

Report No: PAD5488

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF US\$20 MILLION FROM THE GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM

TO THE

REPUBLIC OF RWANDA

FOR A

SECOND SUSTAINABLE AGRICULTURAL INTENSIFICATION AND FOOD SECURITY PROJECT

November 19, 2023

Agriculture and Food Global Practice Eastern and Southern Africa Region

AFIRR	Access to Finance for Recovery and Resilience Project
AM	Accountability Mechanisms
AIF	Africa Improved Foods
BAU	Business as Usual
BCC	Behavior Change Communication
BCR	Benefit-Cost Ratio
BNR	National Bank of Rwanda ()
CCDR	Country Climate and Development Report
CDAT	Commercialization and De-risking for Agricultural Transformation Project
CDD	Community Driven Development
ODRS .	Climate and Disaster Risk Screening
Œ	Otizen Engagement
OFSVA	Comprehensive Food Security and Vulnerability Analysis
CGIAR	Consultative Group on International Agricultural Research
αР	Crop Intensification Program
OPF .	Country Partnership Framework
CRI	Core Results Ind5 reW*nBT/F1 11[()] TJETQQ4Tm0 G[(Co)-6(r)16(etW*nBT/F1 11.25 Tf5 Tf1

GAP	Good Agriculture Practices
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GoR	Government of Rwanda
GRC	Grievance Redress Committee
GRM	



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2024	2025	2026	2027
2.10	6.27	6.87	4.76
2.10	8.37	15.24	20.00

Agriculture and Food

Health, Nutrition & Population



Does the project require any waivers of Bank policies? [] Yes [] No	
Have these been approved by Bank management? [] Yes [] No	
Is approval for any policy waiver sought from the Board? [] Yes [] No	
ESS1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS10: Stakeholder Engagement and Information Disdosure	Relevant
ESS2: Labor and Working Conditions	Relevant
ESS3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS4: Community Health and Safety	Relevant
ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources ESS7: Indigenous Peoples/ Sub-Saharan African Historically Underserved Traditional Local Communities10 g0 G[(R)10(e)-34(s)-8(o)10 g0 .775 reW*nBT/F1	Not Currently Relevant

ratified govern corpor Subside been ethe Re Project Entity; prepar Project Manual Match Annex substathe Annex Substathe As Recipied disdos and Science and Science

(a) The execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the Project Implementing Entity have been duly authorized or ratified by all necessary governmental and corporate action; (b) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity; (c) The Recipient has prepared and adopted the Project Implementation Manual (except the Matching Gr Annex) in form and substance acceptable to the Association; (d) The Recipient has adopted the disdosed Environmental and Social Management Framework, including EHS and SEA/SH, the Labour Management Procedures, the Resettlement Policy Framework and the



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qualifications, and under terms of reference acceptable to the Association, and in accordance with the Procurement Regulations. Notwithstanding the provisions of Part A of this SCHEDULE 2, Section III. B. Section no withdrawal shall Disbursement 1. be made: (a) for payments



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1.

compared with East African averages. In recent years (2022-23), average productivity of major crops in the main agriculture seasons were 1.7 tons/ ha for maize, 0.98 tons/ ha for beans, 8.2 tons/ ha for Irish potatoes, 0.63 tons/ ha for beans, 6.3 tons/ ha for Irish potatoes, 8.1 tons/ ha for vegetables, and 6.3 tons/ ha for fruits products¹⁰. However, these numbers remain below regional averages, and range between three to six times less compared to regional countries with the best productivity levels. Prices for fertilizers have increased significantly, which has led to less fertilizer use and less food production.

percentage points from 2011 to 2017¹⁴. Area growth has been a major driver of agriculture growth in the past, and productivity increases are necessary for sustained growth. Irrigation is a key component for this, with climate variability

7.

Specifically in the

food self-sufficiency by increasing a

REP provides among other things for concerted effort in seasonal crop intensification, partial subsidies for agricultural inputs and Irrigation equipment, maintenance and rehabilitation of marshlands, support to mechanization, and increasing resources for the National Strategic Food Reserves to guarantee food security for the Rwandan population targeting youth and women. The plan also calls for increased national aggregation and supply capacity, subsidizing airfreight for exporters as well as supporting farmers to guarantee Rwanda horticultural exports. Domestic production has a significant impact on food prices. An analysis of monthly inflation in Rwanda shows that since 2009, peak inflation correlated with adverse weather events in 8 out of 11 cases and in all but one case was the inflation higher than at the three times under favorable weather conditions. Further, in response to seeds and fertilizer prices at a level never experienced before, the government has invested heavily in irrigation equipment, seeds and fertilizer subsidy interventions aimed at maintaining food production. Additionally, Rwanda has invested in a fuel subsidy to reduce the high transport costs impacting food importation and distribution within the country. To mitigate the impact of dimate change such as short rainy seasons and prolonged dry seasons, as well as persistent delayed rains that negatively impact agriculture, the Government has invested in marshland irrigation development and rehabilitation, hillside irrigation development as well as subsidizing Small-Scale Irrigation equipment to reduce dependency on rainfall while increasing productivity.

