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ANNUAL REPORT 2005

ADAR RWANDA AGRIBUSINESS DEVELOPMENT ASSISTANCE

January 2006

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ADAR RWANDA AGRIBUSINESS DEVELOPMENT ASSISTANCE

A Task Order under the RAISE IQC Rural and Agricultural Incomes with a Sustainable Environment

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1. INTRODUCTION

1.1 Background

This report represents the fifth annual report for the technical contract under the Agribusiness Development Assistance to Rwanda (ADAR) project, a six year activity financed by USAID, under the RAISE Indefinite Quantity Contract (IQC). Chemonics International Inc. was awarded the international contract to implement ADAR on November 19, 2000, for an initial period of three years. An option to extend the project for an additional period of three years through November 2006 was exercised in December 2002.

ADAR is implementing key activities contributing to the achievement of USAID/Kigali's Strategic Objective 7 (SO7), namely, "to expand economic opportunities in rural areas" in targeted commodities to improve household *food* security. ADAR's activities fall under SO7's Intermediate Result "Expand Agribusinesses". The project seeks to achieve this result through: (i) enhanced performance of assisted firms, (ii) improved quality products of assisted firms, and (iii) improved access to financing for agribusiness firms. Project staff was comprised in 2005 of two expatriate technical specialists, four national assistants and 14 support personnel.

In terms of an implementation strategy, ADAR provides direct assistance to Rwandan entrepreneurs including producers, investors, promoters and exporters. The project helps its clients increase productivity and competitiveness, improve product quality, and increase access to financing and markets. Emphasis is placed on coffee processing, horticultural crops (passion fruit, birds eye chili pepper) for export and business development services. The project is also active in developing processing options in pyrethrum, tea, dried tropical fruit, soybean, essential oils and honey, among others.

1.2. Highlights

The fifth year of ADAR's operations was marked by substantial progress in the major areas of activity. The project had a significant impact on key commodity sub-sectors as measured by quantitative results, and surpassed project impact indicator targets. Highlights of project activities over the year include:

- In coffee, excellent results with respect to marketing of 300 tons of fully washed green coffee produce, all of which was sold by September 2005 at a fairly good price;
- Two project assisted coffee washing stations awarded by Starbucks company on their "Black Apron" promotion;
- Introduction of "Hohenheim" solar tunnel dryers to Rwanda;
- Achievement of organic certification for geranium and Birds Eye Chili producers - First Rwandans to hold organic certification;
- Assistance to a cut flower company to improve irrigation water supplies as well as an evaluation of their operations for EUREPGAP compliance;
- Study on environmental competitiveness of coffee processing, leather tanning and pyrethrum distillation.

1.3. Organization of the Report

The report is organized by commodity sector, with sections on coffee, horticulture, tea, etc. The final sections focus on crosscutting issues such as business development, the small grant program, environment, monitoring and evaluation, finance and administration.

Each section provides an overview of the project's objectives within the sector, details activities undertaken during 2004 and draws conclusions based on results obtained and lessons learned.

1.4. Divergence between Programmed and Executed Activities

ADAR's 2005 work plan included a large number of activities, the majority of which were implemented. For those activities which did not take place, the cause was mainly due to budget reductions which have affected USAID Rwanda's entire economic growth portfolio. In August 2005, Chemonics was officially notified that the project budget was to be reduced by approximately \$630,000 during the last fifteen months of the project, representing a funding cut of some 42% of expected resources. Upon the request of the USAID Cognizant Technical Officer (CTO), Chemonics submitted a revised work plan to cover the period 1st October 2005 - 30th September 2006 and provided an accompanying budget that reflected the reduced available funding.

In the coffee sector, planned technical and financial assistance to the newly created Rwanda Fine Coffees Association as well as a study on the conversion to organic coffee production and processing have been deferred. The project also postponed the contract with the consultant who was engaged to organize a certain number of information sessions followed by cupping tasting presentations of Rwandan fully washed coffees at key locations in the USA.

Programmed initiatives to assist SOPYRWA, the pyrethrum processor, were cancelled. These activities included assistance to rehabilitate the refining unit, continued advisory services to improve the quality control laboratory, and training in health and safety issues. On environmental issues, as a follow-up to the study which was conducted in May on environmental competitiveness of coffee processing, leather tanning and pyrethrum distillation, ADAR planned to hire a consultant in September to conduct a comprehensive health and safety review of the SOPYRWA processing facilities, as well as an integrated environment health and safety risk assessment for SABAN tannery to identify the most significant liabilities, to establish the foundation for the development of accident prevention and emergency response strategies, and to recommend specific remedial actions. In the coffee sector, the project had identified a consultant to help producers and processors complement their impressive results in coffee production and quality by providing support in developing, conducting and building training capacity for cws managers in water and waste management. A training session was scheduled for October to build awareness and capacity of managers to handle environmental aspects of coffee washing such as water supply, water management, and waste treatment, as well as to train trainers to continue environmentally sound practices after the closing of ADAR. These three activities have been cancelled due to budgetary restrictions.

An initiative to help SORWATOM, the local tomato paste factory, market its product regionally, was reduced.

2. COFFEE SECTOR

As for the last two years, 2005 was characterized by intense coffee activities that mobilized a significant proportion of both human and financial resources of the project.

Nineteen (19) new clients were assisted by the project (as opposed to 8 clients in 2004). Fifteen (15) of them managed to be operational during the coffee season. This large increase in the number of the project assisted clients resulted from an increasing interest by the private investors to be part of a coffee quality production program. Overall coffee production was low in 2005, and this was a result of the cyclic nature of coffee production, exacerbated by poor coffee crop husbandry that characterized the post genocide period in Rwanda. The project assisted clients produced 368 tons of parchment (19% less than last year) and this was mainly a result of two factors:

- § Only two of the 15 clients who managed to produce were familiar with problems associated with fully washed coffee production. The remaining 13 clients were all new and they encountered a number of problems such as the late completion of their construction, late disbursement of the running capital by banks, etc.
- § In some areas, the newly constructed coffee washing stations (cws) were in tight competition with other existing cws due to limited amount of cherries produced.

Despite the project's efforts to reinforce lessons learned from previous seasons, the new investors could not have their facilities ready for operation at the beginning the season in February. Lessons learned however were very helpful in guiding new and old investors in quality practices at their cws. Through strict application of the basic quality practices (collection of only ripe cherries, severe sorting of received cherries before pulping, flotation before cherries are pulped, two dry fermentation periods followed by washing and grading, skin drying and full sun drying with proper monitoring of moisture content) two assisted investors - *Karengera* and *Gatare* cws - managed to produce top quality coffees that qualified for the Back Apron promotion award at Starbucks Company. The Kenyan/Burundians master trainers posted to the assisted washing stations played a key role in insured a strict application of proper production practices to insure maximum quality output. Through reinforcement of the supervision team during the coffee season, considerable efforts were deployed by all assisted cws personnel to adopt Total Quality Management approach. Qualification for the Black Apron award by *Karengera* cws, a new investors, is principally attributed to the adoption of the Total Quality Management approach, where the investor himself was very implicated in supervision of production activities at the cws. The results were very encouraging, and all the coffee produced by the assisted cws was sold by September at prices ranging from 2.6 to 3.3 US\$/kg, with an average price of 2.9US\$/Kg FOT Kigali.

In the following sections of the report, the report will highlight key activities carried out by the project to bring about these results. We will also highlight the learned lessons (during this 2005) to guide the actions to be undertaken in the 2006 season.

2.1. Project Activities

In 2005, the project continued to provide assistance to its clients in all aspects of cws establishment: feasibility studies, design and elaboration of construction plans, supervision of construction, and equipment selection and installation. For both new and old clients of the project, a Kenyan/Burundian master trainer was provided to reinforce the assistance through training of the cws staff in high quality coffee production techniques, with the subsequent training of farmers who supply cherries to the washing station in farm practices for high quality cherries production and in cherries harvest/ sorting techniques for maximum quality.

All clients received assistance in management and cost accounting techniques. This was provided through initial training of cws accountants in cost accounting follow up, and in the use of the ADAR module for proper follow up of cws related operation costs.

ADAR also provided assistance in promoting high quality coffee produced by the assisted cws. This was done through sending samples to potential buyers, and also by initiating direct contact between producers and buyers through participation in specialty coffee conferences and exhibitions.

The project invested in developing cupping capabilities among the assisted cws. Developing cupping capabilities at cws is the best way to insure that quality parameters are well understood by the producers, and that they are able to identify good and pour quality lots, establish linkage between encountered quality defects and production practices, and formulate appropriate corrective measures to avoid defect.

2.1.1. Technical Assistance in CWS Establishment

At the beginning of the year 2005, 16 new coffee investors were working with the project, and had completed their feasibility studies and business plans. The technical and financial studies for the 16 investors were conducted using the generic model developed by the project. The model can be adapted to the needs of each of the clients and can spend up the process of conducting feasibility studies and completing a business plan. Topographic and Hydrological analyses were conducted during the course of these feasibility studies and ADAR construction engineer consultants supervised the building of washing stations. The project advised new investors that construction should be complete before the end of January and pulping equipment installed at the beginning of February. The project's civil engineer together with the project coffee technical team carried out a close supervision of the work done at each stage of construction of the washing stations. Their supervision mainly focused on the following:

- § Insuring that proper slopes are applied particularly for the cherries reception hopper, the washing and grading channel, and the different types of tanks;
- § Adjusting dimensions of tanks;
- § Installing water supplies and testing water recycling units;
- § Setting up of percolation tanks and pulp disposal area;
- § Construction of pre-drying areas;
- § Design and construction of drying tables;
- § Fine tuning of pulping machines to insure optimum performance.

The names of project assisted clients are provided in the following table:

Table 1 - List of ADAR assisted clients in 2005

Name of investors	Name of the CWS	Location	Type of machine	Projected capacity (tons)	End of construction and beginning of operation
1. Jean Dieudonné GATSINGA	Rwabisindu	Rusenyi-Kibuye	One disk machine	200	May 2005
2. Alphonse KAYIJUKA	Mwasa	Gatare-Cyangugu	3 disk machine	200	April 2005
3. Chrysologue KUBWIMANA	Kinunu	Kayove-Gisenyi	3 disk machine	200	January 2005
4. MIG s.a (1)	Cyanika	Gikongoro	Penhalense	200	May 2005
5. MIG s.a (2)	Ngoma	Gikomgororo	Penhalense	200	May 2005
6. COTECACYA	Nyakabuye	Cyangugu	3 disk machine	200	June
7. Nicolas NDAGIJIMANA	Kibuye Moutain Cof.	Kibuye	3 disk machine	80	April 2005
8. Nkusi -Nkubili	Muhura	Byumba	3 disk machine	300	March 2005
9. Jean Bosco RUKUNDO	Nkoto	Gitarama	One disk Toto	80	April 2005
10. Philippe KANAMUGIRE	Nyamata	Kigali Ngali	-----	80	Not completed
11. Aphrodis MUGAMBIRA	Karengera	Kibuye	3 disk machine	200	February 2005
12. Anastase NZIRASANSAHO	Bukonya Mountain	Ruhengeri	One disk Toto	80	May 2005
13. RWACOF	Bicumbi	Kigali Ngali	3 disk machine	200	June 2005
14. Christian KANINGU	Kayco Mountain	Gitarama	Penhalens (0.5 t cherries/hour)	80	March 2005
15. Jean Paul RWAGASANA	Kayumbu	Gitarama	Not completed	100	Not completed
16. CPCDKA	Kiyumba	Gitarama	Not yet installed	100	Not t completed

(0.5 kg cherries/hour)

As indicated above, out of the 16 investors, thirteen had their washing stations operational during the 2005 coffee season.

Starting February 2004, the project has reinforced its coffee technical team. A cws supervisor was hired to assist the coffee expert of the project in insuring that new cws were properly setup to insure their maximum performance. Prior to the onset of the coffee campaign, a preliminary evaluation of cws was carried out to have an idea of the level of preparedness of the new investors. It was noted that for a new cws to be ready for the season at the onset of the season, the following guidelines should be observed:

- § Initiate construction of the cws at least six months before the beginning of the harvest and pulping season. This implies that all associated formalities such as feasibility studies as well as loan application be completed in July and August of the preceding year;
- § Minimize errors during the constructions period because their correction costs time and money. This requires quality construction plans and the capacity for construction supervisors to read and properly interpret the plans;
- § Ordering of cws equipments at least six months before the beginning of the coffee season.

With regard to the need to have a quality construction plan completed for new investors, ADAR has contracted with an engineer of SHER, a consultancy bureau from Belgium, to produce a new computerized construction plan. The model was developed and applied for the design of new cws to be assisted for the 2006 season. The new model presents the following advantages:

- § It provides all quantitative (measured) details for each component of a cws to be constructed, from cherries reception to soaking tanks, as well as all facilities for waste (used water and pulps) management;
- § It is computerized and can be adapted to any site's topographic characteristics;
- § It allows an automatic evaluation of the bill of quantities and bill of costs.

For the year 2006, 11 new investors are inline with projects and 9 of them have their business plans. However, because of the budget cut, ADAR will be able to assist only 5 of the 11 investors.

2.1.2. Technical Training for CWS Personnel

As in the past, ADAR continued to supports cws by providing them with assistance from Kenyan and Burundian master trainers. The two stations of *Gatare* and *Nkora* received assistance from a Kenyan master trainer for their second year of operations, whereas the other cws - *Kinunu*, *Kibuye Mountain Coffee*, *NCMC*, *Mwasa*, *Buremera (MIG2)*, *Cyanika (MIG2)*, *Kayco Mountain Coffee*, *Nkoto*, *Bukonya*, and *Muhura* - had a master trainer for their first year of activities. The following table illustrates the names of assisted cws as well as the names of Kenyan master trainers posted to each station.

Table 2 – List of Master Trainers

Coffee Washing Station	Name of Kenyan/Burundian	of Activities starting date	Activities ending date
Kinunu	Johnson kanyi	Feb., 21, 2005	Mai 12, 2005
Nkora	Charles Thuo	March 7, 2005	June 6, 2005
Kibuye Mountain	Crispin Kinyanjui	March 31, 2005	June 2005
Karengera	James Nganga	March 13, 2005	June 2, 2005
Gatare	John Kimani	March 15, 2005	June 16, 2005
Mwasa	Luc Michuki	March 30, 2005	June 16, 2005
NCMC	Luc Havyarimana		
Nkoto	Gerald Njoroge	March 25, 2005	June 6, 205
MIG 1 (Nyaruguru)	Peter Kiboi	April 24, 2005	June 20, 2005
MIG 2 (Cyanika)	Cripsin Kinyanjui	May 4, 2005	Jully 30, 2005
Kayco	Michael Thuku	March 28, 2005	June 1, 2005
Bukonya Mountain	Gerald Njoroge		
Muhura	Warui Kinuthia	March 13, 2005	May 29, 2005

The master trainers organize the workforces at cws, assign individual tasks from improving cherry reception through processing and warehousing to hiring competent personnel, provide instructions in cherry sorting, washing, fermentation and drying, establish a lot identification scheme to trace product from processing through warehousing, and insure fine tuning and adequate maintenance of pulping equipment. For each of the thirteen stations listed above, there was a master trainer to assist in the supervision of the activities.

Similar to the 2004 season, project staff met with the trainers on a regular basis in the field and at the project headquarters to discuss how their tasks were progressing, so that special measures can be taken to insure proper transfer of knowledge to local staff

ADAR staff worked closely with the cws owners and master trainers to insure that an efficient management system is put in place at each station. For each of the thirteen assisted cws, the training program targeted at least eight individuals per station: one (1) station manager, six (6) section heads, and one (1) store manager. In total, 104 cws staff members were trained in 2005, and if we consider the fact that each of the key staff was being trained at the same time as his/her deputy, then the total number of the trained personnel go up to 216.

All the trainers selected by the project were very dynamic and knowledgeable. Despite that, there were differences among cws in the efficiency of the training program. In some stations such as *Kinunu*, *Karengera* and *Muhura*, training was very successful, mainly because of the personnel involvement of investors (*Karengera*), but also because of the presence of efficient and committed station management personnel (this was particularly true for *Muhura* and *Kinunu*).

