

## projects for the great lakes region of central africa

### CATALIST Progress in 2009

Since September 2006, when the Netherlands awarded IFDC overall responsibility for implementing CATALIST, the five-year project has worked with governments, non-governmental organizations, producer organizations, farmer groups and others to reinforce peace and environmental stability. This has been done by mobilizing local resources and helping farming communities increase agricultural production. CATALIST uses sustainable agricultural intensification methodologies and commodity value chain development while providing for labor-intensive infrastructure improvements such as road-building and agro-forestry.

#### Radio Campaign Begins



In 2009, CATALIST launched radio programs in all three countries. In this photo a member of the Bahizi Rhuzuke Association in DRC explains to a journalist how Integrated Soil Fertility Management (ISFM) has helped cooperative members raise their incomes.

These combined efforts promote the development of accessible and profitable markets for agricultural inputs and crop outputs. The project is generating employment and is helping farmers increase agricultural production and incomes at a time when fertilizer and energy prices are volatile and creating food security is paramount.

During April-September 2009 CATALIST accomplished the following:

- **An increase in agro-input trade, training and understanding.** Fertilizer use in Rwanda increased at an average of 1,000 metric tons (mt) per year. Significant increases also occurred in Burundi and the DRC's Kivu Provinces. Assistance was provided to the Government of Rwanda to negotiate fertilizer purchase prices, resulting in over \$2 million in savings. Training was provided to 1,028 agro-dealers in Burundi, DRC and Rwanda (with approximately 25 percent being women). The Second Regional Fertilizer Conference was organized in July 2009 with 74 participants from six countries in the region participating.

- **Increased income opportunities for farmers and others.** On average, agricultural intensification increased income three-fold in Rwanda. HIMO activities associated with road-building and woodlot and agro-forestry establishment generated 191,146 man-days of employment and injected €235,086 into local economies. The CATALIST small grants cost-share program resulted in approximately 740 applications with 29 awards totalling €261,745. Support provided to applicants resulted in loans totalling €142,500.

- **Introduction of new technologies.** Preliminary tests were conducted to determine the potential for using urea deep placement (UDP) for lowland rice production in Rwanda and Burundi. CATALIST developed plans for the expansion of testing UDP for lowland rice in the Ruzizi Plain (common to all three project-focus countries). Activities included collaboration with private sector companies (e.g., Instituto de Cereais de Mozambique [ICM]). Collaboration with Vietnamese researchers to identify suitable rice varieties for the cooler mountain regions of the Central Africa Great lakes Region (CAGLR) was initiated.

*(continued on page 4)*

### CATALIST Responds to Demand for Access to Credit

IFDC's CATALIST project staff members have repeatedly demonstrated that ISFM techniques can effectively improve crop yields in the Great Lakes Region (GLR), allowing farmers to raise their incomes and improve their lives. Although many farmers in the region want to benefit from ISFM, they are unable to do

so because of prohibitively high investment costs. Kagabo Nkubito, CATALIST's Regional Expert in Credit, assists producers to acquire access to funding for inputs, additional labor and other expenses. "IFDC realizes that we can't talk about the success of intensification without financing," said Nkubito. *(continued on page 2)*

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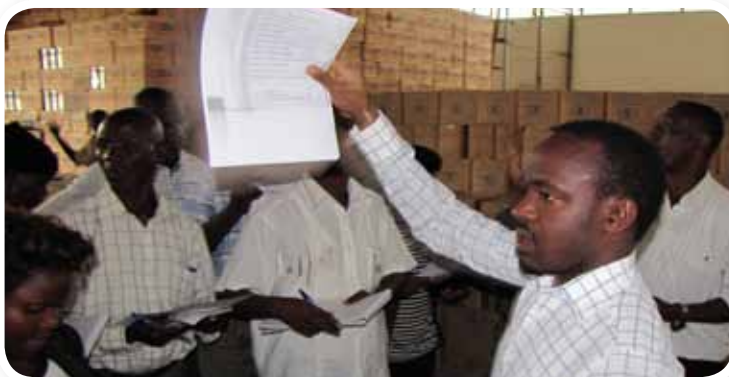
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## Agricultural Loans Can Be Risky

Farmers across the world – including in the Great Lakes Region – are traditionally viewed by financial institutions as not being credit-worthy. Agricultural loans are perceived as risky because of the inherent uncertainty of the industry. “Fundamentally, financial institutions cannot be sure that predicted yields will be realized, particularly for small producers,” explains Nkubito. In the region, farmers generally have few traditional assets, such as savings or even land that can serve as collateral to secure a loan. In addition, financial institutions consider loans to farmers as disproportionately costly since they entail increased monitoring for relatively small returns on numerous loans. At the same time, farmers in the region are charged steep interest rates on loans.

### Credit Inventory Training



Kagabo Nkubito, CATALIST’s Regional Credit Expert, shows producers a sample warehouse document.

