



**RWANDA DAIRY COMPETITIVENESS PROGRAM II**

**QUARTERLY REPORT**

**April – June 2012**

**CA# USAID-696-A-12-00002**

**Submitted to**

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**July 2012**

**RWANDA DAIRY COMPETITIVENESS PROGRAM II**  
**CA# USAID-696-A-12-00002**

**QUARTERLY REPORT**

**April 1, 2012 – June 30, 2012**

Name of Project:

Rwanda Dairy Competitiveness Program II

Regions:

Northern, Southern, Eastern and Kigali Milk Sheds

Dates of project:

Jan 6, 2012 – Jan 5, 2017

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## Acronyms and Abbreviations

|         |   |
|---------|---|
| ABS     | African Breeders Services Total Cattle Management Limited |
| AI      | Artificial Insemination                                   |
| BDS     | Business Development Services                             |
| COMESA  | Common Market for Eastern and Southern Africa             |
| COP     | Chief of Party  |
| DAF     | Director Administration and Finance                       |
| DCA     | Development Credit Authority                              |
| DCOP    | Deputy Chief of Party                                     |
| DSWG    | Dairy Sector Working Group                                |
| DQAL    | Dairy Quality Assessment Laboratory                       |
| EADD    | East Africa Dairy Development project                     |
| EMMP    | Environmental Mitigation and Monitoring Plan              |
| ESADA   | East and Southern Africa Dairy Association                |
| GBV     | Gender Based Violence                                     |
| IEE     | Initial Environmental Examination                         |
| M&E     | Monitoring and Evaluation                                 |
| MCC     | Milk Cooling Centers                                      |
| MINAGRI | Ministry of Agriculture and Animal Resources              |
| NDS     | National Dairy Strategy                                   |
| NGOs    | Non-governmental Organizations                            |
| PLHIV   | People Living with HIV/AIDS                               |
| PMP     | Performance Management Plan                               |
| RARDA   | Rwanda Animal Resources Development Authority             |
| RBS     | Rwanda Bureau of Standards                                |
| RDCP II | Rwanda Dairy Sector Competitiveness Program II            |
| RMSA    | Rwanda Milk Sellers Association                           |
| RNDB    | Rwanda National Dairy Board                               |
| RSOQ    | Rwanda Seal of Quality                                    |
| SOQ     | Seal of Quality   |
| ToRs    | Terms of Reference  |
| UCD     | University of California – Davis                          |

## Introduction

This report covers the period April -June 2012, second activity period since the Rwanda Dairy Competitiveness Project II was awarded to Land O'Lakes in January 2012. The RDCP II project was designed to reduce poverty through expanded marketing of quality milk that generates income and employment, and improves nutrition of rural households. The project aims to achieve this by linking existing and new smallholder dairy producers to expanding market demand driven by improved quality, reduced transaction costs and increased investment all along the dairy value chain. USAID fully obligated RDCP II in mid-April. This allowed project start-up phase to be finalized and initial implementation to get underway.

RDCP II is addressing the various challenges that the Rwandan dairy industry faces. The industry continues to be dominated by the informal sector supplying low quality raw milk. This informal sector is characterized by a lack of incentives to expand and or upgrade production or processing practices. The ripple effect through the supply chain is clear and is demonstrated by a lack of or reluctance for new domestic product development, more intense competition with regional processors, and regional standards that are challenging to enforce. The informal sector is risk averse concentrating on known suppliers at one end and regular buyers/consumers at the other. In addition, it is plagued by losses due to poor handling practices creating health risks for the end consumer.

The overarching goal and mission for RDCP II is *to increase the competitiveness of Rwandan dairy products in regional markets to positively impact rural household incomes associated with dairy-related enterprises.*

RDCP II will upgrade the entire dairy value chain by stimulating investment and helping improve management practices at key points along the value chain, from the smallholder producer to milk cooling centers (MCC), milk transporters and milk processors. In addition RDCP II will build capacity of sector wide institutions, including relevant departments in Minicom and Minagri that interact directly with the dairy sector, the Rwanda National Dairy Board (RNDB) and Rwanda Bureau of Standards (RBS), empowering them to lead the dairy industry while facilitating them to advocate for and bring about positive policy initiatives and reforms. Progress in improving the competitive position of Rwanda's dairy industry will be measured by tracking export market expansion, change in farm level dairy income, number of new products that meet industry quality standards/awarded Rwanda Seal of Quality (RSOQ), value of non RDCP II resources leveraged for the sector's development, and number of policy reforms advocated for and/or enacted among other progress measures.

## Gender

RDCP II will endeavor to build the capacity of women and men at all levels within the dairy sector. Gender mainstreaming within the project will raise the importance of gender awareness and the benefits for the dairy sector as a whole to be attained as a result of having a clearly defined gender strategy in place

from project inception.

