



RWANDA DAIRY COMPETITIVENESS PROGRAM II

Quarterly Report

January 1 – March 31, 2013

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Submitted to

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QUARTERLY REPORT
January 1, 2013 – March 31, 2013

Name of Project:	Rwanda Dairy Competitiveness Program II
Regions:	Northern, Southern, Eastern and Kigali Milk Sheds
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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
DCA	Development Credit Authority
DCOP	Deputy Chief of Party
DPPD	Dairy Public Private Dialogue
DSWG	Dairy Sector Working Group
DQAL	Dairy Quality Assessment Laboratory
EADD	East Africa Dairy Development project
EDPRS	Economic Development and Poverty Reduction Strategy
EMMP	Environmental Mitigation and Monitoring Plan
ESADA	East and Southern Africa Dairy Association
IEE	Initial Environmental Examination
INGO	International Non-Governmental Organization
GoR	Government of Rwanda
MCC	Milk Collection Center
MINAGRI	Ministry of Agriculture and Animal Resources
MINECOFIN	Ministry of Economic Planning and Finance
MINEDUC	Ministry of Education
MINICOM	Ministry of Trade & Industry
MINALOC	Ministry of Local Government
MINISANTE	Ministry of Health
MS – DSWG’s	Milk Shed – Dairy Sector Working Groups
MSME	Micro and Small Medium Enterprise
NDS	National Dairy Strategy
NGOs	Non-Governmental Organizations
PLWHA	People Living with HIV and AIDS
PMP	Performance Management Plan
PSF	Private Sector Federation
PSTA III	Strategic Plan for the Transformation of Agriculture in Rwanda – Phase III
RAB	Rwanda Agriculture Board
RALIS	Rwanda Agriculture and Livestock Inspection Services
RARDA	Rwanda Animal Resources Development Authority
RBS	Rwanda Bureau of Standards
RDB	Rwanda Development Board
RDCP II	Rwanda Dairy Competitiveness Program II
RMSA	Rwanda Milk Sellers Association

RNDB	Rwanda National Dairy Board
SoQ	Seal of Quality
SP	Service Providers
TOT	Training of Trainers
UCD	University of California – Davis

Introduction and Highlights

This is the quarterly report for the period January 1 to March 31, 2013. The Rwanda Dairy Competitiveness Program II (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. RDCP II 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.

Milk quality and safety

RDCP II continued to collaborate closely with stakeholders to improve quality of Rwandan milk and related products through capacity building. During this quarter, RDCP II facilitated RBS to host two collaborative training sessions on Food Safety Management Systems in January and February 2013 for Rwanda Agricultural Board (RAB) and Rwanda Agriculture and Livestock Inspection Services (RALIS) technicians. Sixteen (11 male and 5 female) RBS and RALIS dairy inspectors and auditors were trained on food safety and quality management along the dairy value chain. In addition 71 (37 male and 34 female) MCC technicians were trained on best practices in milk handling and testing in preparation for the launch of the Seal of Quality program.

Training

Strong training numbers were achieved during this quarter, in addition to the quality training sessions mentioned previously 120 service providers were identified and trained in business development and record keeping, farm best practices, milk hygiene, quality management, cooperative management, gender integration, and dairy loan appraisal. In turn these service providers (input suppliers, milk traders, transporters, Milk Collection Centers (MCCs) and processors) trained 2,812 (1,847 male and 965 female) farmers across the four milk sheds.

Seal of Quality (SoQ)

Preparations for the launch of the SoQ program early in the next quarter continued with procurement of the contents of the SoQ kits, all of which were received at the end of quarter. The SoQ program will provide the basis for achievement of RDCP II targets related to milk quality. RDCP II will ensure that the official launch hosted by RALIS on May 3, 2013 will receive high visibility and national press. This important milestone will raise the profile of achieving quality milk at a national level with direct support and engagement of key government institutions: RALIS, RAB and MINAGRI (Ministry of Agriculture and Animal Resources).

Stakeholder Collaboration

During this quarter RDCP II made substantial strides on increasing collaboration among the stakeholders in the entire dairy sector through facilitating Rwanda's first ever Dairy Public-Private Dialogue (DPPD). This platform brought together public and private sector stakeholders to exchange knowledge and discuss issues core to the growth of the dairy value chain. At the center of this discussion was the draft National Dairy Strategy (NDS) for discussion by the private sector players.



Stakeholders from public and private sector and civil society attended a forum that accorded an opportunity to discuss the draft National Dairy strategy

Following the DPPD at the national level, RDCP II extended the exercise to the grass roots level with an aim of broadening the stakeholders engaged. In collaboration with Rwanda Agricultural Board (RAB) and provincial government leaders' sessions were held in four key milk sheds during the quarter. The dialogue sessions provided an opportunity to advocate for and promote collaboration between the provincial/district authorities and the dairy private sector players in order to position the sector as an important driver for the province's economic growth.

Financial Services

INSPIRED held a dairy financing workshop that attracted 22 officials from 14 financial institutions in Kigali on January 18. The workshop focused on enabling bankers to acquire a better understanding on how the dairy sector operates and how it can be creditworthy. Five financial institutions have signed MoU's with RDCP II to develop dairy financial products and establish linkage between financial institutions and the dairy sector. The MoU's define the working relationship with INSPIRED and the intention to develop new dairy specific financial products and services.



Banking officials from various financial institutions from Kigali were attending the workshop that focused on potential financial dairy products

New financial products design was underway during quarter two with at least two new financial products expected for roll out for dairy farmers in quarter three.

Institutional capacity

University of California Davis (UC Davis) team visited during February. Key outcomes of their visit were formalizing relationships and support to two third-level institutions ISAE and Umutara Polytechnic. Initial support will revolve

around developing outreach capacity of veterinary students from these institutions to engage in a practical manner at farm level on controlling mastitis. Support will also involve developing micro biology skills and laboratory capacity to support the mastitis outreach program.

Grants

RDCP II received approval from USAID for the first tranche of grant applications. Total value of approvals was \$521,483 with main focus on business innovation to improve milk collection, cooling and value addition. The approval included the SoQ testing kits to 31 milk collection centers (MCC's), aggregation points and five processors across the four milk sheds. This activity will raise the visibility of the SoQ quality program at producer level and the kits will provide basic testing expertise at MCC level.



Bicycles are part the equipment being granted to farmers

Gender

Preparing and Updating Training Materials

RDCP II works to ensure gender integration in the dairy sector. Gender training materials and guidelines have therefore been designed to more easily disseminate appropriate gender themes and context by RDCP II staff. These training materials serve as a guiding tool for project staff to engage with dairy farmers on dairy related activities such as capacity building programs, herd health management, milk hygiene and quality handling and cooperative formulation and management.

Gender Integration Trainings

RDCP II facilitated Service Providers/Training of Trainers training for farmers in sectors of Rutunga, Bumbogo and Gikomero in Gasabo district. During these service provider trainings it was crucial that RDCP II integrate the gender dimension so that participants are educated on how to integrate gender to benefit women as well as men. The gender portion of the training focused on gender mainstreaming and integration in the project and the entire dairy sector. The trainings brought together 402 farmers (137 female and 265 male) in March. At the end of the training almost all women



RDCP II Gender and Cooperative development specialist training dairy farmers on gender integration

reported that some level of efficacy was gained and they urged the project to continue the trainings. On the same note, at the end of the trainings the male participants testified that they had a wrong attitude towards women but their attitude has changed because of the trainings, one man said... *"in my family I have been earmarking the cow to be mine but now I am going to change since my wife too looks after it, I realise I was being unjust to say the cow is mine alone"*. A statement that other men present confirmed murmuring "yes" that is true.

Service Providers (SP) were also trained in Kicukiro district and later ToT's trained farmers on gender integration and mainstreaming facilitated by the Gender Advisor. SPs trained were 17 training of trainers, 6 female and 11 male, the Services Providers/Training of Trainers, trained 499 farmers - 215 were female and 284 were male respectively.

In Gisagara and Huye District a training on gender mainstreaming was conducted for new cooperative committee members to enlighten them on the role of women in cooperative development and ensure that gender is mainstreamed in all cooperatives and practices. This training brought together 35 participants (committee members for five dairy cooperatives). 15 were female and 20 were male. Four of these cooperatives formed after RDCPII meetings and trainings with farmers on the importance of cooperatives.

