

PROJECT DESCRIPTION

Kerebuka Capacity Building Project

Burundi

I. Introduction

This appendix describes the activities to be undertaken and the results to be achieved with the funds obligated under this agreement. Nothing in this Appendix A should be construed as amending any of the definitions, conditions, or terms of the agreement.

II. Background

KEREBUKA's members grow pineapples in the Rugari Zone of Muyinga Commune, in Muyinga Province. However, like local producers, KEREBUKA's members end up selling their fruit at low prices during months of peak harvest (December and January) while much fruit goes to waste. KEREBUKA lacks the management skills, technical training, and capital necessary to assist its members to overcome this problem.

III. Funding**A. ADF Contribution**

The financial plan for ADF's contribution is set forth in Appendix A-1 to this Agreement. Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 8 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. KEREBUKA Contribution

KEREBUKA will contribute farm land of 1.5 hectares to establish a new pineapple farm and the labor of its members for the uprooting and replanting, crop maintenance, harvesting, transportation, processing, and sales services. KEREBUKA will cover the salary costs of staff hired during the Project and will also cover various administrative costs such as the fuel and insurance for the motorcycle beginning in the second year.

IV. Project Goal

The goal of the Project is to improve the standard of living of low-income pineapple growers of Rugari Zone in northern Burundian Province of Muyinga.

ADF

Kerebuka

Page 1 of 4

Grant Agreement No. 2141-BUR

S.M

V. Project Purpose

The purpose of the Project is to improve KEREBUKA's prospects for sustainability as demonstrated by the development of a strategic business plan that ADF or another organization deems suitable for funding.

VI. Project Outputs

- A. Improved financial management capability as demonstrated by KEREBUKA's ability to produce sound and accurate financial statements from its books of accounts, as well as its implementation of comprehensive financial controls, accounting procedures, policies, and financial systems capable of being audited by a professional accounting or audit entity.
- B. Improved organizational and management system as indicated by KEREBUKA's ability to hold elections for new executive committee members by the year 2011 and convert its legal status to a registered cooperative by the year 2012.
- C. Improved technical skills as evidenced by KEREBUKA members successfully undergoing food safety training and product testing to obtain a certificate from the local regulatory body that allows for commercialization of pineapple juice by the end of the Project.
- D. Improved gross sales of pineapple and juice from a baseline of BIF 12,448,910 to:
 1. BIF 32,666,365 in Year 1; and
 2. BIF 38,931,209 in Year 2.
- E. Improved pineapple juice processing techniques as demonstrated by an increase in total bottles of pineapple juice produced per year from 0 bottles in year 2009 to:
 1. 6,743 bottles per year in 2010 for 6 months; and
 2. 14,160 bottles per year in 2011 for 12 months.
- F. Improved agricultural skills as demonstrated by members maintaining 1.5 hectare of disease-free pineapple growing land in Year 1 and 3.5 hectare in Year 2 of the Project.

VII. Project Activities

- A. Pineapple Production and Processing Improvement Activities
 1. Key members of KEREBUKA will conduct a study tour to Gako Organic Training Center in Rwanda to learn improved pineapple production techniques before they start land cultivating.
 2. KEREBUKA will hire an experienced consultant (agronomist) to train its members in improved pineapple production techniques including such topics as terracing, proper planting density, and moisture retention before the cultivation season starts.

ADF  Kerobuka 

S. M

3. KEREBUKA will provide 1.5 hectare as communal land for cultivation to establish a new pineapple farm free of diseases; and will purchase agricultural inputs to include quality pineapple suckers (disease-free) from Rwanda.
4. KEREBUKA will uproot and destroy diseased plants in the current 25 hectare farm and gradually replace them with new plantlets on at least 2 hectares by the end of this Project.
5. KEREBUKA will hire a qualified agricultural services extension worker (agronomist) to provide technical assistance and guidance to farmers on improved farming techniques for pineapple growing during the Project implementation period.
6. KEREBUKA will improve the current juice production facility and will construct a water catchment system and furnace to use as a juice boiler, and acquire artisanal-style processing equipment to be able to process pineapple juice.
7. KEREBUKA will undergo training at CNTA Burundi in improved fruit juice processing techniques such as pasteurization, bottling, packaging, and conservation methods.
8. Local food safety/quality laboratories will test KEREBUKA's juice product and certify it for public consumption.
9. An experienced consultant will train KEREBUKA key personnel members in business and marketing skills.

