

RWANDA CAADP COMPACT TO SUPPORT

THE SUCCESSFUL IMPLEMENTATION OF THE STRATEGIC PLAN FOR THE TRANSFORMATION OF AGRICULTURE UNDER THE ECONOMIC DEVELOPMENT AND POVERTY REDUCTION STRATEGY

A. Background for the Implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) in Rwanda

1. CAADP as an African Owned Agenda and a Shared Development Framework

The Comprehensive Africa Agriculture Development Programme (CAADP) is at the heart of efforts by African governments under the AU/NEPAD initiative to accelerate growth and eliminate poverty and hunger among African countries. The main goal of CAADP is to help African countries reach a higher path of economic growth through agriculturally-led development which eliminates hunger, reduces poverty and food and nutrition insecurity, and enables expansion of exports. As a program of the African Union, it emanates from and is fully owned and led by African governments. COMESA has been mandated to coordinate and harmonize implementation in its region as a partner with national authorities as a part of the NEPAD Initiative, it fully reflects its broader principles of mutual review and dialogue, accountability, and partnership.

2. CAADP as a Value Addition Agenda at the Country Level

Although continental in scope, the CAADP agenda is an integral part of national efforts to promote agricultural sector growth and economic development. It provides a shared framework for strategy planning and implementation, and for partnership and development assistance in the sector. This is based upon the recommendation of Africa's professional communities of practice and broad dialogue with stakeholders across the commitments. Further, offer the prospect of political, technical and financial support for countries with plans and strategies that are aligned with the CAADP framework. In aligning with CAADP, countries adopt common commitment to achieve an annual growth rate of 6% in agriculture, the Maputo Pledge of allocating 10% of national budget to the sector, and will take account of the support of the assistance commitments of the G8 Summits of Sea Islands and Gleneagles.

In the case of Rwanda, the focus of the CAADP process is to strengthen and add value to the Strategic Plan for Agricultural Transformation (PSTA) under the ongoing Economic Development and Poverty Reduction Strategy (EDPRS). In Section 3.3 of its National Aid Policy, the Government of Rwanda (GoR) stresses the essential nature of strong strategic plans in all sectors and calls for the improvement of existing policies and strategic plans. The ultimate goal of the CAADP process in Rwanda is to answer that call for the agricultural sector, by: (i) helping define a coherent long term framework to guide the planning and implementation of current and future EDPS/PSSTA programmes under the Vision 2020 agenda; (ii) identifying

strategic options and sources of poverty reducing growth for the agricultural sector between now and 2020; and (iii) developing existing and new strategy analysis and knowledge support systems to facilitate peer review, dialogue, and evidence based planning and implementation of agricultural sector policies and strategies. Furthermore it is intended that the national compact will provide a basis and inputs into the formulation of a supporting regional compact.

B. Rationale for and Use of Rwanda CAADP Compact

Building on GoR's vision and commitment for economic and social development, its National Aid Policy, and the Joint Donors' Statement from the Development Partners Meeting of November 2006 on development assistance to Rwanda, the Compact (a) sets the parameters for long term partnership in the agricultural sector; (b) specifies key commitments on the part of government and development partners; and (c) clarifies expectations with respect to the agribusiness and farming communities in order to ensure successful implementation of the EDPRS/PSTA agenda. Most important among these are sector policy, budgetary, and investment commitments as well as commitments to align and scale up long term development assistance to the sector.

In the Joint Donor Statement, development partners urge GoR to give clear notice of its intentions and aspirations, by formulating ambitious but credible long term plans. The Compact serves to verify this for the agricultural sector, by confirming the consensus around the goals and priorities that Rwanda has set for the sector and the partnerships and assistance that are required to achieve these goals. Its ultimate purpose is to: (i) increase the effectiveness of planning and execution of government efforts as well as of the delivery of external assistance in the agricultural sector and thereby (ii) provides a solid framework under which assistance can be scaled up to help meet the short and long term investment needs in the sector.