In Nyabihu district SPs/ToTs were trained on gender integration and role of women in dairy sector development. The training brought together 21 participants (18 male and 3 female).

The RDCP II Gender Advisor assessed the situation of MCCs in Musanze District this quarter. She looked at how the cooperative works and how gender is mainstreamed in the cooperatives at a management level. Assessment of commitment to the cooperative endeavors was conducted for Kinigi MCC, Zirakamwa Muhoza MCC and ATVET service provider. The field work involved giving advisory services to MCC committee members on how they can mainstream gender and its importance to the cooperative and members participation and ownership. This was followed up with a one day meeting on strategies to mainstream gender in the cooperatives and tips on how to apply for grants.

Grants and Investment

RDCP II places 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 actively seeks to support partners willing to invest their own resources in the long term development of Rwanda's dairy sector. This approach builds an exit strategy for RDCP II from the very beginning of the program.

This quarter 16 individual grants were submitted and 15 approved by USAID of which were 14 were business innovation grants and one was a competitive service sub-grant. Awardees have been notified. The procurement process to purchase the items to be given out under these grants has started and suppliers have submitted their quotations, which are under final review. The equipment will be ordered and delivered in the third quarter.



ERAGIC, service providers, were awarded a Competitive Sub-grant to provide AI and training for four Districts in Eastern Province

In addition, a SoQ grant request was submitted which involved granting milk quality testing kits to 36 MCC's and five dairy processors. Out of which, grants to 31 MCCs and all five processors were approved by USAID. The procurement process has been completed and items from the SoQ kits will be distributed following an official handover ceremony in early May. The latter coupled with the engagement of key public sector partners will raise the bar on the quality of milk produced and distributed across the sector as a whole.

Additional grant applications have been reviewed internally and four new applications were submitted to USAID for approval at the end of March.

With the ongoing process of formation of a new dairy platform operating within the framework of Private Sector Federation, RDCP II is expecting to receive a grant application to assist the Rwanda National Dairy Board (RNDB) so that it may advocate appropriately for the advancement of Rwanda's dairy sector.

The second call for grant applications was advertised in the Rwanda national newspapers in March with review of additional applications to commence in April. There will be emphasis on several capacity building grants issued to recipients across all milk sheds and grants that offer institutional support.

Stakeholder Collaboration

During this quarter, RDCP II engagement with stakeholders was focused largely on the 4 key milk sheds, Eastern, Northern, Southern and Kigali milk sheds. With the completion of the National Dairy Strategy in the previous quarter, the RDCP II facilitating teams for the respective milk sheds developed customized Competitiveness Milk Shed Action Plans (MS-CAPs). The MS-CAPs contextualized the National Dairy Strategy to each province allowing full participation of the Administrative Leaders and Leadership on the same. It provided an opportunity for zonal/provincial RAB teams to provide relevant input and ownership of the action plans.

In all 4 provinces, presentation and validation of the MS-CAPs was done by a cross section of public and private sector members namely Provincial Governors, District Vice-Mayors responsible for Economic development, other provincial and district leaders and leading milk shed private sector leaders. The validation meetings provided an opportunity for both public and private sector members to interact and discuss shared objectives in the implementation of the NDS understanding clearly their respective roles. This culminated in the formation of Milk Shed Dairy working groups (MS-DWGs) that will be charged with hosting regular forums to deliberate on developments and challenges in the dairy subsector. The MS-DWGs comprise of members of private and public sector including farmers' cooperative leaders, traders, district and provincial leaders and leading government agencies operating in the respective milk sheds. In addition the milk shed forums are key to the validation of the NDS.



Stakeholders including local government officials from Southern Province were presented a window to discuss the Southern MilkShed strategy/plan

The Dairy Public-Private (PPD) dialogue

Preceding the milk shed presentations, RDCP II hosted the first Dairy Public – Private Dialogue in collaboration with Private Sector Federation (PSF) and Rwanda Development Board (RDB). The PPD brought together various participants from both public and private sector. At the Dairy public-private dialogue launch, were the CEO and COO of PSF and RDB respectively, the two organizations that are at the forefront of similar dialogues in the other productive sectors of the Rwandan economy. The session was also attended by the Director General of the Rwanda Agriculture Board (RAB) a key partner in the roll out of key interventions of the NDS. This served as a launch pad for similar Milk shed meetings that took the same approach to the provinces where RDCP II is operational as earlier reported above.

District Collaboration

Special attention during this period has been given to collaboration with stakeholders at the district level with participation in various forums including, District Joint Action Development Forums, District Open days (expo) and partner meetings to enhance our presence and commitment to district development. District commitment letters have been obtained in all 17 districts of operation by the end of this quarter. The collaboration agreements will be followed by participatory planning with respective districts for the following fiscal year 2013-2014 starting in July.

Other partners

RDCP II aims to consolidate the existing strong relationships with both RAB and RALIS in the entrenchment of both dairy production and milk quality best practices across the dairy value chain and to this effect, MoUs have been drafted and reviewed by the respective leaders to be signed as proof of commitment to

the common goal of making Rwandan dairy products competitive in Rwanda and regional dairy markets.

Monitoring & Evaluation and Knowledge Management

During the last quarter, the baseline survey report was finalized and submitted to USAID. The presentation of survey findings to RDCP II stakeholders is scheduled during the second week of April 2013.

Also during the reporting period, RDCP II in collaboration with USAID/AOR undertook the revision of indicators. The focus was on clarifying definitions of some indicators, revising targets, and reviewing data collection methods and disaggregation. The outcome is yet to be approved and finalized but the major change will be an increase of the life of program (LOP) beneficiary target from 20,000 to 35,000. The RDCP II Performance Monitoring Plan (PMP) was also harmonized with the FTF M&E system format.

Challenges and Lessons Learned

RDCP II's light touch BDS approach focuses on partnerships, which requires on going reiteration of the process to ensure collaboration, buy-in and support for project interventions and approach. This at times can slow the pace of implementation relative to a more direct implementation approach, but in the long run results in clearer understanding and buy-in from partners and better ensures adoption and sustainability of project initiative. Significant progress was seen during quarter two in solidifying and formalizing partnerships. However, some challenges remain:

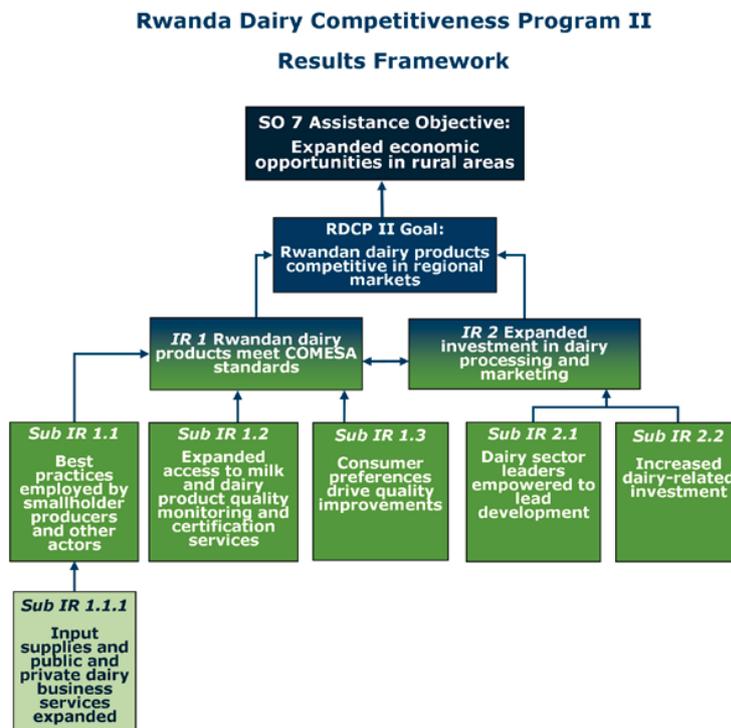
- Through erection of game fences, the Government of Rwanda has partly addressed the problem of disease outbreaks, particularly foot and mouth disease in sectors adjacent to game parks. However, the consequent livestock movement and milk distribution quarantines can delay project implementation. Foot and mouth restrictions were in place in Eastern province during the entire duration of the second quarter.
- RDCP II is encouraging service providers to consider districts where limited dairy infrastructure and shortage of credible dairy service provider may result in delays or reduced pace of project implementation.
- RDCPII has assigned milkshed facilitators to identify, work closely with – and provide technical assistance including grant proposal writing so that timeliness of grant awards to deserving farmer groups with limited skills to write grant proposals may be assisted.
- The pace of roll out of project activities in the various districts can be dependent on engagement of local government and cooperative leadership. Some districts and coops responded quickly while others lag behind. It remains a key responsibility of the RDCP II team to continue this mobilization for full participation of stakeholders. This necessitates

ongoing discussions with leaders to progress activities in their respective districts.

