Center for Development Policy

Growth and Professionalization of Agriculture Cooperatives in Rwanda:

Impact Analysis



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Issue

AGRICULTURE CONTRIBUTION TO RWANDA ECONOMY

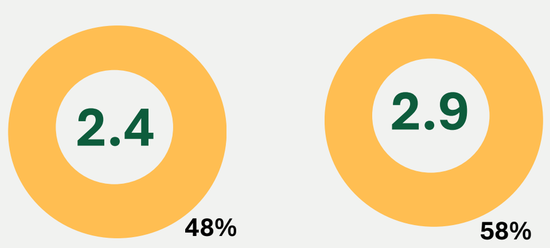


69%
of households in agriculture

25%
of GDP from agriculture

PROJECT RESULTS 2024–2026

AGRI-COOPERATIVE MATURITY AVERAGE SCORE



+48% Production	**+48.6%** Turnover
+14.4% Profitability	**21% → 66%** Market access
+96.6% Access to finance	

JOB BREAKDOWN REPORTED



Agriculture is vital to Rwanda's economy, contributing 25% of GDP and employing 69% of the workforce, with agri-cooperatives determinant players of agriculture productivity (Ndayishimye and Xinling, 2025,MINICOFIN,2025). Rwanda aims to be Food Self-Sufficient country by 2029, by 100% increased from 79% in 2026. The contribution of smallholder farmers in this growth remains imperative, as they heavily contribute to the agricultural food system and rural employment. However, Agri-cooperatives still face challenges of sustainable growth and professionalization. This led to the birth of the project"Unlocking Youth Employment Opportunities through Systemic Agricultural Transformation" funded by AGRA to support 250 Agri-cooperatives across nine districts in Rwanda for the period from 2024 to 2026.

This policy brief succinctly summarizes the evidence of growth achievements and discusses policy implications, as well as suggests future direction for the next interventions. The evidence depicts overall Agri-cooperative growth and average maturity increasing from 2.4 (48%) to 2.9 (58%) score, while production, turnover, and profitability increased by 48%, 48.6%, and 14.4%, respectively. The access to market increased from 21% in 2024 to 66% in 2026, and access to finance averagely increased quantitively and significantly by 96.6%. Overall, 19,062 seasonal jobs for youths and 336 full-time jobs, respectively.

However, challenges persist, including but not limited to costly business development services, unstable job opportunities for the youth within agri-cooperatives, and limited digital capabilities of agri-cooperatives, with multiplier effects on their operations and growth. Agri-cooperatives still face structural barriers to access to finance and markets, digital exclusion, and fragmented farmer information systems which further constrain their growth.

The brief recommends digitalization of Agri-cooperatives as a tool to formalize their operations, enhance access to finance and markets, unlocking investment readiness, crop insurance, and evidence-based decisions and interventions. The brief argues the imperative of addressing post-harvest loss via establishing a cooperative pay infrastructure model and strengthening contractual farming for sustainable growth. Arguably, digitalisation would enable agri-cooperatives to be connected to a wider range of markets, finance, and off-takers to accelerate growth and improve their professionalism. This raises the imperative of introducing a performance-based model as a mechanism for sustainable financing and enhanced growth.

Source: Policy brief, pp. 1–2; CDP Endline survey data, 2026.

1.0. Background

Rwanda has 2,225 agricultural cooperatives, representing 48% of all registered cooperatives, and holds more than 355,000 members (RCA, 2025). Maize, Irish potatoes and horticulture agri-cooperatives are particularly important value chains, contributing 2.3%, 4.0%, and 3.0% of agricultural productivity to GDP, respectively (Diao et al.,2023). However, Agri-cooperatives remain less competitive, with limited possibilities for creating productive and decent jobs for youths and women in rural communities of Rwanda. The transformation of these organizations into competitive, investment-ready enterprises is systemically constrained by limited access to affordable finance, post-harvest losses, weak business and entrepreneurial capacity, inadequate market linkages, limited crop insurance, and rising climate risks. Despite high rates of overall financial inclusion in the country (96%), lending to agriculture from commercial banks remains limited (6%) (National Bank of Rwanda, 2025). It is against this backdrop, the AGRA-funded a project entitled: Unlocking Youth Employment Opportunities through Systemic Agricultural Transformation" (RW2023 007-02) implemented by the Center for Development Policy (CDP) as Lead, Rwanda Cooperative Agency(RCA) and Moneyphone to provide business development services, access to finance and markets to 250 Agri-cooperatives across nine districts (Nyagatare (50), Bugesera (25), Rubavu (25), Nyabihu(25), Musanze(25), Rwamagana (25), Gatsibo (25), Gasabo (25) and Kamonyi (25). All agri-cooperatives were distributed within the value chains of maize (46%), horticulture (29%), and Irish potatoes (25%). The project was implemented from 2024 to 2026. The legal status of the cooperatives shows that 99% have formal operational status, while 1% became dormant during project implementation due to poor leadership performance, where the leader misused the funds and left the country.

