Rural Resilience: The Role of Cooperatives in Achieving Sustainable Rural Development

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Abstract: In his vision 2020, Rwanda consider cooperative as one of the best tools to speed up achievements in various national programs. Cooperative governance is most important in the achievement of Sustainable Development Goals in one hand and in other hand considered as arm to achieve sustainable development.

Cooperative is a strong vehicle for development and economic empowerment especially among the disadvantaged groups like women, youth and PWDs whom involved in cooperatives in same way, as members either clients or beneficiaries. Cooperative in Rwanda contributes now to the economic wellbeing of more than 2 million people (members), most of them living in rural areas and agricultural cooperatives legally registered in RCA are more than five thousand (Rwanda Cooperative Agency: 2016).

According to RCA home page (2019), agriculture in Rwanda accounts for a third of Rwanda’s GDP; constitutes the main economic activity for the rural households (especially women) and remains their main source of income. Today, the agricultural population is estimated to be a little less than 80% of the total population. The sector meets 90% of the national food needs and generates more than 50% of the country’s export revenues.

However, due to the aforementioned challenges, many cooperatives still struggling to stay operational. In fact, cooperative sector in Rwanda employ a big percentage of people and large and diverse if not mistaken, consisting of agricultural, value chain, arts and handicraft as well as savings and credit groups.

The above brief, highlights the contribution of agricultural cooperatives in Rwanda towards achieving rural sustainable development and for justify why Rwanda consider it as an important instrument to promote sustainable development due to its role in poverty reduction.

Thus, agricultural cooperatives facilitate their members’ access to financial capital, farmers (members) access the inputs required to grow crops and keep livestock and help them process, transport and market their products.

Despite the highlighted impact of agricultural cooperatives in Rwanda, still face huge challenges including but not limited to lack of skills and knowledge on cooperative management, poor internal regulations, lack of practical skills in planning, lack of skills in financial management.

This paper focuses on agricultural cooperatives governance challenges that hinder achievement of sustainable development.

Keywords: Sustainable development, Governance and Management, rural resilience and rural development.

I. INTRODUCTION

Most of the African countries and the entire world reached a certain degree of development due to a lot of government’s efforts that put in different social, economic development activities which generate income, i.e. agriculture, livestock, commercial etc.

Rwanda as member of East Africa Countries with the economic activity that is practiced by many Rwandan citizens in rural areas (80%) of them depend on agriculture where they cultivate different things needed in daily life like rice, beans, coffee, potatoes, maize, bananas, wheat, coffee, tea etc.… The Rwandan economy is, and will remain for the foreseeable future, heavily dependent on the agricultural sector employing as it does around 90 percent of the population, providing 91 percent of the food consumed in the country, contributing 36 percent of GDP and accounting for 70 percent’s of revenue from exports.

Agriculture in Rwanda remains the trade sector that holds potentials for expansion. However, agricultural growth was 0.5% in the 80’s and 3.9% in the 90’s. Low agricultural growth in the central core of under-performing economy in the 80’s pictured limitation in resources base, declining soil fertility and exceptionally low utilization of modern agricultural inputs. Since the beginning of the year 80, highly growing population was becoming more and more obviously a negative impact on lands occupation: overexploitation and soil erosion leading to decline soil fertility.

Intensive agriculture has then been considered, and necessary measures were undertaken (introduction of chemical fertilizers, soil erosion control, interest in organic manure, etc.). These efforts did not however result in expected outcomes because they were mainly directed to self-sufficiency and did not lead to the creation of monetary income to farmers. Agriculture and livestock have become a major concern of the Government in the reconstruction period after the Genocide against Tutsi in 1994. The goal was to reverse the trend and bring about well being of the population through identification of a liberalized and market-oriented agricultural economy, food security and poverty reduction.

The importance of agriculture’s contribution to growth in Rwanda remains considerable, despite the emergence of other significant growth drivers, such as services. Rwanda’s agriculture sector plays an essential role in attaining the
country’s development vision of sustainable growth and increased poverty reduction, due to its employment weight. It is in that regards that, in its vision, Rwanda is to transform itself from subsistence agricultural to a knowledge-based economy by 2020. The achievement of this vision will require an intensification and market-orientation of agriculture on the one hand and a diversification of the economy through a proliferation of non-agricultural sectors on the other hand. To this, World Bank explained that, agriculture is one of two key growth engines for Rwanda.

In additional to this, agriculture expenditure forms one of the priority expenditures of the Government of Rwanda’s annual budget with focus on increasing productivity in the sector and the agricultural sector’s robust performance is expected to continue to be the driver behind Rwanda’s economic growth, supported by continued investments aimed at boosting resilience to adverse weather-related shocks, increasing productivity and promoting commercial farming.

Agriculture in Rwanda accounts for a third of Rwanda’s GDP; constitutes the main economic activity for the rural households (especially women) and remains their main source of income. Today, the agricultural population is estimated to be a little less than 80% of the total population. The sector meets 90% of the national food needs and generates more than 50% of the country’s export revenues.

