

Action Plan

FY 1990-1991

RWANDA

THIS ACTION PLAN IS TO SERVE AS AN EXAMPLE OF AN ACTION PLAN WITH A RELATIVELY CLEAR, WELL-ARTICULATED PROGRAM LOGFRAME. SECTION IT HAS BEEN REVISED FROM THE ORIGINAL. THE MISSION PARTICIPATED AND CONCURS IN THE REVISION.

THE REVISION SHIFTS BOTH STRATEGIC OBJECTIVES AND TARGETS FROM THE PROJECT TO THE PROGRAM LEVEL AND BETTER COMMUNICATES THE LINKAGES IN PARTS OF THE PROGRAM.



International Development
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USAID/RWANDA FY 1990-1991 ACTION PLAN

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Draft Objective Tree of the USAID/Rwanda Program in 1989

U.S.A.I.D./RWANDA FY 1990-91 ACTION PLAN

I. A Review of Progress in Achieving A.I.D.'s Strategic Objectives

A. Program Impact Assessment

The Strategic Objectives as approved in the USAID/Rwanda Action Plan in the FY 1988 Annual Budget Submission, restated in the FY 1990 Annual Budget Submission Action Plan and Strategy Recap, and redefined in February 1989 are:

- Sustained Broad-Based Increase in Per Capita Income in the Rural Areas
thru
- Reduced Fertility Rate
- Sustained Increase of Agricultural Production
 - Increased Private Sector Economic Growth in the Rural Areas and Increased Productive Off-Farm Employment

The relationships between these Strategic Objectives become evident when one casts them as an equation:

$$Y = \frac{b}{a}$$

where Y is Sustained Broad-Based Increase in Rural Per Capita Income

a is reduction in fertility rate

b is increased agricultural production

It thus becomes clear that a decrease in the rate of growth of a and an increase in the rate of growth of b, should, over time, if reasonable assumptions hold, yield increased and sustainable rural per capita income. We will use the private sector as a mechanism to increase rural incomes.

An update of USAID/Rwanda's assessment of program impact since submission of the Action Plan in May 1987 follows:

1. Program Development:

Over the past nine months, we have carefully reviewed the USAID/Rwanda program and established effective relationships with the Government of Rwanda, USAID-funded contractors, and international donors. To help us formulate our assistance strategy for reducing underemployment and unemployment, which are crucial to achieving our overall program goal of "sustained broad-base increase in rural per capita income", we sought external assistance. The management consulting firm which originally developed the various programming tools was asked to return. The consultants held a two-day workshop in late February, which was attended by USAID program and project staff - both American and Foreign Service Nationals, GOR representatives and A.I.D.-funded contractors. The purpose of this workshop was to refine and/or revise the monitoring and programming tools developed under a previous consultancy. The key management questions which we reassessed included: a) Are the key constraints

(institutional and policy) to generating rural employment still the same? b) Does the current project portfolio adequately address the program target of increasing rural income? c) Is the Mission making adequate progress in achieving its Action Plan targets? d) What information do we need to monitor progress and how do we obtain it?

The workshop concentrated on development and refinement of the Objective Tree (attached) and Logical Framework as planning tools and their direct application to the USAID/Rwanda portfolio. Through active discussion and rigorous reassessment of the USAID program, the workshop has resulted in substantial revisions of the USAID program targets and benchmarks.

2. Reduce the Fertility Rate:

To date, our impact on reducing the fertility rate, which is presently 8.6 percent, has been minimal. The present annual population growth rate is estimated at 3.7 percent. Prior to the creation of the National Office of Population's (ONAPO) in 1981, there was no official Government family planning policy or program. Over the past eight years, ONAPO has established itself as an institutional presence tasked to articulate the GOR national family planning strategy. It has also sensitized Rwandans to the need for family planning services and acts as the coordinator for delivery of such services. The GOR contribution to ONAPO's recurrent costs increased from approximately \$5,325,000 in 1984 to approximately \$9,870,000 in 1987. Of 184 planned health centers, 130 were established. In a 1983 survey, 85 percent of respondents were aware of ONAPO's existence, 40% of the women said they wanted contraceptives, while 20% of the women and 34% of the men interviewed said they wanted no more children. Thus family planning awareness is high. On the other hand, actual use of modern methods of contraception is only 4%. A major institutional constraint to increasing the number of family planning acceptors has been the lack of coordination among institutions which deliver family planning services, including ONAPO, the Ministry of Health (MOH) and various PVOs and church-run family planning programs. Under the upcoming Family Planning II Project (696-0128), which is scheduled to be designed in April-May 1989, USAID will seek to increase family planning coverage and reduce unit costs of service delivery by improving the effectiveness of ONAPO and providing alternatives for distributing family planning information and supplies.

3. Raising Rural Incomes:

An assessment of our program impact over the last Action Plan period, indicates that implementation of our numerator/denominator equation has had mixed success. Progress under the numerator, to increase sustained agricultural production on a natural resources base, is, for the most part, being met. The Fish Culture Project (696-0112) has become a viable and economically attractive agricultural activity. The Ruhengeri Resources Analysis and Management Project (RRAM) (698-0427) has expanded soil conservation technology and has served as a catalyst for the GOR to preserve its scarce land base. The CARE-Gituza Forestry Project (698-0502.96), and the former Communal Afforestation Project (698-0424.01), while raising production and productivity, will require a far longer period for economic return and rural employment generation. On the other hand, the Farming Systems Research Project (696-0110) is not yet to the point of generating

significant research breakthroughs available for farmers' fields. Additional new generated technologies through our agriculture projects will improve productivity in such a manner that farmers will have harvest surpluses to be sold on the local markets. Statistical data from the Agricultural Surveys and Policy Analysis (ASPAP) Project will provide the GOR with planning tools to formulate agricultural policies designed to help farmers to better program public sector investments.

