



**MULTI-DONOR TRUST FUND FOR  
ADDITIONAL FINANCING TO  
THE RWANDA TRANSFORMATION OF AGRICULTURE SECTOR  
PROGRAM 4 PROGRAM FOR RESULTS PHASE 2**

**Annual Status Report**

**January – October 2019**

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## ABBREVIATIONS

AA	Administration Agreement
AF	Additional Financing
ASWG	Agriculture Sector Working Group
ALIS	Agriculture Land Information System
BE	Bank-executed
BNR	Banque Nationale du Rwanda/ <i>National Bank of Rwanda</i>
CAADP	Comprehensive Africa Agriculture Development Program
CPS	Country Partnership Strategy
DFID	Department for International Development
DG	Director General
DLI	Disbursement Linked Indicator
DP	Development Partner
EA	Environmental Assessment
EBA	Enabling the Business of Agriculture
ESIM	Environmental and Social Implementation Manual
ESS	Environmental and Social Systems
EUR	Euro
GA	Grant Agreement
GBP	British Pound
GDP	Gross Domestic Product
GoR	Government of Rwanda
GRM	Grievance Redress Mechanism
ICT	Information and Communication Technology
IDA	International Development Association

IFPRI	International Food Policy Research Institute
ISM	Implementation Support Mission
IT	Information Technology
LAR	Land Acquisition and Resettlement
LODA	Local Administrative Entities Development Agency
MDTF	Multi-Donor Trust Fund
M&E	Monitoring and Evaluation
MFD	Maximizing Financing for Development
MIC	Middle-income Country
MINAGRI	Ministry of Agriculture and Animal Resources
MINECOFIN	Ministry of Finance and Economic Planning
MIS	Management Information System
MoU	Memorandum of Understanding
NAEB	National Agriculture Export Development Board
NAP	National Agriculture Policy
NGO	Non-governmental organization
NST	National Strategy for Transformation
OAG	Office of Auditor General
ODP	Organizational Development Plan
OM	Operations Manual
PAD	Project Appraisal Document
PAP	Program Action Plan
PDO	Project Development Objective
PER	Public Expenditure Review
PFM	Public Financial Management

PforR	Program for Results
POM	Program Operations Manual
PPD	Public-Private Dialogue
PPP	Public-Private Partnership
PSLS	Private Sector Leveraging Strategy
PSC	Program Steering Committee
PSTA	Plan Stratégique pour la Transformation Agricole/ <i>Strategic Plan for the Transformation of Agriculture</i>
RAB	Rwanda Agriculture and Animal Resources Board
RDB	Rwanda Development Board
RF	Results Framework
SC	Steering Committee
TA	Technical Assistance
TF	Trust Fund
ToR	Terms of Reference
VC	Value Chain
WB	World Bank
WBG	World Bank Group

## INTRODUCTION

1. Several development partners (DPs) who support a stronger role of the private sector in development and have a strategic alignment with the World Bank's Maximizing Financing for Development agenda, participated in the design and preparation of and pledged to support the World Bank funded **Rwanda Transformation of Agriculture Sector Program Phase 4 Program for Results 2 (PforR-2)**, whose Program Development Objective (PDO) is *“to promote the commercialization of agriculture value chains in Rwanda”* it. The Multi-Donor Trust Fund (MDTF) was established to provide additional funding in the amount of US\$71 million (equivalent) for it. Contributions and contributing Development Partners (DPs) to the MDTF include: (i) USD 14.4 million from the Netherlands - Ministry of Foreign Trade and Development Cooperation; (ii) GBP 36 million from the United Kingdom's Department for International Development (DFID); and (iii) EUR 14.5 million from Enabel, the Belgian Development Agency.

2. The Additional Financing (AF) channeled through the MDTF was approved by the World Bank on May 15, 2019 and is scheduled to close on December 31, 2021. The MDTF is being administered by the World Bank on behalf of the participating DPs in accordance with Administration Agreements (AAs) signed with each partner<sup>1</sup>. The MDTF's overall objective is to *“strengthen the implementation of Rwanda's fourth Strategic Plan for Agriculture Transformation (PSTA4) (2018-24)”*, a holistic 6-year strategic plan for the agriculture sector which guides public investments in agriculture. The PSTA4 goal is to transform Rwandan agriculture from a subsistence sector to a knowledge-based value creating sector, that contributes to the national economy, and ensures food and nutrition security in a sustainable and resilient manner. The strategy supports: (i) a stronger role of the private sector (including farmers) with government shifting from a market actor to a market enabler by promoting enhanced farmer cooperation and private-sector-led development of the agri-food economy; (ii) farm profitability and commercialization; (iii) use of the 'food systems approach' for enhanced nutrition and household food security; (iv) enhancing climate smart production; (v) diversifying higher value agricultural products (horticulture, vegetable, poultry, pork, fisheries); (vi) strengthening innovation and extension; and (vii) increased collaboration among stakeholders.

3. Along with the US\$100 million IDA Credit approved on May 29, 2018, the MDTF specifically supports implementation of three years (2018-2021) of the PSTA4's four Priority Areas which are expected to address key bottlenecks that have restricted Rwanda's Ministry of Agriculture and Animal Resources (MINAGRI) progress to becoming a “market enabler”. These include:

- Innovation and Extension focuses on improving agronomic knowledge, innovation, technology, development of efficient extension services, and promoting knowledge and skills of value chain actors;
- Productivity and Resilience focuses on promoting sustainable, nutrition sensitive and resilient production systems for crops and animal resources;
- Inclusive Markets and Value Addition improves value chains by focusing on linkages between production and processing; and
- An Enabling Environment and Responsive Institutions provides the regulatory framework and redefines public sector involvement, and measures and incentives to increase gender equity and introduce skilled youth to commercial farming and jobs along the agricultural value chains.

In channeling funds through the World Bank funded PforR-2 program, the MDTF is supporting in a coordinated way Rwanda's ongoing results-driven process of transforming the way MINAGRI and its

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<sup>1</sup> With DFID on February 22, 2019; the Netherlands - Ministry of Foreign Trade and Development Cooperation on November 21, 2018 and Enabel, the Belgian Development Agency on August 8, 2019.

related institutions<sup>2</sup> address the challenges of leveraging private sector investment in the agriculture sector.

4. This report covers the period January - October 2019. It summarizes the MDTF details (funding, structure, administration and disbursement status) and provides an overview of the corresponding PforR-2 program progress, challenges and achievements since approval of the MDTF and effectiveness of the Grant Agreement between the Government of Rwanda (GoR) and World Bank. Disbursement and expenditure details are provided in the below sections. Donors may also access directly the most up to date (real time) financial data from the World Bank's Trust Fund Donor Center secure website.

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<sup>2</sup> Rwanda Agriculture Board (RAB) and National Agricultural Export Development Board (NAEB).

## 1. DEVELOPMENT PARTNER CONTRIBUTIONS

1.1. The United Kingdom’s Department for **International Development, the Kingdom of the Netherlands** - Ministry of Foreign Trade and Development Cooperation, and Enabel, Belgian Development Agency have signed Administration Agreements (AA) with the World Bank to provide through the MDTF, an estimated US\$77.133 million equivalent to supplement implementation and supervision of the IDA Credit for the Rwanda Transformation of Agriculture Sector Program Phase 4 Program for Results 2 (PforR-2) (see table 1 below). The MDTF was officially established on this basis and is now operational and disbursing funds in line with the AAs and World Bank policies and procedures. The World Bank receives periodic contributions from the DPs in accordance with the respective DP schedule specified in the AAs and reflected in column 5 in table 1. As of October 30, 2019, funds received by the World Bank from the contributing DPs total US\$21.62 million. The unpaid balance is an estimated US\$55.50 million equivalent.

**TABLE 1: MDTF DEVELOPMENT PARTNER CONTRIBUTIONS (AS OF OCTOBER 31, 2019)**

Donor	AA Signing Date	Transaction Currency & Amount (million)	Amount (US\$)	Contribution Release Schedule (in transaction currency)	Amount Paid into the MDTF (USD million)
United Kingdom’s Department for International Development	11/21/2018	GBP36.00	46.65	9.00m 03/30/2019 14.80m 12/31/2019 5.00m 12/31/2020 7.20m 12/31/2021	11.91
Kingdom of the Netherlands - Ministry of Foreign Trade and Development Cooperation	02/22/2019	USD14.40	14.40	6.50m 11/30/2018 3.95m 09/30/2019 3.95m 09/30/2020	6.50
ENABEL, Belgian Development Agency	08/08/2019	EUR14.50	16.08	2.90m 08/08/2019 6.00m 05/30/2020 5.60m 05/30/2021	3.21
<b>TOTAL</b>			<b>77.13</b>		<b>21.62</b>

## 2. MDTF STRUCTURE

2.1. The MDTF has two components: (i) a Bank-executed (BE) component which finances the cost of the World Bank’s administration, management, technical support and supervision of the implementation of the MDTF; and (ii) a recipient executed (RE) component which funds implementation of the Government of Rwanda (GoR) executed PforR-2 activities as follows:

### **Component 1: World Bank-Executed Activities**

2.2. To-date, of the US\$21.62 million (see table 1 above) the World Bank has received from the DPs, approximately US\$2.20 million has been allocated to BE funded activities. As of October 31, 2019, combined disbursements and commitments for BE activities as summarized below total US\$0.69 million.

- (a) Provision of Evidence-based analytics. Providing technical support and knowledge for analytical work and advisory support and building evidence on impact of lessons learnt from PSTA4. Particular emphasis is on supporting the GoR to analyze investments and develop effective plans to leverage private sector resources;

<sup>3</sup> Subject to exchange rate fluctuations.



(b) Trust Fund (TF) program management and administration including but not limited to, supporting any program governance arrangements and TF related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the program; and

(c) Provision of implementation support to RE activities.

2.3. As agreed with the DPs and detailed in the AAs, BE eligible expenditures include:

- staff costs (salaries, benefits, and indirect rate<sup>4</sup> charged to the TF as applicable under Bank policies and procedures);
- short-term consultants and temporaries;
- contractual services;
- media, workshops, conferences and meetings; and
- travel expenses.

## **Component 2: Recipient-Executed Activities**

2.4. The MDTF RE component is being administered by the World Bank as Additional Financing (AF) to the PforR-2 program. The AF in the amount of US\$71 million equivalent was approved by the World Bank's Board of Directors on May 15, 2019. It was signed on May 21, 2019, became effective on August 14, 2019, and will close on December 31, 2021. The expected benefits and impacts include increased private sector investment in agriculture, an improved enabling environment for agricultural businesses, increased capacity of key public agencies and positive impact on a range of climate related challenges.

2.5. Attainment of the expected PforR-2 program results is being measured through achievement of Disbursement Linked Indicators (DLIs) and implementation of a Program Action Plan (PAP). The DLIs were selected to demonstrate evidence of strategic, achievable, and monitorable program results. They represent key milestones in the achievement of the overall Program outcomes and cut across the four PSTA4 results areas summarized in paragraph 3. The PAP consists of 19 key actions and risk mitigation measures proposed to improve technical systems, agency capacity and performance. They are intended to guide achievement of the DLIs, facilitate effective program implementation and meet international good practice. The current implementation progress of the PAP actions is detailed in annex 5.

2.6. In accordance with World Bank policies and procedures, all technical, fiduciary and environmental and social safeguards assessments prepared for the PforR-2 program, were updated as part of the AF preparation process.

