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SCOPE*insight*

CASE STUDY ON THE CNFA AGRODEALER TRAINING PROGRAM IN RWANDA



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Supported by AMEA

31 July 2023

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EXECUTIVE SUMMARY

From May to June 2023, a joint initiative between CNFA and SCOPEinsight, with support from AMEA, aimed to assess the effectiveness and impact of capacity-building services provided to agro-input retailers under the CNFA-implemented Hinga Weze program in Rwanda. The flagship Hinga Weze program, funded by USAID with \$32.6 million USD and implemented by CNFA from June 2017 to June 2022, had the primary objective to increase smallholder farmers' incomes, improve their nutrition outcomes, and enhance their resilience to climate change.

One of the implementation channels to achieve these objectives was to support agro-input retailers (agrodealers) with business development services (BDS) to improve their ability to provide needed services to farmers. At a relatively early stage of the program in early 2019, SCOPEinsight was engaged to support CNFA to conduct detailed assessments of a total of 31 agrodealers to gauge their professionalism and service provision capacity, to improve their capacity to support over 100,000 smallholder farmers with better

inputs, services, and financing. Based on the initial SCOPEinsight assessment results, CNFA then provided tailored technical capacity-building and training to strengthen agrodealer management and operations.

Building on the assessment, CNFA provided BDS services to these agrodealers and monitored their performance from June 2019 until the program's closure in June 2022. The current case study, conducted from March to May 2023, assesses the impact of the BDS services provided and presents comparative results of 10 agrodealers who received BDS training and 10 others who did not receive it. The study uses qualitative and quantitative research to assess key performance criteria, including the total assessment score, the SCOPE score by each dimension, as well as indicators such as sales increase, profitability increase, customer increase, employee increase, increase in inputs sold, access to finance increase, number of services provided, and other comparative data.

Results from the case study demonstrate the significant positive impact of the CNFA-led program on agrodealers:

- **Sales Increase:** Hinga Weze trained agrodealers experienced a remarkable 38% increase in sales over two years, nearly three times faster than non-participating businesses.
- **Profitability Increase:** Agrodealers receiving support from the program improved their profit margins by 39% in two years, almost twice the increase observed in the control group.
- **Customer Increase:** The CNFA-supported agrodealers vastly increased their customer base, experiencing a 51% increase in two years, compared to the 11% increase in the control group.
- **Employment:** The businesses supported by the Hinga Weze program significantly increased their employee base by 236% in two years, whereas the control group remained largely unchanged.
- **Increase in Inputs Sold:** CNFA-trained agrodealers increased their sales of agricultural inputs by more than a third, almost twice as much as the control group.
- **Access to Finance:** Agrodealers trained by the CNFA program improved their access to bank loans by 44% in two years, catching up with the control group's previously-superior loan access rates.
- **Expanded Services:** The CNFA-supported agrodealers nearly doubled the number of services offered, providing 69 different types of services to smallholders, compared to 39 services of the control group.
- **Improved SCOPE Scores:** The scores for internal management, operations and financial management improved significantly relative to the baseline and are consistently higher than the non-trained agrodealers.

The case study's findings highlight the effectiveness of the CNFA capacity-building program for agrodealers, demonstrating a large increase in their business performance and sustainability. The standardized assessments developed by SCOPEinsight and used in the program facilitated training topics and identified areas for improvement. As can be seen in the case study, CNFA's achievements in capacity building for agrodealers resulted in significantly positive outcomes for their businesses, as well as for farmers and local communities. Furthermore, the case study illustrates the benefits of establishing agrodealers as key counterparts to provide one-stop services to farmers and contribute to improved farm profitability and market-oriented production systems. By showcasing the success and lessons learned from this initiative, the case study aims to inform future BDS programs and foster sustainable and impactful agrodealer capacity-building efforts in Rwanda and beyond.

PURPOSE OF THIS CASE STUDY

The current case study, a joint initiative of CNFA and SCOPEinsight, with support by AMEA, aims to assess the effectiveness and impact of BDS and capacity-building services to agrodealers provided by CNFA's Hinga Weze flagship program in Rwanda.

In early 2019, CNFA Hinga Weze engaged SCOPEinsight, a firm with significant expertise in business intelligence services oriented to agro-SMEs, to assess the levels of professionalism and service provision capacity of 31 agrodealers. After the implementation of the SCOPE assessments, CNFA delivered technical capacity building to these SMEs to further strengthen their management and operations capacities and thus help them become more professionalized as businesses. CNFA used the assessment results to ensure that the agrodealer capacity building was

relevant, targeted, and impactful through direct and tailored coaching.

After completion of the implementation of the Hinga Weze program, CNFA and SCOPEinsight, with additional support from AMEA, now propose to measure the impact of the assessment and resulting training through the development of a case study to highlight the results and lessons learned. This case study objective is to quantify the impact and present comparative results of 10 agrodealers who received the SCOPEinsight assessment and the resulting training with those of 10 other agrodealers who were neither assessed nor trained by CNFA. The case study compares the SCOPE results of the two groups as well as other performance indicators of the targeted 20 agrodealers including profitability, customers, sales, and other relevant comparative data.

For the purposes of this case study, using a combination of qualitative and quantitative research, the 20 agrodealers were assessed on the below performance criteria:

- 1 Total SCOPE score, which is a functional average of all sub-scores
- 2 SCOPE score by each dimension
- 3 Sales increased (%)
- 4 Profitability increased (%)
- 5 Number of customers increased (%)
- 6 Number of employees increased (%)
- 7 Increase in MT of inputs sold (%)
- 8 Access to finance increased (%)
- 9 Number of services provided increased (%)
- 10 Other as supported by relevant data including qualitative comparisons of SCOPE scores of 10 agrodealers before and after their completion of the CNFA-led training program.

The selection of the 10 agrodealers having received BDS under Hinga Weze was randomized from the total of 31 agrodealers that received technical assistance services from CNFA, while the 10 agrodealers of the control group were also selected randomly from an overall sample size of 186 agrodealers located outside the Hinga Weze area of operations. Performance data for all agrodealers in the study was collected in-person and over the phone during the period of March-May 2023, in line with the SCOPEinsight questionnaire that was used initially in early 2019 to assess the original group of 31 agrodealers.

INTRODUCTION TO HINGA WEZE

Launched on June 22, 2017, the Feed the Future Rwanda Hinga Weze activity was a USD \$32.6 million, five-year initiative to sustainably increase smallholder farmers' (SHF) income, improve the nutritional status of women and children, and increase the resilience of agricultural and food systems to the changing climate. In this context, the Hinga Weze activity was designed to achieve three overall objectives, including (1) Agriculture productivity sustainably increased, (2) Farmers' market access improved, and (3) Nutrition outcomes of agricultural interventions improved.

The objectives of the activity were to be achieved through CNFA capacity-building of farmers, agrodealers, and SMEs to facilitate the sustainable increase of agriculture productivity, improving farmers' access to markets and improving the capacity of the agro-input sector. Hinga Weze focused on encouraging the adoption of best practices to improve incomes for 735,000 farmers, to strengthen market linkages, and then transferred these activities to other partners as the activity closed. Simply put, Hinga Weze implemented a beneficiary-centered strategy guided by a short and memorable phrase **"produce more, sell more, and use the increased produce and income to eat more nutritiously,"** across ten targeted districts in Rwanda (see map below).

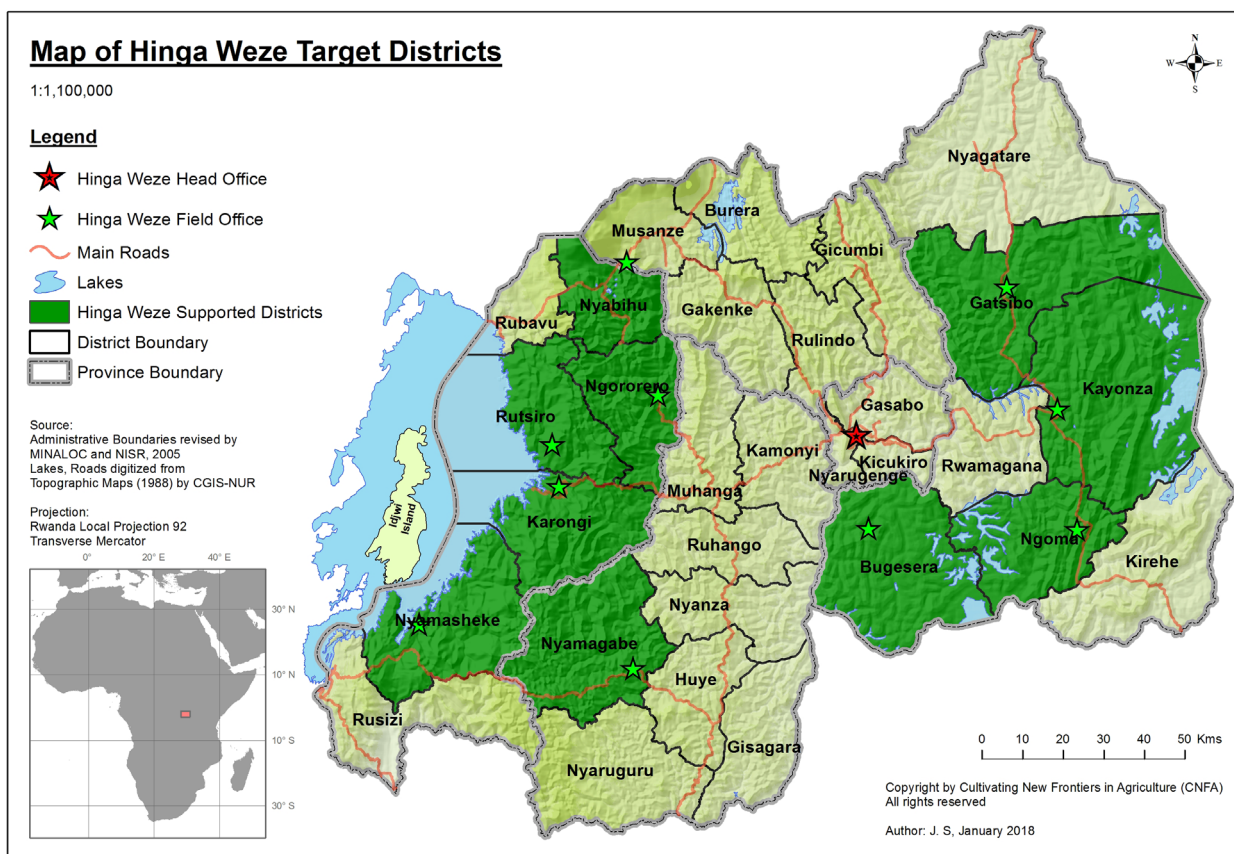


Figure 1: Map of Hinga Weze Targeted Districts

As an area of particular focus, CNFA Hinga Weze supported the capacity development of agrodealers to ensure that farmers have access to high-quality inputs and services including seeds, fertilizers, equipment, crop protection products, veterinary medicine, and agricultural extension services. Other services promoted also included climate-smart agriculture (CSA) training, nutrition-smart agriculture (NSA), and also access to finance for both farmers and agrodealers. Through strengthening these critical market system actors and services, Hinga Weze worked to establish sustainable mechanisms for technology and service transfer by the private sector to farmers, as shown in Figure 1 below.

