ABSTRACT
The research was conducted to analyze the impact of External Grants on Cooperative Development in Rwanda. The major objective was to establish whether the external grant given to COOPTHE Mulindi Cooperative located in Gicumbi District Rwanda, by United States African Development Foundation (USADF) had led to its development and to the welfare of its members and community of the zone of implementation. The research adopted both qualitative and quantitative designs. To collect data, questionnaires were administered to cooperative board members, managers, staff, and local leaders. An interview guide was designed to gather data from cooperative members and non-members who were separately arranged in focus group discussions. The data collected was analyzed and presented using tables, figures, graphs, and percentages. The major finding was that the grant had had an impact on the cooperative in terms of extended area under cultivation and increased annual sales of tea leaves supplied to Mulindi tea Factory. There was also increased farmers’ participation in production which led to increased revenues for both cooperative and individuals. This was reflected through improved health and housing, more saving with saving and credit cooperatives (SACCO). It is then concluded that in spite of some challenges met during the project implementation such as inadequate managerial skills, lack of appropriate means of transport among others, the grant had an impact on COOPTHE Mulindi, its members, and surrounding households. The study therefore recommends that more grant should continue to address beneficiary’s needs if accompanied with capacity building in terms of project financial management and monitoring.