2.7. MDTF resources to support the RE activities are being channeled to the GoR through a Grant Agreement (GA) between the World Bank and GoR. Following the AF approval, an initial grant of US\$17 million<sup>5</sup> was made available to the GoR based on the cash-on-hand at the World Bank at the time (see table 1 and annex 3 for additional details). The GA was signed on May 15, 2019 and became effective on August 15, 2019. The GA amount will be amended periodically as funds are made available to the World Bank per the schedule in table 1. In line with the IDA funded Credit, the grant is providing results-based financing in support of the 4 priority areas of the PSTA4: (i) policy and organizational reform; (ii) enabling agricultural commercialization; (iii) delivery of improved agriculture value chain services; and (iv) efficiency in public expenditures.

2.8. There are no changes stemming from the MDTF to the overall program boundaries, the PforR-2

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<sup>4</sup> The indirect rate is a percentage of personnel costs and available at the Development Partner Center website. The rate may be revised from time to time by the Bank and applied to the TF, in accordance with its policies and procedures.

<sup>5</sup> Given the different DP contribution release schedules (table 1), the entire AF amount of US\$71 million is not available in 1 lump sum.

program scope, PDO, implementation arrangements (institutional, fiduciary and environmental and social safeguards arrangements), DLIs, DLI verification protocols, implementation arrangements, schedule and closing date, and key results and their targets. MINAGRI, RAB; and NAEB remain the key implementing agencies. Gender mainstreaming, youth, and building resilience to climate change, as cross-cutting features of the Program mainstreamed across the PSTA4’s four priority areas, remain a key focus. The Program Results Framework (RF) to which the MDTF is contributing has not changed and remains clearly and strongly aligned with the PSTA4 RF (see annex 6). Its focus and envisioned results remain a core part of the drivers of Rwanda’s agricultural growth and are reflected in MINAGRI’s annual budgetary priorities, allocations, and execution of strategic activities.

2.9. There are three changes to the PforR-2 following the addition of the MDTF resources: (i) an increase in program funding from US\$100 million to US\$171 million (see table 2); (ii) an increase in the fund allocation of US\$7.9 million per DLI (see annex 2); and (iii) the introduction of a new PAP action namely “*regular reporting on screening of and management of Land Acquisition and Resettlement in the program activities*”. In addition, per the GA, MINAGRI has been requested by the World Bank, to update the original PforR-2 Program Operations Manual (POM) detailing the institutional, administrative, financial, environmental and social, technical and operational guidelines for the overall Program implementation to reflect the addition of the MDTF.

**Table 2: Original and Revised Program Financing Table (US\$ Million) 2018-2021<sup>6</sup>**

Source	Original Program (2018-2021)	Revised with AF (2018-2021)
<b>Total PforR Program Cost</b>	<b>289.92</b>	<b>289.92</b>
<b>Financing Sources</b>		
• BORROWER/RECIPIENT	189.92	118.92
• IDA	100	100
• MDTF	0	71

2.10. In accordance with the AA governance structure requirement, the World Bank and DPs established a MDTF Steering Committee (SC) in March 2019 to ensure closer coordination between all relevant partners and provide program implementation oversight. It consists of representatives of the World Bank which serves as the Chair, representatives of each contributing DP and a representative of the GoR. The SC was established to provide strategic guidance and direction on implementation of the Trust Fund activities. Other responsibilities include provision of input/feedback on technical documents, participation in technical meetings relevant for the MDTF scope, participation in World Bank implementation support missions, Technical Working Group meetings, joint DP-government working sessions on strategic issues (institutional reform, policy reforms, etc.), and Agriculture Sector Working Group meetings (ASWG<sup>7</sup>). Detailed Terms of Reference (ToRs) were agreed on in March 2019 and are attached as annex 7. A monitoring framework for the MDTF was proposed and is expected to be formally agreed on during the next meeting in March 2020. The SC will meet bi-annually. To the extent possible, the meetings will be aligned with the World Bank’s Implementation Support Mission dates. The SC has met twice thus far (March and October 2019). The SC also has the discretion to call for additional, ad-hoc meetings, based on a request from at least 2 members.

<sup>6</sup> World Bank and DP funds are only supporting a defined set of program boundaries in the first three years of the six-year GoR’s PSTA4.

<sup>7</sup> includes a broad representation of DPs, non-governmental organizations (NGOs), private sector, civil society, farmer organization, financial institutions, and government agencies

### 3. MDTF FLOW OF FUNDS AND DISBURSEMENT STATUS

3.1. All DP contributions are deposited and accounted for as a single TF. Per the PforR-2 program design, grants funds for the RE activities are disbursed to the GoR upon sequential and satisfactory achievement of the 9 DLIs summarized in table 3 below (details and current DLI status are in annex 4). Each DLI has annual targets, but only DLIs 1, 2, 3, 4 and 9 have targets for year 1. A two-step verification mechanism is in place to assess achievement of the DLIs prior to the disbursement of funds. The GoR's Office of the Auditor General (OAG) serves as the verification entity for the PforR Program (first phase). It independently reviews DLIs in line with a detailed verification protocol to confirm achievement of the agreed results annually. A second review is conducted by a World Bank multi-disciplinary team which provides final confirmation of the DLI achievement.

3.2. **Recipient-executed disbursements** refer to fund transfers from the World Bank to the GoR. These transfers are based on payment requests made after completion of DLI activities and the corresponding verification process. As of October 31, 2019, a total of US\$10.32 million of the MDTF funds has been disbursed to the GoR. This includes US\$4.25 million as a top up to the advance provided by the IDA Credit to support implementation of year 1 activities and US\$5.06 million for satisfactory achievement of year 1 targets for DLIs 4 (mechanism to Strengthen Agriculture Public-Private Dialogues [PPD] and Agriculture Value Chain [VC] Platforms designed and implemented) and 9 (Reform of RAB) (see table 3 below).

**Table 3: Detailed breakdown of Disbursements to the GoR (US\$ million) as of 10/31/2019**

Disbursements (as of 10/04/19)		IDA Credit		MDTF	
DLIs	Year 1	Total		Year 1	Total
1. Organizational Development Plan successfully prepared and implementation on track					
2. Improved analytical and policy reform competencies demonstrated (PSLS)					
3. Digital information platforms designed and operational					
4. Mechanism to strengthen Ag PPD and VC Platforms designed and implemented	\$1,936,563	\$1,936,563		\$2,602,041	\$2,602,041
5. New irrigation area identified, developed and/or managed, where commercial viability has been a determining appraisal criterion					
6. New terracing area identified, developed and/or managed, where commercial viability has been a determining appraisal criterion					
7. Volume of private sector investment (in US\$) matching public financing in PPP infrastructure projects					
8. Private sector extension service models designed, launched and achieving positive response					
9. Reform of RAB	\$2,904,844	\$2,904,844		\$3,469,388	\$3,469,388
Advance payment	\$24,505,464	\$24,505,464		\$4,250,000	\$4,250,000
<b>TOTAL</b>	<b>\$29,346,870</b>	<b>\$29,346,870</b>		<b>\$10,321,429</b>	<b>\$10,321,429</b>

3.3. **Bank-executed disbursements** represent actual expenditures incurred and accounted for under program management, administration, technical support and supervision costs<sup>8</sup>, as well as disbursements to the recipient (GoR). Since World Bank approval of the MDTF a total of US\$502,373.41 has been expended for BE activities in fiscal year 19 and 20. A significant portion of the BE expenditures covers

<sup>8</sup>

costs for the provision of technical support to the GoR. US\$10,321,429 has been disbursed to the GoR. Table 4 below is an excerpt from the Bank’s Trust Fund system and shows total expenditures and disbursements to the GoR as of October 31, 2019. Annex 8 provides further expenditure details.

**Table 4: Detailed Breakdown of Total MDTF Disbursements as of October 31, 2019**

<b>Expense Categories</b>	<b>FY20</b>	<b>FY19</b>	<b>Cumulative Disbursements</b>
Staff Costs	77,868.48	191,265.74	269,134.22
Consultant Fees	59,685.54	124,575.00	184,260.54
Associated Overhead Costs	0.00	145.97	145.97
Travel expenses	20,273.70	27,215.21	47,488.91
Media Workshop	121.85	1,221.92	1,343.77
Contractual Services	0	0	0
Disbursements to Grantee	10,321,429.00	0	10,321,429
<b>Total</b>	<b>10,479,378.57</b>	<b>344,423.84</b>	<b>10,823,802.41</b>

3.4. **Administration/Program Management.** In accordance with the DP AAs, the Bank is responsible for the management and oversight of the MDTF including management and administration of funds. In general, the Bank’s services involve: applying accounting policies, procedures and controls; establishing trust fund accounts; internal and external trust fund monitoring and reporting; trust fund work planning and budgeting; negotiating, drafting, advising and clearing legal agreements; and trust fund resource budget planning and monitoring. During the reporting period, the World Bank’s PforR-2 multi-discipline team successfully completed the administrative process for establishment of the MDTF (AAs). This rigorous process included participation in a series of DP consultations held in various locations including Kigali, as well as through periodic audio conferences with the contributing DPS. In addition, the team prepared and got World Bank approval for the additional financing.

3.5. **Implementation support** includes day-to-day operational and technical support\guidance to the client; results monitoring and evaluation; and reporting to determine whether the development objectives of the activity/project are being achieved and the funds are being used in conformity with the DP AAs and Bank policy, and bi-annual field visits and consultations with the client and beneficiaries. The World Bank has conducted 3 implementation support missions following effectiveness of the PforR-2 program. The first was a launch mission in September 2018. The second and third missions were conducted jointly with the MDTF contributing DPs in March 2019 and September/October 2019. The main objective was to review overall program progress towards achievement of the DLIs and PAP actions. Additional focus was on updating relevant assessments (fiscal context and public expenditure, fiduciary systems, environmental and social), and on refining mechanisms for ensuring effective engagement with the DPs. On the Bank side, the multi-discipline mission participants included the Task Team leader,

3.6. **Technical assistance\Advisory Support.** Due to a critical capacity gap in MINAGRI, the World Bank commissioned technical assistance (TA) to conduct an organizational review of MINAGRI, a year 1 target for DLII. Its findings will inform the organizational reform decisions for MINAGRI, and preparation and implementation of its Organizational Development Plan (ODP), central elements for achievement of DLII. TA for preparation of the Agriculture Public Expenditure Review (AgPER) - 2019, a key PAP action is ongoing. Additional support within the next 3 months includes: (i) Technical assistance to MINAGRI for preparation of its ODP; (ii) additional TA for the Private Sector Leveraging Strategy; (iii) advisory assistance to MINAGRI to advance development of the common data warehouse (planning, quality checks, selected technical inputs including development of a ToR/work program for Bank technical staff and consultant to support MINAGRI); and (iv) advisory assistance to MINAGRI to implement DLIs 5-7 activities in accordance with PPP principles (development of feasibility and commercial viability criteria, review of selected investments, ToR/work program for recruitment of a local consultant, and identification of a World Bank PPP technical specialist to support the Bank team in

guiding MINAGRI implement the PPP related DLIs.

#### **4. PforR-2 PROGRAM MANAGEMENT AND IMPLEMENTATION PROGRESS**

4.1. **Disbursement Linked Indicator Implementation Progress.** All nine DLIs have annual targets, however, only DLIs 1, 2, 3, 4 and 9 have targets for year 1. Targets for year 1 for DLIs 4 & 9 were met and corresponding disbursements made from both the IDA Credit and the MDTF in June 2019. As of October 30, 2019, year 1 targets for DLIs 1, 2 and 3 have also been met. MINAGRI is expected to proceed with the applicable verification protocols to allow the disbursement of the associated funds. Activities for achieving the year 2 DLI targets are ongoing. The World Bank's assessment to-date of overall progress towards achieving the PDO and overall implementation progress for this reporting period are therefore rated "satisfactory". Below is a summary of the current DLI status and World Bank recommendations made in the last support mission to achieve year 2 targets for each DLI (see Annex 4 for detailed status).

