

Assistance à la Dynamisation de l'Agribusiness au Rwanda

(Stimulation of Agribusiness in Rwanda)

ADAR

Year 1 Work Plan

January 31 – December 31, 2001 (11 months)

Prepared and Submitted to USAID, Kigali Rwanda in March 2001

Table of Contents

Work Plan

SECTION I --- Context

SECTION II --- Plan Overview to Achieve Project Intermediate Results

SECTION III --- Strategic Challenges

SECTION IV --- Results Indicator Summary

Annex

A Summary of Hypotheses Underlying Initiatives

B Timeline in Activity and Task Detail

Definitions/Acronyms

| | |
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| ABC | Agribusiness Center |
| ACDI/VOCA | A Non-Government Organization |
| ADAR | Assistance à la Dynamisation de l'Agribusiness au Rwanda |
| COP | Chief of Party |
| DCOP | Deputy Chief of Party |
| EU | European Union |
| FRW | Rwandan Franc (440 = \$1 May, 2001) |
| GOR | Government of Rwanda |
| IQC | Indefinite Quantity Contract |
| IR | Intermediate Result |
| MT | Metric Ton (2,200 lbs) |
| MINICOM | Ministry of Commerce |
| MINAGRI | Ministry of Agriculture |
| NGO | Non-Government Organization |
| PASAR | EU-Funded Food Price Surveys in Rwanda |
| PIR | Project Intermediate Result |
| PSF | Private Sector Federation |
| PRO-FEMME | Association of Women Entrepreneurs |
| RDB | Rwandan Development Bank |
| RTC | Rwandan Technical Cadre |
| SSAR | Service de Soutien à l'Agribusiness Rwandais |
| SME | Small Medium Enterprise |
| SO | Strategic Objective |
| USAID | United States Agency for International Development |
| WB | World Bank |

EXECUTIVE SUMMARY

This document outlines an action plan to build a foundation for revitalizing the agribusiness sector in Rwanda. It offers a brief review of the context in which this three – year project has been created, starting with USAID Rwanda’s third Strategic Objective to improve household food security in targeted rural communities by improving the food commodity chains that promote broad-based economic growth..

The agribusiness emphasis moves this project beyond immediate food security issues. It underscores the need for improving within these commodity chains the quality, consistency, organization, management, etc. in the delivery of goods to identified markets.

Rwanda confronts many obstacles along the way. It is beyond the scope of this project named ADAR (Assistance à la Dynamisation de l’Agribusiness au Rwanda ---or the English equivalent Agribusiness Development Assistance for Rwanda) to overcome them all.

Rather this project attempts to inject information and technical assistance to agribusiness operators through a coordinated and purposeful strategy designed to foster successful and sustainable agribusiness prototypes. The private sector will follow doing what it does best without support---copy the success of others.

This foundation strategy has three components :

- Improve operating performance and access to information and markets
- Improve linkages in commodity chains to build greater efficiency
- Improve agribusiness access to finance

Clearly only the dynamic, skilled, resourceful, and (calculated) risk-taking operators will most benefit from what ADAR offers. The project is a challenge to them as well.

This first year work plan articulates sub-results, three defined for each of the three components indicated above---altogether nine sub-results---, monitored through 25 Performance Indicators of ADAR’s progress. These 25 indicators in turn are distilled into six Impact Indicators directly linked back to the three components. This work plan lays the foundation because all components, sub-results, performance and impact indicators are set for the project life.

Rwanda has a considerable way to go to catch up with some of its East African neighbors. This project seeks to set agribusiness on the right course.

ADAR YEAR 1 WORKPLAN

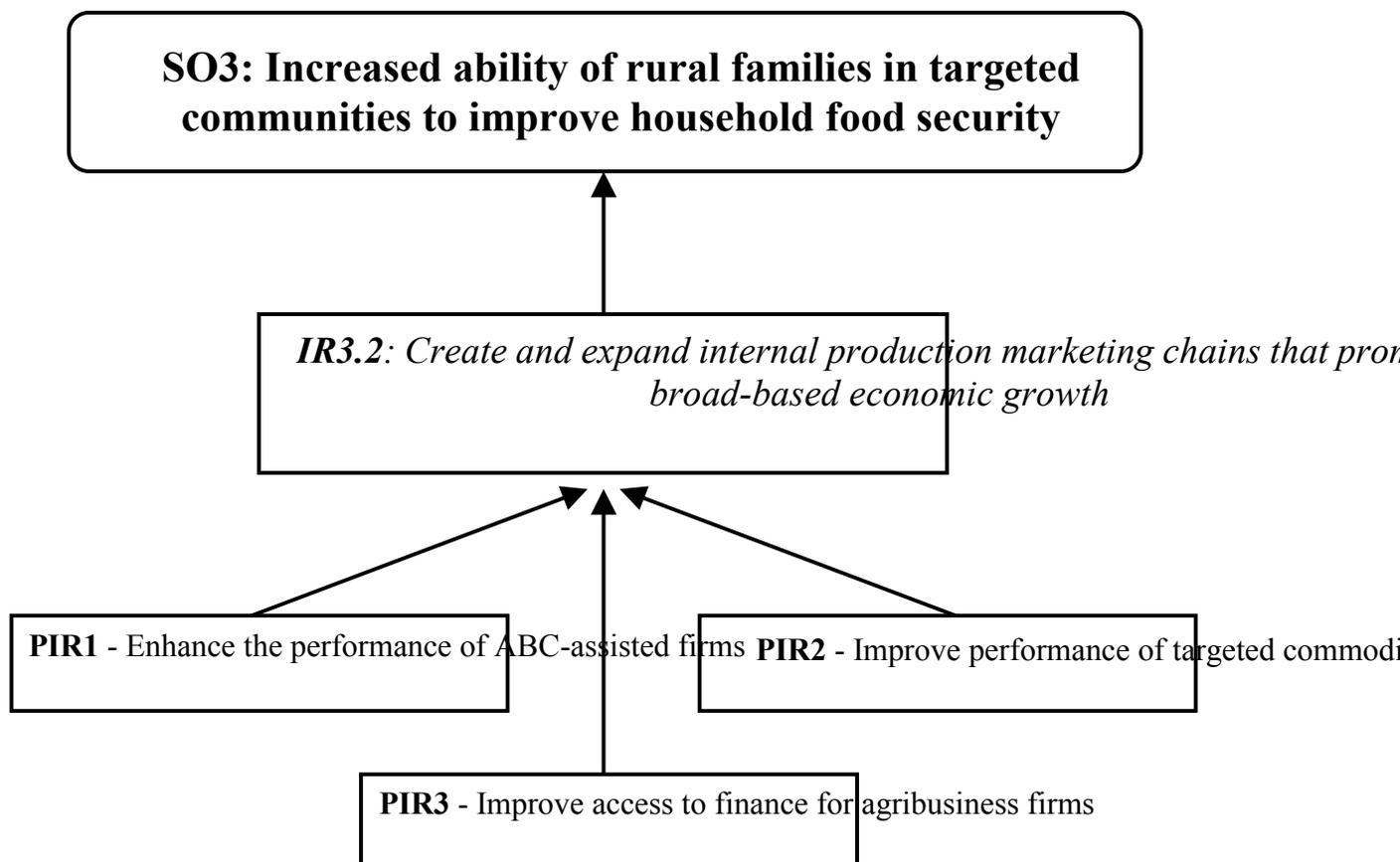
SECTION I The Context

The project *Assistance à la Dynamisation de l'Agribusiness au Rwanda* (ADAR) falls under USAID/Rwanda's Strategic Objective number 3 (SO3) to "increase the ability of rural families in targeted communities to improve household food security." Within SO3, ADAR's mission is to fulfill Intermediate Result 3.2 (IR. 3.2) of "creating and enhancing internal production / marketing chains that promote broad-based economic growth."

USAID's IR3.2 constitutes ADAR's strategic objective, which seeks "to increase volume and value of agricultural products marketed." This broad goal entails three ADAR-level Project Intermediate Results (PIR's): Enhanced Performance of Agribusiness Center-assisted Firms (PIR1); Improved Efficiency of Targeted Commodity Chains (PIR2); and Improved Access to Financing for Agribusiness Firms (PIR3).

Figure 1, depicts the relationship between a USAID-level Strategic Objective (SO), namely SO3, and one of SO3's Intermediate Results (the second result, namely IR.2), and, at the project implementation level for which this work plan is designed, ADAR's Project Intermediate Results (PIR's) that underpin realization of SO3/IR 2.

Figure 1. In Support of Improved Food Security



A. Rwanda

The new ADAR project will operate in a context incorporating Rwanda's geographical, demographic, and ethnic history that help explain Rwanda's economy and agribusiness prospects.

The unique but relatively tiny concentration of interlocking hills that ripple through Central Africa encouraged the formation of communes, composed of several hillside communities. This facilitated - close communication within and between the communes which all nurtured working in groups and the retention of traditional farming skills. According to legend, Rwanda's close-knit configuration formed a nation state of Hutu's as early as the 12th century.

But the isolation ---the German's explored the area in the 1870's and 1880's and discovered no cash economy, no written alphabet, --- hindered innovation. Rwanda is an enclave of landlocked hills. Modern utilities, communications, modes of transport, etc. remain available only to a fraction of the population, which is 91% rural.

With good rainfall, fertile land, and close community networks, Rwanda's farmers have the necessary basic skills and communal energy to change where incentives are clearly there. While they operate on small plots of land that discourages industrial farming, their efforts could foster high value cash crop production for selling into identified niche markets.

Historians say that Tutsi cattle herders entered the area in the 15th Century, and through better organization skills, inserted themselves actively in the indigenous population, becoming over time the dominant class. To this day there remains a figurative wall between Hutu and Tutsi in general which occasionally overflows with violence: the most recent civil war/genocide involved change of state power. The Hutu government, in power since 1962, was replaced by a Tutsi-led coterie of military and civilian supporters.

The government now in power recognizes reforms are needed to accelerate economic development after a 40-year experiment with state-run businesses. But the leadership has little practical experience in market economics and overlooks opportunities to catalyze agribusiness. The trend may be up, but the pace is slow.

The following characterizes Agribusiness in Rwanda in 2001:

- Rwandan agriculture after seven years has failed to return to pre- civil war status: As recently as 1993, production across the board was higher in all categories, especially as regards exports: coffee- from 43,000 MT to 16,000 MT in 2000; fine French beans- from several hundred tons to practically zero today are just two simple examples. During the war factories were smashed and farms destroyed. Capital depletion in the countryside continues to hurt investment, incomes, and spending power. Sabena exported three times weekly in 1993. Now it loads cargo only twice, on smaller passenger planes. Swiss Air, Alitalia and other flight service has never been reinstated.
- Dynamism and Direction are to be found nowhere: Markets remain inefficient due to poor price information and unsophisticated operators. Weak local demand keeps some producer prices too low to upgrade quality or expand output ---a vicious circle. High energy, communications, transportation, licensing, administrative and tax costs, and extraordinary, official benign neglect--no industrial park or *zone franche*, crawling privatization and investment promotion programs and so on--- breathe little new investment life in Rwanda. Agribusiness jobs and commodity sub sector expansion need outside investment, especially in the formation of food processing units.