Table 1: Legal status of the Supported Agri-cooperatives.

Indicator	Category	Percentage
Legal personality	Definitive	85%
	Provisional	14%
	None	1%
Operational status	Operational	99%
	Dormant	1%

Sources: CDP Endline survey Data,2026

2024
Baseline assessment
150 selected agri-cooperatives

2026
Endline assessment
250 supported agri-cooperatives

9 Districts

Nyagatare • Bugesera • Rubavu • Nyabihu • Musanze • Rwamagana • Gatsibo • Gasabo • Kamonyi

Value chains

46% Maize

29% Horticulture

25% Irish potatoes

The interventions of the project mainly focused on addressing persistent constraints in governance, financial management, entrepeneurship, access to finance and markets.This policy brief summarizes the findings of the endline assessment to the 250 Agri-cooperatives. The assessment and analysis of the impact of the project are benchmarked against the results of the baseline assessment that were conducted at start of the project in 2024, specifically to the 150 selected Agri-cooperatives. Furthermore, the endline assessment assessed the performance of other 100 Agri-cooperatives that were not assessed during baseline assessment. It is worth noting that, CDP used the same assessment methodology and indicators (dimensions) to assess the growth and impact of the project.

For the purpose of regority and benchmarking the impact of the project, CDP employed SCOPEInsight international assessment tools, indicators and score used to assess the professionalization of small holder farmers across the world[1].Their assessment is based on eight internationally benchamarked professionalization indicators/dimensions, including: Internal Management, Financial Management, Operations, Sustainability, Production Base, Market, External Risks, and Enabling Environment (refer to annex2). Agri-cooperatives/small holder farmers were assessed based on those indicators and against set numerical scores ranging from 1 to 5, 1 being the least while 5 being the highest score of maturity and growth. For better and rigorous interpretation of the findings, the results are presented and analyzed as average scores of every indicator. Other data were collected and analyzed using using Kobo-collector to sumplement data collected using SCOPEinsight tools. Accordingly, section two presents key findings and their intepretations.

2. IMPACT ANALYSIS

Impact Determinants: 8 Assessment criteria



This section presents the key findings related to the growth and impact of the 250 Agri-cooperatives against the eight indicators (dimensions) and other background and sumplemenary findings associated to the interventions of the project. The findings reveal a 21.8% increase in cooperative membership, with youth representation rising from 11% to 19%. Employment also expanded, with full-time cooperative positions increasing from 201 to 537 representing a 167.16% increase, while 9,062 seasonal jobs created at farm levels at the time of data collection. These archievements are largely attributed to the services of proximity-based Business Development Services (BDS) and harmonization of capacity-building efforts across service providers, as well as designed training materials contextualized to the local context, informed by the baseline assessment. On average, access to finance increased from 8% in 2024 to 47% in 2026 among supported agri-cooperatives largely driven by digital financing and business development services while access to market incresead from 21% to 66% and productivity incresead from 57,114.27 tones to 84,323.27 tones indicating 48 % growth, and the use of crop-insurance increased from 36% to 44% in the same period.

Source: Policy brief, pp. 2–3; SCOPEInsight assessment framework.

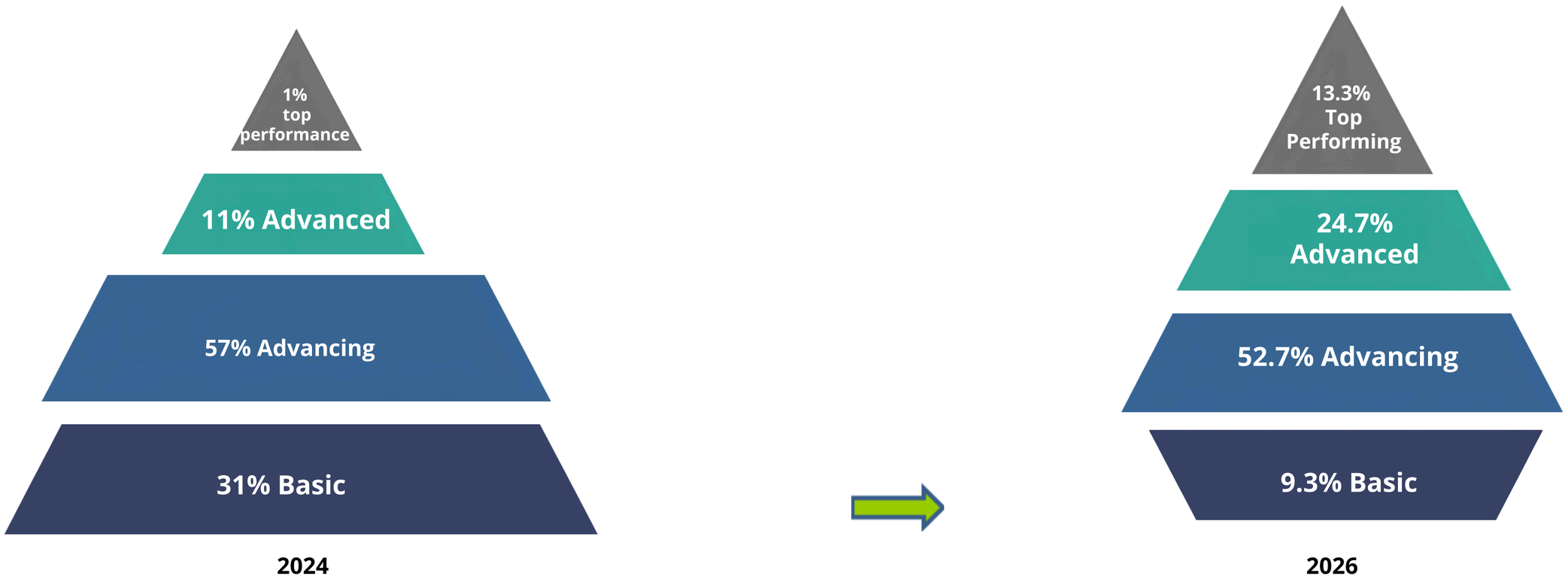
2.1. Professionalization and Categorization

