

FINAL REPORT
ON THE
RWANDA LOCAL CROP STORAGE (LCS) PROJECT
RWANDA PROJECT NO. 696-0107

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FORWARD

This Final Report on the Local Crop Storage Project (LCS) was prepared by the Cooperative League of the USA (CLUSA) representative in Rwanda, Bill Dalrymple, in December 1987, and was edited in Washington by Jim Alrutz, CLUSA's Regional Director for Africa Programs, in January, 1988. The report provides a summary of LCS objectives and accomplishments. It also presents conclusions drawn from the project, which will hopefully be useful to future activities dealing with issues similar to those addressed by the LCS project. Please note that this report attempts to summarize and supplement, rather than replace, base documents such as the Project Paper (March 9, 1979), the Formative Evaluation (July 1983), the Update of 1983 Evaluation of the Local Crop Storage Project (September 1984), the CLUSA Annual Reports (October 1982, February 1983, and August 1984), and the quarterly reports submitted by the Ministry of Youth and Cooperatives (MIJEUCOOP). This report will not address the day to day operational details included in previous reports.

By way of background it should be noted that the LCS Project was preceded by, and overlapped with, CLUSA's Cooperative Grain Storage (CGS) Project which was funded by USAID and the United Nations Capital Development Fund. CGS constructed 8 grain storage silos of approximately 90 tons each, provided technical training in grain storage and cooperative management, and made funds available to the cooperatives for grain purchases. The CGS project and the LCS project were both implemented by the government ministry responsible for cooperatives, with technical assistance from CLUSA. Now that both projects have been completed, the training needs of the cooperatives served by these two projects are being met by the Cooperative Training and Research Center (IWACU), and the coops are eligible to receive loans from the Banques Populaires.

The following report will be presented in three sections.

- Part One will list the project goals and activities as stated in the Project Paper and other project documents.
- Part Two will describe the global accomplishments of the project in comparison to the outputs expected in the Project Paper.
- Part Three will present the conclusions of the project, especially as related to original project goals.

PART ONE: PROJECT OBJECTIVES

The project agreement for the Local Crop Storage project was signed in May 1979, with CLUSA project implementation beginning in late 1980. Project goals were to increase farm family income in participating communes and to increase food availability to small farmers throughout the year at more stable prices. This was to be accomplished through:

- the establishment of a local level food storage and marketing system for cereals and pulses which is more favorable to small farmers.
- the reduction of seasonal and regional price fluctuations, and assurance of fair weights, and
- the reduction of storage losses both on farm and in cooperative silos by introducing improved storage practices and use of approved insecticides through cooperatives.

To achieve these objectives, the project was to engage in the following activities:

- construction of silos and warehouses attached to cooperatives,
- expansion of a comprehensive training program to improve government and cooperative administration of a cooperative based storage and marketing system,
- development of a credit system permitting access to working capital, and
- research on the Rwandan food marketing system and various technical problems of grain storage.

The GOR Ministry of Social Affairs and Community Development (MINASODECO) and later the Ministry of Youth, Sports, and Cooperatives (MIJEUCOOP), with CLUSA technical assistance, were responsible for the first three activities, while USAID contracted with the University of Minnesota to carry out the research components. This report will address only those aspects of the project for which CLUSA provided technical assistance.

PART TWO: OVERVIEW OF PROJECT DEVELOPMENT ACTIVITIES AND ACCOMPLISHMENTS

1. Construction of Silos and Warehouses Attached to Cooperatives

The initial project objective was to construct 40 storage facilities and 6 satellite units by the project's third year of operation (1983). By July 1983, only 18 storage facilities and two satellite units had been built. At that time, the Formative Evaluation correctly pointed out that understaffing of the project by MINASODECO "has severely limited [the project's] capacity to maintain implementation momentum" (the initial staff of 14 had been reduced to 6). The evaluation team also recommended that unless the LCS team was strengthened, the pace of construction should not be accelerated so as not to exceed the capability of the LCS staff to provide training and extension services to cooperatives.