- There are very few Agribusiness firms operating in Rwanda---small initial ABC client market. ADAR's first attempt to compile an Agribusiness Directory produced approximately 50 entries, many in livestock and dairy -products, all of which may satisfy import substitution needs assuming their production level for the small local market allows breakeven. They don't suggest export potential early in the ADAR project, a strategic criterion for immediate ADAR support. Production units, to include associations and cooperatives, of desirable export target products are riddled with problems of organization, poor or unskilled business management, spotty quality control, directionless commercialization, and suffer from inadequate capital or external finance sources. Export markets for such things as full washed coffee, flowers, and high value organic cash crops remain under exploited although poor air transport options contribute to the stalemate.
- Finance is generally unavailable to support agribusiness improvement or expansion. Some banks have offered 3-6 month working capital to established and trusted firms, which took root and solidified under the pre-war socialist system. They also usually have enough of the right kind of collateral. Newer firms beyond start up have virtually no chance for financing: they usually fail to demonstrate to banks a favorable market, management depth, and product strategy, leaving banks little option but to ask for collateral that is rarely available.

Medium to long-term financing is almost never available, whatever the quality of guarantee, except through special donor-arranged, soft-term facilities which funnel money to the central bank to parcel out through the banking system. In this case, the Central Bank awards itself a hefty 6%-8% surcharge before passing funds through the commercial banks left to bear all the loan risk while earning a smaller margin. The borrower /enterprise of course must pay all interest and loan costs plus provide enough collateral to cover principal and interest. There is no (alternative) institutionally supported scheme to foster longer-term deposits. Here again the government could, but doesn't, intervene with a program to promote term savings accounts.

Agribusiness, like Rwanda's agriculture, is largely smallholder driven. These operators, like the farmers, tend to be ill informed, fragmented, with low skills and limited market orientation. They service a local market for primary agricultural goods that has shrunk due to the war and its aftermath and that demands no upscale, high quality fresh and processed commodities.

Rural wholesale markets beyond the commune level may be found in the prefecture, of which there are only ten outside Kigali. Some areas that had a rural labor surplus before the war, now are labor deficient. Rural transport capacity, especially via small "camionettes", struggles below pre-war levels.

Rwanda's comparatively low fertilizer consumption pre-war has declined even further. In 1991, fertilizer import volume and value was estimated at 7,490MT and costing FRW 389 millions. By 1996, imports had dropped over 80% compared to the pre war level, down to 1, 172 MT. Fertilizer use in Rwanda is estimated at 1 kilogram per hectare compared to sub-Sahara Africa use of 15 kilograms per hectare It is difficult to know which crops justify the input costs given the current low producer prices hurting the return.

Low return to farm labor and inputs on coffee and tea has stunted otherwise promising export sub sectors. Government mismanagement in the tea sector during 1997 for example turned over only 12% of world price to the producer versus 31% in 1987. The 1997 coffee price of FRW 350/kg stood above 1990's price in nominal terms but 4% below in real terms. Since 1997, international prices have eroded further. The predictable response of farmers, cutting where possible, has resulted in poorer quality, which further reduces returns and offers no incentive to invest and upgrade to fully washed coffee for the high end, more stable market. Yet this market offers the best price to growers.

Commodity price swings have scared off agribusiness investment, even at modest levels. In 1986, a survey focusing on the SME agribusiness sector identified fewer than 10 firms. The same survey suggested that 13 possible agribusiness investment opportunities existed, with varying degrees of appeal and risk. A 1999 UNIDO study identified 20 possible agribusiness investments in such things

as juice, jams, dehydrated fruits, honey, essential oils, flour, animal feed, mineral water, etc. All 20 had some local market appeal, and eight of these were cited as having potential to sell abroad as well. But this artisan-like agribusiness evolution won't ignite sustainable economic growth in a country whose population increases 3.25% annually.

The self-proclaimed largest fruit processing enterprise in Rwanda consists of two approximately 50 gallon vats and a small wooden press. There is one flower exporter, who started off well, but suffers client relation and cash flow problems due to unreliable or inadequate airfreight capacity.

The agribusiness service support base is virtually non-existent: private consultants can prepare feasibility studies and loan requests, but they are not experienced in agribusiness and do not typically know how to prepare business plans that can appeal to lenders. Associations are abundant, but informal, commercially weak, and lacking focus and organization.

At least three organizations of female entrepreneurs are active. The "Association des Femmes Entrepreneurs au Rwanda," PRO-FEMME, claims about 100 members, some of who operate their own businesses as well. The Rwandan Women Community Development Network counted about 1,000 members and made small loans to individuals and cooperatives to start small agricultural businesses. The "Association pour l'Appui à l'Entreprenariat Feminin" had 2,500 members, nearly all at the micro level.

The Rwanda agribusiness entrepreneur remains extremely risk averse. His low managerial skills, short-term outlook, and horizon on import substitution rather than export penetration suggest a slow and difficult climb to sustainability. Some returnees post civil war, however, have brought a different outlook, equity, often some management skills if not necessarily in agribusiness. Perhaps most importantly, they benefit from having lived and worked abroad in different commercial environments and can communicate in English.

A varying but virtually insignificant amount of financing is offered to agribusiness operators--between 1-5% of outstanding loans are reportedly in the agricultural sector. Reasons for this low interest by lenders generally in agribusiness would include the following:

- Inadequate lender agribusiness appraisal skills;
- Perceived high risk of the sector based on bad experience on previous loans
- Desire by many entrepreneurs to pass all business risk on to the bank; and
- Mismatch between the borrower's long-term loan needs and bank's short term resources.

Even the Banque Populaire, which supposedly is the people's bank situated in over 140 locations in the interior, extends only 8 % of its loan portfolio to agribusiness.

B. The Project

With the 1994 genocide and subsequent return of refugees, the agricultural and agribusiness sectors in Rwanda experienced, first, catastrophic destruction, and now, rebuilding and restructuring. Given these massive changes in the agricultural and agribusiness sectors, USAID embarked on an extensive and careful effort to develop a program to support Agribusiness, seeking first to update its information base to determine what problems an Agribusiness project should address. The effort took three phases. The first phase was the identification of commodity chains. The second phase consisted of a series of crosscutting and in-depth sub-sector studies. Finally, the third phase synthesized the information learned from these studies and prepared a project design document.

In August 2000, USAID released a SOW under the RAISE IQC to implement an Agribusiness project in Rwanda – ADAR. The Chemonics RAISE consortium responded to this request with a detailed proposal. In November 2000 USAID awarded the contract to Chemonics. The contract was signed in January 2001. A team of three expatriates was in Kigali by the end of January to begin project implementation.

The professional members of the team include Joel Antal (Chief of Party), Maurice Wiener (Deputy, Chief of Party), Joseph Le Clair (Field Project Administrator), Anastase Murekezi (Senior Technical Cadre), Josee Nyirabazayire (Office Manager, in training), and two to-be-hired local professionals as commodity specialists and finance specialists respectively. Functionally, overall project responsibility rests with Joel Antal as the COP. He will also initiate all technical implementation for PIR3 --- Improving Access to Financing ---for our agribusiness clients. One technical cadre to be identified will undertake the day-to-day responsibilities with COP guidance and direct input as required.

Maurice Wiener as DCOP will oversee activities of the ABC, or Agribusiness Center. It is through this Center that training, seminars, etc and access to reference and price information will be offered under PIR1--Enhance Performance of ABC-assisted firms. Mr. Antal (strategy) and Mr. Wiener (implementation/coordination) will address PIR2 – Commodity Chain Efficiency -- by in conjunction with a technical cadre already identified.

Anastase Murekezi, as the senior technical advisor will coordinate through Joel Antal and Maurice Wiener, initiatives undertaken for all three PIR's, but primarily PIR's 1 and 2.

Figure 2 on page 11 illustrates the delivery of ABC services within two reference posts: ABC client on the one side and the project's institutional liaisons, ranging from donors, government cadre right through private sector business service providers, on the other. A third dimension called "policy constraints" is omitted in part because this is not a policy project. We will however feature as warranted policy/ regulatory constraints that impact ADAR's clients in other reports.