The Centre for Development Policy assessed the growth of 250 agri-coopeartive across 8 dimension pre-specified here above. While the growth in terms of transition from one category of agri-cooperatives to the another is based on the four categories defined by SCOPEInsight Internationally benchmarked tools. Category one (Basic) meaning Practices are mostly absent, informal, person-dependent or inconsistently applied,Category Two (Advancing) meaning that Basic structures exist, but important gaps remain in documentation, consistency, control or implementation. Category three(Advanced) meaning, systems are generally established and functioning, with targeted improvements still needed while category four (top-performing) means Systems are formalized, consistently applied, monitored and improved using evidence and learning. the figure1 represent the over all growth change across all dimesion among the 150 agri-cooperatives assessed at baseline and Endline with the results compared to the grobal benchmark .The global benchmark is the standised growth across all assessed farmers organisation by Scopeinsight[1],the comparison demonstrates a clear strength of Rwanda's agri-cooperatives, with the Agri-cooperatives achieving an overall score of 3.2 which is above the global benchmark of 3.1. While figure2 show the growth based on categorization of 150 agri-cooperatives assessed on the baseline and at endline.

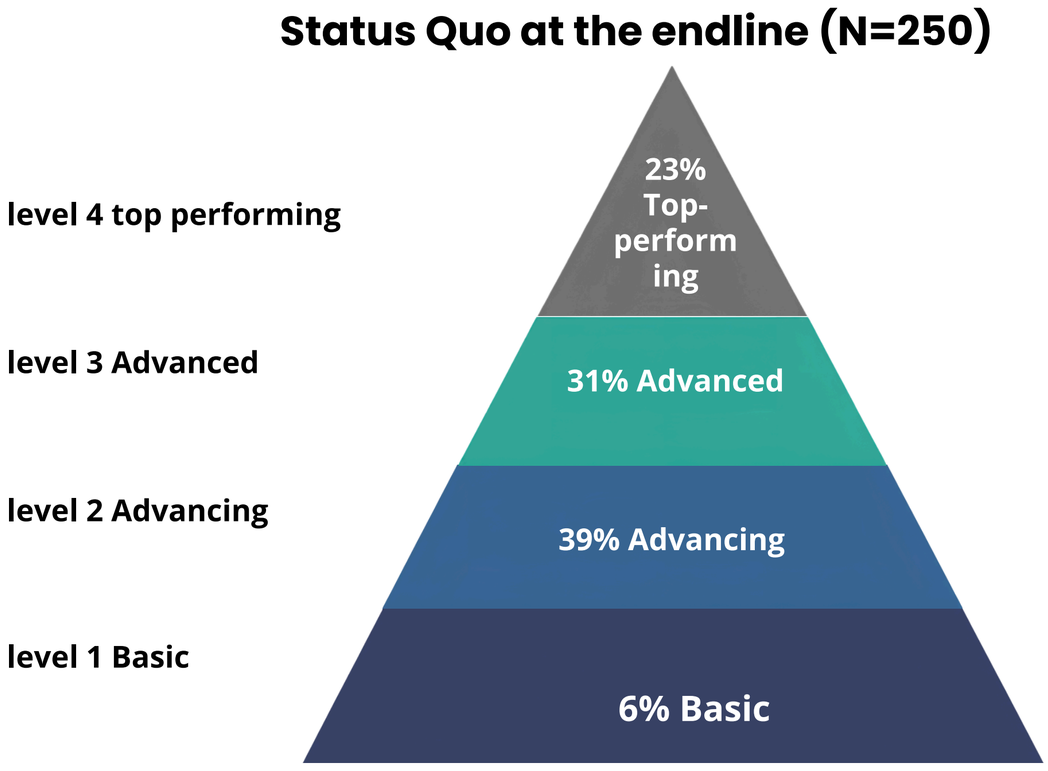
Furthermore, in terms of growth and professionalization, there has been transtion from one category to the upper category, and overall findings are impressive, largely depicted from agri-cooperatives that were in basic category which transitioned to category two (Advancing category) increased by 21.7%, and cooperatives from category two to category three increased by 13.7%, while the transition from category three to category four increased by 12.3%. overall, there has been significant growth graduation from basic categories to the upper categories, implying overall graduation of supported agri-cooperatives. However, more work is still needed to transition those agri-cooperatives still in category one (basic) and category two (advancing) into category three(advanced) and four (top-performing). Once attain this shift in transition, cooperatives would transition into professional business enterprises, with limited support of Government and other stakeholders, and focus on an enhanced regulation of the industry.