C. Long Term Vision and Commitment of the Government of Rwanda with Respect to Economic and Social Development

GoR's long term vision for economic and social development is set out in its Vision 2020 document, developed as a strategy under the EDPRS, translated into an operational plan for the agricultural sector through the PSTA. As defined under the EDPRS, the overall agricultural sector goal is to achieve sustainable economic growth and social development, leading to the increase and diversification of household incomes, and ensuring food and nutrition security for the entire population. The strategic orientations guiding the pursuit of the above goal and related objectives in the agricultural sector are defined in the National Agricultural Policy and include:

- Food and nutrition security through the creation of an environment favorable to income generation and the implementation of nutrition interventions
- Modern, professional, innovative, and specialized agriculture, turning farming into a profitable, all year round income generating activity;
- A market oriented and socially responsible agriculture, targeting domestic, sub-regional, regional, and international markets;

- Fair distribution of benefits from all products resulting from different stages of processing;
- Integrated and diversified agriculture that is friendly to the environment.

D. The Government's agenda for Agricultural Growth, Poverty Reduction, and Food Nutrition Security

GoR sees a private sector led underpinned by public sector investment, market oriented agriculture as a key element of its strategy to achieve faster, broad based growth in order to realize the Millennium Development Goal of reducing poverty and malnutrition. The overarching goal is the transformation and modernization of the sector, leading to an annual growth rate of 7% for agricultural GDP, 6% for food crop production, and 8% for animal resources and export crop production by 2011. The related specific objectives and underlying principles:

- (a) Achieving MDG1 and go beyond that to realize food and nutritional security for all citizens;
- (b) The option for market and export orientated strategies to achieve the above goals;
- (c) The pursuit of value addition, competitiveness, and quality throughout the supply chain;
- (d) The promotion of knowledge-based approaches that promote: (i) evidence based and outcome oriented planning and implementation of policies and strategies; (ii) the use of modern information and communications technologies (ICT) in production, processing and distribution; (iii) the development of biotechnology capacities in research and their application to add value addition across the supply chain; and (iv) the development of human resources to raise policy planning and execution as well as entrepreneurship capacities across the sector.

Under the EDPRS process, and in line with the PSTA, GoR has defined the following four major programmes for the period 2007-2011, which together represent Rwanda's priorities across the four CAADP Pillars.

1. Intensification and Development of Sustainable Production Systems
2. Support to Professionalisation of Producers
3. Promotion of Commodity Chains and Development of Agribusiness
4. Institutional Development

The first and third programmes of the PSTA fall entirely under Pillars One and Two of CAADP, respectively, and the second and fourth programme of the PSTA under Pillar Four, while elements of Pillar Three are contained in the first programme of the PSTA. Final detailed cost, objectives, and specific sub-programmes will be defined in the EDPRS agenda and summarized in the draft the round table documents.

E. Forging Partnerships for the Successful Implementation of the Investment Priorities in the EDPRS/PSTA Programmes

1. Purpose, Principles, and Modalities of the EDPRS/PSTA Partnerships

This compact will support partnerships between the government of Rwanda, the agribusiness and farming communities, and the development partners in the successful implementation of the

EDPRS/PSTA programmes that are specified above, in the medium run, and of subsequent programmes to be defined under the Vision 2020 framework, in line with the principles, modalities, and commitment agreed herein. The partnership modalities and principles follow the consultative, long term, sector wide strategic planning and sector wide programmatic approach to implementation defined in the National Aid Policy, in particular in its Sections 2 and 3. Further within the COMESA region the partners supporting the CAADP agenda are urged to support Rwanda in the implementation of programmes and activities under this compact.

2. Government Commitments under the EDPRS/PSTA Agenda and Partnerships

The government of Rwanda confirms its commitment to promoting long term economic and social development to reduce poverty and achieve food and nutrition security, as identified in its Vision 2020 document and set out in its Economic Development and Poverty Reduction strategy. It confirms the Strategic Plan for the Transformation of Agriculture as its framework to achieve the objectives related to the above vision in the agricultural sector through development of the private sector, supported by an active state, trade openness, and continued maintenance of macroeconomic stability. It will endeavor to ensure efficiency and effectiveness in pursuing the implementation of the EDPRS/PSTA agenda as its strategy to achieve and exceed the 6% CAADP growth target over the next 5 years. It commits to work towards fulfilling the Maputo decision of the heads of state and government of the African Union of allocating 10% of the national budget to the agricultural sector within this period, in order to contribute to meeting the investments required to meet the outcomes in the EDPRS/PSTA programmes. In this regard, it will work to ensure maximum efficiency and effectiveness of utilization of resources in the sector as demonstrated in Joint Sector Review and Public Expenditure Reviews, in line with its broader efforts to strengthen public financial management. It commits to the dialogue, coordination, mutual review, and accountability mechanisms and modalities specified in its aid policy.

