



IMPROVING MARKET SYSTEMS FOR AGRICULTURE IN RWANDA

ANNUAL REPORT 2019

Strategy, results and ways forward

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FOREWARD

THE COVID-19 EMERGENCY

This Annual Report was completed prior to the COVID-19 pandemic, when Rwanda was in the middle of an economic boom. Economic growth exceeded 10% in 2019 and was expected to continue in 2020. Although the swift actions taken by the Government of Rwanda in response to the virus effectively limited its spread, as the global pandemic disrupts international flows of goods and services, with significant spillovers to the broader global economy, Rwanda's performance is also expected to be hit.

While some of IMSAR's activities have naturally been disrupted in the wake of the lockdown, the adaptive nature of the Market Systems Development approach makes the programme inherently resilient to shocks and abrupt changes, such as the current pandemic.

Our portfolio approach spans various markets and sectors which are differently affected by the pandemic, meaning that even significant disruption in one or more sectors will not undermine the overall programme success. The in-built flexibility of the programme, and the ability to generate ideas and implement innovations timely and at high levels of quality, allow it to adapt strategies responsively and pivot resources accordingly. IMSAR can and is committed to reducing disruption and the negative impact borne by enterprises, smallholder farmers and the overall economy.

Within weeks of the start of the lockdown IMSAR kicked-off two COVID-19 Response Interventions. The programme partnered with an online market place company, to support it in its response to the surge in demand for online grocery shopping as a result of the lockdown. This intervention aims to secure supply of fresh food as well as the livelihoods of small producers, as the company will source from fruit and vegetables aggregators in rural areas and sustain the incomes of over 6,000 farmers. The other intervention leverages IMSAR's strategic partnership with the National Agricultural Export Development Board, plus its knowledge of the aggregation market, to facilitate access to airfreight for Rwandan exporters which, because of the lockdown, has incurred significant losses due to airlines halting flights. Through IMSAR support, up to 24 exporters will be able to trade their produce internationally and continue to source from and employ over 10,000 farmers.

Our approach is to *Delay, Do Differently* and *Devise* new solutions. IMSAR has reassessed its portfolio and plans for expansion, and adapted interventions and partnerships contingent on risks and projected negative impact. Support modalities and designs will continue to be adjusted adaptively, some interventions and activities will be postponed, others prioritised and additional ones are likely to be incorporated in the portfolio. Should disruption and implications become more severe the programme and DFID will determine how to adapt the IMSAR strategy further.

At this stage, in virtue of the considerations above and how the Government of Rwanda is responding to emergency, while significant disruption is expected and may protract for several more months, we are confident that Rwanda and IMSAR can bounce forward and get back on track, delivering the greatest impact possible on DFID's investment.

On behalf of Palladium,



Giulia Salmaso
IMSAR Technical Manager



Shahroz Mohammad Jalil
IMSAR Team Leader

ABBREVIATIONS

AGRA	Alliance for a Green Revolution in Africa
AMIR	Association of Microfinance Institutions In Rwanda
APTC	Agro-Processing Trust Corporation Ltd
BRC	British Retail Consortium
BRD	Banque Rwandaise De Développement
DCED	Donor Committee for Enterprise Development
FAO	Food and Agriculture Organization of The United Nations
FCDO	The Foreign, Commonwealth & Development Office
GBP	British Pound
GDP	Gross Domestic Product
HH	Households
ICT	Information and Communication Technology.
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IMSAR	Improving Market Systems for Agriculture in Rwanda
MD	Market Development
MINAGRI	Ministry of Agriculture and Animal Resources
MRM	Monitoring and Results Measurement
MSD	Market Systems Development
NAEB	National Agricultural Export Development Board
PPI	Poverty Probability Index
RAB	Rwanda Agriculture Board
RIM	Réseau Interdiocésain De Microfinance
RYAF	Rwanda Youth in Agriculture Forum
SI	Social Inclusion
UK	United Kingdom

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EXECUTIVE SUMMARY

Rwanda continues to achieve impressive development results and is sustaining high growth rates, also through important economic and structural reforms. GDP is growing at a rate of over 5% and Rwanda ranked second in Africa in the Ease of Doing Business, making the country increasingly attractive to international investors. Despite such advancements, Rwanda's economic outlook is vulnerable to both external and domestic risks – including the more severe slowdown in global economic growth, a weak private sector, unskilled labour, high cost of finance, poor logistics and climate change. Agriculture remains critical to sustaining growth; however, key constraints are preventing the sector from prospering, keeping people in poverty. Recent events and reforms, including the increased focus on non-traditional exports and APTC's investment in the fertiliser sector, affect and inform IMSAR operations – the programme keeps abreast of changes and is well-positioned to inform wider dialogue and adaptation. Rwanda has become a role model for its dedication to and progress made on women's empowerment and addressing constraints faced by women; IMSAR is committed to contributing to this effort and to ensuring the programme's results help foster inclusion.

Using the market systems development approach, IMSAR identifies the root causes preventing the poor from contributing to and benefitting from growth, and overall agriculture markets from performing effectively. Based on in-depth analysis and close engagement with key stakeholders, the programme designs innovations which address system constraints, and then implements them by means of partnerships with key market actors. IMSAR identified the major constraints within the agricultural inputs, finance and aggregation markets and is intervening across the three. The programme is developing innovations that can increase access and use of inputs to improve productivity; access to finance to enable, sustain and expand growth across agriculture sectors; and improve aggregation models to reduce post-harvest losses and increase volumes and quality of produce available for processing and sale, including exports. A strategic review conducted in 2019 provided the programme with a more explicit sectoral focus, resulting in the selection of the cereals, tubers, vegetables and fruits, and livestock sectors. Across the three supporting functions and specific interventions, the IMSAR strategy is diverse, adaptive and tailored to the needs and opportunities of the Rwandan market, using a combination of grants finance, technical assistance and market linkages.

As of December 2019, the programme has 13 live interventions of which 6 have introduced new products and services, and 10 concepts at different stages of development. The aggregation portfolio is the most developed, in terms of number of interventions designed and maturity of approach. The finance portfolio follows in terms of size, breadth of partner type, and type of innovation introduced. While the inputs portfolio has had a slower pick up (due to market complexities) but it has already delivered significant results and from a scale perspective continues to hold great potential. Finally, the Women's Economic Empowerment and Social Inclusion portfolio has had two live interventions to date, focusing on addressing constraints which are specific to women and exploring the programme's potential to support youth-led enterprises.

Through the reporting period, IMSAR has consistently exceeded its annual targets and generated significant impact. 34,850 rural households have increased their incomes as a result of the programme's interventions; 42.6% of the beneficiaries are extreme poor, earning less than \$1.90/day. The total income change amounts to £1,551,253, an average of £39.8 increase/household, and 80% higher than the counterfactual. IMSAR's innovations led to the creation of 1,714 jobs. IMSAR's partners experienced high additional sales, at £1,324,929, of which 7% were from non-traditional exports. The programme continues to leverage strong investment commitment from partners – £1.9 m vs. the £1 m earmarked from IMSAR. Partners are investing in line with commitment, with actual investment made to date being 61% of the total value committed. In terms of gender the programme's results are inclusive, with 42% of farmers reached being women, and its interventions effective, with a high use-to-benefit ratio – income increased for 9 out of 10 users of IMSAR's supported innovations. The portfolio is solid and the drop-out rate negligible; the programme dropped only 2 out of 23 intervention concepts, allocating resources where expected returns are higher. IMSAR is able to broker effective and strategic partnerships with a diverse group of market actors, moulding its approach to constraints and opportunities. Finally, as mentioned above, the programme is contributing to women's economic empowerment – interventions are facilitating access to resources and opportunities, leading to economic advancement, reduced time poverty and improved self-esteem.

IMSAR has developed a system for tracking, analysing and disaggregating its costs, both to report on Value for Money and to inform adaptive management. The programme is providing good VfM, with 69% of spending being direct delivery costs, high committed investment leverage, at £1.89, and a positive cost-effectiveness outlook with £66.47/beneficiary reached, calculated using impact data from only two interventions.

2019 was a successful first year of implementation for IMSAR – characterised by strong performance, solid grounding for the future and opportunities to learn. The programme has generated evidence and learning which will inform implementation in the year ahead. From a management and delivery perspective, the programme will continue proactively to engage with donor-funded initiatives targeting agriculture and private sector development to foster synergies and avoid market distortion; explore the potential to further diversify the types of actors it partners with, leveraging the country's good governance and institutional foundations; and remain focused on promoting innovations which are strongly aligned with market actors' incentives and capacity. Resources allocated to results measurement will increase, in line with the maturity of the portfolio and the need to accommodate a more complex impact estimation. In light of the positive response from the private sector with regards to adapting business models to better serve the needs of women, IMSAR will intensify support and expand its interventions which target women's constraints. While the use of returnable finance mechanisms still poses some challenges, the programme will continue to leverage commercial capital using quasi-guarantees, and to explore additional blended finance modalities. Finally, IMSAR is looking to explore ways to strengthen climate resilience through its intervention activities. The programme is committed to delivering better results in this regard and will revisit its approach accordingly.

01

BROADER CONTEXT



Rwanda continues to achieve impressive development results and is sustaining high economic growth rates year by year through important economic and structural reforms.

Rwanda GDP now stands at around USD 9 billion and is been growing at a rate of over 5% – second highest in the whole of Africa. The country provides an investor-friendly climate coupled with well-functioning institutions and rule of law, and zero tolerance for corruption. Indeed, Rwanda ranked second in Africa in the World Bank Ease of Doing Business, maintained its first position in the region, remaining on the path to making the country increasingly attractive to foreign players. Investment in infrastructure, including the construction of the new airport in Bugesera, and several dams and roads, continued and improved connectivity across the districts.

Despite such advancements, Rwanda's economic outlook is vulnerable to both external and domestic risks.

The main external risks are related to a more severe slowdown in global economic growth than is currently projected, and volatile prices of tea and coffee, the two mainstays of Rwandan exports. Domestically, weather-related risks (droughts and floods may depress agricultural production) and the high public-sector-led investments have the potential to endanger debt sustainability if the country's investments-growth nexus does not improve. Finally, the nascent private sector remains a barrier to Rwanda's growth. While private sector-led growth has been a priority since the early 2000s, Rwanda's private sector remains nascent and continuing to face significant challenges, including an inadequately skilled labour force, high cost of finance, poor and costly logistics, the cost of electricity, limited access to land, and access to, and high costs of, broadband connectivity.

Agriculture remains critical to sustain growth – support to the sector is of utmost importance to address the key constraints which prevent agriculture from prospering, keeping people in poverty.

Agriculture continues to employ over 70% of the population, represents ~50% of exports and ~33% of GDP. The sector grew at a healthy rate (+5.8%) – with a good performance for cooking bananas and Irish potatoes and to a lesser extent for food crops – while the growth of export crops as a whole was poorer than in 2018 as a result of lower prices in international markets. Besides the challenges faced by the private sector listed above, agriculture is further constrained by limited access to developed markets, supply chains inefficiencies, high post-harvest losses and inadequate access to and use of agricultural inputs and services. Considering prevailing poverty levels and the majority of the poor being concentrated in rural areas of the country, investment and innovation in agriculture is a priority.

AGRICULTURE IN RWANDA

employs over

70%

of the population

represents

50%

of exports

and

33%

of the GDP

Recent events and reforms affect agriculture and IMSAR operations; the programme keeps abreast of such changes and integrates them into its strategy.

IMSAR remains aligned with the government's efforts to facilitate export-driven growth, including the new National Agriculture Export Board 5-year Strategic Plan (2019), which has a target to reach USD 1 billion from exports by 2024 and a clear focus on non-traditional export crops. In the fertiliser market, worthy of note are the joint venture between MINAGRI, APTC and OCP (a Moroccan company) to establish a new fertiliser plant, which is expected to be operational by the end of 2020, and the MINAGRI-led assessment of the viability of continuing the subsidy scheme, supported by FCDO's Ikiraro, also managed by Palladium. IMSAR's strategic approach to innovations for the adoption of fertiliser is elastic to the evolving nature of this sector, and the programme is well-placed to inform and respond to changes. The launch of the National Agriculture Insurance Scheme, which aims to mitigate risks and losses incurred by farmers due to unpredictable natural disasters, pests and diseases which affect their livestock and crops, is a promising development which brings new opportunities to the programme. Similarly, the Agriculture Finance Diagnostic, a MINAGRI initiative supported by the World Bank, resonates strongly with existing IMSAR interventions in the finance space and will generate new openings for the programme to focus on. Finally, the border closure between Rwanda and Uganda has disrupted some import-driven supply chains (such as maize) and resulted, among other things, in scarcity in feed supply for the livestock sector. Gradually, market actors are developing alternative supply chains to address this issue, while at the same time focusing on increasing yields and quality for local maize sourcing; the IMSAR portfolio already covers both streams.

Rwanda has become a role model for its dedication to, and progress made on, women’s empowerment, but gender inequality continues to diminish and undermine women’s social, economic and political contributions to their development and to the nation’s.

The country’s political will to promote gender equality is visible across GoR strategies and numerous legislative and policy reforms. Gender parity has been achieved in enrolment levels at the primary and secondary school levels, women’s labour force participation rate is one of the highest in the world, and the wage gap between women and men is lower in Rwanda than in many industrialised countries. Despite these and many other progressive strides, patriarchal norms limit the opportunities of women and girls to access resources, create and manage businesses and participate in decision-making processes, while they remain responsible for most of the unpaid housework and childcare. Gender-based violence upon women and girls remains widely prevalent, tolerated and under-reported. Therefore, increasing women’s economic empowerment and the promotion of inclusive and sustainable growth is one of IMSAR key commitments.

Rwanda is affected by climate change, changing rainfalls and higher temperatures.

Rwanda is experiencing rising temperatures and changing rainfall patterns, with shorter rainy seasons and an increase in extreme events, such as intensified rainfall (heavy precipitation events) and prolonged dry seasons. It is widely recognised that climate change is posing a threat to Rwanda’s agriculture sector and the gains that it has made in reducing poverty, and it should be kept in mind that climate risk is being experienced not only by farmers in production but also across the agricultural market system. Transport of agriculture products (and for that matter, any products) is at risk from landslides and flooding. Agriculture produce kept at storage facilities is at risk of deterioration from increasing temperature, heavy rainfall, storms and flooding, while processing and manufacturing are hindered by inadequate supply. The past year has demonstrated the region-specific climate risks, with the heavy rains towards the end of the year triggering flooding in the lowlands and landslides in districts in the North and West provinces, with resultant crop losses for moisture vulnerable crops such as beans, vegetables and Irish potatoes.



02

IMSAR APPR OACH



IMSAR follows the markets system approach to generate inclusive growth in Rwanda, sustainably.

