

## The Challenge

USAID's goal is to increase economic growth and improve well-being. Rwanda is vulnerable due to instability in the region, lack of a public voice for citizens, limited access to land and the legacy of the genocide. It has one of the highest population densities in Africa; most farms are less than one acre and cannot support a family. Rwanda pursues focused development goals with strong donor support. USAID works principally to provide economic opportunities for the largely rural population, fight HIV/AIDS, increase health services for the poor, enroll more children in school and promote citizen participation in local government.

## Objectives, Sectors and Workforce

Mission Director: Kevin Mullally

MCA Status: Currently Not Eligible

PEPFAR Focus Country: Yes

Provided or Received Services From Other Missions: Received

### Program Budget (Appropriations by Objective)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score	Direct SO Admin. Cost Ratio
696-005 Democracy and Good Governance	3,525	2,927	2,612	1,648	-53.2%	1.00	Met
696-006 Health and HIV/AIDS	22,684	36,465	48,823	49,389	117.7%	1.33	Exceeded
696-007 Rural Economic Growth	3,346	2,753	3,240	2,295	-31.4%	1.16	Exceeded
PL 480 Title II not Allocated to a Strategic Objective	14,579	14,000	11,758	15,000	2.9%		
<b>Country Total</b>	<b>44,134</b>	<b>56,145</b>	<b>66,433</b>	<b>68,332</b>	<b>54.8%</b>		

### Program Budget (Appropriations by Account)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Child Survival and Health Programs Fund	13,300	7,100	7,163	7,729	-41.9%
Development Assistance	5,727	5,680	5,852	3,943	-31.2%
Development Credit Authority	144	0	0	0	N/A
Economic Support Fund	1,000	0	0	0	N/A
Global HIV/AIDS Initiative	9,384	29,365	41,660	41,660	343.9%
PL 480 Title II	14,579	14,000	11,758	15,000	2.9%
<b>Total</b>	<b>44,134</b>	<b>56,145</b>	<b>66,433</b>	<b>68,332</b>	<b>54.8%</b>

### Program Budget by Sector and Account

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Basic Education DA	420	1,120	983	0	N/A
Agriculture and Environment DA	2,057	1,716	2,417	1,458	-29.1%
Economic Growth DA	1,145	837	823	837	-26.9%
DCA	144	0	0	0	N/A
Democracy and Governance DA	1,740	2,007	1,629	1,648	-5.3%
ESF	1,000	0	0	0	N/A
Conflict Management / Humanitarian Assistance DA	365	0	0	0	N/A
Family Planning / Reproductive Health CSH	2,700	4,700	3,460	2,979	10.3%
HIV / AIDS CSH	8,500	0	0	0	N/A
GHAI	9,384	29,365	41,660	41,660	343.9%
Child Survival and Maternal Health CSH	1,100	1,400	2,224	2,250	104.5%
Other Infectious Diseases CSH	1,000	1,000	1,479	2,500	150.0%
PL 480 Title II not Allocated to a Sector	14,579	14,000	11,758	15,000	2.9%
<b>Total</b>	<b>44,134</b>	<b>56,145</b>	<b>66,433</b>	<b>68,332</b>	<b>54.8%</b>

### Workforce

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	5	5	6	8	60.0%
US Non Direct Hires	3	9	11	10	233.3%
Foreign Nationals	63	70	73	73	15.9%
<b>Total</b>	<b>71</b>	<b>84</b>	<b>90</b>	<b>91</b>	<b>28.2%</b>

### Operating Expense

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	1,200	801	697	697	-41.9%
Travel	133	168	95	95	-28.6%
Transportation of things	74	143	46	46	-37.8%
Rent	69	137	75	75	8.7%
Security	165	125	122	122	-26.1%
Equipment	93	43	107	107	15.1%
ICASS - Operating Expense only	287	264	307	307	7.0%

Other Operating Expense	317	348	305	305	-3.8%
<b>Total OE Budget</b>	<b>2,338</b>	<b>2,029</b>	<b>1,754</b>	<b>1,754</b>	<b>-25.0%</b>
US direct hire salary and benefits	635	629	576	894	40.8%
Program Funded Administrative Expenses				1,918	
<b>Country Total Administrative Budget</b>				<b>4,566</b>	
<b>Percent of Bureau OE Total</b>				<b>2.3%</b>	

**Mission Summary**

	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	8,827	11,229	11,072	8,542
Program per All US (\$000)	5,517	4,010	3,908	3,796
Program per Position (\$000)	622	668	738	751
Operating Expense as % of Program Funding				2.6%
Program Funded Admin Expense as % of Total Admin				42.0%
Total Admin Expense as % of Program Funding				6.7%

**Other Major Donors:**

Bilateral: Belgium, Canada, France, Germany, the Netherlands, Sweden, Switzerland, the United Kingdom.

