



LIA-CS-10

LEARNING INTO ACTION CASE STUDY SERIES

STRENGTHENING AGRI SMES' AND CO-OPS' CLIMATE RESILIENCE AND GROWTH POTENTIAL

Evidence and open questions from the
Sustainable Agricultural Intensification and Food
Security Project (SAIP I, 2018 – 2024) in Rwanda

PUBLISHED
October, 2026



The initiative in brief

Public agricultural projects in the region have long been strong at building production and irrigation infrastructure but weak at converting smallholder cooperatives into commercially viable enterprises. SAIP I (Sustainable Agricultural Intensification and Food Security Project) was a US\$38.7m project financed mainly by the Global Agriculture and Food Security Program (GAFSP) and implemented by Rwanda Agriculture and Animal Resources Board (RAB) through its Single Project Implementation Unit (SPIU).

SAIP I was designed to close the gap and it set the following objectives:

- 1 Increased agricultural productivity;
- 2 Increased market access;
- 3 Increased food security.

This case study focuses on Objective 2 which bundled a US\$12.77m tiered **matching-grant facility** with a wide package of **business development services (BDS)**: cooperative governance and business-plan training, the FAO “Farming as a Business” (FAB) approach and Rural Invest tool, Farmer Field Schools, product certification (Global GAP, HACCP, S-Mark), and structured buyer–producer linkage events. Delivery used a Public–Private–Producer Partnership (4P) model, with the Development Bank of Rwanda (BRD) controlling grant disbursement and verification.

Beneficiaries were not passive grant recipients: enterprises and cooperatives raised roughly US\$4.34m in counterpart contributions of their own (through in-kind assets such as land, SACCO and member-savings loans, and commercial or asset-backed finance) to meet the facility's 10–50% co-financing requirement. [See S2 →](#)

Results at a glance

SAIP I overachieved on most targets and the World Bank rated SAIP I's overall outcome as Highly Satisfactory.



+29.9%

increase in share of produce marketed through enterprises (target 25%)



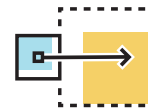
\$2m

buyer contracts (target \$0.85m)



69.5%

of assessed cooperatives reported 'healthy' profit margins (target 60%)



19

coops transitioned to commercial POs



2,044

487 full-time + 1,557 part-time jobs created from supported businesses



\$483k

credit mobilised (target US\$450k)



53

formal farmer-buyer linkages



26,987

metric tonnes of produce processed via supported facilities

What we learned

1 **BDS and capital worked as a single instrument, not two.**

Gains came from fusing the matching grant with business-plan support, Farming as a Business (FAB) training and market-linkage brokering. Good results are attributed to a market orientation “from the outset” and strategic partnerships, especially with WFP which enabled new markets to be accessed.

[See S3 – BDS effectiveness →](#)

2 **Segmentation by maturity was real but thinly evidenced.**

Support was tiered: basic (inputs, irrigation), intermediate (governance), advanced (business planning, linkage, finance). Only 19 of 2,397 organizations reached the commercial tier; “*business-viability constraints*” held back the rest. Field visits to seven POs and Agri-SMEs give this tier a face (MGREF met its 27-greenhouse matching-grant target, yet still faces buyer scepticism and member side-selling) but not the population counts needed to judge how BDS accelerated the climb.

[See S1 – Design →](#)

3 **Enterprise cost sharing again proved viable but there remains a challenge for most enterprises to commit to 50%. A range of cost-shares based on investment type and enterprise capacity was therefore essential.**

The matching grant facility started with a floor of 50% contribution by the enterprise. The grant was capped at \$100,000 per investment. The ambition for this cost share was rarely achieved with most agri-processors receiving a 70–75% grant and all cooperatives receiving 90% grants.

[See S2 – Matching Grants →](#)

4 **Tight financial controls bought quality but cost speed.**

Routing disbursement and verification through Development Bank of Rwanda (BRD) curbed the misuse and low-quality procurement of earlier projects, but added delays and administrative burden that frustrated some beneficiaries. The role of BRD was not mentioned in reports however it is clear that ensuring this role functions effectively is essential to deliver value for money.