IMSAR analyses agriculture markets according to their relevance to the poor, opportunities for growth and scale, and feasibility, that is, the extent to which systemic constraints can be addressed successfully within the IMSAR scope and timeline. The analysis is then used to prioritise specific sectors, which have the biggest potential for change. When sectors are identified, the programme undertakes deeper research into the root causes of market failures. Constraints and opportunities for poor rural farmers and market actors are mapped, and points of intersection inform the development of market strategies and innovations which can benefit the poor, while leading to broader growth. Through FCDO funding, IMSAR provides research, ideas, connections, finance and expertise to encourage investment, innovations and reform that lead to improved market performance and increased incomes for the poor.

IMSAR has so far intervened in three supporting functions.

During the inception phase the inputs, finance and aggregation markets were selected due to their potential to stimulate pro-poor growth sustainably and at scale. Innovations facilitated by the programme aim to increase the use of inputs to enhance productivity at the farm level, hence increasing volume and quality of agricultural produce; increase agri-lending to enable agribusinesses and farmers to invest in, sustain and expand their operations; and improve aggregation to reduce post-harvest losses and secure sufficient quality and quantity of produce for processing and sale.

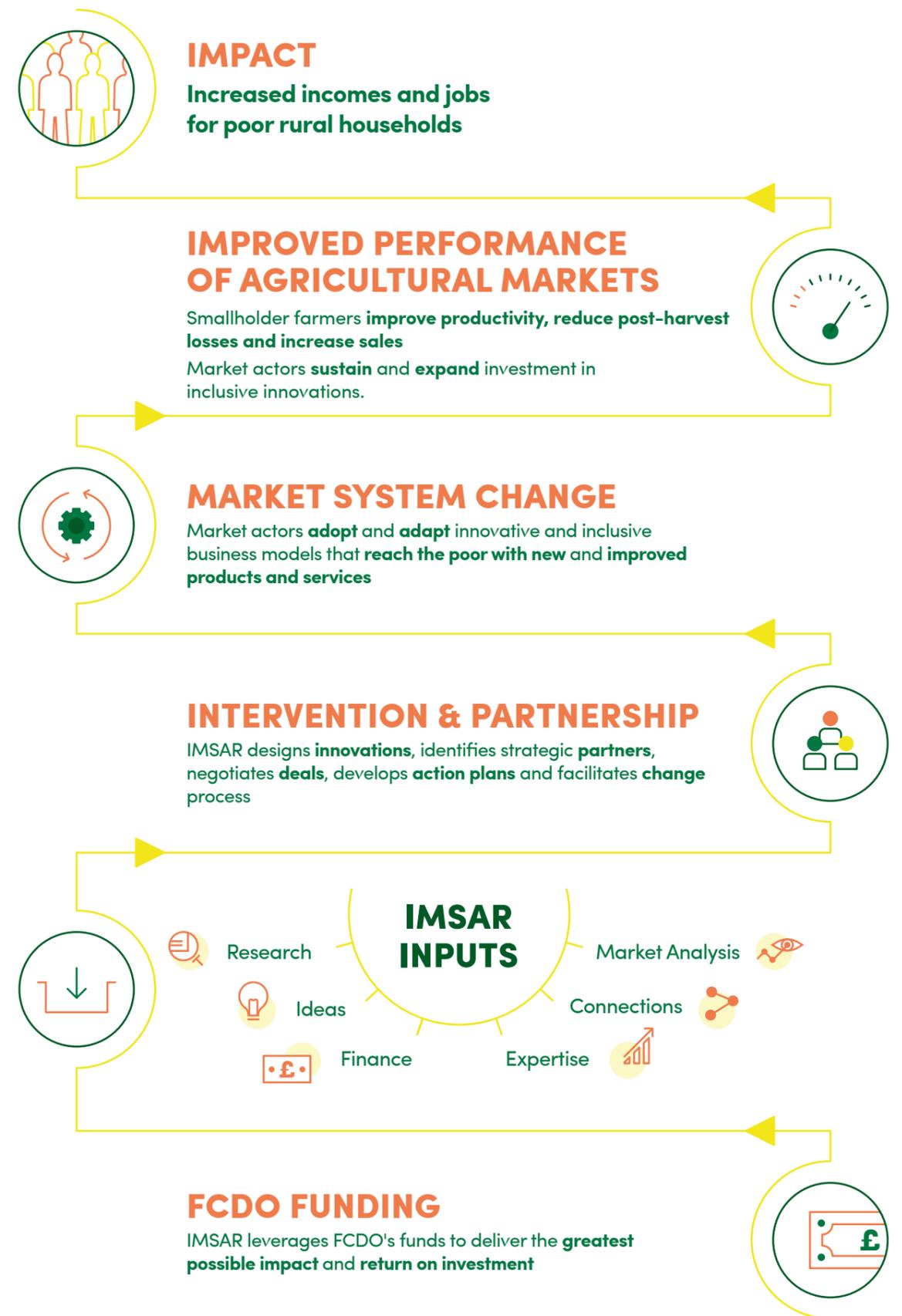
A recent strategic review provided the programme with a more explicit sectoral focus.

In December 2019, the team analysed over fifteen commodities to narrow and prioritise the sectoral reach of the programme – this led to the selections of the cereals, tubers, vegetables and fruits, and livestock sectors. This choice reflects IMSAR's twin objective to promote higher value added products with export potential (vegetables, fruit and pigs), while also improving the productivity of food crops, which are critical to the livelihoods of the rural poor and food security (maize, rice and tubers).

IMSAR strategy is diverse, adaptive and tailored to the needs and opportunities of the Rwandan market.

The IMSAR approach encompasses partnerships with larger players to achieve scale, working with first movers to trigger the demonstration effect when the product/service is highly innovative and untested, actively supporting crowding-in, as well as promoting learning able to influence wider change across sectors. The programme partners with a range of market actors, including agribusinesses, financial institutions and associations. IMSAR offers technical expertise, brokering, research, innovative ideas and grant finance to stimulate investment into new products and services which would not materialise without the programme support (either at all or at the same speed and scale), leading to inclusive growth and impact. IMSAR follows a portfolio approach, blending lower risk, high reach interventions with more patient, resource intensive innovations which, being untested, bring higher yet manageable risks but disruptive.

Figure 1
IMSAR Approach



03

PORT FOLIO OVER VIEW



As of December, the programme has 13 live interventions, of which 6 have introduced new products and services across the cereals, potatoes and fruits and vegetables sectors.

The Aggregation portfolio is the most developed, in terms of number of interventions designed (6) and maturity (moving from proof of concept in the core of the market to interventions targeting additional supporting functions to achieve scaling-up and crowding-in). The Finance portfolio follows, in terms of size (6 concepts), breadth of partner type, and type of innovations introduced. However, due to the highly transformational profile of the interventions which IMSAR designs, this is currently the portfolio with the smallest reach at the farmer level. On one hand this is because the aimed-for depth of change introduced requires significant technical assistance; on the other, because some interventions are further removed from farmers, meaning that results measurement is more complex and requires more time. The inputs portfolio has been the slowest to pick up, due to the more complex, highly political environment which characterises agricultural inputs, but has already delivered significant results; from a scale perspective it continues to hold great potential. The inputs portfolio has 6 intervention concepts and 3 live partnerships. IMSAR has also created a Women's Economic Empowerment (WEE) and Social Inclusion (SI) portfolio with interventions (2) which seek to address constraints specific to women, and to reach, for now, people with disabilities and youth.

INPUTS PORTFOLIO

CONTEXT

Despite significant efforts, yields of most crops are still below potential, due to inter-annual weather variability periodic shocks among others.

While the government is investing significantly in addressing low farmer productivity, large gaps remain and can be filled by the emerging private sector. Ranging from fertiliser, seeds, irrigation, mechanisation and information, agribusinesses in Rwanda are showing increasing interest in developing commercial solutions to increase yields sustainably. However, balancing risks and returns, and developing the right products and services (especially within a nascent industry) is challenging. This is where IMSAR steps in. The programme is engaging with agricultural input suppliers to mitigate risk and ensure high performance, so that businesses can reach farmers with high quality products and services. Considering the scope of the programme, the wider context and the opportunities in the market, IMSAR has so far focused on fertilisers, mechanisation and feed.

STRATEGY

Improving access to and optimal use of high-quality fertilisers is the key innovation IMSAR is investing in within the Inputs portfolio.

The programme is partnering with companies operating both within and outside the subsidy scheme to promote the adoption of fertiliser to increase yields and improve soil management. This dual approach serves to achieve results at scale, while being adaptive to the evolving enabling environment, which characterises the fertiliser sector, including new players entering

the market and some indication of possible reforms. The partnership with Yara focuses on stimulating demand for crop-specific fertilisers by increasing awareness through an aggressive sales strategy; expanding last mile supply of the products by strengthening the networks of agrodealers, through training and a commission system; and the use of a regional warehouse which increases Yara's ability to get stock out to agrodealers and meet farmers' needs more responsively. The partnership with ENAS aligns well to the findings from a recent fertiliser study, which identified affordability as a key barrier to the use of fertiliser by smallholders. The intervention addresses this issue by introducing small packs of fertiliser, reducing the average size from 50 kg to more manageable 5 kg, 15 kg and 25 kg packs. Beyond reducing price and easing transportation, this preserves the quality of the fertiliser. ENAS has already launched two products: one for maize and one for rice.

As these interventions prove sustainable and scalable, IMSAR will focus on accelerating the pro-poor growth of the fertiliser market.

By the end of the pilot with Yara, the company was independently sustaining its investments in the first ten districts and is willing to invest further (with IMSAR support) to double its reach; competing firms are beginning to copy the innovations; farmers are responsive; and the impact on yields is sufficient to increase incomes significantly. Building on earlier work on fertiliser access and subsidy, IMSAR will explore avenues to addressing those rules and regulations which shape the functioning of the fertiliser market, using a private sector lens. This is particularly relevant as a new fertiliser plant is expected to start operations by next year, the product of a joint venture between OCP (a Moroccan company), MINAGRI and APTC. While the current and future demand for fertiliser still requires additional companies to push the supply, there is an opportunity for IMSAR to show evidence of the high performance of its private sector partners; provide reassurance that, in line with the government vision, there is an increasing role to be played for the private sector; and finally the potential to inform policy discussions with relevant agencies.

Mechanisation services and alternative feeds are the two emerging innovations in the portfolio – both are more patient opportunities with a slower impact trajectory due to their novelty but have great potential.

Poor yields and high post-harvest losses significantly affect the sector, creating an opportunity to test mechanisation services to smallholder farmers, in the areas of land preparation and harvest. IMSAR is starting the pilot with Triomf, focusing on rice, and has engaged with two additional players ready to invest as soon as the concept is proven. A fee-for-service solution will be promoted to some cooperatives, initially through discounted rates to incentivise use, to then scale to additional areas. The livestock and fishery sectors are suffering, among other things, from the high price and erratic supply of maize used for feed. To address this feed deficit, IMSAR is exploring the opportunity to introduce insect- and blood-based feeds, a potential *game changer* for the poultry and pig and fish sectors in Rwanda. IMSAR is bringing together a variety of actors, including the government, to set up this novel industry. So far, the programme has engaged with a regional

knowledge-based institute to help introduce best practices in insect-based feed production, and four to five start-up companies and cooperatives, who are interested in working with IMSAR on the production side. In blood meal, studies show that from a demand/supply perspective, it is suitable to develop and market such a product for animal feeds. The cost of production of this feed needs to be lower than other mostly imported feeds and the quality higher. Overall, on the subject of alternative feed sources, early engagement with other development partners is encouraging and will allow continuity as well as possibly expansion in the longer run.

At this stage the programme is not involved in seeds, crop protection and irrigation, but remains open and opportunistic should new prospects to engage in this space arise.

IMSAR also maintains connection with other initiatives which focus on improving access to these inputs. In the seed sector, AGRA has engagement with RAB and MINAGRI to develop a more updated seed policy. There is a clear push to encourage GoR to focus more on foundation seeds, while encouraging the private sector to take the lead in the sector, including with hybrid varieties. IMSAR will continue its engagement with relevant stakeholders and explore appropriate opportunities to support the private sector, including for the promotion of climate resilient seed varieties. In the area of irrigation, there are several large-scale programmes working in coordination with GoR which are being led by NGOs, foundations, corporates and aid agencies. Notably, the proposed collaboration between IFC, IFAD and GoR to promote effective irrigation through the introduction of small-scale irrigation solutions holds a strong potential to link water user groups, smallholder farmer cooperatives and potentially the private sector.

RELEVANT INTERVENTIONS



Improving the adoption
of crop-specific
fertiliser
YARA



Innovating feeds:
piloting production and
commercialisation of Blood Meals
AQUAHORT



Development and
promotion of small
packs of fertiliser
ENAS

FINANCE PORTFOLIO

CONTEXT

Mirroring the growth trajectory of the economy, the financial sector has also grown and diversified.

As of now there are more than 500 financial institutions within the country ranging from commercial banks, insurance companies, microfinance institutions (MFIs), saving and credit cooperatives agencies (SACCOs) and fintechs. Mobile money has also grown substantially, with over 60,000 agents currently active in the country. As part of the drive to strengthen the robustness of its financial sector, Rwanda has modernised its national payment system, which entails the real time gross settlement for inter-banking activities and a strong credit infrastructure providing detailed credit records and information about clients and borrowers. To date, Rwanda has achieved considerable progress with access to finance, with around 70% of adults having some form of access to financial institutions, of which over 60% is through mobile money, SACCOs and MFIs. However, finance for agriculture remains suboptimal; overall credit to national GDP is at around 20%, while credit to agriculture is only at 4.6%. This is where IMSAR intervenes: facilitating financial institutions to increase agriculture lending through product development, innovative fintech solutions and sustained digitalisation.

STRATEGY

IMSAR is pushing the frontiers of agri-lending to improve access to affordable finance, a binding constraint which restricts the commercialisation of agriculture in Rwanda.

Limited access to finance prevents farmers, as well as businesses, from investing in the sector and contributing to sustainable growth. The programme is using a multi-layered strategy, working with commercial banks, fintechs and MFIs to stimulate innovative financial products which meet the needs of smallholder farmers and the industry, and the characteristics of the market actors involved in the production, aggregation, logistics and processing of agricultural products.



IMSAR is promoting the adoption of value chain financing, a novel approach in Rwanda that requires significant technical assistance but which can pave the way for commercial capital to be more accessible to agribusinesses as well as to farmers, at scale.

While competition in the banking sector is growing, commercial agricultural financing is still embryonic, collateral requirements often being larger than the loan size, the interest rate as high as 16%, and the outreach to rural areas by commercial banks limited. Through IMSAR support, starting from two branches, Equity Bank will pilot six new financial products across eight value chains (maize, rice, Irish potatoes, tea, coffee, dairy, horticulture and poultry), targeting anchor firms, MSMEs and aggregated small-scale agriculture actors (both formal and informal). The new coding and tracking system developed by the programme for Equity Bank will also allow the Central Bank, as regulators, to obtain a better understanding of the agrilending portfolio and subsequently its potential. This is a first in the Rwandan banking system; as interest and competition grow in this space (with thanks also due to a conducive environment and a push from the government), IMSAR's contribution is catalytic and expected to influence many other players to crowd in.