[1] https://scopeinsight.com/get-to-know-us-scopeinsight/scope-methodology/

Figure2:Average SCOPE Basic dimension and total scores for the baseline cohort and endline cohort.

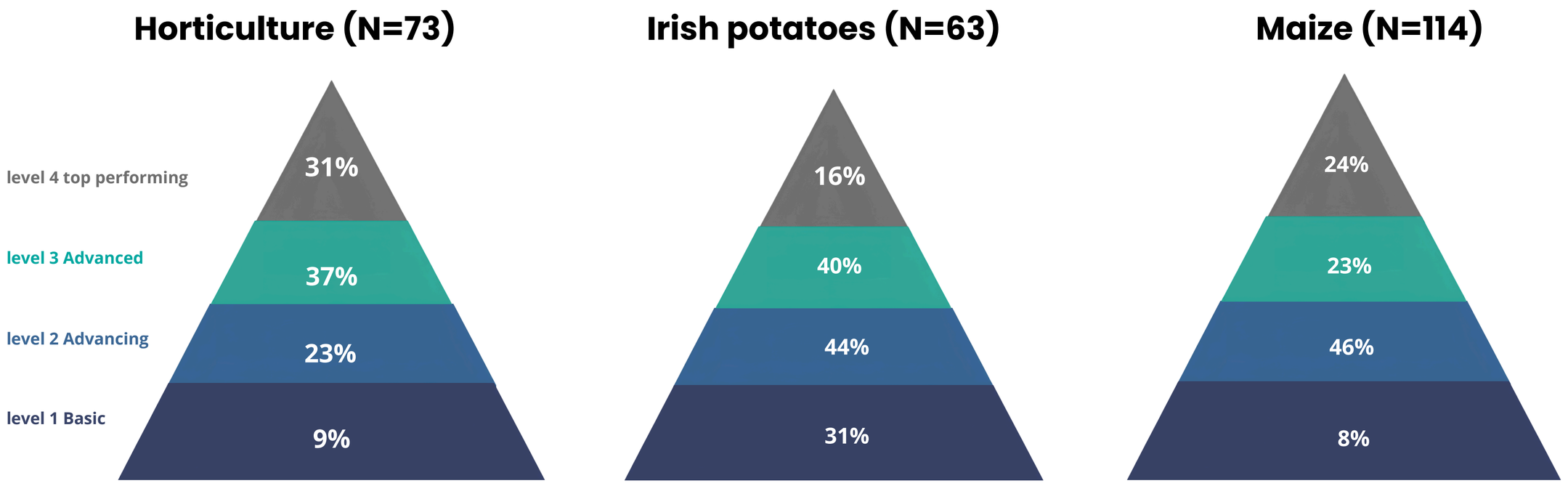


The status quo of overall 250 agri-cooperatives shows that top performing agri-cooperatives are 23%, advanced 31% , advancing 39% and Basic are 6% respectively.



Overall, agri-cooperatives across all three value chains demonstrate increase from moderate to strong performance, with most classified as Advancing and Advanced. Horticulture has the highest concentration of top-performing cooperatives (31%), while maize has the largest share at the Advancing level (46%), indicating continued potential for graduation.