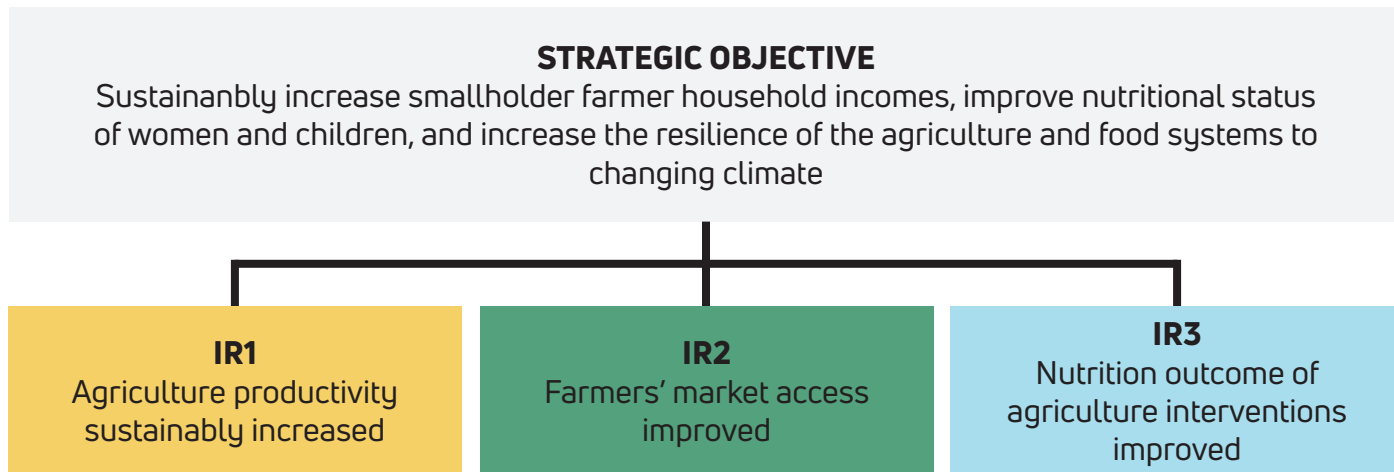


Figure 2: Hinga Weze – High-Level Logframe of Intermediate Results (IR) in Rwanda

In the implementation of its program, Hinga Weze also provided support for six agrodealers to access finance in order to evolve into Farm Services Centers (FSCs) and Mini Farm Services Centers (Mini-FSCs). The FSCs are one-stop service centers offering products and services, including farm inputs, market information, veterinary products and services, financing, output marketing, machinery and equipment sales and leasing, capacity building, and technical support services to farmers. The FSC model was developed by CNFA over 15 years ago in Eastern Europe and quickly spread to a total of 11 countries on three continents. The FSC model is an input, knowledge, and service delivery mechanism that operates through a “one-stop shop” approach whereby farmers can access quality inputs and services at fair prices in one location, thereby shortening the long distances traveled by farmers. With the support of this model, many thousands of farmers who are clients of the FSCs can accelerate their shift from subsistence farming to market-oriented production systems.

Proper weighing of inputs at one of the agro dealer shops in Nyabihu. Photo by Hinga Weze staff



HINGA WEZE'S CAPACITY BUILDING APPROACH TO AGRODEALERS

At an early stage of its program in early 2019, Hinga Weze conducted a training needs assessment for agrodealers using the SCOPE assessment in order to discover what their gaps were and how to adequately respond to their needs. The selection process focused on inclusion criteria of those agrodealers who expressed interest in participating in the Hinga Weze program, and 31 agrodealers were selected using this criterion while roughly 150 others indicated little or no interest in the program. From these 31 agrodealers, the major gaps identified were insufficient knowledge of agro-input product sales, CSA practices, nutrition, and record keeping capacity. It was clear from the initial assessment that in order to be effective, agrodealers needed to improve their knowledge of fertilizers, lime, pesticides and seeds, CSA information and practices, nutrition-sensitive agriculture, etc. These training needs were further defined by CNFA and aimed at helping agrodealers gain the necessary knowledge and skills to develop their business, thereby increasing profits while creating a positive impact, particularly to their client farmers and to the community in general.

During the program, agrodealers were resulting trained on the above topics but with a heavy focus on CSA and NSA in order to start or expand the sale of relevant inputs (pest resistant, with high nutrition content, high yielding, drought tolerant, and short season crop varieties) to smallholder farmers (SHF). The trained agrodealers received extensive new knowledge of CSA inputs and practices and were also trained in nutritious food groups and dietary diversity. This enabled them to be agents of change as they assisted farmers to produce and consume crops that are essential for a healthy diet. At the same time, agrodealers were trained to sell and promote iron-rich dark leafy green vegetable seeds such as amaranth, spinach, sweet peppers, zucchini, and others, to contribute to the achievement of local government nutrition targets that are extremely important in the Rwandan context.

In a further effort to strengthen the capacity of agrodealers and improve agro-dealership business in Rwanda, Hinga Weze used several strategies and approaches (below) that led to a significant positive impact not only on the performance of agrodealers but also that of farmers:

- Negotiation/advocacy on fertilizer distribution and pricing
- Marketing events in remote areas to promote agrodealers' inputs
- Establishment of learning demonstrations and field plots
- Connecting and linking agrodealers with bigger input suppliers
- Facilitating agrodealers in signing agreements to represent input suppliers in their districts
- Encouraging agrodealers to adopt bulk ordering and joint procurement of agro-inputs through agrodealers' cooperatives rather than procuring them as individual retailers
- Linking agrodealers with Financial Institutions (FIs) and aggregators
- Supporting agrodealers to comply with Rwandan agrochemical regulations and best practices
- Linking agrodealers' cooperatives (i.e. agrodealers who had formed cooperatives in order to achieve economies of scale and bulk purchasing power) with large input suppliers and importers
- Championing Farm Service Centers (FSC) as "one-stop-shops" for Rwanda's SHFs

Hinga Weze also encouraged agrodealers to work closely with financial institutions (FI) to access loans that would increase their financial capacity to purchase agro-inputs and meet farmers' needs. The Hinga Weze team encouraged agrodealers and other input supply companies to provide agro-inputs on credit to agrodealers who would pay them back after having sold their inputs. In collaboration with FIs, agrodealers were empowered on the production of aggregation businesses and linked with produce off-takers and distributors who purchased their produce. Hinga Weze then guided the agrodealers in designing business plans and helped them to meet the requirements for them to get a loan.

To set the stage for the above and to create a baseline for the program design in the initial phases in early-2019, CNFA Hinga Weze engaged SCOPEinsight to assess the level of service provision of 31 agrodealers, including a total of five dimensions (internal management, operations, sustainability, market, and financial management). The assessment was conducted in mid-2019 and the report produced by SCOPEinsight, based on its agrodealer specific assessment tool (SCOPE Input Retailer), showed that the majority of agrodealers were lagging in terms of their scores for internal management, operations, and financial management; To improve these scores and the resulting performance of agrodealers, CNFA developed a curriculum focusing on internal management and financial management and delivered technical capacity building and training for further strengthening the agrodealer overall level of business operations.

THE RESULTS THAT MADE HINGA WEZE INSPIRING

From the onset, Hinga Weze focused on helping farmers apply good farming practices, adapt to climate change, access markets, and adopt guidelines on nutritious food consumptions. the program also supported thousands of beneficiaries by delivering nutrition support through capacity-building for Community Health Workers (CHW) and Farmer Promoters (FPs), as well as coordinating interventions at the district level through the design and delivery of District Plans to Eliminate Malnutrition (DPEM). Overall, **Hinga Weze focused on encouraging the adoption of best practices to improve incomes for 735,000 farmers, to strengthen market linkages, and then transferred these activities to other partners as the activity closed.**

Practicing mobile input supply established by Hinga Weze to ease access to inputs for farmers in remote areas.
Photo by Hinga Weze



To strengthen this critical level of capacity development, Hinga Weze assisted a total of 318 agrodealers (100% of all agrodealers in its 10 districts) through delivering technical capacity related to marketing strategies, promotion of blended fertilizers, and safe use and handling of agrochemicals. Hinga Weze further strengthened agrodealer management and operations through training on financial management, warehouse management and record keeping, climate-smart agriculture, and nutrition-sensitive agriculture. Hinga Weze ensured that agrodealer capacity building was targeted and impactful through direct and tailored coaching.

Hinga Weze also supported the development of agrodealers and seed systems to ensure that farmers have access to inputs and services including high-quality seeds, fertilizers, CSA equipment, crop protection products, veterinary medicine, and agricultural extension and training services, among others. Through strengthening these critical market systems actors and services, Hinga Weze worked to establish sustainable mechanisms for technology and service transfer by the private sector to farmers that would be delivered for years to come. This is because access to quality agricultural inputs is the most critical factor toward achieving improved farm production and is largely handled by private agrodealers.

