

*By Aimable Twahirwa;*

In Nyamasheke, a district about 200 km southwest from Kigali lies two-hectare cornfields, this is the place where Mariam Nayituriki, a young woman, sees hope for a better life.

The 24-years-old fresh university graduate has been exploiting this farmland inherited from her parents by adopting crops recommended by local administrative authorities in line with official instructions on land use consolidation that was implemented since 2008, with the overall goal to overcome the effects of land fragmentation by increasing the scale of agricultural yields.

With a hope to boost productivity, Nayituriki has been desperately trying to secure a loan with her farmland as collateral in a local microfinance at a low cost.

“In the past, the production was not good for food processing industry and the crops were used for self-consumption,” she says.

A new research conducted by one of the beneficiaries of fellowships awarded this year by the International Institute of Tropical Agriculture (IITA), providing youth with a starting capital regarding their agribusiness project is key to the promotion and boosting of their entrepreneurship.

The lead author of the new research paper, Gilberthe Benimana Uwera says that access to formal credit sources is still very low in Rwanda with the youth engaged in agribusiness blaming collateral requirement for loans.



Gilberthe Benimana Uwera

“Youth still face many barriers in accessing financial services to invest in agribusiness,” Benimana says.

In fact, Nayituriki would not be where she is had it not been the support from Business Development Fund (BDF), a government initiative dedicated to provide funding to Small and Medium Enterprises (SMEs) which helped her spontaneously grow her farming business.

Apart from efforts to curb unemployment among the youth especially university and high school graduates the government initiative has been providing financial

support to viable agribusiness projects across all 30 districts of Rwanda.

The initiative focuses on boosting capacity of small and Medium Enterprises to access finance especially for those who lack sufficient collateral when seeking credit, says Diana Kareba the Investment and Portfolio manager at BDF.

The scheme for youth in agribusiness brings together various partners at government level such as the Ministry of Agriculture and Animal resources, Rwanda Cooperative Agency, women and youth councils, district authorities as well as private sector namely the Rwanda Youth in Agribusiness Forum.

Estimates by IITA show that increasing youth engagement in profitable agriculture and agribusiness is critical for sustainable agricultural development.

Drawing on these trends, a new report by the Food and Agriculture Organization (FAO) indicate that Rwanda is a youthful and densely populated country in Eastern Africa where approximately 30 percent of employed people (60 percent of the youth) are underemployed, meaning they work less than 35 hours per week and would be willing to work more.

Rwanda's agriculture sector already plays a critical role in absorbing the working age population, including the youth, the 2019 UN agency report said.

Rosine Mwiseneza, one of the young Rwandan female entrepreneurs in agribusiness, is the founder and CEO of SmAgri Ltd, a company that develops precision-farming solutions told Rwanda Dispatch that youth sometimes need a variety of appropriate financial services to help them tackle agriculture through innovation.

"A number of options are available for youth financial inclusion but most importantly is about thinking on how they can also leverage technologies for agribusiness innovation," Mwiseneza says.

SmAgri's has developed an automated irrigation system, which is embedded with a sensor system package that collects data on soil moisture, temperature, humidity and can automate irrigation when required.

Thanks to these innovations, the company managed to get finance and support from various stakeholders including financial institutions to boost services for remote rural farmers engaged in agribusiness.

However, Benimana believes in her research that access to financial services is key in boosting entrepreneurial activities for the majority of youth.

“In many rural settings young people (and families) across Rwanda see farm work as a last resort, but there is a way to force a mindset shift once there are appropriate mechanisms to promote their financial inclusion,” Benimana says.

Agribusiness finance to spur job creation and income generation among Rwandan youth

To see agriculture as a profitable and exciting career path, young people need education, technical training and especially resources such as land and finance.

As part of these efforts aimed at rising levels of unemployment and to encourage ventures in agricultural sector among youth, Rwanda in partnership with United States Agency for International Development (USAID), is implementing a five-year (2016-2021) youth employment project entitled Huguka Dukore Akazi Kanoze (scaling up successfully-proven efficient and decent work).

Whereas the aim is to train and provide starting capital to out-of-school youth in different economic sectors where agribusiness is among the priorities, the project also seeks to enhance youth engagement in agricultural-related business and their agribusiness skills.

This is being conducted by providing youth with agribusiness technical training on; work-based learning, saving and internal lending communities, access to formal financial services, business and employment searching and creation.

One of the studies conducted by, Gilberthe Benimana, a fellow-researcher with the International Institute of Tropical Agriculture (IITA), has demonstrated that access to credit, extension services, land ownership has increased the youth agripreneur in farming activities.

Evidence gathered so far shows the pressing need for the government and agribusiness project and other stakeholders should support youth agribusiness training, provide starting capital to them where possible and facilitate their access to credit and extension services.