8. Following its approval in December 2018, the US\$32.29 million SAIPI successfully addressed many of the priorities and generated substantial results which, through SAIPII, the GoR intends to scale-up in current sites in the 9 Districts of interventions and scale out to new project areas in additional 11 Districts to impact more beneficiaries. SAIPII will keep the design and components of SAIPI and retain its development objective of

in an environmentally sustainable manner. SAIP II will also detailed in the Country Climate and Development Report (CCDR) Report number 176403, on People and Resource-oriented Nature-Smart Development, actions for soil-conscious conservation agriculture, and water infrastructure development and management. The World Bank Group agri-food sector interventions under the CPF and CCDR have fully embedded these priorities to support the sector development objectives and the delivery of the source-oriented Strategic Plan for Agricultural Transformation (PSTA-4) results.

10.

The project will contribute to the

four NTS pillars, which focus on a productive, green, and market-

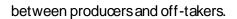


to achieve sustainable land use and water resource management that results in food security, preservation of biodiversity and ecosystem services. The above measures and interventions are also aligned with the Rwanda CCDR priorities on

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agronomic information extension and training of farmers which will be one of the key project interventions to reach its development objectives.





- 26. This component will finance project management, knowledge management and dissemination, and TA.
- 27. This sub-component will ensure smooth project

- 33. The World Bank can leverage its unique cross-sectoral expertise mix and experience in providing technical support to Governments for preparing and implementing programs and projects aimed at poverty reduction, service delivery, policy development, including through agriculture, which are well recognized in Rwanda. Through this partnership, the GoRhas implemented its flagship programs for irrigation development, sustainable land management interventions, and agriculture value chains development, and recently, in deploying resources to avail affordable agriculture private financing and de-risking instruments. For over two decades, the World Bank has supported the GoRin agriculture and private sector engagement policy development and dialogue and is the current supervising entity for SAIP I on behalf of GAFSP. The World Bank is therefore well positioned to continue to administer the GAFSP financing, and provide the implementation support for this operation, which is a natural continuation of the SAIP I.
- 34. The GoRwill select a service provider to lead the TA activities which are designed to strengthe the targeted project beneficiaries, integrate FAB practices across all agriculture activities by the beneficiaries, and enhance the effectiveness of the project interventions. The TA will continue to emphasize knowledge management and support coordination among stakeholders. To ensure sustainable irrigation interventions, SAIP II will also incorporate recommendations from the recently prepared National Irrigation Strategic Plan prepared with support from the Japan International Cooperation Agency, and guidance from the diagnostic findings of the Catalysing Small-scale Irrigation Development in Rwanda: An Assessment of Small-

Global Practice. The project will also leverage access to finance and de-risking products offered by the World Bank-funded CDAT project to expand and sustain SAIP II benefic investments. SAIP II will also benefit from CDAT interventions to improve seed systems.

37. The Rwanda Agriculture and Animal Resources Board (RAB) will continue to oversee coordination of overall project implementation through its existing Single Project Implementation Unit (SPIU). RAB is a non-commercial public institution with administrative and financial autonomy under the supervision of MINAGRI. The SPIU has a strong team (technical, financial, procurement, environment and social, monitoring and evaluation) with extensive experience in implementing and managing World Bank funded projects. The SPIU will continue to receive strategic guidance from a Project Steering Committee (PSC) made up of several stakeholders including various ministries and other relevant agencies, representatives of Farmers Organizations, etc.

and up to 75 percent for solar pump technology, meaning private capital contribution of 25-50 percent per investment.

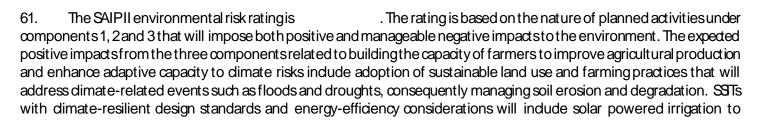


of SAIPI which has been satisfactory with a moderate FM risk rating.

51.

anchored in solid legal frameworks and PFM Strategies.

The PFM system is



environmental and social subjects such as how to better understand dimate risks and coping power on both adaptation and mitigation perspective as a co-benefit to many of the adaptation options.