Some coffee washing stations could not properly train their personnel as a result of their late start and insufficient cherry supply. *Mwasa*, *Kibuye Mountain coffee*, *Nkoto* and *Bukonya* operated during a very short period and could not fully train their station management personnel. These cws will need additional assistance for training during the 2006 season. Stations such as *Rwabisindu*, *Ngenda* and *COTECACYA* had no master trainers because of late completion, and were not able to operate during the season.

Some difficulties were encountered during the training of the cws personnel which received assistance for the second time (*Gatare* and *Nkora*), because they had changed some key members of their personnel. A group of section head has left *Nkora* for nearby washing stations and there was a need to train the new hired personnel. *Gatare* faced the same problem: the new manager needed to be trained.

The ADAR coffee team noted a couple of issues to be considered in order to have proper performance of the washings stations:

- § Investors have to be informed on the necessity for adequate water supply for a maximum performance of their cws. For the existing stations confronted with the problem of insufficient water supply, it is recommended to identify other spring water sources to insure adequate water supply.
- § Cws should not start activities prior to completing the construction of the station. Given the crucial role of drying facilities, It is important to insure a sufficient number of drying tables for a given production capacity. For the cws already in operation, pulping equipment must be properly maintained and repaired especially during the inter campaign period. Particularly, disks must be repaired after they have been used for two campaigns. All equipment must be in good shape at the beginning of each coffee season;
- § Drying tables must be protected against the sun and rain, and each cws must be equipped with a moisture meter.
- § Personnel must be well trained in fully washed coffee production techniques, especially those assigned to the drying posts.

2.1.3. Financial Management Training

At the beginning of the season, all assisted cws accountants were trained in cost accounting follow-up and cws operation management. A two day training session was organized at the ADAR office on 22-23 February with thirteen participants, and a second one was organized on 10-11 March with ten participants. The training targeted both the station manager and the accountant at each cws. The training detailed daily management of tasks at a washing station during the processing season.

Apart from the general training at the project headquarters, a separate training session was organized in financial management for each assisted coffee washing station, except at *Nkora* where the key individuals to be trained had been trained in 2004.

During the training, the cost accounting module developed by the project and adjusted in 2004 was introduced to the accountants of the thirteen coffee washing stations.

The following table provides details on the individual cws cost accounting training:

Table 3 – Number of persons trained in cost accounting training

CWS	Training date	Number of participants	Function
1. Bukonya	25/05/05	4	Accountant and section heads
2. Buremera	27/04/05	4	Station manager, accountant and two section heads
3. Gatara	14/04/05	2	Station manager and accountant
4. Karengera	13/04/05	7	Owner of the station, Station manager, accountant, section heads
5. Kayco	8/04/05	4	Station manager, accountant and two section heads
6. Kinunu	15/03/05	14	Station manager, accountant and two section heads
7. KMC	12/04/05	3	Owner of the station, station manager, accountant
8. Muhura	11/04/05	6	Station manager, accountant and section heads
9. Mwasu	28/04/05	4	Station manager, accountant and two section heads
10. NCMC	29/04/05	7	Owner of the station, Station manager, accountant, section heads
11. Ngoma	24/05/05	4	Station manager, accountant and section heads.
12. Nkoto	8/04/05	3	Station manager, accountant and section heads.
Total		63	

For future training, it is important that the date of the “cost accounting” seminars at ADAR be carried out in February prior to the beginning of the season, to insure that the cws staff is sufficiently prepared before the peak of the season.

The ADAR consultant checked in with the more productive washing stations to insure that there was monitoring of all operational costs and that all data was being collected in order to calculate the cost per kg of parchment coffee produced.

The financial module was well received by the coffee operators and applied in all assisted thirteen cws. The consultant was particularly impressed by the accounting and administrative management of *Kinunu*, and *Muhura*. The management and accounting of the other stations was also encouraging and there is hope for real improvement during the 2006 season.

After having gathered and analyzed all campaign related information and data, the consultant provided each owner a report on the situation of his/her station with respect to the estimate of operational costs as well as major performance indicators.

2.1.4. Information sessions

Throughout 2005, ADAR conducted a number of information sessions so that clients could keep posted on current events within the coffee sector as well as progress of activities at the project. The first information session was the launching of the coffee season organized in February, where participants exchanged ideas on various aspects that characterized the coffee season in 2004 as well as the lessons learned and how to avoid similar mistakes in the future.

Eighteen investors attended the launching ceremony and were particularly interested by the discussions. During the session, the owner of *Sake* cws presented his lessons learned from the last two years of operating his cws, focusing on site selection and equipment choice vis-à-vis the targeted capacity of the station, cherry collection, financing, technical and financial management, marketing and relations with buyers.

Other information sessions were also organized to inform the coffee project clients of new development which may be useful in operating their business:

- § A session on coffee marketing was organized in April with Philip Schluter from Schluter Trading SA, highlighting the main driving forces of the specialty coffee market and best practices for the successful marketing of coffee;
- § A session on cws equipment was also organized at ADAR with an Indian manufacturer of coffee pulping equipment who presented his equipment to project clients. The session was very informative as it allowed the new investors to view modern equipment;
- § A session on Starbucks C.A.F.E. Practice standards was organized in November, in collaboration with Mr. Stephane Stordy, a consultant working for Schluter SA. The purpose was to evaluate to what extent cws have been able to sell their product to Starbucks. Starbucks has been purchasing coffee from a number of cws assisted by ADAR such as *Kinunu, Karengera, Kibuye Mountain Coffee, Gatara, Kayco Mountain Coffee* and *Muhura*, as well as from outstanding coffee washing station - *Nyandungu, Migongo* and *Sake*. It was noted that in general the cws did comply with the majority of norms as indicated in the C.A.F.E. Practice standard, but efforts need to be made in the area of documentation. It was also indicated to participants that Starbucks, as a major buyer of high quality coffee, planned to purchase 80% of its coffee purchased through the C.A.F.E. Practice program by 2008.
- § A session on risk management in cws conducted by John Schluter was organized in December for stations managers as well as technical staff of supporting organizations including ADAR. The content of the session helped prepare cws management for the forthcoming coffee season that will be characterized by a high number of cws competing for cherries. Those stations have to produce a high quality product and make necessary arrangements to operate within profitable margins. The seminar provided a set of guidelines to insure minimum losses and maximize profit.

2.1.5. Reinforcing Cupping Competencies

A coffee washing station can be compared to cooking, where a chef must be able to taste and take note of the quality of food prepared, so that there are corrective measures to ensure that similar mistakes are not repeated. It is important for cws managers to be able to separate coffee lots produced, based on their quality. This will allow isolating those exhibiting serious cup defects and mixing the lots which have similar characteristics. For this to be done, station managers as well as quality managers must be able to cup their coffee and detect a defect and associate it with a specified production/processing practice.

During the past year, two cupping training sessions were organized at OCIR Café, and they were attended by the quality controller of each of the thirteen assisted cws. Another cupping session was organized in July in Butare by PEARL project in collaboration with East African Fine Coffees Association (EAFCA)¹. Those sessions helped the quality controllers familiarize themselves with cupping procedures, specifically identifying poor quality lots, and identifying those with similar cup characteristics.

In a cupping competition organized by OCIR Café in collaboration with EAFCA in August, two quality managers from an assisted cws were selected to be part of the judging panel.

The trained cuppers will play a vital role in setting up cupping laboratories at each cws, or a centralized cupping laboratory for a group of washing stations. With the increasing number of cws, OCIR Café no longer has the capacity to handle all quality related solicitations from operational stations. In that regard, with the assistance of ADAR through the cost sharing grant program, *Nkora* purchased its own cupping laboratory equipment. This equipment will be installed in 2006 and will monitor the quality of coffee produced at *Nkora*.

2.1.6. Producer Extension Activities

Since 2003, the project has been assisting farmers in improving their knowledge of coffee production practices that are directly linked to coffee quality (mulching, mineral fertilization, insect and disease control). Forty percent of coffee quality results from the care provided at the production phases. Improving cultural practices leads to an improvement in both physical and cup quality of the coffee crop. Following the training dispensed to coffee farmers near *Nkora*, *Sake* and *Gatara* cws, cws should focus on training farmers/cooperatives who supply cherries to those stations.

¹ This training was given by high profile cuppers from the US and specialty coffee buyers: Lindsey Bolger (Green Mountain Coffee Roasters), Duane Sorenson (from Stumptown Roasters), Peter Giuiliano (from Counter Culture Coffee), Ric Rheinhart (from Ground Works Coffee Roasters), Darren Daniel (from Allegro Coffee, roasting for Whole Food Inc.) and Oscar Magro from Sustainable Harvest. The project sponsored participants were: 1. Mr. Diogène Niyonzima from CPCDKA, 2. Mr. Siméon Hababrugira from MIG s.a, 3. Ms. Claire Rugwiro from Muhura cws, 4. Mrs. Mariane Mukankaka from Shyara Mountain Coffee, 5. Ms. Gestude Niragire from Kayco Mounatin Coffee, 6. Calliste Habamaenshi from Mwasa cws, 7. Mr. Valens Habumugisha from COTECACYA, and Mr. Boniface Kayijamahe from Nile Congo Mountain Coffee.

Following a meeting organized in July between ADAR and the assisted cws to examine possibilities for mobilizing resources for training coffee framers in pruning, a training session was organized in Bicumbi in collaboration with *Rwanda Mild Coffee*, a new company which will have an operational cws in 2006. Similar sessions were organized in Gisenyi near *Nkora* and *Kinunu* cws.

Since 2003, the project has published a poster on cherry harvesting and selection techniques. The poster was widely distributed among farmers supplying cherries to all assisted cws. The poster served as a quick reference guide for farmers, and it has been a very useful tool and a major component of the total quality management approach.

The project also facilitated purchasing moisture meters for six cws: *Muhura*, *Bukonya*, *Gatare*, *Kayco Mountain Coffee*, *Buremera* and *Cyanika*. The moisture meters were very useful in monitoring the coffee moisture levels as the coffee dried. ADAR loaned moisture meters to three new cws: *Kibuye Mountain*, *Cyanika* and *Nkoto*. At the end of the season, the moisture meters were returned back to the project

2.1.7. Study Tour in Zambia

ADAR sponsored a study tour for six new new investors in cws: Aphrodis Mugambira owner of *Karengera*, Jean Bosco Rukundo, owner of *Nkoto*, Nicolas Ndagijimana *Kagabiro*, Alphonse Kayijuka from *Mwasa*, Philippe Kubwimana for *Kinunu* and Vincent Ngarambe of MIG and manager of two cws in Gikongoro Province. They were selected on the basis of their degree of determination to make their cws operational during the 2005 season. The clients visited Mubuyu coffee farm at Munali coffee Plantation in Zambia.

The group observed how modern coffee farming techniques are possible even in low rainfall regions (annual average rainfall of no more than 700 mm). In Rwanda, coffee growing regions qualified as “marginal areas”, have an average rainfall of about 900 mm per annum. The farm can produce as much as 5 tons of green coffee per hectare with a combination of drip and overhead irrigation and an application of mineral fertilizers. In Rwanda, average productivity is 0.7 tons of green coffee hectares. In Kenya, large and modern estates produce on average 2.5 tons of green coffee per hectare. The group witnessed that difference, and noted that the farm is growing some dwarf varieties (Catuai and Catimor) in addition to high quality bourbon varieties (SL28). The group was informed that that high productivity is obtained with high application of inputs, evaluated at \$4,800 per hectare. The wet mill produces 40 tons of parchment coffee/day, and the average selling price was reported to be about 1.8 US\$/kg. The Mubuye farm is also certified Utz Kapeh, and this allows easier access to high quality and specialty coffee market.

Participants were very impressed by the level of organization at the farm, particularly the productivity level. It was encouraging for the new investors to hear from the owner of *Mubuyu farm* in Zambia that coffee farming and processing is a profitable business, but that it requires patience and determination. Following this visit in Mubuyu farm, one of the ADAR assisted clients (Kibuye Mountain Coffee) managed to plant 35 hectares of coffee. Another one (Karengera CWS) also decided to plant ten hectares. It was also generally observed that irrigation can be practice in low rainfall areas: this was very encouraging for some investors such as Migongo and Sake cws where rainfall is low.

2.1.8. Specialty Coffee Program Assessment

In June/July, ADAR welcomed and sponsored Mike Schwartz from Chemonics Int. to lead, a multi-sectoral, international team comprising USAID offices (from USAID/Rwanda, EGAT/MED, EGAT/DCA and DCHA/FFP) in consultation with BDS providers, cooperatives, investors, buyers, roasters, and financial service providers working in the specialty coffee sector. The objective was to highlight opportunities for cross learning between disciplines, institutions, USAID offices, and partners along the value-chain.

The assessment team which was very impressed by the quality of the work produced by the three USAID coffee projects in Rwanda (ACDI VOCA, ADAR and PEARL), presented their interim assessment during a debriefing for USAID/Rwanda focusing on successes stories in USAID coffee programming,, deficiencies in the value chain, and suggestions for the additional allocation of resources for USAID coffee programs.

The ADAR PMU reviewed the report and submitted the final version to USAID/Rwanda in December. The report: (i) examined the factors responsible for the initial success of the USAID program and discussed lessons learned which may be applicable to other commodity development programs, and (ii) identified key areas that USAID projects need to be addressed with indigenous organizations in order to place the coffee sector on a path towards sustainable growth.

2.2. Coffee marketing Activities

Marketing has been a major ADAR activity for the past two years due to the number of cws assisted during the 2005 coffee season. This number increased from eight in 2004 to thirteen in 2005.

Key activities carried out during the third and the fourth quarter last year included ADAR's participation in marketing seminars presented by international experts, inviting potential buyers to visit cws and shipping coffee samples, and production of promotional materials to potential investors.

2.2.1. EAFCA exhibition and conference

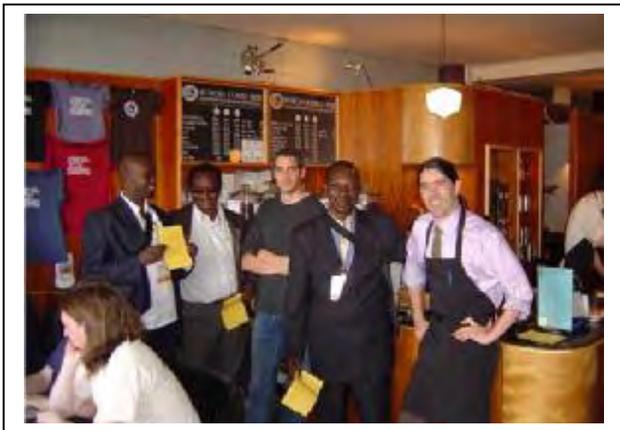
In March, the ADAR COP, a coffee expert on the ADAR project, and six investors attended the second East African Fine Coffees Association (EAFCA) conference and exhibition held in Zambia.

Although it was the first time that each of the six investors attended a coffee exhibition and conference, and even if some of them were not fluent in English, their participation was very helpful as they witnessed the dynamics that exist within the coffee industry, as well as different roles played by stakeholders within the coffee industry (producers, exporters, roaster, equipment sellers). The group was exposed to discussions on coffee prices for the current and upcoming coffee seasons, producers/buyers relationship, and many other issues. Theses discussions allowed the group to realize the importance of communication among coffee industry players.

Participation in the conferences and exhibition also helped them gain a better understanding of the sustainability concept within the coffee sector, and is the reasons for the gaining interest in the specialty industry. Other issues such as enhancing coffee consumption in producing countries and training in cupping were highlighted during the conference.

2.2.2. SCAA annual conference in Seattle and visit to Starbucks in Switzerland

A group of three ADAR clients - Théobald Bavugamenshi from *Gatare*, Christian Kaningu of *Kayco Mountain Coffee* and Mr. Pierre Munyura of *NCMC* - was sponsored by the project to participate at the coffee conference and exhibition organized by the Specialty Coffee Association of America (SCAA) held in Seattle from April 15-18. Mr. Bavugamenshi and Mr. Munyura were selected on the basis of their good results last year with respect to sales on the US market; whereas Mr Kaningu was a new investor and consults for ADAR as a civil engineer for the construction and supervision of cws. The three were accompanied by the ADAR COP.



The group met with importers and roasters as well as touring coffee retailers in Seattle, and found the overall visit to be of great interest.

