

RWANDA

INTEGRATED STRATEGIC PLAN

THROUGH FY 2004

(REVISED)

USAID RWANDA

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LIST OF ACRONYMS

AOJ	Administration of Justice
BHR	Bureau for Humanitarian Response, USAID
DA	Development Assistance
DART	Disaster Assistance Response Team
DOD	Department of Defense
ERMA	Emergency Refugees and Migration Assistance
ERRP	Emergency Reintegration and Reconstruction Plan
ESF	Economy Support Funds
FEWS	Famine Early Warning System
FFW	Food for Work
FFP	Office for Food for Peace, USAID
GHAI	Greater Horn of Africa Initiative
GOR	Government of Rwanda
HIV	Human Immunodeficiency Virus
HRFOR	UN Human Rights Field Office for Rwanda
IBRD	International Bank for Reconstruction and Development
ICITAP Program	International Criminal Investigative Training and Assistance
IR	Intermediate Result
ISP	Integrated Strategic Plan
IEC	Information, Education and Communications
LGI	Local Government Initiative
MOA	Ministry of Agriculture
MOH	Ministry of Health
MOJ	Ministry of Justice
NDO	National De-mining Office
NGO	Non-Government Organization
OFDA	Office of Foreign Disaster Assistance, USAID
OTI	Office of Transition Initiatives, USAID
PROCAP	Program Support for Capacity Building
PRM	Bureau for Population , Refugees and Migration, State Department
PSC	Personal Services Contractor
REDSO/ESA	Regional Economic Development Services Office for East&Southern Africa, USAID
ROL	Rule of Law
RPF	Rwanda Patriotic Front
SO	Strategic Objective
STD	Sexually-transmitted Diseases
TA	Technical Assistance
UNDP	United Nations Development Programme
UNICEF	United Nations Children Educational Fund
UQAM	University of Quebec at Montreal
USAID	U.S. Agency for International Development
WFP	United Nations World Food Programme
WIT	Women in Transition

I. EXECUTIVE SUMMARY

This Integrated Strategic Plan (ISP) supports Rwanda's efforts from FY 2001 through FY 2004, focussing on the transition from crises phase to sustainable development mode. It provides a detailed analytical rationale for USAID Rwanda's current three Strategic Objectives (SOs) and presents a plan for allocating USG resources during the period.

Background. In early March 1997, USAID Rwanda, in cooperation with AID Washington, the Department of State and other USG agencies developed and presented to AID Washington a Transition Action Plan (TAP) as a prescription for USG assistance for a two year post-conflict phase.

The TAP was approved by AID Washington in April 1997 contingent on specific modifications being made, including the addition of a third SO to deal exclusively with health issues. In addition to the approval of the ISP, the Agency granted the Mission's request for a number of "management exceptions" from the more rigorous reporting requirements along with greater flexibility in procurement.

The TAP was accepted as an Integrated Strategic Plan (ISP) – considered neither a traditional country strategic plan nor a relief mode action plan, but some combination of the two. Thus the strategy provided the Mission latitude to respond rapidly and appropriately to emerging crises situations. This approach proved to be fortuitous, as demonstrated in late 1998 when the Agency mounted a swift and effective response to the displacement of more than 600,000 people caused by a brutal insurgency in the volatile northwest region of the country. This assistance proved to be a significant factor contributing to greater stability during 1999.

In May 1999 the Rwanda mission received approval to extend the ISP for two years, until September 2001, based on the rationale that the existing ISP remained a valid blueprint for guiding the Mission's activities, which included the flexibility to meet evolving needs of the Rwanda situation. It was noted that progress under all three SOs was on track, but additional time was needed to allow maximum achievement of the stated objectives.

By September 2000 it became increasingly apparent that to disengage from the transitional plan of assistance before 2004 would be premature. The Government of Rwanda (GOR) officially acknowledged that Rwanda's problems warranted a longer-term commitment with the announcement of plans to promulgate a new constitution and hold elections for the National Assembly during 2003. Further, progress in terms of the results envisaged under the ISP was uneven during the first years of activities due to the instability and lack of security in the Great Lakes region and in certain parts of the country. AID Washington agreed with the assessment that the plan remained valid and, in October 2000, it extended the ISP period until September 2004.

Program. In essence, there are no longer any "management exceptions" related to performance reporting at USAID Rwanda. The Mission has made significant strides in developing performance-monitoring plans. The Strategic Objective (SO) teams and their partners have identified and carefully selected many new indicators on the basis that results would be measured over a four-year time frame. While the overall goals of the program remain the same, the intermediate results and indicators have been adjusted to better reflect USAID's manageable interests, as further described below:

SO#1 – Justice, Governance & Democracy. Efforts continue to improve and expand the overall justice system in order to deal with the prisoner caseload and to restore confidence in the

government. Limited support of police training and technical assistance to the Transitional National Assembly so that it can debate, develop sound legislation and set national priorities in a transparent and accountable manner are on-going. USAID plans substantial support to the decentralization process, with material, technical and training assistance in fiscal management at the local levels. The Strategic Objective remains the same, but the three principal intermediate results have been recast, and a fourth has been added to explicitly recognize the importance of civil society in achieving the objective.

SO#2- Health. The Mission is furthest along under this SO in terms of sustainable development, with a shift from an emergency oriented intervention to a new partnership with the Rwandan Ministry of Health (MOH) in strengthening its technical and management capacity. HIV/AIDS prevention remains the largest component of the SO. Most activities will continue in the same geographic regions or with the same target populations or local partners as before in order to capitalize on potential synergies and mutual support among program activities. Among new activities USAID will explore under this SO, in conjunction with the MOH, are appropriate interventions in family planning/child-spacing and social marketing of insecticide-treated bednets.

SO#3 – Food Security. The shift is being made under this SO from emergency response mode to a greater developmental orientation. The framework has been refocused on one Intermediate Result encompassing three sub-IRs. Assistance has been increased for the training and encouragement of farmer's associations and cooperatives, revitalizing agribusiness enterprises and supporting the development of improved agricultural policies. Also falling under the support of this SO are the Women in Transition (WIT) program, new initiative to stimulate micro-credit and Development Assistance Proposals (DAPs), funded by the Food for Peace program.

II. SETTING

A. Introduction

The situation in Rwanda today remains characterized by demographic shifts affecting as much as one-half of the population, resettlement and rehabilitation needs in all parts of the country, and a huge loss of human resources whether through flight, participation in the genocide, or death. Fundamentally, it remains an open question whether Rwandans can recover from the polarizing effects of years of ethnocratic rule culminating in the genocide. The country faces an enormous challenge in overcoming the historical tendency to see power as indivisible. An increase in the influence of an extremist ideology could undermine the GOR's pledge to share power and create an equitable society for all Rwandans.

The “transitional” Government of Rwanda, in its seventh year, has made commendable progress in overcoming the widespread effects of the civil war and genocide of 1994. It continues to deal with staggering social, political and developmental problems as it faces a number of complex challenges in building confidence in the rule of law, preventing renewed insurgency intent on continuing the genocide, and ending the cycles of ethnic violence and impunity that have plagued this region since independence.

In the seven years since the genocide and civil war that killed an estimated 850,000 people and drove over 2,000,000 across Rwanda's borders, the Government structures and operations have been re-established and services are steadily improving. More than 2,300,000 refugees have returned to Rwanda during this period and resumed their lives and economic activities. Agricultural production is now at 90 percent of pre-war levels; the Health Ministry has improved its capacity to manage health delivery systems and is being decentralized; courts of law are once again functioning and trials of genocide perpetrators and other criminals are on-going. In April 2001 the GOR passed the law to devolve responsibility for prosecuting genocide prisoners to local jurisdiction, save the most serious capital cases. Local elections at the two lowest levels (sector and cell) were successfully conducted in March 1999 and at the district level in March 2001. These moves in the direction of democracy, limited decentralization and economic growth are encouraging signs of improved overall stability in the country.

In this context, the Integrated Strategic Plan has an overall goal to support increased stability and strengthened development capacity. To achieve this goal, the ISP has set three strategic objectives that will guide the USAID program in Rwanda through FY 2004.

- ***SO1: Increased Rule of Law and Transparency in Governance.***
- ***SO2: Increased use of Sustainable Health Services in Target Areas.***
- ***SO3: Increased ability of Rural Families in Targeted Communities to Improve Household Food Security.***

The instability of the transition period during which USAID will implement this program cannot be over-emphasized. This volatility is further compounded by ongoing events in the Great Lakes region. Burundi's civil war and the ethnic nature of its conflict exert a polarizing and de-stabilizing influence on Rwanda. The crisis in eastern Congo has the potential to affect many of the countries in the region, Rwanda included. On the other hand, relative stability in neighboring Tanzania and Uganda may facilitate Rwanda's efforts to maintain a path of peaceful

development, and the as-yet unknown resolution of the situation in the Congo also has the potential to provide a positive influence.

B. USAID Activities since 1994

Emergency Phase through FY 1997

The bulk of USAID assistance during this period came in the form of humanitarian assistance - over \$230 million worth of food aid for refugees was delivered to vulnerable populations in Rwanda. An additional \$38.5 million was provided, mostly in the areas of health and nutrition, water and sanitation, seeds and tools, and food and non-food distribution. While most of this aid was provided through grants to NGOs, two direct grants to the GOR addressed transitional needs: 1) the provision of communications equipment to the outlying offices of the former Ministry of Reconstruction and Social Reintegration; and 2) supplies to the Ministry of Health.

Transitional Phase through FY 2000

In response to the stabilizing political and social situation in the country, USAID Rwanda established the ISP, which directed funding through three Strategic Objectives. During this period over \$130 million was provided to support activities such as promoting local elections, expanding the HIV/AIDS prevention and awareness program, and integrating food security, agricultural development and technology. Over the same time frame, Humanitarian Assistance Funds, decreased from \$5.5 million to \$1.0 million. Overall assistance levels have continued to fall. In FY 2000 USAID Rwanda assistance from all sources totaled \$34.8 million.

C. Other Donor Programs

Other donors have been providing assistance, based in part on the Round Table conferences that have been held periodically since January 1995. A number, including the U.S., Belgium, Canada and the Netherlands, have contributed to paying Rwanda's arrears to the international lending institutions. Other donors, particularly those who either do not have a presence in Rwanda or have limited capacity for project implementation, pass funds to a UNDP Trust Fund for activity implementation. Donors are beginning development activities in a variety of sectors, paying more attention to justice than is perhaps usual because of the genocide. The IBRD/IMF has launched a program to provide debt relief under the HIPC initiative. It is expected that most donors will follow the framework of the Poverty Reduction Strategy being developed by the GOR to meet IMF/IBRD conditionalities.

D. Rwanda Facts

As of 2000, there were an estimated 8.3 million Rwandans living in a country the size of Maryland. With 317 people per square kilometer, it is one of the most densely populated countries in Africa. Its per-capita income plummeted from \$373 in 1990 to \$179 in 1996, though had risen to \$230 in 1998 by World Bank estimates. Predominantly rural—91% of the population engage in agricultural activities—Rwanda was self-sufficient in food until population growth pushed the country into a structural food deficit in the 1980s. By 1997, agriculture had returned to about 80% of pre-war levels, and the small industrial sector to about 62% of pre-war output. International donors finance about 30% of the recurrent budget, and over 90% of the development budget.

III. CURRENT ANALYSIS

A. Description of Key Problems

There is significant agreement between the GOR and the donor community on the key problems facing Rwanda after the genocide and war of 1994, and the rapid and massive return of 1.3 million refugees to the country in late 1996. The overriding issue, which must be addressed, is social stability and conflict prevention. The key elements of stability within Rwanda are adequate financial and human resources--which will ensure physical and livelihood security; justice and the end of impunity; and good, effective governance.

Rwandan efforts to achieve stability depend on the successful reintegration of returned refugees into Rwandan society, on building capacity to achieve justice and effective governance, on rebuilding the country's human resources, on repairing damaged physical infrastructure and on increasing incomes of the poor majority through private sector-led economic growth. Capacity-building is crucial to rapid improvement in government, local NGOs, and the private sector in a country which has lost between fifty to seventy percent of its government personnel to genocide or flight, where new leadership has limited experience, and where private sector investment is still minimal.

Stability in Rwanda has complex regional dimensions. This document faces some of the negative aspects with "crisis modifier" scenarios, and focuses on ways to encourage opportunities and manage events positively, e.g., cross-border trade and successful repatriation.

Rwanda is in a critical transition period. Rwanda may no longer face continuing "life-threatening" emergency problems related to refugee return, although special problems of land tenure conflicts, justice, vulnerable populations (orphans, female- and children-headed households), potential demobilization of a large standing army, and the need to reduce a large budget deficit will remain. The ISP assumes that over the next three years the country's progress towards development and its ability to effectively absorb development resources will continue to be limited because of:

- a lack of human capacity in the government, the private sector and indigenous NGOs;
- continuing insecurity in the Great Lakes region;
- an unsettled physical landscape as re-integration of refugees gradually takes place throughout the country;
- the government's lack of key economic and social data for decision-making, and the demand of short-term crisis management; and

Under these circumstances, USAID and other key donors agree that the transition to a functioning democracy and more sustainable economic development will take at least another two-to-three years. Note that in 1999 the GOR itself extended the "transitional" period through 2003, when a new constitution is to be promulgated and national level elections scheduled.

B. Government of Rwanda Strategy and Priorities

At the November 1996 meeting of donors in Geneva to review the GOR's emergency plan for short-term emergency and re-integration assistance, assembled in response to the rapid return of refugees, it was agreed that the World Bank and the UNDP would work with the GOR to elaborate a more detailed transition plan. The GOR framework for reintegration and reconstruction commits the government to improving the prospects of people displaced by the cycle of conflicts since 1959, and to develop necessary socio-economic conditions for all Rwandans to reintegrate into their communities. The donor discussions resulted in the Emergency Reintegration and Reconstruction Program (ERRP). The GOR has created CEPEX – Central Projects and External Finance Bureau- under the Ministry of Finance and Economic Planning, which is responsible for overall coordination of donor assistance. In addition, donor

contributions, along with a GOR Counterpart Fund, have been used as a vehicle to reduce a major public sector finance gap, with particular concern for recurrent budget shortfalls.

IV. USG ASSISTANCE FOR THE TRANSITION FYs 2001-2004

A. Goals

The overarching goals of USAID Rwanda's program are in support of **Increased Stability and Strengthened Development Capacity.**

Donor focus during this period must be on addressing the pre-conditions to development and democracy: reintegration, justice and governance, rebuilding physical infrastructure and capacity building. USAID and the USG will do their part in addressing these pre-conditions through the focus on three key Strategic Objectives:

- #1) Increased Rule of Law and Transparency in Governance,*
- #2) Increased Use of Sustainable health Services in Target Areas, and*
- #3) Increased Ability of Rural Families in Targeted Communities to Improve Household Food Security.*

For all of these SOs the program themes will be Capacity Building and Laying the Foundations for Sustainable Development.

In addition to these SOs, the USG will continue to respond to special problems that face Rwanda, such as emergency feeding and disaster relief, if necessary. Under the PL480 program we propose food security initiatives targeted within the GOR development budget. These are described as support activities under SO#3. USAID will also continue to provide policy guidance for the expansion of Information, Communications and Technology (ICT) in Rwanda, and for limited support of higher education.