The attainment and maintaining of quality production and standards through training supervision and follow up is an area suited to providing opportunities for women as well. Driving and achieving the quality vision for Rwanda's milk provides a significant opportunity for women to benefit and participate at all levels of the sector. The RDCP II project hired a Gender Advisor in mid-May and drew up a provisional gender mainstreaming plan which interacts with all project activities. Mainstreaming gender right from the initial stage of RDCP II through the implementation, at evaluation, and in all project interventions will stimulate rapid adoption of strategies beneficial to women and will help to increase women's participation; reduce gender disparities, mitigate harmful effects i.e. Gender Based Violence, bring forth sustainable development and ensure equal access and control of available opportunities to women as well as men.

The process of mainstreaming gender will be guided by the 'gender guiding tool' that has been developed by the gender advisor for RDCP II staff to guide them throughout implementation processes. This will also apply to awarding of grants; as one of the criteria the applicant has to clearly state how gender will be mainstreamed into the project, and further indicate expressive approaches to address gender, girls and women empowerment. Then grantees will receive gender awareness training as part of their grant approval procedure. It is in this regard that the gender advisor has been involved in initial introductions and scoping visits at district level so that RDCP II commitment to gender is visible from the beginning of the project.

## Grants and Investment

RDCP II will place particular emphasis on leveraging additional investment from both the public and private sectors. This investment helps to ensure ownership and shows a vested interest in long term success and growth. The project will, from the beginning, actively seek and support partners willing to invest their own resources in the long term development of Rwanda's dairy sector. This vested interest provides the basis for RDCP II's exit strategy which will be in place from year one. This process will be driven by the grants program which will commence during the next quarter.

The grants component will be a critical tool in stimulating the dairy industry, encouraging investment that will raise the caliber of this sector as a whole. The sub awards manager joined RDCP II mid- May. Preparation of the grants manual was started in June and will be finalized next quarter in time for the approval of grants. Grants disbursement will also commence next quarter. A grants advertisement will be placed in the Rwanda press in July and evaluation of proposals will commence at the end of July.

RDCP II will receive a visit from LOL head-quarters contracts and compliance specialist during the next quarter to ensure best practices are followed by RDCP II staff and to train RDCP II sub awards manager.

## Sub-Contractors

RDCP II with its three sub-contractors, ABS, INSPIRED and University of California - Davis (UC Davis) will foster industry collaboration to promote a growth oriented enabling environment for the dairy sector. Key to this output will be enhanced and effective on going communication between public and private stakeholders.

ABS will focus on maintaining strong private sector growth and development, introducing best production practices as initiated under the first Rwanda Dairy Competitiveness project. ABS activities are now fully integrated into RDCP II activities; at field level all staff is identified as RDCP II staff to avoid unnecessary confusion. ABS currently has two field production staff, in the next quarter it will recruit an additional two field production staff so that there will be one production specialist per milk shed. This will complement the milk shed quality team. From next quarter each milk shed team will have one production and one quality specialist working as a unit.

The INSPIRED sub contract was finalized in June. A key first activity for INSPIRED will be a financial services survey and analysis in the four milk sheds and Kigali. This activity has now been incorporated into the National Dairy Strategy (NDS). This analysis will represent a key component of the strategy. This analysis will be carried out during the next quarter and will be completed within the timeframe of the NDS.

UC Davis will initially concentrate on providing a sustainable veterinary framework and creating locally appropriate animal health policies. UC Davis activities will commence during the next quarter and the direction of their activities will now be focused and determined by the outcome of the NDS.

## Stakeholder Collaboration

During this quarter, RDCP II continued to engage with a broad range of key stakeholders in the dairy sector both public and private sector. This collaboration and dialogue has been evident across the board. The RDCP II team began initial introductions at district level at the end of April. The objective of introductions at district level is twofold: for registration and to introduce the project staff so that implementation of activities may commence in the next quarter. The Rwanda financial year commences July 1 so many of RDCP II activities will become aligned with the district activity calendar.

During the quarter, USAID asked RDCP II to carry out the Rwanda National Dairy Strategy (NDS). This resulted in the need for ongoing discussions with Minagri in the design of the terms of reference for this activity. It is intended that the strategy will be a collaborative process between Minagri and Minicom. Inter-ministerial dialogue and cooperation between these two ministries is not guaranteed so RDCP II will invest considerable effort into improving the required dialogue on the NDS as support from ministries is key to successful strategy development and ultimately implementation.

RDCP II engaged with other NGO's involved in the dairy sector to explore areas of collaboration. RDCP II and EADD held discussions on how and which EADD activities will transition to RDCP II as EADD enters its final year of implementation. The collaboration with EADD on the presentation of the consumer survey and the associated strategy workshop was a working example of this collaborative effort.