[See S2 – Matching Grants →](#)

5 **Governance is the binding constraint on sustainability.**

Mismanagement allegations, weak reporting, and leadership conflict within cooperatives were frequently mentioned. Field visits also highlighted significant challenges in side-selling and the lack of asset insurance. Governance, not technology, determines whether commercialization gains last. It is therefore critically important that the Rwanda Cooperative Agency has the capacity to support improvements in Cooperative Governance.

[See S4 – Sustainability →](#)

6 **Access to finance remained the unfinished agenda.**

SAIP I reports note financing for smallholders “remained a challenge.” Matching grants alone will not complete the transition; sources of working capital finance are clearly needed for both farmers and their enterprises.

[See S4 – Sustainability →](#)

7 **The effectiveness evidence base is incomplete by design.**

There is a clear consensus that SAIP I was successful in delivering short term results. However, deepening understanding of the BDS package’s effectiveness requires more granular data, such as enterprise capacity and performance data. ISO 18716 provides a framework for developing a dataset for future projects. The emergence of BDS guidelines and standards should also be considered for improving BDS for all agricultural investment projects.

[See S6 – Methodology →](#)



Donors & funding agencies

Treat BDS as a core pillar of agri-commercialization finance, not a bolt-on. Fund enterprise-level results measurement (revenue, additional jobs, certification, finance leverage) from the outset, and pair matching grants with a route to commercial credit.



Senior technical advisors & implementers

Formalise maturity-based segmentation with explicit graduation criteria; sequence governance strengthening ahead of, not after, grant disbursement; design financial controls (e.g. the BRD model) that protect funds without throttling delivery speed; and make asset insurance and pooled (not individual-member) supply contracts standard grant conditions.



Policy makers & ecosystem actors

Build local BDS and certification capacity (Global GAP, HACCP, phytosanitary); strengthen cooperative-governance oversight institutions; and engage financial institutions early so commercialization is matched by financial deepening.

Overview of the detailed evidence findings

Section 1 [Design & BDS Delivery →](#)

Section 2 [Matching Grants & Cost-Sharing →](#)

Section 3 [BDS Effectiveness →](#)

Section 4 [Sustainability & Finance →](#)

Section 5 [Recommendations →](#)

Section 6 [Methodology & Evidence Gaps →](#)

S1 Design and BDS delivery

SAIP I was built on a diagnosis carried over from its predecessors, the Rural Sector Support Project (RSSP) and the Land Husbandry, Water Harvesting and Hillside Irrigation Project (LWH): Those projects had built production capacity but “lacked strong market and financial linkages.” SAIP’s response was a **Public–Private–Producer Partnership (4P) model** that combined a matching-grant facility with a comprehensive BDS package covering cooperative governance, business-plan development, market linkage, certification and finance readiness. **FAO complemented this package by providing training tools and materials**, while RAB/SPIU, the Rwanda Cooperative Agency and private service providers contributed technical and capacity-building support.

1.1 The BDS package

Against the standard Committee of Donor Agencies for Small Enterprise Development (CDASED) and the International Labour Organization (ILO) definition¹, SAIP’s services span the full BDS spectrum – strategic (business planning, market access, certification, commercial strategy) and operational (governance, record-keeping, equipment installation):

- **Governance and management training** Cooperative strengthening via RAB and the Rwanda Cooperative Agency.
- **Farming as a Business (FAB) and Rural Invest** FAO’s Songhai-model business approach, credited with shifting farmers from subsistence to commercial thinking. Rural Invest proved too complex for direct farmer use; project staff facilitated it on their behalf.
- **Certification support** Global GAP, HACCP and the Rwanda Standards Board S-Mark, credited with opening premium domestic (RwandAir, hotels) and export markets.
- **Market-linkage brokering** Commodity business forums, buyer–producer matchmaking in Kigali, and institutional-buyer partnerships (notably WFP and schools).