The big surprise of the tour was to find Gatare coffee for sale at Victrola coffee roasters at \$12.00/lb and Theobald Bavugameshi (the owner of Gatare) was very pleased to see his coffee there - at the end of the chain... He tasted a cup of his coffee and it was the first time that he was drinking it...!

The COP and one of the ADAR clients stopped in Switzerland on the return in order to visit Schluter Trading in Nyon and the Starbucks headquarters in Lausanne; this provided both the opportunity to better understand the complexity of the coffee market from the buyer's perspective, particularly with the constant trading and fluctuation in prices.

Through the shipment of samples, the project facilitated the introduction of this year's crop to potential buyers and put them in direct contact with cws owners.

2.2.3. SCAE Coffee Tour in Ethiopia

In November, the ADAR COP was invited to participate with a group of 20 European coffee importers/roasters/retailers in the annual field trip organized by the Specialty Coffee Association of Europe (SCAE) which was this year in Ethiopia.

During the week visit, the COP met coffee exporters, government officials, coffee farmers and union leaders in Addis Ababa, the *Sidamo* and *Yirgacheffe*, famous coffee regions. While there, he visited coffee farms and washing stations under operations, familiarized him with systems adopted in grading, liquoring, auctioning and transporting Ethiopian coffee, met with European participants, and promoted Rwanda as the next potential country for the SCAE field trip in 2006.

As a result, in December, the president of SCAE announced that SCAE will organise a site visit to Rwanda for late April 2006, and the details of the visit will be published on the www.scae.com website in January.

2.2.4 Visit of Specialty Coffee Buyers

A group of specialty coffee buyers sponsored partly by ADAR visited Rwanda in July 2005: Thimo Drews and Patricia from Amber Trading Hamburg and Menno Simon of Trabocca BV, Holland. They were part of the assessment team discussed above.

Mr. William Foote and Diego Brenes from Ecologic Finance also visited some project assisted coffee clients - *Karengera* and *Kayco* cws - as well as former cws assisted by the project - *Sake* and *Nyandungu* - and they are committed to funding coffee campaigns in those washing stations.

Earlier during the coffee season, Christopher Jordan from Starbucks Company and Philip Schluter visited *Muhura* cws as well as *Sake* and *Nyandungu* which sold coffee to Starbucks last year. During the visit, they observed how cws were deploying efforts to produce high quality coffee, and this was the opportunity for Mr. Jordan to see how the C.A.F.E. Practice Program implemented by Starbucks could be applied to small-holder production throughout East Africa. The trip was very constructive as it led to the participation of the ADAR coffee expert in the Starbucks verifier training in Nairobi in November.

2.3. Results

2.3.1. Evolution of the Coffee Campaign

The nineteen assisted cws went through different experiences during the 2006 coffee seasons. They began operating at different times due to various factors (early start of harvest in the western part of the country and late start in the eastern part, time of completion of physical facilities set up, delayed approval of working capital by respective banks, etc.). As opposed to last years' experience, problems such as water and electricity shortage during the campaign were not major limiting factors, an encouraging sign that investors have learned to correctly prepare for coffee campaigns. Insufficient water supply was sometimes a factor in some washing stations such as *Kinunu* and *Gatare*, preventing washing station from increasing production.

2.3.2. Evolution of the Coffee Campaign per cws

Generally, all cws faced problems of low quantities of cherries delivered (as a result of low yield in 2005 and this is attributed to the cyclic pattern of coffee production). The majority of the stations started their activities when the coffee processing season was already in progress, and competition between processors of ordinary coffee and processors of fully washed coffee was intense as a result of high prices on the international market.

The tight competition among cws played against quality oriented practices and, and it explains the observed high cherry/parchment ratio close to 5.4/1 (as a result of poor selection of cherries and a significant proportion of small beans).

Considering the nineteen cws that ADAR started with at the beginning of the year, the following categorization can be made with respect to their performance during the season:

CSW which did fail to operate during the season

Four out of sixteen of the new cws (*COFII, Nyakabuye, Bicumbi* and *CPCDKA*) failed to operate during the 2005 coffee season, essentially because of difficulties in procuring finance and delays in construction and ordering equipment and materials such as pulping machines, wire mesh and/or shade net for drying tables. ADAR will conduct a follow-up to ensure that they are fully prepared in time to begin operations at the start of the next harvest.

CSW that managed to operate below the expected standards

A total of nine cws achieved sub-standard performance. Apart from *Nkora* cws with a capacity of 400 tons, the stations within this are low capacity 100 ton cws (*Rwabisindu, Shyara, Buremera, Nkoto, Ngoma, Bukonya, Kibuye Mountain Coffee, Mwasa*), and all of them operated at an average of only seven percent of total capacity. Various reasons explain why these stations failed to perform as required:

- F** *Rwabisindu - Lack of financing.* *Rwabisindu* did not fully operate due to lack of financing, but was able to produce 3 tons of parchment coming from cherries of the owner's plantation.
- F** *Shyara - Lack of financing.* Last year *Shyara* CWS did not operate but received the assistance of a Kenyan master trainer. The trainer provided theoretical training on coffee processing for the manager of the station. This year, despite the CWS willingness to start at the beginning of the season, the promoter did not obtain financing for working capital until the end of the coffee harvest. There was therefore no reason to provide a Kenyan master trainer to *Shyara*. The CWS was nonetheless able to produce 5 tons of parchment using the experience gained from ADAR's provision of assistance last year. The promoter will be eligible for a second year of project support in 2006.
- F** *Buremera, Nkoto, Ngoma, Bukonya, Kibuye Mountain Coffee* and *Mwasa - Delays in the completion of CWS construction.* These six CWS operated at very low production capacities primarily brought about by delays in finalizing construction and ordering equipment. Their total production of parchment fell short because they started operations at the time when delivery of cherries was decreasing and competition for purchase of cherries was high, with the problem being exacerbated by increased prices for coffee in the international marketplace. Some cws such as *Nkoto* and *Kibuye Mountain Coffee* were also penalized for failing to collaborate with coffee producers' organizations before the harvest season commenced. It should be noted that despite these difficulties, master trainers who were mandated to organize the workforce of these CWS did a good job: they assigned individual tasks from cherry reception through processing and warehousing. The trainer provided instruction in cherry sorting, washing, fermenting and drying, established a lot identification scheme to trace product from processing through warehousing and assured fine tuning and adequate maintenance of pulping equipment. As a result the green beans of *Bukonya* and *Kibuye Mountain Coffee* were identified as premium coffees and purchased by Schluter Trading SA at a very good price.

Nkora - Lack of involvement of the investor. This is the last year ADAR will provide assistance for the CWS of *Nkora*, whose results in terms of parchment production were very disappointing compared to last year (2004: 125.6 tons and 2005: 45.6 tons). The station followed the recommendations implemented in 2004 and 2005 by the same Kenyan master trainer and had the total quality management required, but unfortunately due to the minimum price differential between ordinary and fully washed coffee, the owner was not motivated to achieve the quantity of fully washed coffee that the cws was capable of producing

CSW that achieved standard performance

Six cws managed to perform satisfactorily, and these include:

- F *Gatare*** - it recorded a better performance compared to the previous years. This is the second and final year of ADAR assistance for *Gatare* CWS. The station almost tripled its production, with a total yield of 35 tons of parchment compared to the 12.6 tons produced in 2004. This improved performance is mainly due to a solid production in 2004 that was sold at a very competitive price and ranked among the best of Rwandan coffees, giving the owner the incentive to do his utmost to produce high quality coffee. The result is that one container had already been ordered by Starbucks in January, and a second one was sold to Royal Coffee California in June.
- F *Nile Congo Mountain Coffee (NCMC), Kayco Mountain Coffee (KMC), Karengera and Kinunu cws*** - Good performance in terms of quantity and outstanding performance on quality. Despite the difficulties encountered, stemming mainly from this being their first year of operation, these CWS made good use of ADAR assistance, achieving superior results in both quantities and quality of coffee produced. While some CWS such as *NCMC* and *KMC* produced acceptable quantities of coffee (one container's worth each, which is already admirable for the first year of operations), the quality was found to be exceptional by roasters such as Starbucks and a buyer in Canada who made a confirmed purchase offer in April. Schluter S.A. even provided an advance for cherry purchasing for *KMC* to the tune of USD 10,000. *Karengera* and *Kinunu* performed as well as *NCMC* and *KMC*, in terms of quality, and surpassed the latter CWS in terms of quantity, producing two containers' worth of coffee each, which is quite an achievement. Their coffees were also sold to Starbucks.
- F *Muhura*** - Top performer. This washing station belongs to two investors who had previously received ADAR assistance in 2003 and 2004 for their stations at *Sake, Migongo* and *Nyandungu*. They decided to build a fourth CWS this year in the same region as *Nyandungu*, the station which won the "best coffee" award by Starbucks in 2004, making use of the lessons they learned from ADAR's assistance.



View of Muhura cws

2.3.3. Production Achieved

The following table provides detailed information on production for the cws which received assistance of Kenyan/Burundian master trainers.

Table 4 - 2005 coffee production for the ADAR assisted cws

CWS	Cherries (Kg)	Ratio Cherries /Parch.	Production by grades (Kg)						Total (Kg)	
			A	%	B	%	C	%	A + B	%
1. Buremera + Cyanika	9 115,0	3,57	5 592,0	61,35	2 567,0	28,16	956,0	10,49	8 159,0	89,51
2. Gatare	32 781,0	5,46	25 405,5	77,50	1 637,3	4,99	5738,0	17,50	27 042,8	82,50
3. Karengera	42 536,0	5,26	36 372,0	85,51	3 224,0	7,58	2940,0	6,91	39 596,0	93,09
4. NCMC										
5. Kayco	25 848,0	5,26	19 388,0	75,01	1 022,0	3,95	5438,0	21,04	20 410,0	78,96
6. Kinunu	63 446,0	4,72	53 017,0	83,56	626,0	0,99	9803,0	15,45	53 643,0	84,55
7. Bukonya										
8. KMC	15 100,0	5,44	9 815,0	65,00	2 265,0	15,00	3020,0	20,00	12 080,0	80,00
9. Muhura	88 468,0	5,28	61 889,0	69,96	2 230,0	2,52	24349,0	27,52	64 119,0	72,48
10. Mwasa	11 637,5	5,32	8 442,5	72,55	1 474,0	12,67	1721,0	14,79	9 916,5	85,21
11. Ngoma	5 492,3	5,10	3 544,5	64,54	1 032,0	18,79	915,8	16,67	4 576,5	83,33
12. Nkora	45 605,0	4,90	33 452,5	73,35	3 647,0	8,00	8505,5	18,65	37 099,5	81,35
13. Nkoto	5 131,0	5,21	1 895,0	36,93	1 145,0	22,32	2091,0	40,75	3 040,0	59,25
Total	345 159,8	5,10	258 813,0	74,98	20 869,3	6,05	65477,3	18,97	279 682,3	81,03

The cws such as *Nkoto*, *Buremera* and *Cyanika* had a very low production as a result of starting late or tight competition for cherries in their respective areas. With respect to cherries/parchment ratio, some stations recorded a high ratio (*Gatare*, *KMC*, *Mwasa*, *Muhura*, *Karengera*, *Kayco Mountain Coffee* and *Nkoto*). This was certainly a result of poor cherries sorting before pulping and also poor crop husbandry in neighboring areas. *Kinunu* and *Nkora* had low cherries / parchment ratio and this is a result of adequate sorting and proper care to the coffee crop by framers in the region. The coffee harvest was very low this year and this may explain the observed low performance of the coffee washing stations. As indicated by the table, many of coffee washing stations were assisted in 2005 and they were all new. The following table shows the production of four cws assisted by the ADAR project:

Table 5 - Ratio cherry / parchment

CWS	2003		2004		2005	
	Tot. Prod	Cherries/p	Tot. Prod	Cherries/p	Tot. Prod.	Cherries/p
1. Gatare	---	---	12.5	5.4/1	35	5.1/1
2. Nkora	---	---	125.7	4.9/1	45.6	4.9/1
3. Sake	17	5.25/1	53.7	5.06/1	82	----
4. Masaka	55	5.34/1	54.8	5.32/1	56	----
5. Nyandungu	35	5.21/1	79.4	5.11/1	52.3	----
6. Migongo	40	5.82/1	107.2	4.91/1	55.7	----

Pertaining to figures on production and cherries/parchment ratio, it is important to note that the ratio is high during the first year and decreases the second year. It was not possible to record information on all production performance parameters in 2005 for the outstanding cws (*Masaka, Sake, Nyandungu* and *Migongo*). This comparison between the 2003 and 2004 indicate a progressive improvement in cherries to parchment ratio, due to the following:

- F Training conducted for cws staff and farmers through ADAR assistance (Kenyan master trainer) as well as training in coffee pruning, harvest and selection,
- F The poster on cherries harvest, sorting and processing was distributed to coffee washing stations and it was used to educate farmers on various aspects of coffee handling before delivery to the washing stations. This poster must also have had an impact reflected by the lower cherries/parchment ratio in 2005 for the outstanding cws as well as for *Nkora* and *Kinunu*, where the poster was widely distributed.

The cherry to parchment ratio is a good indicator of the quality of coffee delivered and processed in the washing station. In Kenya where more than 50% of coffee produced comes from large coffee estates, the ratio is about 4.2. With respect to capacity utilization, it is important to note that new cws usually do not perform well because of various logistical problems during the first year of operation, but they are expected to perform better during the second year.

The following table illustrates the percentage of utilized capacity for the assisted cws in 2005:

Table 6 - Utilized capacity per cws

CWS	Production Capacity (T)	2004 season		2005 season	
		Production (T)	Utilized capacity (%)	Production (T)	Utilized capacity (%)
1. Buremera	200	-	-	9	4,56
2. Gatara	80	13	16,25	33	40,98
3. Karengera	200	-	-	43	21,27
4. Kayco	200	-	-	26	12,92
5. Kinunu	200	-	-	63	31,72
6. KMC	200	-	-	15	7,55
7. Muhura	200	-	-	88	44,23
8. Mwasia	200	-	-	12	5,82
9. Ngoma	200	-	-	5	2,75
10. Nkora	400	129	32,25	46	11,40
11. Nkoto	80	-	-	5	6,41
Total	2160	-	-	345	15,98
	Dont 2004: 480 t	142	29,58		

The essential reasons for the low performance during the first year are:

- F Unfinished construction: in most cases, new cws start operation before the completion of the construction to the station. In some cases, investors do not follow construction plans as indicated, resulting in a coffee washing station with lower capacity than the one original targeted;

F In some cases, announced washing capacity does not match the actual capacity: low capacity of pulpers, incapacity to process all cherries delivered to the cws (generally 30 to 41 tons of cherries during the pick season), insufficient number of drying tables as compared to the targeted capacity, insufficient working capital in comparison to the targeted capacity, etc.).

In 2005, the national production was 17,000 metric tons, down from 30,000 metric tons last year, a decline of about 44%. fully washed coffee production increased from 750 to 1100 tons of parchment, and the total fully washed coffee produced by the ADAR assisted clients also increased 438 tons to 614 tons of parchment (if we include the outstanding stations of *Masaka, Sake, Nyandungu, Migongo*), representing a 40% increase. ADAR policy is to provide assistance for the first two years. After the two year period, it is assumed that the provided assistance has resulted in developing individual skills to be used by investors afterward. This is the case for *Masaka, Migongo, and Nyandungu* who received assistance during the 2003 and 2004 coffee seasons.

