



fundsforNGOs
Grants and Resources for Sustainability
PREMIUM



**Project for starting a Cooperative for
Vegetables and Fruits to support
Smallholder Farmers**

1. Project Background

Rwanda is a landlocked country in central/eastern Africa, located a few degrees south of the Equator with a high elevation. The climate here ranges from temperate to subtropical with ideally two rainy seasons per year. Rwanda has a population of 12.63 million which, although young, is predominantly rural, thereby leading to its dependency on agriculture as its main activity. Despite being blessed with an extraordinarily fertile land, the food production does not keep up with the pace of population and infrastructure growth, owing to the use of obsolete and traditional tools and methods of production.

The low agricultural productivity not only impacts the economy of Rwanda but also results in malnutrition and other health related issues. Now imagine a country where human resources being the major factor of production, is unable to function effectively due to absence of food security; thus giving rise to a spiral of poverty.

Considering the fact that agriculture is crucial for Rwanda's growth and reduction of poverty, various projects and operations carried out and assisted by organisations such as the World Bank, FAO, IFAD etc. which in turn has increased its contribution in the GDP to 31% in 2017 from 28% in 2010 and hence lead to an increase in GNI too.¹

Though there has been considerable improvement in the sector, the biggest problem that the sector faces is the size of the landholding and landlessness. The poor households often end up selling their lands to meet their household needs and other unforeseen costs, which leads to

¹ [Rwanda's agriculture sector growth on upward trend - Xinhua | English.news.cn \(xinhuanet.com\)](http://English.news.cn (xinhuanet.com))
<https://www.fundsforngos.org>
<https://fundsforngospremium.com>

reduction in the size of their landholding. On average households typically have just 0.75 hectares.

The young people in Rwanda constitute more than 40% of the entire population, hence mobilizing the youth by providing them the skills and knowledge regarding the latest technologies and methods of production and enabling them to bring in their creative and innovative ideas to make the Agri-business more sustainable and profitable. The rate of unemployment is high among women and agriculture constitutes 90% of employment opportunities in the economy dominated by small scale, subsistence and rain-fed farming. Through the proposed project, we would bring the youth (both men and women) to form cooperatives. The confidence built thereafter will bring more structure, unity, balance and growth in the community as a whole.

2. Project Rationale

Through the project we would like to work towards improving the socio-economic condition of the smallholder farmers through formation of cooperatives. The principle of cooperatives calls for the members to come together voluntarily and strive towards better management of available resources. Cooperatives not only help in mutual support but also help the members to tap the benefits of economies of scale. The project will help in mobilizing the farmers into a cooperative and instilling value of self help, responsibility, democracy, equality, equity, solidarity, honesty and caring for others.

Bringing people together and instilling in them a sense of collective responsibility towards their land, is one of the most important and pivotal steps in any sector especially where individuals have less to contribute in monetary or material aspects. People coming together and forming <https://www.fundsforngos.org>
<https://fundsforngospremium.com>

autonomous associations provides them with the opportunity of pooling what they have and creating something bigger and more powerful that matches their social, economic and cultural needs and aspirations.

In the field of agriculture, this step of forming a **cooperative** not just accelerates the production process but in stills in small and marginal farmers the confidence to collectively do what the big farmers can do. Moreover the easy access to the factors of production and skill required to produce efficiently increases the quantity as well as the quality of production. Individual voices come together and create a platform for foreign investments and involvement of organisations and foundations that work to serve the less fortunate with the will to change.

Some of the advantages of the proposed cooperative model are given below:

- Scale up the consolidated land for more crop production.
- Build ecological resilience by implementing Agro Forestry and Watershed Management to improve the overall climate of wastelands.
- Distributing high yielding and good quality seeds of “nutritious” fruits and vegetables that are more in demand and fetch a higher price.
- Introducing capacity building and the gender equality component to bring in more participation.
- Using Sustainable methods of production to not just conserve the existing natural resources but enhance the quality of production and use require less manpower.
- The quality of soil of wastelands could be enhanced by planting fruit trees, fuel trees and forest trees (Agro Forestry) and the soil ph could be used accordingly to grow fruits and vegetables with high nutritional value and demand.