B. ISP Linkages

Integrated USG Policies and Resources: This ISP reflects an explicit effort to coordinate use of funds pledged by the USG to address Rwanda's needs as well as USG-wide resources which will be provided through 2003. Thus, the ISP team includes individuals representing the key funding sources within USAID (AFR, FFP, OTI, OFDA) and the team has worked closely with the U.S. Embassy to coordinate this plan with the State Department and DOD resources being programmed for Rwanda;

African Ownership: This Plan was developed in response to the ERRP after consultation with all the relevant GOR ministries. The program framework and budgetary allocations set forth in the ISP respond to expressed GOR priorities, as elaborated in preliminary Poverty Reduction Strategy Paper (PRSP), consistent with USAID's goals and policies.

Donor Coordination: This ISP reflects an intense process of donor consultation and coordination across all elements of the proposed program. As indicated in each section of this plan, USG resources have been carefully programmed to complement, rather than duplicate, those of other donors. The GOR has not chosen thus far to bring donors together to discuss and review donor and government programs regularly on a sectoral basis, nor has it particularly encouraged the UNDP to take the lead in calling donor coordination meetings. This young government prefers to program, ad seriatim, with individual donors, sometimes submitting the same request for assistance to several

donors. This approach appears to be equated in the GOR thinking with its ownership and control of their program, and GOR officials seem reluctant to cede "control" to UNDP or any coordinated multi-donor body. In response, the donors attempt to avoid program duplication through an annual donor' conference. The recent establishment of CEPEX could bring order into the process.

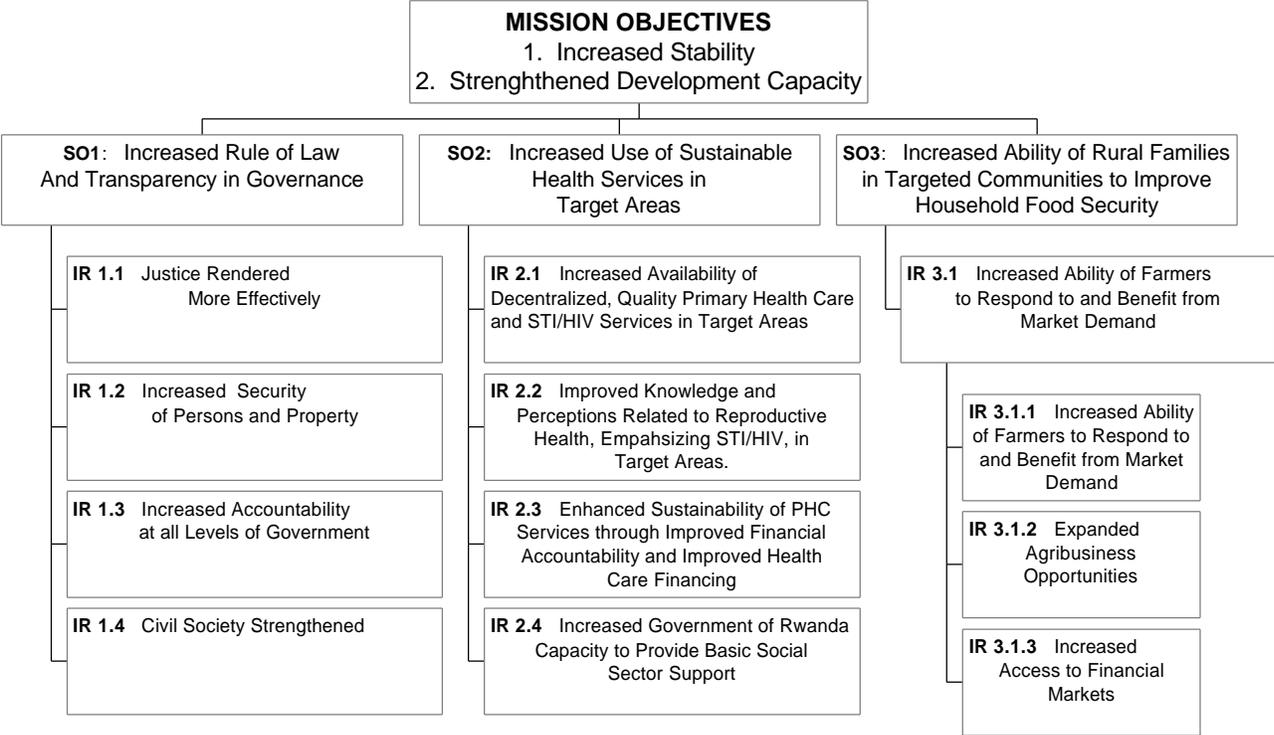
Linking Relief, Transition Assistance and Development: This USAID program will continue to make appropriate conceptual and programmatic linkages between activities funded from Emergency, Transition or Development offices or sources. We are cognizant that during this transition period, internal or external circumstances could push Rwanda or a region within Rwanda back into circumstances where emergency or relief-mode assistance is required.

Regional Approaches: Stability and conflict prevention, an overriding goal of USAID Rwanda, require analysis of both the domestic and regional situation. The Plan focuses on activities to promote stability within Rwanda. However, Rwanda's neighbors, particularly Burundi and Congo, could create further instability within Rwanda. At the same time, economic reforms and growth in Uganda and Tanzania offer promising trade and employment opportunities. The food security component of SO#3 discusses these prospects.

These conceptual and programmatic linkages will be managed within the USAID Mission by integrating all sources of funding and all personnel within SO teams. The USAID director will continue to provide leadership for the use of all USAID resources within the U.S. mission in Rwanda and will continue to plan the use of these resources in close consultation with the Ambassador and other members of the country team.

Although the Mission expects tangible results during this critical two-to-three year period, it is expected that the program will have a complementary impact on longer-term development problems. Decisions on whether to focus health training resources more on doctors or on primary care providers will have a significant impact on longer-term health sector policies and program capacity. Emergency and humanitarian feeding decisions and initial agricultural policies established during the transition period must be made with the longer-term objective of food security firmly in mind. Finally, improving Rwanda's human resource capacity will bring dividends for many years. Thus, while USAID must focus its transition program on short- to medium-term achievements, the impact of those program decisions on longer-term development will be carefully monitored.

The Transition program for Rwanda, outlined above can perhaps be better seen as a whole in the following graphic depiction:



C. Program

1. STRATEGIC OBJECTIVE # 1: INCREASED RULE OF LAW AND TRANSPARENCY IN GOVERNANCE

i. BACKGROUND

USAID's involvement in the areas of justice and governance began in late 1994 when the USAID Mission to Rwanda was reactivated and the Democratic Initiatives and Governance (DIG) Project (696-0133) was amended to respond to the evolving situation in post-genocide Rwanda. Initial activities provided essential commodities to support the governance process in several key ministries, rehabilitated physical infrastructure for most of the courts and supported United Nations (UN) efforts in the areas of Human Rights and the International Criminal Tribunal for Rwanda (ICTR).

While other donors began to work on technical capacity building in the Ministry of Justice (MOJ), USAID worked with the Office of the President to organize a conference to debate the policies appropriate to re-establish justice and how to deal with the enormous caseload of genocide suspects. The most significant outcome from the Genocide Conference was an organic law enacted in August 1996 for the prosecution of those accused of genocide crimes and crimes against humanity. This law forms the basis for dealing with a present-day prison caseload of 111,000 persons. The caseload has been a serious concern to the GOR and the international community because the perceived impunity of genocide offenders has hindered the prospects for the social and political stability essential to Rwanda's continued economic development.

In late 1998, the GOR began consideration of a new government policy to remand all but the most serious genocide cases to locally-empowered courts, an adaptation of a traditional adjudication system known as *gacaca*. In April 2001, this policy was signed into law, which replaces the aforementioned genocide law. It is expected that this traditional community based form of adjudication will help to rapidly diminish the current prisoners' caseload and is viewed as a necessary passage to establish some degree of national reconciliation and healing. For the bulk of the current genocide caseload, *gacaca* aims to shift the focus away from central prosecution mechanisms to adjudication and reconciliation at the local level. It is expected that over the next three years, resolution of the vast majority of genocide cases through *gacaca* will produce a positive impact on the public's perceived impunity of alleged genocide offenders. The introduction of the *gacaca* system has led to a redirection of USAID assistance in support of a public awareness campaign on *gacaca*. In addition, there is a continued need for support to rehabilitate the MOJ, the parquets, and the courts to enable the Ministry both to cope with the enormous logistical requirements of *gacaca*, and to administer formal justice over the long term. The GOR requires technical assistance and training to professionalize the MOJ staff, a reliable communications and other management systems and acceleration in the processing of capital cases at the central level.

Presently, security has remarkably improved countrywide such that it no longer hampers programs under this Strategic Objective. USAID provided assistance to help develop the previous military police authority and to train the police in internationally recognized standards of human rights, rule of law, anti-corruption and promotion of civilian police roles

that support democracy. As a result, in early 2000, the GOR created a new national civilian police force. This fledgling organization requires substantial assistance for training in police procedures and observance of human rights as well as some discretionary logistical and commodity support. USAID will channel existing resources toward this critical area within SO1.

In 1999, the GOR institutionalized, through law and nationwide local elections, the local decision-making structures initiated under USAID's Local Governance Initiatives (LGI) project. This has produced 160,000 newly elected local government officials who received training in the leadership and resource mobilization skills needed to serve the citizens who elected them. USAID contributed to that effort. Following the success of the local elections, the GOR made an additional step forward to deepen democracy and improve accountability through the successful completion of secret ballot district elections held in early March 2001. USAID provided substantial commodity support to those elections.

ii. RESULTS FRAMEWORK

The strategic objective of this USAID program is to increase the rule of law and transparency in governance. In FY 2001, the three principal intermediate results (IR) under this SO1 have been recast to better reflect USAID's manageable interest. The main substantive change has been to reorganize the results framework so that causality is more strongly depicted. A new IR has been added to explicitly recognize the important role of civil society in achieving the strategic objective. The four IRs are: *Justice rendered more effectively; Increased security of persons and property; Increased accountability at all levels of government; and Civil society strengthened*. Separate activities under the IRs packages are complementary and work towards the goal of improved governance, which is the basis for sustained national reconstruction. To achieve this, Rwanda will need to bolster its political institutions and re-define the relationship between state authority and civil society. This work is consistent with USAID and USG overall objectives, and forms the basis for political stability and social and economic progress.

Continued efforts to improve and expand the overall justice system are key to dealing with the huge prisoner caseload and restoring confidence in the government. This system includes an effective Ministry of Justice (MOJ) and greater numbers of trained lawyers. Adjudication of the cases of approximately 111,000 prisoners accused of genocide related crimes is essential to achieve justice and provide for human rights. USAID will maintain its support for an extensive *gacaca* awareness campaign through the start of the *gacaca* trials, expected to begin in 2002. Increased confidence in a professional and impartial civilian police force is also essential if Rwandans are to ensure rule of law and public security without relying on a military force. USAID will continue limited assistance in police training. USAID will continue to provide technical assistance to the Transitional National Assembly (TNA) so that it can debate, develop sound legislation, and set national priorities in a transparent and accountable manner. USAID also plans substantial support to the decentralization process with material, technical and training assistance in fiscal management at the local levels. Lastly, civil society has emerged as a key sector over the past year as a result of a careful reexamination of USAID's results framework through the end of FY 2003. A strategic assessment of Rwandan civil society has just been completed and project design is in process.

iii. RESULTS TO BE ACHIEVED

To achieve demonstrable results under SO1, USAID/Rwanda will focus on the four aforementioned IRs and measure progress in meeting these results through specific indicators. A list of illustrative indicators is presented for each activity and will be further refined, where necessary, in collaboration with implementing partners. They, along with the relevant technical ministries, will help establish baselines and targets and report progress to USAID annually.

IR 1.1.JUSTICE RENDERED MORE EFFECTIVELY

PROBLEM: In 1998, USAID identified three elements which were essential if the legal system was to be re-established and the current prison caseload reduced: 1) an expanded cadre of trained lawyers; 2) an expanded and independent judiciary; and 3) greater popular understanding of the proposed *gacaca* law, in particular an understanding of the roles and responsibilities of local communities in the litigation process.

Section III, above describes recent changes in GOR directions towards resolving the genocide caseload. The shift towards the use of *gacaca* diminishes the magnitude-though not the importance-of the need for trained lawyers. Although an independent judiciary remains an essential element of improved Rule of Law in Rwanda, much remains to be done to achieve this.

Under the Anglophone lawyer-training program, USAID supported the training of 120 Anglophone law students at the National University of Rwanda (NUR) Law School in 1999 and 2000. A roughly equal number of Francophone law students graduated at the same time. The graduation of lawyers has significantly increased the number of practicing lawyers in Rwanda and has provided a new cadre of professional legal expertise at the MOJ. Although there will not be a graduating class in 2001, around 50 graduates are expected to complete their degrees by 2002, bringing the total number of Anglophone graduates to 170. Afterwards, the NUR will continue to produce Anglophone and Francophone lawyers without donor assistance, as the Law Faculty will be completely self-sufficient.

USAID and the Ministry of Justice have agreed on the following priorities:

1) Public Information Campaign on *Gacaca*. The MOJ is currently implementing its public information campaign on *gacaca* through three principal means: (1) Local-level public information visits conducted by MOJ officials to explain and discuss with Rwandans relevant aspects of the judicial process; (2) Public discussions on *gacaca* and other justice issues of broad interest, involving conferences, seminars and radio programs; (3) an Information, Education and Communications (IEC) campaign on the provisions of the *gacaca* law, the benefits of confessing and the modalities of reintegrating released genocide detainees.

2) Overall technical and management assistance in the MOJ. This acknowledges the strong institutional support that will be required to implement *gacaca*, particularly in the areas of financial management, logistics, communication, transportation and training-of-trainers mechanisms. Other constraints to processing the large genocide caseload include the need for organizational development assistance, improved management systems within the MOJ, and increased legal competence.

3) Acceleration of processing the most serious genocide cases. While *gacaca* will adjudicate most genocide cases, the most serious capital offenses will continue to be handled by the

Attorney General's Office. This office is in need of a range of inputs, material, and technical and logistical, to support the trial process.

The GOR has determined that justice in Rwanda must also provide some measure of reparation for those who have survived the genocide but must live with its consequences. Many genocide survivors are still without housing; orphans are often denied access to education due to the lack of money for tuition. Victims of assault including rape lack the resources to obtain medical care, and many of those dislocated by the war are unable to provide for themselves and their families due to limited economic opportunities.

To achieve IR 1.1, activities under this Agreement will build capacity and improve operations, standards and practices in the administration of justice. USAID will undertake the following five activities:

ACTIVITY 1.1.1: STRENGTHENED CAPACITY OF THE MINISTRY OF JUSTICE

ACTIVITY DESCRIPTION: The MOJ remains the central institution for rule of law, encompassing implementation of the new genocide and *gacaca* laws to re-establishment of the role of the courts nationwide. This activity supports the MOJ in a variety of ways:

- Provides technical assistance, training, and commodity support for the institutional development of the MOJ.
- Provides for improved communication (voice and data) between MOJ offices.
- Provides material assistance and training to prosecutors and judicial investigators, who are charged with the task of collecting evidence to process the detainees. Assistance will help the MOJ increase the rate at which the files can be processed for the 111,000 persons presently accused of and detained for genocide related crimes.