- Key measures have been put in place to increase the low turnout of women in Service Provider Trainings. For example, Field Officers are finding women who have skills to attend even if they are not Veterinary experts.

RDCP II Performance and Results

Figure 1: RDCP II Results Framework



IR 1: Rwandan Dairy Products Meet COMESA Standards

IR1.1 Best practices employed by small holder producers and other actors

Key achievements:

- 3,002 (1,033 female and 1,969 male) individuals trained in addition to 607 trained last quarter making a cumulative total of 3,609 individuals trained against an annual target of 4,500.

- 71 MCC technicians trained on best milk handling practices and milk testing techniques
- 16 dairy inspectors and auditors from RALIS and RAB trained on hygiene and quality management along dairy value chain
- 127 private enterprises, producer orgs, water users associations, women's groups, trade and business associations and CBOs have applied new technologies or management practices as a result of USG assistance. These include MCCs Cooperatives, dairy farmer Unions, processors and other types of MSMEs. The technologies / management best practices under implementation are improved dairy herd management, milk handling and testing best practices and BDS related practices.
- Introduced SoQ program to government institutions RAB, RALIS and RBS with the aim of integrating proposed SoQ program into their current areas of responsibility.
- The SoQ implementation plan finalized with key partners and MOU for RAB and RALIS completed.

Basic milk testing kits have been procured and will be used to address milk quality issues at farm and MCC level. As previously reported, this intermediate result is being tackled through promoting adoption of technologies which enhance productivity and best practices which maintain the quality of milk as it passes through the value chain.

As described in the last report, RDCP II developed four core products/activities in relation to best practices i.e., the Feed Flow Plan, the Herd Health Plan, the Reproduction Plan, and the Clean Milk Production Plan and the SoQ. This quarter focused on beginning to implement those plans in collaboration with the selected service providers through ToTS. The total number of these service providers so far comes to 120.

Implementation of the Plans

Consistent with the RDCP II practice and to facilitate tracking, service providers and MCC personnel were engaged across four districts (Gasabo, Gicumbi, Kicukiro & Nyanza) to train farmers and assist them in implementing best practices plans. The training also covered gender, cooperative development and business as ancillary topics. The service providers or partners were largely from MCCs, The Rwanda Agriculture Board (RAB), milk processing and transport businesses, districts and sectors, and local financial institutions. During this quarter, in accordance with the content of the four core products and ancillary topics, RDCP II trained 103 (29 female and 74 male) service providers under Haji Enterprises, Gasabo Zirakamwa MCC, COTEVIR, ABEKI and UPROCENYA in Nyanza, Gasabo, Kicukiro, Rulindo and Nyabihu districts, respectively. The service provider groups trained during the last (IAKIB in Gicumbi) and current quarter, extended, through RDCP II facilitation, their services to, and trained 2,123 farmers (782 female and 1,341 male) in at least three sectors per district prescribed by individual districts.

In addition to farmers trained by the aforementioned service providers, 689 farmers (26% female) from five Gatsibo District sectors (Kabarore, Kiramuruzi, Kiziguro, Ngarama and Rwembogo) were trained in legume establishment and received Mucuna legume seed (1 kg/farmer) to plant and create a seed base for

cropping larger hectares. The legume forage and seed can be fed as protein sources for ruminants.

By the end of this quarter, 122 farmers had been followed-up in Gicumbi District to determine farmer technology application. The follow-ups are continuing and the data will be analyzed at the end of the exercise. However, from these initial follow-ups, there is anecdotal evidence of application of the improved feeding technologies and feed flow plans that have led to increases in milk production of up to double, and cleaner milk production. As a result of training of farmers by IAKIB and partner service providers, linkages between farmers and service providers were created; for example, the trained farmers will, for the first time, supply milk to IAKIB through cooperatives they promised to establish. To reciprocate the farmer commitment, IAKIB promised to buy the farmers' milk, and maize, soybeans and field beans for its stock feed processing plant.

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

RDCP II worked with potential grantees to expand and or refine their proposals in line with RDCP II expected outputs and targets during the reporting period. Sixteen proposals were submitted for USAID approval.

As reported above, RDCP II continued training of service providers (e.g., Haii Enterprises in Nyanza District; & UPROCENYA in the Northern Milk Shed) to equip them with skills to serve farmers and in turn grow demand for their products and services. Through grant application discussions and evaluation visits, RDCP II engaged AI and veterinary service providers (e.g., COTEVIR, Kigali Milk Shed; UPROCENYA, Northern Milk Shed; & ERAGIC & ITABAZA, Eastern Milk Shed); feed processors and suppliers (e.g., Terimbere Mworozu and NADCO, Eastern Milk Shed; & VETOPROX, Southern Milk Shed); MCCs seeking milk quality improvement and expanded markets for milk (e.g., KIDACO, Southern Milk Shed; & CODERU MCC, Northern Milk Shed) ; and cheese processors (e.g., Fromagerie La Reine, Northern Milk Shed).

Most of these grant applicants aimed at providing services to farmers; however, RDCP II has worked with them to restructure their approach to emphasize sustainable business development through, among other strategies, growing demand for products and services.

Unfortunately, the Kayonza District MCCs, Buhabwa, Nyamiyaga and COABONDE in Murundi, Nyamiyaga and Ndego sectors, respectively, are temporarily closed as a consequence of the Kayonza District foot and mouth disease quarantine. This quarantine has crippled dairy business in the district.

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

The Rwanda Agricultural Board (RAB) and Rwanda Agricultural Livestock Inspection and Certification services (RALIS) form an integral part in implementation of Rwanda's PSTA III. To address milk quality, RAB, RALIS and Rwanda Bureau of Standards (RBS) held a nine-day collaborative training on

Food Safety Management Systems (FSMS) in January and February 2013. The trainings covered hygiene and quality management along the entire dairy value chain, including international codex standards for milk and milk products CAC/RCP 57-2004, ISO22000:2005 and Hazard Analysis and Critical Control Point (HACCP) principles. In total, sixteen dairy inspectors and auditors from RALIS and RAB were trained with RDCP II support.

Each inspector or auditor will utilize this expertise to support RDCP II's Seal of Quality (SoQ) program. This program will help processors, producers and transporters follow quality standards that will increase safety and profitability of their products, ultimately bolstering the national dairy industry.

Dairy inspectors and auditors from across Rwanda trained on Food Safety Management Systems

During the quarter RDCP II organized presentations and discussions with RAB, RALIS and RBS on how to integrate the proposed SoQ program into their current areas of responsibility. RALIS and RAB will support quality training for ToTs to operate as national inspectors and auditors of the SoQ system. These ToTs are the focal points in the roll-out of the SoQ program in various milk sheds. Promotion of best hygiene and handling practices will be led by the



A nine day course gives inspectors and auditors the foundation for building a quality dairy sector.

identified partners (RALIS, RAB and RBS) through training and inspections towards SoQ certification as well as the milk buyers as a means of maintaining milk quality. So far ToTs on quality has been carried out for RAB and RALIS empowering them to train the various actors along the value chain.

In January RDCP II contracted DQAL to train 71 MCC technicians across the four sheds. These technicians will sample and test milk quality at farm level using the SoQ kits. In the meantime these technicians have been operational in their MCCs using skills acquired to ensure proper milk handling at MCCs. SoQ kits will add value to MCC technician operations and will allow them to interpret and disseminate the results back to the farmers with ongoing farmer training to address recurrent issues. This activity will allow quality to be addressed on an ongoing basis at farmer level and will empower the MCC's technical staff to do.

In this regard basic milk testing kits have been procured to be officially launched on 3rd May, 2013 and then be distributed to their respective MCCs, processors and aggregation points.

RDCP II has identified a STTA consultant to work on the SoQ legal frame work, policy statement and national certification budget with RALIS and RAB officials. This activity will commence in the next quarter. The primary objective is to provide support to RALIS to institutionalize a national milk certification program which is adopted and mandated to certify milk quality.

