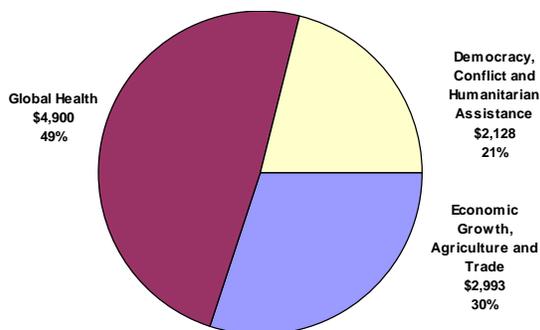
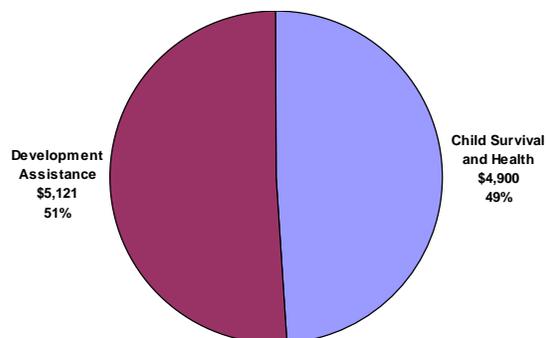


Rwanda

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



Objectives and Budget

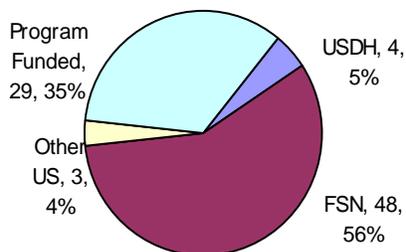
Objective	SO Number	FY 2004	FY 2005	FY 2006
Democracy and Good Governance	696-005	3,525	2,927	2,128
Health and HIV/AIDS	696-006	13,300	4,850	4,900
Rural Economic Growth	696-007	3,346	2,553	2,993
Total (in thousands of dollars)		20,171	10,330	10,021

Excludes P.L. 480. See Program Annex.

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	2,339	2,237	2,292
USDH Salaries & Benefits	635	585	598
Program Funds	1,049	1,764	1,764
Total (in thousands of dollars)	4,023	4,586	4,654

FY 2006 Workforce



Mission Director: James M. Anderson - Acting

Rwanda

The Development Challenge: Even as Rwanda forges its future in the Great Lakes and East Africa regions, the legacy of the 1994 genocide remains, threatening both internal development and regional stability. Rwanda lost large numbers of people during the genocide, which disproportionately targeted educated and moderate Rwandans. Reconciliation and recovery from the 1994 genocide will depend largely on the resolution of pending legal cases. With a staggering backlog of more than 100,000 cases, the traditional justice system has a major challenge, and, to date, progress has been slow. A justice reform law passed in 2004 should enable the process to get fully underway.

Rwanda remains desperately poor, with a per capita income of \$220 per year. It is among the least-developed nations in the world, ranking 159 of 177 in the United Nations Development Programme's (UNDP's) 2004 Human Development Index. Rwanda already has one of the highest population densities in Africa, and the current population of 8.2 million is growing rapidly. With a high fertility rate (5.8 children per family), population is growing at an annual rate of 2.9%. The average adult has 2.6 years of schooling. Low literacy (69%) and primary school enrollment rates (53%) present a challenge for Rwanda's economic development. Life expectancy is only 40 years. Preventable diseases continue as major killers of children, with malaria followed by diarrhea and respiratory infections. Infant mortality is 110 per 1,000 live births (11%), and one child in five does not live to age five. Rwanda's maternal mortality (1.4% of live births) is among the highest in Africa. HIV remains an entrenched epidemic, with a prevalence rate of 5.1%.

With Rwanda's population pressures, 55% of farms are less than one half hectare (about one acre) in size, and competition for land is an underlying source of conflict. Preserving conservation areas to support tourism is becoming more difficult. A land reform law currently in Parliament will bring political and economic benefits, but the law could lead to conflict if not implemented carefully.