Multilateral: African Development Bank, African Union, European Union, Global Fund to Fight AIDS, Tuberculosis and Malaria, World Bank, the International Monetary Fund.

## Rwanda PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Child Survival and Health Programs Fund	13,300	7,100	7,163	7,729
Development Assistance	5,727	5,680	5,852	3,943
Development Credit Authority	144	0	0	0
Economic Support Fund	1,000	0	0	0
Global HIV/AIDS Initiative	9,384	29,365	41,660	41,660
PL 480 Title II	14,579	14,000	11,758	15,000
<b>Total Program Funds</b>	<b>44,134</b>	<b>56,145</b>	<b>66,433</b>	<b>68,332</b>

### STRATEGIC OBJECTIVE SUMMARY

696-005 Democracy and Good Governance				
DA	2,525	2,927	2,612	1,648
ESF	1,000	0	0	0
696-006 Health and HIV/AIDS				
CSH	13,300	7,100	7,163	7,729
GHAI	9,384	29,365	41,660	41,660
696-007 Rural Economic Growth				
DA	3,202	2,753	3,240	2,295
DCA	144	0	0	0

Mission Director,  
Kevin Mullally

## Rwanda

### **The Development Challenge**

USAID's goal is to increase economic growth and improve well-being. Rwanda is vulnerable due to instability in the region, lack of a public voice for citizens, limited access to land and the legacy of the genocide. It has one of the highest population densities in Africa; most farms are less than one acre and cannot support a family. Rwanda pursues focused development goals with strong donor support. USAID works principally to provide economic opportunities for the largely rural population, fight HIV/AIDS, increase health services for the poor, enroll more children in school and promote citizen participation in local government.

### **Other Major Donors**

**Bi-Lateral Donors:** Belgium, Canada, France, Germany, the Netherlands, Sweden, Switzerland, the United Kingdom.

**Multi-Lateral Donors:** African Development Bank, African Union, European Union, Global Fund to Fight AIDS, Tuberculosis and Malaria, World Bank, the International Monetary Fund.

## Data Sheet

<b>USAID Mission:</b>	Rwanda
<b>Program Title:</b>	Democracy and Good Governance
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	696-005
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$2,612,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$1,648,000 DA
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** USAID's program to improve governance through increased citizen participation will enhance democratic local and national governance, strengthen civil society, and improve community-based reconciliation efforts. USAID will continue to support Rwanda's groundbreaking decentralization program, increase dialogue between citizens and government at all levels, and help civil society organizations (CSOs) increase citizen participation in local and national governmental decision-making. USAID will continue to promote further reconciliation within Rwanda. Efforts to bring justice through the special genocide courts (Gacaca) or the formal justice system for crimes will be coupled with civil society efforts to ease the trauma still pervasive in Rwandan society.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Mitigate Conflict and Support Peace (\$812,000 DA). Rwanda's long process of reconciliation continues to be a top national priority. USAID is supporting the National Unity and Reconciliation Commission to build its capacity for impartial documentation and research on the reconciliation process. A radio-based program for youth that promotes basic education and literacy using conflict reduction and reconciliation messages is being formulated. Principal contractors and grantees: International Rescue Committee (IRC) (prime); others to be determined.

Strengthen Civil Society (\$1,050,000 DA). Civil society is critical to increasing public discourse, effective service delivery and poverty reduction in Rwanda. USAID is providing technical assistance and training to local non-governmental organizations (NGOs) in local-level policy and decision-making processes, advocacy skills, grants management, information and communications technology, and the promotion of diversity, gender equality and reconciliation. The program focuses on national and local level civil society organizations working to promote socio-economic activities that produce concrete results at the community level, with a special focus on the role of gender in the reconciliation process. The program also supports interaction between national and local elected representatives and communities. Principal contractors and grantees: IRC (prime) with Seruka (Coming Forward to Give Our Best, a Rwandan NGO) (sub).

