

Thirty-five individuals are facing legal action after allegedly misusing funds allocated for dairy development projects under a 2018 government initiative, according to the Business Development Fund (BDF).

The funds, totaling RWF 175 million, were disbursed through the Rwanda Dairy Development Project (RDDP), which aimed to support smallholder farmers in boosting milk production through improved livestock and infrastructure.

BDF CEO Vincent Munyeshyaka disclosed the developments on Tuesday, July 15, 2025, while appearing before Parliament to respond to issues raised in the Auditor General's report for the fiscal year ending June 2024.

"This includes RWF 39 million in one category and RWF 139 million in another, all under support agreements with the Ministry of Agriculture and IFAD," Munyeshyaka said. "These were funds given to project beneficiaries who were supposed to invest in dairy farming. However, many failed to implement the projects as agreed."

Munyeshyaka explained that, unlike current procedures that require vetting before fund disbursement, the funds in question were given upfront without proper project follow-up.



"BDF disbursed funds before the beneficiaries had implemented any activity on the ground," he said. "As per our agreement with MINAGRI and IFAD, when projects fail to materialize, BDF must recover the money and pursue the beneficiaries to repay it."

So far, BDF has recovered RWF 10.7 million, and legal proceedings have been launched against 35 people.

### **Projects Spread Across Multiple Districts**

BDF Legal advisor & Company Secretary Monique Umugwaneza said the failed projects were located in several districts, including Burera (3 projects), Gakenke (2), Gasabo (5), Gicumbi (unspecified), Kamonyi (1), Kicukiro (2), Nyarugenge (3), Ruhango (1), Rutsiro (1), Rwamagana (5), Muhanga (7), and Rubavu (3).

She explained that both the beneficiaries and the project partners had financial responsibilities under the scheme.

“Beneficiaries were required to contribute RWF 109.5 million, while RDDP and BDF covered the rest,” she said. “In most cases, we paid the suppliers directly, based on the agreement between the beneficiaries and the vendors.”

However, she said several suppliers failed to deliver the promised equipment, which contributed to project failures and financial losses for the farmers.

BDF initially sent formal requests to beneficiaries to refund the funds, but many responded by blaming suppliers for the delays or failures in project execution.

As of this report, the fund has filed lawsuits seeking full recovery of the misused funds.