IMPLEMENTATION:

- Technical assistance, training, and commodity support for the institutional development of the MOJ, is being provided by a U.S.-based contractor, Management Sciences for Development. Prosecutorial assistance and training for the Attorney-General's office are being provided through an interagency agreement with the U.S. Department of Justice. Periodically, USAID, in conjunction with the DOJ, will review progress towards completing all dossiers for persons accused of and detained for genocide crimes.
- USAID/Rwanda will continue to support the MOJ directly on a discretionary basis to facilitate the work of the MOJ by addressing ad hoc and unanticipated needs; subject to the availability of funds.

INDICATORS:

- 1) Number of Category One detainees processed annually.
- 2) Number of all cases processed annually.

ACTIVITY 1.1.2: ENHANCED LEGAL HUMAN RESOURCE CAPACITY

ACTIVITY DESCRIPTION: The primary objective of this activity is to increase the number of trained lawyers who can provide legal assistance both to those Rwandans who are English-speaking and to various institutions of the Rwandan Government. To date 120

Rwandan Anglophone law students have graduated, greatly increasing the number of English-speaking trained lawyers in the country.

IMPLEMENTATION: This activity is implemented through a grant with a North American University. Under the terms of a new grant extension, the grantee will also provide faculty and curriculum development and legal outreach services to strengthen the faculty's ability to teach and conduct research. This grant will end in December 2001 at which time the Anglophone law faculty will be completely self-sufficient.

INDICATOR: Number of new lawyers (men and women) trained in the English language program at the National University of Rwanda Law School.

ACTIVITY 1.1.3: CITIZENS ENGAGED IN GACACA PROCESS

1.1.3.1 IMPROVED CITIZENS UNDERSTANDING OF GACACA LAW

- This activity supports the MOJ in conducting an effective media campaign on *gacaca* with a special focus on citizens' understanding of the provisions of the *gacaca* law, genocide trial coverage, and reintegration of released detainees. In addition to the population at large, specifically targeted groups are detainees, survivors, and women.

IMPLEMENTATION:

- Technical expertise for the information, education and communication (IEC) campaign is provided through a cooperative agreement with a U.S.-based academic and consulting institution, Johns Hopkins University. The contractor has designed the IEC campaign for the MOJ's Permanent Office of Awareness, and provided logistical support for public conferences and meetings designed to elicit public input on the *gacaca* legislation and related justice issues.
- USAID has also purchased directly for both Radio Rwanda and Rwanda Television equipment that will make call-in talk shows on democracy and *gacaca* shows possible. USAID will work collaboratively with the U.S. State Department to encourage effective use of this technology. In a related activity, USAID continues to support Radio Rwanda's Kinyarwanda language reporting on the ICTR proceedings begun in 1998.
- Under a grant with Internews, USAID supports regular video and radio coverage in English and Kinyarwanda of the proceedings of the International Criminal tribunal for Rwanda (ICTR) in Arusha. This same mechanism will be used for the *gacaca* and capital case trials in Rwanda. Media coverage of the trials will keep Rwandans and the world at large informed on how justice is being administered by these tribunals.

INDICATORS:

- 1) Percent of Rwandan citizens who perceive that justice is being rendered by the *gacaca* tribunals.

ACTIVITY 1.1.4: GENOCIDE VICTIMS COMPENSATED

ACTIVITY DESCRIPTION: In January 1998, the Transitional National Assembly (TNA) established the National Assistance Fund for the Needy Survivors of the Genocide and Massacres Committed in Rwanda between October 1, 1990 and December 31, 1994, referred

to as the Genocide Survivors Fund (GSF). The legislation lays out the structure of the Fund and the manner in which the GSF receives resources, including five percent of the ordinary state budget, and a range of required contributions from various categories of businesses and wage earners. In addition, the GSF solicits contributions from donors and other external sources. Widows, orphans and the handicapped are the GSF's top priorities.

The Fund makes an inventory of survivors and their needs and develops an agenda to address those needs that include housing for widows, school fees for orphans, medical assistance, counseling, and income-generation programs. Former President Clinton pledged support for the GSF during his visit to Rwanda in March 1998. USAID assistance, together with Dutch assistance managed by USAID, is being used to pay school fees and related costs for children orphaned in the genocide attending primary and secondary school.

IMPLEMENTATION:

The GSF Education Department maintains a file for each of the students who receive USAID-funded school fees. These files contain adequate documentation to justify the students' eligibility for USAID support for the GSF. USAID also manages a contribution of \$1.3 million from the Government of the Netherlands for tuition assistance to an additional 1,800 students as well as training for the GSF staff. Management problems at the GSF led USAID to reduce the number of schools where students are funded from 65 to 15, though it increased the overall number of students from 2,500 to 3,200 of whom 67% are girls. A portion of the Dutch contribution will be used to fund management improvements at the GSF.

INDICATOR:

- 1) The percentage of assisted orphans who successfully complete the school year.

ACTIVITY 1.1.5: IMPROVED FLOW OF INFORMATION CONCERNING JUSTICE ISSUES

ACTIVITY DESCRIPTION:

Since 1997 Internews has played a leading role in providing the world with the only regular English language coverage of the ICTR proceedings. Internews reports are picked up regularly by the Associated Press and Reuters for publication in the *Washington Post*, *Boston Globe*, and other newspapers around the world. In Rwanda, Internews has helped sustain *Ubutabera*, a twice-monthly magazine on the ICTR, which is distributed in hard copy in French and English in Rwanda. *Ubutabera* is the only source of analysis of the ICTR available to the Rwandan judiciary and is also widely read by Rwandan media professionals, government officials, survivor groups, and human rights organizations. These activities have made a critical difference in the world's awareness of the ICTR, which, as the second international war crimes court in history, is making important jurisprudence history. The ICTR's location in remote Arusha, Tanzania has placed its proceedings virtually inaccessible to the global press. No other major news organization maintains a long-term presence in Arusha.

IMPLEMENTATION:

- Under a grant with Internews, USAID will support regular video and radio coverage in English and Kinyarwanda of the proceedings of the International Criminal Tribunal for Rwanda (ICTR) in Arusha. This same mechanism will be used for the *gacaca* and capital case trials in Rwanda. Media coverage of the trials will keep Rwandans and

the world at large informed on how justice is being administered by these tribunals.

INDICATORS:

Indicator to be agreed upon with the grantee pending future funding

IR 1.2: INCREASED SECURITY OF PROPERTY AND PERSONS

PROBLEM: Rwanda is making remarkable progress in restoring stability and increasing personal security. This has raised people's confidence that overall conditions are gradually returning to normal. Despite the important role played by the military in national security, a professional civilian police force has emerged with the objective of breaking the cycle of impunity and promoting a sense of public security and stability.

The National Demining Office (NDO) has made notable progress in demining productive areas and educating the population in the identification of destructive devices. An estimated half of the destructive devices such as mines and unexploded ordnance have been identified and removed. More importantly, thanks to a USAID project, the NDO is now a completely self-sustaining demining operation. While remaining devices continue to threaten the rural population, the NDO is able to manage the demining program on its own. Accordingly, USAID assistance to the NDO was terminated on June 30, 2000.

USAID may consider supporting the GOR's demobilization efforts pending the withdrawal of its troops from the DRC, and subject to the availability of funds.

ACTIVITY 1.2.1: STRENGTHENED CAPACITY OF THE NATIONAL POLICE

ACTIVITY DESCRIPTION: Since 1995 USAID has provided support in capacity building to the national *gendarmerie*. In 1999, however, the *gendarmerie* was reorganized, and an entirely civilian police force was created. This change is expected to lead to the creation of a modern civilian police force.

IMPLEMENTATION: USAID will continue limited assistance to the national police in training for new recruits and managers, and in basic and specialized investigations, subject to the availability of funds.

INDICATOR: None as current project will soon terminate. If assistance continues under a new program, an appropriate indicator will be developed.

IR 1.3: INCREASED ACCOUNTABILITY AT ALL LEVELS OF GOVERNMENT

PROBLEM: In addition to justice and security, there is a continuing need to develop and strengthen systems which increase good governance through greater representation and to support accountability and transparency in the development of public policy and legal structures.

The GOR has recognized the importance of decentralizing authority as a way to improve community cohesion, reduce authoritarianism within society, and increase the transparency and accountability of government. The local and district elections, held respectively in March 1999 and March 2001, are a manifestation of this commitment. It is at the grassroots where the peaceful resolution of conflict, civic awareness, and government participation are

carried out. The GOR is developing a range of mechanisms to devolve more resources and authority to local and district levels and to increase accountability. The Ministry of Local Government (MLG), which organized both the local and district elections, has reformed the former communal council structure. The reform makes the new district council structure more diverse by including representatives of different segments of the district's population: women, youth, merchants, farmers, etc. Contrary to former practice whereby the *burgomaster* (mayor) was appointed by the central government, s/he is now elected by the district electoral college and serves as the chairperson of the district council.

The MLG is also considering means of devolving resources from the central administration to the decentralized local governments. These two initiatives present opportunities to increase participatory mechanisms in local government and make government more accountable. In addition, the GOR's shift in the justice sector away from central prosecution mechanisms to decision-making and reconciliation processes at the local level provides a natural linkage between USAID activities in the justice sector and local government. The recent enactment of the *gacaca* legislation as a major step in a national reconciliation process will place heavy demands on the leadership of newly elected local government officials.

At the national level, representation is currently lodged in the TNA, a body in which all the legislators have been appointed by their parties to the seventy seats in accordance with strict quotas negotiated during the Arusha Peace Accords. Even though the TNA is not an elected body, it provides a counterbalance to government by decree and a fundamental link to balance of power and accountability in governance.

This legislative body faces many constraints. For example, the TNA has nine technical committees, which support the work of the legislators. These committees are unable to function optimally in support of the legislative process due to a lack of substantive knowledge about the legislative process (drafting, analysis, review of laws) and proper equipment. The legislators and the committee members have also identified a need for improved English-language skills so that they can communicate more effectively and access a broader range of ideas, concepts and approaches to representative legislation.

ACTIVITY 1.3.1: IMPROVED POPULAR REPRESENTATION AT ALL LEVELS OF GOVERNMENT.

ACTIVITY DESCRIPTION:

USAID supported the local elections in March 1999 and the secret ballot district elections in March 2001 by providing election materials and a sensitization campaign. The GOR has announced its plans to hold national elections in 2003 for which a new national constitution must be drafted. USAID intends to assist the government prepare for this important step in democratization chiefly through its technical assistance contract to the TNA. As national level elections draw nearer, USAID will decide more precisely the nature and extent of assistance to the electoral process.

IMPLEMENTATION:

USAID intends to renew for a second year its contract with a U.S.-based contractor for assistance to the TNA. A second year aims to both enhance the technical skills of the TNA professional and legislative staff (see Activity 1.3.4) and assist the TNA in the enormous task of preparing a new national constitution through training and technical assistance.

INDICATORS:

See activity 1.3.4

**ACTIVITY 1.3.2: FISCAL AND ADMINISTRATIVE FUNCTIONS
DECENTRALIZED****ACTIVITY DESCRIPTION:**

Although the GOR has taken initial steps to design its decentralization policy, substantial work remains to put in place a fully functional decentralized governmental structure. Given USAID's expertise in fiscal decentralization in many countries in Africa and the credibility USAID/Rwanda has established thus far in this field, USAID plans to provide continued assistance to the GOR in fiscal decentralization. In summer 2001, USAID plans to undertake another new long-term intervention in fiscal decentralization. The activity supports GOR's recent decision to decentralize many administrative and fiscal functions to the district level government. The project will provide technical and policy advice by providing comparative international experience and policy analysis specific to Rwanda and its political and economic system. The activity will also provide technical and policy advice in developing models of revenue and expenditure to demonstrate the cost/benefit of different revenue sharing equalization formulas, and service responsibilities, and to set acceptable ranges of rates and methods of calculating service fees to cover costs.

It will use at least 3 pilot districts (including one district in Kigali) to test models for accuracy, to identify and assist in priority service delivery issues, and test financial management and strategic planning systems. The activity will also design and deliver a training program on local government financial management that will be effective in building capacity of Rwandan districts of all sizes and capacities to manage their financial resources strategically and accountably.

IMPLEMENTATION:

Through a contract with a U.S.-based firm, USAID will provide technical assistance, policy advice, and capacity building to: 1) establish an intergovernmental finance system that promotes increased autonomy and accountability of local authorities in revenue generation, expenditure, and service delivery; 2) establish financial management systems at the local level appropriate to its new responsibilities; 3) develop the fiscal management capacity of local officials; 4) establish a strategy for decentralization of service responsibilities to the local level in two sectors; 5) improve service quality and revenue generation in the City of Kigali (PVK) and one of its districts plus one urban district and two rural districts. Capacity in intergovernmental finance and management of the national government and of Rwandan professionals will also be increased through collaboration between the contractor and Rwandan partners. USAID has provided direct technical and commodity assistance to the Ministry of Local Government to support the local and district elections in 1999 and 2001. The method of intervention for the upcoming national elections will be determined as their dates become more certain.

INDICATORS:

To be determined at the start of the project.

**ACTIVITY 1.3.4: STRENGTHENED CAPACITY OF PARLIAMENT TO
FUNCTION AS AN INDEPENDENT ARM OF THE GOVERNMENT**

- **ACTIVITY DESCRIPTION:** This activity will provide training, technical assistance and commodities to the TNA to assist the Assembly in discharging its present functions as an interim legislative body, and as a check on the exercise of executive authority; to support the present Assembly leadership and staff in developing the institutional capacity, resources, and organizational reflexes to support an eventual elected legislative body; and, to develop criteria according to which progress in legislative development might be supported and monitored following the conclusion of the transitional period.

Specific activities to improve the technical staff's capacity aim to:

- Assist in the provision of legislative research services for the TNA members and their technical staff; in addition, provide basic training on how to draft and review laws, analyze legislative proposals to improve the staff's ability to respond to proposed legislation;
- Provide training in national budget preparation and analysis;
- Provide English-language training for legislators and technical staff.
- Assist in preparation of the new constitution

IMPLEMENTATION: USAID contracted with an U.S. university to conduct a needs assessment to identify appropriate training and commodity requirements for the TNA. This needs assessment, completed in February 1999, developed a series of capacity-building recommendations around the following functions: institutional development, law-making, representation and executive oversight. A U.S. contractor specializing in legislative strengthening is now implementing these recommendations. Capacity building includes: establishment of an internal steering committee to co-develop the implementation plan; training in bill-drafting, committee staff functions, and conduct of relations of parliamentarians with their constituents; conducting observation tours to other African countries to observe their legislative systems; and development of documentation gathering and management information systems. A Cooperative Agreement with World Learning provided nine months of English-language training for TNA staff and legislators in 1999.

INDICATORS:

Amount/quality of draft legislation and related documents produced by the TNA staff.