Through Rwandan EDPRS II, the priorities are mainly development of Quality Irrigation & Mechanization Systems (using public & private resources), comprehensive Approach to Land Husbandry (Soil Fertility, Soil Conservation, Water Harvesting & Management, Livestock Feed), increased use of agricultural inputs (organic and mineral fertilizers & improved quality seeds), develop the agricultural post-harvest handling & storage system and farmer capacity, develop and target with private sector high-value commodity chains, encouraging innovation, livestock modernization and agricultural research agenda is strengthened according to demand driven by farmers etc (RAB:2013). In the same sense intends to continue focusing its efforts on the traditional cash crops of Tea and Coffee and pyrethrum, as well as on the nascent, non-traditional horticultural crops & plants, including various Fruits & Vegetables; Flowers (mainly fresh roses); Essential Oils (Pyrethrum; Patchouli; etc.), Stevia, dairy, meat, poultry, and fish (RCA: 2018)

The population of the developing world is still more rural than urban: some 3.1 billion people, or 55 per cent of the total population, live in rural. At least 70 per cent of the world’s very poor people are rural, and a large proportion of the poor and hungry is children and young people. The sub-Saharan Africa has the highest incidence of rural poverty whereby the regions are affected by poverty and hunger. The livelihoods of poor rural households are diverse across regions and countries, and within countries basing on varied degrees, from smallholder farming- including livestock production and artisanal fisheries -agricultural wage labour, wage or self-

employment in the rural non-farm economy and migration. Agriculture plays a vital role in most countries – over 80 per cent of rural households farm to some extent, and typically it is the poorest households that rely most on farming and agricultural labour. Rural poverty results from lack of assets, limited economic opportunities and poor education and capabilities, as well as disadvantages rooted in social and political inequalities (IFAD 2010:15).

As per UN agency, World Food and Agriculture Organisation noticed that poverty is still a crucial problem in African countries and specifically in rural areas where the majority of people depend on agriculture as economic activity which is so weak to help beneficiaries to meet food security, medical insurance, and to adopt the culture of saving and increasing income level FAO, (2009:5).

With agricultural cooperatives, can help farmers get a better deal at various stages of production and distribution as noted by DFID, (2010). Other advantages are emphasized by IFAD (2012:2) that through membership of a co-operative farmers are collectively able to negotiate better prices for inputs, transport and storage facilities. Cooperatives can also help them expand access to markets, people need to unit themselves in cooperatives because they play a crucial role in reducing poverty, improving food security and generating employment opportunities. In all African countries, Jürgen (1993:4) stated that there were traditional forms of cooperation, which have survived the impact of colonialism and the structural changes, which accompanied the so-called modern society.

Rwanda has take lead in designing its own solutions through home growth solutions which help Rwandans to get own solutions to the aforementioned challenges, it is in this framework that, the other forms of mutual assistance that survived until now Umubwizi which is work groups where members help each other in rotation, Ubudehe, which is jointly carry out farming. Umuganda which support construction and community action and ibimina which is a rotating savings and credit associations whose members make regular contributions to a circling loan fund.

Thus, Government of Rwanda has elaborated the policy of promoting cooperatives regarded as a voluntary, democratic, autonomous association of persons, whose purpose is to encourage members to grow in community and to act collectively both for the intrinsic value of being part of a living community and to overcome their problems of economic dependency through putting together their efforts. As above mentioned, it is worth to considerer cooperatives as suitable vehicles for agricultural development and socio-political change since through cooperatives, various message can be sent to members, therefore a channel of communication. This will allow and facilitate both government (Central and Local) but also the community to be organised themselves in cooperatives, so to be able to acquire loans from the banks for increasing their productivities and
activities towards generating more income, improve their welfare since the development of a country like Rwanda does not only depend on government economic plans but also on the extent to which its people are involved in economically productivities.

This paper is structured as follows. We first present the research framework adopted in this study to analyze the role of cooperative in achieving sustainable rural development. Next, we introduce the methods used in data collection and analysis for this study. Then we provide a brief overview of Cooperative development in Rwanda. Finally, we analyze the role of cooperative and the challenges they face.

I.1. Defining Cooperatives, Principles and its Values
International Cooperative Alliance (ICA) define cooperative, as “An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.”

As a consequence of this diversity, no universally accepted definition of a cooperative exists but it is possible to identify certain common characteristics of cooperative organizations.

As per Rwanda Cooperative Agency (RCA: 2018), cooperative principles are: membership, democratic member control, member economic participation, autonomy, independence, education, training and information and cooperation among cooperatives and concern for community while the cooperative values are based on: self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others...

I.2. Cooperative importance
Cooperative has a large importance to social, economic and development of the members in particular, to a given country and community in general. However, people who organize and belong to cooperatives do so for a variety of social, economic development. Cooperating with others has often proven to be a satisfactory way of achieving one’s own objectives while at the same time assisting others in achieving theirs as even indicated in the cooperative definition.

In Rwanda for instance, while savings and credit cooperatives (SACCOs) facilitate their members’ access to financial capital, agricultural cooperatives in particular, help farmer’s access the inputs required to grow crops (Nkunganiire program etc.), keep livestock, and help its members on related transport and market their produce.

In addition to this, the facts that, farmers are in the cooperative, create farm supply and marketing cooperatives to help them maximize their net profits. This requires both effective marketing of their products for better prices as well as keeping input costs as low as possible. Again, to government, it is an engine of economic growth as well as a channel of communication, of mobilization, a tool for capacity building and community empowerment to mention but few.