Partnerships with fintechs are bringing innovation to the sector and harnessing digital solutions that can reach thousands of people.

With BeneFactors, IMSAR is supporting access to factoring loans for agricultural SMEs, an affordable solution to meet the working capital needs of the many companies that do not have timely access to bank financing. While the product is particularly suited to the characteristics of aggregators (which sometimes have low collateral and need to turn capital quickly to maintain a stable supply and trade higher volumes of produce), a growing interest is emerging from input dealers. This suggests that the client base can expand further, and that factoring has great potential to solve the key challenges holding back domestic SMEs. In partnership with Dodore, IMSAR will pilot working capital solutions directly targeting farmers, leveraging the relationship between smallholders, offtakers and input dealers. Farmers linked to select offtakers will be able to access in-kind credit to purchase agricultural inputs from vetted agrodealers, while also using Dodore's digital platform to better manage their savings. While farmers are expected to gain from increased yields (achieved through access to inputs) and a secure market, agrodealers and aggregators will see their sales increasing thanks to a better organised supply chain.

IMSAR is investing in digitalisation as a strategy to increase the reach of MFIs by reducing transaction costs.

Physically accessing the rural branches is costly or unfeasible for thousands of poor women and men farmers in rural areas. An initial analysis is assessing the current digitalisation needs and opportunities of three selected MFIs, as well as proposing solutions that will

allow MFIs to engage digitally with a higher number of farmers. The programme will focus on two innovations: mobile banking and loans origination software. While interest in this space is growing, digital products offered by MFIs and SACCOs (the closest banking options to the rural poor) are very limited especially in rural areas, meaning that there is an opportunity for IMSAR to prove the concept and attract further investment. IMSAR has engaged closely with the FCDO-funded Access to Finance Rwanda (AFR), to ensure the efforts of both programmes are synergistic. To date, the work that IMSAR proposes to do aims to build on AFR achievements, allowing for scale up and the reaching of different layers of MFIs.

The strategy for the finance portfolio will focus on encouraging the scale-up of value chain financing and explore agricultural insurance products.

Initial engagement with BRD presents a promising opportunity, indicating that IMSAR can crowd-in other actors and contribute to increased agrilending using the value chain approach. The programme is also following up on opportunities to support insurance companies to reach more farmers sustainably. This will build on the initial support provided by the FCDO-funded Access to Finance Rwanda, which developed a strategy to promote agricultural insurance and can benefit from IMSAR's approach and linkages to achieve its goals. The intervention designed to promote access to credit through pension schemes was dropped. The feasibility study conducted by the programme revealed that the appetite for companies and smallholder farmers to access loans through pension schemes was rather low; in addition, the scope to introduce such innovation was also restricted from a regulatory viewpoint.

RELEVANT INTERVENTIONS



Improving access
to finance through
product innovation
EQUITY BANK



Improving access
to finance through
factoring
BENEFACTORS



Improving access to
finance through MFIs
digitalisation
**CLECAM
UMUTANGUHA
RIM**

AGGREGATION PORTFOLIO

CONTEXT

Agricultural production in Rwanda is largely fragmented, smallholder farmers lack basic information, and market data required by end-buyers and linkages are weak along value chains.

As a result, the supply of raw materials from cooperatives and farmers is erratic, worsened by post-harvest losses, and ultimately constituting one of the major constraints in the sector. Supply chain inefficiencies, and underperforming or missing supporting functions, including logistics and certification services, are hampering sector performance; this is true for both food crops and high-value commodities such as horticulture and livestock, although the investment and innovation required to improve performance differ across sectors. The production and aggregation of non-traditional export commodities is a government priority; IMSAR leverages the conducive business enabling environment to attract investment into, and improving the performance of, horticulture, floriculture and livestock. The programme will aim to foster market linkages, increase efficiency along supply chains, enhance compliance and traceability, improve quality and reduce post-harvest losses. IMSAR is also intervening in food crops markets, which are critical for the livelihoods of the rural poor, food security and nutrition; this will continue in the coming year.



STRATEGY

IMSAR is supporting horticulture businesses to pilot variations of export-oriented outgrower models, focusing on increasing volumes, improving the supply reliability and standards compliance.

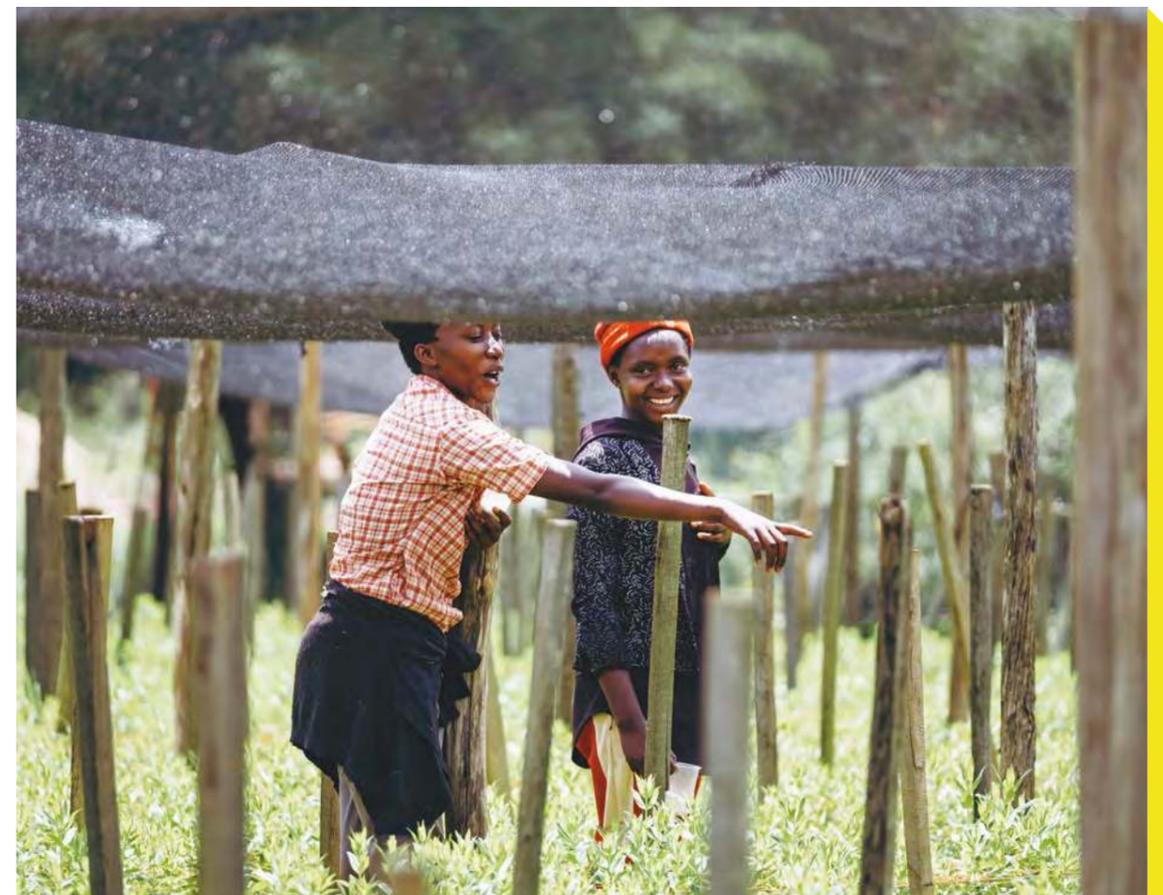
Supplementing GoR focus on the cooperative model, IMSAR is exploring a number of different aggregation models. For instance: vertical integration through outgrower or contract farming models, the use of third party service providers, and piloting aggregation through improving existing traders along the supply chain through the Village Agent Model. Rwanda has a competitive advantage in high-value crops such as beans and exotic fruits, due to a favourable climate which allows extended windows of production; however, the horticulture market is still nascent, with small, poorly organised players which fail to meet the requirements of international, high-end markets. Starting with two firms, IMSAR is encouraging the establishment of outgrower schemes, whereby lead aggregators/exporters of different sizes provide access to inputs, skills and a guaranteed market to farmers. In turn, this leads to higher and more stable volumes of fresh produce which meet the quality standards of international markets. For now, the intervention with Garden Fresh reaches, members of cooperatives and larger outgrowers which employ a high number of (poor) workers, increasing incomes through job opportunities; the partner is also testing the deployment of small traders able to reach individual smallholders following the same model. Excella, a women-led smaller aggregation business, is also adapting the model, building on the learning from a training visit to outgrowers in Kenya which the programme facilitated. Both partners initiated the process to certify their outgrowers according to main international standards, in preparation for selling to high-end retail markets in the UK and Europe.

The programme is also focusing on making certification more accessible to agribusiness, promoting domestic service providers.

As the capacity of agribusinesses to aggregate stable, high quality volumes of fresh produce increases, the business case for obtaining certification gains more traction. However, consultants and auditors are currently contracted from Kenya, making the certification process costly and inaccessible to many. IMSAR is partnering with Control Union, a globally renowned testing and compliance company, to establish a cadre of independent local consultants and reduce the costs associated with obtaining certification. The initial need assessment selected three certifications to start with, based on their relevance: Global Gap, Organic and HACCP. First-comer discounts are used initially as a strategy to incentivise nationals to attend the training, and later for exporters to obtain certification.

Certification of and improvements to the NAEB packhouse achieved through IMSAR will sustain the growth of the horticulture sector, creating opportunities for emerging exporters to supply high-end retail markets in the UK and Europe.

The packhouse owned and managed by NAEB is filling the gap between the existing collection centres run by horticulture companies and the cold room at the airport. It serves as a hub/incubator for nascent horticulture companies, which have no scope or means to own and operate private packhouses. As the number of horticulture businesses has increased exponentially, from three to thirty in the past four years, this facility remains pivotal to allowing companies to sort, grade and pack produce and ultimately boost exports. Building on the support provided by other donor-funded initiatives, IMSAR will co-invest in the British Retail Consortium (BRC) certification of the packhouse, which is required by the major UK food retailers and increasingly recognised by buyers in other parts of the world, allowing all current and new exporters to access a market with great untapped potential. The second phase of this partnership will support NAEB to upgrade the management of the packhouse, addressing current congestion issues while building capacity of exporters using the facility to graduate out of it and adopt best practices.



IMSAR is facilitating the establishment of the Kigali Wholesale Market for Fresh Produce, supporting NAEB to broker a partnership that is set to unlock \$30m of investment.

One of the major trading hubs which serves the domestic and international markets for agricultural produce in Kigali is the Nyabugogo market. With demand for produce increasing exponentially over the years, the capacity of the market infrastructure has been stretched significantly, leading to deterioration of product quality, limited transactions and high post-harvest losses. Taking its cue from this, in 2010 the GoR took up the plan to set up a new wholesale market but the initiative struggled to move forward. While this type of intervention is uncommon for a market systems development programme, IMSAR took on the challenge and during the inception phase agreed to support this initiative. Since 2018, the project has gained significant impetus through IMSAR. In partnership with NAEB and other stakeholders, a seven-acre plot of land has been earmarked for the construction of the market. Similarly, IMSAR provided additional support to develop a feasibility plan, organise a trip to South Africa to visit established wholesale markets to foster learning, and coordinate key stakeholders, which generated commitment from different investors and donors. While this project still requires significant work, based on the momentum and ownership it has generated and availability of funds, it is very likely that the construction of the market will start by end of 2020 or first half of 2021. An initial estimate forecasts that once properly functioning, the market would benefit over 100,000 farmers in the first phase, selling over £14M worth of produce, contributing to the reduction of losses worth £580,000/year and increasing the quality and volume of exports.

An innovative model which reduces aflatoxin contamination and post-harvest loss is boosting maize volume, addressing long-standing quality issues in the sector.

One of IMSAR's opening portfolio interventions, the partnership with Kumwe Harvest focused on scaling up and improving the cob model, which involves the purchase of unshelled maize from farmers, efficient logistics and industrial processing. Via this model, maize quality is preserved (aflatoxin growth is eliminated), post-harvest losses are reduced to 1-2%, and the maize is sold weeks earlier than is currently the case with minimal post-harvest work and costs, leading to huge benefits for smallholder farmers and buyers alike. Through IMSAR support, the model is gaining traction with new players looking into crowding-in. The programme will support second movers and assist with developing other innovations, attempting to increase further last-mile aggregation to reach more remote farmers. It is also investing in finding solutions to handling the large amounts of wet cobs accumulated post-threshing. Based on the findings of a cob valorisation study, Kumwe and IMSAR will invest in a proof of concept exercise regarding the production of carbonised cob briquettes, a much greener, direct substitute for mass market charcoal products.

While the focus on horticulture and cereals will continue, the programme will also introduce innovations in the pig sector and explore poultry, contributing to closure of the large protein gap in the country.

The first intervention with Vision Agribusiness Farms (VAF) is establishing a contract farming model to promote small-scale professional pig rearing businesses, addressing issues related to feed deficit, animal health, genetics and access to markets. VAF will supply farmers with good quality inputs (piglets and feed), the training and supply of skilled labour to build good quality pig pens, advice and training on farm management, and off-taking contracts to buy the farmers' outputs.

RELEVANT INTERVENTIONS



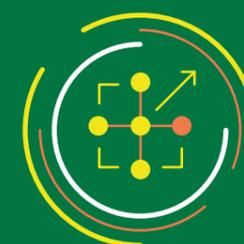
Driving the establishment of the Kigali Wholesale Market for Fresh Produce

NAEB



Linking smallholder farmers to commercial markets through post-harvest innovation

KUMWE HARVEST



Export-Oriented Outgrower Models

GARDEN FRESH



Export-Oriented Outgrower Models for smaller enterprises

EXCELLA

WOMEN'S ECONOMIC EMPOWERMENT AND SOCIAL INCLUSION PORTFOLIO

CONTEXT

Gender inequality is strongly rooted in patriarchal norms and their manifestation across the sectors and the way they function for men and women.

Limited access to resources, restrained mobility and opportunities, combined with poverty often hinder women's ability to take risks, participate formally in the economy or to take advantage of available services and products. Women are constrained by lack of access to finance/loans to establish or expand their economic and agricultural businesses, and often lack knowledge of and access to new technologies, including cell phones and improved agriculture practices. Men are often regarded as natural decision-makers and are better able to control household incomes. Finally, incidence of gender-based violence remains an issue.

Young people are also particularly disadvantaged, making youth-led enterprises a key target of various GoR- and donor-funded initiatives.

More than 60% of young people work in agriculture and its subsectors as their primary source of income, more frequently as farmers than as waged farm labourers, with secondary sources of income including the wholesale and retail trade, and the repair of motor vehicles and motorcycles. Approximately 60% of youth are underemployed (working less than 35 hours per week) and are willing to work more. The Rwandan youth labour force is low-skilled; while primary school enrolment is almost universal, the level of educational attainment of 77.5% is primary education or below, 15.4% complete their secondary education (lower and upper) and 7.1% tertiary education. Only 3.1% have attended technical or vocational schools.



