

Memorandum of Understanding on Rwanda CAADP Renewed Commitment to Support the fourth Strategic Plan for Agriculture Transformation through a Sector-Wide Approach

Section 1: Preamble

1. This Memorandum of Understanding, hereinafter referred to as “MoU”, is entered into by and between the Government of Rwanda, Development Partners (DPs), the private sector, Civil Society Organizations (CSOs), Farmers Organizations (FOs), African Union Commission, NEPAD Agency and East African Community, to coordinate and solidify their support and involvement in the transformation of the Rwandan agriculture sector in accordance with the principles set out in this memorandum.
2. As a country, Rwanda has demonstrated high-level political commitment to Africa-wide initiatives such as the Comprehensive Africa Agriculture Development Program (CAADP) by signing a CAADP compact in 2007.¹ A Sector-wide Approach (SWAp) MoU signed thereafter in 2008, detailed the principles of partnership and shared commitment to the development of the agriculture sector in Rwanda. A review of the first two phases of CAADP implemented through the Strategic Plan for Agriculture Transformation in Rwanda – (PSTA 2 and PSTA 3) suggested, among others, the provision of clear pathways to achieve specific benchmarks, increased performance of the Rwandan agriculture sector (effectiveness, efficiency and competitiveness), and increased production and productivity and thereby increased impact (wealth, trade and job creation, poverty alleviation and food-nutrition security) as well as strengthened and aligned capacity (technical and political) to champion transformation objectives in agriculture.
3. Based on the achievements realized during implementation of the second phase of the Economic Development and Poverty Reduction Strategy (EDPRS 2) and PSTA 3 and based on the commitment of the Government of Rwanda to accelerate the momentum under National Strategy for Transformation (NST 1) and PSTA 4, Parties to this MoU have agreed to renew their commitments to support the agriculture sector to fulfil its role in the country’s economic development and poverty reduction.
4. The continued development of the Rwandan agriculture sector is set out in the fourth Strategic Plan for Agriculture Transformation (PSTA 4), the aim of which is to facilitate the development of Rwandan agriculture through a knowledge based approach focused on resource management, human capacity development, exploitation of key food, export and livestock value chains, and increased involvement of the private sector. It is this overall guiding strategic document (PSTA 4) that defines sectoral priorities and the

¹ The first CAADP Compact to be signed and completed on the continent

sector's contribution in the effort to contribute to the national economy, ensure food and nutrition security and eliminate poverty in Rwanda. Any significant changes to PSTA 4 and its Results Framework, once endorsed by all the stakeholders, will only be adopted with the agreement of all signatories to this MoU.

5. The Government of Rwanda has developed the Agriculture Sector Investment Plan (ASIP)² as a framework for public and private investment in agriculture which will serve as the guiding document for investment in the sector. The ASIP quantifies the amount of potential private investment expected to support agricultural development over the medium term (2018-2024) as documented in the PSTA 4.

Objective of this Memorandum of Understanding

6. This MoU's primary objective is to set out common framework of engagement and principles to support the CAADP-Malabo compliant PSTA 4 using national policies, strategies and investment plans as well as existing funding modalities through a sector-wide approach including the private sector.

Section 2: Introduction

CAADP as an African initiative

7. The Comprehensive Africa Agriculture Development Programme (CAADP) is an initiative by African governments under the African Union/New Partnership for Africa's Development (AU/NEPAD) to accelerate growth and eliminate poverty and hunger among African countries. The main goal of CAADP is to help African countries reach a higher path of economic growth and prosperity and achieve Sustainable Development Goals (SDGs) through agriculture-led development which eliminates hunger, reduces poverty and food and nutrition insecurity and enables expansion of agricultural exports. The second phase of CAADP launched by the AU Heads of State under the Malabo Declaration for Accelerated Growth and Transformation for shared Prosperity and Improved Livelihoods adopted seven broad commitment areas; (1) Recommitment to the principles and values of the CAADP process; (2) recommitment to enhance investment finance in agriculture; (3) Commitment to zero hunger by 2025; (4) Commitment to halving poverty by 2025 through inclusive agricultural growth and transformation; (5) Commitment to boosting intra-African trade in agricultural commodities and services; (6) Commitment to enhancing resilience of livelihoods and production system to climate variability and other shocks, and; (7) The commitment to mutual accountability to actions and results. Agriculture sector growth of 6% was envisaged to bring about this change, which was anticipated to be supported by at least a 10% annual national budgetary allocation to the sector. As a framework of the AU, CAADP emanates from and is fully owned and led by African governments. The Eastern Africa Community (EAC) has been mandated to coordinate and harmonize

² Referred to by CAADP as the National Agriculture Investment Plan (NAIP).