In addition RDCP II cohosted an outcome mapping exercise in which the lead organizations in dairy were consulted on how best to engage government towards facilitating a policy environment. Similarly RDCP II will engage with other non-governmental organizations as the NDS process gets underway during the next quarter, such as Heifer International, SNV and Send a Cow.



Local school children celebrate National Dairy Week at the Kigali Agricultural Show June 2012

RDCP II supported the attendance of stakeholders both public and private to attend the Eastern and Southern African Dairy Conference (ESADA) conference and USAID working session on challenges to the dairy sector in Nairobi at the end of April. Participants supported included those from RBS, Minagri, Minicom, RNDB and DQAL. In collaboration with RAB, RDCP II supported the latter with promotional material for the National Dairy Week during the National Agricultural Show held in Kigali in early June. At the same event RDCP II supported RNDB and DQAL to host a stand to promote their respective products and services.

## Administration

The RDCP II Director of Administration and Finance (DAF) joined mid- May. In this quarter the DAF attended training on USAID Rules and Regulations held in Kigali during May. He was joined at this training by five other RDCP II staff, these included Chief of Party, Deputy Chief of Party, Sub awards Manager, Accountant and Officer Manager. Land O Lakes regional manager for accounting and controls visited RDCP II to hold two week training on Land O Lakes financial procedures and accounting systems at the end of May.

Key administrative tasks included the establishment of project financial and procurement procedures, waivers were obtained from USAID for the purchase of project motorbikes for field staff and three additional project vehicles. Motorbikes were delivered to the project at the end of June and vehicles are expected to be delivered end of July.

All documentation was submitted to International Non- Governmental (INGO)

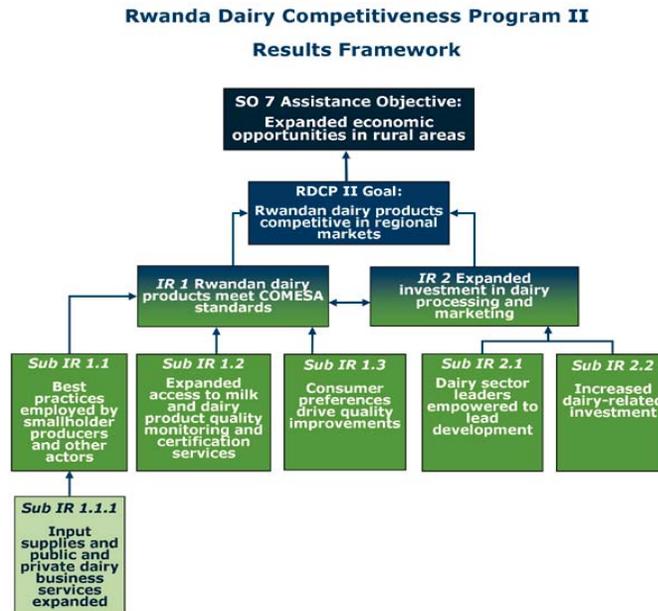
department in June as per requirement for an annual project registration. It is expected registration certificate will be received in July for the period July 2012– June 2013. The process for registration required RDCP II to obtain approval to implement at district level before submitting to central registration office in Kigali. This was carried out for eight initial districts and the required approvals from these districts were received.

RDCP II has identified the regional project office locations, Rwamagana, Muzanse and Nyanza. RDCP II preference is to locate the project office within or in the proximity of the provincial administrative offices. As of the end of June, Musanze district had offered to accommodate the regional office but both Nyanza and Rwamagana were short of office space. RDCP II administration department has started the process to find suitable alternative offices in these locations. RDCP II staff operating at milk shed level will operate from these locations. This will consist of a milk shed production specialist and a milk shed quality specialist.

The Land O' Lakes Human Resources manager visited RDCP II for three days in May to carry out training and to familiarize project staff with Land O' Lakes operational policies and practices.

## Organization Chart

## Results Framework



## RDCP II Performance and Results

The following presents a summary of the main activities initiated during the quarter laying the foundation for full implementation as we move into the final quarter of the USAID fiscal year.

Requests for proposals for the RDCP II baseline survey were placed in the Rwanda and regional newspapers. A total of 12 companies submitted proposals. Following an evaluation a local company was identified to carry out the baseline activity. The contract will be awarded in July allowing the company to commence the baseline survey during the next quarter. Owing to the GoR National household census no household surveys are permitted in Rwanda during July and August. However the preparatory portion of the baseline will be completed and the non-household portion finalized before September 1 allowing the on farm data to be collected after September 1. This will allow for RDCP II to have year one data on which to base project performance during years 2-5.