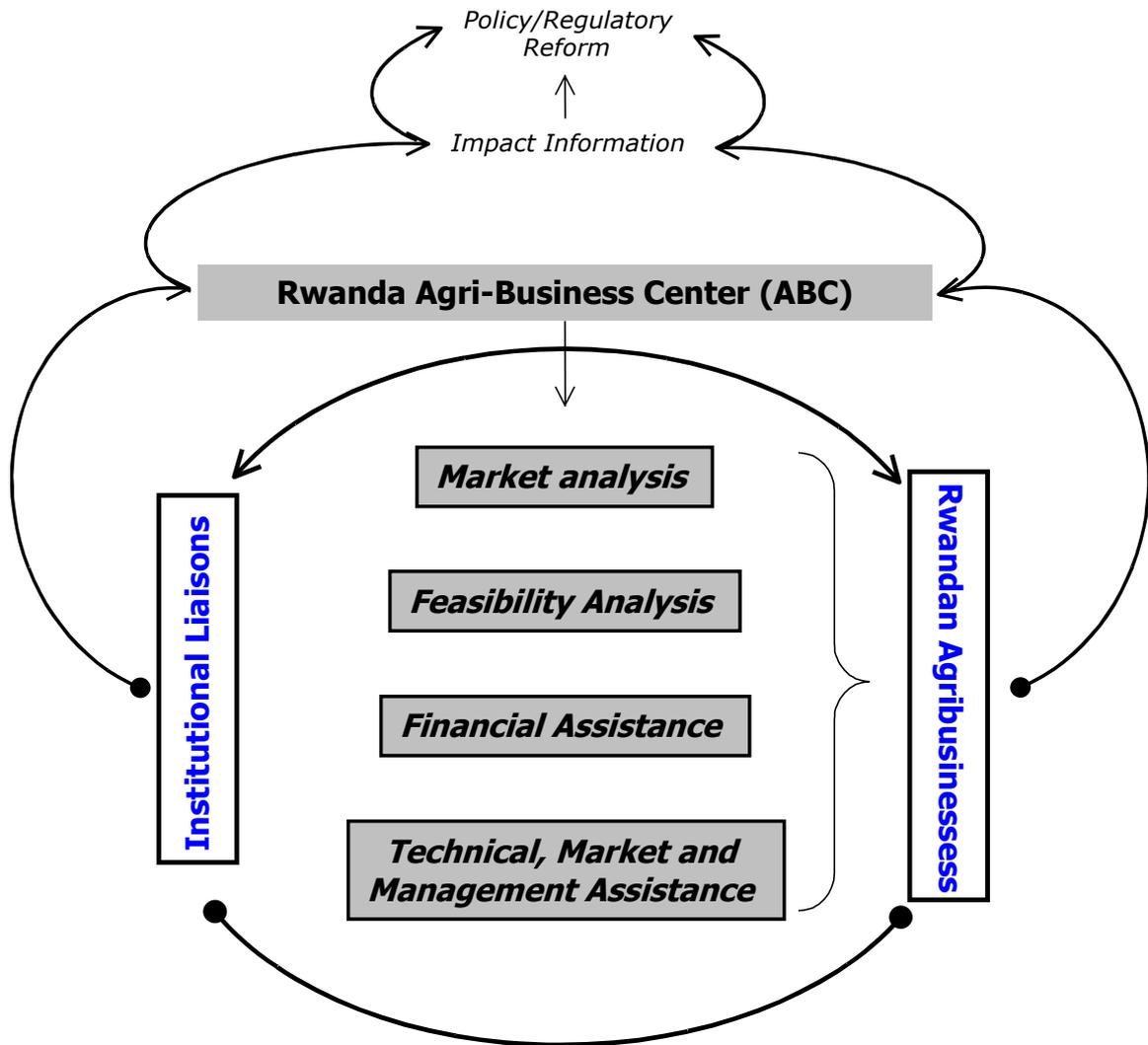
C. Collaborators/Partners

ADAR's streamlined technical team will, in keeping with its broad mandate, seek out partner allies with which to share strategy formation and resources towards realization of common interests and goals. Examples of potential donor partners with whom we have had contact include the World Bank and CARE. We discuss on the following page these and others with whom we have already met or will soon meet in the upcoming weeks, providing a brief sketch of possible avenues for collaboration not only in the first year, but hopefully throughout the life of the project.

- CARE. CARE has experience in Rwanda organizing producers operating in loose association status. Among its portfolio of activities are initiatives in potatoes and fruits. Both are targeted ADAR commodities in the first year. First area of collaboration might be Ruhengeri (potatoes).
- World Bank. It recently approved a massive 14-year \$140 million facility for Rwanda to be made available in three phases. The first goes out to December 2004. The program offers a significant amount of funds to agriculture and agribusiness, primarily for small producers, though some funds may be accessible to agribusiness SMEs. The size of assisted loans is \$500,000. Also offered by the WB is a facility that could grant funds to subsidize business support services for agribusiness operators needing professional support—accounting system, business plan, etc—in the preparation phase for a business loan.
- European Union. Operates a project known as PASAR, which is helping to rebuild the Ministry of Agriculture. Also the EU maintains information on European markets for some of Rwanda's agricultural products, plus considerable data on market prices of domestic crops.

- United Nations Industrial Development Organization. Operates a program entitled, “Petites et Moyennes Industries et Artisanat.” This includes the establishment of three or more Community Industrial Production and Training Centers, whose work will include food processing. UNIDO has an excellent training manual for food processing, which is being translated for use in a project to help female entrepreneurs in Rwanda.
- International Fund for Agricultural Development. This project is entitled, “Promotion of Rural Micro and Small Enterprises.” It is working in 15 communes in three areas including Ruhengeri, Byumba, and Umutara and helps with organizing associations, management training, project development, and obtaining and managing credit. Its programs cover pre and post-harvest business issues.
- Kigali Institute of Science and Technology. This Institution may be able to provide trainers for technical modules starting as early as the fourth quarter of 2001.
- ACDI/VOCA. This organization is seeking to upgrade coffee production and to support value adding steps such as coffee washing along the Lake Kivu area, which remains the primary quality coffee producing area. Many areas of collaboration exist: ADAR can focus on the processing and marketing end while the former on producer level technical training and possible financing.
- IITA/PRAPACE/Food-Net. We are looking at sharing the cost of a potato study focusing on how to expand production for external markets. Potatoes were sighted in the design phase of ADAR as the only staple capable of establishing a broader export market. We seek to incorporate an Agribusiness agenda in the study priorities.
- PEARL. ADAR wishes to cooperate through the PEARL Project in Butare exposition of improved coffee processing technique and potentially a satellite or partner coordinator for ABC services.
- WOCCU/BANQUE POPULAIRE. The World Council of Credit Unions in coordinating through the Banques Populaires on internal reorganization designed in part to make the BP more responsive to the needs of rural and grower entrepreneurs. The ADAR Project hopes to import technical expertise and training to facilitate this.
- The Rwandan Development Bank: This Institution is very keen on building the Agribusiness sector and may become a partner in supporting longer term financing needs. RDB has also independently of ADAR contemplated entering leasing (another, more secure form of medium term lending) but would need considerable technical guidance which ADAR may be able to offer
- The Rwandan Private Sector Federation: The RPSF has collaborated with ADAR through investor focus group and work plan focus group meetings and we are discussing undertaking jointly a census of agribusiness operators currently in the prefectures (baseline).
- Privatization Board: This unit plans to privatize two tea operations during 2001 and another seven during 2002/3. It is interested in reviewing with ADAR the privatization strategy for tea and in referring to us for technical support other agribusiness units to be privatized. Another area of collaboration is the 400-ton coffee washing station in Gisenyi.

Figure 2. ABC Functions



ADAR YEAR 1 WORKPLAN

SECTION II The Work Plan Overview

The first year work plan builds a foundation for the entire project. The ADAR team strategy is to conduct two parallel initiatives focusing (1) on prospects most likely to conduct transactions early on, especially exports, to demonstrate the potential and attract interest in the ABC, and (2) to empower over the longer-term agribusiness operators in strategic commodity groups to replicate the success of others. This foundation consists of basic information services, training and workshops, and of broadening access to new markets and alternative sources of financing.

This work plan overview restates ADAR's Project Intermediate Results (PIR's) in the same order of the Context discussion, adding a fourth element concerning management activities. In addition this section details outputs expected from identified project inputs, and for each the expected indicators, during this first (11-month) project year ending 31 December 2001. Finally, the plan highlights expected inputs for years two and three designed in effect to reinforce the foundation started this year.

A. PIR1 – Enhanced Performance of ABC-Assisted Firms

This PIR works off these key assumptions:

- Information exchange is the basis for transactions.
- Sharing a common dialogue (language) is critical, especially on the international stage
- Knowledge/information builds risk taker's confidence
- Positioning targeted products in front of buyers will eventually result in business transactions
- There is limited business management culture in Rwanda
- Management weaknesses lie in poor diagnostic, market analysis, and cash management habits.
- Price information can stimulate the necessary resource mobilization by profit-seeking operators

The project will form an Agribusiness Centre (ABC) to serve as "information central" for Rwanda's agribusiness community offering product information, current market prices and trends, expanded commercial contacts, possible financing sources and technical assistance. In addition, the Center will offer training, workshops, and focused seminars to help agribusiness operators improve performance and become financially sustainable. ABC clients most likely to benefit from the program will have the following profile:

- The client will provide its own resources or otherwise demonstrate its commitment to productively use resources and services provided by the ABC. Self-selection by the clients themselves will underscore the demand-driven nature of service delivery.
- The client will specialize in a product or process in the agribusiness chain that contributes directly to achieving ADAR project goals set forth above. Examples in the first year of the project include:
 - **Products:**
 - New and existing high value horticultural exports and their by-products, e.g., flowers, fruits and vegetables, high-value coffee, spices, etc.

- Staples that would promote higher employment, out-grower schemes, etc., leading to broad-based economic growth in Rwanda, e.g., potatoes, etc.
- **Processes:**
 - Value-adding processing steps that overcome the weaker links in the commodity chain, e.g., storage, conservation, sorting, packaging and labeling, transformation, commercialization, and so on.

A PIR specifies individual goals for the duration of the project. Each goal, however, consists of individual accomplishments targeted for any designated year (work plan accomplishment) and these are highlighted in this Section II discussion. Specific activities and underlying tasks to bring about these accomplishments are detailed in Annex B.

PIR1/Sub-Result 1 → Increased Access to Information and Improved Information Exchange among Agribusiness Stakeholders

Presently, Rwanda has no regular or institutional business news forum. There is no business press in local newspapers. Regional publications offer market prices, but what is happening, who is doing what in discussions with whom, where and why are subjects not routinely covered. Nor is there analysis of the broader or long-term impact of business issues especially as regards product development, competition, private investment, and financing.

We have identified four accomplishments that will mark our progress attaining Sub-Result 1.

- Inaugurate the Agribusiness Center
- Establish and update a client directory
- Establish a library of appropriate references documents
- Establish an investor's roundtable

Years two and three will develop a program of workshops and seminars for information exchange (year two) and seek to formalize the investor roundtable into a legal association and lobbying organization for favorable policies and legislation (year three).

Indicators: We will track these indicators to measure effectiveness

- Number/gender of visitors using ABC facilities (source: ABC records)
- Number/gender of registered ABC clients (source: ABC records)
- Number/gender of participant-sessions at ABC-sponsored workshops, and information forums

PIR1/Sub-Result 2 → Expanded Access to Markets and Increased Client Sales

One of the consequences of poor information is ignorance and disinterest in other markets, and of the potential to build a business around a solid product, marketing strategy, a financial base, and so on. Without such motivations the leverage of self-interest, so critical in inducing operators to take calculated risks, is never exploited.

We list four accomplishments that we consider key to expanding access to markets and increasing client sales (supporting activities and tasks are detailed in Annex B.)

- Develop a directory of regional/international agricultural wholesale brokers
- Create an agribusiness market newsletter
- Develop a project web site to promote Rwandan agribusiness
- Promote new producer-buyer contacts in selected commodities

The web site is crucial to raise Rwanda's image, still depicted by the media in unflattering terms, to suggest that the ABC is a useful crossroads to potential investors abroad. In subsequent years, we will expand the web site applications to promote individual sector and investment opportunities, participation in appropriate regional and international trade fairs (year two), and to expand the overall level of dialogue and market access (year three).

Already we have begun to work with the Private Sector Federation on promoting an Agribusiness stand at the August 2001 Kigali fair. If the response is promising this early in the project we may have a basis to support Rwanda participation in similar annual fairs to occur later in the first year in Uganda, Kenya, and Tanzania.

Indicators : We will track these indicators to measure effectiveness

- Number of firms using ABC to get direct access to new markets (source: ABC records)
- Number of clients paying for training in internet access to markets (source: ABC records)
- Number/degree of successes in establishing new contacts (source: ABC survey)
- Percentage sales increase in ABC-targeted commodities/markets (source: client data)

PIR 1 / Sub-Result 3 → Improved Agribusiness Management Skills

However inviting the market or impressive the quality of product, poor management will inexorably outweigh advantages and lead a firm into financial difficulty. This is the best scenario (good product and market). Where neither is apparent, the end comes more swiftly. Most agribusiness operators in Rwanda have had minimal to no formal management training in business management themes.