Support Democratic Local Government and Decentralization (\$750,000 DA). Rwanda has embarked on an ambitious decentralization program to increase autonomy and service delivery at local levels throughout the country. USAID continues to support local governments to more effectively plan, budget and deliver social services, including health. Assistance to the Ministry of Local Government is helping define national policy development and implementation. Support for local governments is improving the management of community projects and the delivery of services. USAID supports anti-corruption activities that increase accountability and local level oversight that helps to prevent the mismanagement of increased resources that flow to local governments. Principal contractors and grantees: IntraHealth (prime), Research Triangle Institute, Rwandan Association of Local Government Authorities (RALGA), ProFemmes (Rwandan Women's NGO), Tulane University, and EngenderHealth (all subs).

#### FY 2007 Program:

Mitigate Conflict and Support Peace: (\$148,000 DA). USAID will continue to support the National Unity

and Reconciliation Commission to build its capacity for impartial documentation and research on the reconciliation process. A radio-based education program for youth will continue to provide basic education and literacy using conflict reductions and reconciliation messages. Principal contractors and grantees: Same as FY 2006.

Strengthen Civil Society (\$900,000 DA). USAID will continue to provide technical assistance and training to local NGOs in local-level policy and decision-making processes, advocacy skills, grants management, information and communications technology, including the promotion of diversity, gender equality and reconciliation. The program will focus on national and local level civil society organizations working to promote socio-economic activities and the role of gender in the reconciliation process. The program will also support interaction between national and local elected representatives and communities. Principal contractors and grantees: Same as FY 2006.

Support Democratic Local Government and Decentralization (\$600,000 DA). USAID will continue to support local governments to more effectively plan, budget and deliver social services, particularly health. Assistance to the Ministry of Local Government will continue to work on national policy development and implementation. Support for local governments on the management of community projects and the delivery of services continues. Anti-corruption activities continue to increase accountability and local level oversight to prevent the mismanagement of local government resources. Principal contractors and grantees: Same as FY 2006.

**Performance and Results:** USAID has contributed significantly to an expansion of judicial independence in Rwanda, building on both the Constitution of 2003 and the drastic justice system reform of 2004. USAID supported 1,500 students a year for two years through the President's Africa Education Initiative. Through information and communication technology, USAID has helped to build the capacity of the National Electoral Commission to increase people's access to technologies and information in rural and underserved areas and improve the way the Rwandan government manages its election process. USAID supported "outdoor adventure therapy" activities for youth who show signs of trauma and others who are on the street or at school. The youths have also been given a forum for learning conflict management and psycho-social healing. More than 300 youth from four provinces participated. By the completion of this objective in FY 2009, USAID expects that district and sector level local governments in target areas will be capable of raising and managing a substantial portion of the revenues needed to provide high quality, locally run health care and other services. Members of the public will have the opportunity to engage meaningfully with local government officials in developing services and budgets. Nationally, the Ministry of Local Government and other line ministries will pursue a continuing, harmonized policy of administrative and fiscal decentralization across the country. Levels of tension among citizens will be decreased through improved income generating opportunities in target areas, therefore more secure economic status, community reconciliation programs, and by the ability of the government to assess the success of its policies based on annual surveys of social cohesion. More than 400 small grants to community service organizations will deliver critical services to local communities.

## US Financing in Thousands of Dollars

Rwanda

	DA	ESF
696-005 Democracy and Good Governance		
<b>Through September 30, 2004</b>		
Obligations	2,525	1,000
Expenditures	0	0
Unliquidated	2,525	1,000
<b>Fiscal Year 2005</b>		
Obligations	2,927	0
Expenditures	1,373	500
<b>Through September 30, 2005</b>		
Obligations	5,452	1,000
Expenditures	1,373	500
Unliquidated	4,079	500
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	2,612	0
<b>Total Planned Fiscal Year 2006</b>		
Obligations	2,612	0
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	1,648	0
Future Obligations	2,850	0
Est. Total Cost	12,562	1,000