Our efforts to make an impact in increasing rural income using the denominator, reduced fertility rate, has been somewhat disappointing. Because of unanticipated differences between USAID and the National Office of Population (ONAPO) in defining the private sector for the follow-on Family Planning II Project (696-0128), we were unable to obligate the project in FY 1988. As a result, we lost some momentum in trying to meet this objective. We anticipate increased momentum upon redesign and obligation of phase II within a few months.

In using the private sector as a means to increase rural per capita incomes, we have made good progress. Our program objective, to generate rural employment, and our continuous policy dialogue with the GOR under the PRIME Program (696-0127), have resulted in a series of GOR policy changes favorable to the private sector, including a redirection from privatization of state-owned enterprises to emphasizing small and medium enterprises (SME). The 1987 evaluation of the PRIME Project noted that while Rwanda had made some progress in privatizing parastatals, much more remained to be done. A series of studies have been completed, which have been well received by the GOR and donor community. The second tranche of PRIME funding has been programmed, a financial audit is scheduled to be conducted in May 1989, and USAID and the GOR are discussing conditionality prior to release of the third tranche.

The Cooperative Training Project (696-0122) and the Private Enterprise Development Project (696-0121) have provided training and assistance to coops and agri-businesses to augment their business and managerial skills. One of the main constraints, however, in increasing rural incomes is the lack of qualified and skilled human resources. We plan to use our Human Resources Development Assistance (HRDA) Project, which commenced in late FY 1988, to supplement skills training provided under projects. In particular, we will emphasize in-country seminars to give Rwandans the opportunities to become productive members in their economy.

B. Implications for Future Program Action

A principal conclusion of the USAID Internal Review Workshop held in February was that our current program, as designed, is only partially meeting the goal of the A.I.D. development program. This goal was redefined as Sustained Broad-based Increase in Per Capita Income in the Rural Areas. To achieve this overall program goal, we will have to focus on three interrelated problem areas using the same equation formula shown on page one: $Y = \frac{b}{a}$

Progress in any of these areas will be conditioned by key institutional and sector policy reforms, which may help or retard, the efforts of Rwandans to reap significant social and economic returns. Our project objectives will be

redefined as we go along in order to meet this agreed goal. We will work closely with the GOR to help ensure the necessary resources, both human and financial, are channeled towards achieving our stated objectives. Our portfolio may be broadly classified into two program categories: one focusing on the demand side by boosting economic growth in the private sector, and the other on the supply side by increasing agricultural production and productivity in the rural areas. Our supply side program will continue to focus on activities which will increase agricultural production while conserving a natural resources base, reduce population growth and increase the pool of trained and skilled people:

Increased agricultural production and productivity:

- o Farming Systems Research Project (FSRP)
- o Natural Resources Management (NRM) Project
- o Family Planning II Project
- o Human Resources Development Assistance (HRDA) Project
- o Agricultural Surveys and Policy Analysis (ASPAP) Project

Increased rural per capita income through demand side activities over the next two years will be directed to stimulating rural employment by assisting small and medium enterprises such as coops and agribusinesses:

Increased employment and economic growth:

- o Rural Enterprise Development (RED) - Cooperative Training and Private Enterprise Development Projects will be subsumed under this project in FY 90.
- o PRIME

1. Planning levels:

Development Fund for Africa (DFA) program resources are our only source of funds. In conformity with DFA requirements, we will use performance based programming to allocate A.I.D. resources to those activities and sectors where the best record of performance is demonstrated. A monitoring system to allocate funds will be in place over the next two years. We are cognizant that with the budgetary constraints in AID/W our budget will probably not increase but will be straightlined at \$8.0 million over the next five years. We have a well-thought out and appropriate program structure. Our planning levels are sufficient to enable us to efficiently implement our portfolio.

Over the next two fiscal years, the following projects will terminate: Fish Culture (696-0112), Maternal Child Health/Family Planning (696-0113), Food Storage and Marketing II (696-0116), Private Enterprise Development (696-0121), Cooperative Training (696-0122), CARE-Gituza Forestry (698-0502.96), Pond Dynamics CRSP (936-4023), and the PL 480, Title II food aid program. Many of the activities of the Fish Culture Project will be continued under the new

Natural Resources Management (NRM) Project (696-0129) to be obligated in FY 89. Although the CARE-Gituza Forestry Project will be terminating in September 1989, many of its activities developed under the project will be continued with Dutch funding. Increased agricultural production and conservation of a natural resources base, will be included under the soil conservation and agroforestry activities in the Natural Resources Management Project (696-0129). These activities will build on the experiences of the CARE Gituza Project as well as the ongoing Farming Systems Research Project (696-0110) and the former Ruhengeri Resources Analysis and Management (RRAM) Project (698-0427) which terminated in FY 1988. The Maternal and Child Health/Family Planning Project will evolve under a new Family Planning II (FP II) Project (696-0128) also to be obligated in FY 1989. USAID's experience with the MCH/FP Project has led us to rethink how we can effectively attain our overall objective of reducing the fertility rate. We have concluded that our assistance in family planning/population must be extended not only to the public sector but also to the private sector through the use of private voluntary agencies, including churches in Rwanda. Consequently, our new Family Planning II Project will be directed towards both the public and private sectors operating in Rwanda. Private Enterprise Development and Cooperative Training will be folded into the proposed Rural Enterprise Development Project (696-0131) to be obligated in FY 90.

2. Policy Environment and Potential for Enterprise Development Activities:

Given the various policy environment changes and pronouncements by the Government of Rwanda (GOR) concerning the private sector over the past two years, we believe that the operating climate for private sector development activities and USAID's continual involvement in this sector is positive.

The proposed USAID Rural Enterprise Development (RED) Project (696-0131) directly supports the GOR private sector development policy and strategy. This private sector policy is three-fold: a) develop the rural milieu through working with the communes, b) promote economic growth through increased support to the private sector and to coops, and c) support associations/cooperatives. The potential for USAID to make an impact in this sector has been strengthened over the last two years by policies which the GOR has initiated or is in the process of initiating to assist the private sector.