## Great Lakes Financial Institutions

Three types of financial institutions dominate in the region – commercial banks, development institutions and micro-finance institutions (MFIs). In Rwanda, commercial banks account for only three or four percent of loans to the agricultural sector. This involvement is largely focused on large farms producing cash crops for export. In addition, there is the Banque Populaire (Popular Bank) which operates in a similar manner to a rural bank, but has the same profit motive as a commercial bank. A government-run development bank, Banque Rwandaise de Développement, operates on similar principles as a commercial bank with more relaxed rules to encourage investment projects.

Finally, there are MFIs, popularly known as the banks of the poor. MFIs provide short-term loans to the great majority of farmers in the country, but charge high interest rates (two to three percent per month). Burundi has largely the same options as Rwanda, except it benefits from the regionally operated Preferential Trade Agreement, which offers low interest rates.

In the DRC, CATALIST currently operates only in North and South Kivu provinces in eastern DRC. Due to the recent conflict in the nation, the credit system is practically non-existent and the vast majority of commercial banks simply do not offer credit to any sector. The only functioning lending institutions at this time are the micro-finance institutions.

## Building Strong Associations and Cooperatives

In order to respond to the economic constraints faced by farmers, CATALIST developed a strategy based on the concerns of the financial institutions. “To develop an appropriate strategy, we had to analyze why the banks won’t lend to farmers,” explained Nkubito. The primary reason is a lack of collateral compared with the perceived high risks. CATALIST staff realized that cooperatives and associations can offer the financing institutions better assurances of reimbursement than an individual farmer. “Through their cooperatives and associations, we are trying to make farmers more credible in the eyes of the financing sector,” said Nkubito.

To truly address the financial institutions’ concerns, these cooperatives and associations need to be well-managed and well-governed. “This is our greatest challenge – to have these groups run by their members, not just their leaders,” said Nkubito. For this reason, CATALIST is investing in building strong cooperatives and associations. Nkubito emphasizes the cooperatives and associations must be viewed as entities capable of managing loans and generating returns. To increase their impact, CATALIST is focusing on building the organizational capacity of associations and cooperatives.

## Working Successfully with Financial Institutions

In addition to building organizational capacity, CATALIST recognizes that it must also assist the financial sector to better understand agriculture. If that occurs, then financial institutions may propose innovative products tailored to the agricultural sector. “We realized that they did not want to get involved in agricultural loans because they didn’t have sufficient knowledge of the sector,” said Nkubito.

CATALIST realized that financial products aimed at the agricultural sector must be offered, such as the inventory credit system (also known as the *warrantage* system). In the inventory credit system, a farmer provides his harvest as collateral for a loan. The farmer’s harvest is stored in a warehouse or silo until the loan is repaid. In addition to gaining access to credit, a key advantage of the inventory credit system for farmers is that they can sell their crop in the months after the harvest, when market prices are higher.

## Beginning the Educational Process

During 2009, the inventory credit system was presented as one of the financial products tailored for the agricultural sector. Two workshops were held in each of the three countries in which CATALIST operates, bringing together value chain actors to explain the inventory credit system. These discussions resulted in the establishment of four inventory credit systems in both Burundi and Rwanda. ■

## Workshops for Fuel Wood Value Chain Members Held in Burundi and DRC

Wood and charcoal continue to be the dominant sources of energy in the Great Lakes Region. This has contributed to deforestation and a subsequent decrease in wood supplies. To address the ongoing energy crisis in the Albertine Rift, and as a part of its effort to strengthen the fuel wood value chain, CATALIST/SEW organized participatory workshops. The first two-day workshop took place on October 28-29, 2009 in Bujumbura, Burundi. Another workshop was held on November 19, 2009 in Butembo, Northern Kivu, DRC. The most recent workshop took place in Bukavu, DRC in December 2009.

CATALIST/SEW staff realize that the various participants in the fuel wood value chain need to be brought together to interact and (hopefully) work together. CATALIST/SEW invited wood producers, charcoal producers, charcoal sellers, major wood and charcoal consumers (e.g., tea factories and restaurants) and officials from the relevant government offices, such as the Ministry of Environment.

Workshop participants were introduced for the first time to the fuel value chain concept. Each group learned its role within the value chain. More importantly, each participant worked to identify what can be done to establish or strengthen the value chain. To better understand the working environment, each workshop constructed a socio-gram to identify the specific members and processes.

The workshops helped foster new ideas from different members of the value chain. One group of charcoal producers expressed its desire for additional training to learn the latest carbonization techniques and to form a federation of charcoal producers.

Andre de Groote, SEW's Value Chain Expert, explained, "This is a good first step, but we still have a long way to go so that the value chain can be more effective and contribute to environmental progress." Other workshops are scheduled to begin in the coming months. ■

## Launch of Training Sessions for Charcoal Burners in Burundi

Charcoal producers were eager to learn about a new method of producing charcoal, one of the main sources of fuel in Burundi. The new method will help replace the currently inefficient methods being used in the country.

Traditionally, wood is stacked about one meter high and covered with grass, as well as fresh soil, before it is burned. However, this method allows the smoke to dissipate and much of the wood is lost in the process.