Although at times the total number of staff members attached to the LCS project increased slightly, continued transfers to and from the project did not allow a stable or adequate training/extension program to develop. As a result only one additional construction Project Implementation Letter (PIL) was undertaken after the evaluation. The last storage units to be built were completed under PIL N° 8 late in 1985. By this time, prolonged project administration and technical assistance costs had reduced the construction budget by 25%. In addition, local inflation and the decreasing value of the dollar had significantly increased the cost of each storage unit. At the end of the project, only 26 storage facilities and 3 satellite units had been built under the LCS project -- 63 percent of those initially planned. A list of the completed storage units is included in Annex I.

2. Expansion of a Comprehensive Training Program for Both Government and Cooperative Administration of a Cooperative Based Storage and Marketing System

Five LCS staff members, the Secretary General of MINASODECO, and the Director General of the Department of Cooperatives participated in training programs financed by the project. The training of the Director of the Department of Cooperatives and a study tour in the U.S. for the Minister of Youth and Cooperatives was financed by OAR/R outside of the project. In addition, the LCS training officer participated in a training program offered by the OAR/R financed Cooperative Training and Research Center (IWACU) project. Although in several instances more effective training programs could have been selected for project personnel (e.g. the USDA credit program was not deemed appropriate to the Rwandan situation by the two LCS staff who participated), it can be safely assumed that all GOR personnel trained by

the LCS project increased their capacity to plan and administer programs for Rwanda's storage and marketing cooperatives. Unfortunately, three of the 10 GOR people trained were no longer associated with the project or the cooperative movement within one year after their training, a problem pointed out by the 1984 evaluation update.

Over the course of the LCS project, especially during the last 3 years, all LCS and Cooperative Grain Storage (CGS) project cooperative managers, as well as representatives from each cooperative's board of directors and finance committee were trained by the LCS project. The training was done primarily by LCS staff with periodic assistance of the Cooperative Training and Research Center (IWACU) staff. Annual retraining and in-field follow-up was also completed by the project. The emphasis of the training was placed on cooperative management, bookkeeping, and grain storage techniques.

Despite the completion of training scheduled by the project paper, about one-third of the LCS cooperatives were losing money, and another one-third were only breaking even by the end of the project. Reasons for unprofitability varied but included unusual market conditions in 1984-85, poor location of some storage facilities in relation to markets, and limited operating capital. The most frequent cause of operating losses, however, remained poor management. While this situation could have been significantly worse had the training programs not been provided, it is clear that member participation and control remain very weak in many LCS cooperatives. Because of their large size and complexity, management in LCS coops has typically been dominated by an educated elite which may or may not encourage greater participation of less educated members. When member participation is not evident, these coops have often failed to respond to the needs of members, made poor investments, and suffered from theft. Successful LCS coops had better communications with members, were more market oriented, and hired competent business managers to run daily operations.

3. Development of a Credit System Permitting Access to Working Capital

Cooperatives receiving storage units through the LCS project also qualified for operating loans of between \$2,000 and \$6,000. These loans were made and serviced by the project itself through the Revolving Credit Fund program. The duration of loans was between 6 months and one year, after which time the loan was reviewed and if still viable, renewed. More than \$275,000 was loaned through LCS between 1983 and 1987 (reduced from \$400,000 initially budgeted, due to prolonged administrative and technical assistance costs). About \$50,000 of revolving fund loans remained

outstanding at the end of the project (these loans were not delinquent; the due date on their loan was after the PACD). Another \$21,000 (8%) of loans will not be repaid by cooperatives in financial difficulty. The LCS lending activities generated about \$16,000 in interest revenue to the project. As a result, net losses from the activity were less than 2%.