4.3. **DLI-1 (preparation and successful implementation of an Organizational Development Plan [ODP]).** With targeted World Bank technical support, the year 1 DLI target, an organizational review of MINAGRI was met. MINAGRI is ready to submit the final version of the organizational review, along with an official management response letter, for the appropriate verification protocol. Preparation for the year 2 target (adoption of MINAGRI's final ODP), is ongoing. The World Bank has agreed to provide additional technical support for this work, likely in the form of a dedicated advisor, who will be embedded in the MINAGRI structure for a period of 6-9 months. MINAGRI and the World Bank will agree on the associated Terms of Reference (ToR) by the end of November 2019 and aim to finalize the recruitment process by early January 2020.

4.4 **DLI-2 (preparation of a Private Sector Leveraging Strategy and implementation plan).** Subject to OAG verification, the year 1 target has been achieved. MINAGRI presented the Strategy in the Agricultural Sector Working Group (ASWG) meeting of 09/24/19 which had addressed most of the comments previously provided by the World Bank and DPs. recommended inclusion of the following to further strengthen it: (i) greater emphasis on financing tools to make the agriculture sector profitable, attract investment and strengthen the local market; (ii) clarification of the selection methods for the proposed value chains; (iii) clarification of the application of the Public-Private Partnerships (PPP) law in agriculture; (iv) regulatory measures such as Sanitary and Phytosanitary Standards; (v) mitigation measures to address potential market distortion risks from matching grants programs; and (vi) an implementation budget for the strategy. The World Bank also recommended presenting the strategy as two documents (the first would be the overall strategy and the second would detail its implementation). The ASWG endorsed the strategy subject to these final comments being addressed. The strategy will be edited by a professional editor and submitted for final endorsement in the next MINAGRI Planning cluster meeting. The World Bank reviewed the Strategy to assess conformity with the ESIM and government Environment and Social requirements. The strategy captures the checklist for ineligible infrastructure activities and land acquisition requirements excluding high risk investments. The World Bank provided additional ESS input to MINAGRI to further enhance the strategy.

4.5 **DLI-3 (development of an agriculture common data warehouse).** Subject to OAG verification, the year 1 target has been achieved. MINAGRI has completed the initial phase of the data warehouse development process by interfacing ALIS, LMS and MIS, and making available to MINAGRI management and staff the corresponding dashboard. However, the World Bank notes that there is still a significant amount of work to be done to develop, maintain and manage a full-fledged data warehouse system that would meet MINAGRI's information needs, as well as adequately, efficiently and sustainably support its strategic planning processes as envisaged by the Program. This urgently requires additional specialized IT skills to complement MINAGRI's current limited and stretched IT capacity, which risks being further exacerbated by the upcoming closure of some of the ongoing programs (Agri-TAF in December 2019).

Following in-depth technical discussions between the World Bank team and MINAGRI's IT staff, data provider agency representatives and vendors, critical issues have been identified, which require MINAGRI's close and intense attention. Key among them is the supplementary specialized skills needed to ensure full achievement of the DLI by year 3 as planned.

- MINAGRI's current data collection process and reporting configuration (completed dash board, ALIS, LMS, MIS and other ad-hoc reporting processes) require automation and advanced functionality to perform trends and other statistical analysis to support MINAGRI's strategic planning needs. A data source / dataset collection survey to carry out a comprehensive data inventory was conducted during the mission. Findings will be used as input for the development of a data model in line with requirements for the data warehouse.
- There is urgent need for a sector-wide data strategy with governance mechanisms to support identification of common data elements and a standardized and commonly agreed data dictionary to support applications and inter-operability across the agriculture sector. The WB believes an integrated technical and data infrastructure to support inter-operability and reconciliation across all the databases at the local, agency level and central Ministry is critical.
- As MINAGRI moves towards use of an integrated data warehouse with advanced reporting, forecasting and planning capabilities, there is urgent need for training to strengthen MINAGRI's capacity to apply the data, and to expand staffing resources with data scientists / analysts and data management professionals to complement the current limited internal IT capacity (see annex 4).
- Of the existing data-operating applications currently supporting MINAGRI's data capture and reporting (spreadsheets, word processing software, ALIS, new dashboard, LMS, MIS), some are not maintained by MINAGRI due to resource shortages and inadequate technical infrastructure maintenance and other supporting services. There is limited internal IT capacity with the existing IT professionals performing a broad range of responsibilities. As a result, MINAGRI is reliant on short-term staff and external vendors to develop applications and fix software and hardware issues. This is further exacerbated by the lack of adequate technical documentation (e.g. software architecture, database design, configuration specifications, etc.). MINAGRI is advised to prepare detailed technical documentation for MIS, ALIS, LMS and the Satellite Crop monitoring applications. This information is essential for MINAGRI to perform a full assessment of whether the current enterprise applications and IT infrastructure can be leveraged to support the future data and reporting needs.

Given the current critical capacity gap, the WB team agreed to provide specialized technical assistance to accompany MINAGRI in the delivery of its second and third-year targets.

**4.6 DLI-4 (design, piloting and budgeting of National Agriculture Public-Private Dialogues and selected value chain platforms).** The year 1 target, preparation of an agri PPD and VC strategy, was met and a corresponding disbursement of US\$4.53 million against it was made on June 28, 2019. Work to meet the year 2 target is ongoing. One agricultural PPD on animal feed has already been conducted. Two VC platforms were organized (milk and coffee), and a third one (tea) is pending. Additional VC platforms (potato, horticulture), operating under the Dutch Horticulture Project were identified. MINAGRI has been requested to present VC platform operating plans, budgets, and bi-annual reports in order to fully meet the year 2 targets. However, it must also ensure that these platforms are well animated and able to respond to the needs of their constituents.

**4.7 DLI-5 (new irrigation area identified, developed and/or managed, where commercial viability has been a determining appraisal criterion).** There are no targets for year 1. Work towards achieving the year 2 target is progressing. The WB and MINAGRI clarified the guiding principles for implementation of this DLI, which are complementary to the provisions laid out in the legal and technical program documents. To be eligible, all investment projects need to have been approved *after* PSTA4 came into effect. Eligible investments can come through two tracks: (a) large-scale irrigation schemes developed in line with the provisions of the Law no. 14/2016 governing PPPs in Rwanda; and (b) smaller-to-medium scale irrigation schemes, provided that: (i) the investment decisions were based on a feasibility

analysis, with due focus on commercial viability and compliance with social and environmental requirements; and (ii) the relationship between the public and private partners is long-term and formalized through Memoranda of Understanding (MoUs) or other relevant contractual arrangements. For the second track projects, MINAGRI will define specific eligibility criteria that are consistent with the general PPP approaches but also recognize that some adaptations are needed to the sector and scale. The World Bank will assist MINAGRI in developing the eligibility criteria, in line with international good practices on agri-PPPs. These will be finalized and tested by the end of February 2020, so that the next ISM in March 2020 can assess the potential projects.

**4.8 DLI-6 (new terracing area identified, developed and/or managed, where commercial viability has been a determining appraisal criterion).** There are no targets for year 1. Work is progressing towards achieving its year 2 target is ongoing. Guiding principles for the DLI implementation, which are complementary to the provisions in the legal and technical program documents were clarified. To be eligible, all investment project decisions must have been made *after* PSTA4 came into effect. Given the specifics of terracing in the Rwandan context, it is expected that eligible projects will be selected from a pool of small- to medium-scale developments. Such projects can be eligible provided that: (i) the investment decisions were based on a feasibility analysis, with due focus on commercial viability and compliance with social and environmental requirements; and (ii) the relationship between the public and private partners is long-term and formalized through Memoranda of Understanding (MoUs) or other relevant contractual arrangements. MINAGRI will define specific eligibility criteria that are consistent with the general PPP approaches and adapted to the sector and scale. The World Bank will assist MINAGRI to develop these eligibility criteria, in line with international good practice on agri-PPPs. They will be finalized and tested by the end of February 2020 so that the next ISM in March 2020, can assess proposed eligible projects.

**4.9 DLI-7 (volume of private sector investment matching public financing in PPP infrastructure projects).** There are no year 1 targets. Work towards achieving its year 2 target is underway. To be eligible, all investment project approvals must have been made *after* PSTA4 came into effect. Eligible investments can be presented either as: (i) large-scale irrigation schemes, developed in line with the provisions of the Law no. 14/2016 governing PPPs in Rwanda. MINAGRI and NAEB have PPP projects in the pipeline, however no private partners have committed as of yet; or (ii) smaller-to-medium scale agri-infrastructure development schemes, provided that: (i) the investment decisions were based on a feasibility analysis, with due focus on commercial viability and compliance with social and environmental requirements; and (ii) the relationship between the public and private partners is long-term and formalized through Memoranda of Understanding (MoUs) or other relevant contractual arrangements. For the second track projects, MINAGRI will define specific eligibility criteria that are consistent with the general PPP approaches and which need to be adapted to the sector and scale. The World Bank will assist MINAGRI in developing these eligibility criteria, in line with international good practice on agri-PPPs. It was agreed they would be finalized and tested by the end of February 2020 so that the next ISM in March 2020 can assess the proposed eligible projects.

**4.10 DLI-8 (Private sector extension service models designed, launched and achieving positive response).** There are no year 1 targets, however work on this DLI was started in year 1, as a result the year 2 target has been achieved through the provision of fee based veterinary services by para-vets and will be put forward for verification. A workplan to achieve its year 3 target is now being developed. The World Bank team, MINAGRI and RAB jointly reviewed various existing private sector extension service models developed under PSTA4, to identify those that meet the requirements of this DLI and year 3 target. Promising models were identified; e.g. agronomic services through contract farming arrangements and technical services to cooperatives by youth groups.

**4.11 DLI-9 (reform of the Rwanda Agriculture and Animal Resources Development Board).** The year 1 target has already been met. A restructuring strategy for RAB, the first phase of this process, was prepared and a disbursement of US\$6.37 million against it was made on June 2019. Implementation

of the RAB restructuring is ongoing as planned. RAB has improved its internal auditing capacity by increasing the number of internal auditors from 2 to 5, and by assigning more specific oversight responsibilities to them. These measures are intended to help tighten internal controls and ensure that RAB will achieve a clean audit opinion by the end of the Program. Identified staff gaps (about 15% of the needs) are awaiting Cabinet approval. RAB's Procedures Manual was approved and proposed Internal Rules and Regulations are expected to be approved in October 2019. Preparation with technical support from TECAN, of RAB's Strategic Plan for the next 5 years is slotted to start in October 2019.

### **Program Action Plan (PAP): Implementation Progress**

4.12 Implementation progress of the PAP actions is on course (see annex 5 for detailed progress to date). Eight of the 19 actions have been completed, some of which are annual deliverables (i.e. RAB action plan to address audit weaknesses, summary report of beneficiary grievances, and annual report on assessment of IT, M&E and statistics systems including quality of information, challenges and corresponding action plan); 9 are ongoing; 1 is not yet due (assessment of the application of the private sector screening procedure); and another one is not yet applicable (consolidated resettlement and expropriation completion report for potential Land and Resettlement issues). MINAGRI is expected to pay particular attention to the recommended additional actions required to strengthen some of the PAP actions and the agreed-on completion timeframe (see ESIMG requirements for DLIs 2, 5, 6, 7 and fiduciary related actions).