We have identified three accomplishments that contribute to this Sub-Result:

- Create a training center as part of the ABC
- Develop a training plan
- Commence training of ABC Clients using at least four basic modules

In the second year we will add up to four more business modules and develop selected technical modules, training 150 – 180 participants, and we will create a systematic follow up program to measure training impact. During the third year we will continue the more popular modules and look for niche training activities so as to reach by project end at least 500 total training participant trainings. A participant/ module is a person attending during a training module

Indicators: Key indicators to monitor will be the following:

- Number of person/modules successfully completing training (source: ABC records)
- Number of operators applying training to business practice (source: follow up surveys years 2 ,3)

The one critical indicator of the success of the above activities to contribute to enhance firm-level performance is the **increased value and volume of goods marketed by ABC-assisted firms/cooperatives**. We will track this through surveys of ABC-assisted clients, Ministry of Finance, Ministry of Commerce data and the Rwandan Private Sector Federation.

Information resources will be developed during the second quarters. Human resources available are the long-term professional team and short-term LOE. We will take advantage of, where possible, local institutions and local individual talent to assist in developing training programs. We will look to train others in adult learning methodologies so as to establish a cadre of local business training talent. Our program to expand client markets and increase sales will rely in part on short-term LOE coordinated through the project team.

B. PIR2 Improved Performance of Targeted Commodity Chains

ADAR's approach will be to target specific commodity chains. A commodity chain as the linkage of individual businesses or cooperatives conducting transactions that move a given commodity or crop from its farm or household production to its final consumption.

Selecting targeted commodity chains for the project has been an intensive and rigorous exercise. It began in October 1999 with the Committee of Experts (ten international and local experts) who assessed the potential in approximately 100 different commodities. They selected 10 priority and 10 promising commodities for further study in the context of a project design that concluded with two stakeholder meetings involving participation of over 80 enterprises, associations, government agencies, local consultants, etc. who reviewed and advised on commodity selection.

The Committee of Experts design process, which resulted in the ADAR project, sought two key characteristics in a selected commodity:

- **consistent** with project goals and objectives, and
- **achievable** within project resources.

There are two components to IR3.2: (1) economic growth and (2) growth that is as broad-based as possible. The core, underlying objective is clearly economic growth. Economic growth, which would emanate from expanded production and processing of a given commodity, depends entirely on market demand. Studies during the design phase demonstrated that within Rwanda there is limited buying power and inadequate demand for most commodities. For that reason, ADAR sought evidence of proven demand from regional and international markets for products that Rwanda is currently exporting in limited quantity, but may under much improve circumstances export in economically significant quantity.

The second criterion requires that the project, operating within project resources, target commodity chains that optimally blend geographical concentration features and technical assistance requirements with the critical mass needed to improve economic growth. In addition, the economic gains must be apparent in a relatively short period of time (1-3 years). Thus the initial selection went to products with potential to offer better results in relatively less time.

A third component is implied, if not overtly stated, that is care for the environmental sustainability of the commodities selected. Growth, broad-based or not, can not be sustained if the environment is degraded. Moreover, increasingly consumers are asking about the environmental conditions in which a product is produced. Therefore, it will be important that the enterprises with which we work are practicing proper husbandry and handling techniques.

Informed by the project design, ADAR has selected three initial commodity chains: (1) high-value horticultural export crops, (2) high-value, full-washed coffee, and (3) potatoes.

- **High-value horticultural exports:** Horticultural exports continue to assist significantly a number of Central and South American countries. Horticultural exports are now the leading source of foreign exchange in Kenya. They also contribute consistently to Uganda's impressive economic growth. High value horticultural exports could boost economic growth rather directly in Rwanda. Production, packing and processing of horticultural exports is labor intensive and can create considerable employment. Out grower schemes and contract farming that purchase from growers could put cash immediately into rural production areas.

Studies during the design of the ADAR project strongly suggested good potential for high-value horticultural exports. These horticultural crops consist of flowers, ornamentals, fruits, vegetables, and spices. Rwanda enjoys important comparative advantage over its neighbors Kenya and Uganda in the production of high-value horticultural exports for reasons of climate, soils, workforce, and available water. However, significant constraints to expansion of high-value horticultural exports exist, including limited technical expertise, investment resources, and ultimately air transportation. Moreover, at the present time, Rwanda has few processors and exporters of horticultural products. ADAR, collaborating with interested partners, will strive to overcome some of these constraints within the resources of the project.

- **High-value full washed coffee:** Coffee has traditionally been Rwanda's principal source of foreign exchange. Its climates and soils can, with proper husbandry, produce excellent quality coffee. Unfortunately, much of Rwanda's Arabica coffee is sold as low-grade, "ordinary" coffee, for which the long-term price prospects are poor. Large producers such as Brazil continue to expand production, while at the same time worldwide demand for ordinary coffee has stagnated.

Coffee's growth path in international markets is clearly for quality Arabica coffee. While Rwanda is capable of producing high-quality coffee, it will require changes in market structures, processing and packing along with greater care and management of coffee trees. These changes are beginning to take place on a small scale in Rwanda and therefore warrant early ADAR intervention.

Since coffee is grown widely in the country, expanded growth of revenue from the coffee crop could have eventual broad-based impact on the economy. In addition, there is excellent potential for synergistic linkages between ADAR and other projects and NGO's, thus supporting growers bargaining position vis à vis processors in addition to improving coffee tree husbandry. There are only a small number of full-washed high quality coffee processors currently operating in Rwanda.

- **Potatoes:** Rwanda has the soils and climate to produce excellent quality potatoes. Unfortunately, inefficient markets and limited domestic demand have curtailed returns. There is some evidence that there may be strong regional demand for potatoes in Uganda, Kenya and Tanzania. (Market analysis will be carried out in collaboration with IITA/PAPACE/Food Net.)

There are also strong possibilities for value added in the potato commodity chain. This could be simply cleaning, grading and properly packaging the potatoes for more up-scale markets. In addition, various forms of processing potatoes have been discussed but these processing efforts will require more detailed examination of potential demand. Such market surveys are activities the project could assist processor and buyers to undertake.

The production of potatoes is widespread in the Northwest of the country and any growth in revenue from this sector will have broad-based economic impact. At the same time, the potato sector, particularly for an up-scale product amenable for regional export, is limited in scope and size and could be responsive to project resources.

While the project will focus on the three noted targeted commodity chains, it does not mean that access to project resources are limited only to those agribusiness working with these three commodities. The information resources of the ABC and access to the training modules are open to all agribusiness people in Rwanda. Over time, it is probable that with improving economic conditions other commodity chains can become fruitful targets for ADAR intervention.

A few popular commodities are considered here. In many cases, the extent of work required, vis-à-vis project resources, or the limited market argues against their immediate inclusion and warrants a cautious approach.

- **Tea:** Tea is second only to coffee as a generator of foreign exchange in Rwanda. The tea sector was badly damaged during the 1994 civil war and major efforts are now underway to rebuild it. Rwandan tea is already considered to be among some of the world's best and there is limited opportunity for increased returns from quality improvement. As opposed to the coffee sector which is highly decentralized, the tea sector is centralized around large tea factories. The problems of the tea sector are generally outside the mandate and resources of the project. These include rehabilitation and privatization of the tea factories and the distribution of returns in the tea sector between processors and growers.
- **Dairy:** Rwanda has good production possibilities in dairy. Dairy herds are relatively widespread in certain areas of the country and several milk and cheese processing plants have been established. The problem in the dairy sector is the limited demand at this time for dairy products resulting from limited purchasing power of consumers. This limited demand restricts future expansion of the sector. Eventual demand may be possible from Congo and Burundi but that remains some time off. This sector appears to offer little short term potential unless affordable milk can be provided locally in Rwanda in sufficient quantity to yield attractive returns to domestic producers of milk and milk by-products.
- **Meat:** The formal meat industry is just beginning in Rwanda. Demand for meat is limited domestically but there may be some demand for Rwandan meat products in such places as the Middle East. Limited purchasing power discourages meat production at commercially feasible levels. In addition, meat production requires much land to feed animals, which raises a number of environmental concerns.
- **Beans:** Beans are one of the staple foods in Rwanda and are widely grown in the country. For this reason there is little demand for commercially produced beans intended for market outlets. Sporadic regional demand occurs for beans depending on the weather and political situation in neighboring countries. The prospects for major economic growth from the bean sector are low at this time. In addition, the bean sector is so wide spread and decentralized throughout the country that it surpasses project resources.
- **Maize:** Maize is an emerging crop in Rwanda and is extremely important to the livestock sector in the country. Prospects for growth in the maize sector is closely linked to the meat and dairy industry. Maize is generally grown in selected areas in the country but the crop is expanding into new regions. With its present low return and low consumption levels, maize remains a crop in search of a market. This may emerge over time, however.

ADAR's Project Intermediate Result 2 (PIR2) seeks to increase the efficiency of targeted commodity chains. The discussion immediately following highlights the major accomplishments this 11-month work plan will achieve pursuant to each major goal of PIR2. Individual underlying activities and detailed tasks leading to these accomplishments are given in Annex B. First, we summarize below our key assumptions underlying PIR2.

- Market price discrepancies exist due in part to poor price information.
- Improved price information will motivate parties to move good to higher price locales.
- Price model will attract motivated stakeholders.
- Basic coffee husbandry skills exist.
- Coffee farmers will respond to increased prices with improved husbandry.
- Air transport capacity will respond to increases in available airfreight volume.

PIR2/ Sub-Result 1 → Expanded Volume of Goods Marketed within the Targeted Commodity Chains

Food security gives to individual households a means to acquire greater quantity and better quality of food products. By inducing Rwandan markets to expand the volume of goods marketed we enable commodity chains to service a larger population group: not only are the goods where they should be, they become more affordable. To this end price communication must improve to arbitrage out price disparity resulting from price misinformation

We have identified three accomplishments for the next 11 months, which can lead to achieving the stated 3-year Sub-Result to expand the volume of goods marketed within targeted commodity chains:

- Assist full-washed high value coffee
- Increase Export volume of horticultural crops
- Improve access to transportation

In year two, we will expand the available information and contacts for use by high value coffee processors with international coffee buyers and, pending feedback from the first year, we will continue supporting participation in the international specialty coffee conference. If the market analysis points to a viable consumer market in the region, we will further develop with interested growers associations, processors, and transporters a strategy to penetrate this market. In year three, we will encourage the development of a high-value coffee processors association and continue, as warranted, the development and expansion of potato exports to neighboring countries.