Rwanda joined the Common Market of Eastern and Southern Africa (COMESA) in 2004 and is one of the first four states on the continent to accept a peer review of governance under the auspices of the New Partnership for Africa's Development (NEPAD) and the African Union (AU). With U.S. facilitation, Rwanda signed a Tripartite Agreement in October 2004 to address regional border issues with Uganda and the Democratic Republic of the Congo (DRC). The U.S. Government will continue to support the United Nations' efforts to diffuse existing tensions and implement peace activities in the region.

Rwandans' precarious living situation was threatened in 2004, when poor rainfall reduced agricultural production. As a result, food prices increased by 28.4%. Exports increased by an estimated 10.3% in 2004, due largely to specialty coffee exports. However, reduced exports of other crops contributed to a significant balance of payments deficit. Fiscal deficits remain high at 5.5% of the gross domestic product. Most current economic growth is due to increased exports and a construction boom. Rwanda realized \$22.9 million in debt forgiveness under the Highly Indebted Poor Countries (HIPC) Initiative in 2003. With continued satisfactory macroeconomic performance, it is expected that Rwanda will reach its HIPC Completion Point in February 2005. The World Bank Group recently signed a combined credit and grant package of \$65 million to support poverty reduction programs. This reflects increased international confidence in Rwanda's medium-term economic prospects and Government of Rwanda (GOR) economic policies.

Rwanda's political development is mixed. One year after presidential and parliamentary elections and the adoption of a new constitution, there is progress in shifting responsibility for government services to the local level. At the same time, the GOR is downsizing its civil service employment dramatically; 1,500 civil servants were recently terminated. The GOR legitimately prioritizes its internal security concerns and is concerned about a return of violent ethnic divisions. Fueled by this concern, it has retained stringent limits on the freedom of expression of political parties and the media. USAID is actively working to create a more open political dialogue through its democracy and governance programs.

The United States has multiple national interests in Rwanda: increasing regional stability; promoting democracy and human rights; advancing economic prosperity and security; and enhancing global health.

Stemming the HIV/AIDS epidemic and alleviating Rwanda's crushing poverty align squarely with U.S. policy goals. More open political discourse within Rwanda and greater regional stability would advance U.S. interests in Rwanda and the region, as well as improve the lives of Rwandans. The USG hopes to consolidate the regional peace process and accelerate Rwanda's political and economic development.

The USAID Program: The goal of USAID's assistance to Rwanda is to increase economic growth and improve the well-being of the population. The program focuses on three strategic objectives: improved governance and reconciliation, increased use of health services including HIV/AIDS care and prevention, and rural economic growth. All three programs use decentralization as a means of promoting change and improving livelihoods.

USAID supports improved governance by increasing citizen participation, strengthening civil society, rebuilding the justice sector, and assisting the GOR with the implementation of decentralization. The health program focuses on building a decentralized health system for family planning, reproductive health (RH), child health, malaria, HIV/AIDS and nutrition; improving access, quality and sustainability of basic health services; and empowering Rwandans to take responsibility for improving their health. USAID's economic growth program expands economic opportunities in rural areas by promoting value-added crops and increasing the diversity of off-farm productive enterprises. It focuses on agricultural productivity and the mobilization of financial resources for agriculture.

Other Program Elements: The USAID P.L. 480 food aid program supports improved agricultural productivity and increased food security. The centrally funded Famine Early Warning System Network (FEWSNET) provides timely information on the needs of vulnerable populations, as well as natural disasters. Through the Central African Regional Program for the Environment (CARPE), international private and voluntary organizations support conservation activities that reduce the rate of forest degradation and the loss of biodiversity in two of Rwanda's unique national parks. The Africa Education Initiative (AEI) finances the Ambassador's Girls Scholarship Program. Regional programs support trade information, participation in regional economic organizations and the East and Central Africa Trade Hub.

Rwanda is a focus country under the President's Emergency Plan for AIDS Relief. FY 2005 funding will be provided from the Global HIV/AIDS Initiative under the policy direction of the U.S. Global AIDS coordinator. The FY 2006 HIV/AIDS request for this country is contained in the Global HIV/AIDS Initiative account justification. For further details please see the Department of State FY 2006 Congressional Budget Justification.