Since future MIJEUCOOP funds are not available to properly service loans, and due to possible conflicts of interest, LCS and MIJEUCOOP set up a guarantee fund with the local credit union, the Banque Populaire (a copy of the agreement between MIJEUCOOP and the BP is provided in Annex II). Under the agreement the LCS/MIJEUCOOP fund guarantees 40% of the amount of loans made by the BP to coops. In this way, risk is reduced enough to allow the BP to take over loans previously handled by the LCS staff. To date, \$165,000 of repaid LCS loans have been transferred to this fund (an additional \$39,000 is scheduled to be deposited when the LCS books are closed out). Depending on the success of the guarantee fund, the remaining \$50,000 of outstanding LCS loans could also be transferred at a later date.

Because the Banque Populaire is willing to lend money to cooperatives with only a 40% guarantee from the MIJEUCOOP fund, the amount of capital available to coops has increased significantly. The current fund represents potential loans of over \$400,000. If the remaining \$84,000 of repaid and outstanding LCS loans is deposited, the potential Banque Populaire loan volume to coops will increase to more than \$620,000. This fund should serve the needs of LCS and many other cooperatives for years to come. Its operation has already been tested in 1987, when it was used to guarantee \$400,000 of coffee marketing loans to 5 individual cooperatives, as well as two cooperative unions (UBUKOZI and KOPISHYAKA) representing more than 50 other cooperatives. Many LCS coops were included in this 1987 loan program. All of the loans guaranteed were repaid by the end of the coffee marketing season.

In summary, the project activity of providing a system of credit permitting access to working capital was completed through LCS lending and the Banque Populaire guarantee program. However, as the current unstable financial status of several LCS cooperatives points out, access to credit by itself does not assure profitability.

4. Establish Local Food Storage and Marketing System Favorable to Small Farmers

The LCS project provided local level storage facilities to 20% of the communes in Rwanda. Combined with the previous Office of AID Representative/Rwanda (OAR/R) financed Catholic Relief Service (CRS) and Cooperative Grain Storage (CGS) units, as well as facilities provided by other Ministries, projects, and churches, more than 60%

of the country's communes now have storage facilities of one sort or another. A comprehensive physical storage system is therefore in place, largely due to OAR/R projects.

Preliminary statistics from a July 1987 MIJEUCCOOP study of Rwandan grain storage facilities show the following about the operation of LCS and CGS cooperatives financed by OAR/R through CLUSA:

- 37 cooperative storage units were constructed in 34 different communes. These facilities provide a capacity to store 3,330 tons of grain or beans. Of the total construction cost, 11% (or more than \$90,000) was provided by the cooperatives and their members.
- about 96,000 families in more than 50 communes and 350 sectors benefit from the LCS/CGS cooperatives' activities.
- all of the LCS and CGS cooperatives have as objectives, "to provide competition to the local private merchants", and "to provide a strategic reserve of grain and pulses." More than 95% of the coops also listed "price stabilization" and "to provide a market" as additional objectives.
- all of the cooperatives store and market beans and sorghum. Sixteen percent also deal in corn and/or soybeans, and 29 percent store or market other agricultural products (e.g. wheat, potatoes, etc.).
- in 1987, seventy-seven percent of the coops received regular visits by MIJEUCCOOP, while the remaining 23% received periodic visits. The Office National pour le Developpement et la Commercialisation des Produits Vivriers et des Productions Animales (OPROVIA) also visited 27% of the LCS/CGS cooperatives in 1987, and other NGO's provided assistance to 13% of the coops. It therefore seems evident that continued in-field follow-up is being provided to LCS/CGS cooperatives.
- storage in LCS and CGS cooperatives increased from 420 tons of agricultural produce in 1982 to more than 1,600 tons in 1986; more than a 280% increase.

From this information it becomes clear that a food storage and marketing system has been established at the local level. The benefits to the small farmer are also obvious when analyzing the price trends in Rwandan markets as compared to the pricing policies of cooperatives.