RDCP II has two project IR's:

- IR 1: Rwanda dairy products meet COMESA standards; and
- IR 2: Expanded Investment in dairy processing and marketing.

### IR 1: Rwandan Dairy Products Meet COMESA Standards

#### IR1.1 Best Practices Employed by small holder producers and other actors

This intermediate result will be tackled through adoption of production technologies and best practices maintaining the quality of milk as it passes through the dairy value chain. Progress made will be referenced to as per the PMP targets.

RDCP II will promote three core activities in relation to production. These will be the Feed Flow Plan, the Herd Health Plan and the Reproduction Plan. RDCP II will work with service providers in each milk shed to devise improved service delivery in relation to these three core activities. Plans will be tailored by service providers and adopters to suit the environment in each milk shed. Efficient demand driven service delivery will be key. Scoping activities commenced during the quarter to identify relevant information pertaining to each of these service delivery models. The sub awards program will be the mechanism to drive and stimulate service delivery.

With regard to quality, the SOQ quality program will become the basis for maintaining quality milk along the value chain. Detailed discussions were held during the quarter with three interested early adopters of the SOQ program namely Blessed Dairies, Kivu Dairies and Inyange Industries. Promotion of best hygiene and handling practices will be led by these milk buyers as a means of maintaining milk quality.

Presentations were made to and discussion held with RAB and RBS on how best to integrate the proposed SOQ program into their current areas of responsibility. MOU's will be drafted for each organization on the modality of how best RDCP II can support their adoption of the SOQ innovation.

Nigel Wilkinson made two visits during the quarter to progress the design of the SOQ program. He worked with RDCP project staff to come up with a time frame for roll out and development of the program. Pace of roll out will be determined by individual companies as each one will most likely adopt the program to best suit its particular requirements.

| <b>Strategic Objective 7: Expanded economic opportunities in rural areas</b>   |   |  |                                   |                              |                 |
|--|---|--|-----------------------------------|------------------------------|-----------------|
| <b>Intermediate Result 1: Rwandan Dairy Products Meet COMESA Standards</b>   |   |  |                                   |                              |                 |
| <b>IR 1.1: Best practices employed by smallholder producers and other actors</b>   |   |  |                                   |                              |                 |
| <b>IR Objective</b>  | <b>Activity</b>   | <b>Indicator</b>   | <b>Y1 Tgt</b>                     | <b>Verification</b>          | <b>Schedule</b> |
| Increase industry competitiveness by employing production level best practices via private and public extension services to increase supply of high quality milk | 1.1: Increase smallholder adoption of best practices through delivery of extension services | Value of incremental milk sales (collected at farm- level) attributed to FTF implementation                          | 10% increase compared to baseline | Beneficiary household survey | Semi annually   |
|  |   | Change in liters of milk marketed by Milk Collection Centers   | 10%                               | Review of MCCs' records      | Monthly         |
|  |   | Number of farmers and others who have applied new technologies or management practices as a result of USG assistance | 100                               | Beneficiary household survey | Semi annually   |

|  |  |   |      |  |           |
|--|--|---|------|--|-----------|
|  |  | Number of individuals who have received USG supported short term agricultural sector productivity or food security training | 1800 | Review of program, MCC, coop, input suppliers, cheese makers, processors, milk sellers, milk transporters' records | Quarterly |
|--|--|---|------|--|-----------|

**IR 1.1.1 Input supplies and Public and Private dairy business services expanded**

Activities related to this IR will be driven by the sub awards process. It is expected that many of the grant application will be related to the area of input supply and improved service provision.

| <b>Strategic Objective 7: Expanded economic opportunities in rural areas</b>   |  |   |   |                                      |                 |
|--|--|---|---|--------------------------------------|-----------------|
| <b>Intermediate Result 1: Rwandan Dairy Products Meet COMESA Standards</b>   |  |   |   |                                      |                 |
| <b>IR 1.1.1: Input supplies and Public and Private dairy business services expanded</b>  |  |   |   |                                      |                 |
| <b>IR Objective</b>  | <b>Activity</b>  | <b>Indicator</b>  | <b>Year 1 Target</b>                    | <b>Verification</b>                  | <b>Schedule</b> |
| Stimulate investments in new inputs and services; expand the number of innovative, low cost high impact services, inputs and technologies available, and serve as a catalyst to increase utilization of these goods and services | 1.1.1a: Build capacity of private sector input and service providers                                     | Number of MSMEs receiving business development services from USG assisted sources | 100                                     | Review of benefitting MSME's records | Quarterly       |
|  | 1.1.1b: Stimulate demand for and provision of new inputs and services through business innovation grants | Value of inputs and services used by members of targeted producer cooperatives    | 20% increase compared to baseline value | Beneficiary household survey;        | Semi Annually   |
|  | 1.1.1c: Facilitate BDS solutions to meet industry needs  |   |   |                                      |                 |

**IR 1.2 Expanded access to milk and dairy product quality monitoring and certification services**



Fig 1: Diagrammatic representation of proposed collaboration with the SOQ

RDCP II held discussions with RAB and RBS on implementation of Seal Of Quality SOQ program. Above is a diagrammatic representation as to how collaboration might proceed as presented to these parties in collaboration with other stakeholders such as DQAL and RNDB.