4.13 Among the PAP actions is preparation of an Agriculture Public Expenditure Review (AgPER). The AgPER is a sector assessment with a forward-looking agenda "to make Public Financial Management work for PSTA4". Its objective is to review in-depth the adequacy and composition of the approved sector budget and its alignment with the PSTA4 objectives within a medium-term expenditure framework. The key tasks are to: (i) update the 2016 AgPER; (ii) assess the consistency of the level and program/sub programs composition of the 2018-19 budgets with PSTA4, cash management impact on budget execution, effectiveness of using public resources in financing subsidies and incentives' schemes and financial risks of agriculture PPPs on the state budget in the medium to long term; and (iii) build in-house capacity for conducting thematic PERs in MINECOFIN. The preparation process, including data collection and analysis and development of a public finance database for the AgPER is ongoing. Delivery and dissemination of an Agricultural "Policy/Expenditure" Brief is expected by May-June 2020.

### **Environmental and Social Safeguards, Fiduciary Management and Results Monitoring**

4.14 **Environmental and Social Safeguards.** The Program has put in place mechanisms to exclude activities that are likely to have significant adverse environmental impacts deeming them ineligible for financing under the Program. The OAG has conducted a performance audit report on environmental protection mainstreaming in the agricultural sector. Key concerns highlighted in the report include: (i) agricultural projects implemented without conducting Environmental Impact Assessments which represented 76% of sampled agricultural projects; (ii) use of water resources in agricultural projects without permits; (iii) water used in irrigation is not measured and monitored for quality; (iv) inappropriate handling of wastewater from coffee washing stations; and (v) lack of pesticides tests. MINAGRI has been urged to immediately address these critical issues which could impact year 2 planned investments under DLIs 5 and DLI 6. MINAGRI will share with the World Bank the screened list of new irrigation schemes and new terraces under DLIs 5 & 6, in compliance with the ESIMG requirements and Rwanda Environmental laws by November 30, 2020. MINAGRI was also requested to ensure that all regulatory requirements are complied with, including conducting environmental assessments, obtaining required permits among others for all proposed investments in year 2 of the program.

4.15 Per the World Bank requirements, a Grievance Redress Mechanism (GRM) is in place and is operational. MINAGRI prepares quarterly reports. MINAGRI has prepared a gender mainstreaming strategy which was validated by the ASWG group on 08<sup>th</sup> October 2019. Per the program requirements,



MINAGRI has begun conducting safeguards training on ESIM for MINAGRI and RAB officials. MINAGRI has been requested to prepare and share with the World Bank a comprehensive training plan that covers District safeguards and agricultural staff, District based RAB staff, and the private sector stakeholders likely to benefit from this program by November 15, 2020.

### **Results Monitoring**

4.16 **Results Framework (RF).** Progress towards tracking the Program results indicators remains slow (see annex 6). Planned surveys and outstanding baselines for indicators on: “improvement in the functional performance of interagency coordination mechanisms” and “business leaders’ perceptions about agricultural investment climate in Rwanda, that were to have been conducted/commissioned by MINAGRI in the first six months of Program implementation have not yet been carried out. The Bank has urged MINAGRI to expediate completion of the outstanding surveys to strengthen the basis of a robust monitoring and evaluation process. The Bank team stands ready to provide technical assistance to MINAGRI to define and measure these indicators.

## ANNEX 1: PROGRAM BACKGROUND INFORMATION

### Sector Context

1. **Rwanda’s agriculture sector remains a key driver of overall economic performance and poverty reduction.** It serves as the mainstay of jobs, income and livelihoods for much of the population, directly accounting for 31 percent of Gross Domestic Product (GDP) in 2017, and for two thirds of the country’s total employment (same year). Over 2000-2017, the agriculture, forestry and fisheries sectors grew at 8.75 percent annually in nominal terms, and at 4.5 percent annually in real terms (constant 2010 US\$). Overall, poverty in Rwanda dropped from 59 percent in 2001 to 38 percent in 2016-2017.

2. **In the last decade, the agriculture sector has seen growth driven primarily by productivity improvements, land expansion and a policy framework which aims to facilitate enhanced access to better agricultural inputs.** According to recent analysis by the International Food Policy Research Institute (IFPRI), aggregate production of key food staples such as maize, beans, Irish potato, sweet potato etc. has increased steadily. Agriculture’s aggregate growth rate of 5 percent p.a. in recent years has been driven by land expansion (2 percentage points), productivity growth (1.7 percentage points), and the remainder from increased labor productivity.

3. **However, the sector continues to face critical challenges.** While crop yields have increased significantly since 2000, yields remain below their potential<sup>9</sup>. Farm size is a major challenge (average farm size is only 0.6 ha, with an estimated 0.12 ha per worker). Production on numerous small plots of land comes with technical inefficiencies from water control and distribution, to crop choice and interactions, and planting materials used, and limits to the potential for mechanized plowing. The anticipated increase in the rural population (estimated to add 2.5-3.5 million people by 2032), is expected to add more pressure on land resources and farm incomes, unless alternative employment opportunities become available. Production potential is restricted by land size, subsistence and rain-fed farming, mono-cropping, and limited access to irrigation and mechanization. Post-harvest management is challenged by limited storage quality/quantity and drying infrastructure, which greatly affects food safety and the quality of produce. Processing remains limited – less than 10 percent of total production is processed. The agricultural workforce has a low level of technical skills. Malnutrition and food insecurity<sup>10</sup>, especially among rural households with extremely small land holdings are pervasive. Demographic changes include a fast-growing labor-force that is outpacing the increase in available jobs.

4. **Climate change related challenges are significant for the country.** Much of Rwanda’s farming practices are vulnerable to climate change. Agriculture is mostly rain-fed, and therefore more exposed to weather-related risks, especially to severe, frequent, and prolonged dry spells during the cropping seasons. Increased outbreaks of pests and diseases from changes in climate conditions (e.g. a major Fall Army Worm outbreak was linked to the 2017 El Niño) have significantly affected agricultural production and resulted in losses in yields and income. The sector’s infrastructure (e.g. cold storage, crop drying facilities, etc.) supporting key value chains is insufficient, consequently, commodities are exposed to additional risks during extreme weather conditions.

5. **Rwanda is committed to identifying and addressing the policies, regulations, and investment areas that will stimulate inclusive productivity growth for broadening nutritious food production and increasing private sector investment.** It is equally committed to pursuing new opportunities for farm income diversification to further reduce rural poverty, strengthen resilience against the impacts of climate change, and to transform the dominant subsistence farming sector into a competitive and market-led agriculture sector.

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<sup>9</sup> Cereal and cassava yields have tripled, and sweet potato yields have doubled, but remain at about 40 – 50 percent of their potential.

<sup>10</sup> National stunting rate is 38 percent and an estimated one-fifth of households are food insecure (Comprehensive Food Security and Nutrition Survey) (2016).

6. **In 2017, the Ministry of Agriculture and Animal Resources prepared its National Agriculture Policy 2018-2030 to articulate a road map to achieve these ambitions.** The NAP sets the policy framework for a productive, green and market-led agriculture sector towards 2030. It addresses the sector’s rapid changes and anticipates key trends and concerns including the pressure on land resources, the need to raise the productivity of smallholders and feed cities<sup>11</sup>, the absorption of rural youth into the labor market, inclusion, and mainstreaming better participation of women and youth in agriculture programs and development. Furthermore, the policy seeks to build upon Rwanda’s growing reputation as a supplier of high-quality, sustainably produced agri-food products. It emphasizes the principles of resilience to climate change and seeks to seize opportunities from advances in digitization and Information and Communication Technology (ICT), and to leverage them for vocational-skills development and more effective sector administration.

7. **Under the NAP, the GoR’s role in agriculture has been shifted from making direct interventions in the sector – with predominant focus on production – to a market enabler that promotes enhanced farmer cooperation and private-sector-led development of the agri-food economy.** As such, this requires a considerable shift of how and where the GoR invests its resources in public goods to support private sector investments. The GoR is exploring new models to engage private sector investment in transformational activities such as infrastructure provision and management, innovation, and improved agricultural markets. These new ways of doing business have been defined in a Private Sector Leveraging Strategy (PSLS) which will be accompanied by implementation of a comprehensive process of organizational change.

8. **MINAGRI prepared its fourth Strategic Plan for Agriculture Transformation (2018-24), a holistic strategic plan for the agriculture sector which articulates how the Government proposes to implement the updated NAP.** PSTA4 guides public investments in agriculture and sets out the required resources for the agricultural sector, estimated at US\$3.7 billion for the six-year period. Its objective is the *“transformation of Rwandan agriculture from a subsistence sector to a knowledge-based value creating sector, that contributes to the national economy and ensures food and nutrition security in a sustainable and resilient manner.*

9. **PSTA4 is a continuation of PSTA3 and builds on its successes and lessons learned.** It is a change in the strategic direction for Rwanda’s Agriculture Sector as it focuses on: (i) a stronger role of the private sector (including farmers) with government shifting from a market actor to a market enabler by promoting enhanced farmer cooperation and private-sector-led development of the agri-food economy; (ii) farm profitability and commercialization; (iii) use of the ‘food systems approach’ for enhanced nutrition and household food security; (iv) enhancing climate smart production; (v) diversifying higher value agricultural products (horticulture, vegetable, poultry, pork, fisheries); (vi) strengthening innovation and extension; and (vii) increased collaboration among stakeholders. The PSTA4 is aligned with Rwanda’s national policies and strategies including its Vision 2050<sup>12</sup>, the National Strategy for Transformation (NST), as well as the CAADP goals.

10. The PSTA4 has four Priority Areas which are well aligned to the NAP and are expected to address key bottlenecks that have restricted MINAGRI’s progress to becoming a “market enabler”. The priority areas are as follows:

- (i) **Priority Area 1: Innovation and Extension** is the knowledge base for Priority Areas 2 and 3. It focuses on improving agronomic knowledge and technology in terms of basic research and innovation, development of efficient extension services, and promoting knowledge and skills of value chain actors;

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<sup>11</sup> The NST targets urbanization to reach 35 percent by 2024 from 17.3 percent in 2014.

<sup>12</sup> It sets an ambitious agenda for further improvements in the standard of living, targeting middle-income country (MIC) status by 2030 and emphasizes the importance of agri-processing and technology-intensive agriculture with a commercial focus.

- (ii) **Priority Area 2: Productivity and Resilience** focuses on promoting sustainable, nutrition sensitive and resilient production systems for crops and animal resources. Priority Area 2 feeds the value chains in Priority Area 3;
- (iii) **Priority Area 3: Inclusive Markets and Value Addition** improves value chains by focusing on linkages between production and processing. This includes key input markets such as fertilizers, insurance and finance, as well as upstream activities such as aggregation, promotion of value addition, market infrastructure, and export readiness; and
- (iv) **Priority Area 4: An Enabling Environment and Responsive Institutions** provides the regulatory framework and redefines public sector involvement. In addition, although women and youth are mainstreamed across all priority areas, Priority Area 4 includes specific measures and incentives to increase gender equity and introduce skilled youth to commercial farming and jobs along the agricultural value chains.

#### **Transformation of Agriculture Sector Program 4, Program-For-Results Phase 2**

11. **The GoR requested targeted support from the World Bank to strengthen its capacity to deliver on the expected PSTA4 results.** On this basis, the World Bank and DPs are providing support to the GoR to implement the first three years of the PSTA4 (2018-2021) through a Program for Results (PforR) financing instrument and a MDTF totaling a combined US\$171million over three years.