LCS/CGS coops are spread throughout the country. As a result, their members vary between consumers and producers depending on the region. Most coops, however both buy and sell produce to their members. While determination of the exact financial benefit to coop members would require an in-depth microeconomic analysis of the market conditions influencing each cooperative each year, a more simple analysis can be made. Typically LCS/CGS coops sell their produce back to members at a 5 Frw margin. An analysis of bean and sorghum prices between 1974 and 1986 shows that the average price fluctuation between harvest and high price seasons is 12 Frw. Simplistically then, since LCS/CGS coops marketed 3,707 tons of produce (almost all beans and sorghum) between 1982 and 1986, the following calculation can be made:

Tons of produce marketed:	3,707. Tons
Frw difference/ton between market price and price to coop member:	<u>Frw 7,000</u>
Estimated minimum benefit to small farmers from LCS/CGS cooperative activities (1982-86):	Frw 25,949,000
Estimated U.S. dollar benefit @ 80 Frw/\$	\$324,362

It should be noted that the above calculation certainly underestimates the growing importance of LCS/CGS cooperative activities. Since 44% of this 5 year benefit was provided in 1986 alone, an upward trend is definitely taking place. Even during 1986, the LCS/CGS facilities were operating at less than 50% capacity. It would therefore not be over-optimistic to assume that the previous trend in increasing coop activity and resulting increased benefits to the small farmers will continue well into the future. In addition, other benefits such as cooperative stores, coffee marketing, better weighing, short-term credit, and patronage refunds are not included in the calculation, but certainly provide financial benefits to the farmer-members of various cooperatives. Finally, in many areas, the benefits provided by the cooperatives can far exceed the actual produce purchased or sold by the coops. By offering competition to private merchants in remote areas, the entire local population benefits from fair market prices for as long as the cooperative participates in the market.

5. Reduce Seasonal and Regional Price Fluctuations and Assure Fair Weights

As mentioned, on a local scale, LCS and CGS coops offer competition to merchants, and provide a limited strategic grain reserve (limited, that is, by physical and financial constraints). Unfortunately, while the role of cooperatives in the marketing system has been greatly strengthened by the OAR/R LCS and CGS projects, the amount of beans and sorghum marketed nationally by coops in Rwanda remains well below 10% of the total market. As a result, when supplies are short the coops can have only a very limited effect on price. They can sell all their stocks to members at a fixed margin (for example, 5 Frw in the benefit analysis). In this way, they distribute all their benefits immediately to members, after which they have no influence in the market. Their other option is to follow market prices up during the year, but continue to sell at a slightly lower than market price. In this way, they provide less immediate benefits to members, but put downward pressure on market prices for a longer period of time. Currently both strategies are being used by LCS and CGS cooperatives, depending on the varying philosophies of their boards of directors.

Interregional cooperation between cooperatives took place in 1987 with some sales being orchestrated between the KOPISHYAKA union in Kibungo, and the UBUKOZI union in Butare. Such transactions continue to be promoted by the Technical Assistance Office of IWACU even after the termination of the LCS project. By increasing the interregional marketing of goods between coops, the seasonal and regional price fluctuations can be further reduced.

The objective of providing fair weights has been achieved with the provision of standing scales to coops receiving LCS storage facilities. Proper weighing continues to be an important benefit offered by the cooperatives to members.

6. Reduce On-Farm and Cooperative Storage Losses Through Improved Storage Practices and the Use of Insecticides

During the project's final two years, the LCS storage specialist spent a considerable amount of time training cooperative managers in storage techniques and the use of insecticides. All LCS/CGS cooperative managers received both training and in-field follow-up by the end of the project.

Frequent contact was maintained between the LCS project and the OPROVIA grain storage research project, and the OPROVIA technicians often participated in the LCS training programs. In addition, cooperative managers were put in direct contact with private insecticide vendors so that a source of insecticide would be available

after the project. In fact, although the LCS project sold more than \$1,400 of insecticide to cooperatives during the project, no sales were made after September 1985. Instead, coops were encouraged to use the private sector for their insecticide needs.