ACTIVITY 1.3.5: MECHANISMS FOR CITIZEN INPUT ON LOCAL RESOURCE DECISIONS ESTABLISHED IN PILOT SITES.

ACTIVITY DESCRIPTION: USAID's Local Governance Initiative (LGI), was a pilot project designed to provide a mechanism for the GOR to put into practice its objective of re-allocating resources and decentralizing decision-making. This activity aims to bolster stability in communities during the transition period by developing participatory mechanisms by which communities can access modest funding for rehabilitation and development activities. The March 1999 elections at the sector and cell levels have changed the nature of this activity from a pilot to an activity that will replicate and expand on pilot efforts through newly elected officials. By supporting development of participatory processes, the activity will help lay the foundation for the GOR to engage in broader governance issues in the longer term. This activity has been extended to 15 additional communes bringing the total number of communes assisted to 30.

The activity consists of:

- The establishment of participatory mechanisms through which 30 communes make resource allocation decisions, with funds allocated from the LGI for rehabilitation and development activities in the community. The key is to provide new models for empowering people to make decisions over resources traditionally controlled by center-oriented local or national governments.
- Technical assistance to local governments to help manage funds and evaluate and monitor projects, and to work with the MLG to find other ways of providing services to local communities which foster participatory grass roots development.
- Technical assistance to the MLG to help with the implementation and monitoring/evaluation of decentralization, communal reform initiative and post election training of local government officials from within the Ministry. Assistance has helped to identify, in a timely way, lessons learned that can promote broader implementation, including adaptation of training modules for use with newly elected officials.

IMPLEMENTATION: The project will continue to be implemented through an amendment to an existing Cooperative Agreement. This successful model for a participatory mechanism, developed during the initial twelve months and later expanded, informs efforts to integrate participatory processes in the MLG's broader planning. Much of the LGI model has been incorporated into similar projects funded by UNDP (with resources from the U.S. Department of State's Bureau for Population, Migration and Refugees) and the World Bank. USAID is coordinating with these related activities. USAID will also begin to work in districts that have not yet received assistance under the LGI initiative such as those in Kibungo Province.

INDICATORS:

- 1) Citizens in LGI communes who believe their local government system contain mechanisms for local input to decision-making.
- 2) Average percent of community contributions in first and subsequent proposals.

ACTIVITY 1.3.6: RECONCILIATION PROMOTED THROUGH DIALOGUE, RESEARCH AND TECHNOLOGY APPLICATIONS WHICH INCREASE COMMUNITY CONFIDENCE AND PARTICIPATION IN LOCAL GOVERNMENT

ACTIVITY DESCRIPTION:

USAID will fund a range of activities to enhance the goal of national reconciliation through community action, research and global linkages that inform and help to develop conflict mitigation strategies. Specific activities include:

- Additional support for the Unity and Reconciliation Commission for field based activities.
- Support for programs at the NUR which connect Rwanda to the internet in order to increase exposure to global ideas and link Rwanda with other countries struggling with similar issues of conflict management, development and democracy.

- Operational research that can develop conflict mitigation strategies and build national unity.

IMPLEMENTATION:

By an international NGO through a grant to the Unity and Reconciliation Commission.

Assistance to the NUR and the Center for Conflict Management is being provided through a cooperative agreement with a U.S. academic institution.

INDICATORS:

- 1) Percentage of students using Internet
- 2) Number of effective reconciliation strategies identified and training programs designed

**IR 1.4: CIVIL SOCIETY STRENGTHENED
(New IR proposed to complement work in the other IRs)**

PROBLEM: Currently policy decisions in Rwanda impact a variety of constituencies, including (but not limited to) genocide survivors, women-headed households, labor unions, business associations, agriculture groups and other social, economic and professional associations. The current Rwandan Government of National Unity now phasing out of the transition period must have a vital civil society, which can tackle such issues as equality for women and the disadvantaged and local social and economic problems. Government decisions are more likely to be implemented effectively if they have involved those affected by those decisions. In addition, civil society organizations can bring specific expertise to policy discussions on a range of issues. Civil society organizations also serve as public advocates, participate in policy debates, and provide services. An active civil society can promote public sector accountability and mitigate social conflict.

ACTIVITY DESCRIPTION:

USAID will finance activities designed to foster the growth of civil society in Rwanda in one or more of the following activities:

- a) Strengthen local capacity to promote and protect human rights.
- b) Strengthen the ability of the organization itself to respond to constituent needs to promote important issues in the current policy dialogue, or monitor actions of Public Officials.
- c) Implement a specific human resources project of an organization such as:
 - Training session for skills improvement;
 - Report on a policy issue or situation of relevance to Rwanda;
 - Creation of educational materials: school curricula, materials for training in human rights, public awareness spots through radio, television or print media;
 - Seminar or workshop to increase public awareness on a specific topic.

IMPLEMENTATION: Through a grant to a U.S.-based NGO, USAID will work in partnership with a selected number of Rwandan civil society organizations. Presently, there are a number of local NGO networks/associations operating, but they require extensive institutional capacity building to overcome years of neglect and partisanship. The grantee will provide capacity building expertise in the areas of finance, administration and institutional organization (e.g., how to incorporate, how to form a board, how to conduct open and transparent board elections, how to fund raise, how to manage funds). In addition, expertise will be provided to enhance the conceptual/advocacy skills necessary to become responsive civil society institutions

INDICATORS:

To be developed at the start of the grant.

iv. OTHER IMPLEMENTATION ISSUES

Program Development Support

Funds will be allocated for design of activities related to the Strategic Objective, conference participation, targeted research and short courses. Priorities for use of these funds will be determined jointly with the Government of Rwanda. Procurement will be handled directly by USAID/Rwanda.

Program Management

USAID is providing limited increased funding for activities in support of local government and decentralization. Additional funds provided in Amendment Number Five will increase the management capacity of the Strategic Objective team to support these expanded activities.

v. ROLES AND RESPONSIBILITIES OF THE PARTNERS

USAID will manage and monitor the planned activities in compliance with USAID regulations and procedures. Technical expertise within USAID to advise and direct these efforts will be funded under this SOAG, as amended. Additional expertise will be provided in the form of short-term assistance as needed.

The GOR will pay all customs costs related to the importation of USAID-funded commodities through Rwanda customs.

National partners: The NUR Law School will be USAID's partner in supporting enhanced legal human resource capacity within the legal profession. The Ministry of Social Affairs will be the partner in the National Assistance Fund for Genocide Survivors. The MOJ will be USAID's partner in the effective administration of justice, including implementation of *gacaca*. The Ministry of Internal Affairs will be USAID's partner in efforts to strengthen the capacity of the national police. The Ministry of Local Government will be USAID's partner in improving popular representation at all levels of the government, in promoting decentralization and citizens participation, and in improving standards of governance,

transparency and accountability. Support to improving the quality of national legislation and the preparation of the constitution will be provided to the TNA.

Support to reconciliation and conflict prevention will be provided to the National Unity and Reconciliation Commission. Support for global linkages using internet connectivity will be carried out with the NUR. Support to civil society will be coordinated with the National Commission on Human Rights.

A Democracy and Governance Strategic Objective Team will represent USAID and its partners. This will ensure broad participation of and coordination with USAID's partners. The Strategic Objective Team, led by the SO team leader, will be selected by the Mission Director of USAID/Rwanda in consultation with the GOR. The GOR will assist USAID in reviewing progress in attaining the Strategic Objective, planning additional activities and suggesting appropriate adjustments and modifications. An illustrative list of possible team members includes: representatives from the MOJ and the MLG; managers of discrete activities contributing to the Strategic Objective; representatives from USAID; and representatives from international organizations with programs in justice, local governance and civil society.

vi. MONITORING, EVALUATION AND AUDITS

Overall program monitoring and evaluation will be funded under this Agreement and will be the responsibility of the USAID Strategic Objective Team Leader. Each contract, grant or cooperative agreement awarded by USAID will have a performance and monitoring plan that identifies indicators and targets. The Strategic Objective Team will review the findings. Independent audits will be funded under each activity and are the responsibility of the implementers.

Progress towards achieving the overall strategic objective "Increased Rule of Law and Transparency in Governance" will be measured against indicators too be developed by the DG SO team. USAID, working with its implementing partners, will identify baseline data, where not yet done, and regularly monitor data on each indicator to track progress and make adjustments when necessary. Specific performance measurements will be identified for achieving targets for each contracting mechanism and a monitoring and evaluation schedule will be set at the time of award.

2. STRATEGIC OBJECTIVE #2: INCREASED USE OF SUSTAINABLE HEALTH SERVICES IN TARGET AREAS.

i. BACKGROUND

The transition from emergency humanitarian aid to sustainable development assistance in the Rwandan health sector is taking place in a challenging demographic context that can be characterized as:

- *Densely populated*
 - With an estimated population of 8.3 million in 2000, Rwanda ranks as one of the most densely populated African country with ~ 317 people/km²
- *Young*
 - In 1996, 49% of the population were under 14 years of age
- *Female*
 - In 1996, 54% of the population were women
- Rural*
 - 83% of the population live in rural settings
- Agrarian*
 - 91% of the working population ≥ 10 y.o. are engaged in the agricultural sector, including activities such as fishing and livestock
- *Impoverished*
 - With an estimated per capita income of US\$230 in 1998 and with 65% of households living below the poverty line, Rwanda ranks 164th out of 174 countries on the UNDP 2000 Human Development Index
- *Illiterate*
 - Despite significant progress since 1992, 25% of women and 17% of men have received no formal education

The strategic environment in Rwanda presents significant challenges for the implementation of sustainable health sector programs. There is a *shortage of trained health professionals and administrators* in-country. The *decentralization* of local administrative and financial control is a well-intentioned step toward community empowerment and democracy, but technical capacity is not keeping pace with new roles and responsibilities. A *shortage of public financing for the health sector* is another important factor. A national health accounts study in 1998 showed that 50% of health sector costs in Rwanda are provided through donor support, with only 9% coming from the Government of Rwanda (GOR). A sizeable 33% of health sector costs were paid directly by households, placing a large burden on limited domestic resources. It is estimated that the Ministry of Health received only 4.2% of the national budget in 1999.

However, important opportunities also exist to advance and maintain health sector development. The MOH is committed to developing its internal capabilities to improve health care services for the population. In partnership with the GOR, USAID/Rwanda has supported *capacity-building* activities such as funding U.S. post-graduate education opportunities in public health and management for MOH officials, developing curriculum modules for the School of Public Health at the National University of Rwanda, and training

MOH staff in financial management, budget planning, data collection and analysis. The *private sector* is also an important partner in health sector development. For example, approximately 40% of district hospitals are operated by *faith-based organizations*. Churches are active partners in HIV prevention, care, and support. *Community-based groups* such as agricultural cooperatives and microfinance organizations have potential to pool their purchasing power through prepayment plans for health care (*mutuelles*). Through its cooperating agencies, USAID/Rwanda provides support to *local non-governmental organizations (NGO's)* which have active HIV programs as well. Additional opportunities for a stronger private sector, through *privatization* of state-operated enterprises and an improved regulatory environment, can have a positive impact on economic development. An improved economy, in turn, can help families purchase necessary health care services and will enhance government revenues to support essential public health activities.

Health Profile

With support from USAID/Rwanda, the Ministry of Health completed the 2000 national Demographic and Health Survey (Enquête Démographique et de Santé, EDSR II). Preliminary data provide an updated health profile for Rwanda.

The HIV epidemic has severely impacted Rwanda. Although close to 100% of survey respondents had heard of AIDS and a high percentage of men (98%) and women (96%) could name at least one way to avoid HIV transmission, far fewer (63% of men, 36% of women) identified condoms as a HIV prevention method. In a country with an estimated HIV prevalence rate of 11%, condom use is at a dangerously low level, with only 0.6% of women and 2.9% of men reporting having ever used a condom with any partner during the preceding month. Among Rwandan youth, the USAID-funded 'KUBA' campaign emphasizes abstinence, fidelity, and condom use as key strategies for HIV prevention. However, a recent survey shows that 33% of boys and 17% of girls are sexually active by the age of 18 and a significant percentage of this age group had never heard of condoms (28% of boys, 45% of girls). Moreover, only 63% of boys and 40% of girls knew where to get condoms. Clearly, there is a need for additional information, education, and communication (IEC) activities regarding prevention of HIV transmission as well as improving condom use and access. The care and treatment of those individuals living with HIV/AIDS is another major challenge facing Rwanda and her development partners.

Improved maternal and child health is another critical intervention priority for Rwanda. A commonly used quality indicator for maternal health services is the percentage of births attended by trained personnel. In Rwanda, this percentage has plummeted from 94% in 1992 to 31% in 2000. The percentage of women delivering with no assistance whatsoever has quadrupled in the same time period. Although some child survival practices remain relatively strong, neonatal and infant mortality rates are climbing. For example, 81% of children 0-5 months of age are exclusively breastfed and immunization rates for children ages 12-23 months have declined only slightly, from 83% in 1992 to 76% in 2000. Nonetheless, neonatal mortality has risen from 39/1000 in 1992 to 44/1000 in 2000 and infant mortality has dramatically increased from 85/1000 to 107/1000 during the same time period .

Malaria remains a significant cause of morbidity and mortality in Rwanda. Malaria and fever of unknown origin accounted for 58% of health center visits in 1998. Despite effective

prevention strategies such as insecticide-treated bednets (ITN's) and simple treatment regimens, malaria is still the leading cause of death among children under five and accounts for 36% of overall mortality in the country.

Finally, there remains a large unmet need for family planning/child spacing services in Rwanda. Despite a downward trend from a total fertility rate of 8.5 in 1983, the TFR in this densely populated, impoverished country remains high at 5.8. Levels of contraceptive awareness are high, with 97% of women in union able to name any method and 94% able to name at least one modern method. However, the percentage of women in union who have ever used any method of contraception has declined from 42% in 1992 to 36% in 2000. 'Ever use' of modern contraceptives among women in union has also declined from 25% to 18%. Although more than two-thirds of women in union age 15 - 29 years old wish to wait two years or more to have their next child, only 4.3% of Rwandan women of childbearing age are currently using modern contraceptives and only 0.4% are using condoms. Promoting the dual advantages of condoms to help women achieve their child-spacing goals and to prevent sexually transmitted infections, including HIV, can be an important public health intervention. Providing other options for family planning in a manner which is sensitive to the cultural, religious, and historical context, remains an unanswered challenge in Rwanda.