Other Donors: The United Kingdom (UK) and Belgium are Rwanda's first and second largest bilateral partners, followed by the Netherlands and the United States. Forty percent of the GOR's budget is donor-funded by grants or loans. Donors providing budget support include the UK, Sweden, European Union (EU), the World Bank, and the African Development Bank (AfDB). The active participation of the Ministry of Finance in donor coordination groups adds to their impact. The GOR strongly requests donors to provide direct budget support. Donor sector cluster groups include the Private Sector and the HIV/AIDS Cluster Groups which are led by USAID. USAID works closely with Switzerland and the UK on governmental decentralization activities (Netherlands leads the cluster), and with Belgium on judicial reform and conflict management. Belgium is the lead on non-HIV health programs and gets strong policy support from USAID in that cluster. The United States is the lead donor on HIV/AIDS and works collaboratively with the World Bank and the Global Fund to Fight AIDS, Tuberculosis and Malaria. In rural economic growth and agriculture, USAID coordinates closely with the EU, the World Bank and the UK. USAID works with the UK, the lead donor in education, on girls' scholarships and the computerization of schools. Canada is the lead donor supporting the Ministry of Gender in charge of gender initiatives and USAID participates in the cluster to assure that gender considerations are part of its programs. Germany supports environmental programs and coordinates with CARPE.

Rwanda PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Child Survival and Health Programs Fund	16,168	13,300	4,850	4,900
Development Assistance	6,555	5,727	5,480	5,121
Development Credit Authority	0	144	0	0
Economic Support Fund	1,050	1,000	0	0
PL 480 Title II	16,089	14,579	11,373	14,314
Total Program Funds	39,862	34,750	21,703	24,335

STRATEGIC OBJECTIVE SUMMARY

696-001 Democracy and Governance				
DA	1,588	0	0	0
ESF	1,050	0	0	0
696-002 Health				
CSH	16,168	0	0	0
696-003 Food Security and Economic Growth				
DA	4,967	0	0	0
696-005 Democracy and Good Governance				
DA	0	2,525	2,927	2,128
ESF	0	1,000	0	0
696-006 Health and HIV/AIDS				
CSH	0	13,300	4,850	4,900
696-007 Rural Economic Growth				
DA	0	3,202	2,553	2,993
DCA	0	144	0	0

Mission Director,
James M. Anderson - Acting

Data Sheet

USAID Mission:	Rwanda
Program Title:	Democracy and Good Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	696-005
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$2,927,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$2,128,000 DA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: USAID's program to improve governance through increased citizen participation will enhance democratic local government and decentralization, democratic national governance, civil society; and improve community-based reconciliation efforts. USAID will continue to support Rwanda's groundbreaking decentralization program, assist new legislative bodies to carry out their mandates, increase dialogue with citizens, 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 informal mediation systems (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 2005 Program: Support Democratic Local Government and Decentralization (\$750,000 DA). Working with the health team, local-level community groups will increase their participation in decision-making and sponsor community health improvements. Administrative districts will practice developing annual district plans; identify and collect at least part of the revenue needed for local development; account for all funds in a transparent manner; and include health, education and agricultural development in district-wide plans. Civil society will engage at each level of the local administrative process. Activities linking district-level authorities and civil society organizations will focus on community initiatives in healthcare, schooling and economic opportunities. Activities will also support the Local Government Finance Unit at the Ministry of Local Government to coordinate revenue and finance among local governments; assess the performance of local governments; and provide advice to the Minister responsible for governance on policy and legislative reform. USAID will support anti-corruption activities that increase public accountability and local level oversight preventing the mismanagement of increased resources that will commence to flow to local district governments. Principal contractors and grantees: to be determined.

Strengthen Democratic National Governance Institutions (\$500,000 DA). Legislators need to develop the skills of participatory governance, especially the ability to listen to the electorate and respond to its needs. Activities with the Parliament will include the promotion of improved quality and frequency of the consultative process, focusing on specific policy issues of national importance such as community health care, HIV/AIDS, land reform, access to rural finance, and/or regulation of import/export trade taxation. Principal contractors and grantees: to be determined.