STRATEGY

IMSAR mainstreams WEE across all its interventions, ensuring that innovations are, as a minimum, inclusive, and that whenever possible women are targeted.

IMSAR helps partners to understand how their products and services are or can be made relevant to women and how inclusive business practices can improve their sales and operations. When specific measures are required to make innovations accessible to women, IMSAR provides assistance. Finally, through its performance-based grants, the programme incentivises businesses to reach women by including milestones which are specific to women's reach or activities geared towards women's participation. For instance, special incentive mechanisms to engage, motivate and enable women agro-dealers were initiated under the partnership with the Yara. Good Agriculture Practice training conducted by vegetable aggregators Garden Fresh and Excella also include quotas for women's participation. The programme supported BeneFactors to better understand its women client-base and then to develop targeted promotional video materials to better engage with women-led agribusinesses, whose owners appeared more reluctant than their male counterparts to access factoring loans.

IMSAR is collaborating with the Rwanda Youth in Agriculture Forum to identify the business development service needs of youth-led businesses in Rwanda.

RYAF is a platform initiated by MINAGRI, Ministry of Youth with FAO support, bringing together different youth organisations, individual youth farmers and entrepreneurs working across agriculture sectors, including ICT. By leveraging its partnership with RYAF, IMSAR plans to facilitate linkages and the development of the services needed to enable youth-led businesses to expand in agriculture-related subsectors.

Where possible and feasible, the programme commits to generating learning and fostering dialogue on MSD and inclusion of people with disabilities.

IMSAR integrates The Washington Group Short Set of Questions on Disability across all its impact assessments to help understand how the programme is reaching People with Disabilities (PwDs) and, where possible, identifying opportunities to intervene. The programme will create examples and generate lessons related to mechanisms which might enable MSD programmes to impact this marginalised group. IMSAR remains opportunistic – throughout the life of the programme, it will assess options to target PwDs and pursue these when relevant. As a start, IMSAR is actively considering partnership with Masaka Creamery, a dairy processing social enterprise which mainly engages PwDs in their operations. The plan is to support the enterprise in improving training mechanisms while

also incorporating the needs of PwDs to adopt new techniques for increased production/sales of Masaka products, thus creating opportunities for expansion and more recruitment of PwDs in the enterprise.

Going forward, IMSAR will continue to mainstream and target women and youth across the portfolios, and to explore interventions to address specific constraints.

In partnership with floriculture company Bloom Hills, IMSAR aims to prove the business case to generate job opportunities for women, and that employment practices sensitive to women's needs lead to improved business performance. Similarly, plans are underway to design an action plan to motivate the development of private sector-supported childcare facilities; these are also expected to improve rural women's access to jobs opportunities and ease the burden of unpaid care, as well as increasing enterprise performance. Furthermore, IMSAR is partnering with a mobile value-added services provider to conduct joint research to identify challenges and gaps in information access of women and youth in agriculture and address them through mobile-based applications. Findings from this research will be used to develop a business case for telecom operators to customise services targeting women and youth in agriculture.

RELEVANT INTERVENTIONS



Supporting women-targeted job creation while supporting floriculture exports

BLOOM HILLS



Promoting commercially scalable youth-led agribusinesses

RYAF

04

KEY ACHIEVEMENTS

#23



INNOVATIONS



15

PARTNERSHIPS

£1.9M

INVESTMENT
LEVERAGED

£1.3M

ADDITIONAL
SALES



+34K

FARMERS WITH
INCREASED INCOMES



INCREASED INCOMES AND JOBS FOR POOR HOUSEHOLDS

34,850 rural households have increased their incomes as a result of IMSAR interventions, of which 72% earn under \$3.20/day¹ and 42.6% are extreme poor, earning less than \$1.90/day as of December 2019.

These are farmers who have experienced increased yields through the use of Yara's crop-specific fertiliser, higher sales from selling to Kumwe, and to a lesser extent (17%) a combination of both. The use-to-benefit ratio is high, with income increasing for almost 9 out of 10 users; this reflects the quality, relevance and efficacy of IMSAR-supported products and services. It also suggests that more farmers are likely to adopt the innovations in future seasons, as early adopters vouch for and recommend the innovations. Finally, this high reach of people living in extreme poverty is a major achievement for an MSD programme at this initial stage, capturing IMSAR's ability to design and implement interventions which are highly inclusive and accessible beyond its primary target group.

The total income change is £1,551,253, an average £39.8 increase/household.

IMSAR-supported innovations are increasing farmers' incomes significantly; on average, incomes of those who used improved products and services supplied by IMSAR's partners are 80% higher than the counterfactual (i.e. farmers who have similar characteristics to IMSAR beneficiaries but who did not adopt the innovations and change their practices).

IMSAR created 1,714 on-farm jobs largely through the newly established export-driven outgrower models.

Beyond Garden Fresh, the intervention with Bloom Hills focusing on job creation for women in the floriculture sector has led to 130 new jobs. Although to a lesser extent, interventions with Kumwe, Yara, Equity and Enas have also required partners to expand their labour force, leading to new on-farm and off-farm jobs.

¹ 2011 PPP.



MARKETS ARE WORKING MORE EFFECTIVELY FOR POOR FARMERS AND AGRIBUSINESSES

The turnover of five IMSAR partners increased by £1,324,929, exceeding this year's target by 161%; £96,240 is from exports.

Yara, Kumwe, Bloom Hills, Garden Fresh and BeneFactors increased their sales, demonstrating the sustainability of IMSAR interventions from an early stage across all markets. While crop-specific fertiliser, maize-cob aggregation and factoring loans are targeting the domestic market, Bloom Hills flowers and Garden Fresh fruits and vegetables are sold to international markets, supporting GoR's efforts to boost non-traditional crops export.

MARKET ACTORS INVEST IN AGRICULTURE AND REACH THE POOR WITH PRODUCTS AND SERVICES

Committed investment reached £2.9 m, of which £ 1.9 m is from partners and £1 m is from the programme.

The ex-ante high investment leverage reflects IMSAR's ability to design interventions which are attractive and investable for domestic businesses, and indicates the longer-term sustainability of any given innovation and the prospect to crowd-in additional capital to achieve greater impact. IMSAR customises its investment contribution (value and modality) to each partner and intervention, and tailors its approach contingent on the needs and capacity of local actors, and the risks and innovation profile of the intervention, as well as attempting, as far as possible, to adjust unsustainable practices of businesses which receive grants from other donors.

Actual investment made to date by partners stands at £1,182,773, more than twice the target for the year and 62% of the total investment committed.

This result indicates that partners are responding well to IMSAR's stimuli and are confident that the innovations developed in partnership with the programme are profitable and therefore worth investing in. It further probes the quality of IMSAR's designs, and the programme's ability to broker partnerships with suitable partners and select support modalities able to attract private sector investment.

45,273 rural households accessed new or improved products and services supplied by IMSAR's partners.

The achievements measured to date stem from two of the most mature partnerships in the portfolio (with Kumwe and Yara). Co-investment in machineries and improvements to the cob-model, including in-house developed apps for field data capture, inventory management, farmer payments and financial management, as well as a call center, led to over 28,000 maize farmers (13,286 women) accessing the cob-aggregation model. IMSAR estimated that as result of the intervention with Yara, so far 17,074 additional smallholder farmers (6,147 female) have purchased and used crop specific fertilisers, thanks to the improved distribution network and aggressive marketing and awareness creation strategy. This estimate is based on "use" rather than access and therefore is highly conservative. This is particularly true as 43% of adopters became aware of and decided to use the product also through radio adverts/jingles and roadshows, which are expected to have reached several additional thousands of farmers. Similarly, as 71% of users have recommended Yara's crop specific fertilisers to other farmers, it is reasonable to believe that slower adopters will likely follow in the upcoming seasons. The innovations are relatively inclusive – for example, the maize-cob model from Kumwe is reaching women and men almost equally (53% and 47% respectively).

Although crop-specific fertilisers are reaching more men (64%) than women (36%) farmers, this appears to be linked to custom, as well as elements of the subsidy system, which mean men (rather than women) are usually the purchaser of fertiliser, which is however used on land cultivated jointly by men and women from the same household. The number of farmers who have accessed innovations as a result of the programme is expected to be significantly higher than reported. Beyond the two innovations above, factoring loans by BeneFactors, outgrower schemes from Excella, and the Garden Fresh and Bloom Hills floriculture expansion were also available in the market by the end of the year. Measurement of access from these interventions is ongoing and will be reported in 2020.

IMSAR EFFECTIVELY IDENTIFIES KEY CONSTRAINTS IN AGRICULTURE AND DESIGN INNOVATIONS TO ADDRESS THEM IN PARTNERSHIP WITH MARKET ACTORS

IMSAR has so far developed 23 intervention concepts addressing key constraints across agricultural sectors.

12 concepts have reached implementation, 2 are at the agreement signing stage and 6 have transitioned into fully developed Implementation Plans. Two concepts were dropped, one at the concept stage and one after implementation. The intervention development process used by IMSAR proved effective; interventions are progressing well across the various stages of development and the drop-out rate is acceptable: evidence of the implementability and relevance of IMSAR's interventions. Given the short timeline of the programme, IMSAR has invested significant resources in the achievement of this result in order to have enough interventions reaching beneficiaries in Year 1 and 2, and to meet the impact targets by 2022. A total portfolio of ~37 concepts is still adequate at this stage, meaning that growth rate can decrease towards the end of 2020.

IMSAR has established 15 partnerships with a diverse group of market actors.

13 partnerships are with private sector companies, of which 7 are agribusinesses, 1 is a commercial bank, 2 are non-bank financial institutions and 3 are micro-finance institutions. One partnership is with a government body and one with an association. While partnerships with agro-businesses prevail, those with financial institutions are key to ensuring that finance – a key supporting function in the commercial agriculture market system – is strengthened to generate inclusive growth. The partnership with NAEB is strategic beyond the Kigali Wholesale Market and key to supporting the government goal to boost exports. Finally, the partnership with RYAF has brought IMSAR closer to the needs of youth-led enterprises to determine if and how IMSAR can play a role in facilitating their growth.

WOMEN'S ECONOMIC EMPOWERMENT

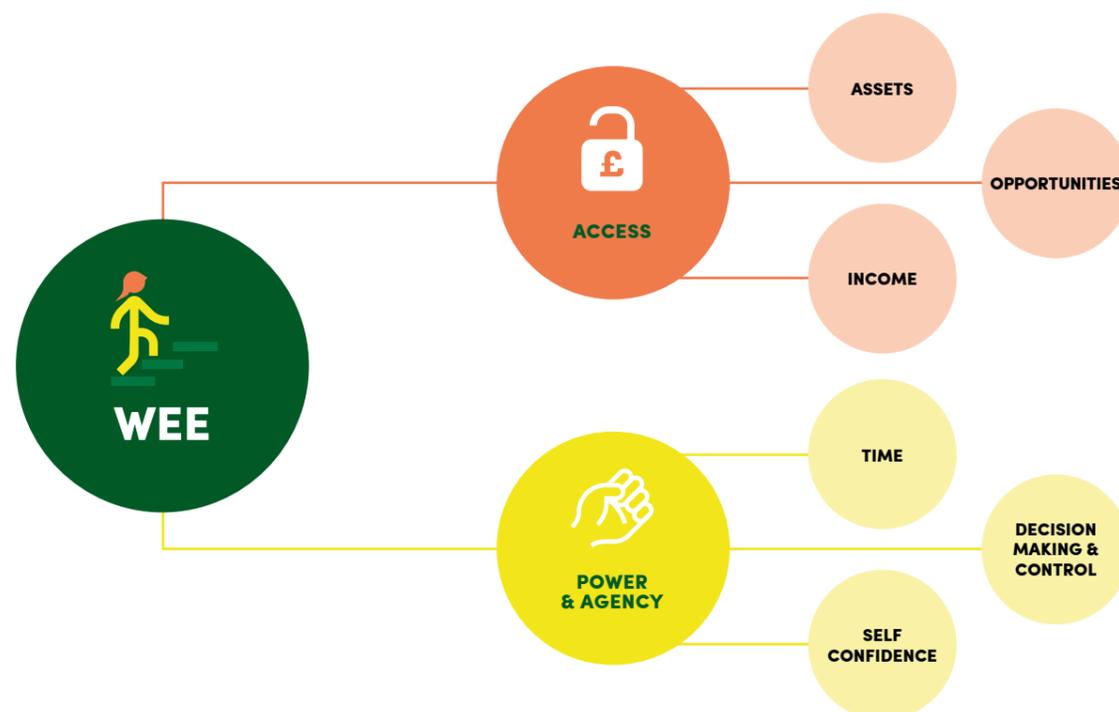
Interventions are reaching women effectively and building awareness of the business case for inclusion.

While 42% of IMSAR's beneficiaries are women, the impact assessments conducted to date found that increased incomes benefit the household as a whole – farming often being a 'household business', and women and men largely making decisions jointly about income allocation. Partners which have been encouraged and supported to better engage and target women as suppliers, customers and labour are experiencing increased sales, and are keen to adapt their models even further to improve their performance.

IMSAR is contributing to the empowerment of Rwandese women, allowing them to access needed resources and opportunities, to advance economically and improve their self-esteem.

IMSAR designed a WEE measurement framework to help assess the extent to which the programme's interventions are contributing to empowering women; it adopts and adapts the Women's Empowerment and Market Systems Framework (2016), tested and refined across a number of MSD programmes. Achievements to date across the WEE domains follow.

Figure 2
Women's Economic Empowerment Domains



Economic advancement

16,790 women have increased their incomes directly while over 20,000 additional women have benefitted from increased income within their household.

Access to resources and opportunities

20,799 women have accessed a combination of new and improved inputs, services, markets, jobs and skills development opportunities.

Decision-making authority and control over incomes

71% women are able to inform and make decisions about farming, including what inputs to buy, whether to hire labour and how income should be allocated.

Time-saving and manageable workload

9,834 women benefitted from workload improvements thanks to time-saving innovations introduced by the programme. Women are shifting their time towards farming activities targeted by IMSAR innovations due to expected higher returns on labour.

Self-esteem, improved perception of self within the household and community

70% of women reported improved self-esteem and self-worth within their HH and community, thanks to their ability to contribute more to HH incomes and to save, and to their improved knowledge and skills

Leadership and networking

116 women agrodealers participated in the promotional and outreach efforts and 30 women-owned agrodealer shops branded by IMSAR's partner, encouraging women to step up their roles in the value chain, becoming more visible and empowered



IMSAR HIGHLIGHTS – CLIMATE-SMART AGRICULTURE

IMSAR geared up its efforts to better understand what the key climate change risks are in the country and how the programme can contribute to increasing resilience.