The 1987 MIJEUCOOP study showed that 96% of the LCS and CGS cooperatives used insecticides. Sixty percent used Malathion, 7% used Phostoxin, and 33 percent used a combination of Malathion and Phostoxin. In all but one of the cooperatives, the coop manager trained by the project applied the insecticide. There is no doubt that cooperative storage losses have been reduced when insecticides have been properly applied (examples are abundant throughout the project). There was never any proof, though, that storage in a silo or hangar was better than on-farm storage. In fact, research recently conducted pointed to just the opposite result. The role of most LCS cooperatives has therefore been to influence grain and bean markets through storage, rather than serving as a strategic storage facility for individual farm families.

Because the results of the research portion of the LCS project never concluded that the use of insecticides in traditional on-farm storage facilities was cost effective, no extension program was initiated by the LCS project at that level. Many LCS cooperatives do, however, offer insecticides to members through their cooperative stores. The total amount of insecticide sold through coops was not monitored by the project, but it is assumed to be a small portion of their sales.

PART THREE: FINAL CONCLUSIONS

With the end of the LCS project, OAR/R's work with grain storage was completed. No further projects, either with GOR, OPROVIA, or with NGO's, are currently planned for this activity. Even so, several important conclusions can be drawn from the experiences of LCS:

1. Through their storage project, OAR/R and MINASODECO/MIJEUCOOP have added to the physical and financial infrastructure necessary to help diminish the effect of seasonal and regional price fluctuations. Through cooperative activities to date, at least 25% of local currency investment has already been passed on to individual farmer-members. The long-term benefits of this project to small Rwandan farmers should far surpass the local investment.
2. The physical outputs of the project were reduced by at least 33% from the PP objectives due to administrative and staffing problems within the GOR (especially MINASODECO), causing delays in construction schedules and additional administrative and technical assistance costs. Future efforts need to assure that GOR personnel assigned to a project cannot be transferred without project approval.
3. Both CLUSA and OAR/R must also be held partially responsible for some project problems. During the middle of the project, CLUSA had difficulty staffing the advisor position. Rapid and frequent turnover in OAR/R's LCS project officer position also contributed to numerous delays, accounting errors, and communication problems.
4. Despite extensive training programs and in-field follow-up, about one-third of the cooperatives in the LCS project were not yet viable by the end of the project. In the 1987 MIJEUCOOP study, LCS cooperatives overwhelmingly listed poor management as their primary problem (credit and marketing were second and third, respectively). While many factors affect coop profitability (e.g. prices, markets, investment decisions, cost control, etc.), the continuing lack of participation and control by cooperative members and boards, even after training, is without a doubt a major cause of many management problems. Since LCS cooperatives were to work on the communal level, by definition they are larger than the typical Rwandan grassroots cooperative organizations, and are therefore susceptible to domination by communal authorities. The resulting lack of member control has fostered poor business decisions and a high rate of petty theft in many of the coops. Additional training will not necessarily overcome this situation.

Future interventions to improve local storage and marketing would be advised to start with smaller, member oriented and controlled cooperatives and pre-cooperatives. The size of the storage unit should correspond with the initial size and capabilities of the organization. With a strong base of such cooperative businesses, private sector communal and regional unions would be much more viable. This is not to say that the benefits of LCS project are small; only that the efficiency and potential could have been much greater by avoiding the politics and non-farmer domination associated with a number of the commune level coops chosen for the project.

5. Because of their importance to the GOR strategic grain reserve strategy, the storage units built under the LCS project were not turned over to the cooperatives, but were instead mutually owned by the cooperative and the GOR. While this insured that the AID and GOR investment was not squandered by the coop, it also decreased the collateral value of the unit (thereby requiring a guarantee fund to be set up before the cooperatives could obtain private sector credit). The coops also have much less incentive to invest in repairs to the facilities when the unit does not appear on their balance sheet. Partially addressing the issue, MIJEUCOOP has now set up a 20 year program to gradually transfer the storage facilities to the cooperatives.