A sampling and testing plan was developed to monitor quality improvements during the first six months of the SoQ process. Selected eastern MCCs that supply milk to Savannah/Inyange bulking center have been prioritized in addition to Blessed Dairies (Northern & Kigali Milk sheds), Kivu Dairies (North) and Hajji enterprise (South). This testing regime will cover sampling and testing of fresh milk and milk products and water quality supply at all value chain levels of operations and will be carried out by Dairy Quality Assurance Laboratory (DQAL). This activity will commence May 1 and will be critical in documenting quality improvements on an ongoing basis.

During the quarter RDCP II Quality Manager finalised MoUs for the key partners (RAB and RALIS) which provide the basis for ongoing support and collaboration. RDCP II is awaiting return of signed MoU's from both partners.

IR 1.3 Consumer preferences drive quality improvements

The plan for implementation of the SoQ was finalized with key partners during the reporting quarter with broad acceptance of how it would be implemented once kits have been distributed. The SoQ process consists of two primary strategies, Quality Testing and Marketing, which will be implemented simultaneously and are further described below.

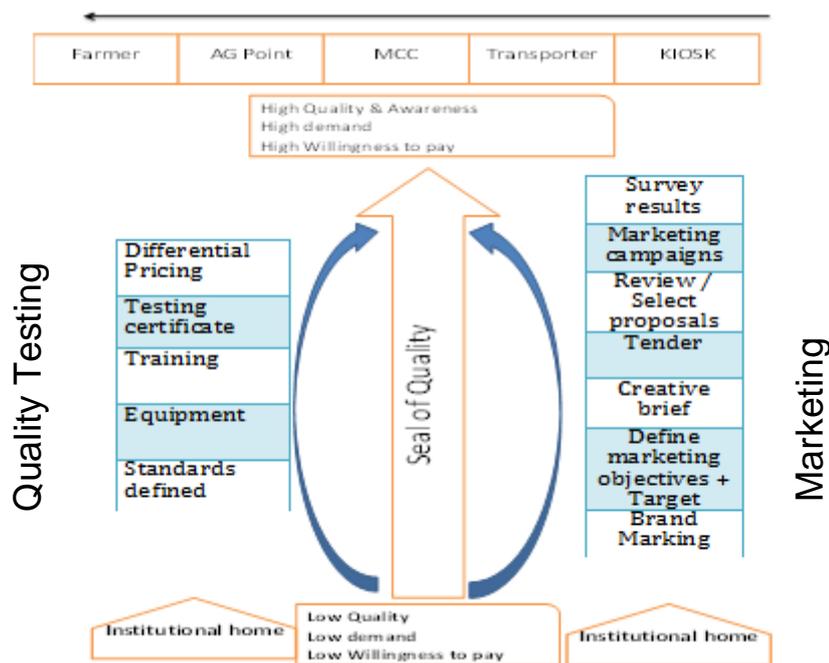


Figure 2: This diagram illustrates how the Seal of Quality program can be rolled out along the value chain.

Quality Testing

The long term objective of the Seal of Quality (SoQ) program is to establish a national certification program adopted and implemented by the Rwandese authorities which is promoted to Rwandan Consumers. This will help ensure that the Rwandan consumer has access to safe dairy products and will build the basis of a national production system producing and promoting certification.

The goal of the testing side of the SoQ program is to ensure that dairy value chain actors handle milk systematically following set handling parameters so that milk and its environment remains clean and hygienic at all times.

The institutional home for the testing component of SoQ is RALIS which is mandated at national level to audit and certify value chain actors handling fresh milk. As shown in the diagram above, key steps on the testing side are identified as follows:

- Standards defined. The SoQ program is following international quality standards CODEX.
- Equipment. Testing equipment appropriate at MCC, aggregation point, transporter and processor level has been identified, procured and is ready for distribution.
- Training. Training of RAB and RALIS technicians by RBS has already taken place as described above and initial training of MCC technicians has also been completed by DQAL.
- Testing. A pilot testing and sampling program for six months will commence early May and be managed by DQAL.
- Certification Actors in the SoQ program will be tested and audited and those found in compliance with parameters will be SoQ certified.
- Differential pricing. Certified product will provide the basis for differential pricing which can be passed down the value chain from consumer to farmer.

Marketing

As the testing aspects of SoQ are operationalized in the next quarter a marketing campaign to promote consumer demand and willingness to pay for improved quality will be designed and launched. The campaign will highlight the availability and health benefits of clean, traceable quality milk and milk products and will promote the importance of selection of these products instead of products with no quality checks. The marketing campaign runs parallel to the testing and certification side of the program as shown in diagram above and ultimately one supports the other.

The institutional home will ultimately be RNDB but in the interim RDB shall act as host for the marketing of the program. The marketing side of the SoQ will get underway in quarter three as follows with the marketing campaign launch expected in Q4. Key steps in the marketing side which RDCP II will carry out in Q3 will be:

- Brand marking : Provide the visual mark which identifies the SoQ program
- Define marketing objectives and target: Identifying and understanding the target audience. The EADD survey of 2012 is a very useful source of information for this aspect.
- Creative brief: Draw up the scope of work for the marketing aspect of the SoQ program
- Tender: RDCP II placed an advertisement for expressions of interest from marketing firms to participate in the development of the marketing campaign during quarter two. Tenders will be awarded in the next quarter to commence the marketing campaign to support the technical aspect of the SoQ program.
- Review selected proposals
- Marketing campaigns: Design and initiate SoQ marketing campaign

- Survey results: collect results, establish impact, and design next marketing phase

IR 2: Expanded Investment in Dairy Processing and Marketing

Key achievements:

- 3 Policies / regulations / administrative procedures currently in development. These include the National Dairy Strategy in process of validation, the National Milk certification plan and RNDP in restructuring process under Private Sector Federation umbrella.
- 120 MSMEs assisted with capacity building programs in addition to 113 reached in previous quarters, making the total of 233 MSMEs assisted against a target of 500.
- 2,951(1,934 males and 1,017 females) farmers received trainings this quarter, in addition to 607 previously reached, making a total of 3,558 farmers against an annual target of 8,000.
- 22 officials from credit officers from 14 financial institutions trained with the aim of enabling bankers to acquire a better understanding of dairy sector and its opportunities.
- 5 leading banks and microfinance institutions signed MOUs to develop appropriate products for the dairy businesses. Two of these institutions are already in the advanced stage of product development.
- Terms of reference for Deep Dive analysis of value addition opportunities in the dairy sector completed in collaboration with RDB;
- Milk shed Competitiveness Action Plans (MS-CAPs) validated in four provinces and Milk Shed Dairy Working Groups established in each province.

RDCP II aims to increase both public and private investment in human and financial capital to enable Rwandan dairy products to become locally and regionally competitive. This calls for concerted efforts and increased stakeholder engagement to improve both policy advocacy and leadership development within dairy organizations and businesses. During the quarter RDCP II worked with RDB to develop and complete the terms of reference for a Deep Dive analysis of value addition opportunities in the dairy sector and how best to equip and support RDB to attract and retain both internal and external investors once identified. This activity will be carried out and completed during quarter three. Parallel support on policy as it relates to milk quality certification was developed during the quarter. In this regard RDCP II worked with RALIS on the goal of achieving a national milk quality certification program to which the SoQ is the first stage of implementation.

The long term goal of increased exports as a result of increased investment in processing and marketing must be supported by elevating the quality of milk in Rwanda's dairy value chain. RDCP II has identified a consultant to support RALIS on institutionalizing and acquiring the appropriate legislation for a national milk

quality certification program. The consultant will begin work on his first visit to Rwanda in early May.

Support via RDCP II grant activities is ongoing and initial grants to assist cheese processing and value addition were made during the quarter. The equipment to be procured under these grants will be a direct stimulus to increased investment.

2.1 Dairy Sector Leaders Empowered to Lead Development

Following the critical role of Rwanda dairy sector leaders in the implementation of the National Dairy Strategy (NDS), RDCP II has embarked on a participatory approach towards rebuilding the dairy leadership within the private sector framework with guidance from the Private Sector Federation (PSF) of Rwanda. This guidance is important from PSF as the lead support and mentorship institution for the private sector.