A focus of Hinga Weze was also to improve the knowledge and awareness of farmers, resulting in 318 agrodealers that were trained in proper pesticide use and handling to avoid pesticide poisoning. Farmers and agrodealers received knowledge on practices and attitudes regarding storage, handling, and disposal of pesticides, and the protective measures taken by farmers, including the adoption of Protective Personal Equipment (PPE) and reduction of occupational pesticide exposure.

The strong collaboration built over five years of implementation also ensured that **Hinga Weze was able to successfully hand over activities to another stakeholder, the Rwanda Agriculture and Animal Resources Board (RAB) for sustainable and long-term continuation.** The involvement of RAB in the taking-over of Hinga Weze program activities related to agrodealers is allowing them to continue to develop even after the end of the CNFA program, while reinforcing the lessons learned earlier. As a result, the Hinga Weze legacy will remain in the memory of thousands of farmers, SMEs, promoters, local officials, and other stakeholders with whom it worked.

A summary of Hinga Weze's positive achievements over its five years of implementation, which are shown in Table 1 below, demonstrate the high level of targets achieved:

During the program, Hinga Weze conducted a total of ten major awareness campaigns to ban counterfeit products of which 56,000 farmers attended these events and were encouraged to buy inputs directly from agrodealers who are recognized by the Ministry of Agriculture (MINAGRI) and to buy inputs that indicate the manufacturer's name, the date of manufacturing, the expiration date, and the contents. Farmers were informed about the health risks involved in the use of fake pesticides, including how fake pesticides with unknown ingredients can damage or fully destroy their crops, thus compromising farmer livelihoods, and how unknown residues can make food unfit for consumption and sales, resulting in economic losses across the food chain.

At the same time, Hinga Weze trained and encouraged agrodealers and farmers to report anyone selling fake pesticides to the sector's agronomist as well as to report those that sell agro-inputs illegally in their homes. It was apparent that a lot of people were selling inputs such as maize to farmers at cheaper prices as well as other inputs such as Mancozeb, which is often used by farmers. Over 80% of these individuals claimed that this helped farmers to not have to travel long distances looking for agrodealers.

INDICATORS*		LOP TARGET	ACHIEVED IN Y1	ACHIEVED IN Y2	ACHIEVED IN Y3	ACHIEVED IN Y4	ACHIEVED IN Y5	CULMULATIVE ACHIEVED LOP	Y1-Y5 (LOP) PERFORMANCE AGAINST TARGET
Custom	1. Number of ha under improved practices for soil and water management (irrigation / terracing)	2,000 300	211 0	819 50	620 150	360 25	- 75	2,010 300	100.5% 100.0%
EG.3.226	2. Value of annual sales of farms and firms receiving USG assistance	Beans: 43,800 Maize: 52,316 OFSP: 54,749 IP: 176,415 Hort: 15,816	0 0 0 0 0	38,237 47,414 48,739 166,128 14,520	36,924 73,099 7,581 143,493 69,033	45,426 90,773 8,726 221,664 72,385	4,305 76,923 2,353 172,915 622	4,305 76,923 2,353 172,915 622	9.8% 147.0% 4.3% 98.0% 3.9%
EG.3.2	3. Number of individuals participating in USG food security programs	733,00	74,282	313,752	239,673	106,876	-	734,583	100.2%
Custom	4. Number of smallholder HHs increasing yields at least 50% over baseline	200,000	8,341	26,488	72,699	85,216	25,718	218,462	109.2%
EG.3-10,-11,-12	5. Yield of targeted agricultural commodities among program participants with USG assistance (RAA)	Beans: 879 Maize: 1,633 O PSP: 7,735 IP: 12,054 Hort: 8,799	573 1,371 8,042 5,559 7,942	705 1,382 5,752 8,857 7,337	816 1,478 6,632 6,088 7,102	871 1,602 7,719 9,220 8,430	871 1,645 7,795 10,937 8,870	841 1,645 7,795 10,937 8,870	99.1% 100.7% 100.8% 90.7% 100.8%
EG.3.2-24	6. Number of individuals in the agriculture system who have applied improved management practices or technologies	535,000	49,945	238,480	234,190	105,334	33,231	661,180	123.6%
EG.3.2-25	7. Number of ha under improved management practices and technologies	187,250	10,123	60,113	56,653	26,953	33,410	187,252	100.0%
EG.3.2-28	8. Number of ha under improved management practices and technologies that promote improved climate risk reduction and/or natural resource management	26,000	0	12,361	9,175	4,716	-	26,252	101.0%
Custom	9. Number of GoR staff trained in updated agriculture climate-smart practices for national extension program	545	467	154	151	-	-	772	141.7%
Custom	10. Number of agro-dealers with improved capacity to sell appropriate inputs to SHFs for climate-smart agriculture (CSA) as a result of USG assistance.	307	244	316	318	307	-	318	103.6%
Custom	11. Number of farmers reached by new or improved market information systems	367,000	3,104	21,871	192,295	12,673	-	339,943	92.6%
EG.3.227	12. Value of agriculture-related financing accessed as a result of USG assistance	\$5,650,000	\$ 2,060,184	\$ 1,102,689	\$ 1,768,831	\$ 1,587,170	\$ -	\$ 6,518,874	115.4%
EG.4.2-7	13. Number of individuals participating in group-based savings, microfinance or lending programs	63,746	0	36,718	57,244	61,904	65,866	65,866	103.3%
HL.9.1-d	14. Prevalence of women of reproductive age consuming a diet of minimum diversity	23.90%		20.80%	21.58%	23.98%	24.03%	24.0%	100.5%
HL.9.1-a	15. Percentage of children 6 - 23 months receiving a MAD	23.20%	17.56%	19.60%	121.58%	23.04%	23.38%	23.4%	100.8%
Custom	16. Number of HHs increasing income of purchase of nutritious foods for women and children	40,500	9,015	8,775	9,057	13,836	4,282	44,965	111.0%
EG.3.3-10	17. Percentage of female participants of USG nutrition-sensitive agriculture (NSA) activities consuming a diet of minimum diversity	27.0%	0	22.80%	23,29%	24.55%	24.03%	24.03%	89.0%
Custom	18. Prevalence of children 6 - 23 months consuming targeted nutrient-rich value chain crops or products	IFB: 4.8% OFSP: 2.2% Hort: 58.1%	0% 0% 0%	4.3% 1.9% 44.8%	4.2% 2.1% 48.0%	4.84% 2.17% 53.26%	4.98% 2.32% 54.89%	4.98% 2.32% 54.89%	103.8% 105.5% 94.5%

Table 1. Hinga Weze 5-Year Life-of-Program (LOP) Achievements against Target

INDICATORS*		LOP TARGET	ACHIEVED IN Y1	ACHIEVED IN Y2	ACHIEVED IN Y3	ACHIEVED IN Y4	ACHIEVED IN Y5	CULMULATIVE ACHIEVED LOP	Y1-Y5 (LOP) PERFORMANCE AGAINST TARGET
Custom	19. Prevalence of women of reproductive age (15 - 49) consuming targeted nutrient-rich value chain crops or products	IFB: 4.1%	0.0%	3.4%	4.0%	3.90%	4.00%	4.00%	97.6%
		OFSP: 3.4%	0.0%	2.5%	2.0%	2.41%	2.65%	2.65%	77.9%
		Hort: 59.4%	0.0%	44.5%	50.3%	54.90%	55.50%	55.50%	93.4%
Custom	20. Number of HHs using supported food safety practices as a result of USG assistance	30,000	6,493	12,190	22,061	11,405	-	52,149	173.8%
HL.9-2	21. Number of children under two (0 - 23 months) reached with community-level nutrition interventions	23,457	0	22,271	22,312	23,018		23,018	98.1%

Overall achievements compared to targets 159.3%

■ Cell value >= 0.801
 ■ Cell value from 0.66-0.809
■ Cell value <= 0.66
 ■ Pending Clarification

PLANNED HINGA WEZE TARGET	ACTUAL ACHIEVEMENT	% OF PLANNED ACHIEVEMENT
307 agrodealers trained on CSA, NSA, and record keeping	316	102.9%
307 agrodealers trained on inventory and warehouse management	316	102.9%
200 marketing events organized by agrodealers	204	102.0%
200 demonstration plots established by agrodealers	217	108.2%
307 agrodealers coached on recordkeeping/warehouse management	318	103.5%
150 agrodealers access loans	145	96.6%
5,000 farmers access agro-input loans	6,936	138.7%
30 agrodealers involved in output marketing	34	113.3%
78 women in agro-dealerships received fertilizer loans	73	93.5%
10,000 SHFs trained by agrodealers on the safe use and application of appropriate pesticides (cascade approach)	17,687	176.9%
307 agrodealers fulfilled legal requirements and complied with Rwandan agro-chemical law	318	103.5%
50,000 farmers trained on blended fertilizers	50,767	105.5%
30,000 kg of blended/compound fertilizers sold by agrodealers	464,704	1,549.0%
307 agrodealers trained on marketing strategies	318	103.5%
10 awareness campaigns were conducted to ban counterfeit products	13	130%
5 new income-generating activities adopted by agrodealers	5	100%
5 initiatives of joint procurement adopted by agrodealers	5	100%
6 FSC's established	6	100%

Coaching of farmers and agro dealer from districts on available agro-inputs during the Rwanda National Agriculture Show 2023



Table 2: Support provided to agrodealers and farmers working with Hinga Weze

CASE STUDY METHODOLOGY

The methodology employed for this research study was designed to provide a rigorous and comprehensive evaluation of the agrodealer capacity building program under the Hinga Weze initiative in Rwanda. The research was conducted by former CNFA Hinga Weze staff, with the support of SCOPEinsight, over a period of three months, from March to May 2023.

The data collection of this case study of the Hinga Weze agro-dealership program in Rwanda used a large sample size, involving 31 agrodealers that had been assessed by the program in 2019 as well as 186 agrodealers that had not been assessed or supported. The 31 agrodealers had received training and BDS support from Hinga Weze over a period of approximately two years, until the field activities of Hinga Weze ended in late 2021. Of this group, 10 agrodealers were randomly selected in early 2023 to receive an assessment of their business capacity, using the same assessment format of SCOPEinsight that had been administered to them in early 2019.