Strengthen Civil Society (\$1,420,000 DA). National CSOs have begun to inform lawmakers, advocate on behalf of their constituents, and question government actions that run counter to the public good. These CSOs need the skills to be an effective link between citizens and national government to help open dialogue, increase opportunity for dissent, and increase participation in national politics. USAID will provide technical assistance and training to national CSOs in policy analysis, advocacy skills and techniques, planning, administrative and financial management, information and communications technology, and promotion of diversity, gender equality and reconciliation. Principal contractors and grantees: to be determined.

Improve Community-Based Reconciliation Efforts (\$257,000 DA). Support for the National Unity and Reconciliation Commission (NURC) will focus on documentation and research on the reconciliation process. Work with local nongovernmental organizations (NGOs) will focus on the promotion of socio-economic activities, with emphasis on the role of gender in the reconciliation process. Principal contractors and grantees: Adventist Development Relief Agency, Institut pour le Recherche sur le Developpement et la Paix (IRDP), and others to be determined.

FY 2006 Program: Support Democratic Local Government and Decentralization (\$750,000 DA). USAID will continue to support local governments to more effectively plan, budget and deliver social services, including health. Technical assistance to the central Ministry of Local Government will help define national policy development and implementation. Training for districts in planning, administrative management, budgeting and monitoring will improve the management of projects and the delivery of services. USAID will continue to support anti-corruption activities that increase accountability and local level oversight which help to prevent the mismanagement of increased resources that flow to district governments. Principal contractors and grantees: to be determined.

Strengthen Democratic National Governance (\$500,000 DA). USAID will continue to strengthen linkages and responsiveness between and among national institutions, particularly the Parliament, and decentralized stakeholders. USAID will continue to support Parliament to promote quality and frequency of the consultative process focusing on specific policy issues. Principal contractors and grantees: to be determined.

Strengthen Civil Society (\$500,000 DA). USAID will provide technical assistance and training to local 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. National CSOs working to improve parliamentary decisions will also continue to receive technical assistance and training in policy analysis, advocacy techniques, planning, administrative and financial management, information and communications technology, gender analysis and reconciliation techniques. Principal contractors and grantees: to be determined.

Improve Community-Based Reconciliation Efforts (\$378,000 DA). USAID will continue to support the NURC for documentation and research on the reconciliation process. Planned support for CSOs will focus on the promotion of socio-economic activities that build incentives for concrete results at the community level, with a focus on the role of gender in the reconciliation process. Principal contractors and grantees: to be determined.

Performance and Results: At the conclusion of the Democracy and Governance Program in FY 2009, USAID expects that citizen confidence in Rwandan Government processes will be increased to the extent that there will be an 81% public approval rating of the government, and 85% of all citizens will be involved in government processes. An example of citizen participation in local government service delivery is a waste management project in Kigali that collects, separates and cleans waste for 10,500 households. About 80% of this garbage is recycled. Committee meetings of the Parliament's Chamber of Deputies are now open to the public. The number of formal executive oversight sessions in the Chamber of Deputies increased by 50% over a comparable period in 2003. Four distance training centers trained 500 in-service secondary school teachers and 3,000 new secondary school teachers. This helps resolve the teacher training gap resulting from the loss of professionals in past civil wars and the 1994 genocide.

Registration of citizens to vote is assured by a USAID-supported national voter database that connects headquarters and provincial offices, allowing rapid verification and reducing fraud. A total of 551 Gacaca judges were trained in sexual and gender-based violence issues. These judges then trained 21,630 sector-level judges, who then trained a total of 126,182 Gacaca judges at the local level. About 88.5% of the 4,100 genocide survivors who participated in the campaign on sexual and gender-based violence are now ready to provide their testimonies to Gacaca courts and other tribunals mandated to judge the crimes of sexual violence committed during the genocide. Prior to the sensitization campaign, only 55% of genocide survivors were willing to testify regarding crimes of sexual violence. In an effort to further support survivors of the genocide, a total of 2,639 scholarships were provided to genocide orphans.