## Data Sheet

<b>USAID Mission:</b>	Rwanda
<b>Program Title:</b>	Health and HIV/AIDS
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	696-006
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$7,163,000 CSH; \$41,660,000 GHAI
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$7,729,000 CSH; \$41,660,000 GHAI
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** The health program strengthens the decentralized health system for family planning, reproductive and child health, malaria, HIV/AIDS and nutrition. It improves access, quality and sustainability of basic health services. Major components reduce maternal and neonatal mortality, improve the quality and sustained use of family planning, reduce malnutrition among children, mothers and people living with HIV/AIDS, and prevent the transmission of HIV/AIDS, tuberculosis, and malaria. Communication initiatives improve health promotion and disease prevention practices, increase care seeking behavior and strengthen the referral and counter-referral system. Special emphasis is placed on community level HIV/AIDS prevention and care mobilization.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Improve Child Survival, Health and Nutrition (\$2,000,000 CSH). USAID improves the quality of and access to services and financing for newborn and child health, nutrition, and micronutrient supplementation. New programs combat the intermittent presumptive treatment of malaria. Nutrition programs provide high micronutrient crops for demonstration and dissemination. The Ministry of Health receives assistance in developing and implementing new child health guidelines. USAID continues to provide training and technical assistance at the national and local levels to support the decentralization of the health sector; provide methods for financing and increase access to community-based health insurance. The number of Rwandan health care professionals trained to the Masters of Public Health level in-country in collaboration with a U.S. university will increase. Principal contractors and grantees: IntraHealth International (prime), Tulane University, EngenderHealth (subs); Partnership for Child Health Care (prime); and ORC Macro (prime).

Improve Maternal Health and Nutrition (\$1,500,000 CSH). USAID is increasing access to and the quality of reproductive health interventions and assist the Government of Rwanda (GOR) to expand the range of services available, both in health care units and in communities. A new fistula activity is being launched to save more women and girls from this significant cause of morbidity. Nutrition programs target pregnant women. Principal contractors and grantees: IntraHealth International, EngenderHealth (primes), and Tulane University (sub).

Prevent and Control Infectious Diseases Of Major Importance (\$1,663,000 CSH). USAID is working with the GOR to promote primary prevention and treatment for malaria through the decentralized health service system, training of health care providers, and improvement of national treatment protocols. USAID trains health care professionals in epidemiology and biostatistics to increase capacity in national disease surveillance. Principal contractors and grantees: IntraHealth International (prime), Engender Health (sub), and Tulane University (prime).

Reduce Transmission and Impact of HIV/AIDS: See the State Department Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program.

Support Family Planning (\$2,000,000 CSH). Rwanda is one of the most densely populated country in Africa. USAID helps create voluntary demand for family planning services, assures a consistent supply of

contraceptives, and trains health care workers in family planning service delivery to extend coverage nationally. Policy assistance to the Ministry of Health helps implement new family planning policies and build staff capacity. Principal contractors and grantees: John Snow International (prime); Georgetown University (prime), Johns Hopkins Program in Reproductive Health (JHPIEGO), CARE, Catholic Relief Services (subs), IntraHealth International (prime); and Futures Group (prime).

**FY 2007 Program:**

Improve Child Survival, Health and Nutrition: (\$2,200,000 CSH). USAID will continue to improve the quality of and access to services and financing for newborn and child health, nutrition, and micronutrient supplementation. Programs in intermittent presumptive treatment of malaria will continue. Nutrition programs will continue providing high micronutrient crops for demonstration and dissemination. USAID will continue to provide training and technical assistance at the national and local levels to support the decentralization of the health sector, provide methods for financing and increase access to community-based health insurance. USAID will continue to increase the number of Rwandan health care professionals trained to the Masters of Public Health level through an in-country degree-granting program in collaboration with a U.S. University. Principal contractors and grantees: Same as FY 2006.

Improve Maternal Health and Nutrition: (\$2,129,000 CSH). USAID will continue to increase access to and the quality of reproductive health interventions and assist the GOR to expand the range of services available, both in health care units and in communities. The fistula activity will continue to save women and girls from this significant cause of morbidity. Nutrition programs will target pregnant women. Principal contractors and grantees: Same as FY 2006.

Prevent and Control Infectious Diseases of Major Importance (\$1,200,000 CSH). USAID will continue to work with the GOR to promote primary prevention and treatment for malaria through a decentralized system, training health care providers, and improving national treatment protocols. USAID will continue training health care professionals in epidemiology and biostatistics to increase capacity in national disease surveillance. Principal contractors and grantees: Same as FY 2006.

Reduce Transmission and Impact of HIV/AIDS: See the State Department Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program.

