



# Rwanda Cooperative Agency

ANNUAL REPORT 2018-2019

## FOREWORD

The financial year 2018 -2019 was characterized by tremendous changes around the Rwandan cooperative sector which was mainly focused on gradual disengagement of the direct government intervention, enhancing the management autonomy of cooperatives by creating the strong structures. To exercise this role the main agenda was restructuring of cooperatives basing on performance, here the approach was by value chain like Irish potato cooperatives and Motorcycle coops to mention and this exercise involved merging of weak cooperatives to come up with a very strong sustainable enterprise. Much emphasis was put on the new cooperative policy orientation and revision of the cooperative law, all updated to align with other national and international development agendas like NST1, Vision 2020, and SDGs, a number of priority areas and new directions which has proposed strategic actions, accelerating creation of decent jobs, use of information and communication technology in cooperatives to ease information sharing and market linkages, the growth and graduation model of cooperatives, the registration of cooperatives of Rwandan living in the diaspora, the need to introduce the cooperative information management system- an ICT based and a tool for efficient management of cooperatives, increased support to the sector coordination, enforcement of research and impact assessment of the cooperatives, and capacity development of cooperatives in entrepreneurship.

We welcome you all to support the Rwandan cooperative movement by either registering a cooperative or partnering in any business promotion engagement that would develop cooperative members and all Rwandan citizens at large by reading through this annual report.

**Yves Bernard NINGABIRE**

**Chairman Board of Directors – RCA**

## **FOREWORD**

Cooperative movement in Rwanda is on the transformational move in national aspirations, the country's tremendous achievements in cooperative sector have translated into improved livelihoods of Rwandan population in all aspects of socio-economic development.

2018/19 RCA promoted economic growth, culture of saving awareness campaign amongst cooperatives, improvement of financial management in cooperatives, and entrepreneurship spirit of which attracted the population and increased trust, transparency and accountability in cooperative members. Joint decision making also encouraged democratic and transparent values, as well as a self-reliance and belief in self-efficacy amongst cooperatives, however we are calling all cooperatives to use the system, specifically in membership management where they are able to record all details regarding its members, management, product movement and giving updates of cooperative's situation and accounting activities to keep track of financial reports.

We reviewed the cooperative policy regarding cooperatives in Rwanda which, by August last year, the cabinet approved it. We are also reviewing the law related to the cooperatives. The new policy and law will ensure that responsibilities of cooperative structures, namely; primary cooperatives, unions, federation and confederation, are different but complementing one another in order for all cooperative issues to be addressed in a well-coordinated way. Rwanda's development agenda cannot be realised without development of cooperatives which need good structural framework and good operating environment.

Let me take this opportunity to thank all stakeholders who helped much in the realisation of all achieved results whether public agencies, private sectors and development organisations, let's join more of our efforts to improve and coordinate management mechanisms so that more population can graduate out of poverty.

I thank you!

Prof. HARELIMANA Jean Bosco

Director General - Rwanda Cooperative Agency

## Acronyms and Abbreviation

GoR	Government of Rwanda
7YGP	Seven Years Government Program
BNR	National Bank of Rwanda
CIMS	Co-operative Information Management System
DDPs	District Development Plans
DDS	District Development Strategies
EDPRS	Economic Development and Poverty Reduction Strategy
FOs	Farmer Organizations
FRW	Rwandan Francs
ICA	International Co-operative alliance
MINAGRI	Ministry of Agriculture and Animal Resources
MINALOC	Ministry of Local Government
MINECOFIN	Ministry of Finance and Economic Planning
NAEB	National Agriculture Export Board
NCCR	National Co-operative Confederation
NST1	National Strategy for Transformation
PPP	Public Private Partnerships

PSDYES	Private Sector Development and Youth Employment Strategy
PSF	Private Sector Federation
PWDs	People with Disabilities
R&D	Research and Development
RCA	Rwanda Cooperative agency
RSB	Rwanda Standards Board
RURA	Rwanda Utilities Regulatory Agency
SACCOs	Saving and Credits Cooperatives
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises

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## **PREFACE**

Cooperative movement is a strong and the central figure to lift up Rwandan citizens out of poverty and under poverty line, where cooperatives have a big role to play in promoting economic transformation. Cooperatives are a unique form of self-help group, pooling members' resources to achieve economies of scope and scale, while serving as a platform for economic improvement and graduation out of poverty and multi-dimensional promotion of the cooperative members' wellbeing.

## EXECUTIVE SUMMARY

Rwanda cooperative agency is structured to empower the cooperative movement as a viable engine through which cooperative members could create productive jobs, increase income, and maximize the social and financial capitals for socio-economic transformation.

In 2005 there were 919 cooperatives registered in Rwanda. Last year that number stood at 9,323, with nearly 4 million members, operating in agriculture and livestock (45%), trading (13%), handicraft (11%) and service industries (10%), as well as transport, housing, mining and fishing. These businesses are then organized within unions, federations and confederations.

However, During the period of 2018/2019, Rwanda Cooperative Agency (RCA) received Nine hundred and ten (910) applications and among them Eight hundred sixty-three (863) were processed and granted Legal Personality as they were fulfilling all legal requirements.

Cooperatives always need both technical and functional support for them to grow gradually and financially this is shown by this fiscal year 2018-2019 under the support of ministry of Trade and industry, districts, RCA staff at provincial level it was planned that 1,000 Cooperatives countrywide has be inspected but more of cooperative were inspected 1,135 cooperatives

In addition to that RCA managed to achieve more of what had been planned, whereby 178 non -financial cooperatives were audited and presented to the General assembly against 42 cooperatives were planned to be audited and this was a result of good partnership with development projects that supported much in cooperative audit.

Not only that cooperatives supported were only these non -financial cooperatives but also financial cooperatives were also assisted where by 53 U-SACCOs were audited whereas 437 U-SACCOs were inspected, out of these audits and inspections it was

observed that in national task force report submitted by the end of Sep/2018 among **Frw 10.1 billion** defaulted amount reported by SACCOs as of 30<sup>th</sup> September,

By the year 2018, **Frw 2.7 billion** was recovered (26.8%) of which **Frw 1.9 billion** was recovered before the starting of the National Task Force (NTF) due to various government efforts while **Frw 754.5 million** was paid on spot based on meetings held by NTF with members who defaulted loans.

With over 9000 registered cooperatives, it was planned to provide trainings to at least 250 CIP cooperative, 50 large cooperatives based on its membership, capital shares, activities, number of employees, markets, 60 women cooperatives who carry out trade crossing borders and those who are not.

Youth cooperatives are also technically supported where 60 cooperatives were trained to improve their performance and development.

The capacity development in cooperatives has been effectively and efficiently conducted in all different value chains most especially in CIP cooperative all 250 targets were achieved It was also discovered that the CIP coops didn't prepare standard financial reports.

On the other hand, 44 off-farm cooperatives were trained especially Bicycle riders (Abanyonzi) and hand craft cooperatives were provided with coaching.

The main objective of the training was to improve the cooperative's performance while the specific objectives were respectively to improve the management of cooperatives and to raise the involvement of cooperative members to the management and control of their own business.

## **I. Vision**

“Cooperatives are private oriented enterprises and self-reliant business entities for significant contribution to the national socio-economic transformation through creation of productive jobs and wealth.” According to new policy

**II. Mission:** The mission of the cooperative movement is;

To promote an autonomous and economically viable cooperative movement founded on the cooperative values and principles and is able to enhance social integration and uplifting the standard of living of its members.

## **1. GLOBAL PERSPECTIVE OF COOPERATIVE MOVEMENT**

Cooperatives are businesses which are owned by their members – people like you – who have an equal say in how the cooperative is run, and share the profit the business makes among each other. Cooperatives are active in every sector and come in all shapes and sizes – from bakeries and wind farms, to banks and football clubs. They are ethical businesses that work for the benefit of the community now and in the future.

### **1.1 The Evolution of cooperative movement**

The cooperative movement began in Europe in the 19th century, primarily in Britain and France. The Shore Porters Society claims to be one of the world's first cooperatives, being established in Aberdeen in 1498 (although it has since demutualized to become a private partnership).<sup>[1]</sup> The first documented consumer cooperative was founded in 1769, in a barely furnished cottage in Fenwick, East Ayrshire, when local weavers manhandled a sack of oatmeal into John Walker's whitewashed front room and began selling the contents at a discount, forming the Fenwick Weavers' Society. In the decades that followed, several cooperatives or cooperative societies formed including Lennox town Friendly Victualling Society, founded in 1812. By 1830, there were several hundred co-operatives, some were

initially successful, but most cooperatives founded in the early 19<sup>th</sup> century had failed by 1840.

## **1.2. According to ICA definition in global context**

What is a cooperative? A cooperative is 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<sup>1</sup>. Owned and run by their members, cooperatives are people-centered and value-driven businesses, guided by 7 principles:

1. Voluntary and Open Membership<sup>2</sup>.
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation among Cooperatives
7. Concern for Community

## **1.3 Cooperatives in Europe**

Through a people-centered business model, cooperative enterprises have played a key role in international development for over 100 years, contributing to the development of an estimated 3 billion people worldwide.

Working together through local, national, regional, and international structures, cooperatives build a global network across sectors ranging from small-scale to multi-national businesses. With cooperation among cooperatives and rich resources – finance, technical assistance, and human capacity cooperatives constitute a major

factor in economic, social, and human development around the world. In 2008 Cooperatives Europe created the Cooperatives Europe Development Platform.

Whether it is the emergence of new economies, integration of youth in job markets or leading energy transition, cooperatives, as key actors of social economy, offer solutions to many of Europe's challenges by responding to people's needs.

Cooperatives Europe supports the cooperative way of doing business by:

1. advocating for a level playing field between cooperatives and other forms of enterprise
2. Increasing the knowledge of the cooperative business model across Europe and beyond.
3. Facilitating the development of cooperative enterprises.

## **1.4. Cooperatives in Asia**

### **1.4.1 Coping with the changing Asian rural landscape**

A cooperative has played an important role in the Asian rural landscape for decades, and has become an integral part of its social structure. Cooperatives have contributed greatly to the development of modern national and systematized economic production-base, helped enhance self-sufficiency of major staple products, and strengthened farmers' household economy by facilitating market access and competitiveness, adapting their operations to agricultural technological innovations and encouraging democratic decision-making processes, leadership development and education.

However, at the dawn of the 21<sup>st</sup> century, new issues and forces have been influencing the external and internal environment cooperatives in Asia. Some of these forces include: the restructuring of the agricultural sector such as demographic changes and diversification of member-farmers; highly-advanced technological innovations; large-scale marketing and changing consumer preferences; shifting international value chain trade regime; and globalization of the financial market. All these factors have left many cooperatives, particularly in the Asian region, groping to find more efficient business models in an increasingly harsh economy, and leaving

resource-poor small-scale farmers with no option but to realign their economic activities and meager resources to external signals.

Specifically, the emergence of the World Trade Organization (WTO) and other regional trade organizations has defined the areas and rules of the game for trade in agricultural commodities and processed produce, which are simply not easy to follow by developing countries. The agriculture and rural development in Asian countries, in which a large majority of the total population live in rural areas and depend upon agriculture for their livelihood, is far from being viable and sustainable. In this sense, the rules of trade liberalization are aggravating the adverse livelihood conditions of the rural poor who are mostly small and medium producers, without much market-oriented organizational and management capacities.

The primary goal of the international seminar on *Cooperatives in Asia: Innovations and Opportunities in the 21<sup>st</sup> Century*, was to serve as a venue to promote the exchange of knowledge and information on successful innovative cooperative practices in view of this critical transition period. Issues and lessons specific to Asian rural farmers and based on the experiences of cooperative practitioners and policy makers were shared and discussed.



*ICA general meeting in south Africa, 2017*

## 2. THE INTERNATIONAL COOPERATIVE ALLIANCE

The International Cooperative Alliance is the voice of cooperatives worldwide. It was established in 1895 to promote the cooperative model. Today cooperative members represent at least 12% of humanity. As businesses driven by values and not by the remuneration of capital, the 3 million cooperatives on earth act together to build a better world.<sup>1</sup> The International Cooperative Alliance works with global and regional governments and organizations to create the legislative environments that allow cooperatives to form and grow.