Build capacity of RNDB and DSWG

Rwanda National Dairy Board (RNDB) is in transition, supported by PSF, to become the Rwanda National Dairy Platform (RNDP). This will be achieved through an overhaul of the previous RNDB to become more inclusive in both membership and leadership of the platform. PSF has already provided the services of a legal consultant who facilitated the drafting of the legal framework for the platform to exist including draft constitution for the same. PSF is in the process of writing a grant application to facilitate grass-root mobilization of current and new members of the RNDP which will culminate in the election of a new inclusive leadership by the end of June 2013. This is a prerequisite step that has been adopted towards a more robust and representative management of the platform for the benefit of the sector.

RDCP II working with the respective provincial leadership appointed Milk Shed Dairy working groups that will continue to collaborate and discuss related issues affecting dairy businesses and enterprises. The MS-DWGs are comprised of Public and Private sector representatives that have the responsibility to steer the subsector forward under the auspices of the Milk Shed Competitiveness Action Plans (MS-CAPs) that have been validated at the provincial level for four provinces. Regular interactive forums at the Milk Shed level will provide an opportunity for debate and consensus.

Facilitate institutional and association capacity building

As a prerequisite step to formation of an inclusive RNDP, the program has found it appropriate to work closely with PSF in the restructuring process. This process will include mobilization and membership recruitment to associations affiliated to RNDP as the umbrella advocacy organization.

However, working with the individual associations including Rwanda Milk Sellers' Association (RMSA), Rwanda Cheese Makers' Company (RCMC) and the National Dairy Farmers' Federation of Rwanda (NDFFR), RDCP II has continued to explore ways and means to build their capacity. In particular, the cheese makers will benefit from the International Master Cheese Training Workshop slated to take place in May 2013. RDCP II has recruited an international consultant to work closely with RDB Local Cheese Processing Trainer and Member of the Rwanda cheese Makers' Company. The training will focus on improving the quality and diversity of cheese products on the local market to improve their local and

regional sales potential. It will include both theory and practical demonstrations at the Masaka Business Incubation Center (BIC) a fully equipped facility that RDB has pledged as their contribution to the training program.

Foster a competitiveness-enhancing enabling environment

Competitiveness of the Rwandan dairy sector is achievable with due attention to the constraints to the sector as identified in the NDS. The roadmap to this is in the Milk Shed Action Plans as presented to respective Milk Sheds and the NDS. The validation of the MS-CAPs and the subsequent validation of the NDS will be the key to fostering this enabling environment as it outlines important activities/interventions including the formation of Dairy Public Private Dialogue Platforms at National and Milk shed levels. These are synonymous with the Milk shed working groups established to encourage interaction among key dairy leaders and businesses. Key partnerships between RAB, RALIS, RDB, RBS and PSF are critical for this milestone to be achieved.

Leadership training, mentorship and networking

Dairy farmers and businesses have been facilitated during this quarter to participate in a variety of trainings and trade expos in their respective districts. This includes service provider trainings, district open days and partners' meetings to interact and contribute to the ongoing initiatives to raise their own profile and their enterprises. The formation of milk shed working groups will be a natural platform to encourage ownership and direction of dairy development in each milk shed.

2.2 Increased Dairy-Related Investment

Coordinate and leverage industry investment

RDCP II has explored several avenues to generate additional investment in dairy related enterprises in Rwanda. Through discussions with RDB, USAID and other stakeholders in dairy, opportunities continue to be brought to table. With the start of the dairy PPD and MS-DWGs investments in dairy can be guided and coordinated. These new entities groups provide a platform to focus investment opportunities that was previously lacking. First meetings of MS DWG's will be held in May and will proceed in with collaboration with PSF and RDB to ensure a strong private sector focus and ownership beyond RDCP II from the beginning.

Promote Investment

To foster increased investor confidence in the Rwandan dairy subsector, RDCP II in partnership with RDB completed the ToR's to conduct a 'deep dive' analysis to develop scenarios for investment with the most return. It's anticipated this work will provide potential investors the opportunity to choose and make commitments towards prioritized value chain investments especially in the area of value addition. RDB and RDCP II will continue to use this information to inform and disseminate opportunities.

Stimulate supply and demand for dairy-related financial services

RDCP II /Inspired International signed MOUs with five leading banks and microfinance institutions to develop appropriate products for the dairy businesses. Two of these institutions are already in the advanced stage of product development and will test pilot and roll out initial products during quarter three.

Facilitate investment in underserved markets

The roll out of the dairy financial products and services during the next quarter will stimulate investment in underserved markets in particular as far as microfinance institutions are concerned. A number of microfinance institutions have signed MoUs with INSPIRED and are very keen to extend their footprint into dairy lending for the first time with dairy dedicated products.

Annexes

Annex I. Feed the Future MS Table

Annex II. Dairy Public-Private Dialogue Summary

Annex III. Success Stories

Annex IV. Approved Grants

Annex I: Feed the Future MS Table

Indicator Data												
Current Selection												
Operating unit :												
Implementing Mechanism :												
Current status												
OU Data Entry												
Selected Tab Name												
Indicator Data												
Indicator / Disaggregation	Baseline Value	2012				2013					2014	2015
		Target		Actual Results		Target		Actual Results		Cumulative Achievement	Target	Target
		PPR	Updated	PPR	Updated	PPR	Updated	Quarter 1	Quarter 2		PPR	PPR
4.5(2): Number of jobs attributed to FTF implementation	0	500		0		1,500		0	0	0	1,500	2,000
Location						1,500					1,500	2,000
Urban	0					600					600	800
Rural	0					900					900	1,200
Disaggregates Not Available												
New/Continuing						1,500					1,500	2,000
New	0					1,500					500	500
Continuing											1,000	1,500
Disaggregates Not Available												
Sex of job-holder						1,500					1,500	2,000
Male	0					750					750	1,000
Female	0					750					750	1,000
Disaggregates Not Available												
4.5(10): Total increase in installed storage capacity (m3)	0	10		0		20		0	0	0	40	50
Dry storage												
Cold storage	0					20					40	50
Disaggregates Not Available												
4.5.2(5): Number of farmers and others who have applied new technologies or management practices as a result of USG assistance	0	2000		0		4,000		0	0	0	8,000	12,000
New/Continuing											8,000	12,000
New						4,000					2,000	4,000
Continuing											6,000	8,000
Disaggregates Not Available	0											
Sex												
Male	0					2,000					4,000	6,000
Female	0					2,000					4,000	6,000

Disaggregates Not Available	0											
4.5.2(7): Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	0	3000		0		4,500	607	3,002	3,609	10,000	15,000	
Type of individual						4,500	607	3,002	3,609	10,000	15,000	
Producers	0					4,000	607	2,951	3,558	8,900	13,350	
People in government								40	40			
People in private sector firms	0					500		11	11	1,100	1,650	
People in civil society												
Disaggregates Not Available												
Sex						4,500	607	3,002	3,609	10,000	15,000	
Male	0					2,250	451	1,969	2,420	5,000	7,500	
Female	0					2,250	156	1,033	1,189	5,000	7,500	
Disaggregates Not Available												
4.5.2(13): Number of rural households benefiting directly from USG interventions	0	2500		0		5,000	607	3,593	3,593	10,000	15,000	
New/Continuing												
New	0					5,000	607	2,986	2,986	5,000	7,500	
Continuing								607	607	5,000	7,500	
Disaggregates Not Available												
Gendered Household Type	0					5,000	607	3,593	3,593	10,000	15,000	
Adult Female no Adult Male (FNM)	0					2,300	140	654	654	4,600	6,000	
Adult Male no Adult Female (MNF)	0					200	42	405	405	400	500	
Male and Female Adults (M&F)	0					2,500	425	2,443	2,443	5,000	8,500	
Child No Adults (CNA)								91	91			
Disaggregates Not Available												
4.5.2(14): Number of vulnerable households benefiting directly from USG interventions	0	1,000		0		2,000	197	1,165	1,165	2,800	3,920	
New/Continuing	0											
New	0					2,000	197	968	968	800	1,120	
Continuing								197	197	2,000	2,800	
Disaggregates Not Available												
Gendered Household Type	0					2,000	197	1,165	1,165	2,800	3,920	