Support Family Planning (\$2,200,000 CSH). USAID will continue creating voluntary demand for family planning services, assuring a consistent supply of contraceptives, and training health care workers in family planning service delivery to extend coverage nationally. Policy assistance to the Ministry of Health will continue help to implement new family planning policies and build staff capacity. Principal contractors and grantees: Same as FY 2006.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City Policy.

**Performance and Results:** Nationally, contraceptive prevalence rates went up dramatically from 4.3% to 9.8%. With USAID support, the GOR is implementing a new family planning strategy and established a maternal and child health unit which is responsible for national guideline development and monitoring and evaluation of health service delivery. USAID also: championed the revision of national nutrition guidelines to address the particular needs of vulnerable populations including people living with HIV/AIDS; launched the five-year decentralized community-based health services program in 2005 to provide integrated maternal child health services at local levels; and bolstered the national immunization program, strengthening quality assurance in routine vaccination. Child immunization rates for specific vaccines rose to 87% nationally. Fifty-nine thousand people, including orphans and vulnerable children affected by HIV/AIDS, received care and support, up from 14,000 last year. Almost 16,000 people are receiving anti-retrovirals nationally. One hundred thirty-three thousand women were treated to prevent mother to child transmission of HIV/AIDS. By the end of this objective in FY 2008, a decentralized health system providing improved access to quality, sustainable basic health services will be in place.

## US Financing in Thousands of Dollars

Rwanda

696-006 Health and HIV/AIDS	CSH	ESF	GHAI
<b>Through September 30, 2004</b>			
Obligations	14,305	1,000	9,269
Expenditures	928	0	130
Unliquidated	13,377	1,000	9,139
<b>Fiscal Year 2005</b>			
Obligations	7,598	0	29,480
Expenditures	8,064	819	8,463
<b>Through September 30, 2005</b>			
Obligations	21,903	1,000	38,749
Expenditures	8,992	819	8,593
Unliquidated	12,911	181	30,156
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	0
<b>Planned Fiscal Year 2006 NOA</b>			
Obligations	7,163	0	41,660
<b>Total Planned Fiscal Year 2006</b>			
Obligations	7,163	0	41,660
<b>Proposed Fiscal Year 2007 NOA</b>			
Obligations	7,729	0	41,660
Future Obligations	6,274	0	44,900
Est. Total Cost	43,069	1,000	166,969

## Data Sheet

<b>USAID Mission:</b>	Rwanda
<b>Program Title:</b>	Rural Economic Growth
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	696-007
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$3,240,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$2,295,000 DA
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** USAID's rural economic growth program focuses on value-added agriculture. Targeted production, processing and marketing assistance support productive enterprises in key commodities such as specialty coffee, chili peppers, and essential oils. Value-added processing through off-farm employment provides the first source of cash income for many rural women. By strengthening the financial sector, targeted agribusinesses have access to credit and rural enterprises expand through micro-credit. P.L. 480 resources are fully integrated into the program to improve rural infrastructure and raise agricultural competitiveness through lower transportation costs.

### Inputs, Outputs, Activities:

#### FY 2006 Program:

Improve Private Sector Competitiveness (\$1,540,000 DA). Rwanda seeks to provide increased economic opportunities in rural areas as part of its long term strategy for economic growth and export promotion. USAID is expanding and diversifying export-oriented agribusinesses targeting key commodities such as specialty coffee, chili peppers, and essential oils. USAID is identifying other rural income generating opportunities in proximity to Nyungwe National Park that contribute to both rural economic transformation and biodiversity conservation. Programs build upon regional efforts which promote international trade under the African Global Competitiveness Initiative, and improved regional transportation. P.L. 480 resources are being used to promote food security and income through enterprises that process wheat, rice, and dairy for local sale and consumption. Principal contractors and grantees: World Relief (prime); others to be determined.

Increase Agricultural Sector Productivity (\$700,000 DA). USAID's assistance to the national agricultural research institute ends in FY 2006, and new activities will work on increasing production for crops where market demand is established and has the potential to grow. These include coffee, chili peppers and essential oils. In addition, soil conservation measures, such as terracing of steep hills, funded by P.L. 480 combat the number one constraint to Rwandan agriculture - poor soil fertility. The regional famine early warning system is providing food security and rainfall monitoring information that helps local producers and authorities accurately predict crop yields and potential rainfall shortages. Principal contractors and grantees: To be determined.