Figure3: Showing SCOPE Basic maturity-level distribution by reported value chain, based on assessment for all 250 Agri-cooperatives

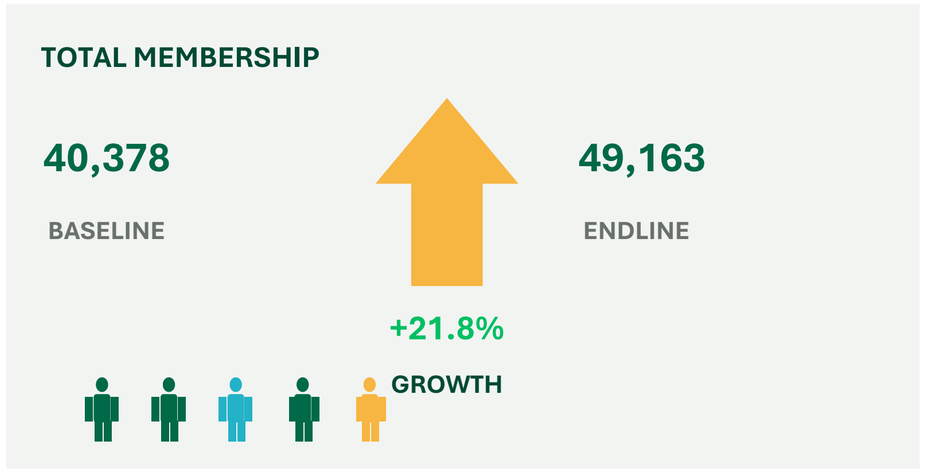


Cooperative performance levels by value chain

Evidently, the majority of supported agri-cooperatives within the three value chains are in category two and three, demonstrating prospects of growth and graduation. Therefore, associated interventions are needed to transition the latter cooperatives into category four- through a joint and performance-based approach, rather than relying on on government support only. While agri-cooperatives still in category one within the value chain of horticulture and maize still need targeted capacity building interventions and technical support in order to transition into upper categories.

Membership Base

The supported agri-cooperative membership increased from 40,378 at baseline to 49,163 at endline, representing a 21.8% increase, with membership comprised of 54% men, 46% women, 18.9% youth , and 2.3% persons with disabilities (PWDs) at endline.







Productivity,Turnover and Profitability

Production Base performance improved from 2.7 at baseline to 3.0 scores at endline, with strength of production base being the strongest area (3.3), while input provision and extension services remain the main areas requiring further strengthening. At the value-chain level, horticulture performed highest with 3.4. Accordingly, as depicted in table two (2), productivity, turn-over, and profit on average, increased by 48%, 48.61%, and 14.4% respectively. Overall, the findings reveal growth in terms of scale, breadth, and a strong positive picture of progress among the reassessed Agri-cooperatives. This impact is attributed to the consistent provision of strong proximity business development services, technical support in accessing markets and finance from financial institutions and FinTechs, as well as associated training aimed at instilling growth mindsets among supported cooperatives.

Tabel2:Showing Production Base for the reassessment cohort at baseline and endline

Indicator	At Baseline	Endline	Change in Percentag
Prodcutivity (Tones)	57,114.27	84,323.27	48%
Turnover (RWF)	25,100,203,650	37,300,458,500	48.61%
Dividend (RWF)	87,530,662	92,270,376	5.42%
Profit (RWF)	16,923,965,362	19,360,544,726	14.40%

Source: CDP Endline survey data, 2026.

2.4 Job Creation

Job creation is one of the flagship project intervention with the overall target of 10,000 jobs to be created by the project in two (2) years. The figure four (4) below shows the overall job creation based on assessment results.

During the project period, supported agricultural cooperatives generated over 13,100 seasonal jobs and 336 full-time positions, up from 201 at baseline. Of the seasonal jobs, youth held 9,062, primarily in land preparation, crop management, harvesting, post-harvest handling, and agricultural services (such as input sales and transport). Full-time employment encompassed, but not limited to, accounting, greenhouse operations, security, and marketing.

The predominance of seasonal employment underscores persistent structural constraints to sustainable youth employment in agri-cooperatives. Addressing these requires strengthening cooperatives' capacity through smallholder farmer data digitalisation, youth-inclusive membership policies, improved access to productive land, finance, and markets, and the implementation of standardised operational manuals to reinforce professionalisation, transparency, and accountability.

2.5 Access to Finance

Access to finance, particularly affordable, appropriate and convenient finance remains structurally challenging for smallholder farmers with in agri-cooperatives.

This is largely attributed to the capacity of agri-cooperatives and the limited tailored financial products to the needs and realities of smallholder farmers.

Accordingly, the endline assessment reveals that, on average, access to finance increased from 8% in 2024 to 47% in 2026 within supported agri-cooperatives. In terms of money, the average total amount of money accessed by agri-cooperatives increased from 82.66 million RWF to 2,769,050,000 RWF in the same period, offered by both financial institutions and MoneyPhone (Fintech).

However, evidence reveals that MoneyPhone offered equivalent to 77% of the total money accessed by supported agri-cooperatives, with a repayment rate of 85.1% with NPL of 2.8%, indicating a high creditworthiness among the cooperatives. Thus, depicting immediate impact of the consortium members in the implementation of the project. Figure five (5) presents the average rate of access to finance within the three value chains against the two sources of finance (financial institutions and MoneyPhone).