New/Continuing	0				250			127	127	400	500
New	0				250			127	127	150	100
Continuing										250	400
Disaggregates Not Available											
4.5.2(29): Value of Agricultural and Rural Loans	0	100,000	0	0	200,000	0	0	0	0	300,000	200,000
Type of loan recipient											
Producers	0				20,000					30,000	20,000
Local traders/assemblers	0				60,000					90,000	60,000
Wholesalers/processors	0				60,000					90,000	60,000
Others	0				60,000					90,000	60,000
Disaggregates Not Available											
Sex of recipient											
Male	0				30,000					45,000	30,000
Female	0				30,000					45,000	30,000
Joint	0				100,000					150,000	100,000
n/a					40,000					60,000	40,000
Disaggregates Not Available											
4.5.2(36): Value of exports of targeted agricultural commodities as a result of USG assistance (for bilateral missions)	85,979	0	0	0	94577	0	0	0	0	103175	120371
4.5.2(37): Number of MSMEs, including farmers, receiving business development services from USG assisted sources	0	100	112	0	500	1	120	233	0	300	200
Size of MSME											
Micro	0		104		450		76	180		270	180
Small	0		8		25	1	37	46		15	10
Medium	0				25		7	7		15	10
Disaggregates Not Available											
MSME Type											
Agricultural producer	0		38		50	1	88	127		30	20
Input supplier	0		5		200		5	10		120	80
Trader	0		55		200		7	62		120	80
Output processors	0		2		50		2	4		30	20
Non agriculture			12				18	30			
Other											
Disaggregates Not Available											
Sex of owner											
Male	0		31		233		49	80		140	93
Female	0		17		217		24	41		130	87
Joint	0				50					30	20
n/a			64			1	47	112			

Indicator / Disaggregation	Baseline Value	2012				2013					2014	2015
		Target		Actual Results		Target		Actual Results		Cumulative Achievement	Target	Target
		PPR	Updated	PPR	Updated	PPR	Updated	Quarter 1	Quarter 2		PPR	PPR
Custom Indicator 1 a : Volume of milk marketed by Milk Collection Centers (in Liters)	16,067,127					19,280,553		0	0	0	20,887,266	22,493,978
Custom Indicator 1.1.1 a: Value of inputs and services used by members of targeted cooperatives (USD)	231.63					324.28		0	0	0	370.60	393.77
Custom Indicator 1.2 a: Number of new milk quality assessment technologies/protocols adapted/implemented	0					2		0	0	0	2	3
Custom Indicator 1.3 a: Number of new products awarded RSOQ	0					5		0	0	0	8	8
Custom Indicator 1.3 b: Percentage of milk marketed under RSOQ	0					10%					15%	20%
Custom Indicator 2.1 a: Number of dairy related firms and organizations newly aligned within and provided a voice by dairy sector affinity organizations	0					70		0	0	0	70	70
Custom Indicator 2.2 a : Number of dairy enterprises with upgraded production facilities resulting from successful financing applications						500		0	0	0	500	600
Custom Indicator 2.2 b : Liters of additional daily milk processing resulting from financing assisted by RDCP II	0					10,000		0	0	0	20,000	30,000
GNDR-2 : Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)	0					50%		0	0	0	50%	50%
GNDR-3 : Proportion of females who report increased self-efficacy at the conclusion of USG supported training/programming	0					60%		0	0		70%	80%

GNDR-4 : Proportion of target population reporting increased agreement with the concept that males and females should have equal access to social, economic, and political opportunities

0

70%

0

0

0

75%

80%

Annex II. Dairy Public-Private Dialogue Summary

PROCEEDINGS OF THE FIRST RWANDA DAIRY PUBLIC-PRIVATE DIALOGUE (DPPD)

The Dairy Public–Private Dialogue took place at the LEMIGO HOTEL on 30 January 2013. Rwanda Development Board (RDB) and Private Sector Federation (PSF) hosted the event and the Rwanda Dairy Competitiveness Program (RDCP II) facilitated it.

PURPOSE OF THE MEETING

The first DPPD brought together members of both the public sector and private sector with an aim to provide an opportunity to exchange knowledge and find solutions to address the core issues related to the whole dairy value chain. In addition, it created an opportunity to steer public institutions and private sector in the dairy sector towards a common vision. As key stakeholders were involved, the event was also an opportunity to analyze government plans, particularly the proposed National Dairy Strategy, and vice-versa.

This DPPD was timely because of its importance to the ongoing discussions of the PSTA-III in preparation that will feed into the EDPRS II. It also contributed to the validation process of the National Dairy Strategy that was jointly developed by MINAGRI and MINICOM.

PARTICIPANTS

Participants in the DPPD included key government institutions and parastatals namely MINAGRI, MINICOM, RAB, NAEB, RDB, PSF and private institutions/companies including input providers, dairy producers, veterinary professionals, processors, milk traders/sellers, and cheese makers. Other participants included support organizations such as Technoserve Inc, RDCP II and USAID Rwanda.

KEY NOTE ADDRESS

The key note address was given by the Director General for Industry and SMEs in MINICOM

The Director General for Industry and SMEs in MINICOM, Mr. Alex Ruzibukira, started by thanking the meeting organizers, PSF, RDB and Land O'Lakes for organizing the DPPD.

Making reference to the results of the East Africa Dairy Development (EADD) Survey of 2012, he observed that the dairy industry is of key importance to Rwanda and deserved due attention for the following reasons:

- Milk production had grown from 92 MT in 1999 to 470MT by 2011
- Projected milk production by 2020 will be in surplus by over 372 million liters if no consumption strategy was put in place. This is owing to the demand – supply gap that was created by increasing production without a corresponding consumption growth.

- Unprocessed loose milk dominates the Rwandan market with over 75% of consumers obtaining their supplies informally. This is a threat to processors and investors in the dairy sector who struggle to survive with less than 50% utilization of processing plants and challenges with their sales. 40 litres per capita consumption of milk in Rwanda against a WHO recommended 200 liters per person per year.

With this picture of the Rwandan dairy sector, the DG emphasized that the country's vision is to advance the dairy subsector where we will guarantee quality and value of milk and milk products. In addition, we should aim at increasing consumption of processed dairy products that guarantee consumer health. Efforts towards diversifying markets including export markets for Rwandan dairy products are very critical.

He officially opened the DPPD meeting with a call to action among stakeholders and, in particular, private sector and commended the NDS team for compiling the National Dairy Strategy.

WELCOME REMARKS BY PSF CEO

The PSF CEO, Mr. Hannington Namara, welcomed participants to this first DPPD with appreciation to the joint organizing committee of PSF, RDB and Land O'Lakes. He observed that the Dairy Subsector like many others at this time must organize itself to be relevant to the country's economic transformation. He thanked the lead Ministries, MINAGRI and MINICOM, for delivering the draft NDS to which he called upon the private sector members to input to the process before validation of the strategy. He reiterated his organization's commitment to facilitate such forums that allow participation of the private sector to policy discussions noting that across the dairy value chain it is the private businessmen and businesswomen that can change the sector. The CEO was upbeat about the opportunity that the NDS provides while at the same time clearly highlighting key areas for improvement by support institutions of the government. He acknowledged the role of RDB in convening the DPPD as a platform for dialogue on key issues affecting the sector and finding practical solutions for a favorable business environment that is conducive for achieving Rwanda's Vision 2020.

He committed to continue supporting the Rwanda National Dairy Board through its transition to a National Platform that will lead the advocacy role of the sector.

REMARKS BY RDB-AG. CHIEF OPERATING OFFICER

Mr. Tony Nsanganira commended the DPPD organizing committee for hosting the event and for the occasion to interact and relate with the private sector which will be responsible for the investing in the dairy subsector. He noted that agriculture (both crop and livestock) is critical for Rwanda's vision for prosperity. He emphasized the reason for establishment of the DPPD, which was launched in December 2012, as a forum to identify key obstacles to the required subsector growth, find solutions where possible, and whenever necessary advance any issues to a higher authority including Cabinet, and even the President's Office, if need be.

Mr. Nsanganira observed that the DPPD is of key importance to start addressing

major issues in the dairy sector. He called for less studies and more of action going forward as he believed that a lot has been done to this effect. Stakeholders needed to put more efforts in a bid to uplift and grow the dairy subsector through addressing key issues and challenges.

He commended Land O'Lakes, USAID and other partners for their continued support in putting together the NDS but requested all to give their full inputs to the NDS which is yet to be validated.

PRESENTATION OF HIGHLIGHTS OF THE NATIONAL DAIRY STRATEGY

The presentation was made by Mr. Ariong Abbey (Land O'Lakes Regional-Based Field Technical Advisor - Enterprise and Cooperative Development). He observed that the presentation was only to stimulate discussion and solicit input from the members of the private sector and that the NDS in itself was a roadmap with a lot of detailed input needed along the route of implementation. He called on the participants to participate fully, especially during the group discussions.