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implementation in its region as a partner with national authorities, Development Partners (DPs), the private sector, Farmer Organization and Civil Society Organizations (CSOs) as a part of the NEPAD Initiative, fully reflecting the broader principles of mutual review and dialogue, accountability, and partnership.

8. The implementation of CAADP entails various complementary roles for different players – the Government, DPs, private sector, NGOs, community-based organizations, research institutions, producers and civil society. Financing the CAADP framework calls for commitment from all players.
9. Agriculture is a central driver for transformation toward a knowledge-based middle-income economy³. Currently, the agricultural sector constitutes just over a third of the economy⁴, it accounts for just under half of goods exports⁵ and provides employment for over two thirds of the working population⁶. Hence, it remains the backbone for sustained economic growth, providing high quality livelihoods, and living standards for the population. The fourth Strategic Plan for Agriculture Transformation (PSTA 4) is expected to accelerate the momentum and make significant progress in the key areas of productivity, exports, commercialisation and food and nutrition security.
10. The overarching objective of the National Agriculture Policy is to create conditions favourable to sustainable development and promotion of agricultural and livestock production and national food security. This entails integrating agricultural and livestock production into a market-oriented economy that generates increased incomes for producers, improves food security and nutrition and increases resilience and sustainability. Creating an enabling environment that facilitates increased private sector investment in agriculture is a key principle that underpins policymaking, planning and public sector interventions.

PSTA as a Common and Strategic Framework

11. The fourth Strategic Plan for Agriculture Transformation (PSTA 4), its Results Framework and Investment Plan (ASIP) are the main framework for agriculture development in Rwanda. The PSTA 4 (2018-2024) takes into consideration significant changes that took place over the last 5 years and the evolving priorities in the sector aligned to Rwanda's rapidly growing and transforming economy. PSTA 4 recognizes the need to involve private sector investment in the development of agriculture sector and emphasizes the involvement all stakeholders for its implementation.

³ Ibid.

⁴ NISR, National Accounts (2016)

⁵ PSTA 4

⁶ NISR, EICV 1-4

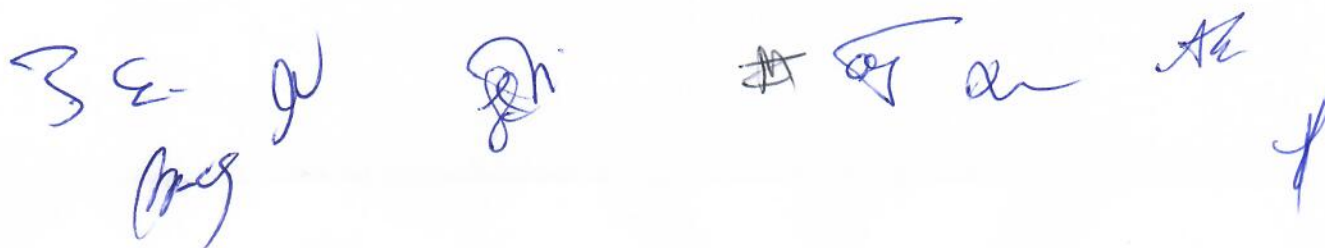
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12. PSTA 4 also incorporates more recent national plans and strategies, mainly the NST 1, and changing development cooperation policies. It also specifies the means by which the strategic objectives will be achieved mainly through a program for results approach, in order to facilitate the process of resource allocation and implementation.
13. The goal of PSTA 4 is to transform the Rwandan agriculture from a subsistence sector to a knowledge-based value creating sector, that contributes to the national economy and ensures food and nutrition security in a sustainable and resilient manner. This will be realised through both increased production of crops and livestock products, and greater involvement of the private sector to increase agricultural exports, processing and value addition. Investing in high-value crops while also increasing staple crops is essential to facilitate both increased domestic food security and nutrition, in addition to higher and more diversified rural incomes.
14. PSTA 4 is divided into four priority areas which are interlinked and coordinated by MINAGRI and implemented by different ministries and agencies and local governments, with the full involvement of private sector, CSOs and FOs representatives and with the support of DPs. The four priority areas are:
 1. Innovation and Extension
 2. Productivity and Resilience
 3. Inclusive Markets and Value Addition
 4. Enabling Environment and Responsive Institutions

Section 3: Partnership Principles for parties to this MoU to support Rwanda's Agriculture Sector

Introduction

15. This MoU is neither a binding legal arrangement, nor does it constitute an international treaty or create rights and obligations under international law. Rather, it is a set of commonly agreed principles and provisions from which bilateral arrangements are drawn.
16. The Government of Rwanda will enter into arrangements with all interested parties on a bilateral basis. In the spirit of the principles set out in this MoU, signatories will not introduce conditions that contradict or diverge from this MoU in their respective bilateral arrangements.