3. Project Area

The project will be implemented in the Eastern Province, Rwanda. Eastern Province is the largest, the most populous and the least densely populated province of Rwanda. The Eastern Province has seven Districts namely: Bugesera, Gatsibo, Kayonza, Ngoma, Kirehe, Nyagatare and Rwamagana. The capital city of the Eastern Province is Rwamagana.



4. Project Beneficiaries

The project will directly benefit over 500 smallholder farmers of Rwamagana district of Eastern Province. These 500 farm holders will be brought together to form cooperatives.

5. Products that will be promoted

The cooperatives will work towards enhancing the production of Bananas, Carrots, Eggplants, Avocados, Tomatoes and Bell peppers, Pumpkins, Watermelons and Pineapples in the project site.

6. Project duration

2 years

7. Project Description

The project will be implemented in the Rwamagana district, Eastern Province to enhance the socio-economic conditions of over 500 smallholder farmers through the adoption of a cooperative model of farming.

7.1 Specific Objectives

- **Objective 1.** To promote adoption of the cooperative model of farming amongst 500 smallholder farmers in Rwamagana District.
- **Objective 2.** To institutionalize and support the formation of 100 cooperatives to enhance the productivity and sale of vegetables and fruits in the identified project area

7.2 Project Activities

- **Objective 1**

A. Awareness generation: Through a series of awareness sessions and camps, our team shall sensitise the farmers about the advantages of Cooperative farming. We shall conduct the following activities towards promoting cooperatives:

- a. House to house visits.
- b. Village Meetings
- c. Display of informative posters and wall paintings throughout the villages.
- d. Farmer fairs
- e. Screening Documentaries
- f. Sharing success stories
- g. Visit to farmers practicing cooperative farming

- **Objective 2**

A. Exploratory Meeting and Sensitization: The first step towards setting up a cooperative in the village will be to initiate a dialogue and assemble a group of members. Our community mobilizers will conduct meetings with the village leaders to fix a meeting with the villagers, wherein we shall be discussing and sensitising the farmers about cooperative farming. During this meeting, our project team will conduct meetings to discuss introducing the concepts of cooperative farming.

The following aspects will be covered during the meeting:

- The need of cooperative farming
- Cooperative principles
- Terminology used
- Advantages and disadvantages of cooperatives
- Types of cooperatives
- Resources required for a cooperative
- Process of formation of a cooperative

Once our staffs have explained the entire process, the participants will be given enough time to discuss and ask questions. Once the farmers understand the concept of cooperatives and are willing to become members of the cooperative, we shall initiate the next steps. In case the farmers are not fully sure, we shall conduct a series of awareness sessions to make them understand the advantages and also share successful case studies.

B. Forming a Steering Committee: From amongst the farmers, we shall select a few leaders to form the steering committee. This steering committee will comprise 3-4 people who are active and have leadership skills to motivate and lead the other cooperative members. The steering committee members usually become the cooperative incorporators and may also become the first board of directors. The role of the steering committee will be to work towards the success of the cooperative and will also be involved in developing the business plan for the proposed cooperative. The steering committee along with our project staff, will then conduct feasibility studies.

C. Conducting Pre Feasibility Studies: For the success of a cooperative, it is important that some necessary studies are done beforehand. One of the

important studies will be to conduct a member's use analysis. Depending on the results of the study, we shall proceed to the next step. The member use analysis will help the steering committee to understand the cooperative members and their needs. During the cooperative feasibility study the steering committee and our team will look at the following four aspects:

- Member Needs
- Business Volume
- Resource inputs
- Involvement of members in decision making
- Member participation
- Willingness of members to actively work towards the cooperative
- Is the cooperative formation the best legal framework
- How will new members join
- What will attract new members

Another study that needs to be completed before the cooperative is formed is the market analysis. The market analysis will help in determining the role of the cooperative in the marketplace. The analysis will help in identifying the appropriate activities, business volume, products, and the financial capabilities of the cooperative members. The following aspects will be assessed as part of the preliminary feasibility study:

- Conduct a preliminary market review.
- Availability of technical and financial assistance
- Receptiveness to the co-operative business in the local community.