1.2 Segmentation and selection

Support was tiered by maturity: a **basic** level (inputs, irrigation matching grants), an **intermediate** level (governance, cooperative strengthening), and an **advanced** level (business planning, market linkage, finance preparation). Of 2,397 producer organizations supported, only 19 reached the advanced tier – 6 in seed production and 13 authorised as agro-dealers. Selection rested on having a viable, bankable business plan, alignment with target value chains, readiness to engage finance, and growth potential, assessed through district-level review with the Rwanda Cooperative Agency and financial institutions. As examples MGREF, a 20-member producer cooperative, met its matching-grant target of 27 greenhouses and reoriented toward market-focused crops, while Kedden, an RDB-registered agribusiness, used the matching-grant model to buy machinery and expand processing capacity but still needs support to secure bigger contracts and access larger markets, which SAIP’s Additional Financing – Extension (AFAX) was designed to scale up through its market-linkage activities. Both illustrate that the advanced tier is not a finish line in terms of market access and future growth prospects.

1.3 Where more information is needed: Segmentation logic and graduation

Only 19 of 2,397 organizations (0.8%) reached the commercial tier. To judge whether BDS accelerated enterprise development, it would be useful to know: how many POs sat in each tier; what specific “business-viability constraints” blocked graduation; and whether the 19 were genuinely developed by the project or were already the strongest performers selected in (the selection-vs-treatment question). Field visits to seven POs/SMEs in 2026 offer illustrative, not representative, evidence: MGREF shows that hitting the matching-grant target does not equate to full commercial maturity – it still faces buyer scepticism and unresolved side-selling – while Kedden shows that RDB registration and grant financing still leave a large-market-access gap. Future projects should document how enterprises are categorised and matched with the BDS package for that tier, and how they

1. <https://www.enterprise-development.org/wp-content/uploads/BDS-Guiding-Principles-2001-English.pdf>

progress towards graduation to the next tier. This tracking can also be used to identify specific challenges in enterprise development which often are hidden. For example, some of the Cooperatives who had significant numbers of youth and women members were unable to become “commercial” and receive more advanced support. Part of this opacity is a legal gap: Law N° 057/2024 of 20/06/2024 Governing Cooperatives in Rwanda (Article 167) sets out the responsibilities of decentralised administrative entities in cooperative development but does not itself set explicit graduation criteria for cooperatives. In practice, RCA has classified cooperatives according to findings from its monitoring reports rather than through a standardised framework of graduation benchmarks — which is precisely why the population counts and progression logic called for above are not currently available.

S2 Matching grants and cost-sharing

The US\$12.77m facility financed 50–90% of eligible asset costs up to a US\$100,000 ceiling, across primary production, irrigation/protected agriculture, agro-processing, logistics/aggregation, and value addition. Co-financing ratios and ceilings were tiered by investment category and beneficiary maturity. Larger windows were intentionally steered toward agro-processing and commercialization, judged to have higher absorptive capacity, stronger bank relationships and wider value-chain multiplier effects — balanced, at the World Bank’s urging, against continued support to smaller primary-production groups.

2.1 How beneficiaries raised their own share

Beneficiaries contributed roughly US\$4.34m in counterpart funding through three broad routes: in-kind (notably land valuation), SACCO-based financing and member savings (typically RWF 1–5m loans for primary-production coops), and commercial bank or asset-backed finance for larger agro-processors. Reported constraints were familiar: limited collateral, banks’ perception of agri-risk, weak financial literacy, and high interest rates — with smaller cooperatives struggling most to meet counterpart requirements for machinery or processing investments.

2.2 The BRD control system: quality versus speed

A defining design feature was routing disbursement through the Development Bank of Rwanda (BRD), which reviewed technical specifications, verified procurement, coordinated directly with manufacturers, and inspected installations before final payment. This responded to earlier projects where beneficiaries had procured low-quality equipment or misused funds, and “significantly improved transparency and investment quality.” The cost was slower procurement which often meant that funds and equipment were not provided in time for critical points in the agribusiness operating cycle e.g. planting and processing windows.

