

# Unleashing rural entrepreneurship in Rwanda

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## Context

“Agriculture-for-Development” is back on the agenda and support for African agricultural development is rising. African institutions take the lead through the Comprehensive Africa Agriculture Development Programme (CAADP) which considers farmers and their organizations as key actors. Donors insist on enhanced coordination and synergy of support (Paris and Accra Declarations (2005)).

Rwanda is a densely populated (320 hbt/km<sup>2</sup>), land-locked country with by smallholder dominated agriculture. The government committed itself to CAADP with a Strategic Plan for Agricultural Transformation. This plan emphasizes: sustainable production and natural resource management, farmer professionalization, agribusiness promotion and institutional development.

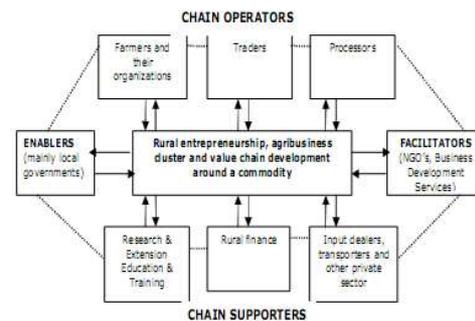


## AgriProfocus

AgriProfocus is network of Dutch member organizations and their partners in Rwanda. They consider strong producer organizations as essential to economic development and poverty reduction. The network aims to enhance coherent and demand-driven support to producer organizations and their business partners through cooperation, exchange and learning.

## Initiative for Promoting Rural Entrepreneurship in Rwanda (IPER)

The AgriProcus IPER is built around fifteen ‘virtual’ agribusiness clusters, based on existing initiatives of linking producers to markets. Clusters function around various value chains (rice, maize, potatoes, wheat, cassava and honey) in different parts of Rwanda, involving more than 200 cooperatives, some 30.000 farmers (30 - 40% female). APF member organizations seek to improve the coherence and synergy of their activities around these clusters.



## Emerging innovative modalities for agricultural development cooperation

### Harnessing local economic initiatives

Agribusiness ideas were generated with a simple format (key actors, socio-economic baseline, market opportunities and channels) proposing practical activities to achieve economic objectives. This is part of four phases: developing an entrepreneurial attitude; identifying practical interventions of actors themselves; learning to manage business ventures; and elaborating bankable business plans.

### Challenges

- Reorient local organizations from the donor market to real markets of agricultural products
- Separate the challenge of strengthening farmers' entrepreneurial capacities from that of farmers' organizations mobilizing investment capital.

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## Farmer-led and firm-led initiatives

There are farmer-led (11/15) and firm-led (4/15) agribusiness development initiatives. In firm-led business, better matching of firms with farmer groups is a priority while exploring innovative, chain embedded collaborative arrangements. In farm-led business, attention should be given to matching farmers' initiatives to lead firms instead of farmers taking up additional functions in the value chain.

### Challenges

- Develop distinctive approaches for farmer-led and firm-led initiatives and understand where and how best they 'do meet'.
- Working with private enterprises requires other intervention techniques.

## Promoting agribusiness cluster formation and dynamics

Cluster facilitators regularly assert that their clusters did not yet exist: "agribusiness clusters should be formalized structures". Donor dependency has created a culture of external assistance. Attention has been taken away from the economic activities, motifs and aims of rural entrepreneurs.

### Challenges

- Inducing entrepreneurial attitudes requires quick wins around specific interest of stakeholders.
- Develop facilitation techniques that go beyond traditional project implementation modalities.



## Building capacities to navigate agribusiness

Managing agribusinesses is fundamentally different from managing donor-funded projects. The primary motif for entrepreneurial management is to handle information and funds for profit making: if and how business objectives are achieved (enhanced productivity, quality, marketing, profit etc.).

### Challenges

- Accompany smart collection and use of economic data and indicators.
- Use them as a leverage mechanism for enhancing entrepreneurial attitudes, skills, internal procedures and external relations.

## Professionalizing local facilitators

Cluster facilitators are all local service providers in Rwanda. IPER contributes to professionalization through the development of practical guidelines and tools for promoting rural entrepreneurship and facilitating multi-stakeholder processes.

### Challenges

- Adapt facilitation of agribusiness clusters to different learning styles, cluster dynamics and the availability of participants.
- Develop modalities for involving the private sector.

## Altering funding mechanisms and accountability relations

The level of client-orientation for advisory services is weak because of donor funding and services being free of charge for users.

### Challenges

- Reverse upward accountability to donors into downward accountability to clients through a basket fund mechanism upon which agribusiness operators can draw and through which service providers are paid.
- Complement facilitation services with facilitating access to bank loans and government.

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