

# Rwanda

## Agribusiness and Natural Resource Management



Covering an area of 26,338 km<sup>2</sup> (16,356 mi<sup>2</sup>), Rwanda is home to more than 8.1 million people, making it the most densely populated country in Africa. Though approximately 87 percent of Rwandans work in agriculture, per capita food production is low, and almost 60 percent of households live below the poverty line with very poor dietary diversity.

Following the civil war and genocide of the 1990s, Rwanda fell into a downward economic spiral compounded by market destabilization and severe food shortages due to systemic deficiencies in agricultural production, distribution and marketing. In response to these deficiencies, USAID awarded ACDI/VOCA a two-year contract in 1998 to implement an emergency food monetization program. After a successful two-year run, the program ended, and USAID's Office of Food for Peace awarded ACDI/VOCA a five-year PL 480 Title II Development Assistance Program in February 2000.

In 2005, Food for Peace awarded ACDI/VOCA a new, \$15 million, five-year Multi-Year Assis-

tance Program to capitalize on the successes of the earlier programs. The program boosts incomes and provides food security by extending improved agricultural and natural resources management technologies, awarding grants to cooperatives for commercial projects, and improving access to markets. A new food distribution component, carried out in collaboration with Africare, improves household health and nutrition and reduces the vulnerability to HIV/AIDS in the Nyamagabe district in the southern province, which is one of the most food-insecure regions of Rwanda.

### Monetization

Monetization is the sale of U.S. commodities in a foreign country to generate funds for development activities. To finance its development activities in Rwanda, ACDI/VOCA monetizes vitamin A-fortified vegetable oil through regular sealed-bid auctions. This supplies a scarce food commodity and facilitates small-trader activity and an open, competitive market.

To date, ACDI/VOCA has monetized 25,000 MT of vegetable oil, representing a value of approximately \$45,000,000, for its Rwanda Title II programs. The sales team encourages and facilitates participation of up-country traders in the bidding process to increase access to the commodity in rural areas and spur greater competition.

### Direct Distribution

Africare, as a subrecipient to ACDI/VOCA, implements the Gikongoro Food Security Initiative (GFSI). The initiative is a five-year intervention with the overall goal of reducing chronic



# Project Profile

food insecurity and vulnerability of individuals, households, and communities to food security shocks in Nyamagabe district (formerly Gikongoro district). GFSI was designed to improve access to and use of health and HIV/AIDS services and to mitigate the impact of HIV/AIDS on the nutritional status of PLWHA. The program distributes nutritional supplements to associations of people living with HIV/AIDS (PLWHA) and community volunteers. To date, 540 MT of corn-soy blend, 320 MT of bulgur and 160 MT of vegetable oil have been distributed, and 1,150 households affected by the HIV/AIDS virus have received rations.

## **Agribusiness Development**

ACDI/VOCA supports local initiatives in commercial agriculture and agribusiness development through its food security grant fund, which awards grants to rural cooperatives that have submitted viable proposals for agribusiness activities. ACDI/VOCA has also been successful in gaining the cooperation of local banks to match the program grants with commercial loans, thereby linking the cooperative enterprises with the formal financial sector. Grantees under the Title II program have included groups involved in coffee processing, tomato production, cheese processing, and others. ACDI/VOCA, furthermore, helps cooperatives strengthen their business skills and increase their involvement in commercial agricultural markets for both staple and cash crops. With ACDI/VOCA's assistance, cooperatives are learning to act like businesses in response to market changes.

## **Road Rehabilitation**

ACDI/VOCA promotes enhanced access to markets by Rwandan farmers through the rehabilitation of roads and bridges to permit vehicles of all sorts but especially motorcycles, pickup trucks and commercial vehicles to enter previously inaccessible areas. In addition to promoting greater access by merchants, road rehabilitation also enhances access by rural populations to schools, health clinics and government services.

## **Natural Resource Management and Agricultural Development**

ACDI/VOCA collaborates with local and international organizations to help farmers restore and protect farmland, improve agricultural production, bring added value to crop production through the transfer of processing technologies,



and learn marketing strategies to increase their incomes. Through an ongoing agreement with the World Agroforestry Center (ICRAF), ACDI/VOCA is currently funding research and the implementation of a program focused on smallholder farming systems in the coffee-producing highlands along Lake Kivu. The project promotes the reproduction and planting of selected indigenous trees to shade coffee fields and enhance coffee quality, provide tree cover on the denuded hillsides, and promote biodiversity through the reintroduction of indigenous forest trees.

ACDI/VOCA's development initiatives promote crops that are economically appealing to farmers while at the same time protective of the natural resource base. For example, ACDI/VOCA has focused on increasing the quality of coffee, a smallholder crop in Rwanda that is frequently cultivated on steep slopes. If the costs of growing coffee outweigh revenues, there is a risk that the farmers will uproot their coffee trees, thereby aggravating soil erosion. In an effort to prevent this and to make coffee production a more viable livelihood, ACDI/VOCA initiated an innovative program in 2001 that emphasizes the importance of linkages in the production and marketing chain—coffee agronomy, harvesting, processing and marketing—in an effort to produce a superior product for specialty markets.

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