2.3 Where more information is needed: Grant performance & value for money

SAIP I tracked investment types (cold storage, drying, packing, processing, greenhouses) delivered but it did not track the return on these investments by revenue and jobs. Establishing the cost-per-job and revenue-per-dollar by investment type is central to judging BDS-plus-grant effectiveness, and to setting SAIP II co-financing ratios. BRD and SAIP project teams should also ensure the enterprises will insure their new investments, as many of the greenhouses and cold storage units appear to be uninsured. Equipment suppliers should also be required to commit to the ongoing provision of spare parts as this also appears to be an emerging challenge. These improvements, if applied to SAIP II, would improve the longer term delivery of value for money.

On project-level metrics the package clearly worked: the share of production marketed through the enterprises rose 29.9% (target 25%), buyer contracts reached US\$2.0m (target US\$0.85m), credit mobilised hit US\$483k, and 69.5% of assessed cooperatives reported 'healthy' profit margins (target 60%). The coordinator attributes this to a market orientation present "from the outset," which was operationalized partly through strategic partnerships, such as with WFP for output marketing. This is also an example of an effective Public-Private-Producer Partnership (4P) in practice, which led to a genuine shift in farmer and enterprise mindset. Observed enterprise changes include hiring of agronomists, entry into export markets (chili, avocado, French beans), and improved logistics.

Where the evidence thins is precisely where effectiveness must be judged: **the distribution of those gains across enterprises**. This longitudinal enterprise level data was not available. If this data was available then we could be more confident about the return on investment and the value for money. However importantly it would also enable insights into the ways in which enterprises have succeeded. For example Kora Ukire, an 844-woman-strong producer cooperative, has institutionalised risk-sharing terms in its chili-buyer contracts and diversified into commercial real estate which also reduces income volatility. It is clear that business planning can change how a cooperative manages risk, not just how much it sells, and this is also worth tracking.

3.1 Where more information is needed

Revenue growth

The measurement of "healthy" profit margins is not sufficient to assess an enterprise's performance. In addition this was only measured for 20 of the 2,397 enterprises supported. It is recommended that SAIP II establishes a robust method for measuring revenue, tracking volatility and — critically — whether it was retained inside cooperatives (capitalising the enterprise) or passed through to members as higher farm-gate prices, remains open.

Jobs growth and additionality

The headline 487 full-time / 1,557 part-time jobs (44% / 52% women) also needs a stated collection method and an additionality test — are these net new jobs, and how was displacement of seasonal labour by mechanisation netted off?

Certification and capital conversion

Certification (Global GAP, HACCP, S-Mark) is credited with opening premium markets, but the number of enterprises certified, the cost per enterprise, and the markets each opened are not quantified. In addition with respect to the US\$2.0m in buyer contracts, how much was converted into working-capital finance (invoice discounting, receivables, input credit against offtake)? This contract-to-credit conversion is the clearest test of whether BDS made enterprises bankable.

S4 Sustainability and the access-to-finance gap

Two issues dominate the sustainability question.

1 Governance: Mismanagement allegations, weak financial reporting, member dissatisfaction where leaders appeared markedly wealthier than members, delayed audits, and leadership conflicts – some escalating to legal authorities were frequently cited. Field visits also highlighted the challenge of member to sales to spot-market buyers during price spikes. This would leave the cooperative unable to fulfil buyer commitments and reduce its potential sales commission. The limited commitment of members appears to be at least partially linked to the weak governance of the cooperative. Stronger governance is essential for the cooperative to maintain the gains it has made and grow further.

The Rwanda Cooperative Agency (RCA), with support from the SAIP project, has undertaken significant efforts to strengthen cooperative governance. **However, tangible improvements remain limited across most cooperatives.** Persistent challenges, including mismanagement, weak reporting, side-selling, and lack of asset insurance, continue to undermine sustainability. Part of the gap is structural: Law N° 057/2024 of 20/06/2024 Governing Cooperatives in Rwanda sets out the responsibilities of decentralised administrative entities for cooperative development (Article 167), but the Law does not itself prescribe a governance-performance framework that RCA field staff can apply consistently across the sector. To close this gap, RCA could introduce a **Cooperative Governance Scorecard** – a standard set of indicators (financial-reporting timeliness, audit completion, leadership turnover, side-selling incidence, asset-insurance coverage) scored at each monitoring visit – so governance quality becomes as visible and trackable as the commercial metrics already reported under SAIP.