The new technology, improved carbonization kilns, has been recommended by CATALIST/SEW and will increase the amount of charcoal produced while using less wood in the process. This more efficient method means less waste and damage to the environment while boosting production and income potential for charcoal producers. ■

Charcoal - A main source of fuel in Burundi



Traditional methods of charcoal production are energy-inefficient and damaging to the environment.

## CATALIST/SEW Participates in National Tree Day in Rwanda

Over 1,000 participants gathered on November 16, 2009 to celebrate the 34th National Tree Day in Rwanda. The week-long celebration was held in Nyabihu District in the Western Province, one of CATALIST/SEW's focus areas. The event was organized in coordination with the Ministry of Natural Resources and the National Forest Authority (NAFA). CATALIST/SEW and several partners concerned with reforestation and agro-forestry participated in the event. The activity was organized to support the national campaign to combat deforestation and protect the environment by planting trees in rural areas.

CATALIST/SEW provided technical and other support, notably the transport of seedlings. The Minister of Natural Resources, Stanislas Kamanzi, recognized IFDC/CATALIST for its support in making the celebration a successful one. There was also a consensus on the part of the many officials present requesting CATALIST/SEW to expand its support to more farming communities, thereby encouraging investment in reforestation efforts. ■

## CATALIST and Partners Visit Bangladesh for UDP

In September 2009 CATALIST's Chief of Party, Henk Breman, and its Rwandan National Agronomist, Thomas Hatangimana, along with five representatives of partner organizations in the Great Lakes Region, traveled to Dhaka, Bangladesh. The team traveled to learn more about the Urea Deep Placement (UDP) technology, which has been used successfully for more than 20 years in Bangladesh and other Asian nations.

The team included two delegates from each CATALIST country: **Burundi**—Annick Sezibera of CAPAD (Confédération des producteurs agricoles pour le développement) and Joseph Barikore of SRDI (Société régionale de développement de l'Imbo); **Rwanda**—Patricie Uwizeyimana of CPRB (Coopérative de Production Rizicole de Bugarama) and Thomas Hatangimana of CATALIST; **DRC**—Louis Tchuma of ADIKivu (Action pour le développement Intégré du Kivu) and Morisho Yuma of CARITAS-Kivu.

"While our region is still talking about importing fertilizers, in Bangladesh we saw that they already have their own fertilizer industry," said Tchuma. While in Dhaka, the group visited two factories that manufacture the machines that produce the UDP supergranules.

To learn more about the Bangladeshi successes with the technology, the delegates met with rice farmers who demonstrated how they use UDP. The farmers also explained how they are popularizing UDP by educating others on its benefits. "We also visited farmers using regular fertilizers and saw the difference the use of UDP makes," said Tchuma. CAPAD's Sezibera explained that, "We saw that to obtain the same results in crop production between 35-70 percent less fertilizer is necessary when using UDP."

In addition to rice production, the team visited researchers who explained UDP use on other crops, including tomatoes, potatoes, plantains, bananas, eggplant, cabbage, etc. "We all found the results extraordinary," said Tchuma.

Urea Deep Placement in Bangladesh



Bangladeshi farmers demonstrate UDP. Less fertilizer is used, but crop yields are increased.

The team later attended a government-sponsored agricultural fair. Some of the UDP supergranule machines were displayed in an exhibit. Farmers informed GLR participants that after just one year of producing supergranules, they were able to pay back the loan for the machines.

IFDC/CATALIST ordered one UDP machine for each CATALIST country to provide training and to demonstrate how the technology can be profitable in the GLR. The machines arrived, and two Bangladeshi trainers led a workshop demonstrating the equipment in Bujumbura in November. Other training sessions are scheduled to occur over the next several months. ■

### Progress in 2009 (continued from page 1)

- **Introduction of mechanization.** Activities were initiated to identify intermediate mechanization options that could ease the farm labor shortage, particularly in areas where most farming activities are carried out by women.
- **Training was intensified.** A total of 67 associations and cooperatives with 3000+ members were trained in the establishment, management and laws governing cooperatives. ISFM training of trainers was completed. These trainers will reach thousands of farmers in 2010.
- **Farm trials begin.** Participatory on-farm trials were established involving over 2,300 farmers to validate and improve current fertilizer recommendations for selected agro-climatic zones.

Over 50 percent of farmers exposed to the participatory tests adopted one or more of the agricultural intensification methodologies.

- **Value chains grow.** Contracts to facilitate the development of 44 value chains were signed. These contracts will help CATALIST reach over 90,000 farmers cultivating 27,000 ha. Crop intensification protocols were developed for 14 value chains. Protocols will be used by 44 contracted facilitators.
- **Educational materials developed.** A manual for crop/livestock integration was drafted under the guidance of the Dutch non-profit private sector support organization, PUM. The report "Solving Agricultural Problems Related to Soil Acidity in the Central Africa's Great Lakes Region" was published, and it will be disseminated in both English and French. ■