2.3.4. Cost of Production Estimates

The assistance provided to washing stations in management and accounting allowed to generate information related to the cost of production during the 2005 coffee season. The following table provides various cost of production and illustrates the cost of production for parchment coffee for the assisted cws:

Table 7 - Cost of production per cws

CWS	Cost of production(Frw)			Unit cost of production				
	Before asset depreciation	After asset depreciation	asset %	Before depreciation	asset	After depreciation	asset	Rang
				Frw / Kg	\$US / Kg	Frw / Kg	\$ US / Kg	
1. Buremera & Ngoma	21 225 284	24 394 487	6,80	1 453	2,595	1 670	2,982	1
2. Gatare	32 433 879	35 769 983	9,98	989	1,767	1 091	1,949	4
3. Karengara	37 447 036	42 215 097	11,77	880	1,572	992	1,772	7
4. Kayco	26 545 596	31 129 435	8,68	890	1,590	1 044	1,864	5
5. Kinunu	55 284 164	59 691 350	16,65	871	1,556	941	1,680	8
6. KMC	26 622 315	29 385 810	8,20	1 452	2,594	1 603	2,863	2
7. Muhura	75 988 633	77 068 855	21,50	859	1,534	871	1,556	9
8. Mwasa	10 556 012	14 010 239	3,91	907	1,620	1 204	2,150	3
9. Nkora	34 920 408	39 662 282	11,06	766	1,367	870	1,553	10
10. Nkoto	4 049 362	5 213 756	1,45	789	1,409	1 016	1,815	6
Total	325 072 689	358 541 294	100,00	923	1,647	1 018	1,817	

The table shows that the cost of production is very high in case of *Buremera and Ngoma, Mwasa, Kibuye Mountain Coffee*, and it has an impact on the cost of production of green coffee.

The following tables provides figures on production costs in USD including unit costs for dry milling (USD 0.03), OCIR Café levy fees (USD 0.01) and transport to Mombassa (USD 0.07). It also provides the relative weight of cherries and management expenses:

Table 8 - Production costs in US\$ (Exchange rate 1US\$=560 RWF)

CWS	Total Production (Kg of parchment)	Total cost (Frw)	Cost of cherries (Frw)	Cost of Production (US\$)	% of cherries cost	% management in the cost of production /kg
Nkora	36,484	52,966,948	22,485,780	1,452	42%	57.55%
Kinunu	50,757	79,574,985	30,389,120	1,568	38%	61.81%
Kibuye Mountain	14,664	37,762,408	8,220,000	2,575	22%	78.23%
Karengera	32,938	58,754,186	26,839,080	1,784	46%	54.32%
Gatare	25,800	48,622,959	18,360,240	1,885	38%	62.24%
NCMC						#DIV/0!
Buremera	12,362	29,863,354	7,447,010	2,416	25%	75.06%
Cyanika						
Kayco Mountain C.	23,809	41,466,387	17,141,330	1,742	41%	58.66%
Nkoto	4,150	5,213,756	2,561,558	1,256	49%	50.87%
Muhura	53,054	101,386,474	64,528,000	1,911	64%	36.35%
Bukonya						

As indicated in the table above, production cost ranges from US\$1.256 (*Nkoto*) to \$2.416 (*Buremera*), and this wide range reflects differences in management and cherries prices for each cws. The price paid for coffee cherries (from an average of RWF 100 to 140) and transport seems to be the major factor affecting the management cost.

Differences in management costs are clearly reflected by the above table. A comparison between *Kinunu* and *Gatare* shows that they have similar management performance even though they produced totally different quantities. However, comparison between *Muhura* and *Kinunu* shows that both stations produced almost the same quantities of coffee, but the contribution of the cost of management to the total cost of production is much higher for *Kinunu*. This implies that if both stations had access to sufficient cherries, *Muhura* would produce more coffee at a cheaper production cost than *Kinunu*. In reality, this was the case because *Muhura* had a more experienced team of technicians trained over the last years at *Nyandungu* and *Migongo*, than *Kinunu* which was operating for the first time.

The table below compares production costs for 2003, 2004, 2005 coffee seasons. It indicates that production cost will always increase as the cost of cherries increases.

Table 9 - Comparing Production Costs

CWS	2003		2004				2005			
	Prod. Cost	Cots cherries	Prod. Cost	Cots cherries	% incr. cherries cost	% incr. prod. Cost	Prod. Cost	Cots cherries	% incr. cherries cost	% incr. prod. Cost
Masaka	0.48	50	0.59	70	29	19	--	--	--	--
Nyandungu	0.42	50	0.51	70	29	19	--	--	--	--
Sake	0.48	50	0.50	70	29	19	--	--	--	--
Migongo	0.55	50	0.57	7	29	19	--	--	--	--
Nkora	--	50	0.46	70	29	--	1.45	100	0.3	0.68
Gatare	--	50	0.52	70	29	--	1.89	100	0.3	0.72

The table shows that cherry prices continue to increase (parallel to the international market price).. In addition to the cherries price factors, other factors contributing to the rise of production costs are the increase of fuel cost and the subsequent increase of transport cost, of electrical power, the high ratio cherries/parchment as well as the low milling turnover (ratio parchment/green coffee);

2.3.5. Financial Results of cws operations

When all costs involved in coffee production, processing and handling, as well as transport, assets depreciation etc. are taken into consideration, usually during the first year of operation, cws have a negative cash flow.

The following table illustrates exploitation results for different assisted cws:

Table 10 - Exploitation results for different cws

CWS	Exploitation result	Exploitation cost	Results	Taxes provision (35%)	Net results		Cash-flow	
					Frw	\$ US	Asset depreciation. + Net results	
							Frw	\$ US
1. Buremera & Ngoma	20 977 538	29 863 354	-8 885 816	0	-8 885 816	-15867,529	-5 716 613	-10208,238
2. Gatara	42 863 234	48 622 959	-5 759 725	0	-5 759 725	-10285,223	-2 423 621	-4327,895
3. Karengera	54 040 277	58 754 186	-4 713 909	0	-4 713 909	-8417,695	54 152	96,700
4. Kayco	39 074 150	41 466 387	-2 392 237	0	-2 392 237	-4271,852	2 191 602	3913,575
5. Kinunu	88 967 871	87 289 345	1 678 526	587484	1 091 042	1948,289	5 498 228	9818,264
6. KMC	24 635 520	37 762 408	-13 126 888	0	-13 126 888	-23440,871	-10 363 393	-18506,059
7. Muhura	101 817 880	101 386 474	431 406	150992	280 414	500,739	1 360 636	2429,707
8. Mwasu	12 295 050	17 656 073	-5 361 023	0	-5 361 023	-9573,255	-1 906 796	-3404,993
9. Nkora	52 825 772	52 966 948	-141 176	0	-141 176	-252,100	4 600 698	8215,532
10. Nkoto	6 478 380	5 213 756	1 264 624	442618	822 006	1467,867	1 986 400	3547,142
Total	443 975 672	480 981 890	-37 006 218	0	-37 006 218	-66082,532	-4 718 708	-8426,264
Average	44397567	48098189	-3 700 622	0	-3 700 622	-6608,253	-471871	-842,626

2.3.6. Marketing Performances

Over the last four years, ADAR has been working intensively to make Rwanda coffee one of the specialty origins in the World. The country has now established itself as the new “hot” specialty coffee origin, generating international recognition and praise by the American and European specialty coffee industry.

By September 2005, almost 100% of all coffee produced by the ADAR assisted cws was sold at very encouraging prices as illustrated by the following table:

Table 11 - Price obtained at export

Coffee Washing Station	2005 production (kg of parchment)	Sale results			
		Equivalent green (tones)	Quantity sold (kg)	Price (\$/kg)	Buyer
Nkora	45602		4320	2.02	InterAmerican
			18484		Sucafina
			18000	2.99	Sucafina
Kinunu	63446		18000	2.926	Starbucks
			239.5	1.139	Locally sold
			18000	2.2046	Schluter s.a
			18000	3.16	Starbucks
Kibuye Mountain Coffee	10		18000	3	Schluter s.a
Karengera	45		18000	3.064	Starbucks
			12540	3.214*	Trabocca b.v (Germany)
			3650	650 Frw	Locally sold
			1235	335 Frw	
Rwabisindu	3				
Mwasa	12		8050	2.5	Locally sold
			1577	650 Frw	
NCMC	21		15000	3.1	Bouquet Gourmet
Gatare	35		18000	2.976	Royal Coffee
			7800	2.601	Starbucks
Nyakabuye	0.3				Sold locally
MIG 1	4				Sold to PEARL
MIG 2	8				
Nkoto	5		2091	1.62	Locally sold
			3040	2.7	Locally sold
Kayco Mountain Coffee	27		18000	2.904	Starbucks
Muhura	93		36000	2.645	Starbucks
			18000	2.943	Sucafina
Shyara Mountain Coffee	5				Locally sold
Bukonya Mountains Coffee	8		4860	3.3*	Trabocca b.v (Germany)

*: FOB Mombassa price

As indicated in the table above, the majority of ADAR clients sold their coffee to Starbucks Coffee Company at an average price of 3 US\$/kg FOT Kigali. Last year, six containers were sold to Starbucks, whereas thirteen containers were purchased in 2006 by the same Company. Considering the high quality demand by Starbucks, this is an encouraging sign that the quality of Rwanda coffee is actually very good and is continuing to improve.

As a result, *Gatare* and *Karengera's coffee* will be promoted around February 2006 in over 5000 Starbucks' retail outlets and will be sold under the prestigious "Black Apron" exclusive marketing program, a distinction reserved for the very best coffee purchased by the company. It is important to note that since 2003, Starbucks has purchased coffee from ten ADAR clients and is now the largest importer of Rwandan coffee in the USA.

The Starbucks award is accompanied with 7,500 US\$ for each cws in order to finance a social project around both stations. ADAR worked with the owners of the stations to elaborate three projects including: (i) erosion control on hillsides neighboring washing stations, (ii) promotion of goats and cattle milk, meat and manure production in rural areas near the washing stations, and (iii) repair of bridged on roads deserving the rural population in the vicinities of both stations. The projects were sent to Starbucks by mid December and they will select one which will be implemented in March/April 2006.

2.3.7. Other Results

ADAR has been very involved in the development of the Rwanda Fine Coffees Association (RFCA). It was officially created in August 2005 by investors who felt the need to establish an institution representing industry interests. The association currently has 18 members and has recently secured office space within OCIR Café; it has recruited an executive secretary to manage operations.

Resulting from the support of the Kenyan master, *Kayco Mountain Coffee* was able to produce two containers of fully washed Robusta. This is the first production of fully washed Robusta in Rwanda. The coffee was sold at US\$ 1.30/kg (as opposed to the current Robusta price of US\$ 0.90/kg) to Israel. The investor is considering expanding production of fully washed Robusta next season. It is interesting to note that this ADAR client, operating in his first year, sold his total production of Arabica (one container) to Starbucks.

Impact of ADAR Assistance

Impressed by the type of assistance being provided by ADAR and especially how the project developed the production of high quality fully washed in Rwanda, Schluter SA, who is a partner of a cooperative producing low quality fully washed coffee in Cameroon, expressed his interest in having a Rwandan, who had been trained by one of the ADAR Kenyan master trainers, perform the same tasks in their cooperative producing 2,000 tons of parchment. Faustin Niyibizi, from *Masaka* cws, was identified by the project and selected by Schluter for this assignment; he left Rwanda at the end of September for a six month contract to train the staff of the cooperative on production of high quality coffee. According to Schluter, the consultant is performing very well.

2.4. The Application of Lessons Learned from the 2004 Season

This section reviews the application of “lessons learned” discussed in the 2004 Annual Report.

2.4.1. The Necessity of Improving Cherry Collection

Cherries collection is a crucial operation, since cherries deteriorate when delivered late or when delivered in improper containers.

As per our recommendation in the 2004 Annual Report, the project consulted with investors before the onset of the coffee season to highlight the importance of developing strong supplier/processor relationships.

During the season, cws owners have deployed efforts to develop partnership with farmers association whose members deliver cherries to their washing stations. This partnership has been very remarkable at *Muhura, Karengera, Gatare, Kinunu* and *Nkora* cws.



Prior to the beginning of operation at the cws, meetings were organized with farmers within associations operating in a sector where cherries are to be collected; This helps define the collection centers, agree on cherries price, cherries collection modalities etc. During those meetings, the poster on cherries harvest/sorting was distributed to association members, and that facilitated the high quality cherries delivery.

Meeting at Muhura cws

The partnership between cws owners and farmers has also been reinforced through the production campaigns, particularly in spraying against antestia and disease such as leaf rust where possible. For the stations which managed to sell their coffee to Starbucks, the partnership between them and farmers is being reinforced even more as efforts are being deployed by those cws to have cherries suppliers complying with C.A.F.E. Practice standards. Issues such as social equity, environmental leadership have to be catered by farmers (cherry suppliers) as well as the cws itself.

2.4.2. The Necessity of installing Flotation Tanks and Pre-Drying Areas

Flotation tanks have been recommended to new cws investors as a mean for maximizing the cherries sorting output before pulping. As a result, they have been integrated into the cws design, and space has been reserved for them. However, due to lack of knowledge on how flotation tanks operate, it has been difficult to have them installed and operated. Following the visit to Guatemala in November 2004 by a group of investors assisted by the project, three flotation tanks have been ordered and they will be used as a model to learn how the system works. They will be installed and operate during the 2006 coffee season.

Investors made efforts to install and cover pre-drying tables, and this allowed for a better skin drying phase being carried out. This recommendation was formulated in 2003, and it had to be re-stated in 2004. The need for the pre-drying table is now understood by cws investors, and they have all done their best to comply with this obligation.

It had been recommended in 2004 that a cemented area be set up at cws for drying low grade coffees and allow more space for higher grade on the drying tables. This has not been acted upon by the investors, although they took note of it. Installing such cemented areas will have to be part of investor's short term investment plan, because it has been observed that lower grade coffee is poorly dried, despite the fact that they can be sold and generate revenues for the washing station.

Ventilation bean storages will remain part of the medium term investment plan for cws owners, because of the high cost of construction of drying tables, and difficulties to dry coffee during the rainy season.

2.4.3. Developing Strict Eligibility Criteria for the Recruitment of Master Trainers

The criteria that were defined in the 2004 Annual Report for a washing station to be eligible for receiving a Kenyan/Burundian master trainer were generally observed (although with some difficulties):

- (i) Bank credit awarded by the end of December: This criterion has been respected. The problem has been some times the existence of a long period between the approval of the credit and the actual disbursement of funds, and this has resulted in construction of many washing station being delayed;
- (ii) Constructions finished and equipment put in place before the end of February: this has not been respected as a criterion, because of practical problems beyond control of investors. In some cases we observed that equipment suppliers failing to deliver the equipment on time. Investors have been warned however that they must order the equipment several months in advance.
- (iii) All Kenyan/Burundian did not exceed three months of stay. This criterion was fully respected;
- (iv) Investor's contribution to the logistical arrangement for the consultant assigned to their washing station: this has been observed, although some investors exaggerated in providing low standard accommodation and transportation arrangement for the trainers. However, discussions were engaged with the concerned investors and adjustments were made.

2.4.4. Reinforcing efforts to promote the Adoption of the Cost Accounting Tool

During the year 2005, ADAR continued its assistance to coffee washing station in the area of management cost accounting. The project used a simple but complete management system method in order to be able to produce a full financial account at the end of each coffee season. However, efforts remain to be deployed by investors, as it appears that they are less proactive in enforcing this cost accounting discipline.

The project produced a global evaluation of the financial activities of each long standing client over the two year period (*Masaka, Sake, Nyandungu and Migongo*), using a table format which detailed volumes produced, quality of same and sales by grade category, for submission to the investors as a summary of, and conclusion to, ADAR's assistance.

2.4.5. Promoting Alternative Pulping Machines

Three "Ecosistem" machines used in Guatemala and one "Pinhalense" pulper from Brazil were ordered at the end of 2004 by ADAR clients, and were planning to be installed for the 2005 season in their respective cws. Unfortunately, the arrival of the four machines was delayed due to transport problems and they will be installed and tested for the next season.

These machines have use less water, less energy and have a higher pulping capacity. They represent an interesting alternative for Rwanda which is scheduling to expand considerably the number of cws all over the country in areas where water supply is weak.

2.4.6. Continue to Improve Local Cupping Capacity

The project continued to be involved in the reinforcement of local cupping capacity. ADAR sponsored the training in coffee liquoring of the Chief Liquorer of OCIR Café in Zambia. This was beneficial as it strengthened the basis for the training program in quality control and cupping tasting that ADAR developed in June for its clients.

In order to develop and reinforce tasting capabilities, to encourage Rwandan producers/exporters to produce exceptional quality coffee, and to assist investors in planning on building or using a cupping laboratory, twelve future cuppers of washing stations assisted by ADAR were trained by the Chief Liquorer of OCIR Café through an intensive course in cupping, conducted at regular intervals over a two month period. Two five-day sessions were conducted at OCIR Café in April and May; they were followed by a “Training the Trainers workshop” held in Butare in July, with supervision provided by well known American cuppers (ref. paragraph 2.1.5).