RAB is responsible for activities related to milk quality up to processor stage from there RBS takes over. RDCP II proposed the introduction of interns to bolster RBS field monitoring presence. An MOU will be prepared but in principle RBS have confirmed their interest in such an arrangement. RAB already has sufficient field presence to inspect and monitor quality of milk. Recruitment of interns by RBS is planned to commence early in the next quarter. RDCP II will contribute towards intern's salaries. The specifics of the arrangement will be finalized in the next quarter. RBS will train and supervise the internees. It is important to develop RNDB capacity as an organization that is seen to provide services of value to the dairy sector. Improved and consistently excellent milk quality is critical if Rwanda is to develop competitive advantages over regional alternatives in the dairy value chain

RBS will be training RDCP II and DQAL staff on quality standards in July so that staff are familiar with and knowledgeable of the details related to dairy standards.

|  |                 |                  |                      |                     |                 |
|--|-----------------|------------------|----------------------|---------------------|-----------------|
| <b>Strategic Objective 7: Expanded economic opportunities in rural areas</b>                           |                 |                  |                      |                     |                 |
| <b>Intermediate Result 1: Rwandan Dairy Products Meet COMESA Standards</b>                             |                 |                  |                      |                     |                 |
| <b>IR 1.2: Expanded access to milk and dairy product quality monitoring and certification services</b> |                 |                  |                      |                     |                 |
| <b>IR Objective</b>  | <b>Activity</b> | <b>Indicator</b> | <b>Year 1 Target</b> | <b>Verification</b> | <b>Schedule</b> |

|   |  |  |   |                                |          |
|---|--|--|---|--------------------------------|----------|
| Enhance milk quality standards and certification, and laboratory testing services | 1.2.a Clarify roles and strategy of key partners | Number of new milk quality assessment technologies\protocols adapted\implemented | 1 | Review of DOAL and RBS records | Annually |
|   | 1.2.b Build capacity of RBS and MINAGRI          |  |   |                                |          |
|   | 1.2.c Build capacity of DOAL                     |  |   |                                |          |
|   | 1.2.d Enhance marketing of services              |  |   |                                |          |

### IR 1.3 Consumer preferences drive quality improvements

Converting non-users and increasing consumption per consumer also key to closing nutrition requirements gap