As reported in Kigali 00520, dated February 3, 1989, the GOR is acutely aware of the need to remove obstacles inhibiting the private sector, thanks in part to USAID's efforts through the PRIME program, and to the initiatives of some of the other donors. Some of the actions taken by the GOR to date, which are favorable to the private sector, include:

- **TAX POLICY:** The PRIME-financed tax policy study provided the GOR with several recommendations relating to taxation and tax policy. The study was used by the GOR as a basis for revising favorably its method of taxing the revenues of private sector firms.

- **INVESTMENT CODE:** Although the GOR revised its Investment Code in 1987 to favor small and medium-size businesses, the benefits have not yet trickled down to them. The Ministry of Industry has developed a plan to assist and inform SME operators of the benefits available under the new Code.

- **CREDIT:** One of the objectives of PRIME is to improve SME's access to credit. The GOR is currently considering measures to restructure the Special Guarantee Fund (SGF) to enable it to respond better to the needs of SME's. Guarantees to SMEs, including those in agriculture, handicrafts, and agri-business, accounted for 50 percent of all loans guaranteed in 1988, as opposed to 23 percent in 1987.

- **ADMINISTRATIVE PROCEDURES:** The GOR has made a great deal of progress in streamlining the business registration process. Processing time in the Ministry of Industry, which used to take two years, has been cut to about three months. The Ministry has found ways to "parallel process" applications for registration and steps are being taken to decentralize the registration process.

- **MINISTERIAL CHANGES:** The President reshuffled his Government in January 1989 and announced his five-year national production program. As a result, a new Ministry of Commerce and Consumption was created. It is widely believed that this new Ministry will promote private sector activities. We believe that if the purpose of the new Ministry, and we are not yet sure of its significance, is to promote the private sector, then the policy dialogue begun under PRIME may have acted as a catalyst toward the creation of this new Ministry.

We are carrying on a dialogue with the GOR to improve the operating environment for the private sector in Rwanda. This process will result in a definition of the conditionality most appropriate for the release of the third tranche of PRIME and will allow us to maintain the framework to continue to assist the GOR to remove obstacles to private sector development. A relatively new initiative under PRIME is support for urban artisans. PRIME has constructed a mini-marketplace for approximately 300 Kigali artisans. This market is providing a place where the artisans can assemble together to work and have an accessible market for their products. We envisage expanding this activity to the rural areas to include training for both artisans and young people. One clear result of our support to the GOR under PRIME is that we have assisted the GOR to establish a procedure by which it can commission policy studies, consider the recommendations proposed by the studies, and take action on the recommendations.

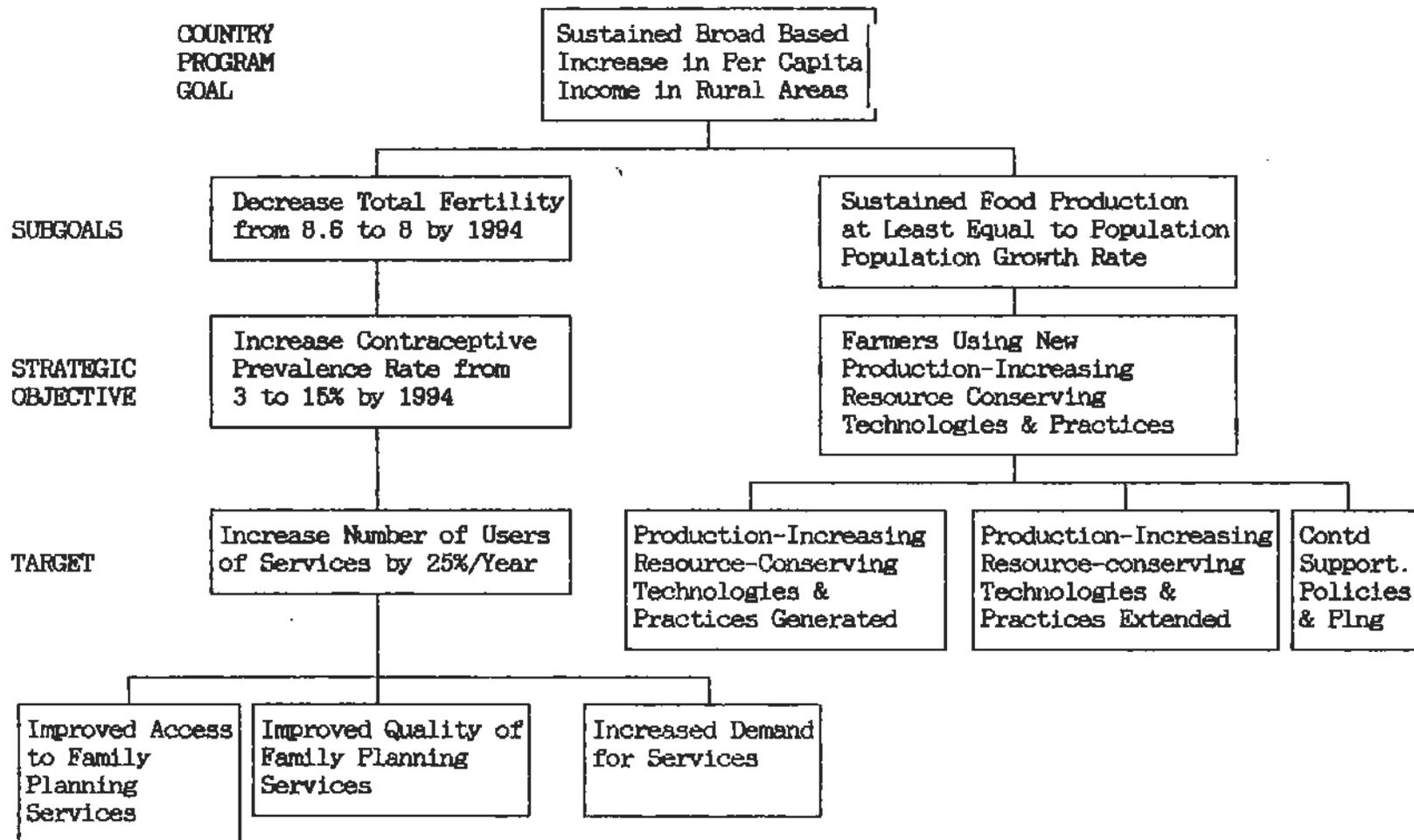
The Government of Rwanda has declared 1989 the Year of Cooperatives. This declaration serves to further encourage small producers at the commune level to establish more cooperatives. The idea behind the Year of Cooperatives is to show that the commune, as the engine for development, must take the initiative by serving as the focal point in developing off-farm employment, and not leave all the initiatives to the Government.