**ANNEX 2: DISBURSEMENT LINKED INDICATOR FUND ALLOCATION CHANGES FOLLOWING  
ADDITIONAL FINANCING**

DLIs (targets & additional allocations)	Original			Revised (only include changes / new DLIs)		
	2018/2019	2019/2020	2020/2021	Yr. 1 revised /new	Yr. 2 revised /new	Yr. 3 revised /new
<b>DLI 1: Organizational Development Plan successfully prepared and implementation on track</b>	Organizational review, including capacity needs assessment of MINAGRI completed and new functional structures in place	Organizational Development (OD) Plan for MINAGRI prepared and approved	Upgrade of HR management function completed	N/A	N/A	N/A
	\$4,000,000	\$4,000,000	\$2,000,000	\$8,163,265 (\$4,000,000 original +\$4,163,265 AF)	\$6,483,749 (\$4,000,000 original +\$2,483,749 AF)	\$3,241,875 (\$2,000,000 original +\$1,241,875 AF)
	<b>Status of DLI Achievement/ Associated Disbursement:</b> In progress.					
	<b>Nature of/ Rationale for Modification:</b> The allocated amounts have been increased to reflect the additional financing allocation.					
<b>DLI 2: Improved analytical and policy reform competencies demonstrated.</b>	Private Sector Leveraging Strategy with Implementation Plan published	Annual report by MINAGRI on Public-Private Investment in agriculture published	Agriculture input subsidy schemes reviewed, alternative models for increasing efficiency assessed, reforms agreed and implemented	N/A	N/A	N/A
	\$4,000,000	\$2,000,000	\$4,000,000	\$8,163,265 (\$4,000,000 original +\$4,163,265 AF)	\$3,241,875 (\$2,000,000 original +\$1,241,875 AF)	\$6,483,749 (\$4,000,000 original +\$2,483,749 AF)
	<b>Status of DLI Achievement/ Associated Disbursement:</b> In progress.					
	<b>Nature of/ Rationale for Modification:</b> The allocated amounts have been increased to reflect the additional financing allocation.					
<b>DLI 3: Digital information platforms designed and operational.</b>	A common data warehouse platform is designed and ready for use, whereby existing data in MIS and Agriculture Land Information System I (ALIS) are fully interfaced (at least down to the level of all districts)	The Farmer registration application and ALIS II are fully interfaced with MIS and ALIS I in the common data warehouse platform. Both, Farmer registration and ALIS II, will hold data covering all districts	The Livestock registration application (holding cow data with national coverage) will be interfaced with ALIS I and II, Farmer registration application in the data warehouse platform  Sector Performance Dash Board is in place and publicly accessible online, whereby it provides reports on national agricultural macro indicators, national Indicator of	N/A	N/A	N/A

			Food Security and PSTA4 results indicators			
	\$2,000,000	\$2,000,000	\$4,000,000	\$4,602,041 (\$2,000,000 original +\$2,602,041 AF)	\$3,762,283 (\$2,000,000 original +\$1,762,283 AF)	\$7,524,565 (\$4,000,000 original +\$3,524,565 AF)
<b>Status of DLI Achievement/ Associated Disbursement:</b> In progress.						
<b>Nature of/ Rationale for Modification:</b> The allocated amounts have been increased to reflect the additional financing allocation.						
<b>DLI 4: Mechanism to strengthen Agriculture Public-Private Dialogues and Agriculture Value Chain Platforms designed and implemented.</b>	Two mechanisms designed, piloted, and budgeted: (1) National Agriculture Public-Private Dialogues (Ag. PPD) on themes with strategic relevance and (2) Commodity value chain platforms	Two national Agriculture PPDs held and at least 3 Agriculture VC platforms established with operating plans	Additional 2 Agriculture PPDs held  Agriculture VC platforms are fully functional and yielded evidence of satisfactory results (as per M&E of operating plan)	N/A	N/A	N/A
	\$2,000,000	\$2,000,000	\$4,000,000	\$4,602,041 (\$2,000,000 original +\$2,602,041 AF)	\$3,762,283 (\$2,000,000 original +\$1,762,283 AF)	\$7,524,565 (\$4,000,000 original +\$3,524,565 AF)
	<b>Status of DLI Achievement/ Associated Disbursement:</b> In progress.					
<b>Nature of/ Rationale for Modification:</b> The allocated amounts have been increased to reflect the additional financing allocation.						
<b>DLI 5: New irrigation area identified, developed and/or managed where commercial viability has been a determining appraisal criterion.</b>		Number of hectares identified, developed and put under recognized PPP increased: 1,260	Number of hectares identified, developed and put under recognized PPP increased: 1,680	N/A	N/A	N/A
		\$5,000,000	\$5,000,000		\$8,944,444 (\$5,000,000 original +\$3,944,444 AF)	\$8,944,444 (\$5,000,000 original +\$3,944,444 AF)
	<b>Status of DLR Achievement/ Associated Disbursement:</b> N/A					
<b>Nature of/ Rationale for Modification:</b> The allocated amounts have been increased to reflect the additional financing allocation.						
<b>DLI 6: New terracing area identified, developed and/or managed where commercial viability has been a determining appraisal criterion.</b>		Number of hectares identified, developed and put under recognized PPP increased: 745	Number of hectares identified, developed and put under recognized PPP increased: 2,310	N/A	N/A	N/A
		\$5,000,000	\$5,000,000		\$8,944,444 (\$5,000,000 original +\$3,944,444 AF)	\$8,944,444 (\$5,000,000 original +\$3,944,444 AF)
	<b>Status of DLI Achievement/ Associated Disbursement:</b> N/A					
<b>Nature of/ Rationale for Modification:</b> The allocated amounts have been increased to reflect the additional financing allocation.						

<b>DLI 7: Volume of private sector investment (in US\$) matching public financing in PPP infrastructure project.</b>		Volume of private sector investment (in US\$) matching public financing in PPP infrastructure projects: US\$ 4 million (or more)	Volume of private sector investment (in US\$) matching public financing in PPP infrastructure projects: US\$ 7.15 million (or more)	N/A	N/A	N/A
		\$10,000,000	\$10,000,000		\$13,944,444 (\$10,000,000 original +\$3,944,444 AF)	\$13,944,444 (\$10,000,000 original +\$3,944,444 AF)
	<b>Status of DLI Achievement/ Associated Disbursement:</b> N/A					
<b>Nature of/ Rationale for Modification:</b> The allocated amounts have been increased to reflect the additional financing allocation.						
<b>DLI 8: Private sector extension service models designed, launched and achieving positive response.</b>		Number of farm households reached by private advisory services (non-outgrower scheme) has increased: 6,000	Number of farm households reached by private advisory services (non-outgrower schemes) has increased: 8,000  Number of new farm households participating in outgrower schemes has increased: 10,000	N/A	N/A	N/A
		\$5,000,000	\$10,000,000		\$7,629,630 (\$5,000,000 original +\$2,629,630 AF)	\$15,259,259 (\$10,000,000 original +\$5,259,259 AF)
	<b>Status of DLI Achievement/ Associated Disbursement:</b> In progress.					
<b>Nature of/ Rationale for Modification:</b> The allocated amounts have been increased to reflect the additional financing allocation.						
<b>DLI 9: Reform of RAB.</b>	Implementation Plan for RAB Restructuring Order prepared and approved by its Board	+/-3% Deviation between budget and outturn expenditure 2019/20	Unqualified audit opinion on financial statement of the RAB	N/A	N/A	N/A
	\$3,000,000	\$3,000,000	\$3,000,000	\$6,469,388 (\$3,000,000 original +\$3,469,388AF)	\$5,209,751 (\$3,000,000 original +\$2,209,751 AF)	\$5,209,751 (\$3,000,000 original +\$2,209,751 AF)
	<b>Status of DLI Achievement/ Associated Disbursement:</b> Implementation Plan for RAB Restructuring Order prepared and approved by its Board.					
<b>Nature of/ Rationale for Modification:</b> The allocated amounts have been increased to reflect the additional financing allocation. The DLI9 for year 2 has been further clarified and the formula is (FY actual expenditures less initially approved expenditures for the FY)/initially approved expenditures for the FY.						

### ANNEX 3: MDTF GRANT TF0B0153 – WITHDRAWAL OF GRANT PROCEEDS

1. The below table specifies each category of withdrawal of the proceeds of the initial Grant (including the Disbursement Linked Indicators as applicable) (“Category”), the Disbursement Linked Results for each Category, and the allocation of the amounts of the Grant to each Category:

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Amount of the Grant Allocated (expressed in USD)	Disbursement Calculation Formula
(1) DLI #1: Organizational development plan successfully prepared and implementation on track	<p>DLR # 1.1: Organizational review, including capacity needs assessment of MINAGRI completed and new functional structures in place</p> <p>DLR # 1.2: Organizational development plan for MINAGRI prepared and approved</p> <p>DLR # 1.3: Upgrade of human resources management function completed</p>	4,163,265	<p>DLR # 1.1: 4,163,265</p> <p>DLR # 1.2: 0</p> <p>DLR # 1.3: 0</p>
(2) DLI #2: Improved analytical and policy reform competencies demonstrated	<p>DLR # 2.1: Private sector leveraging strategy with implementation plan published</p> <p>DLR # 2.2: Annual Report by MINAGRI on public-private investment in agriculture published</p> <p>DLR # 2.3: Agricultural input subsidy schemes reviewed, alternative models for increasing efficiency assessed, reforms agreed and implemented</p>	4,163,265	<p>DLR # 2.1: 4,163,265</p> <p>DLR # 2.2: 0</p> <p>DLR # 2.3: 0</p>
(3) DLI #3: Digital information platforms designed and operational	DLR # 3.1: A common data warehouse platform is designed and ready for use, whereby existing data in MIS and ALIS I are fully interfaced (at	2,602,041	DLR # 3.1: 2,602,041



	<p>least down to the level of all districts)</p> <p>DLR # 3.2: The Farmer registration application and ALIS II are fully interfaced with MIS and ALIS I in the common data warehouse platform. Both, farmer registration and ALIS II, will hold data covering all districts</p> <p>DLR#3.3: The Livestock registration application (holding cow data with national coverage) will be interfaced with MIS, ALIS I and ALIS II, farmer registration application in common data warehouse platform</p> <p>DLR# 3.4: Sector performance dash board is in place and publicly accessible online, whereby it provides reports on national agricultural macro indicators, national indicator of food Security and PSTA4 results indicators</p>		<p>DLR # 3.2: 0</p> <p>DLR# 3.3: 0</p> <p>DLR # 3.4: 0</p>
<p>(4) DLI #4: Mechanism to strengthen agriculture public-private dialogues (Ag. PPD) and agriculture value chain platforms designed and implemented</p>	<p>DLR# 4.1: Two mechanisms designed, piloted, and budgeted: (1) national agriculture public-private dialogues on themes with strategic relevance (2) commodity value chain platforms</p> <p>DLR# 4.2: Two national agriculture public-private dialogues held and at least 3 agriculture value chain platforms established with operating plans</p> <p>DLR# 4.3: Additional 2 agriculture public-</p>	<p>2,602,041</p>	<p>DLR# 4.1: 2,602,041</p> <p>DLR# 4.2: 0</p> <p>DLR# 4.3:</p>

	private dialogues held  DLR# 4.4: Agriculture value chain platforms are fully functional and yielded evidence of satisfactory results (as per monitoring and evaluation of operating plan)		0  DLR# 4.4: 0
(5) DLI #5: New irrigation area identified, developed and/or managed where commercial viability has been a determining appraisal criterion (baseline is 0 Ha.)	DLI #5.1: Number of Ha. identified, developed and put under recognized PPP increased to 2,940 Ha.	0	DLR #5.1: 0 for which an amount of 0 is allocated for each additional Ha. of land identified, developed and put under recognized PPP
(6) DLI #6: New terracing area identified, developed and/or managed where commercial viability has been a determining appraisal criterion (baseline is 0 Ha.)	DLR #6.1: Number of Ha. identified, developed and put under recognized PPP increased to 3,055 Ha.	0	DLR #6.1: 0 for which an amount of 0 is allocated for each additional Ha. of land identified, developed and put under recognized PPP
(7) DLI #7: Volume of private sector investment (in US\$) matching public financing in PPP infrastructure project (baseline is \$0)	DLR #7: Volume of private sector investment (in US\$) matching public financing in PPP infrastructure projects has increased to \$11,150,000	0	DLR #7: 0 for which an amount of 0 is allocated for each additional \$1,000,000
(8) DLI #8: Private sector extension service models designed, launched and achieving positive response (baseline is 0 households reached non-outgrower scheme and 0 new farm households outgrower schemes)	DLR #8.1: The number of farm households reached by private advisory services (non-outgrower scheme) has increased to 14,000  DLR #8.2: The number of new farm household participating in outgrower schemes has increased to 10,000	0	DLR #8.1: 0 for which an amount of 0 is allocated for each additional farm household reached  DLR #8.2: 0 for which an amount of 0 is allocated for each additional farm household reached
(9) DLI #9: Reform of RAB	DLR #9.1: Implementation plan for RAB restructuring order prepared and approved by its Board  DLR#9.2: +/-3% Deviation between	3,469,388	DLR #9.1: 3,469,388  DLR #9.2: 0

	budget and outturn expenditure 2019/20  DLR#9.3: Unqualified audit opinion on the financial statement of RAB		DLR #9.3: 0
<b>TOTAL AMOUNT</b>		<b>17,000,000.00</b>	

