	Brief progress
1.5 Increased Agricultural Productivity	1.5.1 Proportion of land sustainably managed against soil erosion	80.9%	60%	87.3% (G)	Draft, endorse and publish Ministerial Guidelines for District Officials for Implementation of the soil erosion law	Fully Achieved	The guidelines were presented at the May ASWG and sent out for stakeholder comments. These have been incorporated and these have been approved
	1.5.2 Area of Marshland Developed for Agricultural Use (Ha.)	13,032	16,000	17,363 (G)	Publish and adopt a legal framework for Water User's Association	Fully Achieved	The legal framework was presented at the May 2011 ASWG. The Ministerial Order for the legal framework is finalized. This was approved by Cabinet.
	1.5.3 Mineral Fertilizer used (MT)	27,906	39,200	44,000 (G)	Amend, endorse and share with ASWG, the fertilizer strategy	Fully Achieved	Endorsed in the August 2010 ASWG
					Draft and Endorse, with ASWG, a Rural Finance Strategy	Fully Achieved	Adopted by MINAGRI and endorsed by ASWG in June 2011.
	1.5.4 Farm Households to Extension Ratio	1:218	1:2600	1:1480 (G)	Develop and endorse a strategy to extend farmer field schools to cover all priority crops	Fully Achieved	Adopted by MINAGRI and endorsed by ASWG in May.
	1.5.5 Production of key food security crops (1,000 metric tons cereal equivalent)	2,996	1934.8	3,000 (G)	Draft and Endorse with ASWG, a comprehensive PHHS Strategy	Fully Achieved	Adopted by MINAGRI and was electronically validated in April 2011.
					Establish and equip a NPPS as a unit within MINAGRI to implement the 2009 Phyto. Law	Fully Achieved	DG of Inspection Services (RALIS - Rwanda Agriculture and Livestock Inspection Services) in place early June 2011. The Unit has been equipped based on existing project funds and is included in FY 2011/2012.
1.5.6 Percentage of livestock in intensive systems	51.8%	45.30%	60% (G)	Draft and Endorse with ASWG - a strategy to develop milk value-addition and marketing chain	Fully Achieved	Presented and subsequently endorsed in December 2010	

Annex 2: Strategic Priorities of MINAGRI for Achieving 2012-2013 EDPRS Objectives

Priority to Ensure Food Security & Income Generation for Rwanda	Sub-Programmes of PSTA II	Indicative GOR Budget Needed FY 2012-2013	Justification for Budget	Relation to EDPRS & Other Impacts
Irrigation & Soil Conservation	1.1, 1.3, 1.4 (GFI & GWLM Projects)	25 billion RwF	1. Tangible Results of GOR & DP supported programs 2. High execution rates 3. Ready-to-go bankable projects awaiting financing 3. GOR 7-Year Target	Risk Mitigation – reduce dependence on rain-fed agricultural production
Crop Intensification & Extension	1.5, 1.6, 2.1, 2.2	15 billion RwF	1. Input supply central to productivity (evidence Crop Assessment) 2. Extension support through FFS central to fully utilize the country's productivity 3. Very high budgetary execution rate	Food Security – farmer extension, in combination with research and mass distribution
Post-Harvest Handling and Storage Activities, Feeder Road Management & Strategic Grain Reserve	3.5, 1.6	30 billion RwF	1. National roll-out of infrastructures from farm, community, district and national. 2. Reducing Post-Harvest losses along value-chain central to increasing incomes 3. Very high execution rates in FY 2010-2011	Improving quality of marketable produce consumption and income-generation , securing national reserves which increase food security
Integrated Livestock Management: Expansion of One-Cow, Hatchery Development, Improving Quality	1.2, 2.1, 2.2 & 2.3	15 billion RwF	1. Utilization of animals for marketability 2. MCC revenue generation 3. Private-sector facilitation	Quality and Quantity enhancement for Nutritional benefits and Income Generation
Export and Value-Added Promotion for Traditional and Non-Traditional Products	3.1, 3.2, 3.3, 3.4, 3.5, 3.6	10 billion RwF	1. Ideal horticulture growing conditions with increasing demand from private investors that government provide infrastructure. 2. Continued improvement in coffee, tea and pyrethrum 3. Support private sector	Income-generation and malnutrition reduction through diversified production, penetrating new export markets
Research Improvements & Dissemination	2.3, 2.2, 2.1, 1.5	5 billion	1. Emphasis on diffusion of research 2. High execution rates	Innovation to improve productivity and consumption with improved links to farmer extension