In population and family planning, we have taken the lead in project design and the stimulation of policy dialogue. We have also taken the initiative in exploring with the National Office of Population (ONAPO) and the Ministry of

Health (MOH) the type of role the private sector, i.e. private voluntary organizations, churches, employee health associations, etc. can play in providing family planning services, particularly in the rural areas. While we will need to continue the dialogue regarding private sector provision of family planning services, we note that ONAPO and the MOH have begun to discuss, albeit in a tentative way, charging a fee for contraceptive supplies and services. In urban areas, there is strong evidence that people are purchasing contraceptives from pharmacies, rather than obtaining them free from health/family planning clinics. Our new Family Planning II Project is expected to build on and, we hope, increase the options for Rwandans to avail themselves of family planning services, particularly from private sector organizations. U.S. assistance has provided leverage for ONAPO in working with other donors. The World Health Organization (WHO) and ONAPO are presently discussing the possibility of the AID-funded ONAPO training center becoming a WHO regional training center. This would strengthen the quality of training and provide additional support and status to ONAPO.

II REVISED STRATEGIC OBJECTIVES, TARGETS, AND BENCHMARKS FOR THE ACTION PLAN PERIOD

This revision of the Mission's program logframe captures the mission's program in two major areas rather than three in the earlier version. The targets and subtargets are redirected to communicate what the program plans to accomplish as a whole rather than providing targets for each of the seven bilateral projects.



SUBGOAL: Decrease Total Fertility from 8.5% in 1988 to 7.8 in 1994

STRATEGIC OBJECTIVE: Increase Contraceptive Prevalence Rate from 3.7% in 1988 to 8.3% in 1991 to 13.5% in 1994

TARGET: Increase number of users of Family Planning Methods from 40,000 in 1988 to 98,000 in 1991 to 179,000 in 1994

SUBTARGETS:

1. Improved Access to Family Planning Services
 - Increase the number of nongovernmental family planning service delivery sites from 25 in 1989 to 28 in 1991 to 35 in 1994
 - Increase the number of outlets selling contraceptives from 30 in 1989 to 500 in 1994
 - At least 4 family planning methods available at 100% of Ministry of Health hospitals and health centers by 1991
 - Natural family planning method available at 35% of Catholic health centers by 1994
 - Increase the types of family planning methods available at Ministry of Health facilities by 1994; sterilization available at 10 public hospitals; IUD's inserted at 14 public hospitals and 50 Ministry of Health health centers

2. Improved Quality of Family Planning Services
 - Increase the types of family planning methods available at Ministry of Health facilities by 1994; Sterilization available at 10 public hospitals; IUD's inserted at 14 public hospitals and Ministry of Health health centers
 - Improved program management such that training is targeted; supervision visits carried out regularly; commodities are always available; equipment is available and functioning; information from the Family Planning Health Information System is used for decision-making
 - All Ministry of Health hospitals and health centers have a physician, medical assistant and/or nurse trained to provide family planning services

3. Increased Demand for Family Planning Services

- Percentage of women who do not desire more children increases from 20 percent in 1983 to 30 percent in 1991 to 40 percent in 1994
- Desired family size decreases from 6.3 percent in 1983 to 5 percent in 1991 to 4 percent in 1994
- 20 percent of youths aged 10-20 years and 85 percent of the married adult population know of a modern or natural method of family planning
- 75 percent of married adults can spontaneously name a modern family planning method.

KEY MANAGEMENT STEP: Complete Demographic Health Survey

SUBGOAL: Sustained Food Production at Least Equal to Population Growth Rate (3.7/year)

Benchmark:

- Key highland crops (beans, potatoes, and wheat) increase average production/hectare by 20% between 1987 and 1991

STRATEGIC OBJECTIVE: Farmers Using New Production-Increasing Resource-Conserving Technologies and Practices

Benchmarks:

- # of highland farm households
120 in 1987; 400 in 1991; 1000 in 1995; 42,000 in the year 2000
- # of fish farming families
1500 in 1983; 2400 in 1987; 2900 in 1994

TARGETS:

1. Production-increasing Resource-conserving Technologies and Practices Generated

Benchmark:

- 6 highland technologies generated by 1992
- 1 integrated technological package for fish culture generated by 1994 (increase to 20 kilograms/are/year from 3.4.kg/are/year in 1982 and 14.5 kg/are/year in 1989)

2. Production-increasing Resource-conserving Technologies and Practices Extended

Benchmark

- Highland farming: to 4 highland communes by 2000; to 72 highland communes* by 2010
- Fish farming: revived and intensified fish production nationwide between 1983 and 1989 with an additional 1000 fish farming families integrated fish culture technological package extended to 20% of fish farmers by 1991 and 80% by 1994

3. Continued Supportive Food Production Policies and Planning

Benchmark: Resource monitoring & studies used in planning and decision-making

* There are 72 communes in Rwanda (including Zaire-Nile Crest, Highland Buberuka, and Central Plateau) that could benefit from this technology. This is 46% of the total rural population in Rwanda and equal to 2.5 million people, 51% women. A quarter of the households in these zones are headed by women.