Indicators: We will track the following indicators in order to determine impact and effectiveness:

- Tonnage increase in ABC client full-washed coffee in the premium market. (source: ABC clients)
- Percentage change in sales volume of selected commodities (source: ABC clients)
- Airfreight capacity, measured by volume and frequency, available to Rwandan exporters. (source: public records, ABC clients, airport officials)

PIR2 Sub-Result 2 → Upgraded Quality and Standards of Targeted Commodity Chain Products

The entire commodity chain suffers when critical links operate badly or don't even exist.. Recognizing the need to establish a widely recognized product standard and then maintaining this standard is a precondition to successful marketing. All inputs in the commodity chain leading up to the processing and presentation of the product are wasted when quality is not maintained. Therefore this is an integral component of a broader initiative to build efficiency in targeted commodity chains (PIR2) by delivering at the end a quality product that buyers want and can afford.

ADAR will focus on three accomplishments during year one to mark our progress towards this goal:

- Collect pertinent documentation on international grades, standards and packaging practices for horticultural crops and high value coffee including organic certification.
- Arrange test of grades of primary producers.
- Determine steps required at enterprise level to upgrade quality and maintain marketable grades of product in the three-targeted sub sectors as a prelude to working with selected clients

Later during year one and into year two we will develop two training themes in training module and workshop format on quality standards, packaging and certifications for selected operators and, where appropriate, their produce providers. Year three will prioritize company-wide quality awareness among processors and exporters while promoting closer, routine collaboration from a fully functioning National Bureau of Standards.

Indicators: we will track the following indicators to measure effectiveness:

- Number of operators assisted by ADAR to upgrade standards. (source: ABC)
- Number of operators who have improved standards through ADAR initiatives. (source: ABC)
- Number of ADAR-assisted operators meeting buyer mandated standards (source: ABC)
- Number of operators adopting quality control methods to maintain standards (source: survey)

PIR2 / Sub-Result 3→ Improved Price Information in Targeted Commodity Chains

This goal is predicated primarily on the assumption that poor price information leads to price disparities for the same commodity in different markets that are not attributable to transportation and financing costs (cost of capital). The model depends on identifying stakeholders who have a commercial interest in participating in a scheme to diffuse price information more efficiently and who also have the resources needed to respond to price inducements

This activity will look to develop a model, initially for potatoes if warranted by the market survey, that is replicable to other commodities and supported by the private sector, and in this manner self-sustaining. The model, as we see it, has to be accurate, timely and site specific so as to allow producers, traders, transporters, wholesalers, and processors to select a course of action.

We have identified three accomplishments in year one contributing to PIR2 / Sub-Result 3.

- Provide a consultant to develop price information model with stakeholders.
- Facilitate implementation of model.
- Monitor efficacy gains resulting from use of the model system.

During year two we anticipate monitoring and improving the model, monitoring its impact on the potato market and ascertaining its effectiveness as a tool for improved market efficiencies. In year three we will look to replicate the model to another commodity and develop a training module on price analysis, reduction of transportation costs and other skills to fully use available price information to increase operation efficiency.

Indicators: The relevant indicators we plan to track are as follows:

- Number of stakeholders using price information from ABC operating model (source: ABC)
- Changes in volumes and prices of selected commodity in primary domestic markets (source: ABC survey)

We have selected several indicators of success. We will track these through client monitoring, ADV surveys, EU/PASAR, Ministry of Finance, Ministry of Commerce and OCIR Cafe.

- Reduction of marketing transaction cost in selected commodity chain.
- Increased volume of goods benefiting from quality control and improvement within targeted commodity chains

Resources available are the long-term professional team and short-term LOE. Short-term LOE key input will be specific action plans in selected commodities that promote sales. We will also take advantage of, where possible, local associations and institutional cadre to assist in developing training programs, especially in technical and quality control areas in later years. Other donor-supported organizations sharing similar goals will prove another valuable resource.

C. PIR 3 – Improved Access to Financing for Agribusiness Firms

It is already abundantly clear that the most popular feature in the design of the ADAR project to the Rwandan stakeholder is the Loan Guarantee Fund. Since completion of the design phase, however, a number of new donor and Government of Rwanda (GOR)–initiated programs offering financing or guarantee features appeared. ADAR will prioritize in the first year finding out how such financial assistance can complement ADAR’s technical focus with a view towards preconditioning prospective borrower candidates to tap into such financial resources and to repay lenders.

In addition, during the first year, ADAR will probe the feasibility of establishing a guarantee fund or, in light of what others are doing, different financial services, constituting the project’s financial component, offering complementary financing assistance to promising projects and entrepreneurs. This may include researching and structuring a cost-sharing grant fund to subsidize business services, facilitating creation of an equipment leasing company; in later years a listing arrangement with regional stock exchanges, etc.

What ADAR seeks to avoid is to disrupt its own carefully orchestrated process designed to build sustainability through Rwandan institutions working directly with agribusiness clients by introducing artificial stimulants (loan guarantees) from a non-recurring donor source.

Company operating sustainability is impossible without having a means to finance growth. In turn, financing cannot be sustainable if it is available only through donor intervention. Building access to long-term institutional sources, and thereby creating a permanent access to financing, involves a partnership between enterprise, business service provider, and lender where each can act in his own interest and to his own financial gain.

A number of key assumptions underscore ADAR's initiatives under PIR 3.

- Rwandan operators have little information on financing sources.
- Rwandan agribusiness operators are misinformed as to what banks require and why.
- Rwandan borrowers will benefit from a financial reference handbook.
- Lenders will take greater interest in ADAR's clients when they agree interests coincide
- Professional business support services for agribusiness in Rwanda is extremely limited
- Absence of a support service link hinders access to finance.

PIR3 / Sub-Result 1 → Expanded Options Available to Agribusiness Firms for Financing

Three basic accomplishments during the first 11 months will contribute to achieving the stated objective of expanding the financing options available to agribusiness firms

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

In year two and three, ADAR will pursue approved Financial Component options and continue training for our clients, business service cadre and banks. Sound financial management is critical to enterprise sustainability. Enterprises naturally cite money shortage rather than mismanagement as their principal problem. Reorienting management to view money as a tool (with definite costs) and to use it under self-imposed, strict accounting and budgeting constraints remains an important challenge of the training process.

The **indicators** that we will track in order to determine impact and effectiveness are:

- Number of agribusiness firms purchasing directory and handbook. (source: distribution lists)
- Number of finance seminars sponsored by ABC (source: ABC records)

PIR 3 / Sub-Result 2 → Improved Receptivity of Banking Community to Agribusiness Borrowers

Banks logically seek maximum return with minimum risk. They have historically avoided agribusiness lending because they have seen this sector presenting more likelihood of loss than gain. While general lack of borrower sophistication explains a great deal of their aversion to agribusiness lending, the fact remains that banks know very little about the elements of risk in agribusiness, market dynamics, commodity chain linkage, etc, rendering them ill equipped to operate comfortably in this sector.

Enabling banks to feel that they are in "control" of the situation will enable them to engage in purposeful dialogue with operators rather than resort to stereotypes and dismiss prospects altogether. This is clearly not an overnight conversion and may well require two years to get any results. But the impact is sustainable because it involves a mutation in the lending culture.

To get this process started ADAR seeks to accomplish in the first 11 months the following

- Assess lender capabilities, interests, and sensitivities.
- Promote dialogue and outreach to banks centering on ABC events and agribusiness issues.
- Prepare training program for banking staff in evaluation and monitoring agribusiness loan applications and portfolio.

In year two we will extend the training program developed during the first year. We will also seek to establish an active dialogue, through the ABC seminar/workshop program, between banking sector and principal agribusiness investors on their respective needs and requirements. By the third year, we would seek to develop a lender's forum of senior bank loan policy makers to review agribusiness-lending opportunities in Rwanda.

The **indicators** that we will track in order to determine impact and effectiveness are:

- Number of bank agribusiness clients assisted by ADAR. (source: ABC)
- Number of bank / participants trained through ADAR (source: participation lists)

PIR 3 / Sub-Result 3 → Enhanced and Integrated Agribusiness Professional Support Services

ADAR may strengthen management at the enterprise level. It may convince banks to view the agribusiness sector in a more informed and favorable light. But this does not go far enough: better enterprise management that evolves needs to be documented and developed as accounting and budgeting systems, procedure manuals, cash management studies, business plans, etc. This brings to bankers or investors credible testimony of capable management stewardship. Engaging the professional business support service network to offer services directly to agribusiness clients on a continuing basis improves the chances of making motivated enterprises bankable.

Three accomplishments will contribute to achieving this goal during the first year:

- Evaluate service providers and carry out training needs assessment
- Extend outreach to service providers of ABC activities, including training
- Develop orientation and training to improve service provider-ABC client contact

In the following year we will encourage service providers to participate in the training module designed to improve their capacity to service agribusiness. We will develop a cost-sharing program that encourages local businesses to use local firms, Support Services to Agribusiness in Rwanda (SSAR) and sponsor 10 support service activities. Year three will see a continuation of year two's activities in training and the SSAR.

The **indicators** that we will track in order to determine impact and effectiveness are:

- Number of Service Providers assisted By ADAR
- Number of service provider training programs conducted
- Number of ABC client and service provider linkages establish

Indicators: We hold to one overriding indicator of success, **the number of ADAR-influenced agribusiness proposals being prepared, submitted, and also under consideration by financial institutions.** We will also track the number of discussions for services going on between agribusiness entrepreneur and service provider, which often precedes loan applications: private sector chemistry must evolve in its own course.

Actual financing raised is important, but not nearly as important as the number of new loans actually authorized by lenders. Size of loan is a proxy for a transaction's economic appeal and borrower's resources, a variable beyond the scope of ADAR. Number of new loan proposals accepted by banks for serious evaluation, however, reflects the level and frequency of contact needed to encourage more loans. We will track results through surveys of ABC clients, direct involvement in authorizing cost sharing of business support services, and bank records and reports.

Resources required, in addition to ADAR's actions to realize this strategic PIR3, will include LOE of trainers, training support materials, and a grant capability within the ADAR program to enable subsidization via cost sharing of business support services, which ADAR would authorize for clients. We hope to also recruit participation from lenders to help guide the business services community in the technical aspects involved in the preparation of loan applications.

D. Project Management

Beyond the obvious technical work as outlined above, there is a whole range of project start up administrative results crucial to a varying degree for project success, such as

- Project officially launched
- Project procedures and manual in place
- Local staffed hired, professional and support
- Project Steering Committee selected
- Baseline survey completed
- M&E system installed and functioning
- ADAR office furnished and functioning
- Expatriate field team housed
- Communications plan developed
- Quarterly reports submitted
- Annual report and second annual work plan submitted.

Each serves as its own indicator. That is to say, the activity is either completed or not.