Cooperative members have access to quality supplies and services at a reasonable cost, mutual help between members, and share in the earnings and enhance local economy, helping the rural population mobilize their own human, financial, and productive resources Daman (2003:3). RCA: 2006) agree with Daman (2003:3) in the sense that, cooperatives are a key organizational form of community development and a tool for combating social exclusion and promoting peace and reconciliation, for example, through local development initiatives and mobilization of savings, among other initiatives.

The main strength of cooperatives is that they pool the resources of their members and as a consequence they allow their members to reduce costs, face the various challenges of the enterprise and increase their individual visibility and their capacity to negotiate prices and market their products: members, individually, would have greater difficulties running their enterprise (RCA: 2018) but also can provide evidence of production levels of cooperatives throughout economic cycles.

Furthermore cooperatives and particularly agricultural cooperatives do play a major role in production, primary processing and marketing of agricultural and livestock commodities. The justification for cooperative arises from their potential in maximization of profits, harnessing various skills with members, enhancing advocacy and bargaining power, enhancing financial accessibility, boosting social capital, promoting investment, providing educational opportunities, improving market access and contributing to poverty reduction (Paul G. and Isaac K.).

I.3. Cooperatives in Rwanda
The first attempt to institutionalize cooperatives in Rwanda began with the enactment of the Cooperative Ordinance 1949 that operated until the current law No. 31/1988 was enacted on 12th October 1988. Traditionally, Rwanda had its own self-help forms that conform to the principles of self-help. The cooperative movement in Rwanda was started as a tool for promoting colonial Government and later in the 1960s the national Government’s policies. The interest of colonial Governments was to get resources from Rwanda for the development of their own countries. After independence, the Government used cooperatives as instruments of implementation of its policies and plans, thus becoming a tool for politicians. This attitude led to misconception of the notion of “cooperative” with “Associations”.

Many even operated without license, as there was no serious enforcement of clear criteria of operation. At independence time in 1962, only 8 registered cooperatives were operational. Over 22,475 registered members were benefiting from cooperatives until the 1994 genocide destroyed the movement through destruction of property; trust capital and general human capital.
Nevertheless, Rwanda’s strategy of fighting poverty, like in most African countries is through, the establishment of cooperative companies, meant to empower citizens economically. According to the Ministry of Trade and Commerce’s, (MINICOM), strategy document, a Cooperative Company is an enterprise owned by an association with natural or legal persons whose objectives are to satisfy their common needs.

As per today, over 100 million jobs have been generated by cooperatives around the world, with the highest attributed to the Agricultural sector and particularly in Rwanda, where a big percentage of population do practise agriculture. The main reason is that, agricultural sector is a major source of income and employment in many countries including Rwanda, with particular attention to African countries, these organisations have therefore been very influential in providing jobs to the rural communities, according the International Labor Organisation-ILO. In some African countries, the organisations are the second most important employer immediately after the Government.

Today, co-operatives are the leading, employment creation and poverty reduction strategy that Rwanda has embarked on and government is yet to replace the task force with a stronger institutional framework, meant to increase the effect of cooperatives as a strong poverty reduction strategy. To this, Rwandan government is committed to growing the cooperative sector across the country, as a means to achieve sustainable development since they have an important contribution of co-operatives to achieving the government’s vision for 2020.

Fourth Rwanda population and housing census 2012 reveals that the population with 16 years and above is 6,903,741. The number of cooperative members is 3,816,591. Thus, 55.3% of Rwanda populations at age of 16 are members of cooperatives (NISR: 2012)

Cooperatives increased from 919 in 2005 to 8,995 in March 2018 with 3,816,591 registered members. According to the location of cooperatives, western province has the highest number of registered cooperatives, that is, 24.9% of both financial and non-financial cooperatives while Kigali City has the least meaning 14.3% of cooperative organizations. Referring to business activities, the agricultural sector has the highest number of registered cooperatives (27% of all cooperatives) as well as the highest number of people (297,996 farmers) operating with cooperatives (RCA; 2018). Particularly, the co-operative sector in Rwanda is large and diverse. It consists of agricultural, Handicraft and artisanal Cooperatives, savings and credit (448 Co-operatives).

The below presented, current status of cooperatives in Rwanda as per RCA (2017)

<table>
<thead>
<tr>
<th>Province</th>
<th>No. of Coops</th>
<th>Membership</th>
<th>Share Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>655</td>
<td>41,164</td>
<td>25,935</td>
</tr>
</tbody>
</table>

Source: RCA: 2018

The figure below shows the distribution of cooperatives in eastern province where the agriculture sector covers the highest number of registered cooperatives with 33.8% in agriculture. While the distribution of cooperatives according to economic activity at national level, agriculture has 2,433 cooperatives, with 179,510 male (60%) and 118,486 (40%). This shows that agriculture cooperatives cover 27.0% of registered cooperatives at national level.

According to economic aspect, the highest number of cooperatives was formed in agriculture sector where the eastern province has the highest number of agricultural cooperatives that is 27% of all registered cooperatives. On regarding non-financial cooperatives by economic activity at provincial level, Eastern province in itself, in agriculture sector, the cooperatives registered are 655 with 41,164 male and 25,935 female, totalling 67,099 and share capital equal to 1,372,717,140.

1.4. Structure of cooperatives movement in Rwanda

RCA (2018), define cooperative organizations that, may constitute among themselves unions, federations and confederation for the better management of their property and the defense of their common interests.