TARGET OF OPPORTUNITY: INCREASE RURAL EMPLOYMENT THROUGH THE PRIVATE SECTOR

Targets

- Expand employment in new and existing micro, small, and medium rural enterprises
 - # jobs created in micro, small, and medium enterprises (by gender; by sector)
 - # new cooperative staff employed (by sector; by gender)
 - # jobs created in cooperatives (by sector; by gender) [not the same as new members]

KEY MANAGEMENT STEPS:

- Complete ATI and MAPS Study
- Design Rural Enterprise Development PID

TARGET OF OPPORTUNITY: CONSERVE AND PROTECT NATURAL RESOURCES

TARGETS:

- Preserve Biodiversity of Nile/Zaire Watershed and Volcanic Areas
- Control Soil Erosion

SUBTARGET:

- Watersheds Protected (highland and marais)

KEY MANAGEMENT STEP: Approve 3 cooperative agreements with PVOs

TARGET OF OPPORTUNITY: Acquired Immune Deficiency Syndrome

- Increase the knowledge of AIDS in three communes of Byumba (target population 92,000)
- Increase AIDS preventive behavior in three communes of Byumba
- Increase knowledge of costs related to children who are HIV positive
- Increase English Language skills of 15 AIDS researchers
- Develop AIDS educational messages and materials for Rwanda
- Disseminate information about AIDS activities in Rwanda
- Contribute to accessibility of condoms.

III. Mission Management, Monitoring and Coordination Activities

A. Resource Management: Plans and Issues

Since the summer of 1988, USAID/Rwanda has undergone substantial changes in personnel and management. All aspects of the program have been extensively reviewed. Changes have been made in the program and in staffing as required. We will be continuously monitoring the program over this Action Plan period, and as other changes are required, we will make adjustments. We have moved quickly to review the overall functioning of the USAID. We have found that, on the whole, the program structure is solid.

We have been advised by AID/W that there are no French-speaking economists presently available and that this position may not be filled in the near future. We have assigned our FSN Assistant Economist to be project manager for the Mission's private sector and economic/local currency portfolio. As a result, we have concluded that, with assistance from the REDSO/ESA economists, our need for a USDH economist is not as critical as originally thought. We have, therefore, begun examining other options for filling the eighth USDH position. In reviewing our options, we have concluded that our needs in priority order are 1) Assistant Program Officer, 2) Assistant Project Development Officer, and 3) Assistant Agriculture Development Officer. While we have listed our priorities in terms of positions, filling this position will also depend upon who is available at the time. The candidate for the economist position must have good French skills. Timing of this assignment should occur as soon as possible.

Over the past few years, the AID program in Rwanda, in both budgetary and staff terms, has outpaced the administrative management capability that is currently in place. At our request, the REDSO/ESA Regional Executive Officer (REXO) conducted a management assessment of USAID in November 1988. She concluded that we needed a USDH Executive Officer. A SPAR for this position has been prepared and a candidate identified to arrive in February 1990.

At the same time as we have been thinking about our USDH options, we have also made some changes in the mix of PSC and DH O.E. funded locally recruited staff. Our ceiling of 41 positions remains the same as shown in the FY 1990 ABS. However, the overall dollar ceiling has been reduced and we have increased the number of Rwandans, particularly at the professional level and decreased the numbers of staff who were program funded. The USAID Foreign National staff is increasingly well qualified, motivated and fully integrated into the USAID. Utilization of professional FSNs, in a meaningful way, is a top priority for the

USAID. Over the past 12 months, USAID has recruited assistants in the Program, Agriculture Development, Project Development, Private Sector and Controller's offices. At least three more FSN professionals will be hired over this Action Plan reporting period.

USAID has committed itself to enhancing the skills of its staff, both locally recruited and USDH. A Training Plan has been developed. A total of \$32,000 has been budgeted for training in FY 1989 and \$35,000 proposed in FY 1990.

In March 1989, USAID commenced construction of a new addition to our present office building. This construction will allow us to assemble all the USAID functions under one roof. Presently, the Controller and Management offices are located approximately two miles away. Construction is expected to be completed by December 1989.

Budgetary implications for this construction over the next two years will require a nominal increase in our OE budgets in FYs 1990 and 1991. Funds will be needed primarily to refurbish the old wing and to buy additional equipment and furnishings. We will need a WANG VS to install the MACS system. This is particularly necessary now that USAID/Rwanda has become a paying station and we are no longer serviced by RFMC. USAID is aware that there are budgetary constraints in AID/W and we have submitted a Trust Fund agreement to the Government of Rwanda which, if approved, would provide a maximum of \$150,000 equivalent over the next year. This would be a one-time action, however, since USAID's single local-currency program, PRIME, has only one more tranche of \$3.5 million to be programmed in FY 1990.

In reviewing our OE budget, we are also scrutinizing our FAAS costs. We have made considerable progress in this direction, but because this is a small post, there is a limit to how far we can go in reducing costs. We must continue to collaborate with the American Embassy for many of our services.

Over the past six to eight months, USAID has established good relations with the REDSO/ESA staff, REXO, the RIG as well as USAID/Nairobi. With the almost complete turnover of USDH staff, we have had to rely heavily on the REDSO staff for guidance and expertise.

USAID has an ongoing collaborative relationship with both U.S. Private Voluntary Organizations (PVOs) and Peace Corps Volunteers (PCVs) in implementing our program. This relationship will be further strengthened with the direct involvement in our program of three U.S. PVOs who presently have ongoing programs in biological diversity and are currently funded from central funds.

We plan to sign Cooperative Agreements with the African Wildlife Foundation, the Digit Fund and Wildlife Conservation International, a division of the New York Zoological Society, to implement the natural forest management component of the Natural Resources Management Project. In addition, a PVO will most likely bid on the implementation of the agroforestry component of the NRM Project. Five of the 10 PCVs currently in-country are associated directly with AID-funded projects. We will continue to look for opportunities to involve PCVs in our overall programming in the years to come.

Due to a concern over the impact of food aid on domestic production, the Government of Rwanda terminated the AID-funded Food for Work program in 1988. As a result, Catholic Relief Service (CRS) plans to terminate its food aid program by June 1990. Their final Annual Estimated Requirements (AER) have been submitted to AID/W and CRS headquarters, and the remaining food aid to be allocated will be distributed by June 1990. USAID, at this time, has no plans to resume the food aid program. Should the GOR specifically request that USAID reopen a food program, USAID would consider doing so only within the context of 1) a full assessment of the program be undertaken by FVA and 2) USAID staff capability to manage a program. We do not anticipate a request for resumption of this program in the near future.