Future projects would be wise to give careful thought to self-financing storage units through long-term loans. In this way, title is transferred immediately to the cooperative, but significant leverage is maintained by the lender. Ownership (as opposed to subsidy) can play a major role in stimulating member participation in management.

6. As the LCS project evolved, it became apparent that the establishment of an accounting/ management/marketing system adapted to both the needs of the coops as well as the capabilities of members was extremely important. Future work with cooperatives should begin with a much more in-depth analysis of cooperative problems and needs, and then move on to manager, board, and member training. Only after a cooperative demonstrates its capability to manage a storage/marketing enterprise should construction begin. In this way, there is a much larger guarantee that the storage facilities will be designed appropriately, as well as be operated profitably and at full capacity.

7. The training program on credit, offered to two LCS staff members by USDA, was primarily a review of the U.S. Farmers' Home Administration programs and policies, and was not found by participants to be applicable to the Rwandan credit situation. Similarly, the Kansas State University in-country grain storage training, while first-rate, was "expensive, over-technical, and awkward to present [to coop managers] in Kinyarwanda" according to the update evaluation. Training of staff in both Cameroon and Senegal was considered more appropriate, and did not necessitate translation. Future training programs may want to note the experiences of LCS.

8. Shifting GOR grain pricing policies made marketing decisions difficult for LCS cooperatives. Just at the time that good marketing relationships were developing between OPROVIA and the local cooperatives (1985), the GOR began enforcing minimum prices to farmers for beans and sorghum. Unfortunately, only the cooperatives and OPROVIA were forced to pay the minimum prices; private local merchants continued purchasing grain at much lower prices. The resulting two-tiered pricing structure, coupled with only minimal government purchasing contracts offered to OPROVIA, significantly reduced many cooperatives' and certainly OPROVIA's influence in the market by the end of the project. Future donor involvement with Rwanda's grain markets (either through parastatals or private cooperatives and merchants) should try to hammer out stable long-term pricing policies with the GOR before a project is begun.

9. A market information/extension system should be a key component from the beginning of projects similar to the LCS project. Rwandan cooperatives operating without continually updated regional and national price information have been at a significant competitive disadvantage to merchants. The Technical Assistance Unit of IWACU is currently working with marketing cooperatives, including many LCS coops to correct this situation.

Similarly, the research portion of a storage project should be begun before the construction phase. If the information now available from OPROVIA on the storage of Rwandan beans and sorghum at farm and coop levels was known at the time of construction, the project may well have developed a different approach to storage as well as a different type of storage unit at the coop or commune level.

10. Although the revolving credit fund operated by the LCS project was relatively successful, LCS staff had the conflicting objectives of trying to recuperate loans while providing technical assistance. Future credit projects should set up a lending structure which eliminates this conflict -- preferably by working with private sector lending institutions where possible.

ANNEX I: LIST OF STORAGE FACILITIES BUILT BY THE LCS PROJECT

<u>Prefecture</u>	<u>Commune</u>	<u>Cooperative</u>	<u>Type of Facility</u>
Kigali	Gikoro	CACOPAGI	Satellite Hangar
	Gikomero	KABIKOGI	Silo
	Rubungo	ISANGANO	Hangar
Kibungo	Birenga	COPAMU	Hangar
	Rukira	COPARU	Hangar
	Rusumo	KAKI	Hangar
	Sake	COVEPAMA	Hangar
Cyangugu	Gatare	KOMBUGA	Silo
	Gafunzo	CODECOGA	Silo
	Gishoma	CODEGI	Hangar
	Karengera	KAKIBU	Hangar
Byumba	Cyungu	ABAKOCYU	Hangar
	Giti	COCODEGI	Satellite Hangar
	Kivuye	KOTEKI	Hangar
	Muhura	COPROMU	Hangar
	Rutare	COCODERU	Hangar
Butare	Mugusa	ABATICUMUGAMBI	Silo
	Ndora	CODERU	Silo
	Nyakizu	KOPINYA	Silo
Gikongoro	Kinyamakara	COAKI	Silo
Gitarama	Bulinga	CAEBU	Hangar
	Masango	CODECOMA	Silo
	Nyabikenke	KODUNYA	Silo
	Runda	ABARUTA	Satellite Hangar
Kibuye	Bwakira	CODECOBWA	Silo
	Gisovu	COPAGI	Hangar
	Kivumu	CODECOKI	Hangar
Gisenyi	Kayove	CODECOKA	Hangar
	Rwerere	UMUBANA	Hangar