A control group for the basis of comparison had also been randomly selected from the 186 agrodealers that had not been supported by CNFA because their location was outside of the program's area of intervention. The two groups were assessed and compared during the research period occurring from March to May 2023, during which performance data for all agrodealers in the study was collected in-person and/or over the phone. This data collection aligned with the SCOPEinsight questionnaire that was initially used in early 2019 to assess the original group of agrodealers.

A DESK RESEARCH

Desk research formed an important element of this study. In this phase, extensive literature reviews and data analysis were performed to gain an understanding of the Hinga Weze program's design, objectives, and previous assessments of its impact on agrodealers. This research also provided insights into relevant agricultural and economic developments in Rwanda, which contextualized the study's findings. As part of this desk research, all quarterly and final reports of the program were analyzed to identify the technical assistance provided.

B KEY INFORMANT INTERVIEWS

Key informant interviews played a pivotal role in providing valuable qualitative data. Stakeholders involved in the Hinga Weze program, including program managers and the beneficiary agrodealers, BDS providers, and farmers, were all interviewed. The interviews focused on gathering first-hand experiences, perceptions, and opinions related to the program's capacity building efforts and its effects on agrodealer performance. These qualitative interviews provided important information on what was done, what worked successfully, and what worked less well, so as to contribute to the "lessons learned" section at the end of the case study.

C SCOPEINSIGHT ASSESSMENT DATA

The study extensively utilized data from SCOPEinsight assessments. SCOPEinsight has developed a number of renowned platforms for collecting and analyzing data related to agro-SMEs. CNFA used the assessment data provided by SCOPEinsight in order to gain quantitative information on the capacity, performance, and progress of all agrodealers participating in the Hinga Weze program. This data enabled a detailed analysis of the impact of the capacity building interventions over the life of the program.

D RESEARCH PLAN DEVELOPMENT

To ensure consistency and accuracy, the research team collaborated with key stakeholders, including SCOPEinsight, the CNFA central office, and CNFA Rwanda staff, to develop a robust research plan. The plan outlined the objectives, data collection methods, and analysis techniques to be employed during the study. The plan was implemented over the case study period of March to May 2023.

E DATA ANALYSIS

The research data obtained from desk research, key informant interviews, and SCOPEinsight assessments were subjected to a rigorous analysis process. Qualitative data from interviews were carefully transcribed and thematically analyzed to identify recurring patterns and themes. Quantitative data from SCOPEinsight assessments were statistically analyzed using analytical software to assess agrodealers' performance.

F FINAL OBJECTIVES OF THE STUDY

Working in the above stages, the study focused on evaluating three outcomes of the training provided:

- 1** Impact of Capacity Building: To evaluate the nature and responsiveness of the capacity building efforts implemented through the Hinga Weze program, with a particular emphasis on assessing the alignment of these efforts with the program's objectives.
- 2** Effectiveness of Capacity Building: To measure the extent to which the enhanced capacities of the trained agrodealers contributed to improved performance, encompassing both qualitative and quantitative assessments.
- 3** Sustainability and Scalability of Capacity Building: To identify and recommend mechanisms that can enhance the long-term sustainability and scalability of interventions in capacity building of agrodealers.

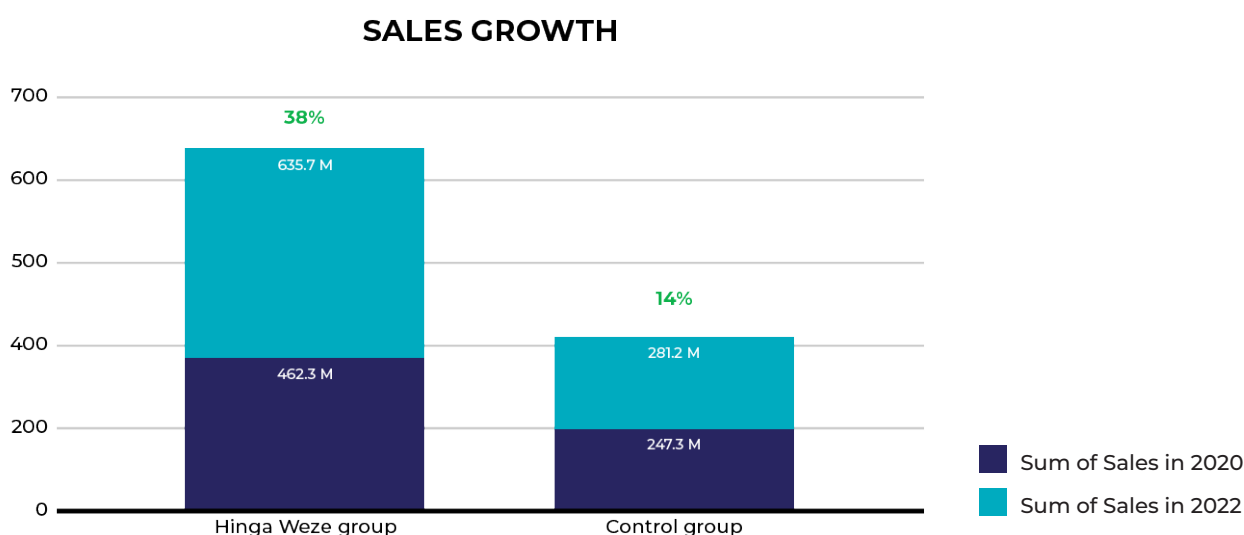
In conclusion, the methodology employed in this research report encompassed desk research, key informant interviews, and comprehensive analysis of SCOPEinsight assessment data. The combination of qualitative and quantitative approaches provided a holistic understanding of the impact and effectiveness of the agrodealer capacity building program under the Hinga Weze initiative in Rwanda. The findings derived from this methodological approach serve as a solid foundation for making informed decisions regarding future investments and programming to enhance livelihoods and financial inclusion of farmers.

CASE STUDY RESULTS

The comparative analysis of the two groups (Hinga Weze and control group agrodealers) revealed significantly positive impacts on the performance of agrodealers who received BDS services, showcasing improvements in sales, profitability, customer base, employee capacity, inputs sold, access to finance, and other performance indicators. These findings underscore the importance of strategic capacity-building initiatives in fostering sustainable growth and enhancing farmer financial inclusion and livelihoods in Rwanda's agricultural sector. The results of the random sampling of the 20 agrodealers, of which 10 were trained by Hinga Weze and 10 were not trained, covering the key performance indicators that were identified earlier, are shown below:

Figure 3 (3a-3i): Changes in Agrodealer Performance Related to Hinga Weze. Amounts in Rwandan Francs (RWF):

3a AGRODEALERS TRAINED UNDER HINGA WEZE HAVE GROWN IN SALES AND AT A FASTER RATE THAN THOSE THAT DID NOT RECEIVE THE SAME TYPE OF BDS SUPPORT (RWF)



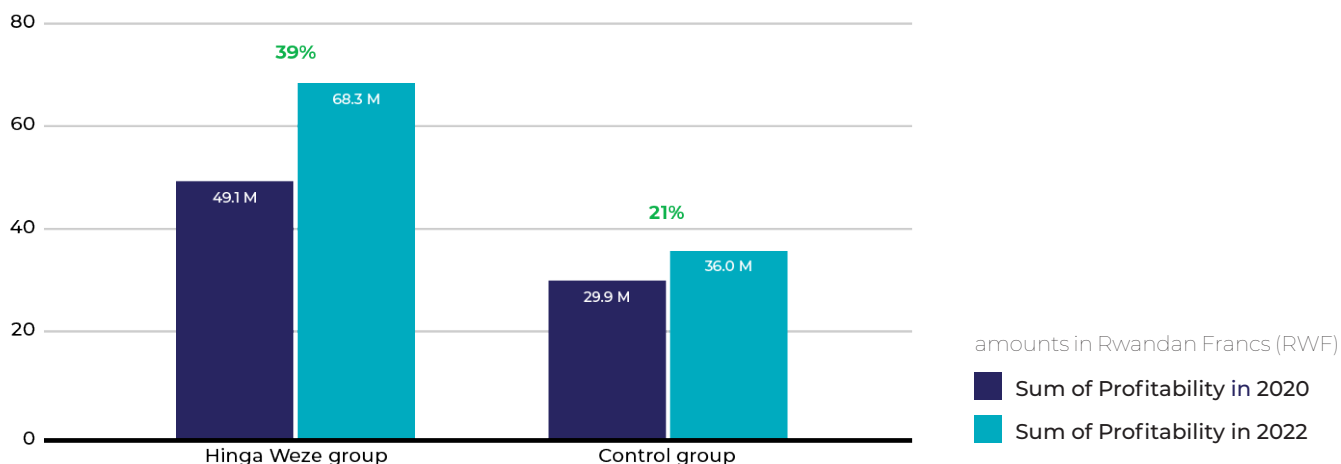
The graph above illustrates the remarkable impact of the Hinga Weze program on agrodealers' sales performance over a two-year period. Agrodealers who participated in the Hinga Weze program experienced an impressive 38% increase in sales during this time. Notably, this growth rate was nearly three times faster than the rate observed among businesses that did not partake in the program. This compelling data underscores the effectiveness and significance of the program's capacity-building interventions in empowering agrodealers and driving accelerated growth in their sales figures. The results reaffirm the program's impact as a transformative catalyst for agrodealers' prosperity and further reinforce the importance of investing in such initiatives to advance financial inclusion within Rwanda's agricultural sector.

"During the pandemic, Hinga Weze supported agrodealers to practice safety measures in their shops. Agrodealers were also encouraged to use mobile money as a means of payment instead of cash to avoid being exposed to the virus. As a result, I didn't close my shop during the COVID-19 pandemic, and my customers were very happy to be assisted during that period."