62. However, components 1, 2 and 3 which will include delivery of agricultural inputs including quality seeds, agrochemicals, fertilizers (inorganic mainly), efficient farms tools and equipment with minimal civil works activities are associated with negative impacts. There is a possibility that these activities will generate construction solid and liquid waste, electronic waste from decommissioned batteries and solar panels from small scale solar irrigation activities, dust,

65. Based on lessons learnt from SAIPI, the GoRhas prepared a SEP for SAIPII to ensure effective stakeholder engagement during project implementation. The SEP includes strengthening engagements through robust information sharing and awareness raising and improving the existing SAIPI Grievance Redress Mechanism (GRM) to ensure that all beneficiaries have access to a GRM including matching grants beneficiaries. Social risks and impacts will be assessed through ESIAs, and mitigation measures integrated into the ESIMPs, LMPs, RAPs and Livelihoods Restoration Program (LRP)



70. e past decade. However, the global COVID-19 pandemic, general increase in global prices of fertilizers, and dimate change related shocks have posed and continue to pose a threat to fiscal sustainability (public debt increased from 20.4 percent in 2010 to 73.6

national level, some of which in conjunction with World Bank support will help mitigate these risks. The GoRhas an excellent track of pursuing long-term goals and staying on course, and the World Bank operations (including ongoing and under development policy operations) allow pro-active engagement in the overall macro-fiscal policy dialogue with the authorities and provides opportunities to flag issues as they emerge. The technical design and the institutional capacity risks are

implementing agency - the RAB SPIU, which is implementing the CDAT and SAIPI projects, for which the proposed project is a natural continuation for the scale-up of interventions and results in new districts.

71. This is because of the nature of activities under the technical components of the Project. These risks and impacts will be site-specific and manageable through proper enforcement of the ESF instruments, which will be prepared and implemented by the Government asit committed through the ESCP. The Government will also maintain through the Project Implementing Entity, environmental and social specialists dedicated to the Project to ensure safeguards compliance throughout the Project implementation. The World Bank will continuously monitor compliance with the standards and procedures and propose measures to address any shortcomings. Grievance redress measures will be established and supported by the project to ensure that project-affected people are able to bring complaints to the project teams.



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Sep/2023	Sep/ 2024	Sep/ 2025	
20.00	23.00	26.00	
	Sep/2023	Sep/2025	Sep/2026
	55000	62000	65688



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Collection



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Frequency	Annual
Data source	Survey report
Methodology for Data	
Colti4.251 5ti4.251Da	



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Data source	Project monitoring reports
Methodology for Data Collection	Administrative data
Responsibility for Data Collection	RAB SPIU
Description	Household beneficiaries reached with extension services, faciliated to access irrigation equipment, production and postharvest assets through the matching grant facility (women).
Frequency	Annual
Data source	Project monitoring reports
Methodology for Data Collection	Administrative data

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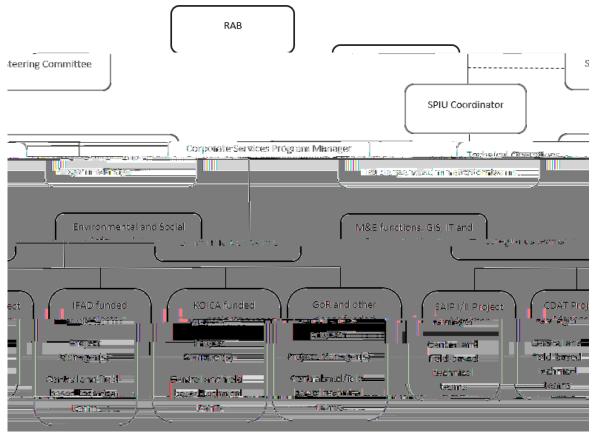
Collection



1.

. The SPIU will be

responsible for day-to-day project management and implementation, including FM, procurement, and monitoring. The SPIU will have a coordinator, a Technical Operations Program Manager, a Financial Program Manager, a fiduciary, environment and social, technical (including a specific Project Manager for each project in the SPIU), and M&Eteams to coordinate the implementation of different components of the project.



- 2. The different projects in the SPIU will be feeding into five programs led by Lead Specialists, namely: (i) Land Husbandry, Irrigation & Mechanization; (ii) Agriculture, Horticulture & Commodity Chain Development; (iii) Animal Resources Development; (iv) Research and Innovation; and (v) Value chain development, Access to Finance and Agricultural Insurance. While each project may not cover all the 5 programs, the organization of the SPIU along these programs will facilitate an efficient coordination of how each project contributes to different sectoral objectives.
- 3. RAB SPIU has long-term experience in managing World Bank-financed projects, including the RSSP, LWH, SAIP I, and CDAT. The same SPIU also coordinates the International Fund for Agriculture Development, Korea

International Cooperation Agency (KOICA) and other donor funded projects, in addition to Government funded projects.