D. Conducting a viability study: With the help of an experienced practitioner, we will be conducting a viability study to determine the viability of the cooperative.

The expert will help in determining management, marketing, technical, economic, and financial feasibility for the success of the cooperative. The expert will look at the following- Available funding, technical assistance, production costs, human resources, financial resources, investments etc. If the study shows that the new co-operative will be financially viable, we shall be proceeding to the next step.

E. Organize the association: We will help the steering committee in organizing the cooperative and making sure that the cooperative has a proper structure and all members have well defined roles. We shall ensure that all legal papers are drafted properly and the articles of incorporation are well defined. We shall take help of a legal expert to draft the bye laws and the articles of incorporation. We shall take the necessary certifications, licences and authorizations for the cooperative.

F. Prepare a Plan of operations: We will help the steering committee in developing a cooperative operational plan. The operational plan will have the organization map and the operational plan of the cooperative will work. The plan will include the following:

- Organization Chart
- First year of activities
- Sales and marketing of products
- Input from members
- Set up accounting system
- Roles and responsibility of all members
- Salary policy
- Policy for selection of CEO, General Manager
- Value of membership

G. Recruit and Training Members: We shall train the members of the cooperative in the administration and management and operations of the cooperative. This will include training on various aspects of cooperative management and conducting various meetings.

- Annual meetings
- Maintaining records
- Recruiting members
- Chairing meetings
- Roles of board meetings, general meetings and committees

H. Hold the First General Meeting: We shall help the cooperative members to hold the first general meeting. During this meeting the members will

- Adopt the by-laws.
- Adopt the business plan.
- Approve the co-operative's application for membership.
- Elect the members of the board of directors.

I. Provide necessary backward and forward linkages: We shall help the newly formed cooperatives in procuring necessary tools, equipment, agriculture inputs. Also, to help the cooperatives to sell their produce we shall link them with various markets i.e. both retailers and other businesses.

8. Activity Plan

Activity Plan									
S. No	Activities								
		Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
1	Awareness Generation								
2	Exploratory Meeting and Sensitization								
3	Forming a Steering Committee								
4	Conducting Pre Feasibility Studies								
5	Conducting a viability study								
6	Organize the association								
7	Prepare a Plan of operations								
8	Recruit and Training Members								
9	Hold The First General Meeting								
10	Provide necessary backward and forward linkages								

9. Sustainability

The formation of cooperatives will ensure that members continue to actively participate in the day to day functioning of the cooperative. Considering the cooperatives will be formed after a thorough study of the existing infrastructure, markets and member capabilities, the long term sustainability of the cooperatives will be ensured. As the members of the cooperatives will observe an increase in their income and also an increase in the yield from their farms, they will also promote the adoption of the cooperative model to other farmers.

10. Project Budget

Activity	Y1	Y2
Program Cost		
Awareness Generation	*****	
Exploratory Meeting and Sensitization	*****	
Forming a Steering Committee	*****	
Conducting Pre Feasibility Studies	*****	
Conducting a viability study		*****
Organize the association		*****
Prepare a Plan of operations		*****
Recruit and Training Members		*****
Hold The First General Meeting		*****

Provide necessary backward and forward linkages		*****
Human Resource Cost		
Project Director (1)	*****	*****
Project Manager (1) Coordination of project activities at District level.	*****	*****
Field Coordinators (5)	*****	*****
Trainers and Experts (4)		*****
Communication Officer		
Admin and other costs		
Admin Cost	*****	*****
Contingency	*****	*****
Monitoring and Evaluation	*****	*****
Total Cost	*****	*****

All Right Reserved © fundsforNGOs LLC

No part of this publication may be reproduced or transmitted in any form by any means, electronic, mechanical, photocopying or otherwise, without the prior written permission of fundsforNGOs LLC.

September 28, 2021