**The International Co-operative Alliance (ICA)** is a non-governmental co-operative federation or, more precisely, a co-operative union representing co-operatives and the co-operative movement worldwide. It was founded in 1895 to unite, represent and serve co-operatives worldwide. The Alliance maintains the internationally recognized definition of a co-operative in the Statement on the Co-operative Identity.<sup>[1]</sup> The ICA represents 313 co-operative federations and organizations in 109 countries.

The Alliance provides a global voice and forum for knowledge, expertise and coordinate action for and about co-operatives. The members of the Alliance are international and national co-operative organizations from all sectors of the economy, including agriculture, banking, consumer, fisheries, health, housing, insurance, and workers. The Alliance has members from 100 countries, representing close to one billion individuals worldwide. Around one hundred million people work for co-operatives globally. Co-operatives are values-based businesses owned by their members. Whether they are customers, employees or residents, the members get an equal say in the business and a share of the profits. In 2006 the ICA published the first major index of the world's largest co-operative and mutual enterprises, the *ICA Global 300*, which demonstrated the scale of the co-operative movement globally. On the first Saturday of July each year, the ICA coordinates celebrations of International Co-operative Day.

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<sup>1</sup> <https://www.ica.coop/en/about-us/international-cooperative-alliance>



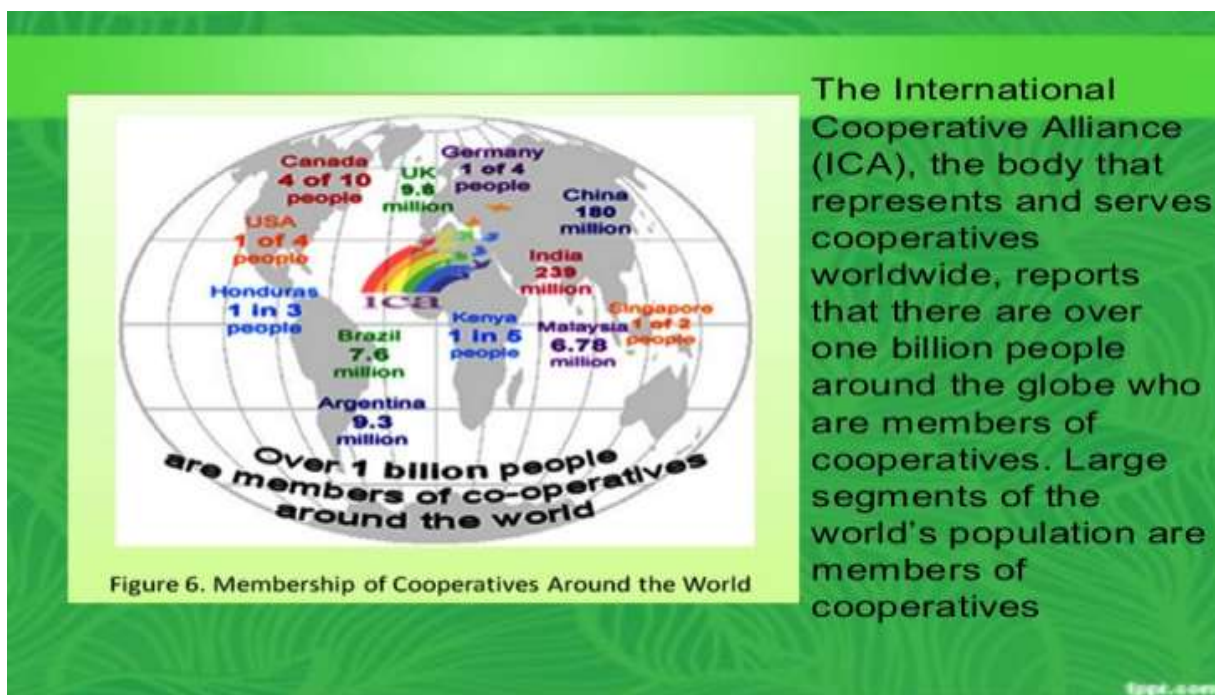
ICA adopted its original rainbow flag in 1925, with the seven colors symbolizing unity in diversity and the power of light, enlightenment, and progress. In 2001 a new flag was adopted at the ICA General Assembly in Seoul, Korea, to avoid confusion with other rainbow flags, several of which had become very well known in the 20th century. The present flag shows the ICA seven-color logo on a white background. The logo depicts a quarter rainbows with a flock of stylized doves of peace scattering from the top and the letters ICA underneath. The rainbow has only six stripes (red, orange, yellow, green, light blue, dark blue) and the seventh color (purple) appears in the lettering under the rainbow. The flag exists in four different versions showing the ICA acronym in different languages (ACI in Spanish, Italian and French, IGB in German, and MKA in Russian).

## **2.1 The international co-operative alliance in Africa**

The International Cooperative Alliance-Africa Region the Alliance in Africa is -one of the regional offices of the International Cooperative Alliance which serves, unites and represents Alliance's member organizations in Africa. The Alliance Africa promotes and strengthens autonomous and viable co-operatives throughout the region by:

- Serving as a forum for exchange of experience and a source of information on co-operative development, research, and statistics;
- Providing technical assistance for Co-operative development;
- Collaborating with national governments, United Nations organizations, and African regional organizations.

*Global cooperative membership*



a united country. However, cooperatives are generally locally owned and operated enterprises. At a national level the cooperative economy comprises over 10% of the Gross Domestic Product in 4 countries in the world (New Zealand (20%), Netherlands (18%), France (18%) and Finland (14%).

## 2.1.1 Cooperative movement in East Africa

### 2.1.1.1 Cooperative in Uganda

The Department of Cooperatives in Ministry of Trade, industry and cooperatives is responsible for promoting an enabling environment for the development of sustainable and vibrant member-based cooperatives. The Department provides services designed towards facilitating the formation, organization and operation of cooperative societies, and through the Cooperative Societies Act 1991, advises on and monitors emergence and practice of good governance and member empowerment.

Specifically, the Department deals with registration, coordination and issuing guidance on registration of Cooperative Societies.

Cooperatives in Uganda date way back in 1913 where due to exploitation of farmers by then organized middlemen of Asian origin, four farmers in the current District of Mubende in the central region of Uganda organized themselves into the first Agricultural Cooperative Kinakulya “literally meaning that we are finished if we don’t wake up by working through cooperation. In 1920, four groups in the central region also formed a big cooperative group and from that time we see cooperatives grow at a high and steady pace. Between 1952 to early 1970’s, cooperative membership grew 8fold, Crop tonnage in major cash crops: Coffee, Tobacco, Tea and cotton increased 6-fold and all these were in the hands of the cooperatives. A cooperative college was started in 1963 and cooperative Bank in 1964 with a main objective of delivering quality services to the cooperative movement that had become an engine of economic growth. By 1965, the Ugandan economy was in the hands of the cooperative movement and hence the farmers. Uganda Cooperative Alliance (UCA) Ltd has been at the fore front of revitalizing the cooperative movement and currently there are over 18,000 registered Cooperatives in Uganda.

#### *2.1.1.2 Cooperative in Kenya*

Co-operative Movement in Kenya may be traced to the period immediately after the country’s independence. The movement is supposed to play an important role in wealth creation, food security and employment generation and hence participate in poverty alleviation. To date, there are over 24,200 registered cooperative societies country-wide. The membership is over 6.1 million and has mobilized domestic savings estimated at over Kshs125 billion. The cooperatives have employed over

400,000 people besides providing opportunities for self-employment. Indeed, a significant number of Kenyans, approximately 63% draw their livelihood either directly or indirectly from cooperative-based enterprises. The greatest contribution attributed to cooperatives in Kenya 's social and economic development has been in the financial sector, where Saccos and national financial cooperative organizations, Cooperative Bank and Cooperative Insurance Company (CIC), hold substantial savings portfolio accounting for more than 31 per cent of Kenya's gross national savings. The total number of societies and unions rose by 7.3 per cent from 13,256 in 2010 to 24,228 in 2019.

Overall, a total of 972 additional cooperative societies and unions were registered, with almost half of these being savings and credit societies, with membership standing at more than eight million Kenyans.

The cooperative movement is organized into service and producer entities that cut across various sectors focusing on both private and public enterprises.

#### ***2.1.1.3 Cooperative Movement in Tanzania***

Cooperatives have been an important part of the development of Tanzania for 75 years. While they have seen many successes and failures during this period no other institution has brought so many people together for a common cause. In the past there have been many levels of cooperatives including primary societies, unions, apexes and the Federation.

Currently , there are 4514 agricultural marketing cooperative societies, 4780 savings and credits cooperative societies, 151 livestock cooperative societies, 249 fishing cooperative societies, 51 housing cooperative societies, 10 mining cooperative societies, 365 industrial cooperative societies, 190 water irrigation cooperative societies, 10 transport cooperative societies, 213 consumer cooperative societies,

and 1153 service and other cooperative societies; perfectly illustrative of the movement's scope and the need to pay it careful attention.

#### ***2.1.1.4 Cooperative in Rwanda***

Cooperatives are embedded in daily life in Rwanda. According to government statistics from 2018, 43% of Rwandese aged 16 or over are members of a cooperatives largely due to a concerted effort from the Rwanda Cooperative Agency (RCA) to grow the sector over the last 13 years.

In 2005 there were 919 cooperatives registered in Rwanda. Last year that number stood at 9,323, with nearly 4 million members, operating in agriculture and livestock (45%), trading (13%), handicraft (11%) and service industries (10%), as well as transport, housing, mining and fishing. These businesses are then organized within unions, federations and confederations.

There are also 437 saving and credit cooperatives (SACCOs). According to the Rwanda Cooperative Agency, savings in SACCOs increased from FRw6.3bn (US\$6.8m, £5.4m) in 2010 to FRw59.76bn (US\$64.4m, £51m) in February 2018.

The government of Rwanda views cooperatives as a potential vehicle through which the cooperative members can create employment and expand access to income-generating activities, develop their business potential 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.

A large number of farmers in Rwanda who live in rural areas are members of co-operatives which contribute a lot in the development of the country. Cooperatives play an increasing significant role in helping these farmers to find solutions on how to cooperate out of poverty by tapping their own resources, knowledge and strengths.

Cooperatives contribute to development of local economies where the poor live through their unique and strong linkages with the community. They enable poor people to have their voices heard in addition to improving their daily working and living conditions. Because co-operatives are democratic organizations and owned by

those who use their services cooperatives are an ideal instrument to empower the poor. They are participatory, responsive to local needs and able to mobilize communities and help particularly vulnerable groups of people.