## ANNEX 4: YEAR 1 DLI IMPLEMENTATION STATUS AND NEXT STEPS FOR YEAR 2

DLI	YEAR 1			Actions and DLR for year 2 (2019/20)	DLR for year 3 (2020/21)
	DLR	Accomplished activities	Recommendation		
<b>DLI 1:</b> Organizational Development Plan successfully prepared and implementation on track	<b>Organizational Review, including capacity needs assessment of MINAGRI completed and new functional structures in place</b>	Organizational review was finalized and MINAGRI prepared management letter and comments (the latter will inform the preparation of the Organizational Development Plan).	Subject to verification by the Office of the Auditor General (OAG), the year 1 target is met and ready for disbursement.	The World Bank will provide technical support to MINAGRI in developing the Organization Development Plan.	Upgrade of HR Management Function
<b>DLI 2:</b> Improved analytical and policy reform competencies demonstrated	<b>Private sector leveraging strategy with implementation plan published</b>	MINAGRI presented the Strategy in the Agricultural Sector Working Group (ASWG) meeting on 09/24/19. The ASWG endorsed the strategy subject to final comments being addressed.	Identified weaknesses in elaborating PPP guidelines for agribusiness projects, safeguard risks and accompanying risk mitigation measures, and budgeting have been addressed. The final document will be edited by a professional editor and endorsed in the next Planning cluster meeting.	Annual Report by MINAGRI on public-Private investment in Agriculture	Agriculture input subsidy schemes reviewed, alternative models for increasing efficiency assessed, reforms agreed and implemented
<b>DLI 3:</b> Digital information platforms designed and operational	<b>Common Data Warehouse platform is designed and ready for use, where existing data in MIS and Agriculture Land Information System I are fully interfaced (at least down to the level of all districts).</b>	MINAGRI successfully interfaced MIS and ALIS; the corresponding dashboard is available to MINAGRI management and staff. This constitutes a critical step towards the completion of a full-fledged data warehouse before the end of the Program. To achieve this goal and stay on schedule, the mission and MINAGRI agreed on a high level workplan, outlining the steps and milestones to be achieved in the next two years.	Based on the progress to date, the mission deems the year 1 target achieved, and disbursement can proceed once MINAGRI successfully passes verification requirements.	<p>It is critical that MINAGRI takes decisive action to address staffing and skills gaps on its IT agenda, especially in view of some externally funded projects approaching closure at the end of 2019 (e.g. MIS development).</p> <p>It was agreed that MINAGRI would mobilize a team of experts to lead DLI3 activities (see annex 4).</p> <p>The World Bank will also mobilize complementary technical support to MINAGRI, to improve and complete the common data warehouse.</p> <p>Interfacing of LODA MIS and/or SNS were agreed to be included against meeting the year 2 target for this DLI.</p>	Livestock registration application (holding cow data with national coverage) will be interfaced with MIS, ALIS 1 and 2, farmer registration application in the common data warehouse. Sector performance dashboard is in place and publicly accessible online, and provides reports on national agriculture macro indicators, national indicator on food security and PSTA 4 results indicators.

DLI	YEAR 1			Actions and DLR for year 2 (2019/20)	DLR for year 3 (2020/21)
	DLR	Accomplished activities	Recommendation		
<p><b>DLI 4:</b> Mechanism to Strengthen Agriculture Public-Private Dialogues (Ag. PPD) and Agriculture Value Chain Platforms designed and implemented</p>	<p><b>Two mechanisms designed, piloted, and budgeted: (1) National Agriculture Public-Private Dialogues (Ag. PPD) on themes with strategic relevance and (2) Commodity value chain platforms.</b></p>	<p>Completed. MINAGRI provided the Agri-PPD and VC strategy document.</p>	<p>The disbursement against the year 1 target was already completed.</p>	<p><b>Two national Agriculture PPDs held and at least 3 Agriculture VC platforms established with operating plans.</b></p> <p>MINAGRI informed the mission that one agricultural PPD already took place (on animal feed, year 1) and another one is planned. 2 VC platforms were organized (milk and coffee), and a third one (tea) is pending.</p> <p>Other VC platforms (potato, horticulture), operating under the Dutch Horticulture Project were identified.</p> <p>The mission emphasized that MINAGRI needs to present VC platform operating plans, budgets, and biannual reports in order to meet the year 2 target, while ensuring that these platforms are well animated and able to respond to the needs of their constituents.</p>	<p><b>Additional 2 Ag. PPDs and Agriculture VC platforms are fully functional and yielded evidence of satisfactory results (as per M&amp;E of operating plan)</b></p>
<p><b>DLI 5:</b> New Irrigation area identified, developed and/or managed where commercial viability has been a determining appraisal criterion</p>	NONE			<p><b>Number of hectares identified, developed and put under recognized PPP increased: 1,260.</b></p> <p>MINAGRI and the mission agreed that, for irrigation schemes to qualify under the requirements of this DLI, they would have to meet the following criteria: (i) be approved after the PforR effectiveness; (ii) approval would be based on demonstrated</p>	<p><b>Number of hectares identified, developed and put under recognized PPP increased: 1,680.</b></p>

DLI	YEAR 1			Actions and DLR for year 2 (2019/20)	DLR for year 3 (2020/21)
	DLR	Accomplished activities	Recommendation		
				<p>feasibility and commercial viability; and (iii) signed MoUs or similar agreements between private users (such as water user associations) and the relevant public entities (such as districts/sectors, RAB).</p> <p>MINAGRI will define the detailed feasibility and commercial viability criteria in the following months, in close consultation with and supported by World Bank and development partners.</p>	
<p><b>DLI 6:</b> New Terracing area identified, developed and/or managed where commercial viability has been a determining appraisal criterion</p>		NONE		<p><b>Number of hectares identified, developed and put under recognized PPP increased: 745</b></p> <p>MINAGRI and the mission agreed that, for terracing areas to qualify under the requirements of this DLI, they would have to meet the following conditions: (i) be approved after the PforR effectiveness date the ; (ii) be based on demonstrated feasibility and commercial viability; and (iii) have signed MoUs or similar agreements between private users (such as farmers' cooperatives) and the relevant public entities (such as districts/sectors, RAB).</p> <p>MINAGRI will define the detailed feasibility and commercial viability criteria in the following months, in close consultation with and supported by World Bank and development partners.</p>	<p><b>Number of hectares identified, developed and put under recognized PPP increased: 2,310</b></p>
<p><b>DLI 7:</b> Volume of private sector investment (in US\$)</p>		NONE		<p><b>Volume of private sector investment (in US\$) matching public financing in PPP</b></p>	<p><b>Volume of private sector investment (in US\$) matching public financing in</b></p>

DLI	YEAR 1			Actions and DLR for year 2 (2019/20)	DLR for year 3 (2020/21)
	DLR	Accomplished activities	Recommendation		
matching public financing in PPP infrastructure project				<p><b>infrastructure projects: \$4 million (or more)</b></p> <p>The mission, jointly with MINAGRI, RAB and NAEB reviewed relevant agri-food infrastructure projects, either ongoing or in the pipeline.</p> <p>The following were agreed: (i) projects will only be retained for purposes of counting against this DLI target if agreements were signed after the PforR effectiveness date; (ii) several PPP arrangements in the NAEB pipeline could be considered if they come through during the lifetime of the PforR; (iii) selected investments financed under the IFAD Post-Harvest Agribusiness Support Project (PASP) or other similar programs could be considered, provided they are modeled on PPP principles and in accordance with the PAD requirements.</p> <p>A World Bank technical expert will review the financing and institutional arrangements for selected PASP models in greater detail in the following 3-4 months.</p>	<p><b>PPP infrastructure projects: \$7.15 million (or more)</b></p>
<b>DLI 8:</b> Private sector extension service models designed, launched and achieving positive response		NONE		<p><b>Number of farm households reached by private advisory services (non-outgrower scheme) has increased: 6,000</b></p> <p>MINAGRI, RAB and the mission jointly reviewed various existing private sector extension service models developed under PSTA4, to identify those that</p>	<p><b>Number of farm households reached by private advisory services (non-outgrower scheme) has increased: 8,000</b></p> <p><b>Number of new farm households participating in outgrower schemes has increased: 10,000</b></p>

DLI	YEAR 1			Actions and DLR for year 2 (2019/20)	DLR for year 3 (2020/21)
	DLR	Accomplished activities	Recommendation		
				<p>meet the requirements of this DLI. Some promising models were identified; e.g. provision of veterinary services through paravets could be considered against meeting the year 2 target. Other models discussed include but are not limited to: extension bundled within contract farming; extension bundled with private supply of farm inputs (e.g. day-old chicks); extension provided by hired coop technicians (e.g. agronomists) to coop members, etc.</p> <p>A World Bank technical expert will review the financing and institutional arrangements for selected PASP models in greater detail in the following 3-4 months.</p>	
<b>DLI 9: Reform of RAB</b>	<p>Report on RAB restructuring was completed.</p> <p>The disbursement against the year 1 target was completed.</p> <p>Implementation of the RAB restructuring is ongoing. Some staff gaps (about 15% of the needs) still need to be covered and are awaiting Cabinet approval. The Procedures Manual was approved and the Internal Rules and Regulations are expected to be approved in October.</p> <p>Preparation of the Strategic Plan for RAB for the next 5 years should start in</p>			<p><b>+/- 3% Deviation between budget and out turn expenditure 2019/20</b></p> <p>MINAGRI indicated they are well on track to meet this year 2 target.</p>	<p><b>Unqualified audit opinion on financial statement of RAB</b></p> <p>RAB improved its internal auditing capacity by increasing the number of internal auditors from 2 to 5, and by assigning more specific oversight responsibilities to them. These measures will help tighten controls and ensure that RAB will achieve a clean audit opinion by the end of the Program.</p>



DLI	YEAR 1			Actions and DLR for year 2 (2019/20)	DLR for year 3 (2020/21)
	DLR	Accomplished activities	Recommendation		
	October with TECAN support.				