ADAR YEAR 1 WORKPLAN

SECTION III The Challenges

For the first (11-month) work plan period we have identified four major challenges which ADAR must deal with almost continuously :

- **Managing client demands.** Once established and known, the ABC may be flooded with client “wannabes.” We can publicize our requirements and our commodity interests, but we cannot really know whether a candidate can become a client until they demonstrate a level of commitment and energy not typically found in most of his competitors. This testing time will take time away from other, always pressing, activities. Determining efficiently likely clients to work with while appealing openly and convincingly to agribusiness operators to improve will be a challenge. This project must keep the doors open. Enterprises don’t evolve at the same rate. Selection will remain an enterprise decision. If we do not choose clients well we risk wasting time on non-performers while not capitalizing on clients with real potential.
- **Managing Priorities.** This project is extremely ambitious, even for more advanced developing countries. Moreover, what began as a Loan Guarantee Program is now transformed into an entire program initiative to create sustainable access to financing **from local sources**: there is little point to ADAR if enterprises have no workable approach to finance growth. Because indeed, each of ADAR’s three PIR’s can be a project in itself, movement in one PIR can quickly draw in all the attention and resources of ADAR without vigilant stewardship. Harmonizing efforts consistent with achieving all the Activities and Tasks outlined in Annex B while preparing the way for future Project inputs in years two and three will remain an incessant challenge.
- **AID turnover.** Inevitably, some momentum dissipates with every changing of the guard. ADAR will seek to minimize disruption by concentrating on its goals and keeping open all channels of communication.
- **Rwandan history:** The relatively recent turmoil in Rwanda is well known, so well known (and retained) in fact that businessmen operating in the region worry first about civil strife and security. Questions to the Investment Promotion Authority from business abroad, for example, center around survival--is there safety, electricity and telecommunications, qualified staff, transportation, etc-- and not around success – availability of financing and profit repatriation---. Capital remains free to move to more appealing sites. In light of this ADAR must concentrate on promoting select enterprises capable of attracting outside investors on their own merits, which offset impressions from the difficult past.
- **Tribal Tensions:** Agribusiness growth in Rwanda will require full participation of all tribal groups. Making the prospect of improving one’s livelihood the driving factor would decrease tribal tension once interdependence is recognized. Getting all groups to work together out of pure self-interest is a constant challenge.
- **Stakeholder Interest:** This project demands eager participation of operators who are willing and able to commit resources to improve their business. To avoid disappointing them, especially given Rwanda’s weak starting point--transportation availability, utility reliability, government indifference and /or bad policy, lackadaisical and unchallenged financial institutions, weak technical and management cadre skill base, legal and commercial precedents, etc. ---will demand keen, persistent support, and effective remedies where ADAR can intervene, to sustain stakeholder commitment.

SECTION IV Indicator Summary

ADAR PIR's, Activities and Project Result Indicators - Year One

| Project Intermediate Results | Output – Inputs | Input Indicators | Targets | Project Intermediate Results Indicators | Targets |
|--|---|---|--|--|---|
| IR1 – Enhance the performance of Agribusiness Center – assisted firm | 1.1 Create an Agribusiness Forum - Inaugurate the Agribusiness Center - Establish client directory - Subscribe to int'l mkt. Databases - Establish a library of ref. Doc. - Establish investor roundtable | <ul style="list-style-type: none"> Number of information requests Number of investors in roundtable | 100 20 | <ul style="list-style-type: none"> Value and volume of increased goods marketed by ABC-assisted firms | Value +15% Volume 0% |
| | 1.2 Expand access to markets and increase client sales - Develop web site - Develop dir. reg/int'l wholesalers - Create Bulletin - Train clients on Internet use - Work with select clients on markets | <ul style="list-style-type: none"> Number of firms using services to access market Number of clients trained in Internet use Number of successes helping clients | 20 30 5 | | |
| | 1.3 Improve management skills of agribusiness firms - Create training center in ABC - Develop four training mod. On mgt. - Conduct 8 – 10 training session | <ul style="list-style-type: none"> Number of person / modules trained Number of persons able to apply training | 120- 150 50 | | |
| PIR2 – Improve performance of targeted commodity chains | 2.1 Develop model for price information (potatoes) - Provide consult. to develop price info system - Facilitate implementation of model - Monitor results of model | <ul style="list-style-type: none"> Operation of price information model Identification of direct stakeholders Number of growers & intermediaries using price info | Complete Complete 35 | <ul style="list-style-type: none"> Reduction of marketing cost in potato commodity chain Increase in value and volume in targeted commodity chain Increased volume of goods benefiting from quality control and improvement within in targeted commodity chain Number of enterprises starting up or expanding value adding activities within targeted commodity chains | 5% Value +15% Volume 0% 5% 10 |
| | 2.2 Expand volume of goods marketed in targeted commodity chain - Facilitate contacts processors – buyers (high value coffee) - Support potato study - Work with exporter – airline on air freight issue | <ul style="list-style-type: none"> Number and tonnage of contracts for coffee signed Tonnage of full-wash available Successful completion of potato study Increase capacity and frequency of airfreight | 2 contracts 20T 40 Complete 20T-3X | | |
| | 2.3 Upgrade quality of targeted commodity chains and increase value added - Collect pertinent documents - Test of grades of primary prod. - Work with select clients on qual. | <ul style="list-style-type: none"> Number of clients seeking ADAR assistance on standards Number of clients seeking quality control training | 15 15 | | |

ADAR First Annual Work Plan

| | | | | | |
|---|---|---|--|--|----------|
| PIR3 – Improve access for financing for agribusiness firms | 3.1 Expand options available to financing for agribusiness firms - Develop dir. loc, reg, int'l sources of financing - Prepare "Borrower's Handbook" | <ul style="list-style-type: none"> • Directory and handbook completed • Number of agribusinesses firm receiving directory & handbook | Complete 80 | <ul style="list-style-type: none"> • Increase number of agribusiness proposals with business plans submitted to financial institutions | 0 |
| | 3.2 Improve receptivity of bankers to agribusiness concerns - Questionnaire for bankers - Outreach to banking sector - Prepare SOW for training program | <ul style="list-style-type: none"> • Questionnaire response rate and follow-up • Number of bank clients & prospects referred to ADAR • Complete SOW on training program | 80% 15 Complete | | |
| | 3.3 Enhance & integrate the business support services for agribusiness sector - Inventory service provider and make directory - Evaluate quality of service providers do training needs assessment - Extend outreach to service providers | <ul style="list-style-type: none"> • Inventory of service providers • Directory of service providers completed and distributed • Service providers referred to ADAR • Training needs assessment completed | Complete Complete 20 Complete | | |

ADAR First Annual Work Plan

Annex 1

29 JANUARY → 28 FEBRUARY 2001

| DATE | NAME | PRIVATE/ENTERPRISE/PROJECT | OBJECTIVE | OBSERVATION / ACTION |
|---------------|--|--|--|--|
| Mo 29Jan | 12h José 17h. R.GOLDMAN / MOUSSIE M | Private USAID | Admin. Assist. Recruit. Introductory meeting | |
| Tu. 30 Jan | 14h30 Patrick NKWANO 16h. Claver GASIRABO 17h. 30 | Private Private - Local staff recruitment / Has been hired by World Bank → Proj. Business Council | Local staff recruitment A monthly meeting | Never came to the interview Coordinator V. RUSHARAZA 08-528237 Ag. Minister round table with investors |
| W.31 Jan | 14h30 Anastase MUKERESI 16h Patrick NKWANO | Private Private | Local staff recruitment Local staff recruitment | S.Term → 10Feb / L.Term from 12Feb Never came to the interview |
| Th. 1Feb | 9h → 12h30 13h. Emm. MUHAWENIMANA 15h Florence NKERA | USAID Private Private – Manager of Alliance express | Meeting with SO3 Looking to develop source information for investors from Canada Information on Rwandese economy and cargo activities | Indicators and results |
| Fr. 2Feb | 11h. Dennys ... 13h. John NKONGOLI | Private – Air Cargo Manager/Air Alliance Private – Agribusiness investor | Study of weekly unutilised cargo capacity leaving Kigali Investing in a farm | Have to meet his partners |
| Mo. 5Feb | 10h. John MADDER 11h30 Pipian HAKIZABERA * 14h. Adrien Rodriguez 15h30 Epitace NOBERA 16h30 Walter KNAUSENBERGER | Managing Director of BCR Private Sector Federation – Exec. Sec. WOCCU Project - Technical (credit) assistance to Banque Populaire - Contact / Establish collaboration Director of FEWS-NET Environmental specialist -REDSO | Contact – Introduction of ADAR Contact - Identify formal assoc./enterprise, establish collaboration → AM Contact / Establish collaboration Contact ADAR environmental input | Establish collaboration |
| Tu. 6Feb | 9h. Andy COOK 10h30 Jean-Pierre MURENZI * 15h30 Laurean RUTAYISIRE | Contractor with MINAGRI Proj. Manag. CAPMER/MINICOM/ONUDI Managing Director of BCR | First contact First contact | Establish cooperation Establish cooperation → A. Mukerezi |
| W. 7Feb | 10h. Paul DELUCCO 14h. Alain HOUYOUX 16h30 Francois UDAHEMUKA * | Country Representative ACDI/VOCA PASAR / MINAGRI Assoc. des Commerçants et des Producteurs Agricoles de Kigali - First | First contact First contact contact / Establish cooperation | Establish cooperation Establish cooperation |
| Th. 8Feb | 9h. MM. NKGONLI / GASANA 11h Titus GAKWAYA | VARENAR SARL THEA LTD | Ag.B. Project Introductory Project Introductory | Visit of site planned Business Plan to be re-formulated |
| Fr, 9Feb | 14h → 16h30 | USAID | Meeting with M. Moussie and Mervyn FARROE to finalize indicators | |
| M. 12Feb | 11h. John MADDER 16h → 17h30 19. Emmanuel RWAKAGARA | Managing Director of BCR ADAR Private | Presentation of questionnaire before meeting with bankers association First meeting with all the staff / introduction to the project Coffee planter. Wants to develop his own washed coffee unit / Gisenyi | |
| Tu 13Feb | 10h. Innocent NKURUNZIZA 11h. Pipian HAKIZABERA * | MINICOM (Secr. Part. Min.) and Private Private Sector Federation – Exec. Secr. | Introductory meeting to check potential for ADAR logo/communication Meeting to prepare investors focus group | |
| W. 14Feb | 10h. Consolate RUSAGARA 11h30 Evase NSENGIMANA | DGA of Bank of Kigali President of Association of Exporters | Introductory contact – ADAR presentation Owner of EMBALLAGE RWANDA - exporters of bananas and fruits | |
| Th 15Feb | 15h M. MOUSSIE | USAID | Presentation of indicators | |
| Fr 16Feb | 15h → 17h | INVESTORS FOCUS GROUP | 1 st ADAR meeting to be introduced to Rwandan investors | |

