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PSDAG Learning Series

Cooperative Professionalization

Photo: Will Boase for RTI International

The Rwanda Private Sector Driven Agricultural Growth program (PSDAG) is a five-year (2014-2019) USAID-funded effort. The goal of PSDAG is to increase smallholder farmer incomes by promoting private sector investments – internationally and domestically – that contribute to the Government of Rwanda’s Vision 2020 aim of transforming agriculture into a market-oriented, competitive, and high-value sector.

Currently in its fifth year of implementation, and in order to ensure a smooth transition of project activities to partners, PSDAG is holding a series of **learning events** aimed at **sharing successes, lessons learned, tools and templates, and curricula** with a comprehensive group of public, private, and donor stakeholders within the Rwandan agriculture sector.

Cooperatives are an important resource for both farmers and off-takers when it comes to extension information, aggregation, access to services, and more. However, many cooperatives are financially unsustainable or underperform due to poor management. PSDAG designed and implemented a comprehensive set of technical assistance around cooperative professionalization that included business development services (BDS), quality management services (QMS), data utilization, digitization, and complementary activities aimed at building the governance and management capacity of cooperative leadership within 60 maize, bean, potato, and horticulture cooperatives across 16 districts in Rwanda.

In November 2018, more than 100 stakeholders converged in Kigali, Rwanda, to discuss PSDAG’s approach to professionalizing cooperatives, its challenges, and its results. Major lessons learned are outlined in this learning brief.

LESSON 1

Start early and plan for multi-year support (two to four years), as ongoing coaching and mentorship will make activities more impactful and sustainable

LESSON 2

Conduct needs assessments, then prioritize and focus on in-depth activities for two to three needs per cooperative rather than attempting to address *all* identified needs

LESSON 3

Partner with and embed programmatic capabilities within a permanent local partner for sustainability and scale (e.g., university, vocational program with internships, or associations)

LESSON 4

Keep technological systems simple and demonstrate their usefulness to increase adoption by cooperatives

Cooperative Professionalization Goals

PSADAG's professionalization efforts provided comprehensive support to cooperative upgrading to help them: improve governance and financial management; supply quality produce for commercial contracts; use data to drive decision-making; improve profitability and sustainability; provide value-added services, infrastructure, and technology to members; and increase the social inclusivity of targeted cooperatives.



Cooperative Professionalization Process

To be considered for inclusion in PSDAG's professionalization efforts, a cooperative had to: 1) have an established supplier relationship with one of PSDAG's private-sector partners; and 2) commit to contributing 50 percent toward the cost of any equipment provided as well as all time, travel, and other expenses related to training and capacity-building activities. Once cooperatives were selected for participation, PSDAG used a Cooperative Competency Management Tool to conduct an overall performance and needs assessment. Based on the results of the assessment, PSDAG worked with the cooperative and local BDS/QMS providers to develop tailored capacity-building and upgrade packages for each cooperative. Through the project's data digitization efforts, it equipped all 60 cooperatives with a tablet as part of their partnership agreement and provided training to use them to register and map more members and track productivity. The project facilitated additional digitization and data utilization support for 11 cooperatives, including assistance in estimating production and profitability, as well as tracking purchases, sales, and internal loans to cooperative members.

Selected key lessons learned based on challenges that arose during implementation are highlighted at left; a more comprehensive list was shared with stakeholders at the November learning event. PSDAG also provided all stakeholders with hard and soft copies of all six BDS modules developed during the project, crop-specific QMS modules, and lastly, templates for creating manuals/standard operating procedures at the cooperative level.

Results

Results to date include the registration and tracking of more than 17,000 cooperative members, almost US\$1 million in increased sales, and US\$150,000 in increased lending to cooperatives based on their newfound ability to record and forecast finances.