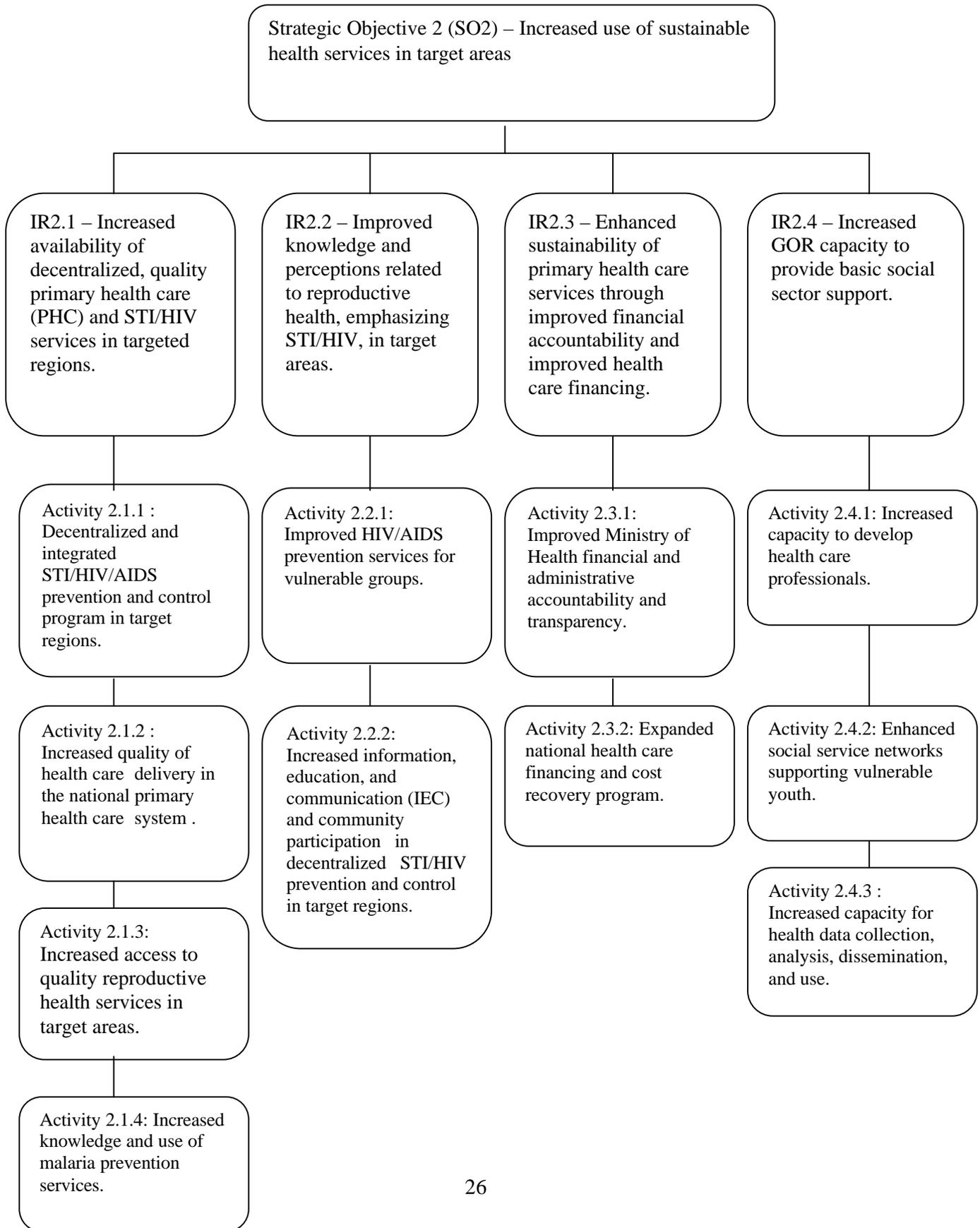
ii. RESULTS FRAMEWORK

The health program at USAID/Rwanda is transitioning from emergency, humanitarian response activities to long-term sustainable development. The Mission envisions four critical elements as essential in building and maintaining sustainable health activities to serve the Rwandan people:

- quality of primary health care services
- informed, educated client population
- financial stability of the health care system
- qualified health care providers and managers

Strategic Objective 2 and its Intermediate Results Framework reflect this model (see Diagram 1). Funds and activities are programmed according to this framework.

Diagram 1. SO2 Results Framework for USAID/Rwanda



iii. RESULTS TO BE ACHIEVED

USAID is shifting its approach from the emergency-oriented interventions of the immediate post-genocide period to a new partnership with the MOH to strengthen its technical and management capacity. This approach will focus on systems strengthening and make use of pilot activities to test and demonstrate new program strategies for possible expansion nationwide. To achieve results under SO2, USAID will finance activities that strengthen effective management and implementation of primary health care services, with an emphasis on STI/HIV services, behavior change, and social services for vulnerable groups.

USAID will concentrate its activities in the same geographic regions, or with the same target populations or local partners, to the extent possible. This will capitalize on potential synergies and mutual support among program activities. Certain interventions will maintain a geographic focus, and will include the Prefectures of Kigali, Gitarama, Byumba, and Kibungo. A limited number of pre-existing HIV/AIDS prevention and other activities will continue in these prefectures during the course of this amendment funding. Continuation of HIV/AIDS activities in Kibuye province beyond December 2002 will depend on availability of funds.

Among new activities to achieve results under this Agreement, USAID will explore with the MOH appropriate interventions in family planning/child-spacing. The program will develop culturally acceptable services and communications to target Rwanda's high population growth and maternal and child mortality in light of post-genocide pro-natalist social pressures. To facilitate sound decision making and inform MOH and donor programming, USAID will also support data gathering, analysis and dissemination activities.

Another new activity relates to social marketing of insecticide-treated bednets and their integration into existing reproductive health (antenatal care) and child survival activities. The program's ultimate goal is to increase knowledge and use of malaria prevention strategies in an effort to lower the morbidity and mortality of children under five.

Additional new activities include a small grant to the World Health Organization to support its on-going polio activities, and the option of implementing a peer education HIV prevention project targeted at members of the Rwandan military.

In collaboration with the GOR, USAID will modify or discontinue current activities and initiate new activities as needed to achieve SO and IR results over the period of this strategy. Specific activities will be implemented during the year 2001, though exact start and end dates will vary, and will not necessarily continue beyond the funding allocated in the attached Financial Plan. Certain activities may continue beyond the present amendment funding, but with different implementing partners.

To achieve the Strategic Objective, USAID will focus on four Intermediate Results (IRs) and measure progress through specific indicators. Due to re-orientation of the USAID program to respond to Rwanda's changing realities, IR-level indicators will be re-examined and updated during the course of this transition program.

IR 2.1: INCREASED AVAILABILITY OF QUALITY DECENTRALIZED, PRIMARY HEALTH CARE (PHC) AND STI/HIV SERVICES IN TARGET AREAS.

Indicator: % of fully functional primary health care services. (Minimum services will include basic curative care, STI screening and treatment, family planning, assisted births and referrals, and increased immunization coverage.)

PROBLEM: HIV/AIDS is a growing epidemic and priority health, development, and economic problem for Rwanda. The Treatment and Research AIDS Center (TRAC) estimates that the current infection rate is 11 percent among the adult population (ages 11-45) and is rising among Rwanda's vast rural population. STIs are highly prevalent in Rwanda and are risk factors for HIV transmission. To provide effective services and contain a potential rise in infection rates among the rural population, the MOH restructured the National AIDS Program to accelerate the decentralization and integration of STI/HIV services into existing primary health services at the health district level.

Improving the quality of primary health care is a priority of the MOH. To achieve this objective, the MOH is improving its management processes and establishing norms and algorithms for clinical care. However, much remains to be done in improving clinical care and increasing the economic access of clients to quality services. The MOH lacks the conceptual framework and the tools of quality assurance to develop a systematic approach to promote and guarantee quality of care. Because of management and resource deficits within the MOH and the critical need to maximize future investments in primary health care as emergency health funds and interventions evaporate, the development of a national policy and guidelines to institutionalize quality assurance is an essential component to a sustainable national health system.

To achieve IR 1, USAID supports the integration and improved planning, management and quality of reproductive health and STI/HIV services in selected regions. Activities aim at reducing unacceptably high levels of mortality and morbidity through improved clinical skills and practices; provider and client information dissemination; increased community participation and service utilization; and improved management practices at the regional and health district levels.

ACTIVITY 2.1.1: DECENTRALIZED AND INTEGRATED STI/HIV/AIDS PREVENTION AND CONTROL PROGRAM IN TARGET REGIONS.

ACTIVITY DESCRIPTION: This activity is improving the overall quality of service delivery by strengthening the capacity of regional and health district teams to integrate and implement STI/HIV clinical and education services. Technical assistance focuses on the design, planning, implementation, and monitoring necessary for the integration and provision of STI/HIV services within the existing PHC delivery system in target regions.

The activity emphasizes the establishment of a decentralized capacity to manage and sustain basic services. Additional interventions will strengthen MOH capacity to provide technical

and program guidance to regional and NGO HIV/AIDS programs. The crucial activities for a successful STI/HIV integration include:

- Improved capacity of regional health offices in planning and managing STI/HIV prevention, care, and support programs and services in a comprehensive PHC system through collaboration with local elected government units in planning, priority setting, and management.
- Improved health provider skill in STI diagnosis and treatment using the syndromic approach, laboratory validation of management algorithms, and ensured regular supervision and guidance through regional trainers.
- Strengthened community involvement and volunteer networks through improved regional coordination; community mobilization to support people living with HIV/AIDS and their families; training and linkages of informal and MOH systems; provision of education and counseling related to STI/HIV; client referral to clinics with trained providers for clinical services; and mobilization of political and opinion leaders.
- Increased MOH capacity to coordinate AIDS activities in Rwanda and provide technical guidance to NGO and donor programs in HIV/AIDS.

Additional consultation and analysis of the impact of HIV/AIDS on the Rwandan economy and a review of long-term strategies for addressing the epidemic are also important issues.

IMPLEMENTATION: Family Health International (FHI) will carry out this activity through a cooperative agreement with USAID/Washington under the IMPACT Project. USAID will also explore other mechanisms for technical and program support to the TRAC and decentralized activities to help assess and reduce the adverse impact of HIV/AIDS in Rwanda.

ACTIVITY 2.1.2: INCREASED QUALITY OF HEALTH CARE DELIVERY IN THE NATIONAL PRIMARY HEALTH CARE SYSTEM.

ACTIVITY DESCRIPTION: This activity will: (a) provide technical assistance at national and health district level to strengthen sustainable quality assurance systems, and (b) strengthen the organizational structure within the MOH to guide the dissemination and use of quality management methods and principles throughout public and private health systems in Rwanda. The role of the Quality of Care Division is to integrate this quality management and improvement initiative into the routine work of the Ministry. The Quality of Care Division will develop and promote clinical standards and indicators to increase the effectiveness and efficiency of service delivery.

The program will organize a series of workshops to increase awareness and knowledge of quality assurance methodology among health professionals and create a nucleus of facilitators able to train others in quality assurance methods. USAID will promote and test appropriate, effective, efficient, and affordable technology to improve quality of care and services. This integrated approach to the management of services provides health workers and managers a

methodological framework and technical tools to facilitate the design, monitoring, and continuous improvement of quality of services. Starting in 2001, the program will enlarge its focus and assist the MOH Quality of Care Division to take on increasing responsibility for broadening the intervention nationwide as part of routine MOH services. During FY2001, the program will expand its focus to additional service sites and institutionalize these activities within the MOH structure.

The MOH will contribute to the QA program through clear policy support and assignment of MOH personnel to QA coordination and implementation. It will be the responsibility of the MOH to communicate quality of care standards and policies to partners based on this pilot activity.

IMPLEMENTATION: USAID will continue its technical assistance through a USAID/Washington cooperative agreement with the University Research Corporation (URC) Center for Human Services under the Quality Assurance Project to carry out this activity.

ACTIVITY 2.1.3: INCREASED ACCESS TO QUALITY REPRODUCTIVE HEALTH SERVICES IN TARGET AREAS.

ACTIVITY DESCRIPTION: USAID will provide technical assistance to the MOH to develop an approach to providing reproductive health and family planning services to women and couples which is acceptable within the context of post-genocide Rwanda. The reproductive health and family planning initiative will be carefully tailored to respect Rwanda's current social realities, while addressing the country's massive population and maternal and infant mortality challenges.

Program activities will be designed to focus on culturally acceptable family health and well-being issues, including prevention of maternal deaths associated with early and multiple pregnancies, and preventing infant deaths associated with short birth interval, maternal age, parity, and other risk factors. All education and communication interventions will be closely coordinated to ensure appropriate and acceptable messages are conveyed to the target population. USAID and the MOH will enlist multiple communication pathways to provide information to communities, women and couples.

IMPLEMENTATION: USAID will contract with the PRIME-II project, implemented by Intrah and Abt Associates, to support the MOH in this activity. The program may also enlist NGOs, centrally funded cooperating agencies, and/or other partners for social mobilization and other activities related to reproductive health and family planning/child-spacing activities.

ACTIVITY 2.1.4: INCREASED KNOWLEDGE AND USE OF MALARIA PREVENTION SERVICES.

ACTIVITY DESCRIPTION: Malaria and fevers of unclear etiology are the leading causes of morbidity and mortality of Rwandan children under five years of age. Use of insecticide-treated bednets (ITN's) and prompt referral of a feverish child for proper clinical care are effective interventions. Social marketing of bednets can help increase utilization rates,

especially if integrated into existing community outreach service programs. Improved education can help caregivers know when a child with fever needs a prompt clinical evaluation and treatment. Training for health care providers, traditional birth attendants, and health animators can also increase bednet use among antenatal clients. Technical assistance will be provided in an integrated manner to enhance malaria prevention strategies in selected target sites.

Through another infectious disease-oriented activity, a small amount of assistance will be provided to support polio eradication efforts in Rwanda.

IMPLEMENTATION: Through a cooperative agreement, with USAID/Washington, Population Services International's AIDSMARK project will implement this activity. The World Health Organization (WHO) will receive a small amount of support for polio eradication.

IR 2.2:IMPROVED KNOWLEDGE AND PERCEPTIONS RELATED TO REPRODUCTIVE HEALTH, EMPHASIZING STI/HIV, IN TARGET AREAS.

Indicator: % of selected 'high-risk' populations who are aware of two or more means to prevent HIV transmission.

Indicator: % of selected 'high-risk' populations using condoms with non-regular sexual partners.

PROBLEM: Those most vulnerable to STI/HIV infection lack adequate access to information, counseling, diagnostic, and treatment services. Effective communication is an important education tool and key to creating a demand for services. Moreover, many providers are not trained to give prevention messages effectively. It is essential to increase client and provider awareness of STI/HIV/AIDS, to demonstrate the links among STI's and HIV/AIDS, and to encourage the population to reduce high-risk behavior. Thus, effective education and communication are critical factors in preventing and reducing STI/HIV transmission.

Production and dissemination of quality mass media messages must compliment and broaden the variety of inter-personal communications efforts that are emphasized at the health district level. Improved knowledge empowers individuals to take greater responsibility for their health and well-being and increases demand for quality health services. IEC activities can take advantage of several Rwandan social characteristics including a common language, a highly structured society that fosters civic gatherings and participation, as well as a tradition of voluntary community service.

ACTIVITY 2.2.1: IMPROVED HIV/AIDS PREVENTION SERVICES FOR VULNERABLE GROUPS

ACTIVITY DESCRIPTION: This activity targets orphans and unaccompanied children, people living with HIV/AIDS and their families, as well as other vulnerable groups impacted by HIV. The overall goal is to reduce or stabilize HIV transmission among vulnerable

populations by delivering STI/HIV prevention messages and reinforcing referral systems through a range of community-based activities. Activities will link community-based peer educators, family caregivers, health professionals, and community social service workers. Interventions may include providing technical support to refine HIV/AIDS prevention activities and promoting greater community care and support for vulnerable groups.