This included a climate risk assessment at the country level; screening for climate risks and opportunities for the current portfolio, covering commodities and markets in which IMSAR is intervening; the development of a guideline to support the identification of climate risks at the design stage; and the development of a matrix to assess interventions for their contribution to climate change pre-implementation to inform results measurement. Each of these steps increased awareness and recognition that IMSAR interventions are contributing to *adaptation* – anticipating and strengthening resilience to the changing climate. Among the climate-smart actions that the programme is currently implementing are improving smallholder access to quality input and higher value output markets; increasing opportunities to diversify agriculture production (e.g. new, higher value crops); and in some cases increasing non-farm income sources (e.g. within the flower industry) and decreasing the vulnerability of households by improving soil fertility. The support of IMSAR Climate Change Expert heightened interest in opportunities for mitigation, including further improving post-harvest practices, improved cropland management practices, including soil and water management and more efficient energy use in production.

IMSAR HIGHLIGHTS – PEOPLE WITH DISABILITIES

IMSAR used The Washington Group Short Set of questions to understand the extent to which the programme is reaching people with disabilities.

The questions ask about difficulties in performing basic universal activities (walking, seeing, hearing, cognition, self-care and communication). The focus on functioning and the brevity of the tool mean that it can be rapidly and easily deployed as part of the programme's impact assessments. The exercise identified that 9.3% of IMSAR's beneficiaries are people with disabilities; information at the intervention level as well as other forms of disaggregation and tailored studies will be used to delve deeper into this finding.

VALUE FOR MONEY

IMSAR has developed a system for tracking, analysing and disaggregating its costs, both to report on VfM and to inform adaptive management.

Costs are classified into two categories: direct and indirect costs. Direct costs are those which relate to the investment made by the programme into specific interventions i.e. grants and costs associated with facilitation, including fees, reimbursable costs and milestone payments. In terms of fees, Palladium keeps track of how IMSAR staff and consultants spend their time across interventions and indirect functions. (for instance, time spent engaged in intervention implementation, portfolio development and result measurement are classified as direct costs). Indirect costs, as the name implies, are those not directly related to the implementation of interventions. Examples of indirect costs include staff time spent on programme management and report writing, and reimbursable costs such as office space, laptops and travel not associated with interventions.

The split between direct and indirect costs shows that IMSAR is providing good Value for Money, with 69% of funds being spent on interventions and 31% on indirect costs.

The high proportion of total costs spent directly on interventions is evidence of lean management and thoughtful procurement. It is worth noting that indirect costs also include one-off procurement such as office assets, meaning that the percentage of indirect costs is artificially higher at this stage of implementation. IMSAR’s cost-tracking system also splits costs by Markets and Interventions. Direct costs are 35% grants, 64% fees (of which 34% are result-based payments) and 1% reimbursable costs. Finally, the aggregation portfolio is the one with highest spending to date, due to size and number of interventions, followed by the finance, agricultural inputs and WEESI portfolios (Fig.1). As interventions mature and the portfolio expands, grants will naturally pick up; fees, however (that is, the time which staff spend on on-going engagement, deal-making, day-to-day support to partners and monitoring) remain key to ensuring interventions are delivered to high standards and that impact is sustainable.

As the programme progresses and the MRM system provides more output and impact figures, IMSAR’s VfM framework will be key to informing the programme strategy.

The programme will use VfM actual data and projections to inform the strategy, allocating funds to markets/interventions able to provide greater returns on FCDO’s investment. Data will also be used to establish a benchmark over time to aid intervention design and prioritisation. The performance against VfM is assessed through trend analysis – where good performance is reflected by some indicators decreasing over time, such as cost per farmer reached, and other indicators increasing, such as Social Return on Investment.

As this is the first time IMSAR can report on VfM this analysis is not yet possible. Nevertheless, a cautious *rule of thumb* approach informed by average VfM results of MSD programmes suggests that at this stage of implementation IMSAR is already providing very good value for money and performance is likely to continue to improve over time. Results against VfM indicators for 2010 are summarised in Table 1.

Figure 3
IMSAR Spending Overview

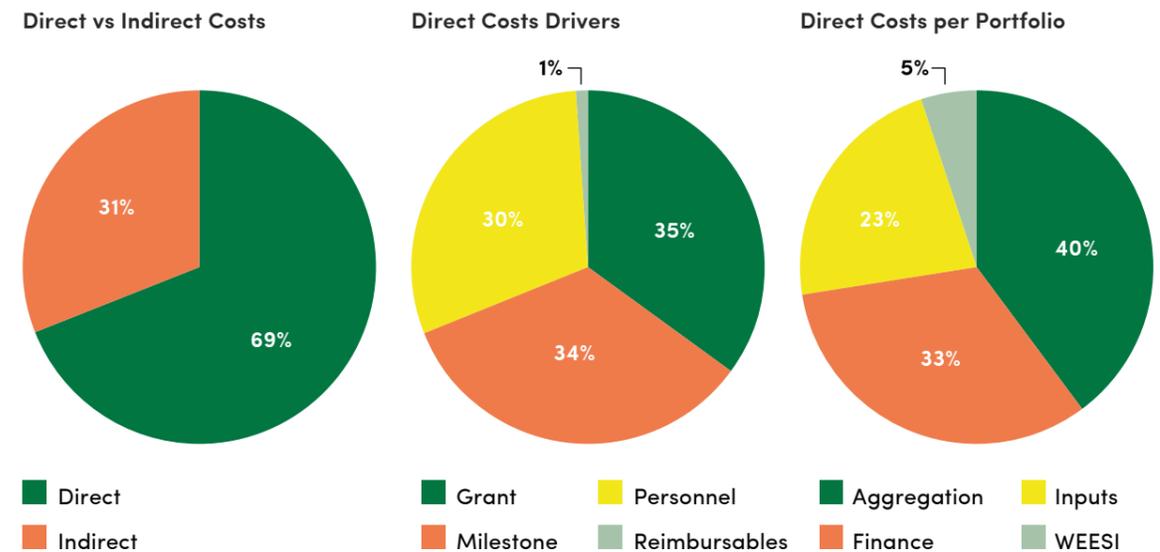
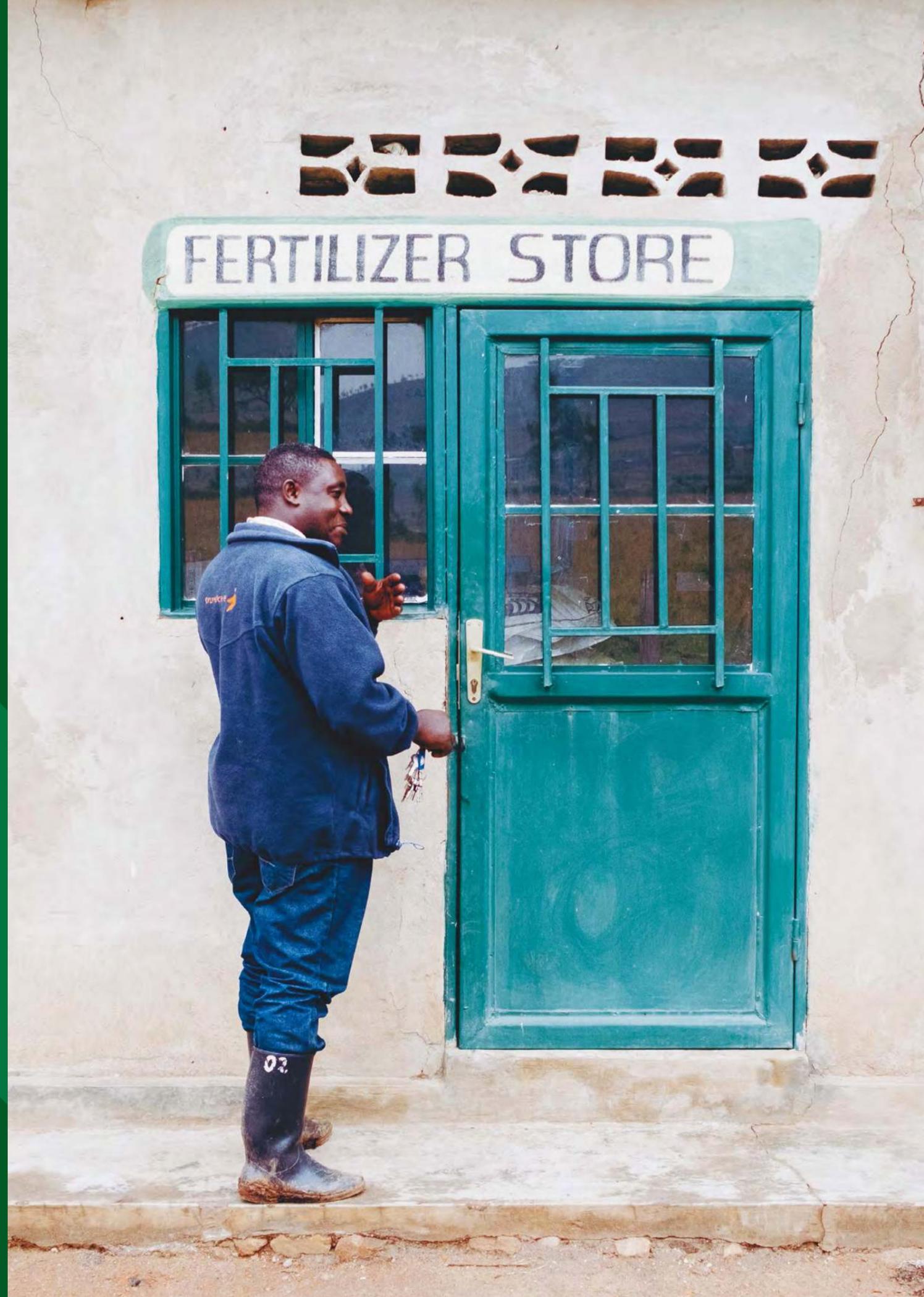


Table 1
IMSAR VfM Indicators and Performance

VFM DIMENSION	VFM INDICATOR	VFM PERFORMANCE
ECONOMY	Proportion of total cost spent directly on delivery	69.1%
EFFICIENCY	Cost per farmers reached through access to inputs, services, technology or markets	£51.17
	Partner investment committed for every £1 committed by IMSAR	£1.89
EFFECTIVENESS	Partner investment stimulated against their own commitment	62%
	Value of investment leveraged for every £1 spent by IMSAR	£0.51
COST-EFFECTIVENESS	Increase in sales for every £1 spent by IMSAR	£0.67
	Cost per beneficiary experiencing income increase	£66.47
	Cost per job created	£1,351
EQUITY	Social Return on Investment per £1 spent	£0.67
	% of farmers engaged who are female	42.9%
	% of beneficiaries who are female	42.4%
	% of beneficiaries who are poor	72%

05

LEARN ING AND WAYS FOR WARD



2019 was a successful first year of implementation for IMSAR – characterised by strong performance, solid grounding for the future and opportunities to learn.

Through its opening portfolio, IMSAR has achieved results at a significant scale, benefiting 34,850 rural households, generating over £1.5 m income increase and leveraging £1.9 m worth of committed investment from partners. The programme developed a healthy portfolio of partnerships in different sectors; live interventions have progressed well against targets and timelines and the pipeline shows strong potential to address a wide range of constraints able to stimulate systemic change. Putting inclusion at the core of the programme from day one has resulted in equitable impact and promising initiatives, which are expected to contribute to rebalancing gender and social inequalities. Experience on the ground and implementation will continue to generate learning and inform the programme strategy to enable adaptive management and ensure IMSAR can deliver the greatest returns on FCDO's investment.

Close coordination and collaboration with development initiatives in Rwanda is essential and will continue in 2020.

Development support is widely available in Rwanda and, in line with GoR objectives, it is increasingly focused on sharing the costs and risks of private investments which promote economic development goals. Given the size of the Rwandan economy as well as the number of private sector companies and their profiles, the high amount of external public financing (available through grants, and concessional and non-concessional borrowing) poses some challenges when seeking to implement strictly the market systems development approach. One way to mitigate against this is always to be abreast of what development support has been or might be made available to market actors, and to understand as a result where, if at all, IMSAR support fits. At this stage of implementation, IMSAR has decided not to intervene whenever the market appears saturated and there is a risk of creating long-term distortion. The programme will continue proactively to facilitate dialogue to avoid or mitigate against the duplication of resources and to foster synergistic solutions among donors and government initiatives. Its work with NAEB on the Kigali Wholesale Market for Fresh Produce is one example of how IMSAR helped trigger support from other development partners and maintain a coordination function. Similarly, on enabling issues IMSAR collaborates with other partners by bringing a private-sector lens to the process, and leveraging its knowledge of the market and ability to design commercially viable solutions.

Good governance and institutional foundations are an advantage which IMSAR can leverage further.

Rwanda has relatively well-organised rural institutions, which serve as suitable entry points and allow for easier engagement with programmes maintaining a private sector focus. For instance, cooperatives tend to be structured and have detailed membership lists; those which are more advanced also provide services dealing with input distribution, processing and/or post-harvest management. Public agencies and departments at the local level have adequate credibility and governance, ensuring in general that work done in conjunction with

these departments is effective. Going forward, IMSAR will research models, such as MSMEs (Micro Small and Medium Enterprises), which better integrate these market actors, leveraging their proximity and linkages to smallholder farmers. As the scale of operations and the programme's ability to reach large number of farmers is inherently limited by the size and capacity of these actors, IMSAR strategy is to identify solutions which are easily replicable.

To ensure sustainability, innovations must be aligned with the incentives and competences of market actors.

Among the challenges which might emerge from the intense aid support available to the emerging private sector in Rwanda is the risk for programmes to promote highly innovative, high-tech models which may not be suitable to the context, needs and capacity of the players involved. This is partially a result of a narrow understanding of additionality and the push for implementers and initiatives operating in the same space *to do something different*. However, some types of innovation often prove unsustainable because they are not aligned with the core competences of the partner, immediate incentives and ability to maintain the investment in the long run. In essence, the push for innovation can distract companies from their core offer – and given the early stages of growth of most companies in Rwanda, this can be a particularly high risk. On the other hand, these initiatives have the potential to crowd out a large number of micro enterprises which lack the necessary conditions and means to implement or respond to such innovations. IMSAR acknowledges that *simple* can often be more effective and sustainable. The programme therefore commits to a portfolio of interventions which blends more innovative, forward-looking products and services with more traditional ones which build on what's existing, have high buy-in from partners, can be replicated more easily and reach the poor at scale, faster.

Investment in results measurement should ramp-up to track impact from interventions that are targeting products and services for agribusiness and therefore reach farmers indirectly.