2 Access to finance: SAIP I reports record that smallholder financing “remained a challenge” at project closing, and the standout lesson is that matching grants alone will not complete the subsistence-to-market transition. They recommend that commercial loans are required which SAIP II and the parallel Commercialization and De-risking for Agricultural Transformation Project (CDAT) are working on.

Field visits surfaced another significant challenge: **asset protection.** None of the high-value, matching-grant-funded infrastructure visited – Dukundumurimo's cold storage rooms, or the greenhouses at Dukundumurimo (22) and MGRES (27) – carries insurance, and beneficiaries report growing difficulty sourcing specialised spare parts once project-level technical support ends. Uninsured, unmaintainable capital is capital at risk of being lost outright to a single bad season or equipment failure, regardless of how well a cooperative is governed or financed.

4.1 Where more information is needed: Survival and the SAIP II finance model

SAIP II aims to build upon SAIP I. The starting point would be to assess in detail the quality of the 53 buyer linkages and capacity of the 19 commercial POs to continue delivering sustainable returns to the enterprises involved and the farmers. SAIP II should also consider, as part of its commercial credit transition strategy, how enterprises can be incentivized to take out asset insurance and make a local spare-parts supply chain a condition of asset investment.

S5 Recommendations

5.1 For donors and funding agencies

- **Fund enterprise-level results measurement from inception** — revenue per enterprise, additional jobs, certification achieved, and finance leveraged — so BDS effectiveness can be evaluated rather than inferred from aggregates.
- **Pair every matching grant with a credible route to commercial credit**; treat grants as a bridge, not a destination, as the IEG report urges.
- **Resource governance strengthening explicitly**, recognising it as the binding constraint on sustainability, not a soft add-on.
- **Require asset insurance as a standard grant condition** for high-value, matching-grant-funded infrastructure (cold storage, greenhouses), so uninsured losses do not erode the return on donor capital after project closeout.

5.2 For senior technical advisors and implementers

Lead actor for each action is shown in brackets.

- **[RCA, with RAB/SPIU] Formalise maturity-based segmentation with a published graduation methodology**, so movement between tiers is transparent and measurable. Law N° 057/2024 does not itself prescribe graduation criteria ([see S1](#)), so RCA should set clear, transparent benchmarks for progression across maturity levels, and maintain an official, regularly updated list of graduated cooperatives published on its website.
- **[RAB/SPIU project management unit, with RCA] Sequence governance and financial-literacy support ahead of grant disbursement**, reducing the mismanagement risks observed under SAIP I.
- **[BRD] Retain BRD-style controls but engineer out the delay** — pre-qualified suppliers, parallel verification, and clear service standards.
- **[Cooperatives' boards and general assemblies, supported by RAB/SPIU and RCA] Shift supply contracts from individual members to the pooled cooperative level**, paired with legal and governance training, to close the side-selling gap observed across grantee POs.
- **[RAB/SPIU project management unit, with equipment suppliers] Pre-arrange local spare-parts supply chains before disbursement** for greenhouse and cold-storage investments, so post-closeout maintenance gaps do not idle grant-funded assets.

5.3 For policy makers and ecosystem actors

- **Build local BDS and certification capacity** (Global GAP, HACCP, phytosanitary) to reduce reliance on scarce specialists and lower per-enterprise cost.
- **Strengthen cooperative-governance oversight institutions**, including Rwanda Cooperative Agency capacity — specifically, increased district-level monitoring staffing and budget, adoption of the Cooperative Governance Scorecard ([See S4](#)) as a standard oversight tool, and formalised annual governance audits consistent with Law N° 057/2024 Governing Cooperatives in Rwanda.
- **Engage financial institutions from project design**, so commercialization and financial deepening advance together.