Primary cooperatives: This is a primary basic type of a cooperative where members voluntarily decide to gather their thoughts, strengths and assets with the common purpose of maximizing profit through providing any activity.

Unions: Three (3) or more primary cooperatives may join together to form a cooperative Union. Such a Cooperative Organization shall be referred to as a secondary Cooperative Organization. Only primary Cooperative Organizations may be members of a cooperative union. No primary Cooperative Organization shall be a member of two (2) cooperative unions at the same time.
Cooperative union by-laws shall provide for a delegate representation and the mode of voting in a General Assembly meeting. A cooperative union may carry out complementary economic and service activities to those of its affiliates.

**Federation:** Three or more cooperative unions may join together to form a cooperative Federation at national level. Such a cooperative federation shall be referred to as a tertiary cooperative organization.

**Confederation:** Three or more cooperative federations may join together to form a cooperative confederation at the national level. Such a cooperative confederation shall be referred to as the APEX cooperative organizations at the national level.

**1.5. Cooperative for rural resilience and rural development.**

Cooperatives are highly relevant and important in the realization of the proposed sustainable development goals towards rural resilience and rural development.

As Murwanashyaka (2013:34) indicated sustainable development means achieving a quality of life that can be maintained for many generations because it is: -Socially desirable: it fulfils people's cultural, material and spiritual needs in equitable way; Viable: it pays for itself, with costs not exceeding income;

Ecologically sustainable: it maintains the long-term viability of supporting ecosystems. This being said, sustainable development means the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Here, the development contributes so much to economic growth, social progress and then to the preservation of environment. In all, sustainable development is that development which improves human living conditions for both present and future generations. In agricultural sector, sustainable development can be reached through food and nutrition security, Sustainable management of natural resources, erosion control, water capture and management, input use, marshland development and irrigation development, GoR (2012:33).

In this context, Gertler (2001:7) argued that sustainable development is often represented as having three dimensions for action: the economic, the social, and the environmental. Agricultural Cooperatives play an important role in the development of countries especially in social, economic, institutional or political, and environmental.

World Food Program (WFP, 2018), indicated that, more than 2.3 billion people live on less than US$ 1.25 a day and depend on agriculture for their livelihoods and as we focus on agriculture cooperative, Climate change, environmental degradation, water scarcity, disease, rapid population growth, unplanned urbanization: in today’s world, heightened risk and fragility are threatening to reverse major development gains.

For the FAO (2011), agriculture, including farming, forestry, fisheries and livestock, is the main source of employment and income in rural areas, where the majority of the world's poor and hungry people live. Agricultural cooperatives play an important role in supporting men and women small agricultural producers and marginalized groups by creating sustainable rural employment. Producer cooperatives offer men and women smallholders market opportunities, and provide them with services such as better training in natural resource management, and better access to information, technologies, innovations and extension services.

For instance in Rwanda, cooperatives have played a major role in the agricultural industries. Agriculture is the common type of sector in all regions covering over 7 major crops with 80% of the population derives their survival from Agriculture sector. The sector contributes one third of GDP and generates more than 45.0 percent of the country’s export revenues. Agriculture is also important for national food self-sufficiency to Rwanda and Production of food crops have throughout the period, dominated the agriculture sector and this is between 44-47% (Fortune Africa, 2018).

The statistics show that (NIST: 2017), Rwanda’s economy grew 1.7 percent in the Quarter I 2017, and GDP reached Frw 1,817 billion, up from Frw 1,593 billion in the same quarter of the previous year. Services sector contributed 46 percent of GDP; agriculture sector contributed 32 percent while Industrial sector contributed 15 percent of the GDP while in Q1, 2017, Agriculture increased by 3 percent, Food crops increased by 4 percent due to harvest of Season A of 2017. Industry sector decreased by 1 percent. Within industry, Manufacturing activities increased by 7 percent boosted by food processing activities which increased by 13 percent and manufacturing of chemicals, rubber & plastic activities which grew by 28 percent.

Agriculture in Rwanda as noted by World Bank (2011:7) is practiced under the Crop Intensification Program since September 2007 as a production system that can increase food production in the country. Productivity is a function of the usage of improved inputs such as seeds, fertilizers, water and machineries. The CIP focuses on six priority crops namely maize, wheat, rice, Irish potato, beans and cassava. The Government of Rwanda (2012:23) emphasized that the CIP is implemented with eight pillars that are: land use consolidation; proper management and use of agricultural inputs such as fertilizers in large; fertilizer and improved seeds purchase and distribution through the private sector (enterprise or farmer cooperatives, using auction and vouchers); extension services; capacity building; access to finance; post-harvest handling and storage, and marketing. The World Bank (2011:8) stated that it can be very helpful to achieve the aim of transforming agriculture from subsistence-based farming to a Productive, high-value, market-oriented” sector through a number of interlinked Interventions and policy reforms.

In addition to that, the World Bank (2011: 11) stated that the Government established a fertilizer voucher system for maize
and wheat farmers where dealers deliver inputs to the farmer at a predetermined subsidized price; they are paid the subsidy on the agro-input by microfinance institutions engaged by CIP. Some measures are implemented in order to maintain soil fertility like controlling soil erosion by radical terraces, irrigation due to droughts, irregular rainfalls, landslides and climate change-related phenomena.