**ANNEX 5: PROGRAM ACTION PLAN (PAP): SUMMARY OF IMPLEMENTATION PROGRESS AS OF OCTOBER 31, 2019**

<b>Action Description</b>	<b>Completion Measurement</b>	<b>Status</b>	<b>Comments</b>
1. Map external capacity support against priorities of Organizational Development of MINAGRI	External Capacity Support Strategy prepared and approved by ASWG	<b>Ongoing</b>	This PAP is an outcome of the Organizational Development (OD) Plan to be delivered on in year 2 with the expected technical support.
2. Assess current agriculture financial guarantee scheme	Agriculture guarantee scheme review undertaken and reviewed by the ASWG	<b>Ongoing</b>	Current agricultural financial guarantee scheme is assessed in the Risk Sharing Facility document. The PAP will be completed once the document is validated.
3. Ensuring gender equity	Gender mainstreaming strategy developed and endorsed	<b>Completed</b>	The Gender Strategy document was validated in the ASWG and was officially launched on October 08, 2019.
4. MINAGRI Strengthens the monitoring and reporting on food security and nutrition	FSNMS developed and endorsed	<b>Completed</b>	In 2018 the Comprehensive Food Security and Vulnerability and Nutrition Analysis Survey (CFSVA) was carried out. The resulting information is publicly available via MINAGRI's website and internal dashboard.
5. Annual financial Audit Action Plan for RAB developed and endorsed by the Audit Committee.	Annual action plan to address the weaknesses identified in RAB's financial audit developed, endorsed by the Audit committee and shared with the World Bank.	<b>Completed for year 1</b>	The Annual action plan for year 1 (FY 2018/19) was shared with the World Bank in March 2019.
6. MINAGRI mainstreams Climate Change into the sector's planning, budgeting, monitoring and implementation.	Strategy developed with action plan (including a section on MINAGRI on building capacity focal points, new staff, links to relevant Ministries, projects and staff training identified) approved by ASWG.	<b>Completed</b>	The 'Environment, Natural Resources and Climate Change Mainstreaming Strategy was shared with the ASWG members on December 7, 2018.
7. Stakeholders, beneficiaries using Grievance System and MINAGRI responding appropriately.	Report provides a summary of grievances received by MINAGRI and the response provided annually by June 30th	<b>Completed for year 1</b>	The Quarterly grievances reports are received through the Call-Center which has two additional lines: TIGO & Airtel.
8. Public expenditure review	A Report providing detailed analysis of sector spending among all key stakeholders	<b>Ongoing</b>	Work is ongoing and the analysis is expected to be completed by March 2020.
9. Establish within MINAGRI a mechanism for assessing progress toward establishing systems for IT, Monitoring and Evaluation and Statistics.	Annual report on the quality of information systems, key challenges and action plan to be provided annually by June 30th.	<b>Completed for year 1</b>	The ASWG includes MINAGRI, Ministry of Youth and ICT (MYICT) and Rwanda Information Society Authority Innovation (RISA). Minutes are available.
10. Systems for tracking the quality of coordination designed and operational.	Methodology agreed action approved, and implementation plan agreed.	<b>Completed</b>	Online satisfaction survey ( <a href="https://docs.google.com/forms/d/e/1FAIpQLSddMOQxIdGQulAoexmZxK1cEESmFYzV6-MK2C9t-0viisYMFg/viewform">https://docs.google.com/forms/d/e/1FAIpQLSddMOQxIdGQulAoexmZxK1cEESmFYzV6-MK2C9t-0viisYMFg/viewform</a> ) (87.5% in the last ASWG)
11. Review of Medium-Term Expenditure Framework.	Medium-Term Expenditure Framework review completed.	<b>Completed</b>	

<b>Action Description</b>	<b>Completion Measurement</b>	<b>Status</b>	<b>Comments</b>
12. Develop and implement capacity building training program on ESIM to improve understanding and application of GoR E&S policies for National and District level staff. Audience should include any private sector entities participating in the Program.	Increase in trained staff at the national and district levels.	<b>Ongoing</b>	Training of staff was undertaken in year 1 (May 2019). MINAGRI will share a comprehensive training plan with the World Bank by November 15, 2019.
13. Compliance checklist to ensure that activities that are not legally permissible are not undertaken and that requisite permissions are taken before any scheme/intervention is financed.	The Checklist should follow the criteria for ineligible infrastructure for financing under the PforR Program, presented in the ESSA.	<b>Ongoing</b>	The strategy captures the checklist for ineligible infrastructure activities and land acquisition requirements excluding high risk investments.
14. Private Sector Leveraging Strategy, establish selection / performance criteria for private sector consistent with ESIM & gov E&S regs. For selected private sector orgs, required quality ESMS developed & adopted prior to participation in PforR Program.	Mechanism for selection of private sector entities with sufficient capacity for diligent environmental and social management. Increase capacity of other private sector entities participating in the Program implementation.	<b>Ongoing</b>	The leveraging private sector financing strategy will include a mechanism for selection of private sector entities with sufficient capacity for diligent environmental and social management.
15. Private Sector Leveraging Strategy to include conditions for GoR land acquisition and Compensation management and exclude high risk investments financing.	Design model for PPP investments that reduces potential negative environmental and social risks and continues good practices established by the Districts under MINAGRI publicly financed projects.	<b>Ongoing</b>	The leveraging private sector financing strategy will include conditions for GoR land acquisition and Compensation management and exclude high risk investments financing.
16. PPP Agreement to include a requirement to comply with ESIM through implementation.	Establish a legal requirement to comply with established sectoral Environmental and Social risk management practices.	<b>Ongoing</b>	The leveraging private sector financing strategy will include requirements for PPPs to comply with ESIM through implementation.
17. Conduct an audit to assess the application of the private sector screening procedure.	Assess effectiveness of the private sector screening to establish the quality and application of the environmental and social system of the participating private sector entity.	<b>Not yet due</b>	Due: June 2021
18. Procurement Action Plan developed to address procurement risks.	Procurement action plan addresses: exclusion of Bank debarred firms, negotiating on bid prices, delays in contract award, incomplete Program procurement records, and use of inappropriate selection methods.	<b>Ongoing</b>	The Program procurement plan was updated for 2019-2020 and shared with the World Bank. The Bank team provided additional comments\recommendations to strengthen completion measurement actions.
19. MINAGRI to report on screening and management of Land Acquisition and Resettlement (LAR) issues in program activities.	Program consolidated resettlement and expropriation completion report.	<b>Not yet applicable</b>	Report only due if there is any land acquisition. So far, no action on land with the private sector was recorded.

**ANNEX 6: RWANDA PFORR RESULTS FRAMEWORK STATUS AS OF OCTOBER 31, 2019**

PDO Indicators by Objective/Outcomes	Baseline	2018/19	2019/20	2020/21	Status	Comments
<b>To promote the commercialization of agriculture value chains in Rwanda.</b>						
<b>PDO 1:</b> Performance of MINAGRI and RAB in achieving the milestones established in their respective Organizational Development or Restructuring implementation plan (Percentage)						
<i>MINAGRI (Percentage)</i>	0			70	Ongoing	<i>Based on the agreed timeline for DLI 1 and DLI 9 performance can be only measured for RAB in year 2 and 3 and for MINAGRI in year 3</i>
<i>RAB (Percentage)</i>	0			70	Ongoing	
<b>PDO 2:</b> Improvements in the Enabling Business of Agriculture (EBA) Scores (Number)						
<i>Seed (Number)</i>	20.2	24.2	28.4	32	Pending	<i>The World Bank EBA Team will provide MINAGRI Department of Planning with the annually updated scores for Seeds, Fertilizer and Markets.</i>
<i>Fertilizer (Number)</i>	52.6	53	54	56	Pending	
<i>Market (Number)</i>	49.3	50	51	53	Pending	
<b>PDO 3:</b> Private investment in agriculture value chain services (US\$) (Amount - USD million)	101.5	150	175	200	Ongoing	Worth USD56,020,746 from 20 projects (Information from 2018))

**INTERMEDIATE RESULTS INDICATORS BY RESULT AREAS**

Result Indicator	Baseline	2018/19	2019/20	2020/21	Status	Comments
<b>Results Area 1: Policy and Organizational Reform</b>						
Organizational Development Roadmap successfully entered and implementation on track	No	Organizational review, incl. capacity needs assessment of MINAGRI completed and new structures in place	Organizational Development Plan for MINAGRI prepared and approved	Upgrade of HR management function completed	Completed	Year 1 deliverable completed: Organizational Review Document Available. OD plan will be delivered on year 2 and Upgraded HR system will be delivered on year 3
Improved analytical and policy reform competencies demonstrated	No	Strategy for leveraging Private Investment and Implementation Plan published	Annual Report by MINAGRI on Public-Private Investment in Agriculture published	Agricultural input subsidy schemes reviewed, alternative models for increasing efficiency assessed,	Ongoing	Year 1 deliverable: PSLs document available and endorsed by ASWG on September 24, 2019. Awaiting final Planning Cluster meeting validation.
Digital information platforms designed and operational. (Text)	No	A common data warehouse platform is designed and ready for use, whereby existing data in MIS	The Farmer registration application and ALIS II will be fully interfaced with MIS	The Livestock registration application (holding cow data with national coverage)	Completed	Year 1 deliverable completed: Common Data warehouse platform available.

		and ALIS I will be fully interfaced (at least down to the level of all districts).	and ALIS I in the common data warehouse platform. Both, Farmer registration and ALIS II, will hold data covering all districts.	will be interfaced with MIS, ALIS I and II, Farmer registration application in the common data warehouse platform; Sector Performance Dashboard in place and publicly accessible online, whereby it provides reports on national agricultural macro indicators, national Indicator of Food Security and PSTA 4 results indicators.		
Mechanism to strengthen Agriculture Public-Private Dialogues and Agriculture Value Chain Platforms designed and implemented. (Text)	No	Agriculture Public-Private Dialogues (Ag. PPD) and Value Chain (VC) Platforms designed and implemented.	<ul style="list-style-type: none"> <li>Two mechanisms designed, piloted and budgeted: Ag PPD and VC Platform.</li> </ul>	<ul style="list-style-type: none"> <li>Two national Ag. PPDs held and at least 3 VC platforms established with operating plans.</li> </ul>	Completed	Year 1 deliverable completed: Agri-PPD report available.
Improvement in functional performance of interagency coordination mechanisms. (Text)	No				Ongoing	Stakeholder Perception surveys of ASWG, JSR, and Joint Imihigos to be reported. ASWG satisfaction survey ongoing. JSR & Joint Imihigo members to receive similar satisfaction survey link.
<b>Results Area 2: Enabling Agricultural Commercialization</b>						
Share of small-scale farmers using improved seeds	18	20	25	30	Reported	<p>2018 Seasonal survey: Season A - 12.5 %; Season B - 5.8%; Season C - 13.3%.</p> <p>NISR has changed its reporting methodology. It now reports on number of plots with improved seeds instead of number of farmers with improved seeds.</p> <p>RF to adapt this indicator.</p>

New Irrigation area identified, developed and/or managed where commercial viability has been a determining appraisal criteria (Ha)	No		1260	1680	Pending	This will be reported in year 2.
New terracing area identified, developed and/or managed where commercial viability has been a determining appraisal criterion	No		745	2310	Pending	This will be reported in year 2.
Volume of private sector investment (in million USD) matching public financing in PPP infrastructure project.	No		4	7.15	Pending	This will be reported in year 2. Competitive Fund(s) Administrator; Annual Report Funding agreements
<b>Result 3: Delivery of improved Agric Value Chain Services</b>						
number of different models of service delivery contracts signed and pilot under implementation	0	1	3	5	Completed	Rwanda Council of Veterinary Doctor – RCVD
number of farm households reached by private advisory services (non-outgrower schemes) has increased	0		6000	8,000	Completed	Year 1 deliverable: Report contain 7,085 beneficiaries is available. Currently, year 2 deliverables are being worked on,
number of farm households participating in outgrower schemes has increased (number)	-			10,000	Pending	Year 2 deliverables are being worked on.
# of Productive Alliances under implementation						
- # of Productive Alliances under implementation in Livestock Value chain (Number)				10	Completed	Livestock baseline: 30
- # of Productive Alliances under implementation in value crops				15	Ongoing	-