The USAID local currency program consists of a \$10.0 million AEPRP program (PRIME) and \$600,000 generated from the sale of vegetable oil (from the 1984 emergency food aid) being used for agricultural activities.

The local currency equivalent for the first tranche of \$3.5 million from the PRIME project has been disbursed. The GOR and USAID have mutually agreed on the activities to be financed under the second tranche but we have not yet disbursed funds. USAID is encouraged, nonetheless, by the intense GOR scrutiny of programming activities. The new Minister of Plan has requested that a financial audit on the utilization of local currency funds be conducted within the next few months. We will contract for a local firm to perform the audit during the month of May. This process will slow-down somewhat the disbursement of the second tranche but it will also enable both USAID and the GOR to ensure that the program and its financial procedures are on track. It will also permit us to continue our policy dialogue with the GOR. Programming of the third tranche should take place in FY 1990. At the same time, as discussed previously, we have received the GOR's approval to establish a Trust Fund which would come from the third tranche programming.

The role of USAID policy dialogue as a leverage in the use of local currency is beginning to take hold. There is a strong GOR feeling that PRIME has provided valuable financial resources and that the experience of implementing the PRIME program has been a worthwhile institutional learning experience. Significant donor and GOR interest has been generated in the policy and sub-sector studies carried out under PRIME. For example, a PRIME-financed study on promotion of small-and-medium-sized industries and artisanal activities has attracted such strong GOR interest that the U.N. advisor who prepared the report has returned, at the insistence of the President of Rwanda, to set up the organizational structure over the next 30 months to support SMEs in Rwanda. This activity will be funded by PRIME and the UNDP. This is evidence of the kind of leverage PRIME is presently having on private sector development in Rwanda. The Belgians plan to implement recommendations made under the housing and construction studies and the GOR is reported to have sold several copies of other studies to interested parties. Other studies are underway or in review.

The PL 480 local currency equivalent of \$600,000 has been fully programmed. 56 percent of the local currency funds for the six different activities funded under this program have been disbursed. Additional disbursements will be made upon review of project progress and management.

A possible new program assistance initiative which we will be pursuing over the next two years is a basic education program. The GOR has indicated its interest in reformulating finances and management of primary education so as to shift its present emphasis on financial/management control of schools from the public to private sector. Under PRIME local financing, a study is underway to examine the implications and possibilities of improving existing private provisions of some elements of basic education. We will review this study to see whether an AEPRP-like program activity in education is appropriate for Rwanda and USAID financing. USAID itself has little experience to date in implementing formal education programs in Rwanda. Should we become involved in basic education program assistance, we would closely coordinate our activities with those of the World Bank and the African Development Bank. AID/W assistance to help us review the education sector is tentatively scheduled for the summer of 1989. Once this review is made, we will have a better idea of whether it will be feasible to shift our resources into education. The feasibility of implementing a basic education program will also depend upon a change in the mix of the present USAID USDH staff and our current CDSS emphasis.

During FY 1991, we plan to update the Social and Institutional Profile (SIP) as a primary document to be used in preparing the new CDSS which will be due in FY 1992. We will need PD&S resources in FYs 1990 and 1991 to assist us in preparing both the SIP and CDSS.

B. Tracking and Performance Evaluation

The monitoring and evaluation system used by USAID/Rwanda consists primarily of scheduled periodic project evaluations and quarterly and six-month project implementation reviews. In practice, while this system provides useful information on the technical and operational aspects of each project and gives insight as to the performance of the overall project portfolio, it does not permit mission management to see readily the overall relationship between projects nor, more importantly does it permit the Mission to adequately determine the contribution of each project to the overall mission objective.

We believe that a good monitoring and evaluation system should provide sufficient information to assist management in making informed decisions at the program, policy, and project levels. At the program level, the system should be designed to collect and analyze data in such a manner as to allow mission management to: assess the commonality of objectives among projects; determine the contribution of each project towards the broader mission objective; and focus on problems and objectives rather than on operations and procedures. At the policy level the system should allow mission management to determine which projects are contributing to which policy objectives and allow for continued assessment of the relevance of policy objectives. At the project level, it should permit a ready assessment of project progress toward project goals and objectives.

To better assess our project and program performance, we are updating, with the assistance of outside consultants, two management tools developed under an earlier consultancy, to improve the tracking and performance of our overall portfolio. These tools are the Portfolio Overview Matrix (POM) and the Program Evaluation Matrix (PEM). Both are based on the observation that the objectives of USAID projects, in whatever field, fall into a limited number of categories.

The Portfolio Overview Matrix relates all Mission interventions to the program strategy as presented in the CDSS, ABS and Action Plan. The purpose of the Portfolio Overview is to permit us to compare, at a glance, the common features of all projects in the Mission portfolio, e.g. the planned institution-building effect of all projects; their intended policy effects; their training objectives; their technical assistance inputs, etc. It is being designed to give program managers a feel for the total effect of the USAID program on a given objective. It may also give project managers a better appreciation of the synergy among different projects in the program and, it is hoped, a motivation for continuously coordinating their activities with the managers of other projects.

The POM will show the objectives and indicators of each project in the Mission portfolio, arranged according to the program goals, program purpose, program outputs and program inputs. It should be noted that no project attempts to cover all program goals and purposes. The Portfolio Overview Matrix can be used to give an "inclined view" which detects the interrelationships among different types of objectives of the various projects.

The Program Evaluation Matrix (PEM) will be similar to the Portfolio Overview Matrix in that each column will represent a project and each row will represent a type of objective. In the PEM, however, the contents of each cell is the progress achieved by each project on a given date toward each objective. The use of the PEM for reporting will focus attention of the program and project managers on what is really important achievements at the level of project effects and impacts. Project managers will be able to report on the progress of their projects towards the indicators and benchmarks.