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Government commitments

17. The Government of Rwanda confirms its commitment to promoting long term economic and social development to reduce poverty and achieve food and nutrition security, as identified in its Vision 2050 document and set out in the NST 1. Within this scope, the Government of Rwanda reaffirms its commitment to allocate 10% of the national budget to the agriculture sector, while ensure that the sector grows by 6% annually as per the CAADP compact and in a way that is consistent with the broader African Union vision for agriculture transformation.
18. Furthermore, the Government confirms that PSTA 4, its Results Framework and ASIP are the authoritative framework for achieving the objectives highlighted above through an enabling environment for the private sector, supported by appropriate state intervention, trade openness, and continued maintenance of macroeconomic stability.
19. In this regard, the Government of Rwanda will work to ensure maximum efficiency and effectiveness in the utilization of resources in the sector, in line with its broader efforts to strengthen public financial management.
20. The Government of Rwanda also commits to the dialogue, coordination, mutual review, and accountability mechanisms and modalities specified in its aid policy, as well as the Monitoring and Evaluation arrangements agreed in connection with PSTA 4 Results Framework.
21. The Government of Rwanda commits to set up a forum for public and private sector dialogue in the agriculture sector. The forum meetings will be organized every year to evaluate progress and the level of private sector involvement in agricultural development. This forum will also be an opportunity to discuss opportunities available in the sector such as Public-Private Partnership (PPP) projects.

DPs' Commitments

22. The DPs acknowledge that achieving the Malabo agriculture transformation goals and targets by 2025, the SDGs by 2030, and meeting Rwanda's Vision 2050 requires an increase in the volume and quality of development assistance and shared responsibility.
23. DPs therefore commit to fully align their technical and financial assistance to the sector with the programs and priorities identified in PSTA 4 and to scale up assistance to help meet investment costs of the programs defined in the Strategy.
24. DPs further commit to provide indications, where possible, of future development assistance to the sector on a rolling basis to cover at least three years ahead in order to improve predictability and allow better planning, budgeting, and implementation. DPs

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unable to commit to this will provide such information on a “best endeavours” basis. DPs will report to MINAGRI at the beginning of each fiscal year on their ongoing and planned contributions to implementation of PSTA 4.

25. DPs also commit to provide such support and related technical assistance in line with preferred modalities and principles set out in the Aid Policy including the principles and mechanisms for dialogue, coordination, mutual review, predictability, and accountability.

Commitments of the African Union Commission, NEPAD Agency and RECs;

26. The African Union Commission, the NEPAD Agency, EAC and its partners are committed to support the Government of Rwanda in its endeavours to define priority programs that will allow the country to meet the objectives of CAADP and be on track to attaining Malabo Goals and Targets and related SDGs. In this regard the African Union Commission, NEPAD Agency, EAC and other regional partners will support Rwanda’s CAADP implementation towards the achievement of NST 1 and PSTA 4 through technical support, advocacy, mobilizing of financial and technical support and peer reviews.

Commitments of the Private Sector, Farmers’ Organizations and Civil Society

27. The private sector, including: producers, traders, input suppliers, financial institutions and civil society commit themselves to effectively partner with the Government of Rwanda in establishing enterprises and initiatives that are profitable and will have a measurable impact in reducing poverty levels in the country and increasing economic growth. These actors will ensure increased participation in investment projects and accountability in the investment opportunities identified under PSTA 4.
28. The private sector commits to participate in Public-Private Dialogue and commits to share information on investments in the agriculture sector.

Alignment and Harmonisation of Planning and Resource Allocation at national level

29. The adoption of a sector-wide approach by the Government of Rwanda and its partners reflects the desire of both parties to ensure that all resources – whether domestically financed or provided by DPs – are utilised in a manner that is coherent with the objectives set out in the relevant vision, policy and strategy documents, and that this alignment thus maximises development outcomes.
30. The Government of Rwanda and DPs, consistent with International Aid Effectiveness Agreements and Rwanda’s Aid Policy, will seek to adopt approaches and modalities that will promote national ownership (including by civil society, farmers organizations and the private sector), management for results, mutual accountability, and a reduction of

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transaction costs through improved alignment and harmonisation of DP interventions across the sector.

31. The Government of Rwanda and its DPs recognise the importance of ensuring the continued strengthening of national implementation capacities, including further improvements to planning, Public Financial Management (PFM), procurement, monitoring and evaluation. In the interests of ownership and sustainability, it is agreed that the continued strengthening of – and increased reliance on – national capacities underpins development efforts in the sector.
32. Consistent with the desire to strengthen linkages between planning, budgeting and the Medium Term Expenditure Framework (MTEF) process, and in accordance with Rwanda's Aid Policy, all resources provided to Rwanda for agriculture development are to be aligned to the programs and sub-programs set out in PSTA 4. Assistance is considered to be on-plan when it directly supports the implementation of costed and clearly defined activities identified in the PSTA 4.