**ANNEX II: PROTOCOLE D'ACCORD ENTRE
L'UNION DES BANQUES POPULAIRE DU RWANDA ET
LE MINISTERE DE LA JEUNESSE ET DU MOUVEMENT COOPERATIF**

L'Union des Banques Populaires du Rwanda ci-après dénommé UBPR d'une part, et le Ministère de la Jeunesse et du Mouvement Coopératif ci-après dénommé MIJEUCCOOP d'autre part, sont convenus d'un commun accord de fixer par le Présent Protocole, les conditions et modalités d'octroi des crédits aux sociétés coopératives et aux groupements de jeunesse.

Le financement des coopératives et groupements de jeunesse constitue une des formules de démocratisation des interventions bancaires en milieu rural, appelé à favoriser l'augmentation de la production, la transformation et la commercialisation des produits de première nécessité.

Ce Protocole peut être amendé ou complété en fonction de l'expérience acquise et dans le souci constant de la recherche d'une plus grande efficacité et pour ce faire, les partenaires se concerteront aussi souvent que nécessaire, notamment en ce qui concerne la mise en place d'instruments de gestion et de contrôle.

1. LES CONDITIONS GENERALES

1. Les bénéficiaires peuvent être :

- Dans les zones couvertes par une banque populaire, les coopératives ou groupements de jeunesse qui ont la qualité de sociétaires ordinaires ou affiliés, qui bénéficient du suivi de gestion du MIJEUCCOOP et qui gèrent bien leurs affaires et ont au moins un an d'existence effective.
- Dans les zones non couvertes par une banque populaire, les bénéficiaires peuvent être les coopératives ou groupements de jeunesse qui jouissent du suivi de gestion du MIJEUCCOOP et qui ont une bonne gestion.

Par ailleurs, tout groupement de jeunesse qui veut bénéficier d'un crédit doit au préalable avoir manifesté la capacité individuelle de ses membres à épargner.

Les coopératives et groupements de jeunesse non sociétaires qui ont des activités dans une zone couverte par une banque populaire ne pourront en aucun cas être financés par celle-ci.

2. La présentation des dossiers

Les coopératives ou groupements de jeunesse sociétaires ordinaires ou affiliés des Banques Populaires présentent les demandes de crédit à leur Banque Locale avec avis du MIJEUCCOOP. Les demandes de crédit des coopératives et groupements non sociétaires ordinaires ou affiliés seront présentées à la Caisse Centrale des Banques Populaires par le biais du MIJEUCCOOP.

Dans chaque dossier doivent figurer les éléments ci-après :

- Historiques de la coopérative ou du groupement ;
- Objet du prêt et motivation de la demande ;
- Montant sollicité ;
- Durée de remboursement souhaitée ;
- Etats financiers plus récent à la demande de crédit ;
- Un plan de trésorerie ou un compte d'exploitation prévisionnel ;
- Expérience du gérant et du Conseil d'Administration en matière de gestion financière et technique ;
- Avis du MIJEUCCOOP ou d'autres organisations qui assistent la coopérative ou le groupement de jeunesse;

3. Objet de financement

- Crédit de campagne ;
- Equipement et investissements ;
- Commercialisation des produits vivrières et divers articles de traite.