**Table 1 : Cooperative membership and Share capital by each economic activity.**

Economic Activity	No. of coops.	Membership			Share Capital
		Male	Female	Total	
Agriculture	2,603	359,985	326,286	686,271	5,155,113,448
Livestock	1,781	95,090	92,689	187,779	4,208,676,423
Trading	1,311	140,068	134,769	274,837	9,069,731,540
Service	1,036	132,297	121,015	253,312	2,354,256,380
Transport	585	23,726	3,009	26,735	1,880,368,500
Handicraft	1,079	60,698	63,434	124,132	1,990,284,080
Transformation	118	13,304	11,326	24,630	753,881,100
Mining	132	48,405	46,793	95,198	658,196,100
Fishing	93	9,758	11,624	21,382	162,422,000
Housing	171	26,706	18,301	45,007	5,150,235,848
Other	198	51,361	49,312	100,673	498,431,800
<b>SubTotal</b>	<b>9,107</b>	<b>961,398</b>	<b>878,558</b>	<b>1,839,956</b>	<b>31,881,597,219</b>
SACCOs	437	1,815,549	1,378,054	3,193,603	15,670,435,960
Unions	148	-	-	-	210,116,675
Federations	14	-	-	-	59,020,000
<b>Grand Total</b>	<b>9,706</b>	<b>2,776,947</b>	<b>2,256,612</b>	<b>5,033,559</b>	<b>47,821,169,854</b>

*Source: RCA, Statistical report ( 2018)*

Table 2: SWOT Analysis for the Cooperative sector in Rwanda

<b>Internal Environment of Cooperatives</b>	
<b><i>Strengths</i></b>	<b><i>Weakness</i></b>
<ul style="list-style-type: none"> <li>▪ Strong membership base and tradition for forming cooperatives</li> <li>▪ National frameworks to support cooperative movement</li> <li>▪ Well-structured set-up</li> <li>▪ Varied sectors of activity</li> <li>▪ Expertise in some specific value chains</li> <li>▪ Joint collection of produce e.g. Agriculture Coops</li> <li>▪ Strong voice Possibility of joint investment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Limited ownership of cooperative movement by members</li> <li>▪ Weak self-help and diligence capacities by members which underpins the lack of sustainability of cooperatives</li> <li>▪ Weak internal communication system</li> <li>▪ Limited financial and human resources</li> <li>▪ Limited skills in cooperative management and governance</li> <li>▪ Insufficient IT equipment</li> <li>▪ Aging members and limited innovation</li> <li>▪ Limited women and youth's participation</li> <li>▪ Failure to take decisions</li> <li>▪ Lack of infrastructure (soft, hard)</li> <li>▪ Limited social, economic, and institutional benefits to members of cooperatives.</li> </ul>
<b>External Environment of cooperatives</b>	
<b><i>Opportunities</i></b>	<b><i>Threats</i></b>

<ul style="list-style-type: none"> <li>▪ Existence of political will</li> <li>▪ Aligned with national development framework</li> <li>▪ Strong institutional and policy frameworks (a regulatory agency, decentralized government entities, existence of policy and law, Government incentives)</li> <li>▪ Existence of available support from development partners and other stakeholders</li> <li>▪ Umbrella organization that help in advocacy</li> <li>▪ Regional integration</li> <li>▪ Favorable weather conditions for agriculture production</li> <li>▪ Availability of committed stakeholders</li> <li>▪ Accountable governance Development niches for cooperatives</li> <li>▪ Strong emphasis on performance and delivery</li> </ul>	<ul style="list-style-type: none"> <li>▪ Member disillusionment from leadership embezzlement and lack of managerial capacity</li> <li>▪ Staff competition in the sector such as transport cooperatives</li> <li>▪ Interference by different stakeholders in the support and management of cooperatives</li> <li>▪ Climatic variability and climate change shocks.</li> </ul>
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**Source:** Report on Consultative meetings in Provinces and City of Kigali by RCA (2017)

### **3. ACHIEVEMENTS FOR THE YEAR 2018-2019**

The fiscal year 2018/2019 had tremendous achievements in relation to the fore stated targets in the action plan and they were achieved through the activities highlighted below;

#### **3.1 cooperative registration and accreditation**

A cooperative is a distinct form of enterprise that provides services and/or products to its members. Profits, known as surpluses in a cooperative, are divided among members in relation to the amount of the business each member did with the cooperative.

By registering a cooperative, you are creating a legal entity with certain powers to act on its own and certain responsibilities. Before registering a cooperative, take note of the important record-keeping that need to be done by a co-operative.

Before you decide to register a co-operative, you need to have a formation meeting to decide on common purpose and agree to register a co-operative. At the formation meeting the members have to decide on the form and type of co-operative. There must be at least ten founding members (people) in order to form a primary cooperative. Cooperatives have certain principles, and are expected to include certain values in all the work that it undertakes.

##### **3.1.1 Registration of Cooperative Organizations**

During the period of 2018/2019, Rwanda Cooperative Agency (RCA) received Nine hundred and ten (910) applications and among them Eight hundred sixty-three (863) were processed and granted Legal Personality as they were fulfilling all legal requirements.

The tables below summarize the number of registered cooperatives in each Province per month and the total per quarter.

Table 5: QUARTER 1					Table 6: QUARTER 2				
PROVINCE	Jul-18	Aug-18	Sep-18	Total	PROVINCE	Oct-18	Nov-18	Dec-18	Total
MVK	11	10	18	39	MVK	15	24	9	48
NORTH	21	0	19	40	NORTH	10	11	9	30
SOUTH	4	9	13	26	SOUTH	5	8	5	18
EAST	14	11	22	47	EAST	20	17	17	54
WEST	32	17	28	77	WEST	24	20	18	62
<b>TOTAL</b>	<b>82</b>	<b>47</b>	<b>100</b>	<b>229</b>	<b>TOTAL</b>	<b>74</b>	<b>80</b>	<b>58</b>	<b>212</b>

Table 7: QUARTER 3					Table 8: QUARTER 4				
PROVINCE	Jan-19	Fev-2019	Mar-19	Total	PROVINCE	Apr-19	May-19	Jun-19	Total
MVK	8	10	23	41	MVK	10	12	7	29
NORTH	1	31	20	52	NORTH	5	15	3	23
SOUTH	5	3	17	25	SOUTH	1	3	3	7
EAST	35	10	12	57	EAST	3	14	22	39
WEST	27	41	11	79	WEST	37	26	7	70
<b>TOTAL</b>	<b>76</b>	<b>95</b>	<b>83</b>	<b>254</b>	<b>TOTAL</b>	<b>56</b>	<b>70</b>	<b>42</b>	<b>168</b>

Table:9

PROVINCE	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Fev-2019	Mar-19	Apr-19	May-19	Jun-19	TOTAL
MVK	11	10	18	15	24	9	8	10	23	10	12	7	157
NORTH	21	0	19	10	11	9	1	31	20	5	15	3	145
SOUTH	4	9	13	5	8	5	5	3	17	1	3	3	76
EAST	14	11	22	20	17	17	35	10	12	3	14	22	197
WEST	32	17	28	24	20	18	27	41	11	37	26	7	288
<b>TOTAL</b>	<b>82</b>	<b>47</b>	<b>100</b>	<b>74</b>	<b>80</b>	<b>58</b>	<b>76</b>	<b>95</b>	<b>83</b>	<b>56</b>	<b>70</b>	<b>42</b>	<b>863</b>

The performance contract for 2018-2019 was to grant legal personality to 80 % of all received applications fulfilling all legal requirements.

The annex I to this report constitutes the list of registered primary cooperative organizations for the period starting from 1<sup>st</sup> July 2018 and ending 30<sup>th</sup> June 2019.

**Table 10: the summary of the number of registered cooperatives in each activity, membership and the investment done in every sector of activity identified here.**

No.	Activity	No. of coop	Membership			Capital
			Male	Female	Total	
1	Trading	127	3,217	3,152	6,369	800,335,658
2	Agriculture	221	23,433	11,539	34,972	404,968,900
3	Service	143	2,855	1,252	4,107	350,866,496
4	Housing	11	209	161	370	339,681,848
5	Livestock	146	1,921	1,794	3,715	251,176,019
6	Transport	46	1,990	281	2,271	120,105,000
7	Handcraft	129	1,256	2,512	3,768	109,591,400
8	Mining	14	215	42	257	59,065,000
9	Transformation	24	238	393	631	31,571,600
10	Other	2	28	15	43	730,000
	Total	863	35,362	21,141	56,503	2,468,091,921

### **3.1.2 Arbitration of Disputes/Conflicts**

By this fiscal year, a Hundred (100) cases of conflicts/disputes received arising in Co-operatives or between Co-operatives and their members, or third parties were settled/arbitrated and solutions provided for more details, see attachment II to this report.

When considering disputes, RCA assists Cooperative members and their leaders to differentiate issues to be channeled to the General Assembly from those to be channeled to Competent Courts. Most of such issues are related to misinterpretation of the provisions of the Law, mismanagement of cooperative property, ignorance of members' rights, ignorance of members' obligations, personal interests of

Cooperative leaders and arbitrary dismissals of members and employees, and embezzlement cases both in SACCOs and non-financial cooperatives, and dissolution/liquidation.

This contributed a lot to the improvement of the governance and financial management of the concerned cooperatives. Cooperative members now are aware of their rights in cooperatives and their respective obligations/responsibilities.

Find the appendix 2 to know most of the issues affected by the cooperatives and how were resolved.

### **3.1.3 Technical and Legal Assistance to Cooperatives**

Technical/ Legal Assistance was given to some primary cooperatives which were to be formed, those to be merged with others, those that needed to dissolve and liquidate themselves, and to those applying for legal personality (Newly registered).

**The table 11:** contains names of cooperative organizations that have been assisted and the kind of assistance provided to each one:

	Name of coop	Location	Kind of assistance provided
1	KTVC	Kicukiro	This cooperative was provided with Legal assistance about dissolution as it was not observing the cooperative Law and cooperative principles.
2	RUMBURUBUTAKA	Musanze	Legal assistance about dissolution/liquidation

3	GDRB, CODERIKA KAMU, ABIYUNZE COTU (Rice coops)	Ruhango Nyanza	Legal and technical assistance provided while merging three rice growing cooperatives and while electing members of the new organs.
4	KOKIMU and KOAIBI	Nyabihu	Legal assistance about merging
5	Irish Potatoes Cooperatives	Rubavu Nyabihu Musanze Burera	Legal and technical assistance provided while merging Irish Potato primary Cooperatives, and formation Unions and while electing leaders and delegates to Unions and Federation.  Some of them have been liquidated.
6	UBUMWE KINYINYA (Housing)	Kinyinya Gasabo	Legal assistance about transformation as it was not observing the cooperative Law and cooperative principles on this issue.
7	KAMOTRACO (Motorcycles)	Runda Kamonyi	Legal assistance provided while electing new leaders replacing those who were suspended from

			their duties following audit carried out by RCA.
8	RUTEGROC	Manihira Rutsiro	Legal assistance in finding out solution to the issue related to the salary of Employees that RUTEGROC cannot afford to remunerate (referring to Labor Code).
9	CODEVI (bakery)	Kanzenze Rubavu	Legal assistance about dissolution and liquidation as the cooperative has stopped to operate as required. It has to clear out the issue of security consisting in a House provided by one of its members before the Banque of Kigali, where a loan was borrowed, sell the said house.
10	CODEAM (livestock)  (milk trading)	Rugalika Kamonyi	<p>The issue is that the Cooperative is Not paying back the loan contracted with the Security of one of the members.</p> <p>CODEAM was advised to request the SACCO to suspend interests while the General</p>

			Assembly is tasked to look for a suitable solution by engaging all members.
11	KOAMUBINYA, KOTUIMU, DUTEZIMBERE UBUHINZI, KOBAMUWIRU.  (Irish Potatoes coops)	Rutsiro  (Nyabirasi, Rusebeya, Mukura, Manihira)	Legal assistance provided while forming primary cooperatives and Unions and electing leaders of those entities in Irish Potatoes cooperatives.
12	Irish potatoes cooperative organizations	NYAMAGABE	Legal assistance provided while forming primary cooperatives and Unions and electing leaders and delegates to Unions of Irish Potatoes cooperatives.
13		NYARUGURU	Legal assistance provided while forming primary cooperatives and electing leaders and delegates to Unions of Irish Potatoes cooperatives.
14	ICARAHEZA	RUBAVU	Technical and Legal assistance to this cooperative which is in the process of dissolving itself.

15	16 primary Bicycles cooperatives (Transport)	RUBAVU	Provision of legal assistance to transport cooperatives using Bicycles while forming a bicycle cooperative Union in Rubavu District.
16	HORECO (providing agricultural services)	NYANZA	Technical and Legal assistance to this cooperative which was in the process of transforming itself into private company.
17	ITUZE, COTAMOMU SUD, COTRAVEMOMU, COTRATAMOMU (Transport by Motos)	MUHANGA	Provision of legal assistance in Muhanga District while forming a Motorcycle Cooperative Union.