These interventions are linked to traditional communication and community leadership networks, including the Catholic and Protestant churches, to disseminate appropriate HIV/AIDS prevention and care messages.

IMPLEMENTATION: This activity is implemented through grants with World Relief and through sub-agreements managed by IMPACT (for budget purposes, IMPACT is funded under IR 2.1).

ACTIVITY 2.2.2: INCREASED INFORMATION, EDUCATION AND COMMUNICATION (IEC) AND COMMUNITY PARTICIPATION IN STI/HIV PREVENTION AND CONTROL PROGRAMS

ACTIVITY DESCRIPTION: IEC materials for use at the national, community, and individual levels are important tools for USAID/Rwanda's HIV prevention and control activities. Products may be written materials (posters, pamphlets, curricula, flipcharts, etc.), mass media messages (radio, television, newspapers, etc.), or community participation activities (meetings, workshops, concerts, plays, etc.). Interventions should tap into Rwanda's wealth of "naturally-occurring" communications networks as well as more formal organizations, groups, associations, schools, political units, which have proven to be highly efficient in rural areas. Participation by people in positions of leadership and influence (politicians, military officers, church leaders, teachers and community leaders) will improve the probability that intended messages will reach a broad and often hard-to-reach audience and stimulate public dialogue. Likewise professional health care providers recognize the need for additional guidance and training in communications techniques.

As a new aspect of this activity, USAID will explore options for developing a multimedia behavior change communication campaign for young men in the military who represent a high-risk and difficult to reach group.

Implementing partners for this activity will:

- Undertake small-scale qualitative research on health-seeking behaviors, perceived risk, and other topics to inform design of messages promoting desired behaviors.
- Design IEC materials and behavior change strategies to promote HIV prevention and minimize the adverse impact of HIV in Rwanda.
- Train selected regional/district health staff in information, education and communications skills.
- Promote awareness raising among opinion leaders and local authorities on STI/HIV/AIDS.
- Improve the training and supervision of peer educators and community health volunteers.

- Enhance community participation through the identification and involvement of active community groups.

IMPLEMENTATION: USAID will continue implementation of this activity through the IMPACT Project, implemented by Family Health International (FHI) under a cooperative agreement with USAID/Washington (for budget purposes, IMPACT is funded under IR number one). Population Communication Services (PCS), implemented by Johns Hopkins University and the Academy for Educational Development (AED) through a cooperative agreement with USAID/Washington, will also participate in implementing this activity. Population Services International (PSI), through its USAID/Washington-funded AIDSMARK program, will explore options for implementing HIV prevention activities among the military (for budget purposes, PSI is funded under IR number one).

IR 2.3: ENHANCED SUSTAINABILITY OF PRIMARY HEALTH CARE SERVICES THROUGH IMPROVED FINANCIAL ACCOUNTABILITY AND IMPROVED HEALTH CARE FINANCING.

Indicator: Increased % of locally generated resources for health services at district level.

Problem: Health care financial planning, management and development of cost recovery systems help ensure a rational use of limited financial and human resources, attract donor support, and promote sustainability. A sustainable health care financing strategy must be developed through a combination of direct participation of the population, limited GOR budget support, and donor resources. Without strong financial and administrative systems, the GOR/MOH cannot assume ownership and provide necessary leadership in the health sector, i.e., it needs the "capacity" to absorb and account for internal and external resources that will be essential for sustaining health services.

Prior to the war, the GOR had a policy of cost recovery through health center user fees. However, due to the social and economic disruptions of 1994 and the need to respond to the tremendous human suffering inflicted by the genocide, NGOs and international organizations provided free health care with emergency funds. The MOH re-instituted the fee-for-service cost-sharing policy in 1996/7 but compliance is weak and only a small percentage of the needed level of health care funding will be generated. In the post-crisis period, donors continue to provide huge subsidies for drugs, materials, salary supplements, equipment and other capital investments. However, with the rapid evaporation of relief and emergency funds, the health care delivery system is facing critical financial problems.

Rwandan health care administrators and managers require technical assistance in accounting, health financing and health economics to develop critical skills in planning, executing, monitoring, and evaluating health reform activities such as decentralization. The rapid decentralization and disassociation of health care administrative and financial control between district health facilities and prefecture offices create an urgent need for technical capacity-building to help local officials master their new roles and responsibilities.

ACTIVITY 2.3.1 : IMPROVED MINISTRY OF HEALTH FINANCIAL AND ADMINISTRATIVE ACCOUNTABILITY AND TRANSPARENCY.

ACTIVITY DESCRIPTION: The focus of this activity is to strengthen the MOH capacity to manage its own resources and those from external sources. Technical assistance will be provided to the MOH to develop financial and administrative systems to budget and account for MOH resources. Such an activity may serve as a model to be replicated by other ministries. Additional technical assistance will be provided to district and/or local health care administrators to enhance budget planning and implementation in the setting of rapid decentralization.

IMPLEMENTATION: USAID will provide technical and program support for this activity through the IMPACT Project.

ACTIVITY 2.3.2: NATIONAL HEALTH CARE FINANCING AND COST RECOVERY PROGRAM EXPANSION

ACTIVITY DESCRIPTION: The next two years will be critical in the development of sustainable health sector financing mechanisms as emergency assistance funds are quickly evaporating and the MOH's ability to meet recurrent costs for the delivery of primary health services is very limited. USAID will provide long-term technical assistance to develop and pilot sound health care cost recovery systems such as prepayment plans (mutuelles). This intervention will focus more strongly on the linkage between quality of care and community 'ownership' of health services, that is, the willingness of communities to pay for health services, and the ability to recognize those of higher quality. More direct focus on this linkage will help to continue and increase membership in prepayment plans for health services, and strengthen sustainability of health care.

The implementing partners will:

- Develop cost recovery systems and management tools and provide training in application.
- Document and evaluate mechanisms currently used and recommend changes if necessary.
- Pilot test alternative financing schemes to inform an MOH policymaking process for future health financing systems.
- Strengthen linkages between quality of care and community demand and willingness to pay for services.

IMPLEMENTATION: USAID will provide technical and program support for this activity primarily through the PRIME II Project.

IR 2.4: INCREASED (GOR) CAPACITY TO PROVIDE BASIC SOCIAL SECTOR SUPPORT.

Indicator: Strengthening of indigenous health training facilities to offer effective training courses responding to MOH service delivery needs. (e.g. 'Institute of Public Health curriculum redesigned according to MOH requirements')

PROBLEM: The war of 1994 created enormous setbacks for the Rwandan Government. Infrastructure was destroyed, skilled personnel were lost and national development programs

ended. The situation was exacerbated by the massive return of over two million people in need of basic health care. Ministries are still rebuilding programs and training staff in a complex and resource-scarce environment.

The severe shortage of well-trained health professionals impedes the effective management and delivery of health services in Rwanda. Staffing shortages translate into poor service quality, weak supervision systems, and inadequate referral systems. USAID is working to reinforce the MOH efforts to deploy qualified health care providers, to develop the skills and confidence of health workers at all levels, and to empower health districts in monitoring service standards and performance, and to help supervisors identify staff training needs.

The socioeconomic upheaval caused by the genocide and the devastating impact of the HIV/AIDS epidemic have put the Rwandan youth at risk. To address these challenges, the GOR is encouraging active youth involvement and participation in national reconstruction efforts and in health promotion activities. USAID is supporting this priority of the GOR through pilot projects designed to empower youth as active participants in civil society and in health promotion/disease prevention.

To fulfill its responsibilities in providing leadership and regulatory oversight for health activities in Rwanda, as well as to ensure effective donor coordination and allocate scarce resources wisely, the GOR/MOH must develop the capacity to collect, analyze, disseminate, and use health data. Building on its experience in conducting the recent Demographics and Health Survey, the MOH can expand its capabilities in survey design and implementation. Analyzing data collected and presenting them to health care leaders, educators, and donors is another important step in the process of results-based management.

ACTIVITY 2.4.1: INCREASED CAPACITY TO DEVELOP HEALTH CARE PROFESSIONALS.

ACTIVITY DESCRIPTION: Phase One of this activity included rehabilitation of the Kicukiro Training Center and provision of x-ray, laboratory, and other teaching materials to the Kigali Health Institute under a grant to Samaritan's Purse, a U.S.-based NGO.

Phase Two focuses on longer-term partnerships with Rwandan training institutions. Activities will include assessment of the skills required by MOH health providers and identification of gaps or deficiencies in current training curricula and programs, including paramedical training. The program will design appropriate curriculum elements and strengthen instructional program planning capacity of selected Rwandan health training institutions. The focus will be on basic primary health care training for clinical providers and public health and administration training for district, regional, and facility managers. The program will use modern communication technology and electronic media to increase accessibility of information and current teaching tools to partner Rwandan institutions. The activity will target public health training at the National University of Rwanda (NUR). Modest support may also be given to paramedical training at the Kigali Health Institute (KHI), research, and other sub-activities as resources and opportunities permit.

IMPLEMENTATION: USAID will continue to support a partnership with one or more U.S.-based universities and Rwandan health training institutions to carry out this activity. PRIME II may also contribute to this activity.

ACTIVITY 2.4.2: ENHANCED SOCIAL SERVICE NETWORKS SUPPORTING VULNERABLE YOUTH.

ACTIVITY DESCRIPTION: In support of the GOR's interest in promoting youth empowerment, a number of activities are envisioned to encourage youth development. Through a variety of social, economic, and cultural activities, youth will learn how to participate in civil society and improve their health status. Peer education and counseling in reproductive health, including HIV prevention will be a key activity. Efforts also continue to help reintegrate orphaned, institutionalized children into community and family care settings.

IMPLEMENTATION: These activities will be implemented through one or more grants to U.S.-based NGOs, including the International Rescue Committee (IRC).

ACTIVITY 2.4.3: INCREASED CAPACITY FOR HEALTH DATA COLLECTION, ANALYSIS, DISSEMINATION, AND USE.

ACTIVITY DESCRIPTION: USAID will assist the MOH in updating vital health, behavior, and health care system information through capacity-building and other technical assistance in areas including but not limited to survey design, data collection and analysis. Technical assistance to ONAPO will enhance GOR capabilities in data gathering, analysis, and dissemination.

IMPLEMENTATION: MACRO International, through the MEASURE DHS Project, will implement this activity through a contract with USAID/Washington.

iv. Other Implementation Issues

a. Program Management:

The costs incurred by USAID in the management of SO2 activities will be financed under the Agreement budget and will be clearly separated from the program budget. These funds will be managed by USAID.

b. Program Development, Support, and Monitoring:

Monitoring and research activities may be conducted at the national and local levels to provide baseline and follow-up data which will be used to set targets, judge progress, and provide information needed to make adjustments in the Strategy or in implementation mechanisms. Funds may also be spent for design of activities related to the Objective.

c. USAID Project Support:

Certain activities may be partially or entirely implemented through centrally funded USAID/Washington mechanisms (hereafter referred to as "Field Support") to decrease management burden on USAID/Rwanda. These activities will support the SO and MOH priorities. Examples may include HIV prevention, data analysis, bednet marketing, and

quality assurance. Plans for activities funded in this manner will be developed in consultation with MOH program managers. Financial and contract management responsibilities will rest with USAID/Washington.

d. Independent Audits:

The costs of audits being undertaken by USAID will be incorporated in the budget for each activity. These funds will be managed by the activity implementing partner.

v. **ROLES AND RESPONSIBILITIES OF THE PARTNERS**

USAID will, with program funds, provide technical and administrative personnel required to implement and manage the activities noted above, through the organizations noted above. USAID will also provide, with program funds, locally hired USAID staff required to manage and monitor the Program in compliance with USAID regulations and procedures.

USAID will coordinate activities with senior officers designated by the Ministry of Health and other appropriate GOR units for program management. Through regular coordination meetings, joint program reviews, and reports, USAID will keep the MOH informed of program progress and resource management issues.

The Government of Rwanda will fund all costs related to clearing USAID-funded commodities through Rwanda customs and ensure that adequate regional and district staff are in place to implement the decentralization of primary health and STI/HIV activities.

In order to facilitate sound routine management of the Agreement, the Ministry of Finance & Economic Planning and the Ministry of Health will establish formal delegations of authority to the Minister of Health for actions not changing the general scope or total funding of the Agreement. The Ministry of Health will determine if additional authorized representatives from the MOH will need to be designated in the course of implementation. In matters of day-to-day activity planning and implementation, the organization noted above will deal primarily with the MOH Program Managers or Regional/District Medical Officers.

The Expanded Strategic Objective Team will assist USAID in measuring progress in reaching stated objectives, making appropriate and timely adjustments and modifications to activity design, and planning additional activities or activity evaluation. Expanded Strategic Objective Team members will include the USAID SO2 Team, representatives of USAID-funded NGO's, contract agencies, and other organizations executing health and social service activities under this SOAG, and designated officials from the Ministry of Health.

vi. **Monitoring, Evaluation and Audits**

Overall SO2 program management, monitoring and evaluation will be the responsibility of USAID and its implementing partners. The Expanded Strategic Objective Team will oversee activity findings and results. In collaboration with its partners, USAID will identify and measure baseline data and routinely monitor data on each indicator to track progress and make program adjustments when necessary. Specific performance measurements will be identified for achieving targets for each contracting mechanism and a monitoring and

evaluation schedule will be established at the time of the award. Activities will be initiated or discontinued based on impact data demonstrating their level of effectiveness in obtaining IR and SO results. Continuation of contracts, cooperative agreements, or grants with partners will be contingent on achieving and maintaining acceptable performance levels, as measured by performance indicators and customer feedback.

3. STRATEGIC OBJECTIVE # 3: INCREASED ABILITY OF RURAL FAMILIES IN TARGETED COMMUNITIES TO IMPROVE HOUSEHOLD FOOD SECURITY.

i. Background

Ninety percent of the population in Rwanda lives in rural areas, where Rwanda's economy is heavily dependent on agriculture and related rural economic activity. Following rapid economic growth in the 1960s and 1970s, the 1980s and early 1990s brought a sharp economic downturn precipitated by deteriorating terms of trade, high population growth (3.6%) on a very limited land base (26,338 sq.km), and relatively low agricultural productivity. As a result of the civil war and genocide of 1994, real GDP fell by 50 percent. Although there has been a significant recovery in the last seven years, real GDP at the end of 1997 was still only 65 percent of the pre-war level. In 2000, the GDP growth rate slowed to a disappointing 5.2%, below the 8% annual rate necessary to reduce poverty levels. Severe poverty and malnutrition are widespread. Currently, over 65 percent of the population live below the poverty line, compared to 40 percent in 1985 and 53 percent in 1991. According to FAO and WFP, as many as 20-25 percent of households lack sufficient food. In addition to higher levels of overall poverty, there is visible and anecdotal evidence of rapidly growing income inequality. With high population growth continuing, it is difficult to see how Rwanda and Rwandans can grow out of poverty and household food insecurity without substantial increases in both agricultural productivity and off-farm rural income.

Household food security in Rwanda is currently dependent on three main factors: domestic agricultural production, household income and external food assistance. Therefore, USAID assistance under SO3 is designed to use an integrated package of Development Assistance (DA), and PL 480 Food Aid resources to address short and medium-term food security needs, while also helping set the stage for longer-term productivity and income gains in the rural sector.