4. Les garanties offertes

peuvent être acceptés comme garantie :

- Promesse d'hypothèque ;
- Boisement ;
- Stocks ;
- Nantissement des dépôts ;
- Caution solidaire ;

L'énumération de ces garanties reste exemplative et non limitative. La Banque Populaire Locale, l'Union des Banques Populaires et le MIJEUCCOOP se réservent le droit de choisir les garanties jugées plus solides aux fins de minimiser leurs risques.

Le MIJEUCCOOP constituera au moins deux fonds de garanties ;

- le fonds en faveur des coopératives sera approvisionné au départ par le Fonds de Roulement du Projet LCS, et par le Bureau d'Aide au Développement des Coopératives (BAD) ;
- le fonds en faveur des groupements de jeunesse sera approvisionné au départ par le Fond d'Appui aux Groupement des Jeunes ;

D'autres fonds de garanties peuvent être établies à l'avenir pour satisfaire les autres besoins.

Ces fonds seront déposés sur des comptes ouverts à la Caisse Centrale de l'Union des Banques Populaires et seront rémunérés à 6 % par an. Cette rémunération restera dans le fond de garantie pour augmenter les garanties possibles, ou couvrir les pertes. Un rapport de l'état des fonds sera transmis au MIJEUCCOOP par l'UBPR chaque six mois. Les fonds ne peuvent être retiré avant que les crédits garanties par ces fonds ne soient remboursés.

Le fonds de garantie pour les coopératives est de 40 % du total des montants accordés, et le fonds de garantie pour les groupements de jeunesse et de 50 %. Ces fonds serviront à pallier au non remboursement et à l'insuffisance des garanties des coopératives ou groupements de jeunesse. Il est entendu que le fonds de garantie couvre à 100 % les créances douteuses, à concurrence de 40 % et 50 % du montant total octroyé pour respectivement l'ensemble de crédit octroyé aux coopératives et groupements.

La Caisse Centrale des Banques Populaires ou la Banque Populaire Locale ne pourra disposer des sommes constituées en garanties qu'après avoir prouvé au MIJEUCCOOP qu'elle a effectuée toutes les procédures d'introduction en justice des débiteurs défaillant. Après l'exécution du jugement, le produit de la réalisation des garanties offertes par la coopérative ou groupement de jeunesse sera versé au fonds de garantie. Au cas où le groupement n'a pas de structure juridique, le versement intervient 3 mois après la date d'échéance.

5. Décision d'octroi

Elle est du domaine réservé de la banque qui étudie le dossier en toute indépendance, et qui l'accepte ou le refuse. Toute décision du Conseil d'Administration ou du Comité du Credit doit être notifiée par écrit au bénéficiaire et au MIJEUCCOOP.

6. Conclusion du contrat et signature des titres de créance

En cas d'accord de crédits, les contrats sont signés entre la coopérative ou groupement et la Caisse Centrale des Banques Populaires ou la Banque Populaire concernée.

7. Modalités de remboursement

La durée du crédit sera fonction du montant sollicité, des capacités de remboursement et de l'objet de financement. La durée maximum ne peut dépasser 5 ans. Le taux d'intérêts est celui en vigueur dans les Banques Populaires. Une sera perçu avant le déblocage du prêt. Pendant toute la durée du crédit, la coopérative ou le groupement de jeunesse sera tenu de fournir semestriellement les états financiers à la Casse Centrale de l'Union des Banques Populaires, au MIJEUCCOOP et à la Banque Populaire Locale.

8. Suivi et recouvrement

Le suivi particulier des coopératives qui ont bénéficié des crédits est à la charge du MIJEUCCOOP en collaboration avec les Banques Populaires. Le recouvrement de crédit est à la charge des Banques Populaires. En cas de difficultés survenues dans une coopérative ou un groupement, les partenaires de l'accord s'engagent à s'informer mutuellement dans les plus bref délais.

Fait à Kigali, le

L'UNION DES BANQUES POPULAIRES DU RWANDA

LE MINISTERE DE LA JEUNESSE ET DU MOUVEMENT COOPERATIF