To conclude, the existence of cooperatives created the opportunities in terms of the job creations and availability and access to the basic needs of life of those who live in rural areas. Here we can mention but not limited to job creation, rural market development, a tool for against hunger, enhancement of incomes and increase of social services.

1.5.1. The social, Economic development role of Agricultural cooperative

The agricultural sector has been given a high priority in the government’s planning for development. The current national thrust is for the sector to move from subsistence to commercial mode of production. This strategy aims to increase household incomes and lead to a 50 per cent reduction in poverty over twenty years (ROR 2008). With its projected contribution to economic growth, modernisation of agriculture is seen as one of the six pillars of Vision 2020 along with sustainable land-use management and basic infrastructure (ROR 2000). Agriculture is also explicitly recognised in the EDPRS as one of the four priority sectors that will both stimulate economic expansion and make the greatest contribution to poverty reduction (ROR 2007).

To highlight the indictable role of agriculture cooperatives not only in Rwanda but the entire Africa and show the close link between agriculture cooperatives and achievement of the eradication of extreme poverty and Hunger, the only possible way to attain the Millennium Development Goals because there is a urgency call to cut national poverty rate of each African country by 30% instead of current 60%. Such reductions can only be possible if agricultural sector contributions are accelerated in each African country especially sub Saharan Africa (UNDP, 2007).

MINICOFIN (2018) explained in his report that, during the fiscal year 2016/17, the Rwandan economy grew by 3.4%. The industry sector grew by 2% and agriculture has grown by 3%, 2% less than the previous fiscal year which was 5%. This low growth was due to the drought that the country has faced which has significantly reduced food production, adds to the negative growth of export crop. The current account balance is expected to improve by 14% in FY 2016/17. The trade balance is expected to improve by 21.8%, to US$ - 1,063.7 million from US$ -1,359.9 million, driven by strengthened export performance (coffee, tea, minerals, non-traditional exports). Positive export trends and more modest import growth are expected to support the continued narrowing of the current account deficit to around 7.8 precent of GDP by 2019.

The real sector growth by sector (2014/215 to 2016/2017) is as the following below presented table with focus on agriculture:

<table>
<thead>
<tr>
<th></th>
<th>Contribution to Growth 2014 Constant prices</th>
<th>Growth rate (Precent)</th>
<th>Shares of Nominal GDP (Precent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall GDP</td>
<td>8.6</td>
<td>8.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Agriculture</td>
<td>2.0</td>
<td>1.4</td>
<td>0.9</td>
</tr>
<tr>
<td>Food crops</td>
<td>1.4</td>
<td>0.7</td>
<td>0.6</td>
</tr>
<tr>
<td>Export crops</td>
<td>0.1</td>
<td>0.3</td>
<td>-0.1</td>
</tr>
</tbody>
</table>

Source: Minicofin, 2018

IPAR (2009) argue that, in Rwanda, agriculture has been performing well compared to other sectors of the economy. It should be understood that agricultural sector constitutes 90% employment opportunities in the economy and 70% export revenue in the country. On the side of provision of food, 91% of domestic food is generated by the agricultural sector. The review discovered that Agriculture in Rwanda is mainly subsistence with over 90% of output being food crops. Interestingly, 66% of the total food crops are meant for domestic consumption while only 34% find their way to the market. On the side of livestock, the growth has been reasonably steady at 7% per year especially on the side of goats.

By 2020, agriculture is envisaged to contribute 33 per cent to GDP whereas industry, including agro-processing, is expected to grow from current levels of 14 per cent to 26 per cent of GDP (ROR 2000). Rwanda is the signatory of the Sustainable Development Goals (SDG’s), which are a set of 17 goals the world will use over the next 15 years to end extreme poverty, fight inequality and injustice, and fix climate change. Formed through extensive consultation with all levels of society, the SDGs are a comprehensive development plan to leave no person behind.

With the SDGs, Rwandans have the opportunity to act upon their vision for the future. The Goals address targets for development that are relatble within every country in the world. Within this framework, the Government of Rwanda, in
tandem with global ambitions, can set national targets to successfully achieve the SDGs.

It is noteworthy that, in recent years, Rwanda introduced a string of important development policy innovations that significantly transformed lives of many poor people. In terms of socio-economic development, the government designed crucial programmes, such as the Nkungani, program, providing motor pumps to agriculture farmers to speed up irrigation system, providing selected seeds and one Cow One Cow per Family to mention but few. The purpose of these undertakings is to improve the quality of life. And the core belief of SDGs is no one leaves anyone behind.

In terms of environmental protection, one of the key hallmarks of sustainable development, the government adopted the law banning the use plastic or polythene bags to promote eco-tourism and a cleaner greener environment. Additionally, it was recently credited with its leading role in implementing the Montreal Protocol, exceeding targets and beating deadlines set under the treaty. According to the recently adopted Kigali Amendment to the Montreal Protocol, developed countries are called to start reducing their consumption of HFCs by 2019 and for developing countries to freeze their levels of HFCs by 2024 for some states and 2028 for others.

Seventeen 17 SDGs have 169 targets, among others, to eradicate, fight inequality and tackle climate change. Although Rwanda is setting the pace, it needs to build from what has been achieved to make higher targets as articulated in SDGs.