US Financing in Thousands of Dollars

Rwanda

	DA	ESF
696-005 Democracy and Good Governance		
Through September 30, 2003		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2004		
Obligations	2,525	1,000
Expenditures	0	0
Through September 30, 2004		
Obligations	2,525	1,000
Expenditures	0	0
Unliquidated	2,525	1,000
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	2,927	0
Total Planned Fiscal Year 2005		
Obligations	2,927	0
Proposed Fiscal Year 2006 NOA		
Obligations	2,128	0
Future Obligations	4,916	0
Est. Total Cost	12,496	1,000

Data Sheet

USAID Mission:	Rwanda
Program Title:	Health and HIV/AIDS
Pillar:	Global Health
Strategic Objective:	696-006
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$4,850,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$4,900,000 CSH
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: The health program strengthens the decentralized health system for family planning, reproductive and child health, malaria, HIV/AIDS and nutrition; improves access, quality and sustainability of basic health services; and maintains Rwandan direction of health improvement at all levels. The program's major components reduce maternal and neonatal mortality; improve the quality and sustained use of family planning; reduce malnutrition among children; prevent the transmission of HIV/AIDS, tuberculosis, and malaria; and protect the health of the poor during decentralization. Policy analysis skills and program management for decision-makers who set health priorities are a critical part of service delivery improvement.

Inputs, Outputs, Activities:

FY 2005 Program: Build Health Systems Capacity (\$1,450,000 CSH). USAID will support reinforced health systems in 11 target health districts. It will work with the Government of Rwanda's (GOR) decentralization program to provide national-level skills training in planning, financial systems, and policy in the Ministry of Health and the Ministry of Local Government; district-level skills training with local governments in 35 administrative districts and 11 health districts with joint responsibility for health facilities; and local-level training in the management of health centers and the development of revenue sources through the formation of community-based health pre-payment schemes. Principal contractors and grantees: Intra Health International, John Snow International, Georgetown University (all prime); grantee to be determined.

Improve Child Survival, Health and Nutrition (\$1,150,000 CSH). Improved child health practices, nutritional practices and comprehensive maternity care at clinic and community levels in target districts are key features of this component. Funding will provide training to improve maternal, child and newborn nutrition and health in four provinces. Nutritional training and Vitamin A supplementation complements other training efforts. The development of community-managed health organizations (mutuelles) increases access to affordable care by charging fees communities can afford over time. USAID will revise and improve curricula in training institutions to help future health professionals respond to the challenges of expanding quality health care services. Results of the 2004 Demographic Health Survey (DHS) will identify priority needs, such as the increased use of maternity services, Integrated Management of Childhood Illnesses (IMCI), and nutrition support. Principal contractors and Grantee: Macro International, Intra Health International, Academy for Educational Development (all prime); grantee to be determined.

Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$1,250,000 CSH). USAID will work to increase access to and quality of family planning and reproductive health interventions. USAID will assist the GOR and its partners to expand the range of family planning and reproductive health services available, both in formal health care units and in communities, and to increase and assure the quality of those services in target health districts. USAID will transfer skills in contraceptive logistics management to central and district levels and potentially add to contraceptive procurements. Principal contractors and grantees: Intra Health International, John Snow International, Georgetown University (all prime); grantee to be determined.

Prevent and Control Infectious Diseases of Major Importance (\$1,000,000 CSH). USAID will expand malaria prevention and treatment by continuing to build skills at the central, district and local levels for improved advocacy, planning, implementation and evaluation of malaria prevention and control activities. USAID will incorporate a malaria prevention component into pre-natal care programs and mutuelle outreach activities. This enhancement will focus on the risk of malaria, means of prevention, the distribution of price-subsidized insecticide-treated bed nets (ITNs) and net re-treatment kits to those most at risk. Principal contractors and grantees: Malaria Action Committee, Population Services International, Johns Hopkins Program in Reproductive Health (all prime); grantee to be determined.

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.

FY 2006 Program: Build Health Systems Capacity (\$1,500,000 CSH). USAID expects to 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 mutuelles. Principal contractors and grantees: Intra Health International, John Snow International, Georgetown University (all prime); grantee to be determined.

Improve Child Survival, Health and Nutrition (\$1,450,000 CSH). USAID expects to improve the quality of and access to services and financing for newborn and child health, nutrition, micronutrient supplementation and maternal health. Principal contractors and grantees: Macro International, Intra Health International, Academy for Educational Development (all prime); grantee to be determined.