As most of IMSAR interventions start to generate impact, the programme will have to increase investment to measure results. Most of IMSAR's monitoring so far has focussed on the link between activities, outputs and outcomes to allow the programme to identify issues with intervention design and make adjustments where necessary. In order to do this, the programme has largely used the data embedded in the performance-based milestones from partners, the ongoing engagement with businesses and to some extent anecdotal evidence from ongoing field visits. The three impact assessments conducted to date benefitted from abundant data from partners which assisted with research design, sampling and validation. This is simpler and feasible for interventions where partners' products and services reach farmers somehow directly. As interventions targeting products and services for agribusinesses (and therefore reaching farmers indirectly) are also generating results, IMSAR plans to dedicate more resources to results measurement and accommodating the need for more sophisticated systems. This will combine internal capacity building, in conjunction with ongoing training on the DCED Standard, investment in ad hoc studies, development of proxies and modelling, dynamic and adaptive monitoring and mobile surveys.

Simple results measurement tools can help the programme achieve inclusive results and better entice the private sector and other development partners to do the same.

IMSAR used the Poverty Probability Index (PPI) and the Washington Group Short Set in its first impact assessments to understand the extent to which the programme is reaching and benefitting the poor and people with disabilities. The tools are a set of 10 and 6 questions respectively which are quick and simple to administer, and thus cost-effective and easy to adopt. The deployment of these tools is crucial for programmes like IMSAR which target the poor and have inclusive goals. The analysis of results across interventions will allow the programme to focus resources on innovations which are more likely to reach the poor and poorest. Similarly, use of data will help identify and address issues with specific products and services which currently appear not to reach the most disadvantaged effectively. With AMIR, IMSAR is exploring a partnership which will also help it to deploy the PPI tool, which will enable it to understand how and to what extent MFIs are reaching the poor, and then to assist them in developing a strategy to reach more. There are other, similar opportunities which the project will continue to pursue.

The private sector is responding positively to opportunities to engage women more effectively, but support is needed to ensure businesses can do so successfully and sustainably.

IMSAR is using various strategies to ensure its reach is inclusive and that the programme can prove the business case to target women as suppliers, customers and employees for sustainable impact. These have included targeting sectors where women are more present (such as vegetable farming); adding specific measures in the design of interventions to increase reach (like Yara's women agrodealers quotas and BeneFactors' promotional videos) or targeting women-led enterprises (such as Excella). IMSAR learnt that the private sector is generally responsive to the suggestion to pilot models which are inclusive. Indeed, businesses are often aware of the untapped opportunities to engage women in their operations but lack the capacity to tweak their products, services and processes to do so. Going forward, therefore, interventions with a strong WEE component will be supported with ad hoc assistance to face this challenge, to ensure that activities are implemented as planned or adapted responsively. IMSAR also acknowledges that tackling gender inequality within interventions which are already addressing other systemic constraints might not always be efficient and effective. In addition, therefore, the team started exploring standalone interventions able to address women's constraints directly, such as unpaid care, limited mobility, poor access to information and so on. These are likely to require a different approach, merging partnerships with the private sector and partnerships with civil society and other actors who have a vested interest and mandate to address gender inequality.



IMSAR has the potential to do more to strengthen the climate resilience of smallholder farmers through its existing portfolio.

Climate risk mitigation information and technology can contribute to building adaptive capacity when it informs decision-making on inputs, crops, processes and investments, yet it is often not readily accessible or used. While the assessment conducted by IMSAR Climate Change Expert revealed that the programme is contributing to climate resilience, it also increased awareness on how the programme can better integrate climate risk information across its portfolio. Going forward, the programme will include climate risk and adaptation content in all private sector-led extension activities provided by partners, within both inputs and outputs markets. Other options that will be explored in the shorter term are the integration of a climate change module in the training materials for MFIs and other financial institutions; a specific account of climate risks in the need assessment for youth-led enterprises with RYAF; and conducting a workshop for exporters (partners and others) on the implications of climate change. In the longer term, the programme will research opportunities to have targeted interventions, such as improving weather information and early warnings systems, access to organic fertiliser and small-scale irrigation.

Dialogue with IMSAR's Long-Term Debt and Equity Finance component will continue, informing interventions able to position agribusiness for larger investments.

Engagement with AgDevCo, a social impact investor in Africa, also through quarterly steering committee meetings, allows IMSAR components to discuss overarching strategies, and progress with implementation, addressing emerging risks and constraints. At the core of the synergistic approach between components lies the possibility for the market development (MD) and short-term grant finance components to prepare businesses to be attractive to larger ticket-size investment provided by the longer term and debt finance component of IMSAR. Similarly, AgDevCo's investment in some companies may require additional support which the MD component is best placed to deliver. Opportunities have begun to emerge – for example, IMSAR/Palladium has seen one intervention this year lead to potential funding by AgDevCo (currently in assessment); one of AgDevCo's current investment partners has reached out seeking support to address constraints at the policy level, and one additional AgDevCo partner is being assessed for inclusion in the IMSAR/Palladium portfolio. Overall, preparing companies to be investment ready and brokering linkages with larger investors remains part of the IMSAR vision.

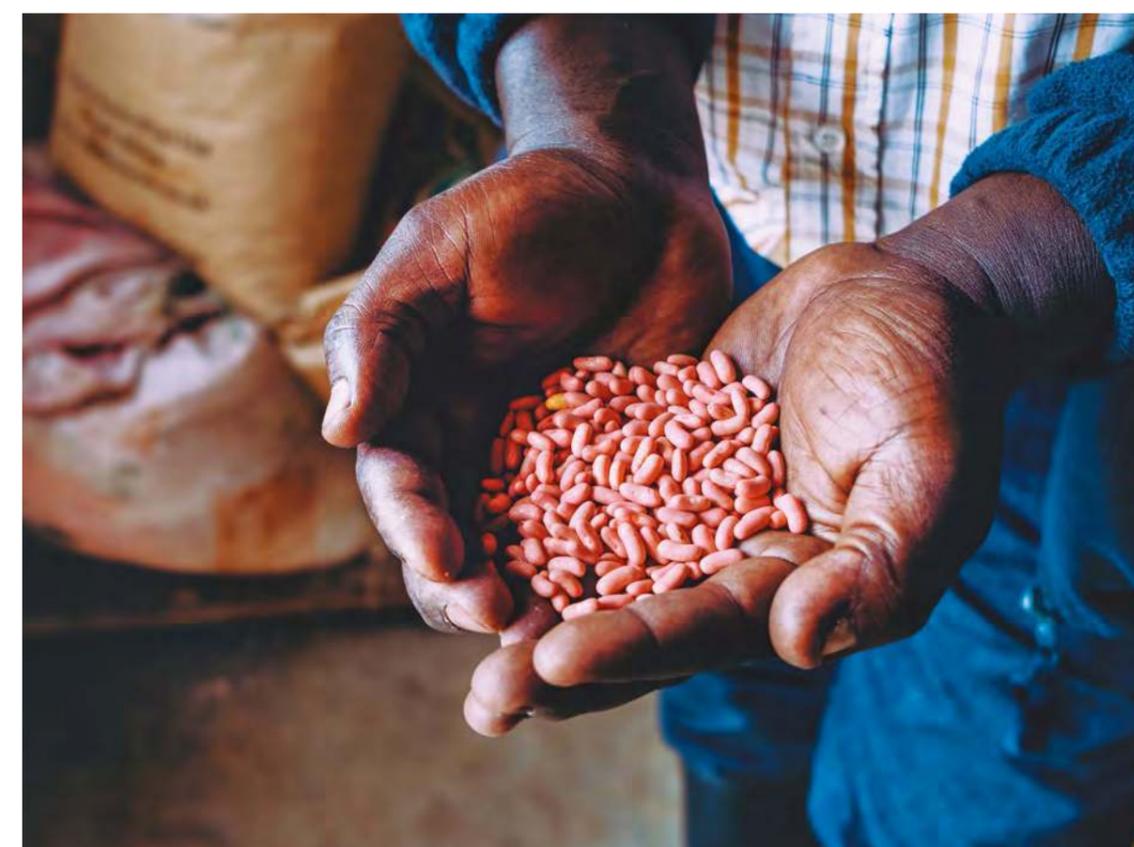
Competence-based recruitment proved successful and will be used to expand the team to reach maximum capacity.

When recruiting for additional implementation staff, IMSAR looked for young people with less than three years of experience, strong analytical thinking, leadership potential, good interpersonal skills, a flair for numbers and business acumen. The recruitment process entailed three parts: a group interview, an individual pitch, where candidates presented a business idea to address issues in agriculture, and a final interview to further assess critical thinking. The four selected candidates attended a one-week induction, which covered

the key aspects of market systems development, using a mixture of theory and practical exercises, including market mapping, constraints analysis, intervention development and pitching. The same process will be used to hire a second cohort of staff, focusing also on MRM and communications support.

The programme will continue to explore the possibility of using returnable finance mechanisms.

IMSAR presented a note to FCDO indicating how the programme could utilise returnable finance modalities beyond the use of grants. While the note covers various options, including bonds and interest-free loans, guarantees are identified as being the most effective and suitable modality, given the context, nature of the programme and ease of management. As this option is being assessed, IMSAR has piloted a quasi-guarantee modality. Under this arrangement, IMSAR intervention agreements (contracts between the programme and each partner) and attached grant finance are used as cash security (deposits) to leverage commercial capital through credit lines; these would not be granted by banks otherwise, either because of the perceived and real risks associated with agriculture which prevent agrilending and/or the risks associated with lending to start-ups or young/small enterprises. Going forward, variations of this modality will be assessed and evidence from the successful pilot used to encourage banks to cover some of the risks themselves, increasing the size of finance available.



AN NEX ES



Improving the adoption of crop specific fertiliser

Yara Ltd



What is the intervention about?

Rwanda has one of the lowest adoption rates of fertiliser, leading to low yields across crops. To address this, in 2007 the GoR launched a crop intensification programme, including a subsidy scheme. More recently, to ensure timely and proper distribution of fertiliser, an entity called APTC (Agro-processing Trust Corporation) was entrusted with an oversight role whereby dealers and company transact through APTC; around six companies are part of the subsidy scheme. Within this context, the IMSAR intervention aims at increasing the uptake of crop-specific fertilisers among smallholder farmers by strengthening agro dealer capacity and knowledge, and improving farmer awareness and understanding. IMSAR has partnered with Yara, a global agro input company, to undertake this initiative in 10 districts of the country; there is an additional focus on strengthening the reach and performance of women agro dealers, who form 25% of the agro dealer network but who are constrained by limited access to finance.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Facilitate periodic knowledge-sharing forums and field events for agro dealers to increase knowledge and business skills	Completed. Yara staff conducted capacity-building activities, focusing on usage, components and importance of crop specific fertilisers. Agro dealers were also trained by Yara in good business practices (e.g. book-keeping and customer relations); an average of 50 agro dealers attended each training, conducted in 10 districts (Kamonyi, Nyabihu, Gakenke, Rusizi, Nyaruguru, Ngororero, Nyarugenge, Gisagara, Rutsiro, Gasabo).
Establish agro dealer rebates awards	Completed. The aim of the activity was to incentivise agro dealers to stock and sell more Yara fertiliser. Every agro dealer who decided to register under the incentive scheme was given sale targets and vouchers to receive fertiliser, contingent on performance. Rebate award ceremonies are held to celebrate best performing agro dealers and further disseminate knowledge of the products.

ACTIVITIES	STATUS
Hire seasonal agronomists/promoters to conduct crop clinics and set up demo plots to increase farmer awareness and correct application of crop-specific fertilisers	Completed. Yara hired seasonal agronomists/promoters at the start of the season to provide refresher guidance to farmers on GAP and optimal use of fertiliser and organise demo plots while working with agro dealers.
Establish women agrodealer initiative	Completed. The intervention explored an arrangement to facilitate credit for women agrodealers (see learnings section).

What results did we get?

- Through IMSAR support, more than 500 agro dealers in 10 out of 30 districts have been trained in the usage of crop-specific fertilisers and good business practices.
- An estimated beneficiary reach of more than 17,000 farmers, of which more than 35% were women.
- An estimated total Net Additional Income Change (NAIC) of over £580,000 among beneficiaries under IMSAR support.
- The key value chain impacted is maize, rice and Irish potato.
- The incentive and rebate scheme was highly effective, reflected in a steep increase in sales of crop-specific fertilisers. However, the planned support to provide credit to women agro dealers did not pan out, since current arrangement with APTC requires the cash for the input to be deposited upfront; the need still exists but the mechanisms we devised need adaptation.
- As IMSAR support of the pilot has now ended, in 2020 Yara will carry out promotional efforts independently within the 10 districts. IMSAR will support Yara to scale up to 10 new districts.

What have we learned?

- Application of crop-specific fertiliser contributes to increase in farmers' yield; farmers applying crop-specific fertiliser experienced yield increase of 67% over those who did not use it.
- Even though the demand for credit from women agro dealers (and need for this initiative) is as significant as before IMSAR's intervention, to ensure such an initiative is effective, we need to first establish greater alignment with key stakeholders. An alternative solution, entailing linkages with financial institutions, should be explored.
- Women agro dealers tend to be more committed than men and perform quite commendably; this was evident mainly through the rebates scheme.
- Crowding in is happening, indicating that this intervention is likely to lead to systemic change. In the past year, fertiliser companies have adopted the same incentive model, providing bonuses to agro dealers who meet sales targets.

Development and promotion of small packs of fertiliser

ENAS



What is the intervention about?

ENAS is one of the leading agribusiness in Rwanda, operating across fertiliser production, maize aggregation and coffee bean sourcing and processing. Within fertilisers, ENAS manufactures its own blended products (based on soil analysis) and retails to farmers. It operates outside the subsidy scheme but nevertheless retails at the same market price as other subsidised products. IMSAR support to ENAS has focused on developing, branding and launching a new line of small packs of fertilisers, making fertiliser more accessible to and affordable for farmers. A recent study identified affordability as one of the key barriers to uptake among farmers in Rwanda. As small packs are not available in the market, agro dealers sell loose fertiliser from standard 50 kg bags, compromising the quality of the product. Through IMSAR support, small packs of crop-specific fertiliser (for rice and maize) are being made available in different packaging options (5 kg, 10 kg and 25 kg). A rapid market assessment shows that women and men smallholder farmers are very inclined to purchase the small packs.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Support installation of small pack packaging line	Completed. With IMSAR facilitation, the required equipment has been imported and installed at ENAS factory site. As a sign of commitment, ENAS increased its share of investment in the equipment when the need for it was identified.
Develop small pack branding and launch of products	Completed. IMSAR provided technical assistance to develop a business plan for small packs. This included a market strategy (i.e. promotion and branding). The products will be launched in early 2020.
Strengthen and build capacity of distribution network	Not yet done. ENAS will identify select agro dealers across the province and work with them to develop their capacity.
Mobilise farmers on small pack use	Ongoing. With the launch of both maize and rice small packs, ENAS is seeing sales of small packs pick up; these are expected to increase further when field activities related to agro dealers commence.

What results are we expecting?

The expected impact is the increase of small farmers purchasing and using fertilisers. Around 13,000 farmers are expected to benefit through increases in production, yields and income within the first year. Women are likely to benefit as female members of households or as agricultural workers. Significantly, the small packs are highly likely to trigger similar practices from other competitors, encouraging crowding in.