Following the events of 1994, USAID moved quickly to meet the immediate needs caused by the war, genocide and massive displacements of the population. The issues were compounded by the abrupt return of more than 1.3 million refugees in late 1996 and early 1997. USAID used a combination of resources from its Bureau for Humanitarian Response (BHR): the Office of Foreign Disaster Assistance (OFDA), the Office of Transition Initiatives (OTI) and the Office of Food for Peace (FFP) to address the food and non-food needs of the rural population. Along with direct food distribution, food for work, and institutional feeding, a number of agriculture-related programs were quickly put into place aimed at restoring local production. These include distribution of tools and seeds from external sources, rapid local multiplication of seeds and cuttings (especially potato), and micro-level activities including livestock restocking, micro-credit and input supply.

The success of these programs helped to increase overall stability and promoted the resumption of some rural economic activity. In September 1997, USAID and the GOR entered into an Agreement to **Increase the Ability of Rural Families in Targeted Communities to Improve Household Food Security**. Subsequent amendments expanded the scope and set the stage for a more development-oriented program that can address

emergency and transition needs as required but can begin to support the GOR's long-term priorities.

Low levels of agricultural productivity can be raised substantially by the right set of policies that provide production incentives, and by the testing and transfer of agricultural technology that increases yields. Real incomes are increased by agricultural processing that adds value to commodities, and by marketing efficiencies that raise farmgate prices for the farmer while lowering the cost to the consumer. Work under this Agreement will be integrated with the proposed World Bank program and will support broad-based sectoral growth that benefits all Rwandans and promotes stability and unity.

ii. RESULTS FRAMEWORK

To achieve results USAID will:

- (a) focus on one major Intermediate Result (IR)-***Expanded Production/Marketing Chains***- with its three lower level sub-IRs: ***”Increased Ability of Farmers to Respond to and Benefit from Market Demand; Expanded Agribusiness Opportunities, and Increased Access to Financial Services”***;
- (b) support a package of investments that integrates the areas of agricultural policy, marketing, processing, improved production and processing technology, and training; and
- (c) measure progress in meeting results through specific indicators.

These indicators will be refined –where not yet established- in collaboration with implementing partners who, along with the Ministry of Agriculture (MINAGRI), will establish baselines, targets and report progress to USAID/Washington.

Through these inter-related activities, SO3 will promote an environment that provides skills and incentives to farmers to increase productivity and rural micro and small enterprises to increase incomes and employment

iii. RESULTS TO BE ACHIEVED

The achievement of results under SO3 will focus on ONE major Intermediate Result (IR) with its three lower level sub-IRs. The major IR to support SO3 is **Expanded Production/Marketing Chains**. The three lower level sub-IRs are:

- IR 3.1.1, Increased Ability of Farmers to Respond to and Benefit from Market Demand*
- IR 3.1.2, Expanded Agribusiness Opportunities*
- IR 3.1.3, Increased Access to Financial Services*

IR 3.1: EXPANDED PRODUCTION/MARKETING CHAINS

PROBLEM: The Rwandan economy is evolving on potentially two different tracks. One track is urban-based, market-oriented, and fully monetized. The other is rural-based, subsistence-oriented and reliant on barter with a real shortage of cash and credit. The rural-based economy needs quickly to begin seeking ways to enhance agriculture by linking to

markets that offer opportunities for increased rural incomes and employment. The challenge is to promote expanded informal market development at the local level while beginning to link rural economies to the formal private sector.

As the formal private sector develops, it may be tempted to function in isolation from the rural economy as it orients efforts toward regional trade and seizes opportunities to compete in international trade.

The function of linking the formal economy to the rural sector was previously facilitated by state interventions in input and output marketing. Although current GOR policy favors a private sector, demand-driven scenario, such linkages must still be nurtured.

Therefore, if rural economies are to improve, a development approach must work from both ends of the marketing chain simultaneously. At one end, farmer associations are seen as the vehicle for strengthening input supply, production and adding value through simple assembly and processing functions. At the other end of the spectrum, formal trade/professional associations (and their members) would be the initial vehicle for fostering linkages with the rural sector and capitalizing on the managerial talents offered by the formal private sector to foster rural development. In such an approach, farmer associations would expand production, processing and marketing to meet local demand with the expectation that increased linkages into formal markets would provide greater incentives and opportunities for increased agricultural and economic growth.

ACTIVITY 3.1.1: INCREASE ABILITY OF FARMERS TO RESPOND TO AND BENEFIT FROM MARKET DEMAND

ACTIVITY DESCRIPTION:

Assistance for the training and development of farmers' associations and cooperatives will follow two approaches:

- 1) intensive involvement and support of NGOs and associations with all aspects of activities throughout the production-processing-marketing chain; and
- 2) broad-based, more general but practical institutional support which creates sound models for association development and training. Using improved techniques and practices adapted by international and local NGOs, this activity would provide outreach and training to farmers' associations and cooperatives to enable them to:
 - improve production through technology transfer and acquisition and use of improved inputs, tools, techniques and practices;
 - add market value through assembling, packaging, processing, storing and marketing;
 - increase profitability through improved market transactions;
 - access to and use of credit;
 - assist association sub-groups to access training, inputs and capital to initiate rural based micro and small enterprises.

Substantially more funding than was originally envisioned is being provided for this activity because it now incorporates a broad range of activities not previously supported: *Women in*

Transition, Micro-credit (WOCCU), and Transition and Development Assistance Proposals.

IMPLEMENTATION:

PL480 Title II Emergency Monetization: Funded under a Transfer Agreement and tripartite Memorandum of Understanding with the GOR, UNDP and USAID, this activity sold USAID/PL480, Title II emergency commodities to narrow the post-repatriation food gap and use the proceeds to support food security initiatives in Rwanda. Proceeds were also used in targeted areas affected by conflict to decrease dependence on external food aid by increasing food production through food security interventions. A large portion of the monetization proceeds will directly complement activities outlined above (Activity 3.1.1).

Women In Transition (WIT) Initiative: Funded by the USAID Office of Transition Initiatives (OTI) and under project 696-0148, since 1996, this activity has provided over 2,000 sub-grants to women's associations and groups for agricultural and rural enterprise activities. The program responds to critical needs which improve the lives and livelihoods of vulnerable women, particularly those who are heads of households. WIT has supported 30 Women communal Funds which comprise 2098 women. The Mission will procure the services of IRC to administer the extended WIT project for two more years.

PL 480 Title II Development Assistance Proposals (DAPs): Funded by USAID's Office of Food for Peace (FFP) and complementary funding provided through this Agreement, three DAPs support ongoing agricultural programs. The DAPs are implemented by U.S. cooperating sponsors: World Vision, ACDI/VOCA and Catholic Relief Services (CRS). Using food and development assistance (DA) funds, these NGOs are helping the rural farm population in:

- a) improved agronomic techniques and practices;
- b) improved soil and water conservation;
- c) multiplication and distribution of improved seeds and tools;
- d) farm management;
- e) restocking of livestock to vulnerable groups; and
- f) business skills.

Funds are provided to U.S. NGOs through monetization of vegetable oil and development assistance grants. NGOs also distribute food commodities to farmers' associations who are reclaiming marshland, upgrading farm to market roads, and bench terracing to prevent erosion on steep hillsides.

Other Grants: The option of awarding other small grants to international or Rwandan NGOs that would complement the activities mentioned in activities 3.1.1 and 3.2.2 will be considered.

INDICATORS:

- Farmers adopting improved cultivation techniques
- Farmers associations accessing agricultural credit.
- Farmers using improved inputs for targeted crops.
- Percent difference between selected rural markets and Kigali urban market-Irish potatoes.

ACTIVITY 3.1 1 1.IMPROVED ABILITY OF AGRICULTURAL INSTITUTIONS TO DEVELOP AND DISSEMINATE TECHNOLOGY THAT RESULTS IN INCREASED AGRICULTURAL PRODUCTIVITY

PROBLEM: Per-capita food-crop production has been declining since the mid 1980s. This has resulted in lower per-capita food consumption and high consumer food prices. As a result, daily food consumption per-capita declined from more than 200 Kilo calories (Kcal) in 1984 to about 150 Kcal in 2000. A major constraint contributing to low per-capita production is over-exploitation of the land and soil erosion. Since 1994, these problems have been exacerbated by the limited capacity of institutions and agents that provide and use technologies. The most notable institution which has provided new improved varieties of inputs in the past was the “Institut des Sciences Agronomiques du Rwanda” (ISAR). With these problems, Rwanda is facing great difficulties in making available new and improved agricultural technologies to farmers to produce more food and generate more cash income.

Some of the major constraints that need both immediate and longer-term interventions include:

- **Lack of improved seed and germplasm:** A major cause for low food production has been lack of quality seeds. Improved plant materials for all crops were destroyed both at the farm/household level and institutional level during the genocide and war of 1994. Root crops such as cassava, and Irish potatoes were particularly hard-hit because their multiplication process and distribution are slow, bulky and costly.
- **Pests and diseases:** Pests and diseases of plants are major constraints affecting food production. Some examples include: root rots for beans, weevils and nematodes for bananas, and bacterial wilt for potatoes, mosaic for cassava. The rate of incidence and damage shifts from season to season depending on weather, management of the farm/soils, and the amount of fertilizer input.
- **Inadequate dissemination and transfer of technologies:** Rwanda is faced with human and institutional problems to provide production support services. The MINAGRI extension service, which is supposed to disseminate and extend technologies, does not have the manpower, material and logistics to provide adequate services.
- **Lack of post-harvest technologies:** Food security in Rwanda is hampered by the lack of appropriate post-harvest technologies that can transform, increase the shelf life, and reduce transport costs of the bulky and perishable root crops and increase income for farmers.
- **Weak market links:** One of the major constraints to food production is the lack of incentives that will stimulate farmers to produce more. Availability of markets and traders is one major incentive for increased production. Fair farm prices are another incentive.
- **Lack of trained/skilled researchers, technicians, and farmers:** One of the current major constraints on ISAR is the lack of a critical mass of researchers and technicians who can carry out research in the 24 research programs. On the average, there are only one or two researchers and less than one technician for each program. As a result

of ISAR limited capacity, USAID will support limited programs based on demand-driven priorities.

ACTIVITY 3.1.1.1.1: INCREASE CAPACITY TO DEVELOP, ADAPT AND TRANSFER AGRICULTURAL TECHNOLOGY THAT IMPROVES YIELD AND PRODUCTION LEVELS

ACTIVITY DESCRIPTION:

The focus crops for the initial two years have been determined by USAID in consultation with MINAGRI: beans, maize, potato, cassava, banana and sweet potatoes. Limited support will also be focused on crops such as soybean, sorghum, rice, wheat and vegetables, depending on the need and demand of the partnerships. The Agribusiness project (Activity 3.1.2.2.1) will provide support to private sector agents engaged in high value export crops.

The implementing partners (including PL480 NGO programs) undertaking this activity will provide short-term technical assistance to guide and help ISAR to develop an effective process for strategic planning and priority-setting. Limited short-term training will also be provided to ISAR researchers and technicians based on a training needs assessment. Examples of interventions are as follows:

- Community and farmer based seed multiplication and distribution programs;
- Development and implementation of research programs that are demand-driven and market-oriented that lead to increased market activity and diversification;
- Infrastructure support: laboratory facilities and computers;
- Short to long-term in-country and outside training, both intense and practical;
- Development of a process for carrying out strategy plans, priority setting, and programming at ISAR;
- Monitoring and evaluation, and impact assessment of production techniques and adapted seed.

This activity will disseminate production technologies with an initial emphasis on quality seed multiplication and distribution. Technical support and local training will be provided to NGOs and associations to strengthen their technical and managerial capacity to disseminate and transfer technologies.

IMPLEMENTATION:

This activity will be implemented under a Cooperative Agreement (CA) with the International Institute of Tropical Agriculture (IITA). Annual work plans are reviewed and approved by MINAGRI and USAID. Under the terms of the CA, IITA will provide ISAR with technical assistance in building the capacity to respond to the need for demand-driven technologies. IITA will develop the priorities and ensure that research activities respond to the needs of farmers, including women-headed households. The activity will encourage close collaborative relationships between ISAR and regional commodity networks. World Vision, CRS, CARE, ACDI/VOCA, local NGOs and farmers' associations are important partners of this project mainly involved in training of farmers and transfer of technologies.

INDICATORS:

- Percent of farmers using improved technologies.
- Number of technological improvements disseminated.
- Number of improved materials multiplied.
- Percent yield increase by crop in target provinces, baseline in tons/ha for Irish potatoes.
- Percent yield increase by crop in target provinces, baseline in tons/ha for sweet potatoes.

ACTIVITY 3.1.1.1.2: FIELD-DRIVEN TRAINING OF AGRICULTURALISTS IN PARTICIPATORY RESEARCH AND FARMER OUTREACH ESTABLISHED.**ACTIVITY DESCRIPTION:**

The purpose of this activity is two-fold:

- 1) Establish and develop linkages between academic learning at NUR, applied research at ISAR, adaptive research and extension at the local level, and actual practices in farmers' fields.

- 2) Develop outreach curricula that provide school leavers and rural small entrepreneurs with practical training in agriculture, agricultural processing and marketing techniques.

Under this activity, the implementing agent will focus on establishing linkages at all levels, including: development of the Faculty of Agriculture at the NUR; exchanges of lecturers, researchers and students; exchanges of educational, research and technology information; development and exchange of educational programs and curricula; and provision of short-term, in-country training and long-term degree training in the U.S. Activities will promote a spirit of teamwork at the local level (district/sector demonstration plots and farmers' fields). A participatory approach will be developed and tested in some pilot areas using the support and experiences of both local and international NGOs. MINAGRI and the local administrative staff will participate in the effort.

Practical training will be provided at the district level and will focus on farm management, improved planting and agronomic practices and techniques, processing, marketing and other business skills.

IMPLEMENTATION:

This activity, called Partnership for Enhancing Agriculture in Rwanda through Linkages (PEARL), is being implemented by UNR and MINAGRI through a CA with a U.S. land-grant University of Texas A & M and Michigan State University (MSU) having strong field-based international and African experience in agricultural education, research and extension. The implementation of this activity started in September, 2000

INDICATORS:

- Number of farmers attending training at the outreach centers
- New curricula adopted by NUR
- Number of NUR students sent for long-term training in U.S.
- Number of pilot demonstrations carried out to enhance adaptive technologies.

ACTIVITY 3.1.2 EXPANDED AGRIBUSINESS OPPORTUNITIES

ACTIVITY DESCRIPTION:

USAID has initiated a three-year program to help revitalize agribusiness in Rwanda. This activity seeks to:

Add value to key commodities targeted for export.

Build efficiency and expand employment within commodity chains.

Upgrade managerial and technical capability in agribusiness enterprises.

Improve product quality and expand access to markets.

Develop financial options to support agribusiness growth. This activity has some *special features and benefits*:

- Agribusiness Development Centers (ADC) will serve as the “Information Centers” for Rwanda’ agribusiness community offering current market information, expanded commercial contacts, and technical assistance, all to keep motivated agribusiness operators informed.
- Special initiatives to break through operational, market, technical and financing obstacles which may confront enterprises seeking to accelerate sales and export.