Remarks by the Director General Rwanda Agricultural Board

The DG of RAB, Dr. Jean Jacques MBONIGABA MUHINDA, thanked the presenter for utilizing the limited time to share as much of the highlights of the NDS.

He noted that the National Dairy Strategy was long overdue and that, on the part of Government, this was the last opportunity for any interested parties/stakeholders to input to this strategy before validation of the same. However, he sought clarification on the strategy towards achieving genetic improvement as envisaged in the NDS which did not provide a trend analysis of the expected interventions over the next 8 years as he would have expected. He cited the current improved cattle breed population at about 28% is responsible for over 80% of milk production in the country. He proposed that NDS recommends the breeding approach to be taken to meet the anticipated milk production targets.

Dr. Jean Jacques also shared some developments in line with the NDS that are being explored by government in partnership with the private sector, as follows:

- MCC co-management between dairy producer cooperatives and selected processors (Inyange and 8 MCCs in Eastern Province) is being piloted and once the pilot results are successful, this approach may be adopted in the other provinces. Under this arrangement, the processor supports management of the MCC by providing technical assistance as required.
- MCCs link with the school feeding program to explore alternatives for supplying milk under the program. This too is being piloted with one MCC and the results of the pilot will inform the way forward. This is seen as a strategy to curb on both the cost from sole supply as well as proximity to the schools supplied under the school milk program.

The DG was optimistic that the strategy would be validated soon and

implementation of the same would follow as planned.

He reiterated that the NDS brings out the business opportunity for all stakeholders to explore knowing well that the GOR alone cannot cover its full implementation.

BREAK OUT SESSIONS

The break-out sessions were organized to allow participants in their respective areas of practice to discuss through the proposed actions of the NDS. The groups were organized as follows:

- Processors and traders

These included members of the milk sellers, dairy processors, cheese makers and transporters. They were assigned to review proposed actions in the areas of milk collection, processing, consumption and trade.

- Policy makers

These included representatives from government, invited NGOs and research institutions in agriculture. They reviewed proposed actions in the areas of policy interventions that improve production, processing, consumption and trade.

- Inputs and service providers

These included agro-vet input and equipment suppliers, feed millers, advisory service providers, and related categories who were assigned to review interventions proposed for service delivery e.g. extension services and financial services.

- Producers, dairy cooperatives, and unions

This category included individual dairy producers, cooperative, and union representatives. They reviewed interventions regarding milk production, productivity, quality and standards.

- Advocacy and NDS coordination group

The group included members of RNDB, NDFFR and leading consultants in the dairy subsector to discuss the implementation, advocacy and coordination framework of the dairy strategy.

FEEDBACKFROM GROUP DISCUSSIONS

Overall, the groups were satisfied with the recommendations of the NDS in their respective discussion groups, but observed that the time allowed for group interaction was limited allowing them only to peruse through the same. They called for future PPDs to focus on each component to allow ample time to design the implementation of the proposed strategies.

Key recommendations from the group:

- That the dairy strategy should be validated soon to allow stakeholders to start on implementation.
- Future discussions should focus on selected topics of the NDS.

- Private investors should take this document seriously as a guide to prioritize their investments and, likewise, government should facilitate investments plans.
- Issues relating to financing the subsector need due attention to drive the strategy.
- Private Service delivery is key to achieving the milestones set out in the strategy. The quality of services and products remains a limiting factor for growth in this sector and therefore needs adequate attention.
- The NDS needs to be disseminated down to the grassroots level to stimulate discussion and prioritization at different levels.
- Rwanda National Dairy Board should be strengthened to represent and advocate for the interests of producers and other investors in the dairy subsector alike.
- There's need for adequate technical capacities and skills across the dairy value chain.

APPRECIATION

Mr. Frank O'Brien thanked all for participating with special recognition to the PSF and RDB for hosting the event and a call to participants to remain vigilant as the NDS implementation gets underway. The opportunities are immense and so the stakeholders must continue to discuss issues that remain in their way in line with the PPD mechanism to find solutions.

CLOSING REMARKS

In his closing remarks, the CEO of PSF, Mr Hannington Namara, was thankful that the DPPD had achieved its intended purpose as a launch for dairy discussions that bring on board the private sector as the engine of development.

He highlighted that it was of key importance to create general mass awareness, and henceforth start implementation of the NDS. He reiterated the GOR willingness to support growth across all sectors including dairy, as evidenced by its participation at the DPPD. Through the rejuvenated Rwanda National Dairy Platform (former RNDB), PSF will continue to advocate for a conducive dairy investors operating environment. He concluded by thanking both the participants and the organizing team for a job well done.



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SNAPSHOT

Dairy Inspectors Trained on Quality

Fifteen dairy inspectors and auditors from across Rwanda trained on Food Safety Management Systems



Photo: Emmanuel Nsekanabo

Photo caption: A nine day course gives inspectors and auditors the foundation for building a quality dairy sector.

“We are grateful for having been rendered this opportunity. We have gained good knowledge which is significant for us to be able to extend this knowledge in the field and to beneficiaries.”

Despite a national and regional culture of drinking milk products, the Rwandan dairy industry struggles to find ready markets for their fresh products. Together, the Rwandan government and industry stakeholders identified poor milk quality as an area for improvement – which impacts not only dairy market growth, but also nationwide food security. Under the Strategic Plan for the Transformation of Agriculture in Rwanda – Phase III (PSTA III), the Rwandan government has committed to creating an enabling environment to increase crop and livestock production, as well as safe trade in agricultural commodities.

The Rwanda Agricultural Board (RAB) and Rwanda Agricultural Livestock Inspection and Certification services (RALIS) form an integral part in implementation of Rwanda’s PSTA III. To address milk quality, RAB, RALIS and Rwanda Bureau of Standards (RBS) held a nine-day collaborative training on Food Safety Management Systems in January and February 2013. The trainings covered hygiene and quality management along the entire dairy value chain, including international code standards (ISO22000:2005) and Hazard Analysis and Critical Control Point (HACCP) principles. In total, fifteen dairy inspectors and auditors from RALIS and RAB were trained, with support from USAID-funded Rwanda Dairy Competitiveness Program (RDCP II).

“We are grateful for having been rendered this opportunity,” commented Euphasie Nyirazikwiye, a RALIS officer, “We have gained good knowledge which is significant for us to be able to extend this knowledge in the field and to beneficiaries.”

After receiving their certificates, each inspector is expected to use their new knowledge to support RDCP II’s milk Seal of Quality (SoQ) program. This program will help processors, producers and transporters follow quality standards that will increase safety and profitability of their products, ultimately bolstering the national dairy industry.

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SNAPSHOT

Dairy Dialogue Knocks on Rural Rwanda's Door

Rwanda Dairy Competitiveness Program Presents the National Dairy Strategy to Stakeholders in the Countryside



Stakeholders from both public and private sector expressed high interest in building a vibrant dairy sector able to compete on the regional markets

“It is important to continue having such dialogue to assess opportunities, strength, threats and weaknesses of interventions in the dairy value chain, particularly in the Southern Province and the country at large.”

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Rwanda, a landlocked country with a population estimated at 10.5 million people, has about 1.3 million cattle with a milk production estimated at 450 million liters per year. The bulk of the dairy activities operate in rural Rwanda, which accommodates about 88 percent of the country's population. Efforts devised to spur growth of the dairy sub-sector would be in vain if the dairy stakeholders in rural areas are not included in the discussions of issues and the exploring of opportunities.

Since Rwanda's first ever Dairy Public-Private Dialogue on January 30, 2013 in the capital Kigali, the USAID funded program – Rwanda Dairy Competitiveness Programme (RDCP II) - in collaboration with Rwanda Agricultural Board (RAB), and provincial government leaders, held similar sessions in four key milk sheds. These dairy territories include the Eastern, Northern, Southern, and the only peri-urban milk shed – Kigali.

The dialogue sessions provided a venue to advocate for and promote collaboration between the provincial/district authorities and the dairy private sector players in order to position the sector as an important driver for the province's economic growth. The results of this would contribute toward the country's economic progression.

The Executive Secretary, Southern Province, Madam Jeanne Izabiliza, expressed her gratitude towards the initiative of bringing together all dairy stakeholders to a shared platform, she said “It is important to continue having such dialogue to assess opportunities, strength, threats and weaknesses of interventions in the dairy value chain, particularly in the Southern Province and the country at large.”