What have we learned?

- Companies in Rwanda need support with institutional strengthening relating to accounting, market development and promotion. With second generation entrepreneurs in line to take the business forward, the expectation is that these areas would improve gradually.
- Many female farmers have shown interest in the small pack sizes of fertiliser; a potential reason is that it allows them to apply it in their kitchen gardens, increasing the quantity of produce available for subsistence, which in turns reduce expenditure for food.



Innovating feeds: piloting production and commercialisation of Blood Meals



Aquahort

What is the intervention about?

The Rwanda animal feed market is constrained by a lack of access to high quality and affordable commercial feed. In recent years, feed prices in Rwanda have increased by between 12% and 18%. There is limited local production of protein ingredients for animal feed, which makes Rwanda a net importer of raw materials including soya meal/soya cake, fish meal, cotton and sunflower cake. Alternatives in the forms of bloodmeal and insect meal offer promising scope, but a proper feasibility study has not been done.

The intervention aims to address this gap. In partnership with feed-based company Aquahort, IMSAR is facilitating a feasibility study of bloodmeal in Rwanda. Blood meal is a dry powder made from blood, used as a rich source of protein in animal feed. If results are positive, the programme will explore how to develop and launch this product in Rwanda.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Conduct feasibility study of blood meal production	Done. Consultants were hired and looked at demand; supply of blood as a source for protein in feed; different sector potentials (poultry, fish, pork). The sector study is ongoing. The concept of using bloodmeal as feed is feasible; however, the potential for its use and subsequent pro-poor impact in the fish sector seems less promising and more promising in poultry and pork.
If feasible, develop business plan for product	To be decided.
Build capacity of Aquahort	To be decided.

What results are we expecting?

The idea behind this intervention is to catalyse the introduction of alternative, low-cost protein sources for feed manufacturing in Rwanda. In general, sectors such as poultry, piggeries and fish use maize-based feed which, owing to the limited supply of maize last year, showed a drastic reduction in supply and increase in price, affecting production of the sectors using the feed. With IMSAR support, launching a low-cost feed will enable farmers (and smallholder farmers even more so, owing to the issue of affordability) to increase their feed to poultry/pigs/fish, boosting production. Technical studies show that in terms of quality, these feed products are comparable to regular maize-based feed. As the intervention is at an early stage, estimates for the number of households which will be impacted are still being evaluated.

What have we learned?

Based on slaughterhouses in Rwanda, the supply of blood for the development of bloodmeal is adequate to create a feed product. To achieve this, investments need to be made in the storage and processing of blood near the slaughterhouses. However, there are questions regarding whether the potential product will be feasible for fish farmers and reach and benefit poor households. The study is still exploring other sectors, as poultry and piggery, which show greater potential in terms of inclusive impact and scale.

Improving access to finance through product innovation

Equity Bank Rwanda



What is the intervention about?

This intervention supports Equity Bank Rwanda to expand and de-risk investment in agriculture through the development of innovative agricultural financing products. Agriculture in Rwanda is considered to be high risk and constrained by (1) high transaction costs due to fragmented farmers, (2) lack of information on the sector, (3) limited skills and thus product offerings, and (4) high collateral requirements from financial institutions. Accounting for 34% of national GDP with less than 3% of loans going to agriculture, limited agricultural financial products will have huge negative consequences on productivity and, as a result, farmers' incomes and performance of agribusinesses. With IMSAR support, Equity Bank will be able to avail tailored agricultural financing products, reducing existing and perceived risks, while staff will increase their skills to respond to the growing agriculture credit demand.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Conduct market research assessment	Completed. Covers 8 value chains (maize, rice, potatoes, tea, coffee, dairy, horticulture and poultry).
Design agricultural products to fit the bank's needs	Completed. Six financial products for agriculture developed; ready for rollout.
Conduct staff training at all levels (management, branch and technical officers)	Completed. More than 30 staff have been trained and coached including senior managers, branch managers and technical staff (e.g. credit analysts, branch managers).
Adapt policies, processes and procedures to agriculture lending	Completed: part of the assessment and ongoing capacity building.
Design agricultural products to fit the bank's needs	Completed. Six financial products for agriculture developed; ready for rollout.

ACTIVITIES	STATUS
	Not yet done. Expected for quarter three in 2020. With the above activities, Equity Bank is ready to start piloting the products in four of its branches across the country, and then proceed with the rollout.
Pilot rollout	The bank has decided to shift the bank's strategy from a traditional to a value chain approach; however, it recognises that until it has the proper capacity/processes in place, it will have to implement both approaches in tandem. The critical strategic point here is that the bank is committed to implementing the value chain approach, which IMSAR believes will provide it with better products and returns from market actors in agriculture.

What results did we get?

This intervention aims to show that formal lending to agriculture is possible for commercial banks. A mindset shift within the bank's management and staff is a long process, but attainable if tailored support is provided. Smallholder farmers and agribusinesses will be able to access timely and tailored financing, leading to increased investments in and performance of agriculture, including incomes. At the same time, EBR will increase its revenue. Impact and change will be achieved only if EBR adopts the products and follows the strategy set to reach the target beneficiaries. Based on the investment done so far in staffing, systems, processes and procedures, the bank is committed to reach its objectives.

What have we learned?

- With bank officials stretched for time and capacity getting the external consultants managed directly through IMSAR ensured work output was of good quality and timely.
- IMSAR technical assistance suggested a value chain financing approach as opposed to the traditional approach the bank was used to. The shift required significant facilitation for an agreement to be reached. This lag should be accounted for in future interventions that entail significant technical assistance and transformational change.
- Informal and formal coaching have been of great importance to overcome a resistance mindset on the part of staff. For the intervention to reach expected results, enough time will be dedicated for ongoing technical assistance and capacity building to ensure rollout is successful.

Improving access to finance through factoring

BeneFactors Ltd



What is the intervention about?

Factoring is a service where a business sells its account receivables to a third party at a discounted rate, mainly to cater to the business immediate working capital needs. The intervention aims to demonstrate how factoring targeted at agribusinesses in Rwanda can be a commercially viable opportunity for financial institutions, and will aim to address the issues of:

- limited access available to timely finance for agribusinesses
- lack of adequate collateral required from FIs to access loans
- limited financial and managerial capacity of agribusinesses
- weak incentives of FIs to de-risk agricultural loans as there are easier opportunities elsewhere
- low FI capacity and knowledge of agriculture, leading to limited innovation

The intervention is implemented in partnership with local fintech BeneFactors and included the leveraging of additional capital from a commercial bank and helping them target the agribusiness sector. The latter is being utilised to prove the concept that commercial banks can tap into additional markets, while helping IMSAR to test blended finance solutions.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Set up meetings and linkages with formal financial institutions to sell the idea of trialling factoring products through reduced risk	Completed. IMSAR supported BeneFactors to access additional capital from Bank of Africa, which granted an invoice discounting line to the value of RWF 345 m.
Provide technical assistance to ensure BeneFactors can serve this new market profitably and support its marketing activities	Ongoing. IMSAR supported communication activities to raise awareness of the factoring product for agribusinesses. This was achieved by the programme facilitating the production of testimonials and explanatory videos by those agribusinesses which have benefitted from the partnership with BeneFactors.

What results are we expecting?

At the end of the monitoring period (2022) it is expected that BeneFactors will benefit from a £1.5 m increase in factoring credit, reaching at least 36 agribusinesses with factoring loans. This in turn should lead to at least 7,200 smallholder farmers being reached by the agribusinesses. In addition, this intervention should prove the business case for factoring loans to target agriculture.

What have we learned?

- Agribusinesses continue to present limitations: weak internal management and accounting systems issues hamper their access to credit from BeneFactors. To address this, the intervention was adapted to include targeted marketing as well as promotion of accounting services at a discounted rate. This is showing promising potential and can inform further engagement with BeneFactors, as well as additional interventions.
- Considering disbursement and performance to date, the model shows high sustainability and potential for scale.
- Providing a blended finance solution through a program like IMSAR, can help relevant businesses leverage and tap into existing credit lines operating in the market.

Improving access to finance through MFIs digitalisation

RIM, Umutanguha and Clecam



What is the intervention about?

Limited access to and use of credit for smallholder farmers is a systemic constraint. Many farmers resort to informal finance, solving the issue in the short-term only to create a further burden due to high costs. The intervention aims to increase access to financial credit from formal institutions, by investing in digital solutions for 3 rural client-dominated MFIs (RIM, Umutanguha and Clecam). IMSAR support will provide more convenient and efficient access to credit and deliver appropriate financial services at affordable costs. This intervention has started with a digital need assessment for the 3 MFIs, which will determine the specific interventions required for each MFI. Partnering with three MFIs simultaneously will make IMSAR's support more efficient, while allowing the programme to identify common issues and solutions to support the scale-up.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Conduct a business and feasibility assessment for digitisation	Completed. The assessment found that 2 out of the 3 MFIs struggle to incorporate key digital solutions due to the weakness of their own core banking system; 1 showed compatibility. It was also noted that not all MFIs have a clear idea of the level of investment they need to commit to in order to fulfil their digital needs.
Assess the market for providing digital solutions to MFIs	Completed. The study found sufficient availability of service providers in the country for most of the digital solutions the 3 MFIs are looking for, with limited need for adaptation (some need to improve their core banking systems in order to incorporate solutions offered by providers).
Support digitisation of MFI	Not yet done.

What results are we expecting?

It is expected that this intervention will demonstrate to MFIs that investing in digital financial services leads to efficiencies in providing services to smallholder farmers and agribusinesses, boosting their reach and ultimately their profit. Subsequently, smallholder farmers and agribusinesses will have easy access to affordable services leading to increased investment in their businesses and therefore more income/revenue. However, to achieve this impact requires MFIs to adopt and invest in digital technologies as appropriate by mobilising the appropriate resources.

What have we learned?

- The support from IMSAR on feasibility assessment again proved very effective and was a good way to help both the MFIs and the programme understand the actual digital needs in the market and the viability of different options.
- TA often helps beyond the strict scope of the intervention, with actors increasing their capacity and becoming better able to strategise and deliver their services.
- MFI models in Rwanda differ from other global examples. MFIs have a strong rural presence; however, some unanswered questions remain regarding the extent to which MFIs are reaching the poor. The Association of Microfinance Institutions in Rwanda (AMIR) has shown strong willingness to look into this issue and work with member MFIs to ensure their inclusion.



Driving the establishment of the Kigali Wholesale Market for Fresh Produce

National Export Promotion Board (NAEB)



What is the intervention about?

The Kigali Wholesale Market for Fresh Produce (KWFP) intervention in partnership with NAEB aims to improve the business enabling environment and transform the horticulture market system. IMSAR is working with NAEB to catalyse investments into building the KWMFP and upstream infrastructure through a series of collection centres. Key constraints to be addressed by infrastructure at the KWMFP are:

- lack of cold storage facilities at existing markets and in rural areas.
- lack of modern, adequately equipped collection centres for FFVs. This includes inadequate means of sorting, grading and packaging, and high post-harvest losses.
- inadequate logistics for produce which is often transported in sacks, baskets or on bare truck beds, leading to quality losses.
- smallholder farmer fragmentation and inefficient methods of aggregating produce lead to higher costs in sourcing raw materials.
- middlemen currently capture much of the margins.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Support feasibility work for the KMWP	Completed. IMSAR has identified, managed and paid for a market expert to provide ongoing TA support to NAEB and the steering committee during design and development phase. This included inputting into the design of the market; governance structure; site conditions; development of the laws and regulations needed to ensure smooth transition and functionality of the market; operations and financial modelling of the market; upstream and downstream investments needed to structure trade from farmers into the market and out to the consumers.
Support project management support services and help secure funding	Ongoing. Through Karisimbi Business Partners, IMSAR will also provide coordination support (essential given the scope of the project). This will include leading on all steering group meetings; following up with other potential donors regarding fundraising; following up with other private donors and GoR for financing the infrastructure; and reworking any documents and financial modelling according to inputs from the market expert and others.
Undertake market visit to South Africa to learn from similar market operations	Completed. The main objective of the study tour to South Africa was to build (1) capacity of steering committee members (NAEB, TMEA and IMSAR) on the development, operation and management of wholesale markets for safe and fresh food, and (2) their linkages with the producers. IMSAR organised a field trip on these aspects, and physical visits to packing houses and the South African wholesale markets for field experience and learning. The study tour included meetings with and visits to commission agents and agricultural producers (who supply in the wholesale markets), as well as with market authorities and market operators.
Support oversight during design, supervision and construction of KWMP	Ongoing: working with key stakeholders, including TMEA in supporting the procurement and execution of services relating to design and supervision of the market. Once that is complete and funds are secured, the work on construction is expected to commence.
Develop transition strategy	Ongoing. Karisimbi and the market expert are developing a detailed transition strategy, from the current wholesale operations in Nyabugogo to the new KWMFP. Focus is on regulation regarding wholesale activities and standards; management of the new market (including roles and functions of the market operator, market rules); communication campaign targeting current wholesale market operators; transport and logistics issues; financial and operational incentives; linkages between value chain operators.

What results are we expecting?

IMSAR's achievements on stakeholder engagement and other support measures to date include attracting TMEA's resources to work on the market design and performing the transaction advisory role; attracting other donors and GOR's interest to leverage around USD 30 million for upstream and downstream investments surrounding the market, and construction of market infrastructure. IMSAR has played a coordinating role and is providing expert technical assistance to help catalyse these investments. With KWMFP being operational we expect the following impact:

- 100,000 farmers selling 46,698 MTs through the wholesale market supply chain, with a value of £14.4 m (USD18.6 m).
- farmers selling directly to the market (an estimated 10,000 MTs of produce by Y3). Farmer margins increasing by 30% for those selling directly (equal to £465,000 (USD 600,000) in higher farmer incomes per year).
- food wastage reduced by at least 5% (equivalent to more than 2,500 MTs annually, or to £580,000 per annum) (Y3 = £1.75 m).
- Improved infrastructure and value-added services for 62 businesses with current revenues of £15 m (USD 20 m).
- around 60 permanent traders operating from the covered market; up to 100 semi-formal traders using the open market, with revenues up to £15 m (USD 20 m) by Year 3.
- reliable, accessible high quality fresh produce for consumers: over 200,000 households and 200 hotels, restaurants and bars.

What have we learned?

- Financing such ventures has to be driven by public funds; initially the expectation was that the private sector would sign up but that proved incorrect.
- Learning from other countries shows that while many factors determine success of this initiative, transition from the existing market to the new one is a key step that needs to be thought through systematically; it required a strong political will and a well-thought out and executed plan.



Linking smallholder farmers to commercial markets through post-harvest innovation

KUMWE Harvest



What is the intervention about?