Mukeshimana Ruth, Kayonza District

3b HINGA WEZE AGRODEALERS OBTAINED HIGHER PROFIT MARGINS (RWF)

PROFITABILITY GROWTH



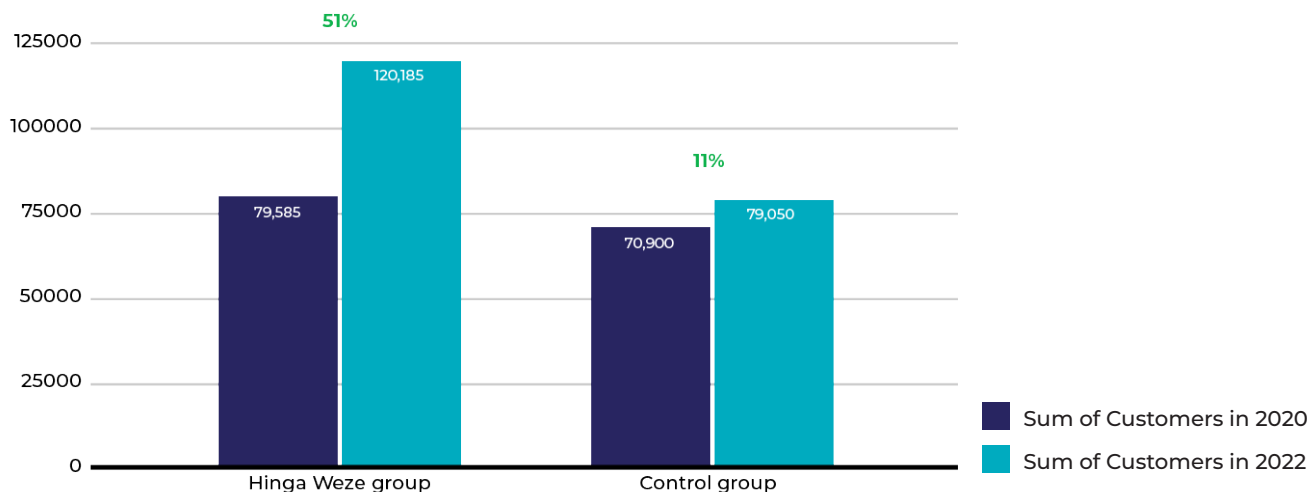
In addition to the substantial increase in sales, agrodealers who received BDS support from the CNFA-led Hinga Weze program experienced a remarkable 39% improvement in profit margins over two years, nearly double the 21% increase observed in the control group during the same period. These results highlight the significant impact of the program’s capacity-building efforts in fostering enhanced profitability among agrodealers and emphasize its potential to drive sustainable economic growth within the agricultural sector.

“Initially, we, agrodealers, received a margin of about 30RWF/kg for fertilizer. With the advocacy of Hinga Weze, we now receive 40 RWF/Kg. The additional 10 RWF/kg has significantly improved our profit margin. We are now able to allocate 2 RWF/kg to farmers’ promoters and still make a profit. Hinga Weze encourages agrodealers to build and maintain good relationships with farmers. The additional 8 RWF/kg that I now make improves my financial ability and helps me avail inputs on credit to farmers. In Season 2020B, I sold vegetable seeds and pesticides on credit totaling 1,146,500 RWF to 32 farmers. Providing inputs on credit helped many farmers to plant crops and apply pesticides on time.”

Francois Rugelinyange, Agrodealer in Gatsibo

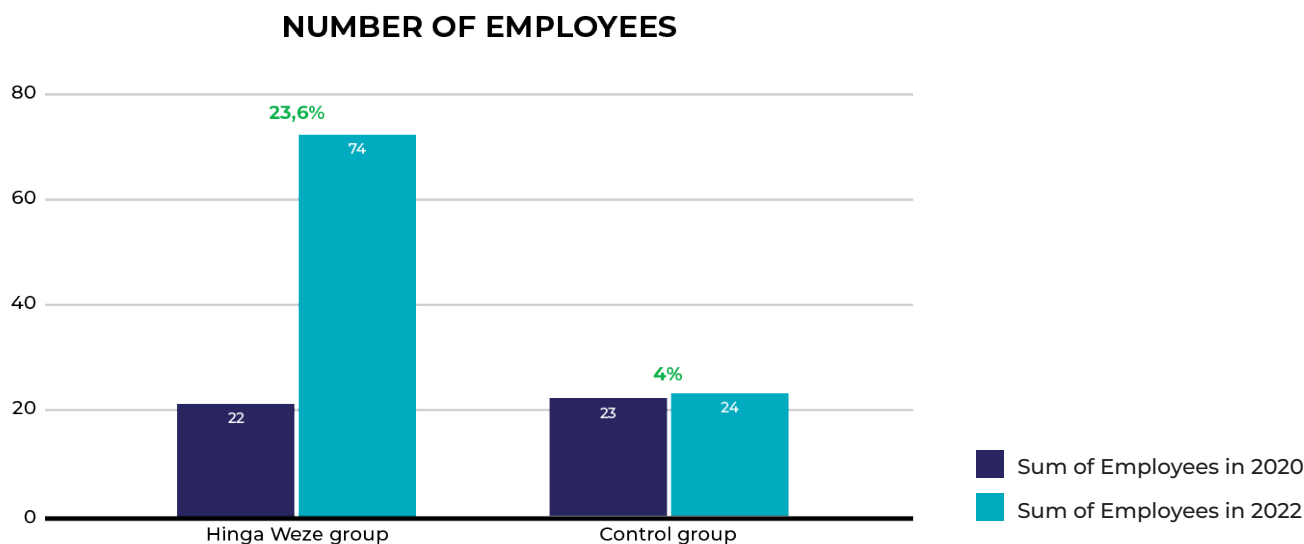
3c HINGA WEZE AGRODEALERS SIGNIFICANTLY INCREASED THEIR CUSTOMER BASE:

NUMBER OF CUSTOMERS



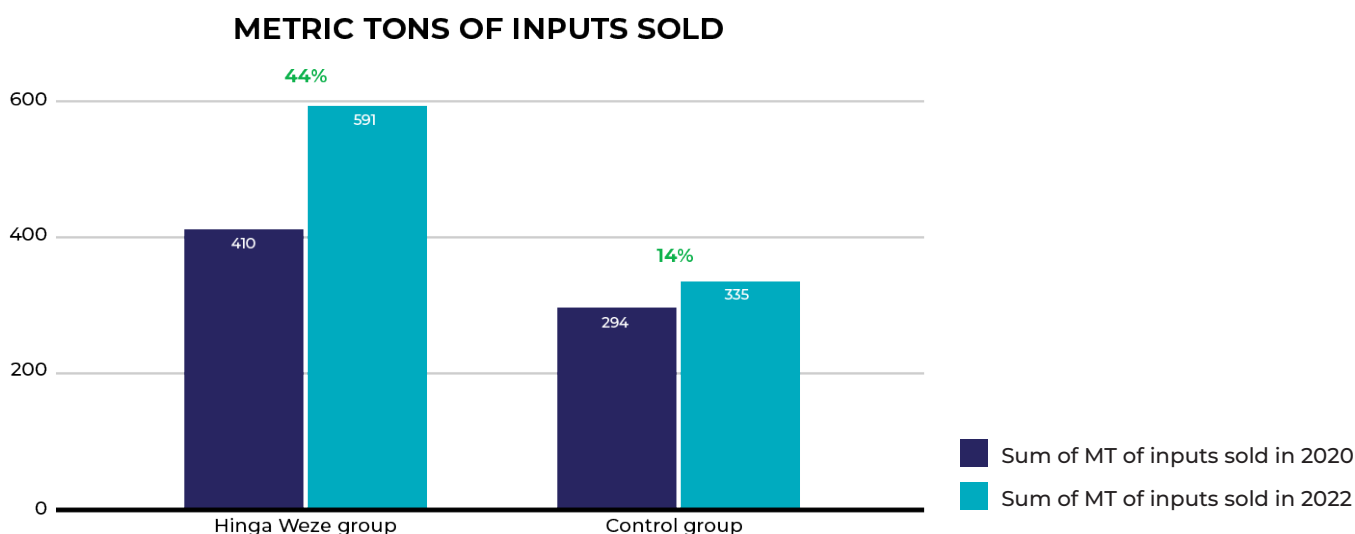
In terms of the customer base, agrodealers supported by CNFA’s program demonstrated substantial progress, increasing their customers by 51% over two years, starting from a similar baseline to that of the control group. In comparison, the control group experienced an 11% increase in customers during the same period. These findings underscore the program’s effectiveness in significantly expanding market reach and customer engagement for participating agrodealers, ultimately contributing to their sustained growth and success.

3d HINGA WEZE AGRODEALERS HAVE PROVIDED MORE EMPLOYMENT OPPORTUNITIES:



Over a two-year period, agrodealer businesses supported by CNFA experienced exceptional growth in their employee base, achieving a remarkable 236% increase, mainly through provision of new services. In contrast, agrodealers from the control group did not witness significant changes in their employees during this timeframe.

3e HINGA WEZE-TRAINED AGRODEALERS SOLD MORE INPUTS:

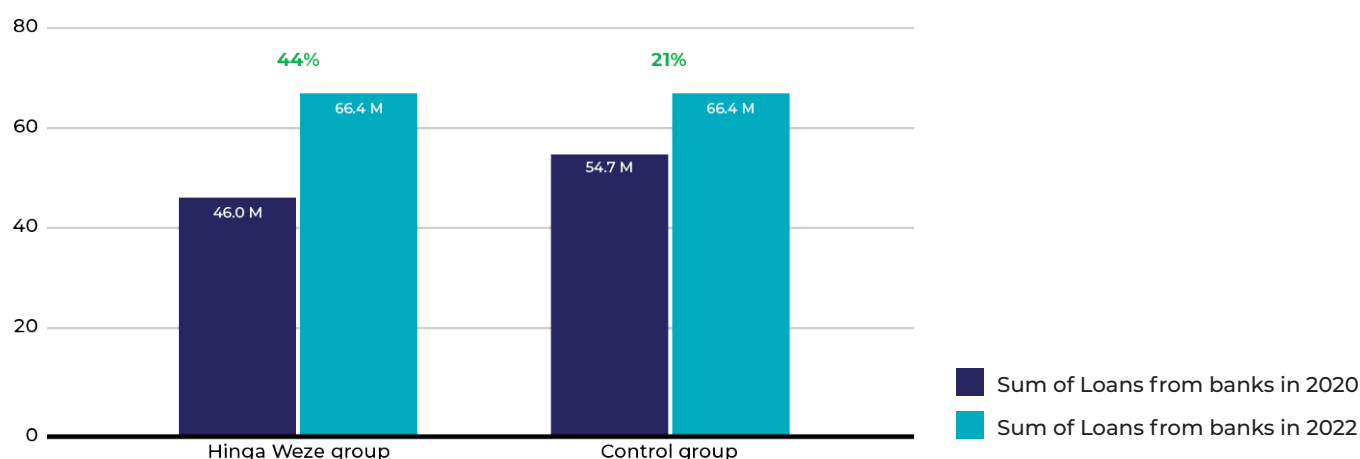


Over a span of two years, the group of agrodealers receiving business development services provided by CNFA achieved an impressive increase of almost half in terms of their sales of agricultural inputs. Notably, this growth rate was nearly twice as high as that observed in the control group, where input sales increased by only 14% during the same period.