3. Development Partners' Commitments under the EDPRS/PSTA Agenda

The development partners confirm the acknowledgement in the Joint Donors' Statement that achieving the MDGs and meeting Rwanda's Vision 2020 requires increases in the volume and quality of development assistance. Therefore, they commit, collectively, to align assistance to the sector with the programmes and priorities identified in the EDPRS/PSTA agenda and to scale up assistance over the next 5 years to help meet investment costs of the programmes defined under the agenda. In the spirit of the same Statement they will commit, in consultation with the government to provide indications of future aid to the sector on a multi year basis in order to improve predictability and allow better planning, budgeting, and implementation. They commit to provide such aid and related technical assistance in line with preferred modalities and principles set out in the National Aid Policy, including the principles and mechanisms for dialogue, coordination, mutual review, and accountability.

4. African Union and regional partners commitments under the Maputo declaration;

The African Union, COMESA and its regional partners committed through the Maputo declaration, to support Rwanda in its endeavors to define priority programmes that would allow

the country to meet the objectives of CAADP and be on the road to attaining MDG1. In this regard the African Union, COMESA and other regional partners will support Rwanda's national strategies as defined in the EDPRS and PSTA through mobilizing of political, financial and technical support.

5. Commitments of the private sector and civil society

Given the need to work in appropriate partnerships to realize the goals set in the Millennium Development agenda, the private sector and civil society commits itself to effectively partnering the government and people of Rwanda in establishing enterprises and initiatives that will have measurable impact in reducing poverty levels in the country and increasing economic growth.

F. Implementation of the EDPRS/PSTA Partnerships

1. Coordination and oversight

Oversight and coordination of the implementation of the above partnerships will take place within the Rural Sector Cluster, Development Partners Coordination Group (DPCG), Budget Support Harmonisation Group or any other body of similar consultative nature to be decided by the DPCG.

2. Funding mobilization

GoR and development partners will mobilize immediate funding to: (i) start implementation in 2007 of the EDPRS/PSTA components that are ready or ongoing and need scaling up; and (ii) finalize, in 2007 GoR operational investment plans for the remaining components in order to start their implementation no later than 2008. For this purpose, the GoR and development partners will immediately after the round table undertake consultations through the rural cluster to commit funding aligned to the PSTA with a view to formulating a sector wide approach the earliest opportunity. The support will be based on the comparative advantage of individual partners.

3. Implementation capacities

GoR will endeavor to strengthen capacities in order to meet the personnel, institutional, and logistical requirements for a timely start of implementation. Development partners will endeavor to provide the necessary technical assistance, in line with paragraphs 3.15 to 3.18 of the National Aid Policy, to assist GoR, where necessary, to meet the above capacity requirements.

G. Endorsement

By endorsing this Compact:

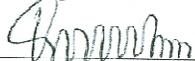
- 1) the government of Rwanda pledges to fulfill the commitments specified therein, in line with the goals, objectives, principles, and modalities laid out in its Vision 2020 document, EDPRS/PSTA agenda, and national aid policy;

- 2) the development partners pledge, collectively, to fulfill the commitments specified therein, in line with the Joint Donors' Statement of November 2006.
- 3) African Union, COMESA and other regional partners pledge, collectively, to fulfill the commitments specified therein in line with the Maputo declaration and global principle of CAADP implementation.
- 4) The private sector and civil society, collectively, pledge their support to realizing the aspirations of this compact.

Kigali, March 31, 2007

On behalf of Government of Rwanda

Ministry of Agriculture and Animal Resources



Ministry of Finance and Economic Planning



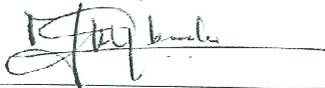
On behalf of the African Union/NEPAD:



On behalf of the COMESA



On behalf of private sector



On behalf of civil society



On behalf of Development Partners