ADAR First Annual Work Plan

| S 17 Feb | 12h30 Richard GOLDMAN | USAID Misson Director | Informal lunch do discuss indicators and launching activities | |
|-----------|--------------------------------|--|--|---|
| DATE | NAME | PRIVATE/ENTERPRISE/PROJECT | OBJECTIVE | OBSERVATION / ACTION |
| M. 19 Feb | 9h → 12h CAPMER / ONUDI | Opening ceremony of a 2 week training session for women entrepreneurs in dairy industry in “Nyamata” | | |
| Tu 20 Feb | 9h → 12h Don Brown | Short Term Consultant | Introductory session to work on SOW and Work Plan meeting | |
| W. 21 Feb | 9h → 13h | WORK PLAN MEETING, with FRSP: 2 nd | ADAR meeting - 16 participants, to work on issues of 1 st year indicators | |
| Th 22 Feb | 15h Don Brown and Adm. staff | Short Term Consultant | Introductory meeting to work on Project launching meeting of March 9 | |
| Fr 23 Feb | 8h30 → 13h ADAR | (All) Administrative staff meeting | To be familiar with internal Procedures and Health Insurance | |
| | 13h –14h Bonaventure Niyibizi | General Manager of the Office for Investment Promotion in Rwanda | Introductory meeting | |
| M. 26 Feb | 10h M. MOUSSIE | USAID | Meeting for Work Plan and Project Launch / with Don Brown | |
| | 16h. M. NZIE | General Manager of BCDI | Introductory meeting | |
| | 17h ALEXIS | BCR | Arrange logistic for Project Launching / conference room, etc. | |
| Tu 27 Feb | 9h Beth PAINE | Economic Adviser – US EMBASSY | Contact / Personal Registrations / Courtesy visit | |
| | 15h Edith GASANA , Gen. Manag. | BANQUE RWANDAISE DE DEVELOP. | Introductory meeting | Private sector/agribusiness oriented bank |
| W. 28 Feb | 10h M. NGONG | Gen. Manager of BACAR (Banque Continentale Africaine au Rwanda) | Introductory meeting | |
| | 14h30 → 18h30 | JA, MW and Don BROWN | Meeting to finalize 1 st year Work Plan | |

* meetings with Anastase Murekezi

MARCH 2001

| DATE | NAME | PRIVATE/ENTERPRISE/PROJECT | OBJECTIVE | OBSERVATION / ACTION |
|--------|---|---|--|----------------------|
| Th. 1 | 12h30 Emmanuel RWAKAGARA | Private / coffee planter processor | Develop his program for development of coffee in Gisenyi region | |
| | BANCOR – Mr GAYLORT | Direction | Introduction OF ADAR and possibilities op eventual cooperation | |
| | COGEBANQUE - Direction: Monsieur ANDRIAMISERA | | | |
| Mo. 5 | 15h Venuste RUSHARAZA | Director Projet d'appui rural – W. Bank | Introduction of ADAR and harmonization between the 2 projects | |
| | 16h30 Joseph NYIRIMANA (AM) | Director projet POMAR (Projet de Dévt des Marchés Agricoles et Ruraux | Position of ADAR and information, support and distribution of agricultural products to their project | |
| | 16h30 M. RAJENDRAN | UTEXRWA (Unit of textile) | Information and presentation of their sericulture project | |
| W. 7 | 9h → 11h Don Brown | ADAR Office | Internal staff training | |
| Fr. 9 | 9h → 17h30 | BCR – Conference room | Project Launching | |
| Mo. 12 | 11h. m. Crispin BISARA | Coffee planters | Interested by assistance of ADAR | |
| | 17h.30 Ephrem NYONSABA | Production Manager - OCIR CAFE | To be familiar with this Organization | |
| Tu. 13 | 10h. Uwe Korus | Deputy Manager - CARE | Contact – partnership with ADAR | |
| We. 14 | Day spent in Ruhengeri for the organization of incoming meetings for potato and in Gisenyi for coffee (JA and AM) | | | |
| Tu. 15 | 10h. Angélique KANTENGWA | BANQUE NATIONALE DU RWANDA | Introduction of ADAR, procedures for credit access and controle | |

ADAR First Annual Work Plan

| DATE | NAME | PRIVATE/ENTERPRISE/PROJECT | OBJECTIVE |
|----------------|--|---|--|
| Fr. 16 | 10h. Vincent NGRAMBE | Directeur du Génie Rural - MINAGRI | Introduction of ADAR and discussion about soil conversation 17h → 19h General monthly Assembly of FRSP (Rwandan Federation of the Private Sector) |
| | 16h. Meeting with MM NDOBA, RWAKAGAMA and NKUSI about the Miami Conference | | |
| W. 21 | 10h40 meeting the Prefet in Kibuye to prepare the meeting with coffee producers in Kibuye, on March 25 | | |
| Th. 22 | 11h. M. NKERA | Owner of HIGHLAND FLOWERS | Organisation OF visit of James Cartwright |
| | 17h. Robert BAYIGAMBA | Executive Secretariat of Privatisation | Introduction of ADAR and presentation of privatisation policy |
| Su. 25 | 10h. Meeting with Ricardo and David Walker (Consultant of ACDI VOCA) to be focused of NKORA Washing Station in Gisenyi | | |
| 25 → 28 | 3 days spent in Gisenyi and Kibuye visting washing stations, coffee plantations, and organizing meetings with producers and cooperatives (AM/MW) | | |
| Tu. 27 | 11h. Henry MAGAMBE | General Manager / RWANDA AIRLINES | Presentation of ADAR and discussion of air fret opportunities |
| We.28 | 10h. Laurent GASHAGI | FAO Representative in Rwanda | Introduction of ADAR and presentation of activities of FAO |
| | 11h. Meeting with John MELLON, Shaun FERRIS (ITTA) and Andy COOK about ABT and Foodnet | | |
| | 15h. Francoise ... | President of Women Entrepreneurs Ass. | Presentation of ADAR and Organisation OF visit of James Cartwright |
| 16h. M. SEFALI | USAID | | |
| Tu. 29 | 10h. Jean-Claude CALVIN | General Manager of INYANGE DAIRY | Meeting with James Cartwright (JC)– re transport air fret |
| | 11h. Florence NKERA | General Manager / ALLIANCE AIRLINES | Meeting with JC – re transport air fret |
| | 15h. Andre BOURQUE | DAN AGRO | Consultant / Facilitator in agro activities |
| | 16h. Kalissa ARISEL | HIGHLAND FLOWERS | Meeting with JC – re roses |
| We. 30 | 9h. Paul DELUCCO | Director of ACDI VOCA | Meeting with JC – re project activities |
| | 12h. Bonaventure NYABAZI | President of RIPA – Rwanda Investment Promotion Authority / | Meeting with JC – presentation of activities |
| | 15h. M. MURENZI | General Manager of SOWATOM | Meeting with JC and Ricardo Frohmader – re tomatoes paste unit |
| | 9h and 16h30 : meetings with James CARTWRIGHT and Ricardo FROHMADER at ADAR | | |
| | 11h. Anastase NZIRASANAHO | President of OCIR CAFE | Meeting with Ricardo Frohmader for cooperation between 2 entities |
| | 15h. Kabanda CELESTIN | Secetaire d'Etat - MINECOFIN | Presentation of ADAR |

ADAR First Annual Work Plan

Annex 2

| AIRCRAFT / AIRLINE PASSENGER | CIRCUIT MAJOR MARKET | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY | SUNDAY | AIR FREIGHT TOTAL |
|--|---|-------------------|----------------|------------------|-----------------|---------------|-----------------|---------------|--------------------------|
| SABENA A330 | BRUXELLES | | 1300 (16%) | | | | 1300 (16%) | | 2600 |
| AIR ALLIANCE B737-200 | SOUTH AFRICA ONLY | | | | | | | 400 (40%) | 400 |
| ETHIOPIAN 737-757-767 | <u>EUROPE</u> , <u>MIDEAST</u> and <u>ASIA</u> via BANGKOK | | | 500-800 (22%) | | | | 500-800 (22%) | 1300 |
| KENYA AIRWAYS B737-500 | via UGANDA / KENYA to EUROPE | 275 (55%) | | 275 (55%) | | 275 (55%) | | | 825 |
| AIR TANZANIE B737-300 | via UGANDA To EUROPE | | | | | | | 200 (40%) | 200 |
| AIR BURUNDI (Fokker) | | x | x | x | | x | x | | - |
| TOTAL BY DAY OF WEEK (average unutilised cargo in kg) | | 275 | 1300 | 925 | 0 | 275 | 1300 | 1250 | 5325 |
| AIRCRAFT CARGO * (capacity reserved for last stop in Africa: Nairobi) | | THROUGH | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY | SUNDAY | |
| DASAIR B707 | LONDON via AMSTERDAM | S. AFRICA/ ZAMBIA | | | | | | 3200 | |

ADAR First Annual Work Plan

| | | | | | | | | | |
|-------------------|------------------------|---------|----------------------------|--|--|------|------|--|--|
| DEMAVIA DC8 | OSTENDE / BRUXELLES | BURUNDI | (One flight every 15 days) | | | | 4000 | | |
| MARTINAIR MD11 | AMSTERDAM | BURUNDI | | | | 7000 | | | |

* This capacity is not available to Kigali because Carriers can successfully fill their aircraft at the last stop in Africa (Nairobi) before heading up to Europe

ANNEX 5
AGRIBUSINESS GROUP COMPOSITION (MATRIX EVENTS AND PARTICIPANTS)

| PARTICIPANTS EVENTS | Growers Associations | Individual Growers | Individual & Groups Business Investors | Partners | Government & Consultants | Total |
|--|---------------------------------|-------------------------------|---|-----------------|---|--------------|
| Investor Focus Group Meeting February 16th 2001 | 1 | 0 | 15 | – | 0 | 16 |
| Work Plan Focus Group Meeting February 21th 2001 | 1 | – | 5 | 4 | 3 | 13 |
| Project Launching Workshop March 9th 2001 | 6 | 3 | 23 | 16 | 17 | 65 |
| Gisenyi Coffee Meeting March 26th 2001 | 6 | 29 | 3 | 0 | 10 | 48 |
| Kibuye Coffee Meeting March 28th 2001 | 10 | 28 | 1 | 0 | 19 | 58 |
| Total | 24 | 60 | 47 | 20 | 49 | 200 |

ADAR First Annual Work Plan

ANNEX 6

DCOP has been consulting with the Chief of Party, Clive Drew, and appropriate technical team members Project regarding various topics, such as:

- Commodity and Client selection;
- Project Steering Committee procedures and selection;
- Market database development and management;
- Technical and Business Training programs
- Opportunities for transshipment of goods via Entebbe Airport
- Uganda efforts to attract greater freight volume at lower costs per unit shipped
- Operating procedures that might be replicated on ADAR
- Update status of potato market survey
- Communication and public relation services, eg. Website, newsletter, etc.