2.5. Lessons Learned and Recommendations from the 2005 Season

There are several areas which will continue to have ADAR support during 2006, the last year of project activity, taking into consideration the lessons learned since the beginning of the project,.

2.5.1. The Necessity to Reinforce Partnership between CWS and Farmers

Coffee washing stations are unable to operate at their full capacity, and one of the major reasons for their low performance is the lack of sufficient cherries. Coffee washing station owners must find ways to enhance their cherries collection capacity, through establishing strong ties with farmers, especially their associations and cooperatives.

During the year 2006, ADAR will continue to assist cws investors in establishing and reinforcing partnerships with coffee farmers. For cws which have been able to sell coffee to Starbucks, the project will assist in complying with C.A.F.E. Practice Program of Starbucks Coffee Company. The company is planning to purchase 80% of its coffees through this Program by 2008. C.A.F.E. Practice offers an excellent opportunity for coffee washing stations to develop real partnership with farmers who supply cherries.

2.5.2. Adoption of Total Quality Management Discipline at CWS

The assistance provided by ADAR over the last four years has reinforced quality coffee production practices, and all cws investors are convinced that applying these methods works well. The project has drafted a reference guide to Total Quality Management (TQM). The guide will be widely distributed to all assisted clients. During the 2006 coffee season, the project will continue to insist on applying those best practices for maximum quality production.

Applying the total quality protocol will help insure that issues such as cherry sorting before pulping, flotation of cherries, hand picking of damaged beans during skin drying etc. are fully taken into consideration during the production process.

2.5.3. Necessity to Upgrade CWS Infrastructures

A large majority of cws do not have required infrastructure. None of them have flotation tanks, and in many cases there are no waste water and pulp disposal facilities. Other washing stations have limited pulping capacity. Unfinished infrastructures make it difficult to correctly train personnel and insure maximum quality performance, while insuring environmental protection practices.

During this 2006 coffee season, the project will continue to encourage investors to complete the construction of their facility or a maximum quantitative and qualitative performance.

2.5.4. Develop Eligibility Criteria for Kenya/Burundian Master Trainers

Eligibility criteria for cws investors to benefit assistance for staff training have generally been observed, but there are still investors who show little interest in fulfilling the criteria.

The issues of accommodation and transport are generally neglected by investors, and there is a need to assign technicians only when the project is satisfied with the accommodation provided to the technician. Investors will also have to offer transport of the technicians for their monthly travels to Kigali for meeting at the project headquarters.

2.5.5. Reinforce Cost Accounting Discipline

Remarkable efforts are being made by cws investors in insuring proper management practices and costs associated with their operations are correctly followed up. There is a need however for some new investors to insist on the necessity to insure proper management and to adopt cost follow up discipline. There are several advantages for investors to adopt such practices, and much emphasis needs to be put on this aspect.

It also appears that outstanding coffee investors (those who are not assisted by the project anymore) are no longer following the cost accounting measures instructed by the project. The project might need to make this a prerequisite for maintaining contact with those investors for marketing and other low profile assistance provide to the outstanding clients.

2.5.6. Promoting Alternative Pulping Machines

It is becoming more and more evident that alternative pulping machines are needed, to cope with the problem of water shortage and to conserve the environment. Following the visit to Guatemala of the ADAR group in November 2004, three “ecosistem” machines were purchased by two assisted clients, and the machines are going to be installed in February 2006.

The project should attention to this technology, as possible pulping alternatives that can be recommended to the coffee industry in Rwanda.

2.5.7. Necessity to Continue Improving Local Cupping Capacity

As already stated at the beginning of the report (par. 2.1.5), with an increasing number of cws in Rwanda, OCIR Café can no longer fulfill all cupping requests from cws. It is important to develop cupping skills within the assisted stations, so that they can handle quality control activities by themselves.

During the 2006 coffee season, the project will continue to train cupper from various washing stations, the same as what was done during the 2005 coffee season. It is necessary that the project support efforts to set up cupping laboratories at individual stations.

2.5.8. Necessity to Support the Rwanda Fine Coffees Association (RFCA)

The newly created Rwanda Fine Coffees Association is still at the infancy stage, and it needs to be supported. This association is potentially very useful for sustaining the development of the private investments in quality coffee production. The project will find ways and means for supporting the association.

3. TEA SECTOR

Despite the slow speed of the privatization process, ADAR has developed a certain number of studies in the tea sector since the beginning of project activities. The project has undertaken an asset evaluation of three factories and their respective plantations, provided assistance on an environmental impact assessment for the private company SORWATHE, conducted a pre-feasibility study for a tea plantation and factory on behalf of a local investor, and in 2004 implemented a study for the manufacture of Orthodox tea (a Specialty tea) in Rwanda.

In 2005, due to requests from investors, ADAR updated a pre-feasibility study for a long standing client and developed a business plan for the construction of a tea unit. Unfortunately the project did not provide assistance to set up the Orthodox tea production, as per the work plan. Gisovu estate, which has the potential to produce very high quality Orthodox tea, never confirmed its decision to make the investment for the manufacturing of this Specialty tea.

In May 2003 ADAR sponsored a pre-feasibility study for RWANDA TEA TRADING (RTT), a private company interested in developing a plantation and a tea factory in the Gatare District of Cyangugu Province. The report helped the investor mobilize partners such as the Government of Rwanda, which is already committed to assist the project, as well as the Dutch Embassy which agreed to provide funds for 1M Euros for the creation of the tea plantation. Given the high cost of a complete feasibility study, the updated pre-feasibility study was a necessary tool to win over the commitment of the Rwanda Development Bank (BRD) to conduct the final study. It was a result of this interest on the part of the above institutions that ADAR contracted John Walton, the consultant who developed the pre-feasibility study, to help RTT to update the study and provide the information requested by BRD, which may facilitate RTT to secure the BRD loan.

Upon the request of a group of local private investors, a feasibility study and a business plan for the extension of the tea plantation in the Nshili Kivu, and Gikongoro districts, and for the implementation of a tea factory was conducted in September by two ADAR consultants, a tea factory specialist and a financial analyst/management expert. The strong commitment of the investors in this project and their desire to start activities as soon as possible should lead to the opening of the factory by December 2006. It will depend on the coordination of the investment decision with the IFAD project (as a partner), and the quality of the relationship which should develop between the factory investors and the cooperative will be the best guarantee against unforeseen circumstances.

The tea factory and the extension of the plantation in Nshili require heavy investment spread over the first eight years. As per the business plan, capital expenditure over the first 10 years amount to US\$10,327,246.00 and the cumulative cash flow becomes positive after eleven years

The existing plantation of Nshili Kivu



4. HORTICULTURE

ADAR's horticultural activities during 2005 included a training for passion fruit producers,, monitoring of the ACIDI/VOCA support to those located in the Gashonga district of Cyangugu, organization of a "Passion Fruit Forum" and assistance to a new group of Bird's Eye Chili (BEC) investors to achieve organic certification. ADAR also remained involved in supporting the production of certified organic "Bourbon" geranium oil, together with World Relief and Solace Industries, as well as helping Rwanda Flora, a private company producing cut flowers for export, achieve EUREPGAP certification and improve irrigation water supplies.

It is important to note that during the past year, OntheFrontier was asked by the Office of the President to assess the feasibility of exporting Rwandan products in the horticulture sector. ADAR was closely involved in the meetings and in the working groups. Four key segments were selected to be the focus of ontheFrontier's horticulture strategy: fresh organic products, organic BEC, dried fruit and juice for the regional market.

4.1. Passion Fruit Production

4.1.1. Training activities

Following the training of passion fruit producers in the Cyangugu Province which ADAR undertook in 2004 on all aspects of passion fruit production as well as appropriate harvesting and post harvest handling techniques, the project continued to devote time and effort in 2005 to conducting training courses in the province.

Sixty producers were trained in March on hygiene at the field level to prevent major disease outbreaks in their plantations, as has occurred in much of northern Rwanda. Most of the producers seem to have a good grasp of the most important techniques for keeping their crops healthy; many expressed dissatisfaction with the price they are getting for their fruit, however, which serves as a disincentive to make the extra effort required to actually employ the improved practices.

4.1.2. ACIDI/VOCA Cooperation for Passion Fruit Production Grant

Following the financial assistance provided by ACIDI/VOCA in 2004 in the form of inputs and development of infrastructure (nurseries, charcoal evaporative coolers, and fruit collection centers) for 49 passion fruit producer associations in the Gashonga district of Cyangugu, ADAR continued to monitor the impact of their assistance.

A total of 54 hectares of passion fruit were established by the end of 2004, using seedlings grown from seeds selected by ADAR (to ensure it was free from disease) and ACIDI/VOCA, through a grant, funded the production of the passion fruit. Since there is a seven to ten month lag between transplanting passion fruit plants and the first significant harvests, actual increase in production will not be measurable until early 2006.

In order to better monitor the progress of the project, an evaluation of the passion fruit plantations was conducted in June. The evaluation revealed that DUTERIMBERE, the local NGO which is responsible for dispersing the funds, was not cooperating well with the producer associations, and was often late in releasing funds needed to purchase nursery and field materials. The evaluation revealed also that while some associations were making good use of the assistance, others were less active and achieved far less results. It also showed that some of the failures was attributed to DUTERIMBERE's late release of funds, resulting in a late establishment of nurseries in some cases and failure of trellising structures to be set up in time in others.

During the third quarter, ten of the associations which had made good use of the assistance were selected to receive further materials with the remaining funds, and selected disease free seeds provided by ADAR for the establishment of passion fruit nurseries. With these materials and seeds, 65,000 passion fruit seedlings were planned to be produced and sold to members of their respective associations.

Although the associations had received passion fruit seed from ADAR during the third quarter, which they had sown, the project failed due to DUTERIMBERE's slow response in making other nursery materials available. It resulted in only a fraction of this number of seedlings being produced. ADAR sent its local horticultural consultant to Cyangugu in early November in an attempt to resolve the disputes between the NGO and the producer associations concerning purchase and distribution of the materials; when the NGO's representatives repeatedly failed to show up to previously agreed upon meetings, he had to abandon his efforts and return to Kigali with the situation unresolved. By the end of December, a few seedlings were ready for transplanting, this nearly three months after the optimal start of the growing season.

4.1.3. Efforts to organize Passion Fruit Producers and Processors

By 2004, producers and processors of passion fruit in Rwanda found themselves encountering an increasingly frustrating work environment, the former due to high levels of disease, limited access to land and inputs and unmanageable fluctuations in the prices offered for their fruit, and the latter the inability to compete with Ugandan traders for purchase of the shrinking fruit supply.

ADAR therefore organized a forum in the first quarter of 2005 to bring together all the players in the industry, including government officials and donors, to discuss the issues and propose solutions. Over 60 people participated in the forum, and by the end of the event several resolutions had been drawn. The major passion fruit processors in Rwanda, e.g. Inyange Dairies and Shema Fruits, decided to form an association so that all processors could work together to resolve their common problems, rather than just regarding one another as competitors. The passion fruit producers similarly recognized the need to work together, and decided to form a national federation to better position themselves when bargaining the price of their fruit throughout the year, as well as sharing information on production techniques. Additionally, they expressed a need to have a means of estimating their costs of production so as to be able to set the price for their fruit at a profitable level, rather than letting the market decide the price at which fruit is sold.

The passion fruit processors group met on a regular basis throughout the remainder of 2005, and proposed to form a registered association by July. After failing to procure funding to complete the registration process, the group decided to put forth the funds for the registration. The association should begin operating in 2006. By forming this official association, the fruit processors will be in a better position to lobby the government to remove taxes on sugar imports (which seriously hamper their profitability), share raw materials and exchange information so as to better overcome problems they commonly face.

The passion fruit producers' group, being comprised of a much more widely dispersed and financially constrained membership than the processors, held their first meeting in July, with ADAR sponsorship. The producers discussed their progress to date in establishing producer federations at the provincial level. Four provinces - Ruhengeri, Gisenyi, Byumba and Gitarama - had by that time already set up their passion fruit producer federation. The group decided that they needed to establish a national committee and planned to hold a meeting to elect representatives in late August, with ADAR's assistance. With the project's budget reduction, however, the meeting had to be cancelled. If another source of funding is found, the passion fruit producers will hopefully succeed in establishing a national committee and thereby work together to resolve the problems they encounter as a group, including setting the price at which they sell their fruit rather than being subjected to the fluctuations of the market.

4.1.4. Assistance to Fruit Processors

During 2005, ADAR continued to provide specific assistance to two fruit processors, Inyange Dairies and Shema Fruits.

The horticultural consultant provided by ADAR on a *pro bono* basis helped Inyange Dairies Company identify sites for five passion fruit nurseries, as well as select individuals to manage each one. In August, he trained each nursery manager in appropriate nursery establishment and management practices, and monitored their progress. The consultant also assessed potential field sites for passion fruit plantation establishment, and provided targeted farmers with information on improved production techniques. In the fourth quarter, he oversaw the production of enough passion fruit seedlings to plant 16 hectares. All but two hectares were established by producers who agreed to sell their passion fruit to Inyange for processing, which is at least a beginning to the company's efforts to work with producers so as to be ensured of adequate supplies of passion fruit. The anticipated outcome of this assistance is that Inyange will have sufficient supplies of fruit to enable them to achieve their planned production expansion, ranging from long life syrups, fresh juice and juice concentrates.

Due to difficulties, Shema Fruits is experiencing with procurement of adequate supplies of passion fruit, they approached ADAR for assistance in identifying and training new farmers in the Butare area in passion fruit production. ADAR met with several farmers in July, explained the requirements for production of the crop and agreed to visit their farms to determine their suitability for passion fruit production. On the date scheduled for the visits, however, only two of the farmers were able to meet with the project, and of these only one had land suitable for passion fruit production. When ADAR learned of its budget cut shortly thereafter, it was decided not to pursue plans to assist the farmer with production. A similar decision was made with respect to the new investor in passion fruit planning to plant five hectares of the crop in the Impala District of Cyangugu, with the intention of selling his produce to Shema Fruits.

4.1.5. Study to determine Passion Fruit Production Costs

At the passion fruit forum which was organized by ADAR in the first quarter of 2005, the need for a study to help producers estimate their production costs, and thereby arrive at a fair price for their fruit, was raised, and ADAR agreed to conduct the study, together with ACIDI/VOCA, using producers in Cyangugu, Butare and Gitarama who are assisted by the project. This took place during the last week of March.

From the study, which was completed in September 2005, a selling price range for passion fruit producers to make a reasonable profit was established; the study also provided recommendations for passion fruit producers to enable them to keep track of all investments made in this sector to fully account for all production costs. It had been hoped that the price information and the model for calculating production costs would be disseminated to passion fruit farmers; however the severe reduction in ADAR's budget, announced in the third quarter of 2005, prevented the project from transferring the tool to producers.

4.2. Bird's Eye Chilies

By the third quarter of 2004, four new investors and one association had registered with the project for assistance with organic BEC production, and sufficient certified organic seeds to plant 25 hectares of the crop was sourced and purchased from a supplier in Malawi. A BEC working group was formed, and an agronomist was hired by ADAR in October 2004 to visit the production site of each client on a regular basis to ensure organic production techniques were followed and field staff given the guidance required for production of high quality BEC.

4.2.1. Assistance to Investors

In early 2005, each client's BEC agronomist was provided training at the Gako Organic Training Center on organic pest and disease management, composting and water conservation techniques to enhance their capabilities to manage the crop in a manner compliant with organic regulations. ADAR also assisted the BEC investors in completing and submitting applications for inspection by Ecocert, the organic certification body identified as best suited to inspect and certify the project's clients, during the first quarter of 2005.

Following receipt of the estimated cost for the initial inspection by Ecocert, the BEC clients used ADAR's Small Grants cost sharing funds to pay the required 70% advance to Ecocert in the second quarter of 2005. The first round of inspections was conducted in July, with support from the project and technical assistance from the horticultural specialist and the BEC agronomist. The Ecocert inspector was favorably impressed with all the clients, except an association in Bugarama comprised of scattered producers, where it was difficult to control the traceability of the fruit produced; when it became apparent that the association lacked the means to set up and adhere to the required internal control system to guarantee traceability, ADAR realized it would be futile for the association to continue to seek organic certification, and technical assistance was discontinued.