8% → 47%
Access to finance

RWF 2.77B
Finance unlocked

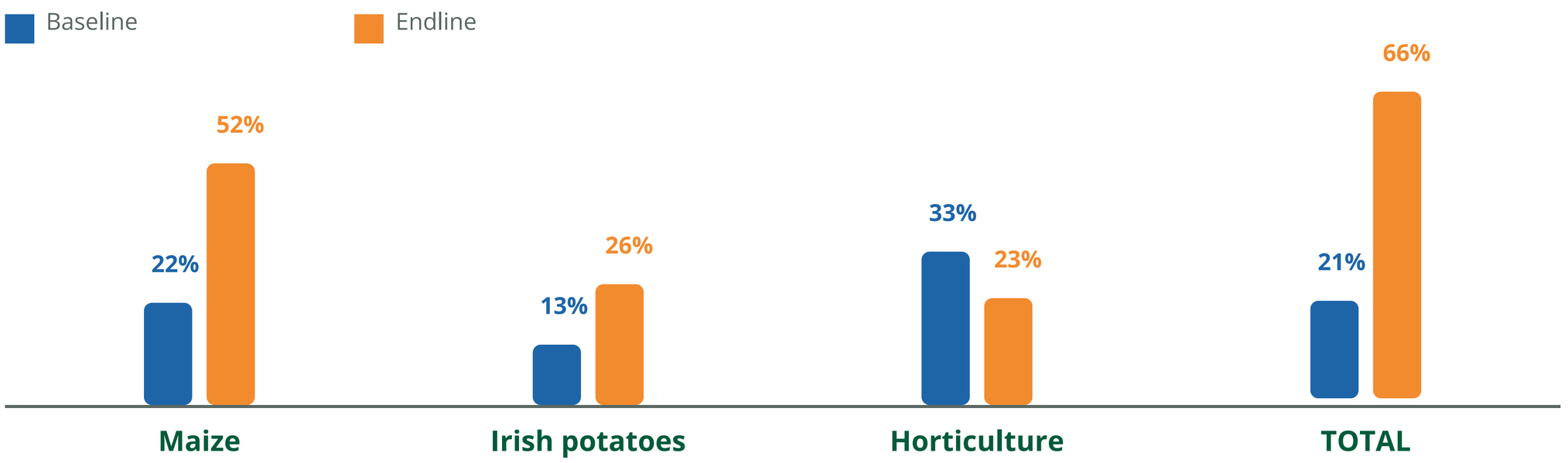
77%
MoneyPhone share

Evidently, the highest source of financing to agri-cooperatives came from Money Phone. This was largely attributed to the ground work of business development services provided by CDP as it was set during project design. This depicts the importance of stakeholders working together to facilitate farmers. Beyond joint collaboration, it is worth exploring further how digital financing would enhance access to finance by agriculture small holder farmers.

2.6. Access to Market

Agri-cooperatives strengthen farmers' market position through collective aggregation and bargaining power, with access to market increasing from 21% to 66% as per figure number six (6). However, further development is affected by infrastructure gaps, price volatility, unequal market power, quality compliance and low productivity remain washing key constraints to their commercial growth.

Figure6: Progress Status on Access to Market (%)



Sources: CDP Endline survey Data,2026

Despite the impressive growth of about 45% in reference to the baseline status, access to markets, on average, remains weak, more interventions are required to promote infrastructure, particularly, post-haverst handling, contract farming, streamlining off-taker business model with small holder farmers and quality compliance.