4.

. The Committee, chaired by the Permanent Secretary of MINAGRI, will be composed of multiple stakeholders, including various ministries and other relevant agencies, representatives of farmers organization and civil society organizations. The Steering Commi

Inherent risk		Substantial
Country level deemed stable with ongoing judicial and legislative reforms. Governance challenges include retaining adequate accounting and internal audit capacity across government, and weak linkage between budgeted and actual performance.	Establishment of Medium-Term Expenditure Framework as a basis for government budgeting, adoption of International Public Sector Accounting Standards, implementation of smart Integrated Financial Management Information System. Regular oversight through the Office of the Auditor General, which is deemed independent and effective. Ongoing World Bank support on public financial management and accountability.	
Entity level RAB has experience in implementing various World bank financed operations and performance has been satisfactory. 11 new districts have been introduced in the project	The World Bank to provide support and training on World Bank FM and disbursement procedures to all project staff before effectiveness and as needed during project implementation.	Moderate
Project level There may be challenges executing, monitoring, and coordinating the various project activities. Activities such as matching grants require clear guidelines	The existing PIM/FM Manual will be updated with the introduction of new activities and districts. Manuals for matching grants will clearly lay out the eligibility criteria, fund flow and accountability arrangements. Dedicated accountants will be placed at the SPIU	Moderate
Control Risk		Moderate
Budgeting Unreliable budget forecast	The RAB to strictly follow national budget procedures and timelines. Engage all project stakeholders effectively early during the planning and budgeting process (Steering Committee, districts, and the World Bank). Ensure that annual work plans and budgets are in line with the procurement plan to prevent any delays.	Substantial
Accounting Existing accounting capacity at each of the implementing agencies needs to be enhanced through the recruitment of additional FM staff.	Existing staff at SPIU will continue for SAIP II.	Moderate

experience in procurement and contract management of various sizes and similar projects financed by development partners including the World Bank.

- 25. The project procurement profile comprises of Rehabilitation of Irrigation Schemes, Post-Harvest Infrastructures, New Irrigation Technology, Supply & Installation of Small-Scale Irrigation Technologies, Agriculture Inputs, Technical Assistance and Environmental Impact Assessment. No high value or high risk or complex procurement activity involved under the project.
- 26. Suppliers of goods, works and services are available in the country. In case of market limitation for specialized items, alternative measures will be recommended by the PPSD, regarding market approach and selection methods.
- 27. There is an adequate procurement oversight mechanism in place within all the five implementing agencies. The agencies have a strong internal audit structure, in addition to external procurement audit by Office of Auditor General (OAG) which conducts annual procurement and finance audits of all implementing agencies. In addition, Rwanda has a robust complaint review and resolution mechanism. The procurement law provides for a National Independent Review Panel independent of government, which deals with complaints received from bidders and consulting firms or individuals. The E-Procurement system includes a feature for submitting and addressing complaints electronically in the system and hence all complaints and responses are available in the system for public disdosure and auditing.
- 28. The assessment concluded that in general, RAB-SPIU track record of procurement performance is satisfactory. The existing three procurement specialists are adequate to manage procurement of the project in addition to their current work at hand.
- 29. The implementing agencies shall follow World Bank procurement regulation as required by the financing agreement. When approaching the national market, the World Bank procurement regulation.

When approaching the national market, the national standard procurement documents used subject to incorporating additional requirements provided in the World Bank Standard Procurement Documents (SPD) for sma the World Bank to make sure the provision for application

of World Bank Anti-Corruption guidelines and the

of all the contracts financed under the grant. All procurement post reviews are carried out online in STEP. For this reason, uploading of procurement documents of post review contracts should be done in a timely manner and always kept up to date.

37. High-risk, and high-value procurement is identified and hence increased contract management support through TA under the project support component is needed. In addition, the agency will develop key performance indicators (KPIs) for such contracts to be identified in the PPSD, and the KPIs will be monitored during actual execution of contracts. The World Bank team will provide additional due diligence and independent review of the contract performance of such identified procurements. A fully staffed PIU will be responsible for overall project/contract management.

38. under the World Bank ESF. The rating is based on the proposed activities which will result in negative and positive impacts. The project implementation arrangements related to the environmental and social standards requirements, national legislation, and World

41. The centrality of knowledge sharing and learning as a platform for technical change and innovation rather than the increased use of inputs, is the essential driver of productivity and improved rural livelihoods. It is recommended that the SPIU develop and constantly improve its knowledge services and platforms, stimulate higher rates of engagement and willingness to collaborate in creation of high-value content, and generate new insights that contribute to the established knowledge base and documentinglessons learned for sharing and feeding into policy reforms that can further enhance performance of the agricultural sector.