The Mission is considering several alternatives for improving program coherence in both the monitoring procedures and evaluations undertaken by the Mission. With respect to evaluations, we are considering, inter alia: including the portfolio review, and the program evaluation matrix in the scope of work and work tools for all project evaluations; considering giving a contract to an organization which would use the Portfolio Overview, and the Program Evaluation Matrix, as basic tools and be responsible for maintaining, updating and refining the program data base; combining project evaluations and the program-level information needs of Action Plans.

With respect to monitoring, we are revising the Project Implementation Report format so that it can show, in a more coherent manner, achievement toward project progress. New information, especially at the impact levels, will be reported. Since all projects will report progress information using the same categories, the information will be roughly "aggregative". Information from the PIR will be fed into the revised PEM and the POM. Mission plans to require ongoing projects to start using the PEM to expand information already being reported. Careful emphasis will be put into the development of logframe indicators for all new projects so that they can be monitored and evaluated.

C. Coordination with other donors

USAID is the fifth-ranked donor providing technical assistance in Rwanda and, in some cases, the major donor in certain areas of expertise such as maternal child health/family planning, agricultural sector analysis, cooperative development

and recently private sector development and policy reform. Coordination and planning among donors is of increasing importance in Rwanda. USAID participates in formal donor meetings which are coordinated by UNDP and occur approximately every six weeks. Frequent meetings and daily contacts are held at the sector or technical level. USAID's strategic objectives are in line with both the Government of Rwanda's development plans and other donors as discussed below.

A. Agriculture: USAID has three major objectives in which we work closely with other donors:

1. Improved agricultural technologies and practices in highland use.

The experiences of the Farming Systems Research Project (FSRP) and the former Ruhengeri Resources Analysis and Management Project (RRAM) have served as a start to other donor projects, in particular the Canadian APA project (Projet d'Amelioration de la Production Agricole). The APA project has benefited from the Agroforestry experience of both USAID-funded projects. Although APA is not operating in the same communes as the FSRP Project, its activities complement those of FSRP. FSRP has also provided funds to PRAPAC, a USAID regionally-funded project dealing with potato research. FSRP is also benefiting from potato varieties selected by the Rwandan national potato program, which receives additional funds from the European Economic Commission (EEC).

USAID, the Canadians and the EEC are providing assistance to the National University of Rwanda (UNR) Faculty of Agronomy. The U.S. is providing support to strengthen its aquaculture research program while the EEC has provided the needed faculty facilities which USAID is using to carry out the research in aquaculture. The Canadians are complementing USAID assistance by providing professors, laboratory equipment, training and construction. USAID is providing support for the Faculty of Agronomy to carry out adaptive research within the Departments of Crop Production, Soil Sciences and Animal Sciences.

2. More effective resource allocation and ag policy formulation by the GOR

The USAID Agriculture Survey and Policy Analysis Project (ASPAP) through its SESA (Service d'Enquete et des Statistiques Agricoles) Unit has carried out land tenure surveys on behalf of the World Bank during the 1988 Work Plan period. The findings of this study will be discussed during the upcoming seminar, scheduled to be held in April 1989.

3. Protection of Rwanda's natural resource base.

This planned USAID activity will involve substantial coordination with other donors. One component, for example, is conservation of the Nyungwe Forest Reserve. This forest is divided into several zones of intervention involving the French, the EEC, the World Bank, the Swiss and the Belgians. USAID's efforts, which will involve conservation, education and research activities, will involve working with most of these donors. The NRM Project's efforts in environmental planning and policy analysis will follow on work financed by the World Bank. USAID will help the GOR implement recommendations from the Bank-financed Environmental Strategy and Action Plan. Finally, the CARE-Gituza Forestry Project has been funded by both USAID and the Government of the Netherlands through a grant to Care-International. The second phase of the project will be funded entirely by the Netherlands.

B. Population: While USAID is the largest donor supporting the delivery of family planning services, other donors are beginning to provide increasing support in population and demographics. Our program goal, reducing the fertility rate, is directly linked to other donor activity:

The World Bank provided a \$10.8 million IDA credit (supplemented by a \$725,000 WHO grant for technical assistance) in 1987 to assist the Ministry of Health to strengthen its MCH/FP facilities and services. This project represents the largest health investment to date in Rwanda and complements USAID assistance to the National Office of Population (ONAPO). The United Nations Fund for Population Activities (UNFPA) and West Germany (GTZ) are co-donors with AID in supporting the work of ONAPO. UNFPA also provides contraceptives for ONAPO, which complement those provided by USAID.

C. Micro-enterprise: There are a number of donors working in the informal, non-structured micro-enterprise sector with different approaches to creating off-farm employment. The major donors, whose programs and objectives are complementary to USAID's, increased private sector economic growth in the rural area and increased off-farm employment, are listed below.

The World Bank is providing credit to the Banque Rwandaise de Developpement for activities defined in the GOR's Five-Year Plan as well as providing training for coop associations. This assistance directly complements USAID objectives to strengthen the private sector by providing access to credit and helping rural coops.

Canadian support directly complements USAID's efforts to assist rural cooperatives. USAID provides assistance to the formal sector while Canada provides assistance to the informal sector through its Guaranty Fund. The objective of both USAID and the Canadians is to provide access to credit for cooperatives and small enterprises.

The Swiss development objective is to create non-agriculture employment through small industries. The Swiss constructed the IWACU Training Center and the U.S. equipped the center and provided technical assistance through its Cooperative Training Project. Through the Bank Populaire, the Swiss have provided funds to create rural savings and credit programs which directly support the USAID program goal to increase rural per capita incomes.