"I want to thank Hinga Weze for encouraging agrodealers to provide high-quality inputs and to conduct agrodealers' needs assessment to identify their priorities and promote the timely supply of needed agro-inputs. Agrodealers were also encouraged to make small packages of vegetable seeds, and pesticides available to make inputs affordable for farmers. This initiative helped our agrodealer cooperative to significantly increase our number of customers and resulting income."

Ange Ngabonziza, President of KADECO

3f AGRODEALERS TRAINED BY THE HINGA WEZE PROGRAM ACCESSED MORE FINANCIAL RESOURCES (RWF) LOANS FROM BANKS



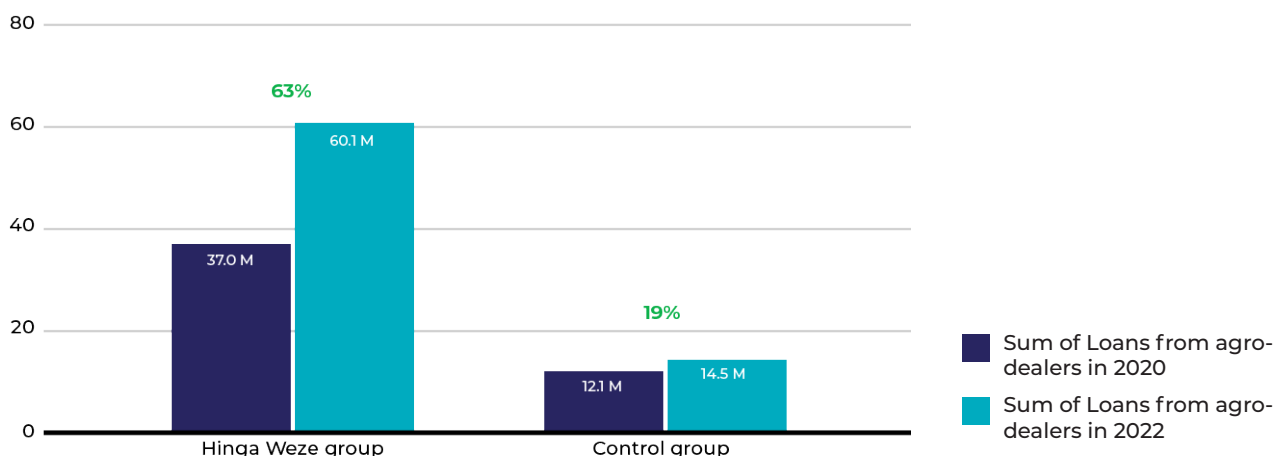
Over the course of two years, the agrodealers supported by the CNFA-led program demonstrated substantial progress in accessing bank loans, with an impressive 44% increase. Starting from a lower base, these agrodealers effectively accessed finance from banks at a higher rate than the control group, and by 2022, they practically caught up with the level of income achieved by the control group. This was a result of the business planning, market assessment and SWOT analysis training delivered by Hinga Weze, and also a result of CNFA relationships with the major financing institutions of the country which allowed for easy introductions, fact-checking on the ground, and spot due diligence conducted by CNFA staff as part of the project. This coherent package of support was key in supporting the FI's and the agrodealers to communicate well during the loan assessment process.

"In Karongi district, 11 agrodealers received loans from savings and loan cooperatives, the Bank of Kigali, and Cogeбанque of an amount totaling 19,800,000 RWF. In 2021, We applied for an additional loan because we wanted to expand our business by adding more inputs and services that farmers would often demand only to find out that we didn't offer them. When we carried out a SWOT analysis during Hinga Weze training on marketing strategies, we identified that one of our weaknesses is not giving much value to farmers' needs and providing the necessary inputs and services for improved productivity. We now directly reach out to farmers to find out what they need and, now having easy access to loans, we can fulfill these needs. We can now provide all the necessary agro-inputs, and this is something that farmers really appreciate as they no longer have to travel far to Muhanga District to access these services."

Ange Ngabonziza, President of KADECO

3g HINGA-WEZE TRAINED AGRODEALERS OFFERED MORE FINANCIAL SERVICES TO FARMERS (RWF)

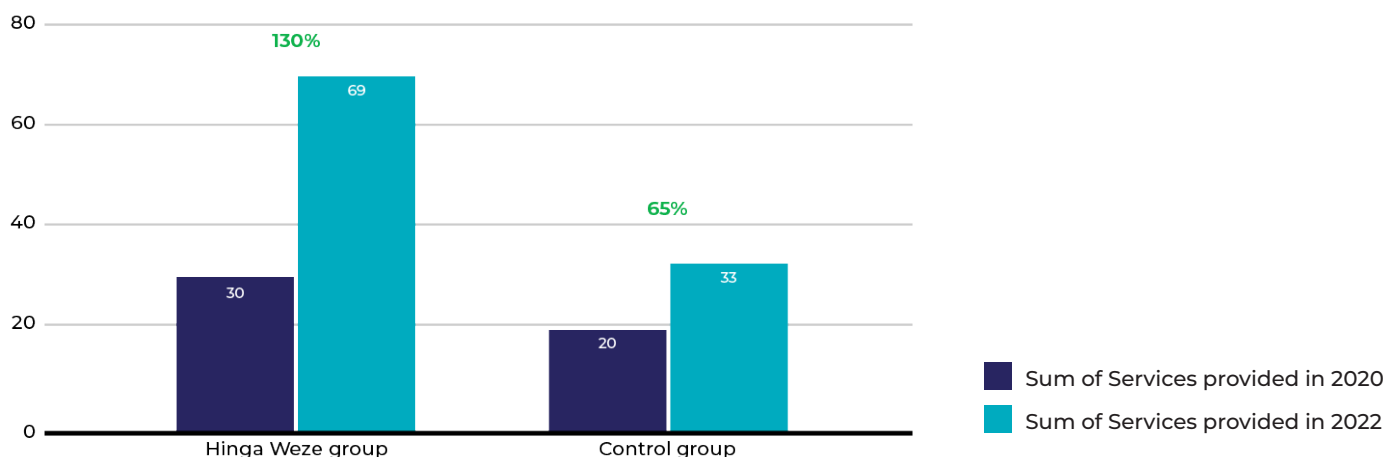
LOANS FROM AGRO-DEALERS



Over a span of two years, agrodealers trained under the Hinga Weze program experienced a significant surge in financial services offered, nearly doubling their offerings. In contrast, the control group of agrodealers saw only a marginal increase of 19% in the same period. Additionally, the total sum of loans provided by the CNFA-trained group expanded exponentially, becoming over four times larger compared to the control group.

3h HINGA WEZE-TRAINED AGRODEALERS OFFERED MORE SERVICES TO FARMERS THAN OTHER AGRODEALERS:

NUMBER OF SERVICES PROVIDED

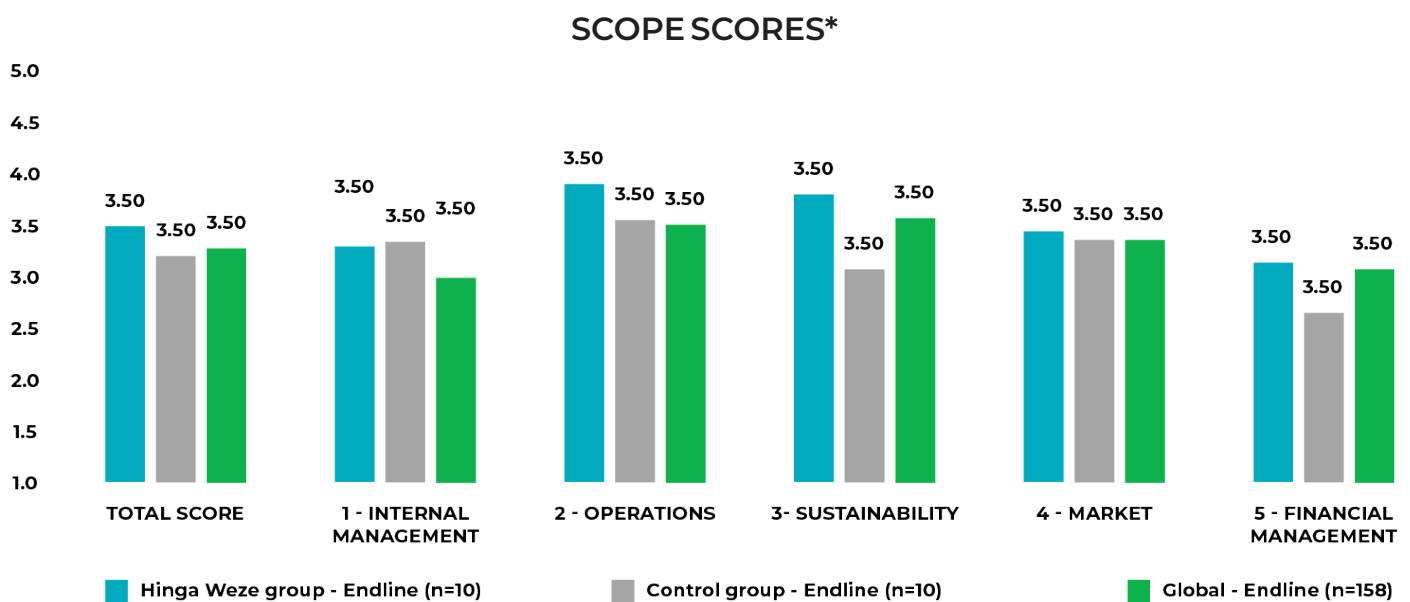


Over the span of two years, agrodealers who received support from the Hinga Weze program experienced a remarkable expansion in the number of services they offered, more than doubling their offerings to a total of 69 different types of services provided to smallholders and cooperatives across various geographical areas. This number is over twice the number of services offered by the control group to its customer base, despite the control group increasing its range of services by 65% during the same period.