Socially, the agriculture cooperatives have played a role in the social protection of their members and their families, especially in getting health insurance, so cooperatives have made it easier for their members to pay premiums for health insurance schemes that are popularly referred to as mutuelle de santé. To this, various social activities that take place in happiness or stressful ceremonies like wedding or burial are also the social impact of agriculture cooperatives among members, therefore, uplifting the social conditions of its members.

Cooperatives helped members to build houses, pay school fees for their children, produce food for the family, and improve their clothing. Agriculture provides basic subsistence occupations for millions and permits people to supply themselves with the three fundamental human needs: food, clothing and shelter.

Economically, agriculture cooperatives provided to the farmers with production inputs, such as fertilizers, seeds and chemical substances, etc. In addition, it holds capacity development of their members and equip them with the necessary knowledge and skills about the agricultural new methods that aim at increasing the agricultural production and, therefore, promoting the rural society.

According to economic aspect, the highest number of cooperatives was formed in agriculture sector where the eastern province has the highest number of agricultural cooperatives that is 27% of all registered cooperatives. On regarding non-financial cooperatives by economic activity at provincial level, Eastern province in itself, in agriculture sector, the cooperatives registered are 655 with 41,164 male and 25,935 female, totalling 67,099 and share capital equal to 1,372,717,140. As we understand from the above statistical data, the economy Rwanda as well as of the Eastern province is heavily relied on agriculture sector. Therefore, agricultural development needs different inputs to increase production and productivities.

The agricultural sector plays a major role in operationalizing EDPRS II to achieve national growth and export targets, while also reducing poverty. The sector provides jobs and trade opportunities, but is further key to improving incomes for the majority of the population who still rely on agriculture for their livelihoods. In fact the agricultural sector contributes to a third of the national Gross Domestic Product and employs 70% of the country’s labour force (Minagri, 2015)

MINAGRI (2014) ague that, the past year has seen major progress in development of both hard and soft infrastructure to support productivity gains and the commercialization of agriculture. Rwanda has developed 35,407 ha of its potential irrigated area- including 29,277 ha of marshlands and 6,130 ha of hillsides. Efforts to foster soil conservation and land husbandry have been sustained with the development of 894,268 ha and 82,566 ha of land under progressive and radical terraces respectively.

A total of 272.46 million USD was earned in revenues through export of traditional (coffee, tea, pyrethrum) and non-traditional (horticulture, livestock, cereal and grains, etc.) agricultural export commodities. This is equivalent to a 21% increase in agricultural export revenues earned from FY 2013-14. Agricultural exports are an important contributor to foreign exchange earnings in the economy, and help to generate both farm and off-farm employment (Minagri, 2014).

Cooperatives are regarded as development tools that should promote social empowerment and economic goals. Zeuli (2002:1) argued that an agricultural cooperative is considered as one of the important economical and social organizations in rural societies through local ownership and control, and net profits distributed to those who use the Cooperatives as they combine people, resources, and capital into larger, more viable and economically competitive units.

The importance of agriculture in the national economy, Xinshen (2010:15) is also realized in African countries too. For instance in Rwanda, dealing with the role of cooperatives in Rwandan economy, Mukarugwiza (2010:18) emphasized that cooperatives are instruments used to alleviate poverty and to accelerate agricultural production in Rwanda. They contribute to the achievement of the MDG’s, SDG’s, Vision 2020 and the Economic Development and Poverty Reduction Strategy (EDPRS) programme that focus on rural economic
transformation, human resource development, development and promotion of the private enterprises and poverty alleviation. Beside the above macro-economic role, cooperatives create decent employment for their members and staff.

Agriculture is crucial for Rwanda’s growth and reduction of poverty, as the backbone of the economy, it accounts for 39 percent of gross domestic product (GDP), 80 percent of employment, 63 percent of foreign exchange earnings, and 90 percent of the country’s food needs. The sector is challenged by land constraints due to population pressure, poor water management, small average land holdings, lack of public and private capacity, and limited commercialization constrained by poor access to output and financial markets. The country’s average annual income of $550 per capita reflects a rural poverty rate of 49 percent, a figure that soars to 76 percent for families whose main source of income is agriculture. (WB: 2018)

Trading economics (2018) indicated that, GDP From Agriculture in Rwanda increased to 472 RWF Billion in the fourth quarter of 2017 from 457 RWF Billion in the third quarter of 2017. GDP From Agriculture in Rwanda averaged 348.56 RWF Billion from 2006 until 2017, reaching an all time high of 472 RWF Billion in the fourth quarter of 2017 and a record low of 237 RWF Billion in the first quarter of 2006. In addition to this, on average, agriculture contributes about 33 percent to Rwanda’s Gross Domestic Product (GDP) between 2007 and 2014, as per the National Institute of Statistics of Rwanda (NISR). In the financial year 2014-2015, the sector generated Rwf 1,440 billion in revenues compared to Rwf 1,512 billion in 2015-2016.

Livestock development through One Cow per Poor Household programme (Girinka) has been among the important activities carried out by MINAGRI since 2006. This programme was launched in 2006 to address high levels of malnutrition among rural households, especially in children. By the end February 2013, a total of 144,385 cows had been distributed under Girinka programme to rural households of which 34,447 were “pass on” cows. Girinka increased milk production and provided other benefits, including providing manure to improve soil fertility. Between 2006 and 2011, national milk production increased by 221% rising to 503 million liters in 2012 allowing the government to start the One Cup per Child Programme in schools. Income level of most of beneficiaries has been increased through the selling of milk.