The Provincial leaders appealed for continued collaboration to devise strategic interventions. The Province and district' authorities proposed and created milk shed dairy working groups with representation from all districts which will create a platform through which issues affecting the whole dairy chain will be collaboratively addressed.



SNAPSHOT

Dairy Dialogue Creates Opportunity for Collaboration, Growth

Rwanda Dairy Competitiveness Program Presents the National Dairy Strategy to Stakeholders



Photo: Emmanuel Nsekanabo

Key Stakeholders of the Dairy Industry discuss details on the strategy. L to R: Director General at RAB, Dr. Jean Jacques MBONIGABA MUHINDA, RDB's Chief Operating Officer, Mr. Tony Nsanganira, Director General for Industry and SMEs at MINICOM, Mr. Alex Ruzibukira, The PSF CEO, Mr. Hannington Namara.

Collaboration between the private sector and government agencies is a critical step to grow the dairy industry, as evidenced by DPPD attendees from the Ministry of Agriculture, Ministry of Trade and Commerce, Rwanda Agriculture Board, the Private Sector Federation, dairy producers, veterinary professionals and processors in attendance.

Rwanda's first Dairy Public –Private Dialogue (DPPD) took place at the LEMIGO HOTEL on 30 January 2013. Hosted by the Rwanda Development Board (RDB) and Private Sector Federation (PSF), and supported by the Rwanda Dairy Competitiveness Program, the DPPD brought together public and private sector stakeholders to exchange knowledge and discuss issues core to the growth of the dairy value chain. At the center of this discussion was a draft National Dairy Strategy (NDS), developed and presented by the USAID-funded RDCP II. The NDS strategy highlighted strategic initiatives around milk production, consumption and policy to support the Rwandan dairy industry to grow domestically and internationally.

Key participants at the DPPD included the Ministry of Agriculture and Animal Resources, Ministry of Trade and Industry, Rwanda Agriculture Board, the National Agricultural and Export Board, and private institutions and individuals such as input providers, dairy producers, veterinary professionals, processors, milk traders/sellers, and cheese makers. Collaboration between the private sector and government agencies is a critical step to grow the dairy industry, highlighted both by the National Dairy Strategy and acknowledged by all DPPD attendees.

"I'm encouraged to see the RDB convening the DPPD as a platform for dialogue on key issues and finding practical solutions for a favorable business environment that is conducive for achieving Rwanda's Vision 2020," observed PSF CEO, Mr. Hannington Namara. RDB's Chief Operating Officer, Mr. Tony Nsanganira, also commented that the DPPD provided an opportunity to interact and relate with the private sector members who are the "drivers and investors" in the dairy subsector.

Regarding the NDS, participants discussed increasing quality to capture international opportunities. "Efforts towards diversifying markets including export markets for Rwandan dairy products are very critical," stated Mr. Alex Ruzibukira, Director General for Industry and SMEs at Ministry of Trade and Industry. "The country's vision to advance the dairy subsector will hinge on the ability to guarantee the quality of milk and milk products."

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While collaboration is important, Mr. Tony Nsanganira also called for fewer studies and more of action. He commended RDCP II, USAID and other partners for their continued support in putting together the NDS but requested all to give their full inputs to the NDS once validated.

Taking this under advisement, stakeholders committed to convening monthly to discuss strategic topics highlighted in the NDS and during the DPPD. The first of these key individual meetings will relate to policy, investment and marketing. With the continued support of USAID funded RDCP II, the increased collaboration across dairy stakeholders will create a more competitive dairy sector providing quality dairy products which are affordable, available and accessible to all Rwandans and other consumers in the region.

Annex IV. Approved Grants for Quarter Jan – March

Seal of Quality

No	Sub grantees	Grant category	Budget approved RWF	Budget approved USD
1	Cooperative Ihuriro ry' Aborozi ba Kijyambere Bafatanyije (I.A.K.I.B.)	Business Innovation Grants		
2	Cooperative Gasabo Zirakamwa	Business Innovation Grants		
3	3. Bugesera Milk Collection Center (BMCC)	Business Innovation Grants		
4	Cooperative de Commerce de Lait (CODECOL)	Business Innovation Grants		
5	Murambi Dairy Cooperative Society (MUDACOS)	Business Innovation Grants		
6	Dukundamatungo Cooperative (CDA)	Business Innovation Grants		
7	Abashumbabeza Dairy Cooperative - Ryabega	Business Innovation Grants		
8	Cooperative Abarwanashyaka Milk Supply Ruhuha - Karangazi	Business Innovation Grants		
9	Cecola Zirakamwa	Business Innovation Grants		
10	Cooperative Agiragitereka	Business Innovation Grants		
11	Cooperative Iwacu Zirakamwa - Muhoza	Business Innovation Grants		
12	Cooperative Zirakamwa Twicundire - Mizingo	Business Innovation Grants		
13	Kivu Dairy	Business Innovation Grants		
14	Cooperative des Eleveurs de la Zone Nyiragikokora (CEZONYI)	Business Innovation Grants		
15	Cooperative des Eleveurs Modernes (CEMO)	Business Innovation Grants		
16	Cooperative des Eleveurs de Rubavu (CODERU)	Business Innovation Grants		
17	Koperative y'Aborozi ba Mudende (Kamu Zirakagwira)	Business Innovation Grants		
18	CODAMIN	Business Innovation Grants		

19	Koperative y'Aborozi b'Ibumbirehamwe ba Bugeshi (KOAIBU-URUMURI)	Business Innovation Grants		
20	Cooperative Twiyororere Kijyambere	Business Innovation Grants		
21	Cooperative Gwizumukamo - Busoro	Business Innovation Grants		
22	Cooperative Giramata Mworozu	Business Innovation Grants		
23	Cooperative Amizero y'Aborozi	Business Innovation Grants		
24	Kayenzi Milk Collection Center	Business Innovation Grants		
25	Turengere Aborozi	Business Innovation Grants		
26	Ikusanyiirizo ry'amata Agira Gitereka	Business Innovation Grants		
27	Hadji Enterprise	Business Innovation Grants		
28	Blessed Dairies Ltd	Business Innovation Grants		
29	Yami Foods Ltd	Business Innovation Grants		
30	Fromagerie la Reine	Business Innovation Grants		
31	Muhe Farm Cheese Factory Ltd	Business Innovation Grants		
32	Gishwati Farm Ltd	Business Innovation Grants		
33	Cooperative pour la promotion des Agriculteurs de Gahengeri (COOPAG)	Business Innovation Grants		
34	Angeana Fresh Dairy Ltd	Business Innovation Grants		
35	Cooperative de Transformation du soja et Oleagineux de Rulindo (CTSOR)	Business Innovation Grants		
36	Kinazi Dairy Cooperative (KIDACO)	Business Innovation Grants		
	Total			

Business Innovation and Competitive Service

No	Sub grantees		Budget approved	Budget approved
			RWF	USD
1	Cooperative pour la promotion des Agriculteurs de Gahengeri (COOPAG)	Business Innovation Grants		
2	Dukundamatungo Cooperative (CDA)	Business Innovation Grants		
3	Bugesera Milk Collection Center (BMCC)	Business Innovation Grants		
4	Cooperative de Commerce de Lait (CODECOL)	Business Innovation Grants		
5	Angeana Fresh Dairy Ltd	Business Innovation Grants		
6	Hadji Enterprise	Business Innovation Grants		
7	Murambi Dairy Cooperative Society (MUDACOS)	Business Innovation Grants		
8	Cooperative de Transformation du soja et Oleagineux de Rulindo (CTSOR)	Business Innovation Grants		
9	Kinazi Dairy Cooperative (KIDACO)	Business Innovation Grants		
10	Ikusanyiirizo ry'amata Agira Gitereka	Business Innovation Grants		
11	Muhe Farm Cheese Factory Ltd	Business Innovation Grants		
12	Fromagerie la Reine	Business Innovation Grants		
13	Cooperative Gasabo Zirakamwa	Business Innovation Grants		
14	Cooperative Ihuriro ry' Aborozi ba Kijyambere Bafatanyije (I.A.K.I.B.)	Business Innovation Grants		
15	Eastern Region Animal genetic Improvement Cooperative (ERAGIC)	Competitive service sub-grant		
	Total			