National Stakeholder Dialogue and Coordination

33. The structure for stakeholder dialogue comprises of the Agriculture Sector Working Group (ASWG) and the SWAp Group. The key processes for consultation are the meetings of the ASWG, the semi-annual Joint Agriculture Sector Review, NEPAD Peer Review Mechanism and the CAADP Biennial Review Mechanism. However, the ASWG is the principal forum for dialogue, consultation, monitoring and evaluation in the agriculture sector at national level.
34. The ASWG is composed of representatives from the Ministry of Agriculture and Animal Resources (MINAGRI), other government institutions and agencies, DPs, Civil Society Groups and the private sector working in the agriculture sector. It is chaired by the Permanent Secretary of MINAGRI (or his/her authorised representative) and co- chaired by the Lead DP (or his/her authorised representative).
35. The objective of the consultation, undertaken by the ASWG, is to reach consensus among stakeholders on agriculture policy, strategy, and programme priorities and targets.
36. MINAGRI will lead and chair all joint consultative mechanisms, except where issues for discussion relate primarily to external financing in which case an authorised representative of the Ministry of Finance and Economic Planning (MINECOFIN) shall chair.
37. Government and DPs shall seek the active participation of the private sector and civil society and Farmers Organizations in the consultation processes.

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Section 4: Final Provisions

Representation, Effect and Duration

38. The Government of Rwanda is represented by:
- i) The Minister of Agriculture and Animal Resources as the guarantor of the establishment of agriculture policy and strategies; and
 - ii) The Minister of Finance and Economic Planning as the guarantor of national economic and fiscal policies.
39. The DPs are represented by the co-chair of the ASWG.
40. Civil Society Organizations and Farmers Organizations are each represented by their legal representatives.
41. Private sector companies are represented collectively by the Rwanda Private Sector Federation (PSF) Chairman.
42. The MoU will come into effect when the Government of Rwanda, DPs, PSF, CSOs, FOs, AUC, NEPAD Agency and EAC have signed it.
43. This MoU will terminate six years (2018-2024) after it comes into effect unless unanimously extended by all the signatories.

Monitoring and Evaluation (M&E) and information exchange

44. Signatories agree to use existing M&E frameworks for monitoring progress in the agriculture sector. M&E will be operationalised by a strong Management Information System (MIS) to be established within MINAGRI to support the on-going debates and decisions that have to be made to give a better orientation to agreed commitments.
45. The establishment of a Management Information System will provide a framework within which objective research, analysis, and information in the agriculture sector will be made available and used during the policy making processes related to the design and implementation of PSTA 4. The information system will consist of data analysis, data management, library functions and a data collection network from all sources of information to monitor progress made during the implementation of PSTA 4 activities.
46. Activities implemented within the CAADP framework will be linked to this information system. This will be achieved through provision of regular information from the various stakeholders. At the continental level, the process will be linked to the Implementation of the Malabo Declaration for Agriculture Transformation in Africa.

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Endorsement

47. This renewed commitment is hereby endorsed as a:


- **Commitment** by the Government of Rwanda to fulfil the goals and aspirations of the Rwandan population as outlined in Vision 2050, NST 1 and PSTA 4 and its ASIP.
- **Pledge** by Development Partners in the agriculture sector to fulfil their development support within the framework of the Aid policy and the Paris Declaration.
- **Pledge** by the Private Sector, Civil Society and Farmers’ Organizations to collectively support the realization of the aspirations enshrined in national policies and strategies.
- **Statement** from the African Union, EAC and other regional bodies to support Rwanda to fulfil the commitment to the Malabo Declaration and overall principles of CAADP implementation.

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SIGNED in Kigali, Rwanda, this *twenty-eighth* day of June 2018

On behalf of the Government of the Republic of Rwanda:


.....
Dr Uzziel Ndagijimana
Minister of Finance and
Economic Planning


.....
Dr. Gerardine Mukeshimana
Minister for Agriculture and
Animal Resources

On behalf of the Agriculture Sector Development Partners


.....
Head of the EU Delegation in Rwanda


On behalf of the Private Sector


.....
Chairman, Private sector Federation

On Behalf of Civil Society


.....
Country Director, ActionAid Rwanda

On Behalf of Farmers Associations


.....
Chairperson, Chamber of Agriculture and Livestock

On behalf of the African Union Commission


.....
Commissioner, Department of Rural Economy and Agriculture

On behalf of NEPAD Agency


.....
Head of CAADP

On behalf of EAC


.....
Secretary General


Hon. MATZIWANO CHRISTOPHE