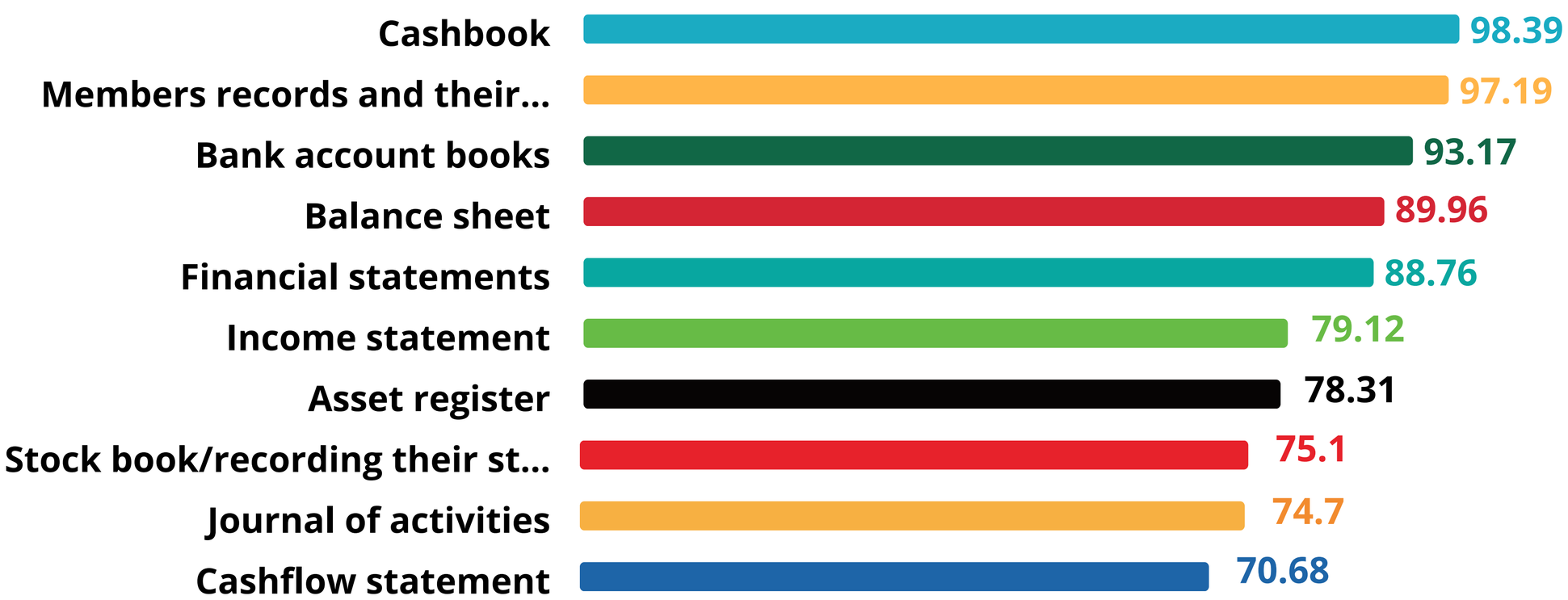
2.7. Governance and Leadership in Agri-Cooperatives

Governance is the key pillar for the growth of agri-cooperatives and their professionalization. All 250 agri-cooperatives reported improved growth in governance indicators, with all having an annual general meeting and a functioning supervisory board. The results of the endline assessment indicate that the core governance mechanisms were in place and working during the assessment. However, professional financial management remains a significant gap, as 59% of agri-cooperatives rely on voluntary (non-professional) accountants. The absence of a formally recruited management team such as general managers and Finance managers, marketing managers, production manangers also indicate that daily operational responsibilities are concentrated among elected board members whose educationa level is low, and more importantly, they work as volutnteer which affect the performance of day-to-day management functions, but also risk of getting into financial management deficiencies.

2.8. Financial Management and Recording

Financial management significantly impacts agri-cooperatives' performance, as evidenced by improvements in practices among 250 agri-cooperatives. The end-line results show a rise from 2.3 (Immature) to 3.0 (advancing) overall, with specific enhancements: Financial Administration grew from 2.1 to 2.8, Financial Planning from improved 2.9 to 3.1 and Financial Reporting improved from 2.1 to 2.9 scores respectively. This indicates a strong capacity to manage financial resources effectively. Additionally, essential management records are increasingly available within these agri-cooperatives as shown by figure seven (7).

Figure 7: Availability of the essential Financial Management Record books in the Agri-cooperatives (%)



Sources: CDP Endline survey Data,2026

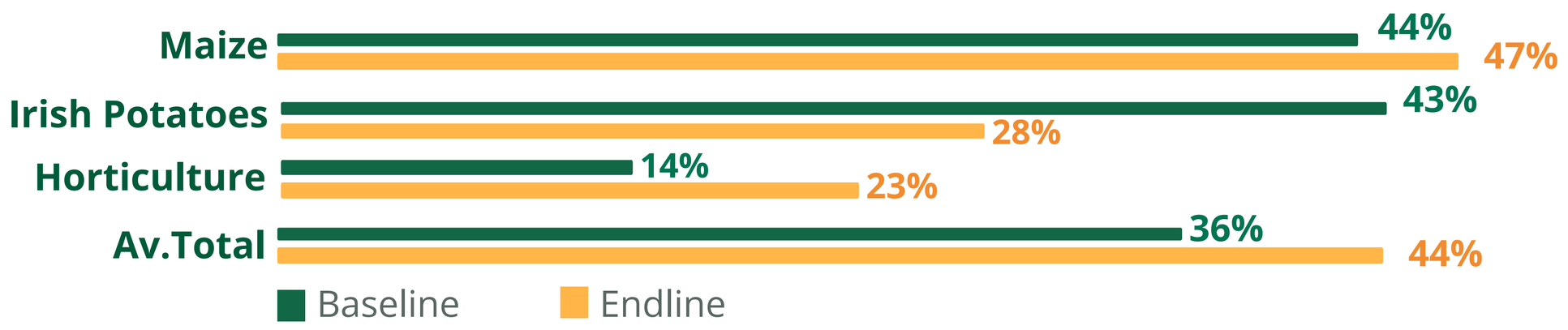
Source: CDP Endline survey data, 2026.