Reduce Unintended Pregnancy and Improve Healthy Reproductive Behavior (\$1,200,000 CSH). USAID will increase access to and the quality of FP/RH interventions provided by the decentralized health system and assist the GOR and its partners to expand the range of FP/RH services available, both in health care units and in communities. Principal contractors and grantees: Intra Health International, John Snow International, Georgetown University (all prime); grantee to be determined.

Prevent and Control Infectious Diseases of Major Importance (\$750,000 CSH). USAID will continue to work with the GOR in order to promote primary prevention and treatment for malaria through the decentralized health service system. Principal contractors and grantees: Malaria Action Committee, Population Services International, Johns Hopkins Program in Reproductive Health (all prime); grantee to be determined.

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.

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

Performance and Results: The program supported and strengthened primary-level, community-based health care. Reproductive health community interventions in seven of Rwanda's 39 health districts provided twice as many prenatal and postnatal consultation services, compared to non-USAID target areas. Service coverage rates increased, particularly for prenatal care and immunization. Contraceptive prevalence rates for family planning services, which were less than 1.5% in 2001 in all seven districts, were up to 12.6% in certain districts in 2004. The number of mutuelles in five districts grew from 54 to 90, and overall membership is over 386,359. Mutuelle membership increased by 135% to more than 275,000 members. A member is five times more likely to seek modern health care than a non-member (1.6 versus 0.27 visits per year). Mutuelles contributed to stronger financial capacity at their partner health facilities, with some generating up to 75% of total revenue for their corresponding health center. At the completion of this program, more than 50% of Rwandans will receive improved health care, with increased citizen participation in oversight and service delivery decisions. Sixty percent of all households in target provinces are expected to use ITNs, reducing the incidence of malaria and other mosquito-borne diseases. The program expects to prevent 157,634 HIV infections, while 250,000 HIV positive people will receive care and 5,000 people living with AIDS will receive antiretroviral therapy.

US Financing in Thousands of Dollars

Rwanda

	CSH	ESF
696-006 Health and HIV/AIDS		
Through September 30, 2003		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2004		
Obligations	13,300	1,000
Expenditures	0	0
Through September 30, 2004		
Obligations	13,300	1,000
Expenditures	0	0
Unliquidated	13,300	1,000
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	4,850	0
Total Planned Fiscal Year 2005		
Obligations	4,850	0
Proposed Fiscal Year 2006 NOA		
Obligations	4,900	0
Future Obligations	13,532	0
Est. Total Cost	36,582	1,000

Data Sheet

USAID Mission:	Rwanda
Program Title:	Rural Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	696-007
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$2,553,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$2,993,000 DA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2008

Summary: USAID's economic growth program expands opportunities in rural areas and increases the diversity of off-farm productive enterprises, agricultural productivity, household level incomes, employment, and corresponding rural financial services for targeted communities. Rural infrastructure improvements contribute to increased productivity and diversification of income.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Private Sector Growth (\$1,542,000 DA). USAID will increase incomes, employment and enterprise development on-farm and off-farm, primarily through the agribusiness sector. By helping to increase access to microfinance products, USAID supports the development of sustainable and competitive agribusinesses that provide products for national, regional or global markets. Clients will include producer cooperatives and associations, as well as processors and exporters. Agricultural products to be marketed include specialty coffee, pyrethrum, horticulture and essential oils, while off-farm product and market development will produce handicrafts for the African Growth and Opportunities Act (AGOA) market. Efforts are supplemented with regional programs, such as the East and Central Africa (ECA) Trade Competitiveness Hub, Regional Agricultural Trade Expansion Services (RATES), Regional Agricultural Trade Information Network (RATIN.) Principal contractors and grantees: Chemonics International, Michigan State University (MSU), Texas A&M University, International Executive Service Corps (all prime).

Increase Agricultural Productivity (\$800,000 DA). Efforts to increase agricultural productivity will focus on the dissemination of improved varieties and productivity-increasing technology to contribute to food security. The national agricultural research center will be a key partner in this effort. Integrated food assistance interventions will help to transfer productivity, improving technologies from the research station to growers. These include the dissemination of improved seeds and soil and water conservation techniques. Improved dairy production and marketing techniques will increase rural productivity and income. USAID's centrally managed Famine Early Warning Systems Network (FEWSNET) will provide food security and rainfall monitoring information. Principal contractors and grantees: Center for International Tropical Agriculture (CIAT), Heifer Project International (all prime).