Strengthen the Financial Services Sector and Increase Access to Capital (\$1,000,000 DA). To give Rwandan enterprises, cooperatives and groups greater access to credit so that they can expand, USAID is scaling up "best practices" in rural finance. This will help to increase the client base, particularly in the underserved agriculture sector, and among underserved borrowers, notably women. USAID is building the capacity of microfinance institutions (MFIs) to increase savings mobilization and help make credit available to enterprises, women's solidarity groups and village banking structures. Using a combination of financial services and information technologies, USAID is leveraging private sector resources to expand village phone availability in rural areas to create employment and increase incomes. USAID is planning to build on the first successful effort to mobilize lending for the agriculture sector through a Development Credit Authority (DCA) loan guarantee. A new \$450,000 DCA is being developed to expand the program which is unleashing much needed private capital in the agricultural sector. Principal contractors and grantees: World Relief, Women's Investment Fund, and Grameen Foundation

(primes).

**FY 2007 Program:**

Improve Private Sector Competitiveness (\$1,000,000 DA). Agribusiness programs will be developed to replace those that ended in FY 2006. The principal agricultural sub-sector will remain specialty coffee, although other opportunities in chili peppers, essential oils, and handicrafts may also be pursued. The focus of this new phase in USAID's support to Rwandan agribusiness will be on sustainability by building the capacity of local firms to compete in international markets without USAID assistance. USAID will continue work on a biodiversity activity around Nyungwe National Park that contributes to both economic growth as well as biological conservation by focusing on the tea, honey and tourism sectors. P.L. 480 resources will continue to be used to promote food security through value-added processing of wheat, rice, and dairy products. Principal contractors and grantees: To be determined.

Increase Agricultural Sector Productivity (\$600,000 DA). USAID will continue to increase production for crops where market demand is established and growing. These include specialty coffee, chili peppers and essential oils. P.L. 480 resources will fund dissemination of nutritionally enhanced varieties for people living with HIV/AIDS and other vulnerable populations to assist the transition away from direct food distribution for those healthy enough to farm. Through the regional famine early warning system, USAID will continue to monitor the food security situation and play an active role in the Government of Rwanda's Disaster Management Unit. Principal contractors and grantees: To be determined.

Strengthen the Financial Services Sector and Increase Access to Capital (\$695,000 DA). USAID will design a new activity for microfinance targeting loans to the rural poor. USAID will continue to extend credit to targeted agribusinesses through a new loan guarantee facility using the DCA program. Micro credit activities will increase access to finance for people living with HIV/AIDS through scaled up activities benefiting from a partnership with the President's Emergency Plan for AIDS Relief. Principal contractors and grantees: World Relief (prime); others to be determined.

**Performance and Results:** USAID's program to foster rural economic growth in Rwanda shows results in the agricultural and financial sectors. USAID's processing and marketing assistance to the specialty coffee sector have attracted premium international buyers, with two cooperatives being awarded Black Apron promotions by Starbucks. Specialty coffee exports grew from a starting point of no production in 2001 to \$1.8 million in 2004 and is expected to reach \$10 million in 2008. Price per pound in 2005 increased 11% to \$1.50. USAID's targeted loan guarantee to agribusinesses has been so successful that the Government of Rwanda and the Dutch Embassy have decided to fund a similar program. Targeted agribusinesses will have received over \$6 million in credit that was not available before and micro-credit will reach over 400,000 underserved clients, notably women. Rural economic transformation around Nyungwe National Park will enable local communities to increase their incomes. By the completion of the objective in FY 2008, Rwanda will be in a stronger economic position as a result of higher production and productivity in selected commodities.

## US Financing in Thousands of Dollars

Rwanda

	DA	DCA
696-007 Rural Economic Growth		
<b>Through September 30, 2004</b>		
Obligations	3,203	144
Expenditures	0	0
Unliquidated	3,203	144
<b>Fiscal Year 2005</b>		
Obligations	2,753	0
Expenditures	1,529	0
<b>Through September 30, 2005</b>		
Obligations	5,956	144
Expenditures	1,529	0
Unliquidated	4,427	144
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	3,240	0
<b>Total Planned Fiscal Year 2006</b>		
Obligations	3,240	0
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	2,295	0
Future Obligations	3,605	0
Est. Total Cost	15,096	144