“Before getting my agrochemical retailer license, I was selling fertilizer and seeds informally on a seasonal basis. Hinga Weze helped me receive an agrochemical retailer license and I then established a shop of my own that operates throughout the year. I also expanded my business to include various types of pesticides that farmers need. I provided an employment opportunity to an agronomist who helps me manage farmers we provided input credit to and does on-farm visits to see how farmers’ crops are growing. Hinga Weze trained me on how to record and track credits provided to farmers. After expanding my business in 2020, I have gained a total of 2,150 additional new farmer customers.”

Mukeshimana Ruth, Kayonza District

3i OVERALL SCORE COMPARISON OF HINGA WEZE-TRAINED AGRODEALERS AND THOSE THAT WERE NOT TRAINED:



The endline assessments revealed improvements in the overall SCOPE scores and its five individual dimensions over the baseline, as shown in the total number of figures above where the baseline data for each aspect is shown. The improvements were especially present in the operations, sustainability, and financial management categories, for the agrodealers trained under the Hinga Weze program. The internal management and market aspects also showed improvements, although these were less markedly improved than the others. In this context, the graph presented above demonstrates that Hinga Weze-trained agrodealers achieved higher scores compared to both the control group and the combined scores of all agrodealers assessed using SCOPEinsight tools. These findings highlight the program’s efficacy in enhancing business and management performance, establishing a clear advantage for agrodealers who received training, and further emphasize the positive impact of the Hinga Weze program on agrodealers’ overall capabilities and success.

*A SCOPE score, derived from SCOPEinsight’s assessments, evaluates the professionalism of an agribusiness on a scale of 1 (very immature) to 5 (professional). Covering 11 critical dimensions, it identifies key success and failure factors, offering a clear roadmap for agribusiness development and expansion.

There are several reasons for Hinga Weze's success in supporting agrodealers to increase their performance:

A

DIVERSIFICATION OF SERVICES

Hinga Weze agrodealers expanded their operations to offer a broader range of products and services, such as providing technical advice, offering credit facilities, or establishing partnerships with other agricultural service providers. This expansion attracted more customers and, in turn, required more employees to deliver these services.

B

SEASONAL DEMANDS

Agricultural activities often follow seasonal patterns, and Hinga Weze agrodealers hired additional staff during peak seasons (e.g., planting or harvesting seasons) to handle the increased customer flow and to ensure timely product delivery. Having been trained in market analysis and forecasting operational costs, the trained agrodealers were better able to anticipate the seasonal needs and manage their planned investment and working capital costs more effectively.

C

INCREASING FARMER PRODUCTIVITY

Agrodealers play a crucial role in providing farmers with the proper agro-inputs and knowledge to improve their productivity. As farmers seek to enhance their yields, the demand for agro-inputs and related services grows, prompting Hinga Weze agrodealers to expand their operations. Subsequent analyses of the Hinga Weze showed significant increases in farmer productivity in the areas covered by the trained agrodealers, due to their increased access to agro-inputs, services, and input financing by these agrodealers.

D

GROWING DEMAND FOR AGRICULTURAL INPUTS

As the agricultural sector expands and demand for inputs such as seeds, fertilizers, pesticides, and machinery increases, there is a need for more agrodealers offering more services in order to meet the rising demand for inputs from farmers. The Hinga Weze training and support for agrodealers enabled them to take advantage of this growing demand and to access financing and other resources needed to take advantage of the dynamic market environment.

E

TECHNOLOGY AND MODERNIZATION

With the adoption of new technologies and digital platforms in the agricultural sector (including the Smart Nkunganire System, the Government of Rwanda online platform to coordinate delivery of subsidized agricultural inputs to farmers), agrodealers in the Hinga Weze area of interventions increased their level of digitalization to handle online sales, manage logistics, and provide customer support for these services.

F

INCREASED GEOGRAPHIC COVERAGE

In rural areas, where agriculture is a significant part of overall economic activity, there is a need for wider geographical coverage of agrodealers to ensure that farmers have easy access to agricultural inputs without having to travel over long distances (through the establishment of new outlets as well as sub-outlets offering goods and services to farmers).

G**MARKET COMPETITION**

As the agricultural sector continues to develop and to become more competitive, Hinga Weze delivered market analysis training to agrodealers which helped them to expand their distribution networks and to open new branches, contributing to more competition for farmer customers and resulting in better prices and services offered to farmers.

H**ABILITY TO COMMUNICATE WITH FINANCIAL INSTITUTIONS**

The Hinga Weze BDS training gave an important impetus to the ability of agrodealers to be able to convey their vision about expanding their level of input and service provision to farmers on a profitable basis. It allowed agrodealers to access more finance and this resulted in them reaching more farmers.

Overall, the ability of Hinga Weze agrodealers to increase their performance was often driven by an understanding, gained through successful BDS, of the combination of increased market demand, expanding economic opportunities, and wider awareness of farmers for the need of implementing good practices on their farms. Agrodealers who had gained the skills to leverage their strategic vision of taking advantage of the increasing opportunities within the agricultural sector were able to benefit, through gaining the above-identified skills, in terms of increasing their ability to profitably take advantage of these shifting market opportunities to increase their income, customers, and profitability.

Establishment of Women Agrodealership Development (WAD) initiative spearheaded by Hinga Weze to empower female agro dealers. Photo by Hinga Weze staff



LESSONS LEARNED

The delivery of effective agri-BDS was paramount to Hinga Weze's success. It encompassed interventions such as access to finance, technical assistance on record-keeping and warehouse management, market information, and business development support. By providing these services, Hinga Weze facilitated smallholder farmers' transition from subsistence farming to market-oriented agriculture, enhancing input access, productivity, product quality, sustainable practices, market access, and fair price negotiations. The case study also emphasizes the importance of using standardized data to drive capacity building efforts. Through the SCOPEinsight assessment tools, the program obtained consistent data, enabling a comprehensive evaluation of agrodealers' performance and progress, resulting in targeted and evidence-based capacity building interventions.

However, some important lessons can be drawn from the case study about Hinga Weze's own performance and results, including the following:

A **What lessons can we glean from the Hinga Weze overall strategy of delivering BDS to agrodealers, and how important was the delivery of effective agri-BDS services in the achievement of its objectives?**

STRENGTHENING PARTNERSHIPS

Hinga Weze recognized the importance of building strong partnerships with various stakeholders, including government agencies, private sector entities, farmer organizations and cooperatives. This collaboration helped leverage resources, expertise, and networks, resulting in a more sustainable and scalable approach.

MARKET-ORIENTED APPROACH

Hinga Weze adopted a market-oriented approach, focusing on creating demand-driven systems and promoting market linkages. By understanding the needs and preferences of farmers, the project facilitated the delivery of appropriate agricultural inputs and services, leading to improved performance and increased sales for agrodealers.

ACCESS TO FINANCE

Access to finance was a crucial factor for agrodealers to be able to expand their businesses and meet the demands of farmers. Hinga Weze worked to improve access to finance for agrodealers by facilitating linkages with financial institutions and promoting innovative mechanisms including input financing. This enabled agrodealers to capture more customers, invest in their businesses, diversify their product offerings, and achieve greater profitability even including their financing costs.

CAPACITY BUILDING

Hinga Weze emphasized the importance of providing training and capacity-building support to agrodealers. By enhancing their technical knowledge, business skills, and understanding of market dynamics, agrodealers were better equipped to serve farmers effectively. This capacity building contributed to the improved performance of agro-dealerships.

PRIVATE SECTOR ENGAGEMENT

Hinga Weze recognized the importance of engaging the private sector to drive agricultural transformation. The project worked closely with agrodealers, input suppliers, processors, and market actors to create linkages and foster inclusive market systems. This collaboration helped farmers access quality inputs, value-addition services, and better market opportunities. Of special interest was the Hinga Weze role in supporting the role of cooperatives, both the formation thereof as well as capacity building, so as to increase the possibility of (cheaper) bulk purchases in agro-inputs as well as a coherent joint effort to selling collected produce. In the context of relationships with agrodealers, working with farmer cooperatives helped them secure a larger customer base.

B **What lessons can we glean from the Hinga Weze overall strategy of delivering BDS to agrodealers, and how important was the delivery of effective agri-BDS services in the achievement of its objectives?**

Hinga Weze adopted an indirect approach in delivering BDS services to agrodealers by outsourcing the activity to local BDS providers, consisting of three consulting companies. A total budget of \$250,000 was allocated through a subcontract mechanism to these local service providers to conduct training and monitoring services, focusing on strengthening agrodealer capacity in alignment with earlier SCOPEinsight assessments. The BDS training encompassed operational business training and strategic market analysis, aimed at improving performance, enhancing market access, and boosting competitiveness. The practical nature of the training, along with additional coaching time, ensured the effective assimilation of knowledge by agrodealers, fostering a strong level of professionalization and relationship enhancement between the BDS providers and the agrodealers. This strengthened bond enabled ongoing collaboration even after the conclusion of Hinga Weze in April 2022, further benefiting farmers in a mutually beneficial partnership.

C **What lessons can we glean from the Hinga Weze BDS effectiveness and how important was this to the improved performance of the supported agrodealers?**

BDS EFFECTIVENESS MEASUREMENT

The training was effective in the context of its delivery, which was generally conducted at a central area where 3-4 agrodealers (of the 318 trained) could access training at one time. Through the BDS training, agrodealers were then able to expand their networks by creating or partnering with other small shops located in different areas. As a result of this feedback, Hinga Weze had to make some changes to the training delivery model with the engaged BDS subcontractors, to tailor it to the expanded presence of the rural businesses. For example, trainings were held close to the agrodealers' shops in the beginning, but as it increased in complexity the training needed to become more disbursed, to bring the knowledge closer to the service delivery areas of the agrodealers to the farmers.