D. Special Issues/Considerations

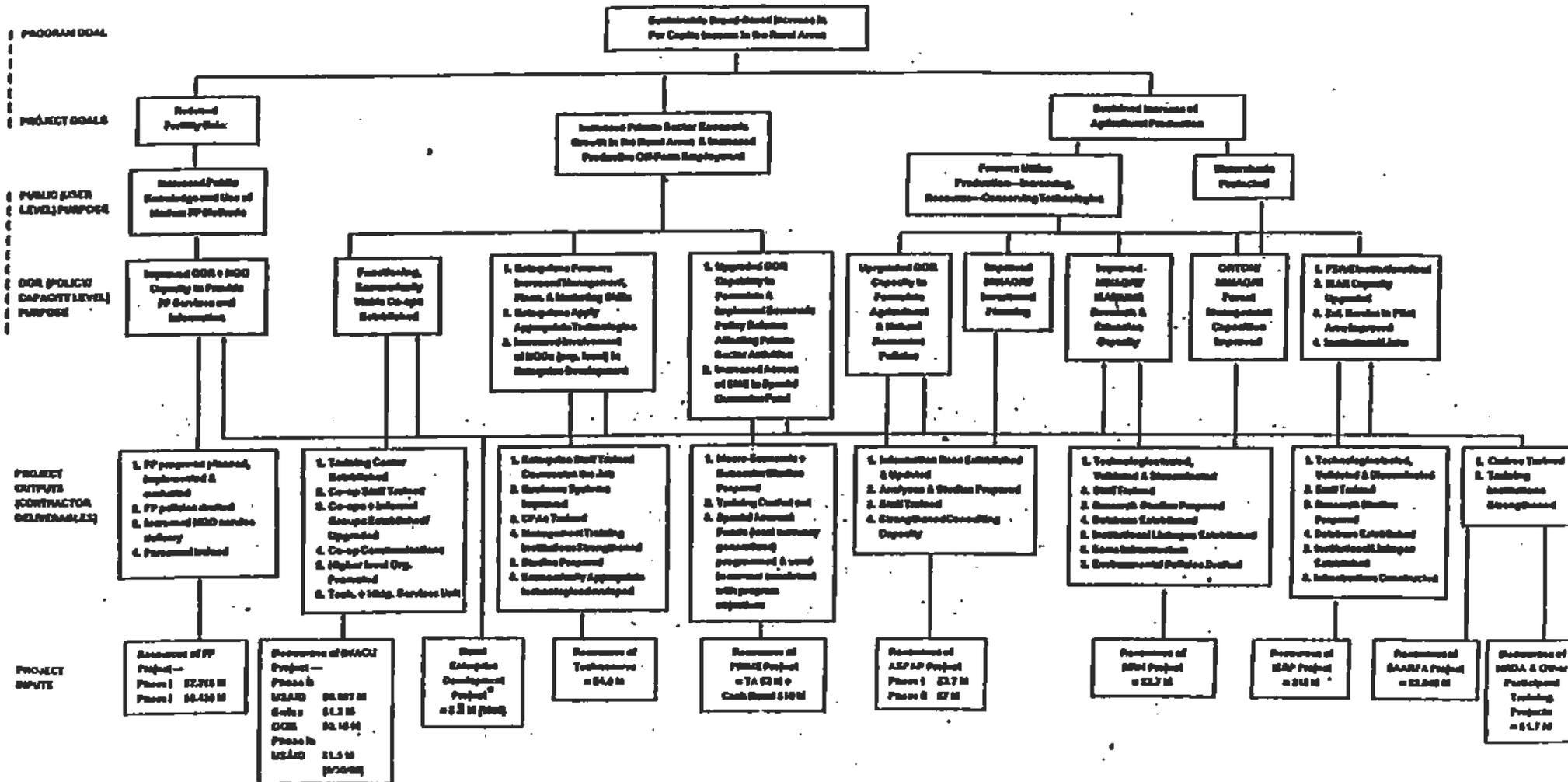
The USAID Mission in Rwanda has one of the most pro-conservation records within the Africa Bureau. In addition to several projects supporting sustainable agriculture, the Mission has directly fostered natural resource development in agroforestry, soil conservation and wetland management. Because of Rwanda's environmental importance, it has become a Group I emphasis country under AID/W's Natural Resources Management strategy. The new USAID Natural Resources Management Project to be implemented in FY 1989, and its improved natural forest management bio-diversity component, respond directly to the U.S. Congressional mandate for sustained development founded on a renewable resources base. The project is included as part of the Congressional earmark of 10 percent of the Agency's development assistance budget for natural resources.

Implementation of the WID Action Plan has begun. On March 15, 1989, the Groupe Technique Mixte (GTM), which is the coordinating committee for programming and implementing local currency activities under the AID-financed PRIME program approved approximately \$91,000 in local currency for women's activities under the second tranche. In addition, another approximately \$65,000 in local currency has been approved for women to access credit through Duterimbere's Guaranty Fund. These funds should be disbursed over the next 24 months. We will be monitoring this activity to ensure that disbursement of funds are done on a timely basis.

Over the past year, USAID has contracted with women as individuals and firms for project design and evaluation and implementation of the USAID Internal Review Workshop. Over the next two years, USAID will have several activities including design, implementation and evaluations which could be awarded to Gray Amendment entities. USAID staff will use every opportunity to inform Gray Amendment entities of possible contracting activities, particularly during staff TDYs and consultation in the U.S. We will be specifically open to minority individuals, small or socially disadvantaged organizations. Future Gray Amendment project contracting possibilities could include the upcoming implementation of Natural Resources Management, Family Planning and Rural Enterprise Development Projects. Under the Agroforestry component of the Natural Resources Management Project, USAID will encourage minority firms, particularly PVOs, to submit proposals for implementation. Minority firms or PVOs will be encouraged to enter into joint ventures as appropriate. Should we determine that the Rwanda program is appropriate for Basic Education program assistance, minority firms and Historically Black Colleges and Universities would most certainly be encouraged to provide design services and submit proposals for implementation.

Given the high prevalence of AIDS in Rwanda and its relationship to family planning activities, we will look for ways to interface Information, Education and Communication (IEC) activities under our upcoming Family Planning Project with support from centrally-funded projects.

FIGURE 2.1: OBJECTIVE TREE OF THE USAID/RWANDA PROGRAM IN 1988



* On/Off purpose of RED project not yet defined.