### 3.1.4 Challenges encountered in cooperative registration

Table 12: The above-mentioned achievements that have been realized with difficulties. Here, some challenges pointed out:

	Challenges	Way forward
1	Some applications for legal personality submitted to RCA are	1°. DCOs and SCOS to be trained on the Cooperative Policy, Law and



	still missing some important elements/data.	<p>Cooperative Principles as many of them are new in their respective functions + on how to use WEMIS.</p> <p>2°. RCA to list all requirements for a cooperative to be formed and avail them to all Districts and Sectors Officers.</p>
2	Spending a lot of time while analyzing applications that don't fulfil the legal requirements.	
3	Violation by Cooperatives of cooperative members' responsibilities and rights.	<p>3°. To train all cooperative members is necessary especially on members obligations and rights in cooperatives and on governance and leadership.</p> <p>4°. To train cooperative members ('where possible) and leaders on provisions of the labor law.</p> <p>5°. To train Cooperative members and leaders on how to differentiate issues to be channeled to the General Assembly from those to be taken to Competent Courts or other relevant authorities for settlement.</p>
4	Misinterpretation of the provisions of the Cooperative Law and the labor Law, basis of many conflicts in cooperatives	
5	RCA is considered by cooperative members as the one to find solutions to their problems even though there are other Institutions that can successfully assist.	

		<p>6°. Train trainers (TOT = SCOs+ DCOs, Stakeholders ‘staff involved in training) to conduct such needed trainings;</p> <p>7°. RCA to avail training materials in a language understood by all cooperative members.</p>
6	<ul style="list-style-type: none"> <li>- Missing data/information in RCA records on Cooperatives.</li> <li>- Issue of Ghost / dormant cooperatives</li> </ul>	<p>8°. To accelerate the process of acquiring an online system that help register cooperatives with all needed information.</p> <p>9°. Accelerate the activity of carrying out assessment on the operations and performances of Cooperatives.</p>
7	Issues to settle or arbitrate are many. One officer cannot manage them alone.	10°. RCA to increase the number of arbitration officers, at least two in a Province and City of Kigali.
8	<p>Small Office for 4 staff (Office space).</p> <p>Visitors are not being well served because of a small working space.</p>	11°. RCA to find another building that can accommodate all staff where a working environment should be conducive and where clients will feel at home.

9	Issue of Archives where files are not well kept.	12°. RCA to find another building that can accommodate all archives and nominate a staff in charge of this service or find another way of filing.
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#### 4. COOPERATIVE REGULATION

This is one of the core mandate of Rwanda cooperative Agency that involves two main activities which Inspection and auditing that guides cooperative organizations for legal compliance.

##### 4.1 Cooperative supervision, audit and control

In order to enhance the proper management of cooperatives different types of inspections were done namely: Supervision, Control or full inspection and Audit.

**Supervision:** This is a general and ordinary supervision or inspection of cooperatives with an objective of identifying likely problems usually found in cooperatives governance, administration and management. As mentioned earlier, the supervision of cooperative tries to identify the issues likely to arise between cooperatives committees themselves, between committees and staff or between staffs themselves, then advise the ways of handling such issues.

**Control:** This is an abrupt supervision or inspection of cooperatives. Its aim is to find out the issues which were intentionally hidden during general supervision exercise and then take strong measures towards such issues.

**Audit:** This is an intensive and deep supervision of cooperatives. Its aim is to reveal the mistakes and issues already existing in cooperatives governance, administration and management. These are normally intended and unintended mismanagement cases like embezzlement, omissions, etc where punishments are suggested to the suspects.

#### **4.1.1 Non-financial cooperative audit and inspection**

In the first instance, Non-financial cooperatives are those cooperatives that does not provide financial services to their members but rather practice other economic activities like agriculture or transformation.

Audit is an independent review and examination of records and activities to assess the adequacy of system controls, to ensure compliance with established policies and operational procedures, and to recommend necessary changes in controls, policies, or procedures.

Inspection indicates that the regulatory authorities are checking documents, records, facilities and any other resources to verify a certain set of standards. It is the act of examining something, often closely. Inspection is one of the important tools for controlling the affairs of a cooperative and also judging the efficiency of management. It is a multi-purpose function, and includes all the elements of audit.

##### ***4.1.1.1 Non-financial cooperative Audit***

Cooperative Audit has been conducted since 2005 and many non-financial cooperatives were audited where 1525 cooperatives audited up to 2018/2019. The cooperative audit should include a review of the balance sheet, income statement and statement of cash flows as explained above.

The underlying documents supporting the information is given in these financial statements, along with verification of accounts receivable and payable balances with cooperative customers, and a review of the inventory quality, quantity, valuation, records and procedures.

The auditor also has to verify the existence of recorded securities and review justification for judgment decisions, estimates and review minutes of the board of directors' meeting for policy changes and instructions to management.

As an institution, RCA managed to achieve more of what had planned, whereby 178 non financial cooperatives were audited and presented to the General assembly against 42 cooperatives were planned to be audited and this was a result of good partnership with development projects that supported much in cooperative audit.

#### 4.1.1.1.1 Presentation of Audit Draft reports.

After completion of audit, a draft report is presented to a cooperative where all minor irregularities may be settled and rectified; matters concerning policies should be discussed in detail. The audit report can never be finalized without discussing with the general assembly.

**Table 12. A summary of cooperatives audited per economic activity.**

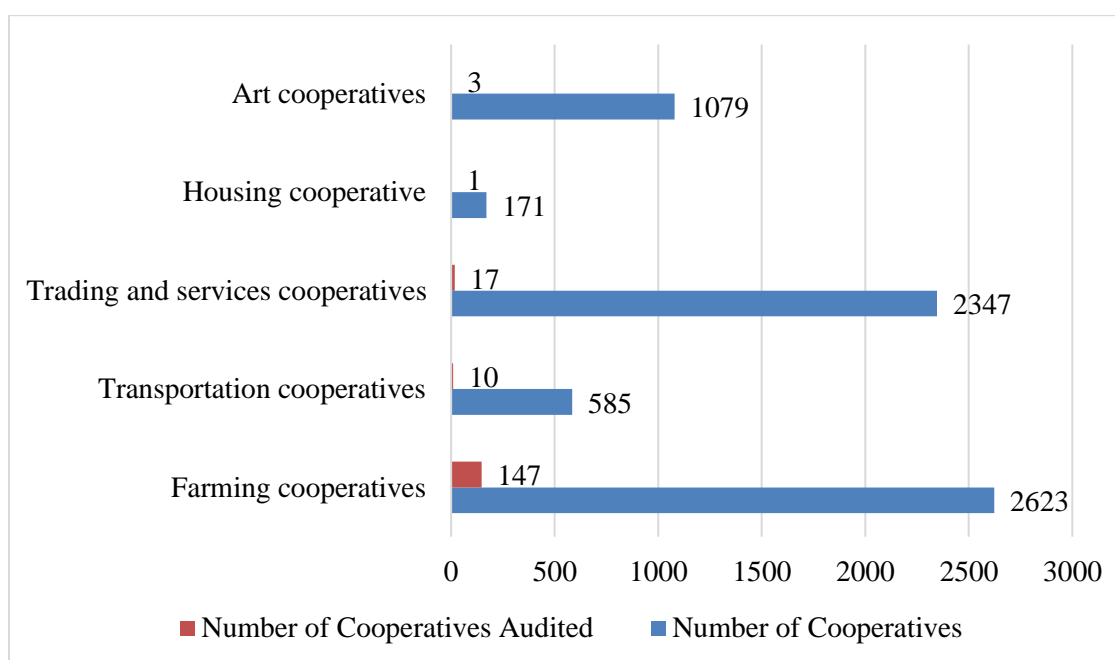
Cooperatives in Rwanda operate in different field (sector of activities), the table below shows the summarized of cooperatives audited in different fields.

No	Cooperative Activities	Number of Cooperatives	Number of Cooperatives Audited	Percentage of Cooperative Audited
1	Farming cooperatives	2623	147	6%
2	Transportation cooperatives	585	10	2%

3	Trading and services cooperatives	2347	17	0.72%
4	Housing cooperative	171	1	0,05%
5	Art cooperatives	1079	3	0.27%
TOTAL		6805	178	3%

*Source: monthly reports.*

The figure below shows the comparison of the number of cooperatives in specified activity sectors vis-à-vis the number of audited cooperatives.



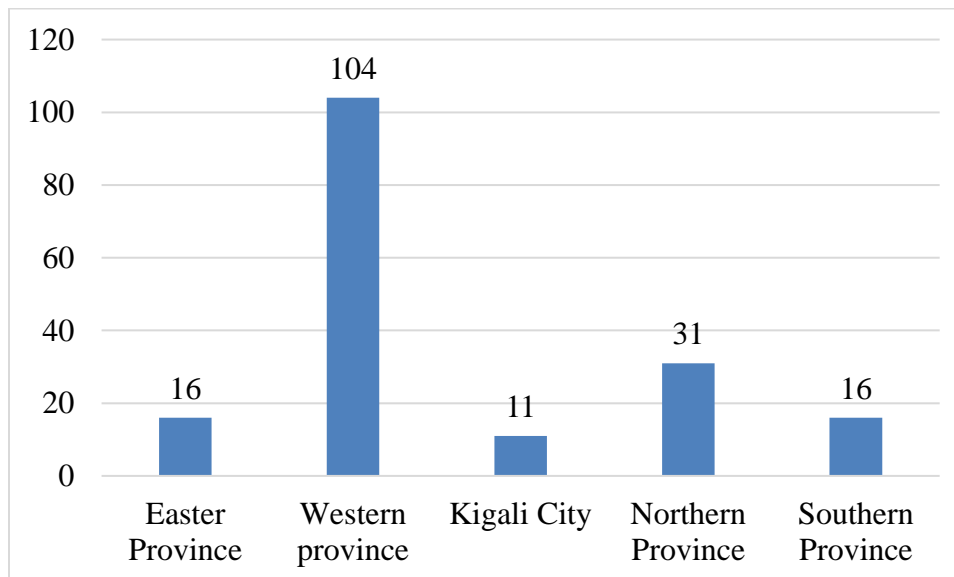
As shown in table above high portion of cooperatives audited, operate in farming sector where 6% of cooperatives were audited where much support was provided by MINAGRI Project/PASP to carry out audit in Irish pota Cooperatives for stability of this value chain, Transportation cooperatives represent 2% of cooperatives audited, trading and services cooperatives represent 0.7% of Cooperative audited, Housing cooperative represent 0.05% of cooperative audited while Art cooperative represent 0.27% this sum up to 3% of all cooperatives audited.

**Table 13: Cooperatives audited per province**

<i>No</i>	<i>Name of province</i>	<i>No of cooperatives audited.</i>	<i>Percentages</i>
<i>1</i>	<i>Easter Province</i>	<i>16</i>	<i>9%</i>
<i>2</i>	<i>Western province</i>	<i>104</i>	<i>58.40%</i>
<i>3</i>	<i>Kigali City</i>	<i>11</i>	<i>6.20%</i>
<i>4</i>	<i>Northern Province</i>	<i>31</i>	<i>17.40%</i>
<i>5</i>	<i>Southern Province</i>	<i>16</i>	<i>9%</i>
<i>TOTAL</i>		<i>178</i>	<i>100%</i>

*Source: CIU Report 2018/2019*

The figure below shows the number of audited cooperatives at provincial level



As shown by the table above, Audit activities were mainly concentrated in Western and northern provinces whereby they are represented by proportions of 58.4% and

17.4% respectively because Irish potatoes cooperative which was targeted by RCA as special field in this financial year located in those two provinces, Eastern Province and South province represented 9% of cooperatives audited each and Kigali City represent 6.2 % of Cooperative audited

#### ***4.1.1.2 Non-financial Cooperative inspection***

Regularly planning processes are conducted through a participatory manner where always high improvement is the focus of Rwanda cooperative agency and it where in fiscal year 2018-2019 under the support of ministry of Trade and industry, districts, RCA staff at provincial level it was planned that 1,000 Cooperatives countrywide has be inspected but more of cooperative were inspected 1,135 cooperatives

In the process of audit, the RCA encountered different challenges regarding mismanagement which especially perpetrated by Board of Directors (BOD) and sometimes by members and cooperative employees. The most recurrent issue was also the management and accounting structure for many cooperatives which is disordered whereby weedy internal controls, weak governance forms a big hindrance for development of cooperatives. We therefore give the needed recommendations that can help these cooperatives to progress.