<i>Value chain (Number)</i>						
Improvement in business leader's perceptions about agricultural investment climate in Rwanda (%)				>15%	Pending	Baseline to be established using a survey of business leader. World Bank to assist with template of survey. NAEB and RDB to support with the list of Agric. Business leaders.
<b>Results Area 4: Efficiency in Public Expenditures</b>						
Reform of RAB		- Implementation Plan for new RAB Restructuring Order prepared and approved by its Board	Deviation between budget and outturn expenditure 2019/20	Unqualified audit of RAB	completed	Year 1 deliverable: Report from RAB Board meeting approval available.
Annual percentage increase of earmarked transfers from MINAGRI to local government		2	4	5	Completed	Year 1 percentage increase: 69

## **ANNEX 7: TERMS OF REFERENCE FOR THE MDTF STEERING COMMITTEE**

1. Since 2004, the Ministry of Agriculture and Animal Resources (MINAGRI) of Rwanda has developed and implemented three consecutive strategic plans for agricultural transformation (PSTA 1, PSTA 2, and PSTA 3), all aiming at harmonizing the agriculture sector development activities with the national Economic Development and Poverty Reduction Strategies and the Vision 2020.
2. Since the end of PSTA 3 in the 2017/18 budget year, MINAGRI started the implementation of the fourth Strategic Plan for Agriculture Transformation (PSTA 4) to continue supporting, implementing and promoting strategies aiming at attaining the sector aspirations.
3. The PSTA 4 is aligned to National, Continental and International objectives. At the national level, PSTA 4 is being put into practice through the updated National Agriculture Policy (NAP, 2018) with a vision of having a productive, green and market-led agriculture sector.
4. In the previous strategy (PSTA 3), the World Bank had assisted the implementation of the agriculture strategy with a financial instrument known as Program-for-Result (PforR). The new national agriculture strategy (PSTA 4), which has ambitious objectives for the transformation of the agriculture sector, will similarly make use of a second edition of the world Bank financial instrument, or PforR Phase 2.
5. Several development partners (DPs) participated in the design and preparation of the PforR and pledged to support it. The United Kingdom's Department for International Development (DFID), the Netherlands - Ministry of Foreign Trade and Development Cooperation and Enabel – the Belgian development agency envisaged to contribute up to an estimated combined US\$78.7 million through a Bank-administered Multi-Donor Trust Fund (MDTF), which will include a Bank-executed component, as well as a Recipient-executed component. The Recipient-executed component co-finances the PforR, whereas the Bank-executed component provides specific advisory and technical assistance to the Government of Rwanda, aligned with the scope of the PforR.

### **Composition and Role of the Steering Committee**

6. A Steering Committee (SC) is being set up to provide strategic guidance and direction on the implementation of Trust Fund activities.
7. The SC includes representatives of MINAGRI, development partners that contribute to the MDTF, and World Bank, as follows:
  - 1 representative of MINAGRI (1)
  - 1 member from each Development Partner (3)
  - 1 WB representative (1).
8. The World Bank will chair the SC.



## **Responsibilities of the Steering Committee**

### **Core responsibilities:**

9. The core responsibility of the SC is to provide strategic guidance and direction on the implementation of the Trust Fund activities, including challenges, gaps, and opportunities. More specifically, this will include:

- review and feedback on the high-level design approach and key decisions in the MDTF's workplan, to ensure consistency of approach and alignment with the Program's strategic objectives; and
- review progress reports provided by the World Bank, based on the MDTF monitoring framework (Annex to ToRs).

### **Other responsibilities:**

10. Other responsibilities of the SC may include but will not be limited to:

- provision of input/feedback on technical documents such as outputs and terms of reference resulting from the MDTF activities;
- participation in technical meetings relevant for the MDTF scope, such as World Bank implementation support missions, Technical Working Group meetings, joint DP-government working sessions on strategic issues (institutional reform, policy reforms, etc.), and Agriculture Sector Working Group meetings; and
- sharing of relevant documents and information with the other members of the SC.

## **Meeting Arrangements and Schedule**

11. The Bank will hold regular meetings at least every 6 months. The SC has the discretion to call for additional, ad-hoc meetings, based on request from at least 2 of its members.

12. The Bank may extend meeting invitations to various other relevant stakeholders (such as RAB, NAEB, etc.), depending on the items on the agenda, following consultation with the SC members.

### **Regular meetings**

13. The regular meeting dates will be set in consultation with the SC members. The Bank will initiate these meetings with at least 15 days' notice and will send documents, including the meeting agenda and venue, in advance.

14. The regular, bi-annual meetings will be based on in-person participation. However, virtual meetings, conference calls, and any other communications will be facilitated to ensure broad and continuous exchange of information.

15. The Bank will prepare and circulate the agenda for the regular meetings, but items for the agenda can be provided by any SC members. The draft agenda for the SC meetings will be finalized following agreement of the SC members.

16. Meetings can discuss broader issues when appropriate and related to the MDTF scope.

17. The Bank will prepare and circulate minutes within up to 7 days after the date of the regular meeting. The SC members will e-mail their comments to the Bank within 3 days after they receive the minutes. The Bank will consider their comments and then circulate the final version of minutes in the following 2 days.

**Ad-hoc meetings**

18. The ad-hoc meetings will follow similar arrangements as of the regular meetings. The SC members requesting ad-hoc meetings will also propose meeting agenda and location.

**ANNEX 8: UNAUDITED TRUST FUND FINANCIAL REPORT AS OF 9/30/2019<sup>13</sup>**

**WORLD BANK GROUP**

Transformation of Agriculture Sector Program 4 Program-for-Results Phase 2 Multi-Donor Trust Fund  
(WORLD BANK REFERENCE 73201) - Multi Donor Fund

**UNAUDITED TRUST FUNDS FINANCIAL REPORT**

*Expressed in United States Dollars*

	07/01/2019 to 09/30/2019	11/21/2018 (date of inception) to 09/30/2019
<b>Receipts (Note 1)</b>		
Cash Contributions	3,218,420.00	21,632,620.00
Investment Income (Note 5)	96,302.50	313,710.46
<b>Total Receipts</b>	<b>3,314,722.50</b>	<b>21,946,330.46</b>
<b>Disbursements (Note 1)</b>		
<b>Project Disbursements</b>		
Disbursements to Grantee	(10,321,429.00)	(10,321,429.00)
<b>Direct costs Disbursed by WBG</b>		
Staff Costs (Incl. Benefits) (Note 6)	(67,753.11)	(259,018.85)
STC/STT Costs	(51,682.66)	(176,257.66)
<b>Total Personnel Costs</b>	<b>(119,435.77)</b>	<b>(435,276.51)</b>
Travel expenses	(10,862.51)	(38,077.72)
Media workshop	(121.85)	(1,343.77)
Other direct costs	0.00	(145.97)
<b>Total Direct Costs Disbursed by WBG</b>	<b>(130,420.13)</b>	<b>(474,843.97)</b>
<b>Total Project Disbursements</b>	<b>(10,451,849.13)</b>	<b>(10,796,272.97)</b>
<b>Non-Project Disbursements</b>		
Administrative fees and expenses (Note 3)	(850,000.00)	(850,000.00)
<b>Total Non-Project Disbursements</b>	<b>(850,000.00)</b>	<b>(850,000.00)</b>
<b>Total Disbursements</b>	<b>(11,301,849.13)</b>	<b>(11,646,272.97)</b>
Excess of receipts over disbursements / (disbursements over receipts)	(7,987,126.63)	10,300,057.49
<b>Fund Balance</b>		
Beginning of period	18,287,184.12	0.00
End of period	<b>10,300,057.49</b>	<b>10,300,057.49</b>
<b>Fund balance consists of</b>		
Share in pooled cash and investments		<b>10,300,057.49</b>
Undisbursed Commitments as of 10/29/2019 (Note 4)		<b>8,340,197.59</b>

<sup>13</sup> System generated.

**WORLD BANK GROUP**

Transformation of Agriculture Sector Program 4 Program-for-Results Phase 2 Multi-Donor Trust Fund  
(WORLD BANK REFERENCE 73201) - Multi Donor Fund

**UNAUDITED TRUST FUNDS FINANCIAL REPORT**

Status	Beneficiary	VPU/Div	TF Hierarchy	TTL Name
Active	Rwanda	SAFA2	Trustee Account	Mr Winston Dawes

**Contribution details by Donor**

Donor	Currency	07/01/2019 to 09/30/2019	11/21/2018 (date of inception) to 09/30/2019
ENABEL	EUR	14,500,000.00	14,500,000.00
NETHERLANDS - MINISTER FOR FOREIGN TRADE AND DEVELOPMENT COOPERATION	USD	0.00	14,400,000.00
UNITED KINGDOM - DFID	GBP	0.00	36,000,000.00

**Contribution paid-in details by Donor**

Donor	Currency	07/01/2019 to 09/30/2019	11/21/2018 (date of inception) to 09/30/2019	11/21/2018 (date of inception) to 09/30/2019 In USD Equivalent
ENABEL	EUR	2,900,000.00	2,900,000.00	3,218,420.00
NETHERLANDS - MINISTER FOR FOREIGN TRADE AND DEVELOPMENT COOPERATION	USD	0.00	6,500,000.00	6,500,000.00
UNITED KINGDOM - DFID	GBP	0.00	9,000,000.00	11,914,200.00

**Disbursement details by Grant**

Grant	Grant Name	Executed By	Currency	Grant Amount	07/01/2019 to 09/30/2019	11/21/2018 (date of inception) to 09/30/2019
TF0A9487	Transformation of Agriculture Sector Program 4 Program for Results Phase 2	Bank	USD	1,000,000.00	130,420.13	474,843.97
TF0B0153	Rwanda Transformation of Ag Sector PforR Phase 2 RE	Recipient	USD	17,000,000.00	10,321,429.00	10,321,429.00

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## WORLD BANK GROUP

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Transformation of Agriculture Sector Program 4 Program-for-Results Phase 2 Multi-Donor Trust Fund  
(WORLD BANK REFERENCE 73201) - Multi Donor Fund

### UNAUDITED TRUST FUNDS FINANCIAL REPORT

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#### Notes:

1. This statement is prepared on the modified cash basis of accounting
2. Other costs (where applicable) represent all disbursements incurred prior to July 2000.
3. Administrative fees are generally collected from the trust fund in the same month in which contributions are received, however for administrative purposes, collection of fees may occur in the month following receipt of the contribution.
4. Amounts committed relate to the amounts yet to be disbursed for active and pending recipient executed grant agreements and the undisbursed balance of bank executed trust funds.
5. Investment income of this trust fund is credited to TF073201 ( Transformation of Agriculture Sector Program 4 Program-for-Results Phase 2 Multi-Donor Trust Fund ) in accordance with administration agreement(s) and hence forms part of the fund balance of this trust fund.
6. Where applicable, amounts displayed against "staff costs (including benefits)", "Extended Term Consultants/Temporary costs (ETC/ETT)" costs & "Short Term Consultants/Temporary Costs (STC/STT)" costs include charges to cover the cost of benefits and general communication facilities and IT costs unless otherwise specified in the Administration Agreement for the Trust Fund.