PROFESSIONALIZATION

Hinga Weze engagement with input retailers led to many improvements across a growing network of professionalized input retailers. They created a credit scheme that links agrodealers to farmers, which allowed thousands of farmers access inputs they normally would not be able to afford. This opportunity helped some farmers to double their harvest. Marketing events linking agrodealers with farmers have allowed agrodealers to sell more than 467 tons of blended fertilizers in 2021 whose value increased their sales by around \$230,600 compared to 2020. Moreover, marketing events have become good opportunities for agro-input retailers to bring their products closer to their clients, located more often in remote areas, to shorten the distance that farmers have to travel to access quality inputs and to conduct inputs need assessment to be able to satisfy farmers' preferences.

COST-EFFECTIVENESS

In terms of the cost-effectiveness of Hinga Weze is important in this context because it helps justify the investments made in supporting agrodealers. The resources allocated by Hinga Weze to agrodealer BDS support would need to have generated significant positive outcomes relative to their costs, in order to be effective, which led Hinga Weze to ask itself the following questions:

QUESTION

What were the total costs of the program and what percentage was used for BDS design and delivery?

ANSWER

The BDS training program for supported agrodealers was allocated a total of \$250,000 from the overall Hinga Weze budget of \$32.6 million (approximately 0.75% of the total CNFA budget). An additional estimated \$42,000 was allocated for monitoring and administrative costs, including SCOPEinsight design of assessment tools. To “justify” the investment by Hinga Weze in BDS training, CNFA identified key areas where the investments could yield significant results, especially in increasing sales and profitability of agrodealers as well as measuring the increased access to inputs and services by farmers. By focusing on strategic interventions supported by the BDS, such as sales training for agrodealers and improving market linkages, the project aimed to maximize its impact with limited resources. As such, as a result of the findings of the case study, the intervention generated an additional \$325,000 in annual sales for agrodealers in 2022, over \$30,000 in profitability, and generating over 50 employment places, justifying the investment.

Was there a contribution by the agrodealer to cover the costs? If yes, what percentage of the BDS costs were covered?

The agrodealer was generally not required to cover the financing cost of the BDS provision, but only his/her transport, accommodation (when needed) and the venue (usually the agrodealer shop or nearby building) for accessing the training. The estimate of the resources (not including their time) expended by the agrodealers to access the training was less than 5% of the subcontracted amount of \$250,000 used to engage the BDS providers. A lesson learned in this context is that the agrodealers should be asked, in the next iteration of BDS training, to provide a more formal cost-sharing arrangement so as to increase the prospects of sustainability.

B What lessons can we glean from the **Hinga Weze sustainability and scalability** and how important was this to the improved performance of the supported agrodealers?

- How do partners expect the initiative to evolve after the end of the project?
- How can BDS quality be improved and BDS subsidy reduced to enable scalability of services?
- How can BDS efficiency and effectiveness be improved?

PRIVATE SECTOR ENGAGEMENT

Hinga Weze BDS increased the chances of agrodealers securing continued financial security and sustainability. They are better able to function and thrive in a market environment. This, in turn, ensures that the ongoing provision of services to agrodealers and farmers, contributing to their improved agricultural performance over time. The improved performance of supported agrodealers in Rwanda was crucial for the success of Hinga Weze achieving its objectives, but it was also crucial for the expanded success of the agrodealers themselves. The project provided them with tailored training, business development support, and access to finance and inputs, enabling them to deliver better services to farmers, which was the primary objective.

By improving the performance of agrodealers, the BDS services provided were able to enhance farmers' access to quality inputs, knowledge,

and services. This, in turn, will contribute to increased agricultural productivity, improved market access, and better livelihoods for smallholder farmers in Rwanda. Therefore, cost-effectiveness is crucial for ensuring the sustainability and scalability of the project's impact on the supported agrodealers and the agricultural sector as a whole. However, the BDS subsidy i.e., the direct provision of the BDS by Hinga Weze through the payment to subcontractors, was omnipresent and future models should build more on the possibility of agrodealer co-financing of the services provided, or possibly consider another mechanism to ensure an increased level of sustainability. Had Hinga Weze supported other agrodealers in its area of operations, then even further economies of scale could have been delivered which would have lowered the cost significantly per agrodealer.

RECOMMENDATIONS

With the conclusion of the implementation of Hinga Weze program interventions in Rwanda, this chapter is intended to provide some brief recommendations for AMEA members, CNFA, SCOPEinsight and others in the context of programming agrodealer development activities. In addition to the recommendation that AMEA members, CNFA/SCOPEinsight and other stakeholders continue to integrate and act on the above lessons learned, the authors present the following recommendations those reading this case study for their consideration:

RWANDA-SPECIFIC RECOMMENDATIONS

ALWAYS CONDUCT AN INITIAL ASSESSMENT

Any development project targeting agrodealers should start by conducting an assessment so that it can be aware of where each agrodealer is located on a continuum of business knowledge and market awareness. Using a tool such as the SCOPEinsight Retailer Tool, instead of providing generic support, a BDS intervention for agrodealers can build on a firmer baseline and be able to work more closely with agrodealers and the private sector to introduce BDS component in the daily activities for better outreach and higher results and sustainability.

FOCUS ON THE FARMER

Most of the farmers are smallholder farmers and to be able to reach them at scale in their local communities, an essential element in agriculture transformation is to strengthen local extension systems by training trusted and successful farmers, providing them with the best knowledge and tools to extend to introduce fellow farmers, along with the best inputs. And the right people to deliver this trusted capacity and service provision are the agrodealers themselves, based on their closeness to farmers. Providing BDS can only strengthen their ability to capably expand their outreach to more farmers.

BUILD ON SUCCESSFUL MODELS

BDS projects should explore opportunities to replicate successful agrodealer models and expand their reach to new regions or markets. They should identify factors that contribute to success, such as effective business models, appropriate technology adoption, and strong market linkages. By replicating and scaling-up proven approaches, the project can have a broader impact and achieve greater sustainability (e.g., Farm Service Centers).¹

SHARE THE KNOWLEDGE

BDS projects should facilitate platforms for knowledge sharing and learning among stakeholders and encourage the exchange of best practices, success stories, and lessons learned to enhance collective understanding and improve the effectiveness of interventions.

¹More information about the CNFA Farm Service Center model used to strengthen agrodealers worldwide can be found at <https://www.cnfa.org/resource/cnfa-farm-service-center-fsc-model/>

FOR REPLICATION AND THE SECTOR GENERALLY

STRENGTHEN PARTNERSHIPS AND COLLABORATION

Foster “aggressive collaboration” at all times among all stakeholders, including government agencies, NGOs, private sector actors, agro-input importers, and farmer organizations. By working together, sharing knowledge, and leveraging resources, stakeholders can maximize their impact and achieve common goals more effectively.

CONTINUOUSLY ASSESS AND ADDRESS THE NEEDS OF THE TARGET AUDIENCE

Conduct regular assessments and evaluations to understand the evolving needs and challenges of the target audience. Based on these assessments, adapt interventions, programs, and services to ensure they remain relevant and responsive to the changing context.

PROMOTE GENDER EQUALITY AND SOCIAL INCLUSIVITY

Ensure that interventions and programs consider gender disparities and social inclusivity. Foster an enabling environment where all individuals, regardless of gender or social background, can equally access resources, opportunities, and benefits.

Supporting agro dealers on stock management at one of the input outlets. Photo by Hinga Weze



CONCLUSION

In conclusion, this AMEA case study conducted from March to May 2023 provides valuable insights into the achievements of the Hinga Weze program for agrodealers in Rwanda, considering both the remarkable outcomes and the associated costs. The study showcases how the program's capacity-building efforts, despite incurring considerable expenses, resulted in impressive improvements for agrodealers and farmers alike, making it a worthwhile investment in Rwanda's agro-input market system.

Despite the substantial costs of the BDS services, the Hinga Weze program delivered tangible and transformative impacts. Agrodealers who participated in the program experienced an outstanding 38% increase in sales over a two-year period, significantly outpacing businesses in the control group. Similarly, profit margins improved by a remarkable 39%, nearly twice as much as the increase observed in the control group, reinforcing the program's effectiveness in driving growth and prosperity for agrodealers.

Moreover, the program's success extended into other key performance indicators, such as a 51% increase in the number of customers, a substantial 236% growth in the employee base (mainly in technical delivery of new services to farmers), and a significant 44% improvement in access to bank loans for agrodealers benefiting from the program.

These outcomes demonstrate how targeted investments in capacity-building efforts can lead to enhanced financial inclusion and livelihoods within Rwanda's agricultural sector. The program's impact also extended to the diversification of services offered by agrodealers, with the number of services more than doubling to 69 different types, outperforming the control group by a wide margin. Additionally, the program's emphasis on data-driven decision-making and business management performance improvements, as demonstrated by the higher SCOPE scores

compared to the control group, further showcases the effectiveness of Hinga Weze in empowering agrodealers and driving sustainable economic growth.

While acknowledging the significant costs of the BDS program provision, estimated at close to \$300,000, the compelling results and transformative nature of the outcomes underscore its importance as an impactful investment in Rwanda's agro-input market system. By fostering enhanced productivity, profitability, and market-oriented systems, the Hinga Weze program has not only contributed to rural development and food security but also strengthened the overall competitiveness and resilience of Rwanda's agricultural sector. However, some key lessons include the need to increase demand as the majority of agrodealers contacted were not interested in the BDS offer, as perhaps it was poorly explained by Hinga Wunguke or not well understood by the potential agrodealer participants. On top of this key lesson, there is also a need to have a better understanding of the costs of BDS and its potential for such an approach to be implemented at scale. Future implementers of agrodealer capacity-building programs should be mindful of these key lessons as well as others mentioned earlier in this case study.

Moving forward, the lessons learned from Hinga Weze's achievements and impacts should inspire stakeholders to continue investing in similar capacity-building efforts, promoting collaborative partnerships, and data-driven decision-making. By doing so, Rwanda can further enhance its agricultural sector, bolster its agro-input market system, and achieve lasting positive impacts on the lives of agrodealers, farmers, and rural communities across the country. This will ultimately contribute to the sustainable development and prosperity of Rwanda's agricultural sector and its economy as a whole.