4.2.2. Introduction of Solar Tunnel Dryers in Rwanda

In addition to requiring that assisted BEC clients work towards achieving organic certification, ADAR also made its assistance conditional on the willingness of each to purchase a solar tunnel dryer.

BEC must be dried quickly and in a hygienic environment in order to ensure that the fruit do not become contaminated with aflatoxin or microbes which render the product unsuitable for human consumption. In countries such as Malawi and Zimbabwe, BEC are dried using modified tobacco barns, which use fuel wood; given Rwanda's tight regulations concerning fuel wood consumption, the best alternative was found to be a specific type of solar dryer designed by engineers affiliated with Hohenheim University in Germany. The "Hohenheim" solar tunnel dryer had been proven effective for drying BEC as well as other horticultural products in various countries around the world, and was sold at a reasonable price (under Euro 6,000).

The BEC investors were initially reluctant, however, to commit themselves to purchasing the solar dryers, and one of the four private entrepreneurs withdrew from the group rather than pay his share for a dryer. The remaining three private clients and one association were eventually convinced of the importance of using a hygienic process to dry their chilies, and the Hohenheim dryers were ordered and delivered to Rwanda in late July 2005.

Four solar dryers were installed by a German technician in August, together with the assistance of ADAR's BEC agronomist and one BEC client's blacksmith. Through this experience, the two Rwandans acquired the knowledge necessary to conduct all future dryer installations without the assistance of an expatriate technician. The staff of each BEC client purchasing the solar tunnel dryers was trained not only in operation and maintenance of the equipment, but also in hygienic drying techniques to minimize the risk of aflatoxin build up and microbial contamination of the fruit.

After several trial runs, the BEC clients determined that a load of 150 kg of fresh fruit could be dried in one solar tunnel dryer over a two day period, yielding 50 kg of dried BEC after grading. Since each private investor had planted five hectares of BEC, yielding 400 kg of fresh fruit total (ungraded) every three days, the capacity of a single dryer proved insufficient; plans for each to purchase an additional dryer using the Small Grants Cost Sharing program had to be abandoned in September 2005, however, due to the severe reduction in ADAR's budget.

4.2.3. Visits of an Ecocert inspector to Rwanda

Since the solar dryers had not been installed at the time of the Ecocert inspector's visit in July 2005, the finished product, namely the dried BEC, could not be granted organic status. Plans were therefore drawn for a second round of inspections to be conducted in the third quarter of 2005, which would include the two new BEC clients who planted their crops in October 2005 with the project's assistance.

The Ecocert inspector traveled to Rwanda in December, and found the three BEC producers who had installed the solar tunnel dryers were compliant with organic regulations insofar as drying and storing their product. While he felt they could streamline their operations with improved recording keeping, he was favorably impressed overall by their production, and with the high quality of their dried BEC in particular.

Two new clients who had established five hectares each of BEC in the fourth quarter of 2005 were also inspected at the field level by the Ecocert inspector, and both were found to be largely in compliance with organic regulations.



Ecocert inspection of solar drying of BEC

Following the December visit, Ecocert issued organic certification for the three ADAR clients producing dried BEC with the solar tunnel dryers, and indicated certification would similarly be forthcoming for the association CODABECYA, which had undergone field level inspection in July 2005, together with the two new investors inspected during the December visit, once their solar dryers were installed and the processing and storage techniques satisfied Ecocert's requirements.

4.2. 3. Access to International Markets

ADAR commenced making contact with European buyers of certified organic BEC in the second quarter of 2005; once fruit produced with the solar tunnel dryers was available, samples were sent to several importers. All were impressed with the visual quality of the fruit, and samples taken by the German technician which were analyzed for bacterial contamination were found to be clean. Buyers require lab analysis of BEC for aflatoxin contamination, however, in addition to capsaicin content, before agreeing to purchase the product. In November, samples sent to a certified laboratory in Nairobi for analysis.

4.2.4. The Future

With the news that her contract would be terminated at the end of 2005, due to ADAR's budget cut, the horticultural specialist devoted considerable time during her last quarter with the project to set up a mechanism whereby existing and new investors could find the support needed to achieve organic certification.

In many countries, local NGO's provide producers with information on organic agriculture regulations and application procedures, and coordinate the inspection visit, which considerably reduces the certification costs. By late 2005, Rwanda was still lacking in individuals / organizations knowledgeable about organic agriculture and the certification procedures; since the Ministry of Agriculture had developed plans for a new organization, the Rwanda Agriculture Agency for Quality Control and Certification (RAAQCC), to start up in 2006. ADAR's horticultural specialist approached the Rwandan team responsible for establishing RAAQCC to see if they would be willing to take on the role of organizing organic agriculture activities after her departure. Several meetings were held with RAAQCC, together with ontheFrontier Group's new horticultural exports initiative in the last quarter of 2005, at which participants were briefed on organic agriculture regulations and certification procedures. ADAR also explored the possibility of procuring financial support from RAAQCC to continue organic activities in general and those pertaining to BEC exports in particular in 2006. A proposal was submitted to the Ministry of Agriculture in December 2005 to help the new investors achieve organic certification.

4.3. Floriculture

In early 2005, the owner of Rwanda Flora, a private company producing cut flowers for export, approached ADAR for provision of technical assistance in four areas: developing a plan for harvesting rainwater from the greenhouse roofs to supplement and improve quality of water supplies on the farm, helping operations achieve EUREP GAP compliance, preparing a business plan for the garden center and development of a promotional brochure for the company.

Unfortunately the assistance to prepare a business plan for the garden center and to improve marketing strategy with the development of a brochure on the company could not be implemented due to the project's budget cut.

4.3.1. Assistance on water harvesting

After the completion of the farm rehabilitation and rose production resumed, Rwanda Flora found that reliance on the nearby river for its water supplies resulted in frequent damage to its irrigation equipment; the amount of silt and other solid particles was so high that it caused recurring damage to the system.

This prompted the owner of Rwanda Flora to request technical assistance to improve the farm's water supply in early 2005, as mentioned above. ADAR subsequently engaged a consultant in the second quarter of 2005 to determine how a rainwater harvesting system could be set up and to investigate other ways the quantity and quality of water available could be improved. From his calculations, the consultant found that the total amount of rainwater which could be harvested from the greenhouse roofs fell short of the farm's total water requirements for irrigation, crop spraying and other operations such as cleaning. He therefore recommended that in addition to installing a rainwater harvesting system, Rwanda Flora should also improve the filtration system for the water pumped from a nearby river.

The consultant's conclusion was that a combination of rain water harvesting and better quality water from the river would provide the farm with adequate supplies of water to not only meet existing needs, but allow the farm to expand the acreage under production, as had been planned by the owner. Following the consultant's recommendations, Rwanda Flora submitted a request to ADAR's Small Grant Cost Sharing program for a portion of the funding required to purchase the rainwater harvesting and filtration equipment; plans to provide this support had to be dropped, however, due to the reduction in the project's budget in the third quarter of 2005.

4.3.2. Assistance to achieve EUREP GAP Compliance

EUREP GAP is a series of standards emphasizing safe and sustainable production practices, developed by the European retailers as a means of assuring their clients that fresh produce sold in their markets is not only safe to consumers, but produced under socially and environmentally acceptable conditions. EUREP GAP standards were first launched in 2003, with countries such as Rwanda having until 2007 to achieve compliance in order to continue exporting fresh products to EU countries. By commencing work towards the EUREP GAP standards in 2005, Rwanda Flora hoped its operations would successfully achieve compliance by the 2007 deadline.

Following the company's request for assistance, ADAR identified a Kenyan consultant in the first quarter of 2005 who was experienced in EUREP GAP, as well as Integrated Pest Management (IPM) practices, an area where Rwanda Flora needed to improve, not only for EUREP GAP compliance but to reduce unnecessary and undesirable expenditures on pesticides. The consultant, Mr. Rikki Agudah, traveled to Rwanda in June 2005 to conduct an evaluation of Rwanda Flora's conformity with EUREP GAP standards and determine their training needs to achieve compliance, as well as improve their IPM practices.

From the information gathered during this initial assessment, he prepared a series of training programs which were conducted over the third and fourth quarters of 2005. Given the complexity of the material covered, and the diverse backgrounds of Rwanda Flora's staff, Mr. Agudah found it challenging to convey the information to his target audience; using a combination of materials translated from English to Kinyarwanda together with his own Swahili, he succeeded in the end. As a result, relevant staff on the farm was trained in EUREP GAP standards, and how to incorporate its control points in staff appraisal, IPM and safe use of pesticides.



Rwanda Flora Safe Use of Pesticides Training

The staff was particularly interested to learn how they could reduce their use of and reliance on pesticides with improved scouting and spot application techniques, together with incorporation of cultural control measures. In the course of his initial assessment of Rwanda Flora, Mr. Agudah had identified the need to set up a Quality Management System (QMS) for the packhouse operations as an additional area which should be developed. Another Kenyan experienced in QMS and HACCP for packhouse operations, Ms. Anne Chepkoech, was subsequently recruited by ADAR, and brought to Rwanda to train Rwanda Flora's packhouse staff in the fourth quarter of 2005.

From the series of trainings and evaluation of Rwanda Flora staff's mastery of the material following each session, Mr. Agudah and Ms. Chepkoech drew up a set of recommendations for the farm. Given the limited knowledge and technical skills of the packhouse staff, they advised that a short term consultant be engaged by Rwanda Flora to work with the staff on the ground so as to bring their QMS up to acceptable standards in the shortest time possible. They also recommended that someone from Rwanda Flora undergo auditor training at an institute in Kenya; this member of staff could then fulfill the role of internal auditor and as such enable prompt and efficient self improvement of systems, which is a pre-requisite for attaining and maintaining EUREP GAP and other certification standards.

In December 2005, ADAR prepared and submitted a letter to the Ministry of Agriculture, detailing the project's provision of technical assistance to Rwanda Flora over the year, and requesting that consideration be given to financing the remaining technical assistance needed for the company to become fully EUREP GAP compliant by 2007.

5. PROCESSED AGRICULTURE PRODUCTS

ADAR continued to provide support for entrepreneurs interested in investing in agri-processing especially in geranium oil, honey and tomato.

5.1. Geranium Oil for Export

In 2005, the project continued to offer assistance to develop production of organic geranium oil for export through preparation of applications for certification and elaboration of a feasibility study and business plan for production and commercialization of product.

ADAR provided the World Relief/Solace Industries assisted geranium associations with guidance on organic regulations, and helped them to prepare applications for certification which were submitted to Ecocert in the first quarter of 2005. In July 2005, both of the sites (including distillation and storage facilities) underwent inspection and were pronounced acceptable for certification with only minor changes. Certification was granted by Ecocert in December, and the first shipment of organic geranium oil to South Africa should took place in January 2006 at a price of US\$95/kg. In addition to providing assistance for the development of technical aspects of essential oil production, ADAR also helped the World Relief/Solace Industries project on the business development front.

In the second quarter of 2005, a consultant was engaged by the project to conduct a feasibility study and business plan for essential oil production and commercialization in Rwanda. A company, Ikirezi Natural Products, had been set up by World Relief/Solace Industries for the purposes of assisting existing as well as new producers of geranium and other essential oils with production, processing and marketing of their products. The feasibility study/business plan, completed in July 2005, showed that for commercialization of geranium oil to succeed, the area planted to the crop needed to be expanded from the existing ten to a total of 200 hectares. Ikirezi Natural Products used the feasibility study/business plan to apply for a \$500,000 grant to expand the geranium production to 200 hectares, which they were awarded in September 2005. They additionally used the study to procure a \$100,000 grant from the African Development Foundation, for the purpose of strengthening the company's management skills.

During the second quarter, ADAR purchased a steam distillation machine for testing Rwanda's geranium as well as other essential oils to determine whether or not they have export potential. Due to the late arrival of the replacement part for one piece which had been broken in shipment, the samples will be tested in the beginning of 2006.

5.2. Honey

Following the study which was conducted in July 2004 proposing the production of a "niche" honey for export, ADAR approached the Wildlife Conservation Society (WCS), an NGO working with communities living around the Nyungwe Forest and Parc des Volcans, for assistance with the development of a honey collection scheme from one or both of the natural parks, together with Mr. Murenzi, a Rwandan businessman interested in developing honey export.

For a third country to export honey to EU markets, it must have in place a Residue Monitoring Scheme (RMS) to ensure the honey is free of chemicals and bee parasites/diseases. ADAR therefore engaged a consultant specialized in the EU honey trade to establish a RMS for Rwanda in April 2005. The consultant was impressed by the potential for production of a high quality honey from the Nyungwe Forest, and suggested experienced apiculture extension workers from a honey project in Zambia - North Western Bee Products (NWBP) - be brought to Rwanda to train selected lead beekeepers located around Nyungwe Forest.

Following his recommendation, an ADAR sponsored workshop was held in conjunction with WCS in August 2005, which brought together 49 beekeepers living around the Nyungwe Forest. The group was introduced to Mr. Murenzi, who encouraged them to work together to produce a high quality honey, assuring them that if they did so he would guarantee to purchase it at a remunerative price. At the workshop, WCS explained ADAR's plans to bring the NWBP apiculture extension agents to Rwanda in September to provide the Rwandan beekeepers with training in production, harvesting, processing and storage of honey so that the resulting product would meet export requirements. The beekeepers were advised not to harvest their honey until the Zambians arrived, so that the hands-on training could take place; they were also informed that Mr. Murenzi had a standing order for 500 kg of their honey, provided it met the quality requirements. Rwanda's Ministry of Agriculture, MINAGRI, had agreed to provide the funds to cover 70% of the costs of materials the Nyungwe area beekeepers would need to produce quality honey, which was also revealed to them during the August workshop

Unfortunately, delays in finalizing the subcontract with NWBP resulted in their trip being postponed until October 2005. When the owner of NWBP arrived in Rwanda at the beginning of October, in anticipation of making the final arrangements of the training program, he discovered that beekeepers around Nyungwe Forest had already harvested their honey. Since the training would have been ineffective without the hands-on honey harvesting and processing components, it was decided to reschedule the arrival of the NWBP extension workers for some time in 2006, when honey was expected to be available.

Discussions held with Mr. Murenzi during the NWBP's owner's visit to Rwanda revealed that he was not willing to engage the extension workers himself, as was done by NWBP, and that he saw this as a responsibility MINAGRI must take on for him to agree to pursue the development of the Rwandan honey sector. Mr. Murenzi prepared and submitted a request to the Ministry of Agriculture, stating that if they were prepared to finance the apiculture extension workers, he would in turn organize the collection, purchase and marketing of the honey on both the domestic and international marketplace.

The establishment of the RMS to enable Rwanda to be placed on the EU's list of Third Countries from which honey could be imported encountered considerable delays after Mr. Wainwright's return to Europe with the honey samples destined for analysis. Given the high cost of the honey analysis, together with expressions of interest on the part of the EU's diversification program for Rwanda, ADAR had requested, and provisionally been granted approval for EU support for the lab analysis of the honey samples. Despite having submitted all paperwork required by the EU shortly after Mr. Wainwright's visit to Rwanda, the approval process took much longer than had been anticipated; as a result, the analysis of the honey will take place hopefully by January 2006.

5.3. Tomato processing

In the fourth quarter of 2004, ADAR was approached by SORWATOM, a Rwandan company manufacturing tomato paste, for technical assistance on several fronts. The company, which had been set up in the late 1980's had been considerably damaged during the 1994 genocide; the owners succeeded in rehabilitating the factory in late 2003, and resumed operations in 2004. By the end of that year, SORWATOM realized they could benefit from technical assistance at the field, factory and marketing levels, and submitted their request for same from ADAR

ADAR's horticultural specialist developed a set of guidelines for SORWATOM to follow to reduce post-transplant losses in their tomato crops which eliminated the need for any insecticide application. An ADAR sponsored consultant installed new equipment in the company's factory and trained staff in operation of same; production costs in terms of energy and labor usage were lowered as a result.