IMPLEMENTATION:

The Agribusiness Development Assistance in Rwanda (ADAR) activity will be carried out by Chemonics International.

Three basic accomplishments during the first eleven (11) months will contribute to achieving the implied goal of **expanding the financing options available to agribusiness firms**:

- Identify and diffuse sources capable of financing agribusiness in Rwanda.
- Prepare a “Borrower’s Handbook” on good practices and procedures to adopt in order to assist preparing a business plan and eventual loan application
- Propose the project’s financing options, “the Financial Component”.

In years two and three ADAR will pursue approved Financial Component options and continue training for the project’s clients, business service cadre and banks. Sound financial management is critical to enterprise sustainability. Reorienting management to view money as a tool –with definite costs- and to use it under self-imposed, strict accounting and budgeting constraints remains an important challenge of the training process.

INDICATORS:

- Number of agribusiness firms purchasing the “Borrower’s Handbook”.
- Number of visitors using ADC-assisted firms and cooperatives
- Number of firm-commodity sectors using ADC direct assistance to access new markets

ACTIVITY 3.1.2.1. IMPROVED AGRICULTURAL POLICY FRAMEWORK

PROBLEM:

As a result of the loss of personnel and the destruction of data, Rwanda lacks the capacity to conduct appropriate analysis to reach sound policies and strategies in the agricultural sector. As Rwanda moves through the transition from relief to development, policy and strategy formulation is critical. The guiding principles and legal frameworks adopted, and the definition of the roles of various economic actors affected by the new policies, will set the stage for the future economic and social development of the country.

New policies, legal frameworks and strategies for agriculture and rural development are currently being discussed and formulated. While many of the specifics are still being worked out and vetted at various levels, the broad vision is clear. The GOR envisions a dynamic rural sector, where farming is seen as a viable economic activity that produces both food and income, where production is linked to markets, and where the agriculture and rural sectors are effectively using the country's productive assets as a force for overall economic growth. The vision also recognizes that as population growth continues, many people in rural areas will need to make their living from off-farm economic activity or a combination of on-farm and off-farm activities, particularly activities that can add value to agricultural production. The GOR has placed emphasis on policies that are market-oriented, and is in the process of finding the appropriate role for government, private entrepreneurs and farmer associations in the context of Rwandan realities today.

The issues at stake are both fundamental and complex:

- Will revised land tenure laws encourage farmers to invest in soil conservation and enhance production methods?
- Will policies for decentralization and agricultural marketing encourage or discourage the movement of produce around the country, in order to even out price and supply fluctuations and give farmers the incentive needed to produce for the market?
- Will investment and taxation policies support private initiative?
- Will trade policies enhance or deter the cross-border trade flows that are so critical to Rwanda?
- Can privatization of parastatals lead to better input and output markets for producers?
- Will the Co-operative Law provide the right incentives to encourage the rural population to group together to promote economic activities and increase household income?

In short, the legal, policy and strategic framework that will soon be adopted should validate and reinforce the investments of the GOR, donors and the private sector. However, given the complexity of many of these topics, even the most well-intended policies often end up having unintended consequences, sometimes in the opposite direction from the original intention. Policies initiated by governments at the national level may be misunderstood and not fully implemented at the local level. Good policy formulation needs to be based on solid data and analysis, on participatory input from various levels of society, and on the experiences and lessons from other countries that have tried similar policies. Good policy needs to be both implementable and implemented.

ACTIVITY 3.1.2.1.1: IMPROVE CAPACITY TO DEVELOP, FORMULATE AND IMPLEMENT SOUND FOOD SECURITY POLICIES.

ACTIVITY DESCRIPTION:

The purpose of this activity is two-fold: a) to address the issue of sound policy formulation with respect to decision-makers and b) to provide technical capacity to MINAGRI staff.

a) Policy Formulation:

First, assistance to policy and strategy formulation is being provided to MINAGRI at the upper echelons of the Ministry. A senior policy advisor has been provided to the Ministry

and other senior Ministry officials. The advisor has been recruited (through a contract with ABT Associates) and started his work in July, 2000.

Second, Ministry officials (in consultation with the senior policy advisor and USAID) will have access to a pool of resources dedicated to providing policy assistance to Government on an as-needed basis when requested. This pool of resources is available for short-term technical assistance in key policy areas, for policy seminars, and for related activities aimed at the formulation and implementation of policies and strategies. Assistance fosters linkages across Ministries for policies and strategies in the rural sector and ensures that all policy changes are participatory, understood and implemented at all levels. Policy-related topics could include such areas as: agricultural productivity, land tenure, use and marketing of agricultural inputs, regional trade, privatization of parastatals, agricultural marketing, impact of decentralization on agricultural markets, soil conservation and related environmental issues.

b) MINAGRI's staff Technical Capacity Increased:

Based on agreement between USAID and MINAGRI, USAID funded technical support to restore the food security data base with MINAGRI, make available for wide dissemination past research that is relevant to policy makers and farmers' associations, assist with the collection, analysis and dissemination of data about Rwanda's rural sector through operational research with strong elements of training and capacity building for the MINAGRI staff, help to develop an easily accessible market information system, and carry out special studies and other research activities to deepen the analytical basis for policy making.

IMPLEMENTATION:

a) Policy Formulation

USAID, in cooperation with MINAGRI, developed a statement of work for the senior policy advisor. The advisor was recruited through the Indefinite Quantity Contract (IQC) mechanism with ABT Associates. The advisor started his work in July 2000. ABT Associates and USAID will assist in identifying short-term technical assistance as required. Short-term technical assistance, training and related activities will be procured directly by ABT Associates, which is incorporated into an agreement, that secures the services of the policy advisor.

b) MINAGRI's staff Technical Capacity Increased

USAID/Rwanda, through a cooperative agreement (CA) between USAID and Michigan State University (MSU), is providing technical assistance and training to MINAGRI. Annual work plans are prepared, reviewed and approved by the MINAGRI and USAID. Two policy studies (*input/fertilizer use, association development*) have been documented and disseminated to partners and decision makers. Three nationwide agricultural surveys were completed and their analyses reported and disseminated.

INDICATORS:

- Number of policies formulated and adopted by decision-makers.
- MINAGRI data and analyses are disseminated broadly to decision-makers in a timely manner
- Percentage increased of fertilizer imports.

- Number of profitability studies impacting decision-makers and stakeholders.

ACTIVITY 3.1.3 INCREASED ACCESS TO FINANCIAL SERVICES

PROBLEM:

Financial services are essential to enterprises irrespective of their size, sectoral or geographical location. These include access to credit, depository, transfer and payment systems. Some aspects of the Rwandan society and economy are especially notable in relation to the demand for and supply of financial services to business at this stage of the country's rehabilitation and development.

Lack of capital for working capital and investment is one of the greatest financial constraints in Rwanda today. Following the loss of property during the war and genocide of 1994, the majority of people cannot provide the collateral required by the banking sector to secure loans for investment in business opportunities. The supply of financial services to business is currently highly oriented towards urban-based trading enterprises where commercial banks are located. Institutions with the mandate or network to provide financial services in rural areas or to the service sector, namely the Banques Populaires/Credit Unions, were badly affected by the war and genocide of 1994. To stimulate economic activities in the farm and off-farm sector, massive credit opportunities need to be offered to the small holder farmers and small & medium enterprises dotted across the country. The challenge is how to cause proliferation of such credit opportunities on a sustainable basis. Micro-finance credit delivery mechanisms have worked successfully in other countries. These credit systems have been able to reach people on the lowest social ladder and stimulated economic activities, which encouraged the culture of savings in the more remote parts of the country where formal banking institutions could not have reached.

Micro-finance credit delivery mechanisms, however, require a supportive environment. In particular, the social fabric, that plays a central role in ensuring performance of credit portfolio of micro-finance institutions, should be in existence. Micro-finance programs also require economic policies and institutional frameworks supportive of the micro-finance programs and the activities being financed. A legal framework supportive of the establishment of micro-finance with ability to raise deposits from members of the public is implied by the need for eventual sustainability of such micro-finance programs.

ACTIVITY 3.1.3.1 IMPROVE AGRIBUSINESS OPERATOR MANAGEMENT AND TECHNICAL SKILLS

The activity will focus on the following:

- Training through carefully prepared modules to sharpen production, marketing, planning and financial management skills, and through less formal workshops and seminars, both on a continuing basis to improve client enterprise performance.
- Expansion and Closer Integration of the Business Service Support Network in Rwanda to facilitate agribusiness enterprise access to financing from banks and investors.

IMPLEMENTATION:

Same as for activity 3.1.2

INDICATORS:

- Number of clients paying for ADC training to use the Internet to access market, by gender.
- Number of registered ADC clients.
- Number of person-modules of ADC agribusiness management training courses completed by gender.

ACTIVITY 3.1.3.2 IMPROVE FINANCIAL INSTITUTIONS' ABILITY TO LEND TO FARMERS, RURAL ENTREPRENEURS AND AGRIBUSINESS**ACTIVITY DESCRIPTION:**

This activity will focus on **Rural Micro-Credit Programs** in supporting Rwanda's micro-credit (loan and saving) institutions and associations to increase their management and technical capability to significantly increase the flow and access of small loans to rural entrepreneurs and farmers.

IMPLEMENTATION:

USAID has entered into a grant, with the World Council of Credit Unions (WOCCU) and the International Executive Service Corps (IESC) to implement micro-credit activities. The direct beneficiaries of this program will be the "Union des Banques Populaires du Rwanda (UBPR), the 140 Banques Populaires, local NGOs, associations (production, marketing, processing and trade), farmers and micro and small rural entrepreneurs.

INDICATORS:

WOCCU/IESC has defined a number of outreach indicators such as *number of members, amount of deposit savings, number of loans disbursed, and volume of outstanding loans*; there are also a number of credit union financial indicators. Data will be available as baseline once 1999 and 2000 data are reconciled and should be forthcoming in May 2001.

ADAR:

- Number of banks agribusiness clients assisted by ADAR.
- Number of operators who have improved standards through ADAR initiatives
- Number of operators assisted by ADAR to upgrade standards.

iv. OTHER IMPLEMENTATION ISSUES**a. Program Development Support**

Funds will be allocated for development and design of activities related to the Strategic Objective, short-term consultancies, conference participation, and targeted research and short-term training. Priorities for use of these funds will be determined jointly with the GOR. Procurement of activities and services will be done directly by USAID/Rwanda.

b. Program Management

USAID/Rwanda has contracted with agricultural specialists to work within the Mission to provide overall policy guidance and management oversight, and to coordinate sound planning and implementation of the activities funded under this Agreement.

v. ROLE AND RESPONSIBILITIES OF THE PARTNERS

USAID will provide administrative personnel required to manage and monitor the activities in compliance with USAID regulations and procedures. Technical and administrative staff of the Mission's SO3 makes up the internal Strategic Objective Team. Working with the Regional Food and Security Officer, the SO3 team provides technical and policy guidance, and an overall management oversight to implementing partners.

The GOR will provide technical and administrative staff for MINAGRI's Food Security Unit (under activity 3.1.2.1.1) and ensure that the appropriate staff is available for training (under activity 3.1.1.2). Both MINAGRI and NUR will designate one individual at each institution to be responsible for coordination of activities.

The Expanded Strategic Objective Team (ESOT) will meet semi-annually to ensure broad participation and inclusion of USAID partners. The Director of USAID will designate members of this team in consultation with the GOR. The ESOT will assist USAID in reviewing progress towards achieving the IRs and making appropriate adjustments and modifications. ESOT members will include representatives of public and private institutions which contribute to the achievement of the IRs, such as:

- Representatives from the GOR Ministries of Finance and Agriculture as well as from the NUR;
- Managers of discrete activities contributing to the IRs;
- Representatives from USAID;
- Representatives from International Organizations and NGOs that focus on food security; and
- A representative from the private sector.
- A multi-donor food aid committee

vi. Monitoring, Evaluation and Audits

Progress towards achieving the Strategic Objective -- **increased ability of rural families in targeted communities to improve household food security** -- will be measured against indicators identified in coordination with the GOR and partners. USAID/Rwanda, working with its partners, will identify and measure baseline and regularly monitor data on each indicator and then track progress on the indicator annually during the life of this Agreement. The frequency will be determined according to the nature of the data source as a detailed monitoring plan is developed.

Overall program monitoring and evaluation will be the responsibility of USAID and the implementers of each activity. The Expanded Strategic Objective Team will review the findings. However, for each contract, grant or cooperative agreement, performance measurements will be identified for achieving targets and a monitoring and evaluation schedule will be set at the time of each award. Independent audits are funded under each activity and are the responsibility of the implementers.

V. PROGRAM MANAGEMENT

A. USAID Staffing

USAID Rwanda's overall staffing level is established at 70 positions, per the following breakdown:

- USDH	5
- USPSC	7
- TCNPSC	1
- FSNDH	1
- FSNPSC	56
TOTAL	70

In addition, there is a TAACS representative working under SO2 and a DOJ PASA authorized under SO1, neither position that counts against USAID Rwanda's staff ceiling.

B. REDSO/ESA Support

The participation of REDSO in USAID/Rwanda's program and its provision of TDY staff to cover vacancies and meet special needs since 1994 have been indispensable to the Agency's objective to mount a significant transition program. The Rwanda Mission has become among the heaviest consumers of REDSO services. The frequent visitations of REDSO officers have enabled the small USAID staff to prepare program documentation and reviews, conduct assessments and evaluations, prepare budget requests and complete project-development work. REDSO's expertise has played a vitally important role, through on-the-job skills transfer, in professional development of USAID/Rwanda staff as the Mission rebuilds capacity. REDSO's staff has helped to shape this document, and will be called upon in transition program implementation.

Continued REDSO support will be required to support the new initiatives proposed in the ISP for food security/agriculture and productive opportunities, as well as the proposed monetization program. The Mission will seek REDSO assistance in reassessing and updating indicators at a level and extent suited to the transition program outlined here, and RLA support for drafting SO Agreements is being requested.

C. USAID/Washington Support

The continued involvement of the Global Bureau will be essential to planned achievements in both SOs. SO#1 envisages a number of new activities, and these will require close collaboration with and support from G/DG, especially in terms of lessons learned based on activities conducted elsewhere, which could serve as references for Rwanda. G/PHN is already deeply involved in supporting the HIV/AIDS and orphan elements of the program and this support will continue.

Because of the continuing progress of Rwanda in achieving stability, OFDA, which had provided the bulk of assistance during the emergency phase, has now closed its program in Rwanda, as has OTI. The enormous support provided through BHR from 1994-99 is acknowledged by the GOR as critical in helping the country begin to get on its feet and to

restore basic institutions and infrastructure. The ISP does allow for a resumption of OFDA and OTI assistance should the country's situation de-stabilize once again.

D. Linkages to the Future

The Government of Rwanda has extended the period of transition through 2003 – when the adoption of the constitution and the new national elections are expected to take place. This ISP has been revised by USAID to coincide with this Rwanda phase of progress and will link to what we think will be a more developmental program so long as Rwanda continues on its path toward a full fledged democracy.