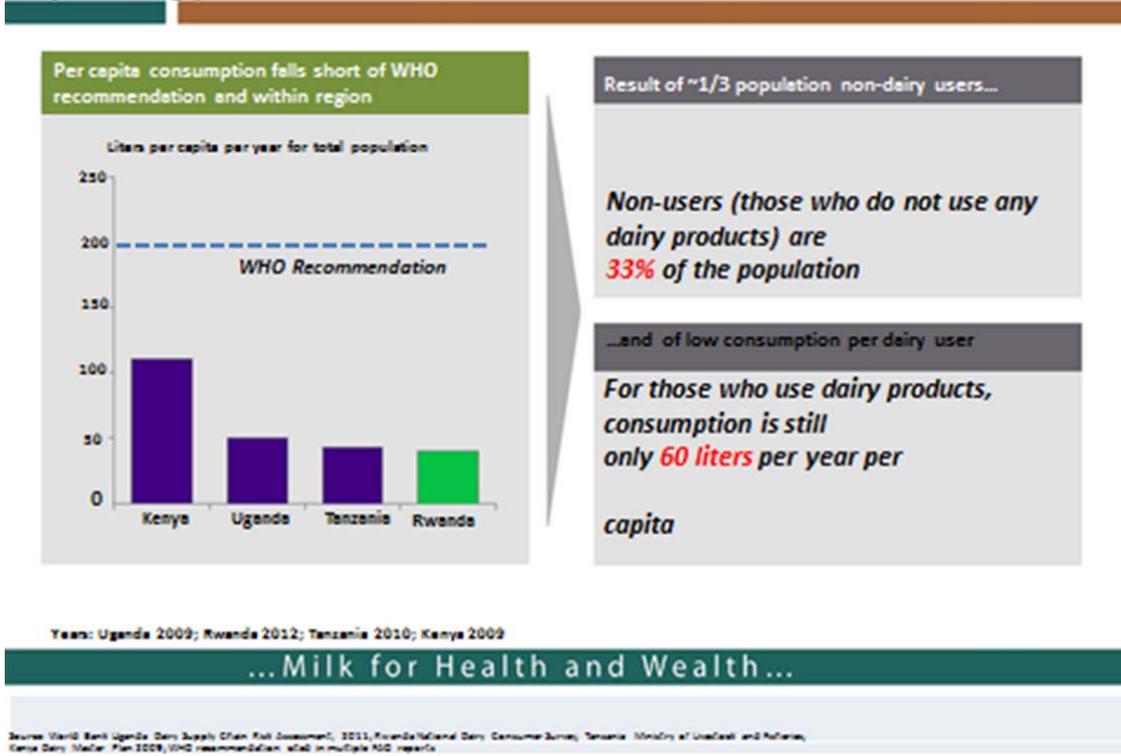


Fig 2 Slide from EADD Consumer Survey highlighting current Rwanda consumption

The EADD survey presented at the end of May revealed many interesting facts about milk consumption in Rwanda. Most notably that one in three Rwandans do not drink any milk and also that per capita consumption is currently about 40 liters per year, the lowest in the EAC.

RDCP II collaborated closely with EADD in the survey presentation and preparation for the two day workshop which was hosted by Minicom. The

workshop portion was intended to inform Minicom of current status of the dairy sector and suggested key areas of intervention.

In advance of the presentation RDCP II participated in a two strategy outcome mapping exercise with key dairy NGO partners (Heifer, EADD, Technoserve, Send a Cow, SNV). The objective was to obtain consensus on the issues in the dairy sector so that the presentation and discussion session on May 30 /31 could be focused and informative on key marketing related issues. Minicom decided to move forward with the formulation of marketing and processing strategy using much of the data and information presented as a basis for the proposed Minicom strategy.

| <b>Strategic Objective 7: Expanded economic opportunities in rural areas</b>   |  |  |                      |   |                 |
|--|--|--|----------------------|---|-----------------|
| <b>Intermediate Result 1: Rwandan Dairy Products Meet COMESA Standards</b>   |  |  |                      |   |                 |
| <b>IR 1.3.:Consumer Preferences Drive Quality Improvements</b>   |  |  |                      |   |                 |
| <b>IR Objective</b>  | <b>Activity</b>  | <b>Indicator</b>   | <b>Year 1 Target</b> | <b>Verification</b>                               | <b>Schedule</b> |
| Rwanda National Dairy Board (RNDB) leading a rigorous RSOQ program that provides accountability to consumers from farm to processing plant | 1.3.a Develop RSOQ strategy with RNDB and processors support within first 90 days                      | Number of new products awarded ROSQ                        | 3                    | Review of RNDB and assisted smallholders' records | Quarterly       |
|  | 1.3.b Design RSOQ product testing and certification program with RNDP and processors within six months | Percentage of milk marketed under national seal of quality | 5%                   | Review of RNDB records                            | Semi annually   |
|  | 1.3.c Increase demand for RSOQ products  |  |                      |   |                 |
|  | 1.3.d Facilitate regional market expansion   |  |                      |   |                 |

**IR 2: Expanded Investment in Dairy Processing and Marketing**

**2.1 Dairy Sector Leaders empowered to lead development**

This IR will be driven by the National Dairy Strategy (NDS) which RDCP II has been tasked to complete by USAID in collaboration with Minagri and Minicom. The Terms of Reference (ToR's) for the NDS team were compiled by Minagri with support from USAID and RDCP II. The ToR's were approved by the DSWG. A team leader, Greg Sullivan, was selected and approved by Minagri. He will make a first visit to Rwanda in July. The other consultants identified included the local support firm, the processing expert, Value chain assessment expert, costing expert and the financial services analysis firm. The firm to carry out the regional demand analysis will be identified in July. The time table for completion of the NDS is late September.

This activity was not originally in RDCP II scope of work but it will greatly determine the direction the project will follow especially as far as policy related issues are concerned. Minagri is committed to inclusion of the NDS in the PSTA III which is the mechanism for funding the NDS from July 2013 for a 5 year period. This is a significant undertaking by RDCP II and allows the project to be fully

engaged at all levels of dairy intervention and decision making. The NDS takes into account public, private and civil society opinion. It will ultimately be a collaborative document between Minagri and Minicom. This collaboration is key to the successful implementation of the strategy. The outcomes of the NDS will determine many of the activities mentioned below.