5.3.1. Assistance for Field Level Production of Tomatoes

The tomatoes processed by SORWATOM into paste, the only product they had mastered up to this point, came from two sources: the company's own fields and smallholders contracted for production in nearby provinces. SORWATOM's fields were experiencing severe post-transplant losses, which they attributed to attacks by soil borne insects. They asked for ADAR's horticultural specialist to design a trial to test various insecticides for their efficacy in reducing insect-caused losses, which she did in early 2005. The results of the trial were inconclusive; however, as SORWATOM's agronomist failed to gather the data as he'd been instructed to do. From observations of the company's seedling production and transplant practices, ADAR's horticultural specialist speculated that the post transplant losses could be alleviated by improved nursery and transplant procedures, without using any pesticides whatsoever. A second trial was designed, whereby seedlings produced using a different method, resulting in much hardier plants, were compared with those produced following SORWATOM's traditional practice. This trial was implemented in the third quarter of 2005, and the results showed that the stronger tomato seedlings suffered far fewer post transplant losses than those produced by SORWATOM's traditional methods.

SORWATOM had also requested ADAR assistance in developing tomato disease management "fact sheets" for their outgrowers, and in establishing a demonstration "model crop" of tomatoes to extend improved production practices to the farmers. ADAR's horticultural specialist put together the text, photographs and disease life cycles for the most important tomato diseases in Rwanda, using to a large extent materials developed by Cornell University for their program in Zimbabwe in the 1990's.

The plan had been for SORWATOM to translate the text into Kinyarwanda, and for ADAR and the company to share production costs for the fact sheets, which were to be distributed to SORWATOM's outgrowers.

With ADAR's budget cut in August 2005, both this and the "model crop" initiative had to be abandoned.

5.3.2. Improvements to Factory Operations

SORWATOM's request for assistance at the factory level was realized in the second quarter of 2005, when ADAR sponsored the consultancy of Mr. Franco Bianchi, a food processing specialist, to install new equipment at the factory. Mr. Bianchi, who had worked for SORWATOM in the past, succeeded in putting into place and connecting machinery to enable the company to make its operations more economical in terms of energy and labor usage, as well as improving the hygienic standards of the tomato paste produced.

Further assistance which had been planned for SORWATOM, namely development of new products such as "Ketchup" (tomato sauce) and improving their marketing both within Rwanda and the eastern/central African region, could not be followed through due to ADAR's budget cut.

5.4. Passion Fruit Puree for Export

ADAR client Shema Fruits succeeded in procuring enough passion fruit to conduct its third export of passion fruit purée to Belgium in May, with ADAR subsidizing the cost of airfreight. Through strong marketing efforts on the part of Catherine Mukamazimpaka, the Rwandan businesswoman who owns the company, one Belgian company has placed a firm order for one ton per year of the purée, to be purchased at a price which covers all costs, and other companies have indicated strong interests in receiving regular orders at the same price.

As a result, Shema Fruits had decided to no longer receive ADAR assistance to export Rwandan passion fruit purée to Europe, which, due to its superb quality, is sold uniquely in specialty markets for use in pastries, juices, sorbets, etc., all which are sold at high prices. Unfortunately, Shema Fruits continued to experience difficulties in sourcing sufficient passion fruit, and the company could not provide the quantities of purée with the regularity requested. If the company can overcome its current difficulties in procuring passion fruit, and thereby increase the quantities and regularity of passion fruit purée exports, European importers have indicated that they would be willing to pay an even higher price for the product.

6. CROSS CUTTING ACTIVITIES

6.1. Business Development

6.1.1. Improving Access to Finance

The past year activities in business development services have been focused on both operational and new clients who decided to invest in agribusiness. The main activities included production and updating of feasibility studies and business plans (mostly for the coffee sector, and BEC), and involvement in meetings/seminars with different partners to facilitate agribusiness access to finance for the private sector and Business Development Services (BDS) development within the country. One of ADAR's contributions to these activities led to the launching of four BDS centers at the end December 2005 in four regions of Rwanda Kibuye, Butare, Ruhengeri and Rwamagana.

ADAR ensured technical assistance to its clients, which was a requirement of the Bank of Kigali (BK) for prior to implementing DCA. The objective of the DCA was to encourage banks to extend credit to marginal clients who have a sensible business plan, but may lack the collateral. BK currently provides financing to eleven cws through the DCA facility among which ten are assisted by ADAR: *Kinunu, Buremera, Kayco Mountain Coffee, Rwabisindu, Bukonya, COFII, Nkora, Gatare and Ngoma*, with a total amount of **US\$ 1,631,122**. The DCA coverage is **USD 652 448.8** representing 40% of the total loan given by BK. Compared to the DCA budget, **USD 800,000** the coverage represents 82% realized in less than one year period. DCA is useful with regards to securing loans for investment in agribusiness. The lending took form of an investment or working capital, depending on the needs of the individual washing stations

ADAR's role is to continue to provide technical assistance to the clients who benefited from the DCA guarantee. This is very important for the banks to be sure that the cws are working properly to produce good quality coffee which is easily sold and help pay back the loan.

During the past year, ten feasibility studies were conducted, among which seven were for the establishment of new cws. The remaining three focused on the development of a BEC production, organic certified honey project and extension of a tea plantation with construction of a factory. The coffee studies were drafted with the generic model developed by the project. The ADAR Business Development Advisor (BDA) was particularly active in finalizing the business plans developed by the consultants and negotiating with banks to facilitate access to finance for the new as well as existing project clients which needed working capital or wanted restructuring their loan.

Through his support in promoting investment in agribusiness and manage the project's client data base, the ADAR Business Development Advisor registered eighteen new clients in 2005, bringing the total to 116 clients who signed the collaboration agreement with the project..

A summary of activity areas of ADAR clients is as follows:

Table 12 - Activity areas of ADAR clients

Sector	Number of clients	Number of active clients
Coffee	54	33
Horticulture / Passion Fruit	20	10
Horticulture / Other	27	11
Pyrethrum	1	1
Tea	3	1
Livestock products	3	2
Potato	2	-
Others	5	3
Total	115	61

6.1.2. Facilitation Micro Finance Institution Linkage

Following the ADAR-facilitated negotiations for a linkage between *Kinunu* cws and Ongera Micro Finance (OMF) during the first quarter of 2005, ADAR maintained contacts with both partners to ensure the agreement was implemented. A branch of OMF was opened in *Kinunu* region, and, according to the technical adviser of OMF, their branch at *Kinunu* has 504 small farmer clients, of which 230 are coffee producers who supply coffee cherries to the cws.

What is interesting with this linkage is that after opening the *Kinunu* branch, OMF expressed an interest in learning where other ADAR coffee clients are located so that they can try to develop the same linkages in other regions in 2006. At present, some of the coffee growers, supplying *Kayco Mountain Coffee* cws, have opened accounts at the OMF branch located in Kayenzi region, which is near thee station. Among the 630 clients of this branch of OMF, 130 are coffee producers who supply cherries to the cws.

6.1.3. Managing the Small Cost Sharing Program (SGCSP)

During 2005, the SGCSP received twelve grants request of which four concerns the coffee sector, seven the BEC sector and the remaining one concerns geranium oil.

Eleven out of the twelve grant requests was approved among which three in the coffee sector for acquisition of coffee lab equipment, water supply and acquisition of the pulper “ecosistem” machine from Guatemala. Seven BEC clients used the sharing funds to pay the acquisition of four solar tunnel dryers and organic certification; the remaining grant was approved for organic certification for production of geranium oil. With these additional approbations the cumulative total of amount obligated is **US\$ 215,757.52**. The estimated grant amount to be disbursed before the end of the project is roughly **US\$ 23,000.00**.

Because of budget reduction, approved matching grants which had not been fully executed within the time frame stipulated in the binding agreements were rescinded and the earmarked funds programmed for project recurrent costs. The total budget for the grant program was US\$ 390,000.00, and only 61% will have been obligated.

6.2. Environmental Issues

Sustainability is a concept and cross cutting theme that covers all ADAR operations. Given the finite natural resources base in Rwanda, ADAR had determined that supporting the development and establishment of environmental management systems within supported agro-industries may provide a significant opportunity to enhance sustainability and help avoid future costs related to regulatory compliance and production factors.

It is in that context that Dave Gibson, Director Environment & Natural Resources at Chemonics, and Anna Behm, a natural and resources management specialist, conducted a study in May to provide services to three ADAR clients in Environment and Health and Safety (EHS) management systems to improve their capacity to compete in international markets. They reviewed SOPYRWA EHS procedures to provide a rapid analysis of conformity to international standards, conducted a rapid environmental assessment of SABAN Kigali tannery operations to identify areas of improvement as it relates to environmental-friendly practices, and made an assessment of ADAR-assisted cws to recommend best practices for post-harvest operations with prevailing and emerging market standards.

As a follow-up of this mission, ADAR was planning to hire a consultant in October 2005 to conduct a comprehensive health and safety review of the SOPYRWA processing facilities and develop a health and safety plan based upon the conduct of a practical risk assessment. Concerning SABAN, ADAR had scheduled to conduct an integrated environment health and safety risk assessment to identify the most significant liabilities and to establish the foundation for the development of accident prevention and emergency response strategies and specific actions. In the coffee sector, the project had programmed to help producers and processors complement their impressive results in coffee production and quality by providing support in developing, conducting and building training capacity for cws managers in water and waste management; a training session was planned for October 2005 to build awareness and capacity of station managers to handle environmental aspects of coffee washing such as water supply, water management and waste treatment, and to train trainers to continue the course in perpetuity in Rwanda after the closing of ADAR.

Unfortunately the three activities had to be canceled due to budget reduction. The COP is currently in contact with the Rwanda Environment Management Authority (REMA), a new organization working on behalf of the Ministry of Environment, to see if they could finance these activities during 2006.

6.3. Other Technical Activities

Other activities are related to the Agribusiness Centre (ABC) and to the involvement of ADAR in Rwandan agribusiness development and the agribusiness community.

During the year 2005, the ABC continued to successfully play its role of market, product, and processing and regulatory information provider to its increasing number of members, reaching at the end of 2006 the number of 707 persons who visited the project (target 500). Internet access was improved during the second quarter with installation of updated versions of programs in four computers, resulting in a much higher speed of Internet access.

In January, ADAR and USAID/Rwanda organized the visit to Rwanda of Dr. Lloyd Garcia, the Pest Risk Assessment Advisor attached from the USDA to USAID/Uganda and REDSO. Dr. Garcia's goal is to assist farmers in East Africa to sell their produce abroad as mandated in the African Growth and Opportunities Act (AGOA). His purpose in traveling to Rwanda was to gain an understanding of the country's potential to export fresh produce to the USA, and to begin a transfer of pest risk assessment skills to and identify other phytosanitary needs of the national plant protection organization. Dr. Garcia met with representatives from ISAR and MINAGRI as well as Rwandan entrepreneurs interested in exporting fresh produce, and visited some representative passion fruit plantations in order to view first hand the existing pest and disease problems. Dr. Garcia drew up a tentative agreement with an ISAR researcher to help him develop a regional Pest Risk Assessment for passion fruit, an activity which will involve researchers in Kenya, Uganda and Tanzania as well.

In March, the Horticulture and Commodity Development Specialist participated in the "Global Horticulture Assessment Africa Regional Workshop" held in Arusha, Tanzania. The purpose of the workshop, which was funded by USAID and jointly organized by the Asian Vegetable Research and Development Center and the University of California at Davis, was to bring together key experts and stakeholders to discuss how horticulture could be used to enhance the well being of African countries and their people. More specifically, the goals were to prioritize the issues constraining horticultural development in the different regions of Africa, and to identify potential projects to address these issues. The Horticulture Specialist participated in conducting this exercise for francophone African countries; the group decided that the most crucial areas needing assistance are integrated pest management strategies, utilization of traditional fruits and vegetables and reduction of post harvest losses. Should USAID decide to fund a Collaborative Research Support Program for horticulture in Africa at some point in the future, it is hoped its targeted areas of assistance will be based on the proposals provided by the groups who participated in the workshop

The visit to two ADAR projects in May - *Ndera* cows and Rwanda Flora - by Paul Wolfowitz, the Director of the World Bank, provided an opportunity for the Rwandan private sector to show its commitment and success in the development of the country. Mr. Wolfowitz summarized his trip by saying that "Africa is on the move" and that he would like the Bank to help make this a reality, enabling Rwanda to move even further over the next 5 to 10 years. He emphasized the importance of including women in the development process, building on a strong foundation of girls' education and the need for a strong private sector.

ADAR was also very active in September and November in helping JA Austin organize its visits in Rwanda to work on a prioritized "Export Promotion Action Plan" to help to rapidly implement Rwanda's Export Promotion Strategy.

7. MONITORING AND EVALUATION

ADAR Project produces at the end of each term or once annually, its performance or impact indicators as indicated in the Project Monitoring and Evaluation Plan. The impact indicators are provided annually while the performance indicators are in each semester or quarterly report.

Impact Indicators

- **1.1: Increased value of goods marketed by ADAR-assisted firms and cooperatives**
- **1.2: Increased volume of goods marketed by ADAR-assisted firms and cooperatives**
- **2.1: Increased number of quality enhancement innovations initiated by ADAR clients**
- **3.1: Number of agribusiness proposals with business plans prepared/submitted to financial institutions**
- **3.2: Number of agribusiness loans approved by financial institutions through ADAR catalysts**

Following the monitoring and evaluation plan, impact indicators are provided at the end of the year after a short survey or interview considering operational clients who benefited from ADAR assistance.

At the end of December 2005, 25 ADAR clients were interviewed or given a questionnaire on ADAR activities impact. 20 out of 25 clients responded. They all confirmed the impact of ADAR's technical assistance.

Impact indicators show positive progress in general compared to the last year. The volume and value had increased respectively of 25% and 4%, which expresses one again the impact of ADAR activities on the Agribusiness development in Rwanda. The company which contributes highly to the increase is SORWATOM, which came back on the local market with a products well appreciated; its production represents alone 70% of the both total volume and value produced by all other ADAR clients.

Concerning quality improvement activities during the year 2005, ADAR reinforced technologies formerly initiated and introduced some new ones as well. A total of 68 beneficiaries benefited from different innovations through ADAR assistance. Compared to last year, this indicator progressed up to 28%, from 53 beneficiaries to 68. That evolution shows potential growth in good quality production in the future.

Impact Indicators of activities related to access to the finance component are positive in 2005 with 10 Business Plans which were delivered through ADAR assistance, and submitted to local banks and 6 are currently being approved. The 4 remaining are still in process analysis. The number of new investors is less than last year because ADAR is ensuring its assistance next year and then people are hesitating to invest without required technical capacity to succeed. Then the numbers in the table of impact indicators show reduction in terms of percentage between 2004 & 2005.

Performance Indicators

Performance indicators show progress towards intermediate results. ADAR has 16 performance indicators and for the majority of them, the results were performing: out of the 16 total indicators, the score is over 50% of the target for 13 indicators and among them 9 are over 100% of the targets. Only three indicators are below 50% of the target which are:

SR1.1. Increased access to information and improved information exchange

- PI1.2.1: Number of visitors using ADAR facilities; by gender
- PI1.2.2: Number of registered ADAR clients
- PI1.1.3: Number of participants - sessions at ADAR - sponsored

Targets were surpassed for the first two indicators because ADAR remains the preferred source of information on Agribusiness in Rwanda. The visitors recorded are 700 while the target was 500. The number of participants to sponsored workshops, seminars study tours and forums is 950, almost equal the target of 1000. The number of persons who received information on prices is 191, more than the target of 180.

SR1.2. Expanded access to markets and increased client sales

- PI1.1.1: Number of clients using ADAR direct assistance to access markets
- PI1.1.2: Number of clients using the Internet to access markets; by gender
- PI1.1.3: Number of new market contacts established by selected ADAR clients

The last two indicators are largely over the target while the first one is more than 50% of the target. The 2nd indicator is over its target because after almost 5 years of operation, ADAR became the first national source of information on the agribusiness sector. It is interesting to note that researchers from university and consultants both local and international were coming regularly to ABC to take advantage of its rich documentation.