Rwanda’s economy has significantly grown in the second quarter at a 4% Growth Domestic Product. The National Institute of Statistics of Rwanda (NISR) says the nominal GDP in the second quarter-totalled Rwf1,869 billion, up from Rwf1, 636 billion in the second quarter of last year. In the Agriculture sector, good harvests like tea increased by 28% while coffee registered 8% increase – significantly contributing to the growth of exports (KT Press: 2017)

From the above mentioned, it is worth to mentioned that, Government of Rwanda it is right when considers agriculture cooperative in particular as full partners in efforts for alleviating poverty.

Environmentally, agricultural Cooperatives are sensitized to integrate management of natural resources, erosion control, water capture and management, use of terraces, tree plantation, input use, marshland development and irrigation development in their activities GoR (2012:33) to promote sustainable development and fight against soil degradation.

All these aforementioned, a new projects to improve food security and nutrition in Rwanda. The goal of the 5-year project is to improve food security and nutrition of poor Rwandan households through increased availability, accessibility, affordability and consumption of nutritious food at household level.

Agriculture cooperative contributed sustaining food security as Chambo (2009:6) explained, food security is achieved when all people at all times have physical and economic access to sufficient, safe and nutritious food preferences for active and healthy life. When it comes to malnutrition, Rwanda has achieved the targets for underweight and wasting. However, stunting remains a concern, with the prevalence of 37.9 percent (2015 DHS report) considerably higher than the MDG target of 24.5 percent by 2015.

At the provincial level, food insecurity is most prevalent in the Western Province, followed by the Southern Province. In all rounds of FNSMS, more than 20 percent of households in both provinces had unacceptable diets, with the Western Province having a higher percentage of households with unacceptable diets. The Northern and Eastern Provinces did better, with less than 20 percent of households reporting unacceptable diets in both March 2012 and March 2013. However, the Northern Province showed the greatest variability in the percentage of households with unacceptable diets indicating dietary instability (NISR: 2016)

II. MAJOR CHALLENGES OF COOPERATIVES

Despite best practises, success stories of some or few cooperatives, there were also critical challenges in cooperatives sectors. In their daily activities, agricultural cooperatives suffer from insufficient access to finance as the banking system imposes heavy collateral requirements and poses inappropriate lending conditions, such as periodicity of repayment not linked to the agricultural cycle, Graem (1999:40), low productivity and high dependence to climate.

There is also severity of diseases, which cause losses to the production in plots and to the stored grains, which requires the application of fertilizers at many steps. Poor land use and poor soil management, which result in soil erosion and soil loss and poor productivity Mukarukaka (2011:8). All agricultural activities are based on season. This is a challenge because climate change by heavy or lack of rain, premature or longer
sunny season which affects production so much and profitability. In addition to these challenges, lack of skills and knowledge on cooperative management, poor internal regulations, lack of practical skills in planning, lack of skills in financial management.

According to sample study of 67,099 agriculture cooperatives representing 33.8% sample study was also identified critical points. This was conducted in 20 agriculture cooperatives found in different Districts of the Eastern Province. The finding was, 12 out of 20, couldn’t follow the rule and regulation of their own by-laws and cooperative principles as per RCA, most of them has a serious issues related to administrative and management with focus on public financial management. i.e. couldn’t utilize full legal documents for their business transactions, auditing and accounting documents were not fulfilled, even some had none of it. Additionally 6 out of 20 couldn’t get auditing services at all internally, unless RCA does or in partnership with province while 16 out of 20 confirmed that, most of the failure of agriculture cooperatives is due to conflicts between members, board of directors and advisory committee or to misuse of funds.

The findings of the various audits conducted (RCA and Eastern Province: 2015-2017) revealed unsupported expenditures, wasteful expenditures, partially supported expenditures, delay in payments, lack of sound financial systems, and misappropriation of some materials and misuse of cooperatives funds to mention but few.

Member’s participation revealed poor both in planning, implementation and saving; hence most of them were dangerously abused by Cooperative managers or elected leaders. The abasements are mainly related to corruption and mismanagement such as, gross mismanagement by officials; failure to hold elections democratically and transparently, theft of cooperative resources, refusal of management committee members to vacate after members voted for this dismissal; conflict of interest among cooperative officials, limited skills and knowledge’s on related cooperative management, governance and leadership. Moreover Women participation in leadership was found insignificant. Here we can say, that gender equality and equity still a challenge, therefore a degree of attention to participate and empower women was weak.

In addition to this, there were also weak relationship and coordination within and between central and local government. Overall in sample study identified challenges generally categorized as a follows:

II.1. Internal challenges

The following are the emanated from the agriculture cooperatives managers, members, management and Board members where by, 8 out of 20 cooperatives revealed weak linkage between members and agriculture cooperatives, lack of awareness, knowledge and skill on significance and impact of cooperatives, limited skills on cooperative management, planning, leadership, and corporate governance.

While 12 out of 20 confirmed that, managerial problems are a problems related to participation, transparency, efficiency in cooperative financial management, while ethical problems are those related to, managers and Board members were reluctant in fighting corruption, mismanagement of cooperatives funds and they were also part of, weak participation of members and unwillingness of increasing their equity; lack and shortage of warehouse; credit, transport; information management and poor rural infrastructure like road, energy, and agricultural processing.