Evidently, the overall performance in terms of financial management is positive. However, more support is still needed to improve areas of income statement, asset register, financial recording and cash flow.

2.9 Crop-Insurance

Overall, crop insurance coverage increased from 36% at baseline to 44% at endline. Crop insurance among maize agri-cooperatives increased moderately from 43% at baseline to 47 % at the endline, while insurance within Irish potato cooperatives decreased from 43% at baseline to 28% at endline, and insurance within horticulture cooperatives increased moderately from 14% at baseline to 23% at end-line.

Figure8: **Access to crop-insurance from baseline to endline in %**



Source: CDP Endline survey data, 2026; crop-insurance discussion in the policy brief.

Generally, the crop-insurance is still low due the fact that crop insurance is still averagely low attributed to the limited awareness, crop mismatches, small and fragmented landholdings; limited digital infrastructure and technological barriers, as well as administrative costs that delay payout for affected farmers, coupled with the effects of moral hazard and adverse selection (Satish, 2024). The crop-insurance provider highly values lower basis risks (to pay actual required losses).

3.Lessons Learnt

CDP, RCA, and MoneyPhone emphasized the need for stronger collaboration among agri-cooperative enablers to provide cost-effective Business Development Services (BDS), given the high cost of delivery. Greater coordination is therefore necessary to ensure that limited resources generate effective results.

The digital financing model through FinTech services, particularly MoneyPhone, proved more effective than conventional lending for previously unbanked smallholder farmers, with MoneyPhone loans experiencing higher demand due to their alignment with planting seasons and timely disbursement. To strengthen smallholder bankability, smallholder farmer business information should be digitized and integrated with business delivery services, with financial institutions able to access trends and real time data for agri-cooperatives.

4.Challenges

- The delivery of BDS remains costly, duplicative across different providers, and insufficiently coordinated among development stakeholders contributing to low returns on investment made.
- Agri-cooperatives continue to face structural barriers to access finance and markets due to fargemented data for their business operations.
- The majority of agri-cooperatives are digitally illiterate and excluded, which affects them from accessing to financial services and markets.
- Across three value chains, small holder farmers faces systemic challenge of host-harvest losses, which affect productivity and growth.
- For instance, among the 250 supported agri-cooperatives, 41% lack storage facilities, contributing to significant post-harvest losses. In addition, crop insurance remains underlying challenge among small holder farmers.
- For instance, 56% of assessed agri-cooperatives do not have crop insurance attributed to limited awareness and crop mismatches, product diversification; small and fragmented landholdings; limited digital infrastructure and technological barriers, which increase the cost of distributing agricultural insurance, collecting premiums, monitoring weather conditions, and paying claims.

5.Future Direction

Drawing from the lessons learnt, and existing challenges, future interventions should focus on building sustainable productive capabilities of small holder farmers, enhancing farmers' entrepreneurial growth mindset and pactices

- Introduce and build digitalized farming and operational digital system that will accelerate formalization of small holder farmers, their professionalization, and evidence-based interventions. This would involve onboarding farmers within agri-cooperatives into single digital system to track their productivity, sales, markets, financial operations, and provide needs-based business development services through a centralized platform that facilitates connections between verified market actors and financial institutions.
- The introduction of performance-based financing will enhance sustainable financing and growth of small holder farming ecosystem.
- It is worth assessing the causes of post-harvest lossess and design appropriate infractructure and technologies required to reduce post-harvest losses and ensure safe and quality post-harvest handling.

Source: Policy brief, Sections 3–4.

6.Conclusion

The evidence indicates that targeted BDS, combined with finance and market linkages, significantly enhance the professionalization of agricultural cooperatives. The intervention contributed to improvements in agri-cooperative maturity, youth employment, increased membership and youth inclusion, productivity, market access, and Agri-financing. However, the nature of agri-youth employment (mostly season) do not provide a path away to sustainable graduation to the decent and productive employment. Furthermore, failure to formally track youth jobs adversely affect the impact and visibility of interventions implemented.

The persistent constraints of lack of digitalization, inadequate adoption of crop-insurance, and limited access to affordable finance, persistent post-harvest losses and lack of resilient strategies to climate shock continue to affect the agri-cooperatives to fully transition into commercially viable and investment-ready enterprises. Nevertheless, digitalisation would enable Financial institutions and FinTechs to utilize reliable smallholder farmer data to improve credit-risk assessment and develop tailored financial products, and increase their competitiveness on the market.

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Annex 2.The eight Assessment dimesion



The eight SCOPE dimensions of professionalism and their subdimensions.

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