SR1.3. Improved Agribusiness Management skills

- PI3.1: Number of person-modules of ADAR training courses completed; by gender
- PI3.2: Number of clients applying ADAR training in business practice

For the first indicator, as mainly passion fruit producers were trained during the previous years, ADAR assistance focused on production and quality improvement in 2005. This may explain the lower result in person-modules trained. Concerning the 2nd indicator, the result is 40 representing 60% achievement versus a target of 60. This would have been much more important without the budget cut because this situation discouraged many clients who postponed implementation of their projects looking for new technical support

SR2.1. Increased Awareness of product quality management strategies

- PI2.1.1: Number of operators assisted by ADAR to upgrade quality standards

Quality improvement is one of the major activities of ADAR. Quality improvement directly relates to the amount of revenue. 33 clients benefited from the assistance of the project out of a target of 15. That result represents 275% of the target.

SR3.1. Expanded options available to agribusiness firms for financing

- PI3.1.1: Number of firms requesting directories of financing sources and/or borrower's institutions
- PI3.1.2: Number of financing seminars sponsored by ADAR

The first indicator is related mainly to new investors who are looking for sources of financing. However all new clients have to mobilize their own funds before looking for external sources.

Concerning the second indicator, it was not a priority for the majority of local banks because they were under restructuring. The results achieved for both indicators are respectively 45 and 75 % of targets.

SR3.2. Improved Receptivity of banking community to Agribusiness Borrowers

- PI 3.2.1: Number of bank agribusiness clients assisted by ADAR
- PI 3.2.2: Number of bank participant-sessions trained through ADAR; by gender

The result for the first indicator exceeds its target by 35 clients. The figure includes clients who are no longer assisted technically but used to benefit from the project's assistance.

Bank participant-sessions did not meet its target: 6.66% because training was not a priority for local banks which did not express interest. Once the banks have been privatized, there will be much more interest in training of their staff.

SR3.3 Enhanced and integrated Agribusiness professional support services

- PI 3.3.1 Number of service providers assisted by ADAR
- PI 3.3.1 Number of service providers training sessions conducted

Both indicators meet ADAR's proposed targets. For the first one ADAR realized 200% of the target through training of coffee technician managers of washing stations. The second one meets the target at 100%.

8. ADMINISTRATION AND FINANCE

During the past year, the administrative unit continued to provide efficient and effective support to program activities through the oversight of the office manager who conducted his responsibilities on a daily basis.

Jean-Matthieu Ntaganda, the driver/logistician who was recruited in January to replace Marie-Goretti Mushimiyimana, was confirmed in his job after a three-month probation period. He underwent orientation training on ADAR policies and procedures regarding administrative tasks.

During the second quarter, much time was devoted to the coffee sector due to the presence in Rwanda of eleven master trainers, based at their respective CWS, who received administrative/logistical support up until the end of their assignments.

In August, USAID Rwanda informed the project that due to a cut in funding of the entire USAID program by about 50%, the Rwanda Mission would receive only half of its anticipated funding. As a result of this budget cut, they were unable to fund ADAR for the remaining US\$1,511,871 programmed to cover the rest of the program up until November 13, 2006 as originally agreed upon in the task order. USAID requested a revised work plan and budget reflecting the reduced budget. During an eight day visit in September, the home office project manager and ADAR COP met with project technical staff, ADAR clients and GOR personnel to solicit input into year six project activities. Discussions centered on ways in which the project could deliver the maximum amount of services, given its reduced funding level.

ADAR submitted its revised work plan and budget covering the period October 1, 2005 through September 30, 2006, ADAR's completion date.

As a result, and in order to reduce operating costs, the project's horticultural advisor completed service by 31st December, 2005 and local professional and support staff will be phased out over the last two months of the project.

ANNEXES

Annex 1: Workshops/meetings, seminars/trainings and forum organized during 2005

WORKSHOPS

DESCRIPTION	FACILITATOR	PARTICIPANTS			DATE
		<i>M</i>	<i>W</i>	<i>T</i>	
Preparation for participation in the 2005 EAFCFA exhibition in Zambia	ADAR	12	-	12	January 11 & February 25
BEC investors meeting	ADAR	5	1	6	January 18
Linkage to micro finance for ADAR clients	ADAR	131	17	148	January 20 & 28
Meeting on sanitary and phytosanitary issues in Rwanda	L. Garcia	7	4	11	January 24
Meeting on the potential for organic coffee in Rwanda	B. Van Elzakker/Agro Eco	15	1	16	January 28
BEC investors meeting	ADAR	4	2	6	February 9
Launching of the 2005 coffee season	ADAR	16	2	18	February 10
Debriefing meeting on CWS cost accounting for the 2004 season	Célestin Nizeyimana	2	2	4	February 16
Debriefing meeting on marketing of Rwandan pyrethrum	Dr. James Wangai	2	-	2	February 22
Demonstration of a computerized model for CWS management	F. Sihimbiro & M. Kafilongo	4	-	4	February 25
Meeting to introduce an American BEC buyer to Rwandan BEC investors	ADAR	5	1	6	March 1
Follow-up on the maracuja forum	ADAR	16	4	20	March 3
Meeting on Rwandan coffee marketing	Philippe Schluter	12	4	16	March 30
Preparation for ECOCERT inspection of Birds Eye Chillies & Geranium growers	ADAR	3	2	5	April 17
Introduction meeting for Kenyan technicians	ADAR	4	-	4	April 18
First meeting for BEC investors on solar drier supply order	ADAR	2	2	4	April 22
Debriefing meeting Kenyan & Burundian coffee technicians	ADAR	6	-	6	April 25
Second meeting for BEC investors on solar drier supply order	ADAR	3	2	5	April 29
Debriefing meeting on Honey exports from Rwanda	David Wainwright	4	1	5	April 29
Introduction du programme ADAR aux nouveaux investisseurs Café et présentation du consultant chargé de l'établissement des études de faisabilité/Business plans	ADAR	3	1	4	May 13
Information meeting on BDS	ADAR	2	2	4	May 17
Debriefing meeting Kenyan & Burundian coffee technicians	ADAR	9	-	9	May 23
Meeting for ADAR BEC Clients on ECOCERT Certification	ADAR	-	3	3	May 24

BEC Investor group meeting	ADAR	1	2	3	May 31
First debriefing meeting on Rwanda Flora IPM Program and preparation for EUREPGAP Certification	Rikki Agudah	1	1	2	June 9
Debriefing meeting on the 2005 coffee season & preparation of the 2006 coffee season	ADAR	13	1	14	June 16
Preparation for ECOCERT inspection of BEC & Geranium growers	ADAR	3	2	5	June 17
Debriefing meeting on rainwater harvesting at Rwanda Flora	George Osure	1	1	2	June 20
Ecologic Finance presentation/introduction	Diego Brenes	13	2	15	July 8
Meeting between ADAR & ACDI/VOCA on maracuja sector		4	3	7	July 25
Meeting for fully washed coffee investors	ADAR	7	-	7	July 27
Preparation of fully washed coffee association	ADAR	6	-	6	August 11
Meeting on dried chillie	ADAR	3	3	6	September 1
Meeting with new coffee investors	ADAR	4	-	4	September 14
Debriefing meeting on tea factory extension of plantation in Nshili-Kivu	J.Ternoy & J. Walton	15	-	15	September 23
Presentation of coffee washing stations' Indian equipment	I.S Velan	13	1	14	October 12
Meeting on the new ADAR technical assistance in the coffee sector during 2006 coffee season	ADAR	19	1	20	October 21
Discussion on BEC activities	ADAR	10	4	14	October 21 & 26
Meeting of coffee investors with Schluter s.a. representative	Stephane Stordy	7	1	8	October 31
Meeting with BEC investors on BEC commercialization	ADAR	5	2	7	November 15
BEC investors meeting on MINAGRI assistance during 2006	ADAR	4	1	5	November 25
Follow-up of the ECOCERT Inspection	R. Andrianantoandro	5	1	6	December 6
Total Workshops		409	81	590	

TRAININGS

Training on improved techniques for maracuja production at Butare	ADAR	15	5	20	February 2
Training of ADAR clients' agronomists on organic production	Richard Munyerango	6	1	7	February 3-4
Cost accounting training for CWS's managers and accountants	Célestin Nizeyimana	19	4	23	Feb.22-23 & March 10-11

Training on improved techniques for maracuja production at Gashonga & Cyimbogo/Cyangugu	ADAR	55	5	60	March 15 & 16
Cost accounting training at Kinunu/Kayove CWS	Célestin Nizeyimana	11	3	14	March 15-16
Cost accounting training at NYACO II CWS/Muhura	Célestin Nizeyimana	3	3	6	April 11
Cost accounting training at Rusenyi CWS/Kibuye	Célestin Nizeyiman	6	1	7	April 11
First round Cup tasting	OCIR Café	8	4	12	April 17-21
Cost accounting training at MIG Buremera CWS/Gikongoro	Célestin Nizeyimana	3	1	4	April 27
Cost accounting training at MWASA CWS/Gatare	Célestin Nizeyimana	4	-	4	April 28
Training of ADAR clients' agronomists (BEC & Maracua) on organic production	Richard/Gako Organic Farm	4	-	4	May 19-20
Second round Cup tasting	OCIR Café	8	4	12	May 16-19
Training on EUREP GAP flowers & ornamentals for Rwanda Flora	Rikki Agudah	9	6	15	July 12-16
Training in coffee pruning techniques for Rwanda Mild Coffee Producers' association	ADAR	8	4	12	July 26-27
Integrated Pest management training for Rwanda Flora – Basic course	Rikki Agudah	12	4	16	August 2-6 & 8-10
Pack house management systems training for Rwanda Flora	Anne Chepkoech	3	4	7	October 5-10
Safe use of pesticides training for Rwanda Flora	Rikki Agudah	6	2	8	October 5-8
Health and safety training for Rwanda Flora	Rikki Agudah	4	4	8	October 10-12
Total trainings		176	51	227	

FORUM

Maracuja forum	ADAR	49	12	61	February 24
First meeting for agro-processors in the Maracuja sector	Inyange Expansion	6	-	6	April 4
Second meeting for agro-processors in the Maracuja sector	Inyange Expansion	6	4	10	April 18
Assemblée constituante des représentants des usines et unités de traitement de maracuja	Inyange Expansion	8	2	10	May 3
Réunion du Conseil d'Administration de l'Association des usines et unités de traitement de fruits	Inyange Expansion	3	1	4	May 10
Meeting on preparation of Maracuja nurseries for Inyange Expansion	Inyange Expansion	6	2	8	June 6
Meeting with maracuja producers	Inyange Expansion	23	2	25	July 5
Meeting on the promotion of apiculture around Nyungwe National Parc	ADAR	42	7	49	July 18-19
Meeting between agro-processors and OnTheFrontier/discussion on the development of fruit juice exportation strategy	OnTheFrontier	7	1	8	Sept. 6
CWS Risk Management	TWIN-RWANDA & PDCRE	14	4	18	Dec. 13-14
Total Forum		164	35	199	

STUDY TOURS

Participation in the 2005 EAFCA Conference & exhibition in Zambia		6	-	6	March 3-5
Visit to the USAID Uganda mission to determine how ADAR's clients can benefit from the DCA program		4	-	4	March 21-23
SCAA Annual Conference in Seattle		3	-	3	April 15-19
Meeting with potential coffee buyers in Belgium & Switzerland		1	-	1	April 20-21
Participation to SCAA Roaster's Guild 2005 in Minnesota		1	-	1	Sept. 18-21
Total Study Tours		15	-	15	
TOTAL		764	167	931	

Annex 2: Studies concluded/ Reports published during 2005

N°	Report title	Date of visit/Date of contract	Date of Report	Report status	Author
141bis	Annual report 2004 and Workplan 2005		January	Final	M. Wiener
142	Training and information development for the horticulture sector SOW ₃	Sept 03	December	Final	P.Célestin Habyarimana
143	Reports on cost accounting trainings for CWS's managers and accountants	August 04	March 05	Final	Célestin Nizeyimana
144	Final report on CWS construction SOW3	Sept. 04	February	Final	Christian Kaningu
145	Evaluation of CWS impact on the environment	October 04	January	Final	Alexis Gakuba
146	Report on ADAR's Maracuja Forum	January 05	May	Final	P.C.Habyarimana
147	Design and launch of a business plan for the marketing of SOPYRWA Pyrethrum products	May 04	March	Final	Dr. James Wangai
148	Development of irrigation systems for production of export quality birds eye chillie peppers: 1. Analysis and description of issues influencing the development of the irrigation systems 2. Design and operations details	February	May	Final	George Osure
149	Report on the production of topographical maps for irrigation projects at Gitwe and Mutara	March	April	Final	George Osure & Silas
150	Reviewed and updated study of a business plan for the implementation of a UNIMIX factory	June 04	April	Final	Théogène Kayiranga
151	Etude de faisabilité pour la culture, le traitement et la commercialisation du piment sec pour Eugénie Mushimiyimana	March	May	Final	Fabien Nijimbere
152	Rainwater harvesting at Rwanda Flora	May	June	Final	George Osure
153	Rapport de supervision des stations de lavage de café, campagne 2005	March	June	Final	Christophe Nkenguburundi
154	Final training reports, coffee season 2005	Febr/March	June	Final	Kenyan Coffee Technicians
155	Etude de l'approvisionnement des ressources en eau des stations de lavage de café	April	August	Final	Michel Henri Bourge
156	Environmental Health and safety review of ADAR-assisted enterprises in Rwanda – Coffee processing, Leather training and Pyrethrum distillation.	May	Sept.	Final	Dave Gibson & Anne Behm
157	Feasibility study for a private coffee washing station at Bicumbi (Charles Shema)	May	July	Final	Fabien Nijimbere
158	Feasibility study for a private coffee washing station at Bicumbi (Tharcisse Ngofero)	May	July	Final	Fabien Nijimbere
159	Feasibility study for a private coffee washing station at Kibuye for Rusenyi Coffee Growers	May	July	Final	Fabien Nijimbere
160	Report on SORWATOM equipment installation		August	Final	Franco Bianchi

161	Training and information development for the horticulture sector (SOW ₄)	January	December	Ongoing	P.Célestin Habyarimana
162	Reports on cost accounting trainings for CWS's managers and accountants	Febr.	Nov.	Final	Célestin Nizeyimana
163	Feasibility Study and Business Plan for the Exportation of Geranium Oil	April	July	Final	John Ndunyu
164	Design of a computerize cost accounting system at CWSs	April	-	Contract canceled	François Sihimbiro
165	Rwanda Flora EUREP GAP Flowers & Ornamentals Training Assessment (Report I)	May	July	Final	Rikki Agudah
166	Progress reports on CWS construction (SOW ₄)	January	-	Ongoing	Christian Kaningu
167	Assessment on the integration of business development services and financial services through a value-chain approach in the Specialty Coffee sector	June	-	Canceled	Mike Schwartz
167bis	Assessment on the integration of business development services and financial services through a value-chain approach in the Specialty Coffee sector	November	-	Ongoing	Geoffrey Livingston
168	Updated version of the pre-feasibility study for Rwanda Tea Trading/RTT	June	-	Final	John Walton
169	Final report on the CWS, coffee season 2005.	Feb.05	July	Final	C. Nkenguburundi
170	Feasibility study and Tea factory and extension of plantation in Nshili-Kivu		Nov.	Final	J. Ternoy & J. Walton
171	Report on Rwanda Flora Integrated Pest Management training	May	Nov.	Final	Rikki Agudah
172	The development of honey exports from Rwanda		Nov.	Final	David Wainwright
173	Improving quality of Rwanda honey from the Nyungwe forest area for the local and export market		Nov	Final	B.Malichi & R.Howard
174	improving the IPM program and preparation for EUREP GAP Certification at Rwanda Flora Sarl	May	Nov.	Final	R. Agudah & Anne Chepkoech
175	Installation of solar dryers and training on their usage for the production of export quality Birds Eye Chilli Peppers	June	Nov.	Final	Mathias Bubser
176	Feasibility Study for the implementation of a coffee washing station for Mr. Evariste Nsanzimfura		Sept	Final	ADAR
177	Feasibility Study for the implementation of a coffee washing station for GLACOF sarl		October	Final	ADAR
178	Feasibility Study for the implementation of a coffee washing station for Mr. Justin Uyisenga		Nov.	Final	ADAR