During the last 3 months of the fiscal year from July to September 2018, RCA inspected 285 non-financial Cooperatives. Many of them are composed by agriculture farmers' cooperatives, where we helped them to empower their leadership and management.



During the three months of second quarter, 275 non-financial Cooperatives were inspected. Many of them are composed by agriculture farmers' cooperatives, where some were empowered in their leadership and management.

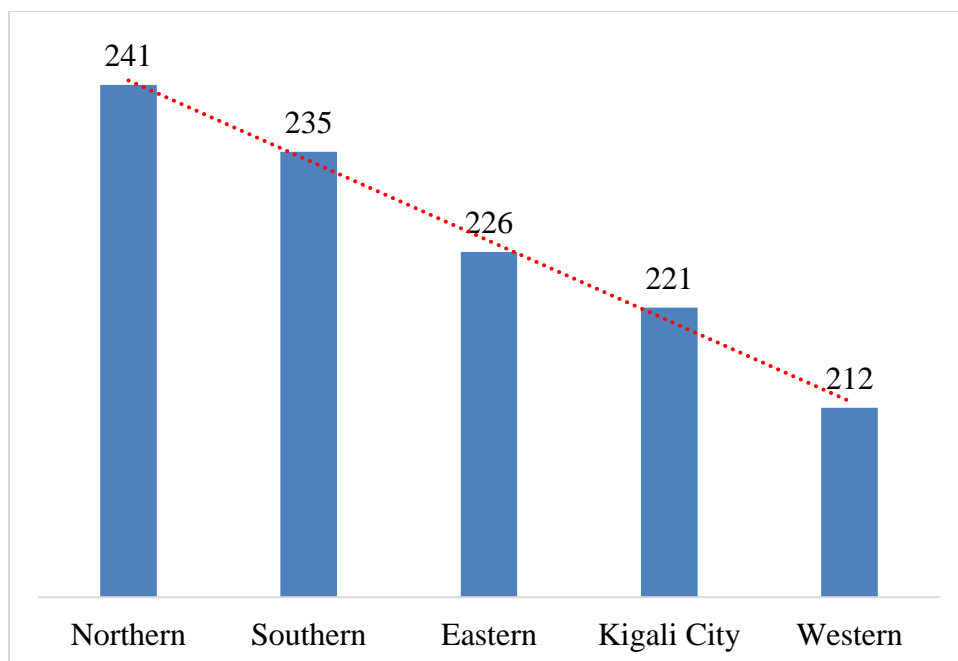
In quarter three 2019, inspection was carried in 290 Non-financial Cooperatives and Most of the cooperatives inspected still have issues in governance and management, cooperative law is not respected as required. The books of accounts are not properly kept and the decision making does not comply with the cooperative law in Rwanda.

**Table 14: Inspection of non-financial cooperatives per province**

N <sup>o</sup>	PROVINCE	COOPERATIVES INSPECTED	PERCENTAGE
1	Northern	241	21.20%
2	Southern	235	20.70%
3	Eastern	226	19.90%
4	Kigali City	221	19.50%
5	Western	212	18.70%
Total		1135	100%

*Source: CCI report 2018/2019*

The figure below illustrates the number of inspected cooperatives



As shown by the table above, inspection activities were mainly concentrated in Northern Province whereby the proportions amounted to 21.2 % cooperatives inspected the second is Western province represented whereby the proportions amounted to 20.7% of cooperative inspected ; the third was Eastern Province with 19.9% of cooperative inspected the fourth was City of Kigali whereby the proportions of 19.5% of cooperative audited and the fifth was Western represented 18.7% of cooperatives inspected

#### **4.1.2 SACCO Inspected and Audited in Fiscal Year 2018-2019**

Umurenge SACCOs is a Rwandan based savings credit and co-operatives whose objective is to pool savings for the members and in turn provide them with credit facilities. Other objectives of SACCO are to encourage co-operation among members, teach them proper investment practices and also proper money management. Unlike banks the Sacco are primarily formed to raise the social welfare of members.

Following this Fiscal year 53 U-SACCOs were audited whereas 437 U-SACCOs were inspected, out of these audits and inspections it was observed that in national task force report submitted by the end of Sep/2018 among **Frw 10.1 billion** defaulted amount reported by SACCOs as of 30<sup>th</sup> September, 2018, **Frw 2.7 billion** was recovered (26.8%) of which **Frw 1.9 billion** was recovered before the starting of the National Task Force (NTF) due to various government efforts while **Frw 754.5 million** was paid on spot based on meetings held by NTF with members who defaulted loans.

The SACCOs initially established in each and every umurenge of the country and membership has grown from 1.6 million people to as many as 3 million and number about 437 Country wide.

The basic structure of the SACCOs and credit unions is what differentiates them from banks; they are user-owned financial intermediaries, the dividends from these cooperatives are shared equally among members because they have got equal shares. Members typically have a “common bond” based on geographic area, community, employer, industry or other affiliation. Each member has equal voting rights regardless of their deposit amount or how many shares they own. Their principal products are savings and credit; however, some offer money transfers, payment services and insurance. SACCOs sometimes join together to create second-tier associations for the purposes of building capacity, liquidity management and refinancing; these second-tier associations can play a useful role in monitoring.

The key elements of a SACCO are the credits and savings products. Unlike most micro-credit NGOs and institutions, they provide a savings product which offers interest and a return on their deposits, which provides a new income stream for the individual and can either be reinvested or withdrawn for use.

However, these financial institutions should be managed according to cooperative principles and government laws so this financial year 2018-2019, RCA tried to improve quality control, supervision and audit in different SACCOs. The purpose of these activities was to empower these institutions to enhance their effective governance and financial management to reduce the risk of embezzlement.

**Table 15: SACCOs Inspected and audited (2018-2019)**

<b>Province</b>	<b>SACCOs Inspected</b>	<b>SACCOs audited</b>	<b>NON-U- SACCOs Inspected</b>	<b>NON-U- SACCOs audited</b>
West	96	14	6	0
East	95	12	2	0
North	89	13	5	0
South	101	8	4	0
Kigali City	35	6	4	0
<b>Total</b>	<b>416</b>	<b>53</b>	<b>21</b>	<b>0</b>

The above table shows that all U-SACCOs and Non U-SACCO were inspected but only audit was carried out in U-SACCOs, Concerning audit conducted, the figures in the above table reveals that 53 out of 416 of U-SACCOs which is **12.74 %** had been audited while all 21 of Non U-SACCO were not audited in this fiscal year (2018-2019). Basing from the information in the table above, it shows that in Western Province there are many cooperates audited which means that inspection shown a lot of challenges in these cooperatives of western province and also 14 SACCOs were audited, in Kigali City there is a low number of SACCOs audited only 6 SACCOs were audited.

### **4.1.3 Embezzlement cases observed during 2018-2019**

#### ***4.1.3.1 Embezzlement cases***

The National Task force was put in place to carry out an investigation cases related to embezzlement of community funds therefore this NTF has treated 173 embezzlement cases involving 283 culprits with the amount of Frw 1.3 billion. Among those cases, 67 are still at SACCO level, 18 are at RIB level, 14 at prosecution level, 18 at court level and 71 are under execution. Note that among those cases, for 39 cases, the people who committed embezzlements have disappeared.

#### ***4.1.3.2 Cases still in SACCOs***

In areas such as GATSIBO (KABARORE, MUHURA and NGARAMA), NYABIRASI (RUTSIRO) there were no audit reports available. RCA shall therefore assist to conduct forensic audit in those SACCOs. For other SACCOs, the Chairpersons of the Board of Directors did not start the legal process due to the fact that some culprits have paid (SACCO JENDA- NYABIHU district, NDORA-GISAGARA District, SHYOGWE SACCO- MUHANGA district, etc), others did not start the legal process due to carelessness on the side of the SACCO.

#### ***4.1.3.3 Cases at RIB level***

In some districts, the cases spent too much time at RIB level on one side due to huge workload for RIB staff. In fact, RIB concentrates efforts on cases where culprits are under arrest while other cases are delayed. On the other side, some SACCOs submitted to RIB the verbal cases instead of written cases. RIB at district level was reminded to speed up those cases while SACCOs were advised to submit to RIB the written cases and always make a close follow up (CYAHINDA- NYARUGURU District, SACCO MBUYE-RUHANGO district, etc).

#### ***4.1.3.4 Cases under prosecution***

No cases were delayed at Prosecution level. However, some cases were closed by the prosecution without motivation or without explaining to the SACCO the causes of closing those cases (MUSHIKIRI SACCO- KIREHE District, MUHAZI

SACCO- RWAMAGANA District, SACCO RWANIRO- HUYE district, SACCO MUHAZI- RWAMAGANA, etc.)

#### **4.1.3.5 Cases in courts**

- Most of the cases in court were judged on time. However, some cases were found already concluded by courts and the culprits were arrested but the courts did not order to repay the embezzled funds as provided by the Law. In this case, courts shall be reminded to order the repayment of embezzled funds in case the culprits are convicted (MURUNDI SACCO- KARONGI District, SACCO MUHAZI-RWAMAGANA district, etc)
- Some SACCOs won cases in court but did not follow up to obtain the judgement copies to start the execution process (SHYOGWE SACCO- MUHANGA, BYIMANA SACCO- RUHANGO district, MATIMBA- NYAGATARE district, etc).

#### **4.1.3.6 Cases under Execution.**

In some cases, the execution was challenged by:

- The convicted culprits who do not have tangible properties to sell (SACCO NKANKA- RUSIZI District, MURINGA- NYABIHU district, etc);
- The culprits have properties to sell but their value could not cover the embezzled amount (SACCO HINDIRO- NGORORERO District, etc);
- Some culprits transferred their properties to other people to conceal the traces (SACCO KIGARAMA- KICUKIRO district).

#### **4.1.3.7 Culprits on the run away**

Some culprits run away/disappeared after committing embezzlements. Some are suspected to be hiding in the country and others outside the country. SACCOs were advised to sue them to courts so that the court decision can be taken. RCA shall also work with NPPA for issuing arrest warrant (mandat d'amener) for their arrest.

#### **4.1.3.8 Amount already recovered**

For the 30 districts covered by the NTF activity, among **Frw 10.1 billion** defaulted amount reported by SACCOs as of 30<sup>th</sup> September, 2018, **Frw 2.7 billion** was recovered (26.8%) of which **Frw 1.9 billion** was recovered before the starting of the

National Task Force (NTF) due to various government efforts while **Frw 754.5 million** was paid on spot based on meetings held by NTF with members who defaulted loans.