| <b>Strategic Objective 7: Expanded economic opportunities in rural areas</b>  |  |  |                      |  |                 |
|---|--|--|----------------------|--|-----------------|
| <b>Intermediate Result 2: Expanded investment in dairy processing and marketing</b>   |  |  |                      |  |                 |
| <b>IR 2.1.: Dairy Sector Leaders Empowered to Lead Development</b>  |  |  |                      |  |                 |
| <b>IR Objective</b>   | <b>Activity</b>  | <b>Indicator</b>   | <b>Year 1 Target</b> | <b>Verification</b>                      | <b>Schedule</b> |
| Empower industry institutions and leaders to drive industry competitiveness through increased stakeholder engagement, leadership development and stakeholder advocacy | 2.1.a Build capacity of RNDB and DSWG                            | Number of Policies, regulations, and administrative procedures in development, passed or being implemented as a result of USG assistance   | 1                    | Review of RNDB and stakeholders records  | Annually        |
|   | 2.1.b Facilitate institutional and association capacity building | Number of dairy related firms and organizations newly aligned within and provided a voice by dairy sector affinity organizations   | 20                   | Associations records review              | Annually        |
|   | 2.1.c Foster a competitiveness -enhancing enabling environment   | Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance                                | 100                  | Review of benefiting enterprises records | Annually        |
|   | 2.1.d Leadership training, mentorship and networking             | Number of private enterprises, producers organizations, water users associations, women's groups, trade and business associations and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance | 50                   | Review of benefiting enterprises records | Annually        |
|   |  | Number of members of producer organizations and community based organizations receiving USG assistance   | 4000                 | Review of benefiting enterprises records | Annually        |

## IR 2.2 Increased Dairy Related investment

This IR will be driven by the RDCP II grants program which will commence in the next quarter. The advertisement for grants will be placed in national newspapers in July and the evaluation of grants submitted will commence in August with first sub awards being made in August and September.

| <b>Strategic Objective 7: Expanded economic opportunities in rural areas</b>            |  |  |                 |   |                 |
|---|--|--|-----------------|---|-----------------|
| <b>Intermediate Result 1: Expanded investment in dairy processing and marketing</b>     |  |  |                 |   |                 |
| <b>IR 2.2.: Increased Dairy-Related Investment</b>                                      |  |  |                 |   |                 |
| <b>IR Objective</b>   | <b>Activity</b>  | <b>Indicator</b>   | <b>Yr 1Tgt</b>  | <b>Verification</b>   | <b>Schedule</b> |
| Stimulate and leverage capital investments needed to upgrade the dairy value chain      | 2.2.a Coordinate and leverage industry investment                      | Value of non-program resources leveraged by the project  | USD 1 Million   | Review of RNDB and stakeholders records   | Quarterly       |
|   | 2.2.b Promote investment at all levels in the dairy sector             | Total increase in installed storage capacity (Cubic meters)  | 10 Cubic meters | Review of benefitting MCCs records, Spot check verifications  | Quarterly       |
|   | 2.2.c Stimulate supply and demand for dairy-related financial services | Value of Agricultural and Rural Loans  | USD 100,000     | Review of benefitting value chain actors records; review of participating financial providers records | Semi Annually   |
|   | 2.2.d Facilitate investment in underserved markets                     | Number of dairy farms and dairy enterprises with upgraded production facilities resulting from successful financing applications | 100             | Beneficiary household survey; spot check verifications; review of cooperative records                 | Semi Annually   |
| Liters of additional daily milk processing resulting from financing assisted by RDCP II |  |  |                 |   |                 |

## Annual Performance Data Table

| RWANDA DAIRY COMPETITIVENESS PROGRAM   |                           | Start Current Year | 1-Oct-11       | Start Project                           | 6 Jan-12                                | Year                     | 1                 | Current Work Plan Start date:   |
|--|---------------------------|--------------------|----------------|---|---|--------------------------|-------------------|---|
| Agremnt No.  | CA # USAID-696-A-12-00002 | End Current Year   | 30-Sept-12     | End Project                             | 05-Jan-17                               | Quarter                  | 3                 | February 2012   |
| Performance Indicator  |                           |                    | Baseline Value | Cumulative Program Target               | Year 1 Target                           | Actual Quarter 3 FY 2012 | Actual Cumulative | Comments  |
| <b>Program Objective: Rwanda Dairy Products competitive in Regional markets</b>                                      |                           |                    |                |   |   |                          |                   |   |
| Value of dairy products exports as a result of USG assistance  |                           |                    | TBD            | 60% increase compared to baseline value | 0                                       | 0                        | 0                 | Implementation of field activities at field level has not yet commenced. Most activities will be implemented through the RDCP II grant program. Steps to disseminate information to the public on the grants mechanism were initiated during the quarter, and proposals evaluation is expected to be carried out from early August. |
| Number of jobs attributed to FTF implementation  |                           |                    | 0              | 7,500                                   | 500                                     | 0                        | 0                 |   |
| Number of rural households benefiting directly from USG assistance   |                           |                    | 0              | 20,000                                  | 2500                                    | 0                        | 0                 |   |
| Number of vulnerable households benefiting directly from USG assistance  |                           |                    | 0              | 40%                                     | 40%                                     | 0                        | 0                 |   |
| Change in net dairy income among targeted households   |                           |                    | TBD            | 60%                                     | 10%                                     | 0                        | 0                 |   |
| <b>IR 1.0: Rwanda Dairy Products Meet COMESA Standards</b>   |                           |                    |                |   |   |                          |                   |   |
| Value of incremental milk sales (collected at farm- level) attributed to FTF implementation                          |                           |                    | TBD            | 60% increase compared to baseline value | 10% increase compared to baseline value | 0                        | 0                 | In addition the NDS will provide direction for specific activities as RDCP II will be closely aligned with findings and recommendations of NDS which are due by the end of the next quarter.  |
| Change in liters of milk marketed by Milk Collection Centers (MCCs)  |                           |                    | TBD            | 60%                                     | 10%                                     | 0                        | 0                 |   |
| <b>IR 1.1: Best practices employed by smallholder producers and other actors</b>                                     |                           |                    |                |   |   |                          |                   |   |
| Number of farmers and others who have applied new technologies or management practices as a result of USG assistance |                           |                    | 0              | 16000                                   | 2000                                    | 0                        | 0                 |   |