One of the driving growth markets for maize is the processing industry, which requires aflatoxin-free maize. However, poor drying practices by farmers have rendered aflatoxin levels dangerously high, leading to high rejection rates. IMSAR has partnered with Kumwe Harvest, a company which developed an innovative sourcing model, where maize is sourced on cobs (rather than shelled maize) from cooperatives, then threshed and transported to a warehouse within a 24-hour period, thereby avoiding aflatoxins. IMSAR facilitated Kumwe to improve and scale-up this model; Kumwe is now one of the leading suppliers of quality maize to Rwanda's large (food grade) maize processors.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Increase storage capacity	Completed: purchase of a storage grain dam, auger and floor scales to accommodate processed maize.
Hire field staff	Completed. 28 staff and seasonal field agents hired for maize aggregation.
Mobilisation of farmers and aggregation of processed maize	Completed. Kumwe sourced from over 28,000 farmers.
Support Kumwe app deployment and call centre service for maize collection and payments	Completed. This intervention was designed to cover a total of 14 districts and improve efficiency in payments, enabling Kumwe to pay farmers within 5 business days after maize collection.
Implement cob valorisation programme	Ongoing. A study was conducted to assess value addition by-products of the cob model. Cob briquette manufacturing and distribution demonstrates interesting potential and will be assessed further; if positive, a spin-off intervention will be designed.

What results are we expecting?

Kumwe developed the model after realising African Improved Food was rejecting about 90% of the produce it purchased. IMSAR facilitated Kumwe to introduce a mobile application and a call centre, and to hire more field officers to reach farmers across the county. During the reporting period, the rejection rate has decreased from 90% to less than 3% and the maize grains from Kumwe are aflatoxin-free. Through the partnership, post-harvest losses for farmers also dropped, from 30% to under 3%. By the end of 2019, Kumwe was able to source maize on cobs from 33,975 additional farmers, 47% being women. IMSAR estimates that farmers selling maize on the cob achieved an 81% increase in NAIC compared to those selling grain. The net income change is GBP 969,854 compared to those who sold grain.

What have we learned?

- The role of women in the maize value chain is traditionally significant, with 46% of maize farmers being female. The Kumwe harvest model led to their economic advancement as well as a reduction in time-poverty; over 90% of women beneficiaries stated the innovation led to time savings; the reduction in workload allowed women to reinvest their time into other income-generating activities and care for family members.
- The impact assessment indicates that farmers tend to favour the cob model during the rainy season when self-drying is problematic; this information will be used to inform adaptation.



Export-Oriented Outgrower Models

Garden Fresh



What is the intervention about?

The demand for fresh fruit and vegetables is very high in international markets. While the Rwandan climate and other agronomic aspects give the country a competitive advantage, domestic horticulture exporters struggle to respond to demand due to unstable volume and quality of produce from smallholder farmers. This is due to the following factors:

- Small landholdings limit investment in inputs, irrigation and other farm implements, leading to below average yields and inconsistent quality.
- Traditional farming practices, lack of technical knowledge and use of improved inputs result in the inefficient use of chemical inputs, low use of high-yielding seeds and soil degradation, leading to poor quality and volume of produce which limit smallholder access to high-value markets
- Inconsistent cooperative/association development. The governance, financial and technical capacity of farmer groups is inadequate to meet the needs for high value markets.
- Lack of cold storage facilities at the farm level impacts negatively on quality of produce which could otherwise be exported. Cold storage transport is limited due to low demand resulting from low volumes of goods meeting export standards.
- Scattered smallholder farmers and inefficient methods of aggregating produce lead to higher costs in sourcing raw materials.
- Limited access to affordable finance inhibits investment at the farm level as well as hindering performance and expansion of agribusinesses.
- Lack of certification needed to meet international standards: farmers are not Global Gap-certified and packhouses are not BRC- or HACCP-certified, limiting access to markets with high value and high demand.

IMSAR entered into partnership with Garden Fresh to develop and implement a high performing outgrower model in which farmers have access to private extensionists, high quality inputs on credit, as well as a guaranteed market. These will increase performance and incentives at the farmer level, while securing Garden Fresh access to high quality and volumes of fresh produce which meet international standards.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Pilot private sector extension model	Completed. Garden Fresh has 5 agronomists to provide production and post-harvest support to outgrowers as part of the development of a private outgrower strategy alongside IMSAR. Working through these 5 agronomists (2 existing, 3 new), cooperative agronomists and lead farmers were trained to train other cooperative members. The model was piloted with 3 cooperatives: Twitezimbere Nyabombe from Kayonza (56 members: 36 women, 20 men), COMSS from Kicukiro (501members: 252 women, 249 men) and KABOKU from Nyagatare (1080 members: 776 women, 304 men).
Set up incentive system of aggregation with farmers	Completed. IMSAR facilitated Garden Fresh to implement an incentive system in the form of transport subsidy to motivate farmers to aggregate and sell to Garden Fresh.
Facilitate provision of inputs on credit	Ongoing. Garden Fresh is supplying seeds, fertiliser and pesticides to every committed producer in each cooperative as an in-kind loan, distributed through the cooperatives to farmers who will repay the loans after starting to sell their produce.
Facilitate certification	Not yet done. IMSAR will facilitate Garden Fresh to obtain Global Gap certification for cooperative farms, and SEDEX and BRC for Garden Fresh's packhouse. Certification of cooperative farms will be facilitated via awareness training on Global Gap; guidance on developing an internal control system; and the accounting system producing financial statements for each cooperative, requirements for obtaining certification.
Establish cold chain	Ongoing. Plans have been developed to establish a cold chain through Garden Fresh's packhouse in Kayonza.
Facilitate linkages with international buyers	Ongoing. This has begun through meetings facilitated by IMSAR with buyers of fresh produce for major UK supermarkets. In 2020, Garden Fresh will travel to the UK to meet with UK suppliers directly, as well as several suppliers to the UK grocery market. It will also attend a fresh fruit and vegetable trade show in the UK to promote itself as a reliable company from which to source BRC- and Global Gap-certified produce.
Facilitate learning from more experienced companies using the outgrower model	Not yet done. In 2020, 2 company representatives and 2 cooperative agronomists will visit horticulture and exporting companies in Kenya which have successful outgrower strategies. This will help to deepen the learning for Garden Fresh and the cooperatives.
Explore village agent model	Not yet done. IMSAR will support Garden Fresh to set up a pilot village agent sourcing model, comprising 5 traders.

What results are we expecting?

Having captured key market signals from the Horti-Connect event which Palladium assisted in 2018 IMSAR was able to transfer information down to key agribusinesses and NAEB. As the programme worked on proving the concept that Rwandan companies can produce high volumes of high quality produce which meets international standards, it managed to attract interest from international buyers to source from Rwanda for high-value retail markets in the UK. A trade mission with major buyers in the UK was organised in October 2019; additional ones are being explored for 2020. To date, Garden Fresh has transferred knowledge to 3 cooperative agronomists and 60 farm leads and outgrowers, and purchased 231 MTs from 15 farmers from 2 cooperatives (KABOKU and Twitezimbere Nya). The outgrowers create jobs for numerous workers (about 100 workers per ha, of which more than 70% are women). So far, 1,525 workers have been employed by these Garden Fresh suppliers. During harvest time, workers get paid more than 200% the average wage.

What have we learned?

The outgrower model shows promise. Yet, the timing and scale projected for impact has proven to be over-ambitious. Considering the newness of the approach, only very few farmers were able to respond to this model; the adaption of the intervention includes the exploration of the agent model.

- The beneficiary group includes both farmers and agriculture workers (mainly female) who report increased incomes as a result of being paid by volume vs a daily rate.
- Female workers suggested that if childcare services were available in the locality, their performance to work as labour efficiently would increase. This is being explored through one of the concepts in the WEE portfolio.



Export-Oriented Outgrower Models for smaller enterprises

Excella Produce Ltd



What is the intervention about?

In 2017, the global fruit and vegetable market was worth USD 246 bn, and is expected to reach USD 346 bn by 2022, Europe and Asia being the largest target opportunity markets. However, Rwanda’s horticulture sector has been largely constrained by lack of quality production standards and insufficient volumes which has significantly contributed to its limited access to high-end markets. Woman-led enterprise Excella is attempting to make a difference. IMSAR has partnered with Excella to facilitate implementation of an outgrower model and thereby impact on small holder farmers while investing in compliance and standards. Excella is working with smallholder farmers in Rurindo and exporting fruits and vegetables to international markets.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Develop an outgrower model	Ongoing: GAP training; establishment of collection centres for outgrowers to maintain fresh fruit and vegetables (FFV) quality; setting up of incentive scheme for lead farmers; working with exporters to provide in-kind loans for input to outgrowers. Excella Produce Ltd participated in a visit to Kenya to learn more about successful outgrower strategies for export markets in FFV. The outgrower strategy will lead to increased quantity and quality of FFV produced by outgrowers in Rwanda.
Achieve Global Gap certification for outgrowers	Ongoing: training outgrowers to boost their capacity to comply with Global Gap standards; setting up internal control systems and audit services to assess compliance to the standards.
Provide BDS to small agribusinesses	Ongoing: facilitating access to proper services which help build institutional capacity for Excella.
Extend market reach	Ongoing. Being achieved through market research in the Middle East; establishing linkages with other buyers through trade missions to Europe and the UK to identify new direct markets.

What results are we expecting?

Since the start of the agreement between IMSAR and Excella in September 2019, the main focus has been to establish the outgrower model (GAP training for 34 lead farmers; building capacities for 219 to get prepared for Global Gap certification). Excella participated in a trip to Kenya to learn from more experienced companies how best to work with outgrowers, which led to adaptation of the model and adjustments in Excella’s operations. Instead of dealing directly with many smallholder farmers, it will put more emphasis on lead farmers who will play the role of aggregators and keep providing proximity extension services to smallholders, as well as access to inputs and quality control. One cooperative is now in the process of putting together all the necessary documentation to become Global Gap certified.

What have we learned?

- Getting full commitment from farmers was delayed as a result of most smallholder farmers opting to work for daily wages in neighbouring commercial farms. This issue crippled the rate of progress at which farmers were expected to produce and sell to Excella.
- Excella decided to slow its reach due unexpected seasonal weather changes towards the end of the year. Heavier rains (and thus more diseases, such as anthracnose) caused farmers serious losses. Excella was reluctant to expose its suppliers to such risks; IMSAR will facilitate it to include climate change adaptation strategies in its operations.



Supporting women-targeted job creation while supporting floriculture exports



Bloom Hills

What is the intervention about?

Despite the strong growth performance of floriculture exports from eastern Africa, Rwanda's share is quite small, partially due to the high set-up costs, investment and skills needed for production. In 2015, Japanese flower company Bloom Hills invested heavily in R&D to set up a small flower plantation just outside of Kigali. It started with rudimentary infrastructure and 106 full-time workers, over 75% of whom were women. IMSAR recognised the scope to create and retain more off-farm and non-farm jobs for women and adopted a dual strategy to partner with Bloom Hills: boosting the export of non-traditional commodities while strengthening the case for female employment and demonstrating that inclusive business practices lead to improved performance.

What activities are we supporting and where are we now?

ACTIVITIES	STATUS
Expand existing production capacity of the selected farm	Ongoing: co-finance the infrastructure and equipment required for Bloom Hills to meet requirements for premium flower markets in Europe.
Prove the business case on working conditions	Ongoing, leading to better staff performance and therefore better-quality flowers, improving profit for Bloom Hills. This includes higher salaries, training, opportunities for promotion and investment in childcare facilities.
Facilitate positioning of exporters and broker linkages with international buyers	Not yet done. Market reach of Bloom Hills through trade exhibitions in Europe to ensure growth in the sector, impacting more workers.

What results are we expecting?

Bloom Hills has ordered equipment to increase its production capacity (shade and irrigation) to three hectares. It has also hired and trained 130 new workers (of whom 62% are women) and promoted 10 workers (80% are women) who not only increased their skills in flower production but also obtained a wage increment of 13%. The company was able to export flowers to Europe for GBP 45,237 (of which £22,618 is linked to IMSARs support) and to make first contact with potential buyers from the UK.

What have we learned?

- Floriculture has good potential to (1) boost exports, mainly in niche commodities, and (2) employ a large number of female workers for off-farm and on-farm jobs
- Like other agro exporters, limited air cargo space is a barrier to further growth; similarly, changing climatic conditions can significantly impact outputs.



Promoting commercially scalable youth-led agribusinesses

Rwanda Youth in Agribusiness Forum (RYAF)



What is the intervention about?

Youth-led companies are growing in Rwanda and hold huge potential, but lack the experience and resources needed to transform business ideas into action. The GoR has established the Rwanda Youth in Agribusiness Forum (RYAF), which serves as a platform to bring together and support different youth organisations, individual youth farmers and entrepreneurs in the agriculture sector. It is structured into 5 clusters: crop production, livestock, agro-processing, inputs and agro services (comprising extension, marketing, food packaging, farm mechanisation, seed multiplication) and ICT for agriculture. RYAF aims to facilitate the growth of youth-led enterprises, youth participation in agriculture, and the inclusiveness of youth in agriculture development programmes. It has a membership of over 1,250 youth and coordinates its activities from Kigali through a secretariat, as well as at district level. In June 2019, IMSAR signed a collaboration agreement with RYAF to work together on issues targeting youth-led companies. It proposes identifying the gaps and challenges faced by youth-led businesses, linking them with appropriate service providers, and promoting their expansion and sustainability.

What are we supporting with and where are we at?

ACTIVITIES	STATUS
Organise youth agribusiness round tables and undertake skills need assessment	Ongoing. Developed TOR for need assessment and recruited consulting organisations. The activity will identify (1) skill gaps among youth entrepreneurs, and (2) probable service providers who can facilitate capacity building.
Develop and refine engagement plan with service providers to address prioritised constraints which face youth-led agribusinesses	Not yet started; to be commenced after the need assessment.
Explore possibility of developing an internship programme	Not yet started; to be explored during the need assessment.

ACTIVITIES	STATUS
Support youth-led agribusinesses with relevant advocacy and other services to ensure an enabling environment for these businesses to scale up	Not yet started; to be commenced after the need assessment.
Facilitate periodic knowledge-sharing forums and field events for youth-led agribusiness	Not yet started; to be commenced after the need assessment.

What results are we expecting?

The need assessment will reveal what skills gaps exist within youth agribusiness and how these can be addressed. IMSAR will then facilitate linkages with business development service (BDS) providers. As a result of access to BDS services, youth-led companies will be able to manage and grow their businesses better, with an increased awareness of business operational issues and means of expansion. This will lead to higher revenues and the creation of job opportunities for youth in rural areas. When IMSAR has completed the need assessment and identified a viable model, it will be able to project the impact of this intervention.

What have we learned?

RYAF is a structured entity with good networks spread across districts. Engaging with this forum facilitates IMSAR's better understanding of the wider market and its actors, as well as providing an opportunity to align the programme more clearly with the GoR ambition of promoting youth in agriculture. However, as the partnership progresses, it is critical to assess incentives and capacity as these will impact the sustainability of this intervention.