Strengthen the Financial Sector's Contribution to Economic Growth (\$211,000 DA). Better banking practices and management will increase repayment rates, increase the number of available financial products; increase the number of individuals, groups and firms accessing rural financing; and diversify loan portfolios, particularly in the traditionally high-risk sectors such as agriculture. Improved banking practices will also help to expand access to finance among potential borrowers not currently served such as women. In the absence of the availability of commercial banking systems in the rural sector, the Union des Banques Populaires de Rwanda (UBPR), the country's leading credit union, together with a number of microfinance institutions (MFIs), will continue to provide financial services to the rural areas. Planned funds for lending programs will increase the availability and accessibility of financing which is fundamental to economic opportunity and enterprise development in rural areas. USAID will increase savings mobilization and help MFIs and local credit unions make credit available to established as well as new enterprises and other borrowers, including women's groups and village banking structures. This will be done by helping to increase awareness of the benefits of MFIs at the local level. With funds provided by

the health program, microfinance activities will integrate HIV/AIDS awareness training into services extended to mutual lending associations. To further stimulate access to rural finance, USAID will guarantee loans through the Bank of Kigali, using the Development Credit Authority (DCA). This undertaking will encourage the financing of traditionally high-risk sectors, especially agribusiness. Principal contractors and grantees: World Relief, World Council of Credit Unions, Women's Investment Funds, Development Credit Authority/Bank of Kigali (all prime).

FY 2006 Program: Increase Private Sector Growth (\$1,493,000 DA). USAID will continue to expand and diversify export-oriented agribusinesses. It will seek to identify and support other competitive enterprises and sub-sectors, including eco-tourism and handicrafts. Programs will include regional efforts such as the ECA TRADE Competitiveness HUB, RATES, RATIN. Principal contractors and grantees: Chemonics, MSU, Texas A&M (all prime).

Increase Agricultural Productivity (\$900,000 DA). By strengthening linkages with sector associations like the East African Fine Coffees Association, USAID will transfer to its beneficiaries improved, agricultural productivity-enhancing technology used to increase yields and improve food security. FEWSNET will provide food security and rainfall monitoring information. Principal contractors and grantees: CIAT.

Strengthen the Financial Sector's Contribution to Economic Growth (\$600,000 DA). USAID plans to scale-up "best practices" in rural finance that both diversifies the portfolio and expands the client base, particularly in underserved sectors like agriculture, and among underserved borrowers, notably women. This will increase savings mobilization and help MFIs and local credit unions make credit available to enterprises and women's solidarity groups and village banking structures. USAID will continue to mobilize lending under a loan guarantee facility with the Bank of Kigali through the DCA. This undertaking will further encourage the financing of traditionally high-risk sectors, especially export-oriented agribusiness. Principal contractors and grantees: Bank of Kigali; others to be determined.

Performance and Results: By the completion of the objective, businesses producing products and services in the targeted areas will increase by 40%. Small agro-businesses and underserved business groups including women will have received \$2 million in credit that was not available before. Cooperatives will expand credit availability to thousands of new groups and customers. Savings accounts nationwide will have increased 34% to more than 165,000 in rural areas. Significant increases in rural incomes will be measurable in all the target areas. Selected goods such as specialty coffee, chili products and pyrethrum will have increased in market value as much as 50% due to the quality improvements and improved market links available. These export crops will contribute not only to rural incomes but to Rwanda's overall plan to increase exports and market share of Rwandan products in Africa and international markets.

US Financing in Thousands of Dollars

Rwanda

	DA	DCA
696-007 Rural Economic Growth		
Through September 30, 2003		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2004		
Obligations	3,203	144
Expenditures	0	0
Through September 30, 2004		
Obligations	3,203	144
Expenditures	0	0
Unliquidated	3,203	144
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	2,553	0
Total Planned Fiscal Year 2005		
Obligations	2,553	0
Proposed Fiscal Year 2006 NOA		
Obligations	2,993	0
Future Obligations	7,175	0
Est. Total Cost	15,924	144