**Table 16: showing the defaulted amount reported**

S/ N	District	Amount defaulted Sept 2018	Paid from October 2018 to NTF date	Spot payment	Total Paid	% Payme nt
1	RUHANGO	109,847,362	49,705,831	15,039,771	<b>64,745,602</b>	<b>58.9%</b>
2	NYABIHU	232,396,759	80,754,756	17,462,957	<b>98,217,713</b>	<b>42.3%</b>
3	NYARUGEN GE	175,358,520	41,907,869	32,199,598	<b>74,107,467</b>	<b>42.3%</b>
4	GAKENKE	254,535,363	80,591,624	23,474,661	<b>104,066,285</b>	<b>40.9%</b>
5	BURERA	379,505,288	104,810,462	41,718,725	<b>146,529,187</b>	<b>38.6%</b>
6	NYAMASH EKE	236,208,247	54,585,851	29,061,903	<b>83,647,754</b>	<b>35.4%</b>
7	KICUKIRO	191,636,349	52,891,078	12,422,112	<b>65,313,190</b>	<b>34.1%</b>
8	NGORORER O	275,405,907	52,993,453	38,655,977	<b>91,649,430</b>	<b>33.3%</b>
9	RUBAVU	400,378,604	101,709,351	27,687,562	<b>129,396,913</b>	<b>32.3%</b>
10	RUSIZI	331,139,948	73,910,937	30,281,556	<b>104,192,493</b>	<b>31.5%</b>

11	GASABO	744,721,917	170,482,627	59,645,823	<b>230,128,450</b>	<b>30.9%</b>
12	RULINDO	321,679,694	79,253,297	20,125,503	<b>99,378,800</b>	<b>30.9%</b>
13	KIREHE	171,417,140	37,408,395	14,947,992	<b>52,356,387</b>	<b>30.5%</b>
14	BUGESERA	428,406,870	98,586,917	30,593,054	<b>129,179,971</b>	<b>30.2%</b>
15	GICUMBI	355,359,181	66,661,209	34,561,454	<b>101,222,663</b>	<b>28.5%</b>
16	GATSIBO	578,680,367	119,380,940	42,962,911	<b>162,343,851</b>	<b>28.1%</b>
17	NYAMAGABE	304,174,995	58,423,452	25,946,108	<b>84,369,560</b>	<b>27.7%</b>
18	MUHANGA	206,585,997	45,404,314	6,786,838	<b>52,191,152</b>	<b>25.3%</b>
19	NYARUGURU	371,181,171	59,919,341	32,535,745	<b>92,455,086</b>	<b>24.9%</b>
20	RUTSIRO	386,788,231	60,574,434	29,879,198	<b>90,453,632</b>	<b>23.4%</b>
21	KARONGI	238,362,740	36,929,272	17,874,323	<b>54,803,595</b>	<b>23.0%</b>
22	MUSANZE	228,354,462	38,981,663	12,531,809	<b>51,513,472</b>	<b>22.6%</b>
23	GISAGARA	226,341,524	31,589,689	19,120,436	<b>50,710,125</b>	<b>22.4%</b>
24	NYANZA	255,547,642	36,375,823	20,166,099	<b>56,541,922</b>	<b>22.1%</b>



25	KAMONYI	331,870,054	58,902,570	13,059,655	<b>71,962,225</b>	<b>21.7%</b>
26	HUYE	262,050,151	37,617,662	17,220,700	<b>54,838,362</b>	<b>20.9%</b>
27	NGOMA	405,245,199	54,878,693	15,730,666	<b>70,609,359</b>	<b>17.4%</b>
28	NYAGATAR E	542,647,942	60,079,747	29,506,183	<b>89,585,930</b>	<b>16.5%</b>
29	RWAMAGANA	732,507,374	74,122,604	27,961,170	<b>102,083,774</b>	<b>13.9%</b>
30	KAYONZA	427,008,005	30,582,246	15,372,366	<b>45,954,612</b>	<b>10.8%</b>
	<b>Total</b>	<b>10,105,343,003</b>	<b>1,950,016,107</b>	<b>754,532,855</b>	<b>2,704,548,962</b>	<b>26.8%</b>

*Source: National task force report Sep/2018*

## **4.2 Embezzlement observed in SACCO from 2009 to 2019**

SACCOs like other financial institutions face different problems related on poor governance, poor management which lead to embezzlement in some of them. Different cases of mismanagement and embezzlement are identified during supervision, control and audit. If any embezzlement/fraud is noticed the suspects are handed over to the concerned authority in order to pursue them in the court of justice.

### **4.2.1 Mismanagement cases up to June 2019**

The embezzlement report is done cumulatively that is to say from the beginning of U-SACCOs program to date. Different cases of mismanagement and embezzlement are identified during supervision, full inspection and audit. If any

embezzlement/fraud is noticed the suspects are handed over to the concerned authority in order to pursue them in the court of justice.

Up to date the total amount of embezzled funds in SACCOs are **2,129,220,418 Rwandan francs but 164,915,825 Rwandan francs have given back which give 7.75%**. After detecting fraud or embezzlement, some suspects are arrested and others are not arrested after refunding back the money mismanaged or suspended from their job depending on the gravity of the problem.

Key areas to concentrate when solving embezzlement issues in SACCOs

- This is the cumulative report of embezzlement cases from the beginning of the program of Umurenge SACCO up to June 2019.
- Money is stolen sometimes due to poor internal control system, whereby some SACCOs staff get access to large sum of money and they escape with it.
- Fraud and forgeries due to weak internal control systems
- Lack of information technology solution
- Governance and management issues in term of professionalism and accountability;
- Low level of financial education
- The refunded amount is still very low reasons being that some SACCOs don't take initiatives and responsibility of pursuing all suspects In court of justice.

#### **4.2.2 Progress on activities carried out in the capacity building for SACCOs 2018-2019**

Financial year 2018-2019 Fiscal year, 2912 U-SACCO Staffs and Board members were trained on Corporate Governance and Internal Control Guidelines but these trainings did not cover all the capacity gaps due to the limited budget allocated to SACCO trainings.

Through SCU one of department of RCA, different activities were organized in enhancing the capacities of SACCOs as follows:

- Assisting SACCOs to implement their business plan, Policies and coaching of SACCOs staff on the use of new management tools of computerization;
- Attending different general assembly in SACCOs and ensuring the GA is held in accordance to the Cooperative law;
- Organizing training on computerization in collaboration with RCA computerization project;
- Follow up of Special program of women and youth in SACCOs;
- Updating SACCOs policies and procedures;
- Induction training of new board committees and staff.

- Intensify the supervision of SACCOs, punishing the suspect and recovering the embezzled funds in order to increase the people's confidence in SACCOs;
- To continue encouraging the SACCO members in constructing their own offices basing on the plan provided by the Rwanda cooperative agency (RCA) to guarantee secure working environment;
- To ensure proper control of the SACCOs as frequent as possible in order to slow down their mismanagement and embezzlement of funds;
- To provide safety measures of SACCOs funds in safe and in transit;
- To continue mobilizing Population to join SACCOs in order to increase membership and deposits;
- To ensure that proper internal control system of the SACCOs is put in place cub down the mismanagement and embezzlement of funds;
- To update internal policies and procedures;
- To continue mobilizing weak SACCOs to merge with other SACCO to form strong SACCO that can successfully save the members' deposits;
- To provide safety measures of the SACCOs both in safes and in transit
- Consolidation of SACCOs
- Automation and computerization of U-SACCOs
- To ensure adaptation of harmonized policies and procedures in SACCOs

## **5. Cooperative promotion**

As new cooperative policy clarifies much about cooperative development and there is need to improve Cooperative development, promotion, capacity building, and operational support. The distribution of roles and responsibilities between the organ in charge of the development of cooperatives and NCCR needs to be much better clarified towards sustainable and enabling institutional development of cooperatives.

### **5.1 Capacity building of cooperatives.**

The concept of capacity building at Rwanda cooperative Agency exist in all aspect of cooperative activities for capacity development and empowerment, it is one of the important strategies that enable cooperative organization and its members to perform effectively well in line with their goal and cooperative principles. For any cooperative society to perform very well and be able to compete favorably, it must invest a reasonable amount of resources to develop the ability of its members, employees and the Board members.

Building cooperative capacity requires a lot of activities that drive change. These activities and tools, programs or plans designed to achieve and sustain both long and short term goals of the cooperative organization, believed that capacity building activities are the heart of cooperative, and these activities are designed to advance a cooperative ability to deliver programs as well as adapt, expand and innovate leading to its development.

#### **5.1.1 Methodologies used in coaching of cooperatives**

1. Present the problem faced by the cooperatives or ask participants challenges they are facing – without any explanations.
2. Reviewing cooperative governance books and financial books
3. Collecting issues affect cooperative in general
4. Listen to the participants and be open to their suggestions.

5. Evaluate professionally whether or not the suggestions sound reasonable. If not, explain to the participants why the suggestions are not in accordance with cooperative law and code of conduct.
6. The participants react on the explanation given and give feedback on the suggestions as well as commit agreements on the changes there are going to make in their cooperative after understanding how to operate in cooperatives.
7. Listen to the trainees/coaches and be open to their suggestions. Ask for explanations of why the trainees are choosing the solutions that they are suggesting.

## **5.2 Coaching of off-farm cooperatives**

The action plan for the year 2018/2019, it was planned to provide trainings (capacity building) to 30 off-farm cooperatives, it is in that regards that 44 off-farm cooperative comprises 579 cooperative members were coached from these three below mentioned districts out of 30 cooperatives.

A large number of these off-farm cooperatives were in Huye, Rwamagana, Kayonza and Nyamagabe districts and these are cooperatives members who live in rural areas, most members are mainly in bicyclists (Abanyonzi) and hand craft (Agaseke) cooperatives which contribute a lot in improving their living and welfare plus the general economic performance.

According to RCA's plans for 2018/19 on output where it was planned to provide coaching to 30 non-agricultural cooperatives (off-farm cooperatives) and each cooperative was supposed to be represented by 8 leaders (5 members of Board of Directors and 3 members of Supervisory committee).

Off-Cooperatives play an increasingly significant role in helping their members to find solutions and reduce poverty issues, knowledge and strengths for their cooperative organization.

Off-Cooperatives contribute to develop the local economies where the poor live through their unique and strong linkages with the community. They enable poor people to have their voices heard in addition to improving their daily working and living conditions. Because co-operatives are democratic organizations and owned by those who use their services cooperatives are an ideal instrument to empower the poor. They are participatory, responsive to local needs and able to mobilize communities and help particularly vulnerable groups of people.

Off-Farm Cooperatives play an increasing significant role in helping their members to find solutions and reduce poverty issues and earn resources, knowledge and strengths.

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A large number of these off-farm cooperatives were found in Huye, Rwamagana, Kayonza and Nyamagabe districts who live in rural areas are concentrated mainly in Abanyonzi and hand craft (Agaseke) members of co-operatives which contribute a lot in the development of the remote areas.

### **5.3 Trainings and coaching of CIP Cooperatives**

In fiscal year 2018-19, 250 CIP cooperatives were planned to be trained and coached where by June/2019 250 CIP cooperatives trained and coached (Board of Director and Supervisory committee) and staff of the cooperatives from different districts of the country. However, these cooperatives face some challenges due to lack of knowledge on cooperative governance, financial management and internal control. Therefore, by strengthening the capacity of cooperative members will without any doubt improve the standard of living of farmers.



*Participants taking notes carefully during training session at Rubavu District*

According to the participant's testimonies and discussion made during the training sessions, the trainers realized that the trained cooperatives have been facing with the following challenges country wide in cooperative organs:



- ◆ Lack of both accounting and administration books for recording cooperative transactions;
- ◆ Lack of supporting documents for their expenses leading to poor filing system;
- ◆ Limited financial capacity for expending their business;
- ◆ All of these cooperatives do not have annual action plan and budget for their activities, the cooperative seldom practices short-term planning (e.g., major events or monthly activities), and such planning is not done systematically or regularly;
- ◆ The cooperatives do not have documented procedures in place to minimize conflicts of interest among leaders and members;
- ◆ Lack of financial reports to all trained cooperatives.
- ◆ Lack of qualified accountants and most of them do not have the capacity to hire them.

#### **5.4 Trainings to women cross border and non-cross border cooperatives**

Rwanda Cooperative Agency has conducted trainings of women cross border and non-cross border cooperatives where 58 cooperatives were given these refresher trainings and 464 members out of these cooperatives participated in order to strengthening their capacity leading to better performance.

The training focused on the following topics:

- Governance of cooperative and Financial management



### ***Women cooperative training in Rwamagana district***

Women cooperatives were to be support in two angles those which carry out cross border trade and those which don't conduct cross border business but targets were 60 to both sides of traders but the cross cutting issue that affects these cooperatives is lack of administrative and accounting books which affects timely recording financial transactions; However The leaders were urged to conduct meetings as articulated by cooperative law; These cooperatives were advised to respect and follow its bylaws and other regulations According to their testimonies, these cooperatives to not implement the general assembly's resolutions. So, the trainers urged them to always fully implement taken resolutions which will result to increased ownership of members and better performance.