Weak documentation and less women participation as membership and leadership were also critical challenges as the finding of our interview.

II.2. External challenges

These challenges were belongs to government structures, here we focus on RCA structures, which was established to support cooperative sector. Initially, both central and local government gave much attention to the development of cooperatives in particular attention to agriculture cooperatives and financial cooperatives particularly for rural areas. Besides having staff at provincial level including auditors and inspectors, every district has staff in charge of cooperatives.

However, despite these excellent efforts, it is still challenging to achieve for the required development in cooperative. During our interview, 9 out of 20 we interviewed revealed that, the reasons behind are caused by mainly relied on weak leadership, corporate governance, monitoring, evaluation and supervision; weak technical assistance; lack of knowledge and skills, limited qualified and committed leaders and expertise; weak horizontal and vertical relation.

In addition to the aforementioned challenges, include low investment of private sector in agriculture sector: low investment weak capacity of local private enterprises in agriculture infrastructures, access to finance: reluctance of financial institutions in lending agriculture, Insufficient skills in key domains such as irrigation, mechanized and post harvest and public invest and funding agriculture (RAB: 2013).

Precisely, the following still challenges that affect most of the agriculture cooperatives in Rwanda, here are some of them:

- **Low use of inputs**: Farmers’ lack and limited knowledge and skills and incentives in addition to affordability and insufficient inputs stocks to mention but few. This is also confirmed by the assessment conducted by IPAR (2009) hence Ministry of agriculture in Rwanda has made a progress towards handling these mentioned challenges.
- **Lack of irrigation and weak meteorological capacity** are major causes of a high vulnerability to weather related shocks of the Rwanda agricultural
sector.

- The factors that underlying the low commercialization of agricultural products are inadequate of business skills and entrepreneurial ethic and quality produce of local farmers’ to the extent that, their productions might face a serious problems. The recently national challenges were the potatoes productions in Northern province but also in other province, faces same issues when it comes to saling their products to cheap prices and also selling their products and yet still in the lands, known as “Kotsa imyaka”.

- Lack of value addition, IPAR (2009) highlight that, this is due to lack of access to credit Facilities, poor rural infrastructure and weak land title. Agriculture has traditionally been seen as a risky investment by banks so only 2% of loans go to agriculture; Rural Infrastructure is poor, due to in availability of adequate energy and water resources, this in turn raises costs.

It is not easy for Rwanda as most of the African countries to penetrate at the international markets due to various reasons includes, markets standards, the facts of being landlocked, transport cost, lack of required skills, technologies and labour…that affect our products.

III. CONCLUSION AND RECOMMENDATIONS

For any government, in particular attention to Rwanda, cooperatives in general and in particular case of agriculture cooperatives, as a potential vehicle through which the cooperative members could create employment and expand access to income- generating activities, develop their business potential, including entrepreneurial and managerial capacities through education and training; increase savings and investment, and improve social well-being with special emphasis on gender equality, housing, education, health care and community development.

To achieve and make sustainable development goals (SDG’s) that Rwanda is signatory into reality, agriculture cooperatives is one of the undoubtable channel to reduce poverty by identify economic opportunities, empower, provide security to the poor and mediate member access to assets that they utilize to earn a living. It also contributes to gender equality, not just by increasing female membership, but also by expanding opportunities for women in local economies. Support access to quality education as means for financing education; ensure healthy lives by paying health insurance (Mutuelle de santé) among others.

In addition to this, cooperatives contribute to food security and make members active private operators, play a significant role in employment creation and income generation and finally, promote environmental aspects by spearheading the sustainable management of natural resources for posterity.

RCA (2018), to confirm this, highlighted that, more than 3.6 million of Rwandan populations have joined cooperatives and this without any doubt has changed their lives. That is, 55.3% of the populations, at the age of being cooperative member, are now operating in cooperatives. The number of cooperatives in different social-economic sectors has increased. In addition, cooperatives create employment and pay taxes, which contribute a lot in the development of the country. Cooperatives members easily access loans from the saving and credit cooperatives (SACCOs). Some have owned their transport facilities, constructed their own offices and buildings to mention but few.

Thus, the role of cooperative to economic development in any country developed, developing and under developed is very immense. As we discussed, their role in rural areas particularly for the youth, women and people with disabilities and marginalized people are crucial. Because cooperatives recognized by both national and international organisations as a solution for equality, poverty reduction, employment source, financing system, empowering members. Therefore, the attention given by Rwanda and other countries as well as organizations are important and implies their intention as the same time their commitment for sustainable development.

Additionally, to minimize the mismanagement of agriculture cooperatives and to maximize all government resources, it is worth that, the decentralised entities (Local Government) play a key role in increasing of the monitoring and evaluation, conduct audits and inspections in partnership with RCA staff both at province, districts and sectors, since the issues that affect agriculture cooperative, directly involve all organs including security organs, Province, Districts, RCA, Ministries (Ministry of Commerce and trade, Ministry of local government, Ministry of Finance and local Planning).

However, this paper couldn’t touch all the critical points on agriculture cooperatives in Rwanda and particularly in Eastern Province, so we kindly recommend further studies on this sector. Therefore, if the above mentioned and other related issues are undoubtedly addressed in the Cooperative policy, cooperatives definitely achieve their objective and goals.

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