| Performance Indicator  | Baseline Value | Cumulative Program Target               | Year 1 Target                           | Actual Quarter 3 FY 2012 | Actual Cumulative | Comments |
|--|----------------|---|---|--------------------------|-------------------|----------|
| Number of individuals who have received USG supported short term agricultural sector productivity or food security training  | 0              | 18000                                   | 3000                                    | 0                        | 0                 |          |
| <b>IR 1.1.1: Input supplies and public (RARDA) and dairy business services expanded</b>  |                |   |   |                          |                   |          |
| Number of MSMEs receiving business development services from USG assisted sources  | 0              | 1500                                    | 100                                     | 0                        | 0                 |          |
| Value of inputs and services used by members of targeted cooperatives  | TBD            | 80% increase compared to baseline value | 20% increase compared to baseline value | 0                        | 0                 |          |
| <b>IR 1.2: Milk and dairy product quality monitoring and certification services available</b>  |                |   |   |                          |                   |          |
| Number of new milk quality assessment technologies\protocols adapted\implemented   | 0              | 10                                      | 1                                       | 0                        | 0                 |          |
| <b>IR 1.3: Consumer preferences drive quality improvement</b>  |                |   |   |                          |                   |          |
| Number of new products awarded RSOQ  | 0              | 30                                      | 3                                       | 0                        | 0                 |          |
| Percentage of milk marketed under RSOQ   | 0              | 35%                                     | 5%                                      | 0                        | 0                 |          |
| <b>IR 2.0: Expanded investment in dairy processing and marketing</b>   |                |   |   |                          |                   |          |
| Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation   | 0              | 20 M USD                                | 1 M USD                                 | 0                        | 0                 |          |
| <b>IR 2.1: Dairy sector leaders empowered to lead development</b>  |                |   |   |                          |                   |          |
| Number of Policies, regulations, and administrative procedures in development, passed or being implemented as a result of USG assistance <sup>1</sup>  | 0              | 9                                       | 1                                       | 0                        | 0                 |          |
| Number of dairy related firms and organizations newly aligned within and provided a voice by dairy sector affinity organizations   | 0              | 250                                     | 20                                      | 0                        | 0                 |          |
| Number of private enterprises, producers organizations, water users associations, women's groups, trade and business associations and community-based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance | 0              | 750                                     | 50                                      | 0                        | 0                 |          |
| Number of members of producer organizations  | 0              | 15,000                                  | 4000                                    | 0                        | 0                 |          |

<sup>1</sup> This indicator will include all 5 policy stages. RDCPII will count the highest stage completed during the reporting year

| Performance Indicator  | Baseline Value | Cumulative Program Target | Year 1 Target | Actual Quarter 3 FY 2012 | Actual Cumulative | Comments |
|--|----------------|---------------------------|---------------|--------------------------|-------------------|----------|
| and community based organizations receiving USG assistance   |                |                           |               |                          |                   |          |
| <b>IR 2.2: Increased dairy related investment</b>  |                |                           |               |                          |                   |          |
| Total increase in installed storage capacity (Cubic meters)  | 0              | 100                       | 10            | 0                        | 0                 |          |
| Value of Agricultural and Rural Loans  | 0              | USD 1Million              | USD 100,000   | 0                        | 0                 |          |
| Number of dairy enterprises with upgraded production facilities resulting from successful financing applications | 0              | 2,000                     | 100           | 0                        | 0                 |          |
| Liters of additional daily milk processing resulting from financing assisted by RDCP II                          | 0              | 300,000                   | 50,000        | 0                        | 0                 |          |