### **5.5 Trainings to youth cooperatives**

Following an annual target to train 60 youth cooperatives, the planning and capacity building Unit in charge of training prepared training memos to provide trainings to

youth cooperatives where 60 cooperatives were trained and 480 youth members participated. All those trained youth cooperatives are working in different economic activities ranging from agriculture to hand craft. Every cooperative was represented by 8 members (members from Board of Directors, supervisory committee and staff.

The main objective of the training was to improve the cooperative's performance while the specific objectives were respectively to improve the management of youth cooperatives and to raise the involvement of cooperative members to the management and control of their own cooperative's business.



### ***Training of youth cooperatives at the mirror Hotel-Remera***

#### **5.5.1 Recommendations and commitments made by the participants**

1. The participants commit themselves to train the acquired knowledge to cooperative members
2. Properly record accounting books and timely
3. To organize the general assembly meeting on time and respect the functions of every meeting
4. They commit that every organ shall accomplish its responsibility
5. The trainees committed that they are going to prepare all missing documents

6. To prepare financial reports and present them to the cooperative members
7. To hire an accountant where it is possible
8. To search for a copy of cooperative law and to update their own-bylaw where it is necessary.

## **6. HUMAN RESOURCES MANAGEMENT & CAPACITY DEVELOPMENT**

Human Resource Management is a management function concerned with hiring, motivating, and maintaining workforce in an organization. Human resource management deals with issues related to employees such as hiring, training, development, compensation, motivation, communication, and administration.

Human resources also is responsible for overseeing employee-benefits design, employee recruitment, training and development, performance appraisal, and reward management, such as managing pay and benefit system.

### **6.1 RCA Structure and staff**

The law establishing Rwanda Cooperative Agency give RCA structure of 65 staff,

However, currently the institution is having 57 staff meaning there is a gap of 8 staff missing in the structure due to different reasons.

### **6.2 Turnover issue of RCA Staff**

In the year 2018-2019, we experienced a high turnover of staff whereby 9 staff left due to various reasons.

### **6.3 Recruitment of new staff**

On the other hand, despite the high turnover rate of RCA staff, the recruitment exercise was also done especially using the list of success full candidates to fill the vacant positions with support of Ministry of Public service and Labor, whereby the institution made request to MIFOTRA and thus more than seven staff were recruited in that way.

## **6.4 Other activities performed during the fiscal year.**

- **Board of Directors and Staff retreat**

In September 2019, the BoDs and staff held a retreat at Musanze District which was an opportunity to share ideas on general performance of the institution and looking for innovative opportunities to improve performance.

In this retreat, both BoDs and staff discussed on different items including: General performance of RCA basing on its core mandate, Staff deliverance competencies, Self-evaluation assessment, Cooperatives restructuring program, New cooperative Policy implementation strategies to mention among the few.

- **Celebration of the international day of cooperatives**
- **Restructuring of cooperatives**

## **7. GENERAL CONCLUSION & RECOMMANDITIONS**

Cooperatives have made progress in last 10 years generally. However, the growth rate of members and financial status has increased progressively which indicate good performance especially membership sensitization and mobilization, marketing and product design and development have been improved under the campaign of promoting Made in Rwanda policy.

Despite the effort of RCA in supervision, coaching, audit and trainings to ensure good governance, management and sustainability of these institutions, some problems are still being faced by these institutions more specifically in the area of financial management and governance, resource embezzlement.

With over 9000 cooperative, it is always planned to provide trainings to at least 250 CIP cooperative, 50 large cooperatives based on its membership, capital shares, activities, number of employees, markets, 60 women cooperatives who carry out trade crossing borders and those who are not.

Youth cooperatives are also technically supported where 60 cooperatives were trained to improve their performance and development.

The capacity development in cooperatives has been effectively and efficiently conducted in all different value chains most especially in CIP cooperative all 250 targets were achieved It was also discovered that the CIP coops didn't prepare standard financial reports.

This is one way or the other could create misunderstandings between members especially when leaders fail to produce reports related to income and expenditure to be submitted to the general assembly for approval. Towards the end of the training exercise, participants were in position to fill the books of accounts for themselves and take good decisions that will lead to problem resolutions. This gave hope that when they reach in their cooperatives, they will manage to record in the books and keep supporting documents so that they can control themselves the use of money.

On the other hand, 44 off-farm cooperatives were trained especially Bicycle riders (Abanyonzi) and hand craft cooperatives were provided with coaching. Where the local entities have contributed a lot by hosting and participating in the training sessions most especial those who are in charge of cooperatives, and Business development and employment. The coaching was participatory and all challenges faced by these cooperatives were discussed and addressed. Good enough the participants committed to strive for improving the performance of their respective cooperatives but a continued follow up of both RCA and local government is still needed for these cooperatives in order to attain their mission.

In the area of inspection, every year at least 1000 cooperatives must be inspected to check compliance and carry out 50 cooperative audits.

According 50 Non-Financial cooperatives who were planned to be audited. The results were also put into performance contracts of the institution in general. The department in charge of cooperative audit managed to audit 178 cooperatives and came up with final reports of which were to be presented before the general assembly of cooperatives members which were in different provinces, RCA as an institution had managed to reach a big number of audited of cooperatives because of working as a team of auditors and under the support from MINAGRI project PASP, Cooperative Inspectors at provincial level and joint audit with some district, province auditors and ministerial as well.

In final analysis Youth Cooperative leaders have acquired the needed knowledge on cooperative management and governance, cooperative accounting and internal control within cooperatives. However, these groups of people they need a special joint support from the different partners to reduce unemployment amongst youth and increase the job creation and entrepreneurship. Through testimonies of the participants, their commit to bring changes in their cooperatives so that cooperative members can enjoy economic aspect of the cooperative. The local government especially Sectors contribute a lot in these trainings by hosting for the training.

It is therefore imperative that RCA in collaboration with other stakeholders like RNP, MINICOM, BNR acted to strengthen governance and management of cooperatives and ensure sustainability of their operations and better services rendered to members that will lead to the successfully poverty reduction to their members.

To have the general performance of the cooperatives require that all the key players in the sector are on the same footing; otherwise the failure of one may lead to the failure of the entire sector. It was observed that some functions of the Supervisory

authorities are overlapping and create unclear demarcation between the different stakeholders with regard to regulating and supervising promoting and developing cooperatives and that this lack of demarcation in the partnership of the supervisory authorities has resulted into negative impact on the development of these private institutions. On the other hand, in order to establish a division of labor between BNR and RCA with regard to regulating and supervising SACCOs, RCA and BNR signed an MoU which gives RCA the mandate of promotion, capacity building, research and development of SACCOs.

### **7.1 General challenges**

The Government of Rwanda views cooperatives as a potential vehicle through which the cooperatives 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.

However, challenges are encountered in implementing all the capacities that cooperatives need to sustain their development as follow;

- General Constraints against the Development of SACCOS in Rwanda Like any other part of the world, these are the constraints that are facing cooperatives in Rwanda:
- Sometimes there is also wide spread corruption, nepotism and harassment by some SACCO managers especially in rural areas.
- Cooperatives also lack access to funding/credits, which can be traceable due to the reluctance of banks to extend credit to them owing among others to poor and inadequate documentation of business proposals.



- Lack of appropriate and adequate collateral, high cost of administration and management of small loans as well as high interest rates from Commercial banks have a propensity that cooperatives in Rwanda have high risk of investing the borrowed money from these commercial Banks such as Bank of Kigali, Bank Populaire du Rwanda, Equity Bank to especially start-ups.
- Most SACCOS in Rwanda lack appropriate and adequate managerial skills and knowledge with the good strategic, business, succession plans and, adequate organizational set-up and transparent in operational system.
- Bureaucratic bottlenecks and inefficiency in the administration of incentives and support facilities provided by the government discourage innovations which may lead to new products or services, as most of these cooperatives cannot afford to establish the research and development.
- Due to the nature and environment in which cooperatives operate, there are inefficient and non-functional infrastructural facilities tend increase the costs of operation.
- Lack of education and skills among staff and clients. Members of cooperatives cannot tell what are their rights, obligation, roles and responsibilities
- The growth and expansion increase the outreach into rural areas, has significantly increased the volume of transactions and which require appropriate technology to handle an increasingly diversity set of customers as well as managing strategies to achieve and operational and financial sustainability among SACCOs.
- Insufficient share capital of cooperative leading to limited activities which could generate income within cooperative
- Most Non-financial cooperatives do record all financial transactions in the same one or two books instead of different books

- Some of these cooperatives have not cooperative law and lack of knowledge on accounting records and even limited knowledge of Rwanda cooperative policy.
- Lack of knowledge on cooperative management and governance
- Poor participation by members in cooperative activities.

## **7.2 The General recommendations and strategies to enhance cooperative performance in Rwanda**

1. Focus on the true cooperative identity and contract performance such that it's a distinct with a democratic practice in its management and law-based management. It should embrace self-reliance, equality among members and equity in distribution of and access to the benefits.
2. Enhance the administration and management through democratically elected members, appropriate internal monitoring mechanisms, and use external auditing services to ensure administrative accountability and to maintain high standards of probity and transparency by management.
3. Investing in cooperative education and training will help to maintain the highest standards of cooperative professionalism and skills. This should be through education, information, dissemination and training of cooperative members and Training and capacity development of professional staff to enhance their technical and operational skills.
4. Institutional and legal framework should provide for a single official structure in every cooperative which could be done as required and charged with the responsibility for the registration and approval of all cooperatives. Such an agency should also be responsible for maintaining a national data bank on cooperatives which could be put at the disposal of cooperative practitioners, members and any other interested parties.

5. RCA must develop and operationalize the national data bank on cooperatives and be accessed and updated every time by all stakeholders.
6. Fostering inter-cooperative links by capitalizing on the existing diverse and very rich range of cooperative experiences across the country in the different sectors especially shared knowledge among cooperative practitioners and cooperative leaders.
7. Foster better relations between the government and the cooperatives whereby the government must create a favorable statutory climate, initiate periodic reform of policy and legislation on cooperatives as necessary, ensure that statutory rules and regulations on cooperatives are practically enforced and followed.
8. Supporting partnership whereby cooperatives strengthen their link with the International Cooperative partners and donors and their partnership with the International organizations who are dealing with the promotion of the cooperative movement in developing countries and Rwanda in particular.