| TOPIC | ADC / IDEA | OBSERVATION | DOCUMENTS |
|---|--|--|---|
| ADC set up | - made by FINTRAC, subcontractor on IDEA and Mali SEG, on a ST Consultancy -Jay KAUFMAN (in Kampala end of April) → program CDS / ISIS <hr style="border-top: 1px dashed black;"/> - to catalogue, install the library, etc. | Came to train to: - learn how to utilize information (tables) - learn to source that information - organize the library: books, publications - design THE Web site - market surveys - made by an Ugandan | - simple brochure ADC - bi-monthly market reports of “grain commodities”, “roses” & “produce and spices” |
| Bulletin | - product oriented bulletin | - should be focused on the needs - not statistics but updated/actualised | |
| Develop Model for Price Information | See Market Report “Gain Commodities” page 2 – 3.0 | Information given by IITA market info service (good for “Potato” component) | - Market Report “Gain Commodities” → Mark Wood could come |
| Commodity Chains | Subscribe to International price / Market Database | | Internet sites: Agrimark Trends or Public Ledger |
| Project Steering Committee procedures and | - invitation letter - prospective meeting on project - brainstorming → who in this | - 24 people listed → 15 on board (participated on the Work Plan) | - IDEA Steering Committee (membership roster) |

ADAR First Annual Work Plan

| procedures and selection | committee? - have prioritized a little bit | - meeting 4 times / year | |
|--|---|--|--|
| Web Site | - set up by FINTRAC (how to put and add information on a web site, how to design a web site for an exporter e.g., etc.) | not in use. " Nice to have one ", but : - is it really useful? - information generally covered on market - need of a full time employee to update it | - see site http://www.agribus.org |
| Access to Internet : → Data Collection and Sources of Agribusiness Information on Internet | | | |
| TOPIC | ADC / IDEA | OBSERVATION | DOCUMENTS |
| Environment Aspect / Issue | Made at the beginning an "Environmental Impact Review" (one aspect: Integrated Pest Management) | Could be done for ADAR by Karen MENCZER: knowledge of AID procedure, relationship with W. KNAUSENBERGER, good reporting | Environmental Impact Review |
| | - difficult access of farmers to the use of seeds, fertilizers → follow-up - very difficult to make their mentality change - to go to export, need of standards required by country importer → Steven Humphreys could come as a ST Consultant for ADAR (horticulture) | | Environmental Assess of NTAE (Non-Traditional Agricultural Export) growers assisted by ADC |
| Study Tour | - Have sent exporters to trade missions: not consummated one sell → Bring Buyers to Uganda : highly selected importers, "rapid" trip fully covered, access on field, tourism tour, etc. (10 "success stories") - meeting with M. Ballantine, Pt of Shank, Pennsylvania, 2 nd trip after 1 month contact per vanilla FINTRAC site, etc. Purchase for 1M \$ today March15. (Contacted ZINCA 2 years ago, same approach, same results) - 22 Ugandans flowers exporters just flew to Holland for a week seminar | | |
| Transshipment of goods via Entebbe | - cold store of 30T capacity built at the airport for perishable commodities (USAID) | → Failed: used for emergence facility - help exporters negotiate fret rate - "jet fuel prices of different airport" | |
| Uganda effort to attract greater freight volume | - creation of "Fresh Handling Ltd" (FHL) belonging to the association of perishable products : to stock at the airport their products, to airfreight a charter only for them to Holland. Are going a loan of \$500000 from a bank to hire that charter.100T/flight → possible contact with ADAR: possible shipment from Kabale to Kigali 7hrs (green beans) instead of Kabale / Entebbe 3hrs | | |
| Hiring of local staff | | - Use Epitace (Fews-Net) for hiring local staff of ADAR | |
| Potato | - Potato study: Shaun Ferris (ITTA) out of Kigali, to be re-contacted by email - seminar in Kampala for the owner of Emballage Rwanda) : contacted ITTA, information being sent through email - contact research people, seed potato growers in Kabali, Uganda | | |
| Training | Farming for profit / Agro Economic: - How to sow seeds - Post harvest - Land preparation - Commercial farming | - 2 to 3 hours maximum for each session depending if workshop, seminar, atelier - On the field - Invite loan officers to visit farmers who obtained a loan | - Commercial Farmer : reference manual management - evaluation form |

ADAR First Annual Work Plan

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|---------------------|---|------------------------------------|------------|
| Financial component | - Business Plan set up for farmers who want a loan | Since November, 250 loans approved | - diskette |
| Logo for ADAR | Meet with Gifty Quarcoo, Production Director of <i>adapt</i> TBWA → is sending on Wednesday 21 March, proposition of a logo | | |

ADAR First Annual Work Plan

ANNEX 8

| Agribusiness Development Assistance/Rwanda (ADAR) | | Obligation Ratio: | |
|---|--|-------------------|------------------------------|
| Raise IQC/TO # 807 | | | |
| Contract no: PCE-I-807-99-00003-00 | | | |
| | | | |
| | | | |
| | | Year1-3 | Invoiced As of February 2001 |
| LABOR | | | |
| | | | |
| A1. | LONG-TERM EXPATRIATE SPECIALISTS | | |
| 1. | Chemonics International Inc. | | |
| | Joel Antal, COP, Level 1 | \$669,727 | \$27,739 |
| | Joseph Leclair, Field PA, Level 3 | \$65,261 | \$5,961 |
| | Maurice Wiener, DCOP, Level 1 | \$494,936 | \$15,526 |
| | Subtotal, Long-Term Expatriate Specialists | \$1,229,925 | \$49,226 |
| | | | |
| A2. | LONG-TERM LOCAL SPECIALISTS | | |
| 1. | Chemonics International Inc. | | |
| | Deputy, ADC Manager | \$53,234 | |
| | Anastase Murekezi, SIT Specialist | \$65,690 | |
| | Commodities Specialist | \$53,234 | |
| | Chemonics International Inc. | \$172,158 | \$0 |
| | | | |
| 2. | CARE/Rwanda | | |
| | CARE/Rwanda | \$308,439 | \$0 |
| | | | |
| A3. | SHORT-TERM EXPATRIATE SPECIALISTS | | |
| 1. | Chemonics International Inc. | 267,478 | |
| | | | |

ADAR First Annual Work Plan

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|------------|---|---------|----------|
| 2. | J.E. Austin | 138,467 | |
| 3. | Prime International | 25,516 | |
| 4. | IFPRI | 24,120 | |
| | Total Short-Term Expatriate Specialists | 455,581 | (\$331) |
| A4. | SHORT-TERM LOCAL SPECIALISTS | | |
| | Chemonics International Inc. | 76,309 | \$0 |
| 2. | CARE/Rwanda | 52,999 | |
| | Total Short-Term Local Specialists | 129,308 | \$0 |
| A5. | Loan Guarantee Fund Consultants | 249,815 | |
| | TOTAL LABOR | | \$48,895 |
| | MATERIALS | | |
| B. | TRAVEL AND TRANSPORTATION | | |
| | 1. International Travel | 126,695 | \$6,300 |
| | 2. In-country Travel | 1,611 | \$147 |
| | 3. Ground Transfers (US and Int'l) | 3,676 | \$332 |
| | 4. Excess Baggage | 961 | |
| | 5. HHE Ground Shipment | 134,944 | |
| | 6. Air Freight | 31,487 | |
| | 7. Storage | 21,545 | |
| | TOTAL, TRAVEL AND TRANSPORTATION | 320,923 | \$6,779 |

ADAR First Annual Work Plan

| | | | |
|-----------|-------------------------------------|----------------|-----------------|
| C. | ALLOWANCES | | |
| | 1. Post Differential | 144,192 | \$4,695 |
| | 2. TQSA | 31,725 | |
| | 3. LQA | 210,000 | |
| | 4. Make Ready | 9,000 | \$8,858 |
| | 5. COLA | 21,170 | |
| | 6. Per Diem | 141,094 | \$4,567 |
| | 7. Storage | 31,131 | \$702 |
| | TOTAL, ALLOWANCES | 588,313 | \$18,822 |
| D. | OTHER DIRECT COSTS | | |
| | Passports, Visas | 1,804 | \$55 |
| | Airport Taxes | 742 | |
| | Medical Exams | | |
| | Long-term Advisors & Dependents | 4,309 | \$461 |
| | ST advisors /home-office staff | 1,121 | |
| | Inoculations | 927 | \$98 |
| | Medex (for third country nationals) | 18 | |
| | DBA (for third country nationals) | 461 | \$258 |
| | Office Equipment Maintenance | 5,413 | \$5 |
| | Reproduction Costs | 27,068 | \$38 |
| | Bank Charges | 1,804 | |
| | Expendable Supplies | 18,045 | \$53 |
| | Office Rent/utilities | 72,181 | |
| | Editing, Translation, Clerical | 36,090 | |
| | Communications | 72,181 | \$1,740 |
| | Office Make-ready | 7,000 | |
| | Technical Materials | 7,218 | |
| | Legal costs | 7,218 | \$16 |
| | Vehicle Maintenance and Fuel | 72,181 | |
| | Local Support Staff | 228,766 | |

ADAR First Annual Work Plan

| | | | |
|-----------|---|-----------|---------|
| | TOTAL, OTHER DIRECT COSTS | 564,554 | \$2,725 |
| E. | EQUIPMENT VEHICLES AND FREIGHT | | |
| | 1. Computer Equipment and Software | 46,756 | |
| | 2. Office Equipment | 7,701 | |
| | 3. Office Furniture | 7,930 | |
| | 4. Vehicles | 25,000 | |
| | 5. Shipping on the above | 7,945 | |
| | 6. Household furniture | 30,000 | |
| | TOTAL OFFICE EQUIPMENT, FURNITURE & SHIPPING | 125,333 | \$0 |
| F. | Training | 224,128 | |
| | TOTAL, TRAINING | 224,128 | \$0 |
| G. | Loan Guarantee Fund | 1,250,184 | |
| | TOTAL, LOAN GUARANTEE FUND | 1,250,184 | \$0 |
| H. | SUBCONTRACTS | | |
| | CARE/Rwanda | 6,447 | |
| | J.E. Austin | 74,786 | |
| | Prime International | 14,608 | |
| | IFPRI | 18,201 | |
| | TOTAL, SUBCONTRACTS | 114,044 | \$0 |

ADAR First Annual Work Plan

| | | | |
|-----------|--|-----------|----------|
| | | | |
| | SUBTOTAL, B-H | 3,187,482 | \$28,326 |
| | | | |
| I. | GENERAL AND ADMINISTRATIVE | 152,361 | \$1,354 |
| | (base = all costs excluding salaries) | | |
| | TOTAL, GENERAL AND ADMINISTRATIVE | 152,361 | \$1,354 |
| | | | |
| | TOTAL, MATERIALS B-I | 3,339,844 | \$29,680 |
| | | | |
| | GRAND TOTALS | 5,712,914 | \$78,575 |