6.1 Sources

RAB SAIP I Final ICRR (August 2024), World Bank Implementation Completion and Results Report (ICR, Feb 2025), the Independent Evaluation Group ICR Review (May 2025), interviews with the SAIP/RAB Project Coordinator and seven POs, buyers and Agri-SMEs. Evidence gaps: the enterprise-level revenue, jobs, certification and financing data needed to move from project-level averages to a confident, disaggregated assessment of BDS effectiveness – detailed in the “Where more information is needed” boxes in S1–S4 above.

6.2 Where the field research took place

The seven POs, buyers and Agri-SMEs visited for this case study (2026) were spread across five districts in three provinces, illustrating the geographic reach of SAIP I's matching-grant and BDS support:

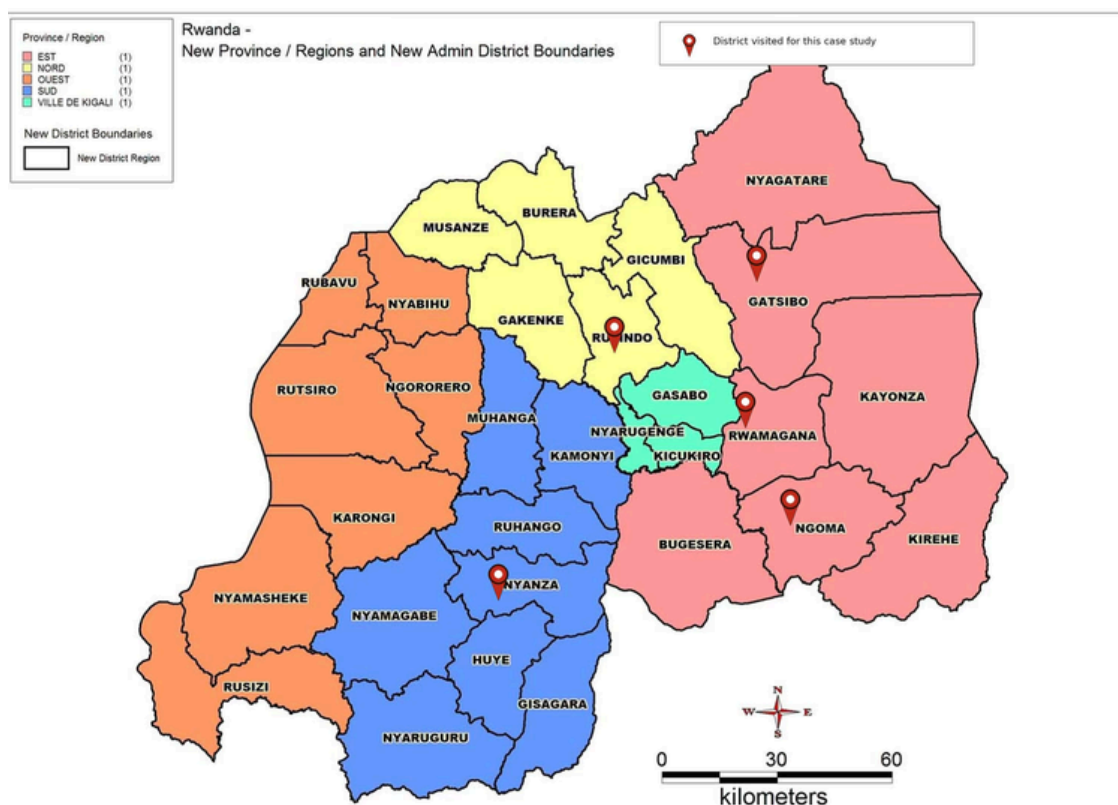


Figure: Districts visited for field research, pinned on the official Rwanda district-boundary map – Nyanza (Southern Province), Rulindo (Northern Province), and Rwamagana, Ngoma and Gatsibo (Eastern Province).