## ANNEX 1

### Audited SACCOs in 2018-2019 Financial year and observed embezzlement cases

S/N	Name of Sacco Audited.	Date of audit	Auditors	District	Embezzled fund	Amount of embezzled fund paid back
1	REMERA PEOPLE'S SACCO (REPSACCO)	18-20/07/2018	Nshimiyimana J d'Amour & Rwamanywa Nelson	Ngoma	0	0
2	GIKOMERO SACCO (KOPEKUKUGI)	24-25/07/2018	Kagabo Longin & Rwamanywa Nelson	Gasabo	423.600	423.600
3	TRUST SACCO NYAMIRAMBO	09-12/07/2018	NSHIMIYIMANA J D'Amour & RWAMANYWA Nelson	NYARUGEN GE	2.000.000	2.000.000

4	SHYOGWE SACCO	17-19/07/2018	MUGAMBAGE Richard, MUGISHA Audrey & UWIMANA Saad	MUHANGA	1.318.700	95.000
5	IMBARUTSO SACCO GATUNDA	30/07/2018 - 10/08/2018	KAGABO Longin & RWAMANYWA Nelson	NYAGATAR E	8.729.000	3.630.000
1.	RUTARE SACCO	07-09/08/2018	NSHIMIYIMANA J D'Amour	GICUMBI	5.093.500	0
2.	NTYAZO SACCO	04-07/09/2018	NSHIMIYIMANA J D'Amour & RWAMANYWA Nelson	NYANZA	3.078.000	0
3.	NGOMA SACCO	04-07/09/2018	UWIMANA SAAD & MUGAMBAGE Richard	NYARUGUR U	0	0

4.	BUSHENGE SACCO	16-20/09/2018	NSHIMIYIMANA J D'Amour & RWAMANYWA Nelson	NYAMASHE KE	1.248.300	187.000
5.	IMIRASIRE SACCO KINTOBO	17-21/09/2018	MUGAMBAGE Richard & KAGABO Longin	NYABIHU	0	0
6.	KINONI SACCO	26/09/2018 - 05/10/2018	NSHIMIYIMANA J D'Amour, KAGABO Longin & RWAMANYWA Nelson	BURERA	0	0
7.	MBAZI SACCO	02-05/10/2018	MUGAMBAGE Richard & UWIMANA Saad	NYAMAGAB E	430.000	300.000

8.	SACCO NGWINO UREBE MURUNDI	08-19/10/2018	MUGAMBAGE Richard & KAGABO Longin	KARONGI	0	0
9.	IJABO SACCO NGERUKA	17/10/2018	UWIMANA SAAD & RWAMANYWA Nelson	BURERA		
10.	IMBARUTSOSAC CO GITI	24/10- 2/11/2018	KAGABO Longin & External Auditor/Anasthase	GICUMBI	22.390.76 0	0
11.	SACCO KIRA KABATWA	13-23/11/2018	MUGAMBAGE Richard & KAGABO Longin	NYABIHU	0	0
12.	UMUKORE SACCO	27/11/2018	KAGABO Longin & RWAMANYWA Nelson	NGORORER O	0	0

13.	FUMBWE SACCO	19/12/2018 - 05/02/2019	KAGABO Longin & NSHIMIYIMANA Jean d'Amour	RWAMAGA NA	9.000.000	5.000.000
14.	NYABITEKERI SACCO	14-20/12/2018	MUGAMBAGE Richard & RWAMANYWA Nelson	NYAMASHE KE	84.682.32 7	0
15.	SACCO JABANA	26-27/11/2018	MUGAMBAGE Richard & NSHIMIYIMANA J D'AMOUR	Gasabo	11.617.87 0	0
16.	SHYARA SACCO	28/11/- 07/12/2018	MUGAMBAGE Richard & UWIMANA Saad	BUGESERA	0	0
17.	MUHURA SACCO	17-19/09/2018	NSHIMIYIMANA J DAMOUR & UWIMANA Saad	Gatsibo	15.388.40 0	0



18.	KIGINA SACCO	08-23/11/2018	NSHIMIYIMANA J D'Amour, UWIMANA Saad& RWAMANYWA Nelson	Kirehe	4.724.000	1.384.000
19.	RUGERERO SACCO	03-30/01/2019	MUGAMBAGE Richard & KAGABO Longin	RUBAVU	192.666.3 08	1.025.000
20.	BUMBOGO SACCO	1/04/2019	NSHIMIYIMANA J D'Amour, UWIMANA Saad& RWAMANYWA Nelson	GASABO	40.405.42 0	120.000
21.	UMUTUZO SACCO	28/01/2019 - 08/02/2019	UWIMANA Saad & MUGISHA Audrey	MUSANZE	4.000.000	4.000.000

22.	SACCO KUNGAHARA GAKENKE	12-15/02/2019	UWIMANA Saad & KAGABO Longin	GAKENKE	0	0
23.	MTG SACCO	12-15/02/2019	NSHIMIYIMANA J D'Amour, MUGISHA Audrey & RWAMANYWA Nelson	GICUMBI	39.397.72 4	2.500.000
24.	CYINZUZI IGISABO SACCO	18/02/2019 - 01/03/2019	UWIMANA Saad & KAGABO Longin	RULINDO	3.243.500	0
25.	NTARABANA SACCO	5-8/03/2019	UWIMANA Saad & MUGISHA Audrey	RULINDO	1.582.560	0
26.	KOPERATIVE YO KUZIGAMA INTERA RUKUMBERI (KOZIRU)	11-14/03/2019	KAGABO Longin & NSHIMIYIMANA Jean d'Amour	NGOMA	0	0

27.	KANIGA SACCO	11-22/03/2019	UWIMANA SAAD & RWAMANYWA Nelson	GICUMBI	5.378.880	3.000.000
28.	KAMABUYE SACCO	5-8/03/2019	MUGAMBAGE Richard & BIZIMANA M Deo	BUGESERA	4.500.000	0
29.	RIRIMA SACCO	5-8/03/2019	MUGAMBAGE Richard & BIZIMANA M Deo	BUGESERA	3.338.347	3.338.347
30.	RUNDA SACCO	26/02/2019 - 01/03/2019	MUGAMBAGE Richard & BIZIMANA M Deo	KAMONYI	10.930.00 0	0
31.	KAMEMBE SACCO	11-14/03/2019	MUGAMBAGE Richard & BIZIMANA M Deo	RUSIZI	0	0

32.	IBAKWE SACCO MUKARANGE	18-22/03/2019	KAGABO Longin & UWIMANA Saad	GICUMBI	2.705.235	0
33.	SACCO NGOMA	18-22/03/2019	NSHIMIYIMANA J d'Amour & BNR	NYARUGUR U	11.334.63 5	0
34.	UKURI NYABIMATA SACCO	26-29/03/2019	UWIMANA Saad & KAGABO Longin	NYARUGUR U	1.605.100	1.605.100
35.	SACCO ABANZUMUGAY O NYAMIRAMA	26-29/03/2019	NSHIMIYIMANA J D'Amour & RWAMANYWA Nelson	KAYONZA	12.197.99 7	0
36.	URUYANGE SACCO BUGARAMA	01-19/04/2019	KAGABO Longin & NYIRAMINANI Francoise	RUSIZI	0	0
37.	MUSEBEYA SACCO	08-12/04/2019	UWIMANA Saad & BIZIMANA Deo	NYAMAGAB E	1.137.700	0

38.	RUHUHA SACCO	15-18/04/2019	UWIMANA Saad & MUGISHA Audrey	BUGESERA	0	0
39.	SACCO ICYEREKEZO KINYINYA (SIK	23-26/04/2019	KAGABO Longin & MUGISHA Audrey	GASABO	0	0
40.	MUTUNTU SACCO	23-26/04/2019	UWIMANA SAAD & RWAMANYWA Nelson	KARONGI	409.250	0
41.	UMURAVA SACCO BIGOGWE	07-10/05/2019	MUGAMBAGE Richard & KAGABO Longin	RUBAVU	0	0
42.	CYABINGO SACCO	06-09/05/2019	NSHIMIYIMANA J D'Amour & RWAMANYWA Nelson	GAKENKE	1.990.000	1.600.000

43.	NZIGE SACCO	06-09/05/2019	UWIMANA SAAD & NYIRAMINANI Francoise	RWAMAGANA	0	0
44.	SACCO INTOZAMUCO BUSASAMANA	14-17/05/2019	MUGAMBAGE Richard & KAGABO Longin	RUBAVU	19.230.509	1.763.760
45.	REBIMBERE NKANKA	14-17/05/2019	NSHIMIYIMANA J D'Amour & RWAMANYWA Nelson	RUSIZI	0	0
46.	CYUNGO SACCO	14-17/05/2019	UWIMANA SAAD & NYIRAMINANI Francoise	RULINDO	95.000	0
47.	RAMBURA SACCO	20-23/05/2019	KAGABO Longin & RWAMANYWA Nelson	NYABIHU	0	0

48.	RWERU SACCO	20-23/05/2019	UWIMANA Saad & MUGISHA Audrey	BUGESERA	799.500	0
49.	<b>TOTAL</b>				<b>504.751.0 22</b>	<b>25.336.207</b>

#### ANNEX: 4 REPORT ON PROCUREMENT CONTRACTS 2018/2019.

No	TENDER CONTRACT	DATE OF TERMINATION	SUPPLIER	CONTRACT MANAGER	STATUS
1	Supply of stationeries and other supplies	02/07/2020	PAPETERIE M.J DE KIGALI	Logistics officer	The initial contract was signed
2	Provision of design and printing services	15/05/2020	IMPRIMERIE AZ MEDIA PLUS	Public Relation Officer	The first renewal contract was signed
3	Provisional of sports and recreational services to RCA staff	25/01/2020	CLUB HOUSE LA PALISSE LTD	HR Specialist	The first renewal contract was signed
4	Supply of beverages to RCA	08/07/2020	MUBIMA	Logistics officer	Initial contract was signed
5	Provision of security and guarding service	31/03/2020	ISCO LTD	Logistics officer	Second renewal was signed
6	Supply of IT Spare parts	31/07/2019	FLALI LTD	ICT and Network Manager	Initial contract signed
7	Provision of cleaning and gardening service	31/07/2019	HAKI CLEANING CO LTD	Logistics officer	Initial contract signed
8	Supply of electricity	26/12/2019	PIVOT ACCESS LTD	Logistics officer	Planned to be advertised in Quarter 2
9	Supply and install the anti-virus	1/07/2020	RISA	ICT and Network Manager	RISA commitment of providing



					Antivirus in public institutions
10	Maintenance of non-IT Equipment	16/07/2020	4STEC COMPANY LTD	Logistics officer	Initial contract was signed
11	Provision of venue for workshops, seminars, conference& accommodation	21/08-4/09/2020	-KIM Hotel -CLASSIC Hotel (Kigali & Musanze) -DEREVA HOTEL RWAMAGANA - INTARE INVESTMENT - SILENT Hill Hotel -LA PALME HOTEL -CENTRE PASTORAL NOTRE DAME DE FATIMA - GOLF EDEN ROCK HOTEL		Initial contracts were signed
12	Provision of radio and television	3/06/2020	BLESSED PRODUCTION Ltd	Public Relation Officer	Initial contract was signed
13	Provision of event management services	10/12/2019	RUMU	Logistics officer	First renewal signed

14	Provision of publication in Newspaper service to RCA	03/06/2020	The NEW TIMES PUBLICATION LTD	Public Relation Officer	Initial contract was signed
15	Provision of transport services	10/08/2018	CODACE	Logistics officer	Final extension was signed
16	Consultancy service to recruit RCA staff to fill vacant posts	08/07/2020	TETRALINK TAYLOR AND ASSOCIATES IN THE EAST AFRICA LTD	HR Specialist	Initial contract was signed
17	Insurance services	26/10/2019	MAY FAIR INSURANCE	Logistics Officer	The second renewal contract is read to be signed.
18	Maintenance of office IT Equipments	08/07/2020	PTWC LTD	Network and system Admin	Initial Contract was signed
19	Provision of the services of airtime space on radio and television to RCA	27/11/2020	RBA	PRO	Initial Contract was signed
20	Supply of newspapers to RCA	17/12/2020	FAST RWANDA COURIER Ltd	PRO	Initial Contract

The table below shows the accounting books that the trainers focussed on.

No	Books of accounts	Role
1	<b>Cash book</b>	A cash book is a book of original entry in which transactions relating only to <b>cash</b> receipts and payments are recorded in detail
2	<b>Bank book</b>	A bankbook or passbook is a book used to record bank transactions on a deposit account
3	<b>Delivery note</b>	A delivery note is a document sent with a shipment of goods that describes the goods and the quantities being delivered
4	<b>Debtors' book</b>	A debtors' book is a book used to record money owed by entities or individuals to the cooperative on the sale of products or services on credit
5	<b>Creditors' book</b>	A creditors' book is a book used to record money owed by a cooperative to its suppliers on the purchase of products or services on credit
6	<b>Purchases book</b>	A purchases book is a book maintained to record purchases by a cooperative
7	<b>Sales book</b>	A sales book is a book maintained to record sales by a cooperative
8	<b>Expenses book</b>	Expenses book is a book maintained to record all other cooperative expenses, except those related to purchases and fixed assets
9	<b>Income book</b>	Income book is a book maintained to record all other cooperative income, except those related to sales

<b>10</b>	<b>Fixed assets book</b>	A fixed assets book is a book maintained to record fixed assets purchases by a cooperative or given as a donation
<b>11</b>	<b>Cooperative member shares book</b>	A cooperative member shares book is a book maintained to record cooperative member shares data.