B. KEREBUKA's Institutional Capacity Building Activities

1. KEREBUKA will hire a qualified project coordinator and an accountant who will be responsible for Project implementation according to a proposed plan, production of timely and accurate reports, and adherence to basic bookkeeping and financial standards.
2. KEREBUKA will purchase a computer and accessories and accounting software and key staff will be trained in managing an automated accounting system.
3. Key personnel will be trained in basic ADF bookkeeping and financial management.
4. KEREBUKA will hire a consultant to develop an administrative and financial procedures manual; and in the last six months of the Project, KEREBUKA will undergo a bookkeeping review to test improved financial capability.
5. Key personnel members will be trained in good governance and leadership, food safety and quality standards, and in basic computer skills.
6. Members will receive training on cooperatives to understand their roles and responsibilities as cooperative members.

C. KEREBUKA's Marketing Capacity Activities

1. As part of the business plan development, members will work with a consultant to conduct a local market survey for their juice to enable them to understand their competition, determine the appropriate type and size of bottles to use, and the quantities to produce on a regular basis.
2. KEREBUKA will design its own logo/label for the juice bottles as a way of gaining recognition in the local market.

VIII. Roles and Responsibilities of the Parties

Kilimanjaro International Burundi Ltd (KIB), ADF's Partner in Burundi, will provide the necessary standard ADF training in bookkeeping, monitoring and assessment. KEREBUKA is responsible for ensuring the proper management and implementation of the Project. The ADF Partner in Burundi will provide KEREBUKA with technical and management assistance during Project implementation.

IX. Monitoring and Evaluation

ADF's Partner in Burundi will closely monitor the activities of KEREBUKA to ensure proper reporting, adherence to the Project implementation plan by the Grantee, and movement towards the achievement of Project objectives. The Partner will continuously assess the Project risks and take remedial actions as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review both KEREBUKA's financial and Project activity reports and will submit comments and observations to the management of KEREBUKA as part of the on-going performance assessment.

X. Other Implementation Issues

- A. Within the first six months of Project implementation, KEREBUKA will plan and conduct a study tour to the ADF-funded Agasaro Project in Rwanda where key members will learn improved production and juice processing techniques.
- B. Since ADF funds will cover costs for quality suckers for the first agricultural season only, KEREBUKA Association will establish a reserve fund to import new disease-free suckers as needed to replace the plants in the 25 hectare farm.

ADF

Kerebuka

Page 4 of 4

Grant Agreement No. 2141-BUR



 S.M

PROJECT DESCRIPTION

Kerebuka Capacity Building Project

Burundi

I. Introduction

This appendix describes the activities to be undertaken and the results to be achieved with the funds obligated under this agreement. Nothing in this Appendix A should be construed as amending any of the definitions, conditions, or terms of the agreement.

II. Background

KEREBUKA's members grow pineapples in the Rugari Zone of Muyinga Commune, in Muyinga Province. However, like local producers, KEREBUKA's members end up selling their fruit at low prices during months of peak harvest (December and January) while much fruit goes to waste. KEREBUKA lacks the management skills, technical training, and capital necessary to assist its members to overcome this problem.

III. Funding

A. ADF Contribution

The financial plan for ADF's contribution is set forth in Appendix A-1 to this Agreement. Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 8 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. KEREBUKA Contribution

KEREBUKA will contribute farm land of 1.5 hectares to establish a new pineapple farm and the labor of its members for the uprooting and replanting, crop maintenance, harvesting, transportation, processing, and sales services. KEREBUKA will cover the salary costs of staff hired during the Project and will also cover various administrative costs such as the fuel and insurance for the motorcycle beginning in the second year.

IV. Project Goal

The goal of the Project is to improve the standard of living of low-income pineapple growers of Rugari Zone in northern Burundian Province of Muyinga.

V. Project Purpose

The purpose of the Project is to improve KEREBUKA's prospects for sustainability as demonstrated by the development of a strategic business plan that ADF or another organization deems suitable for funding.

VI. Project Outputs

- A. Improved financial management capability as demonstrated by KEREBUKA's ability to produce sound and accurate financial statements from its books of accounts, as well as its implementation of comprehensive financial controls, accounting procedures, policies, and financial systems capable of being audited by a professional accounting or audit entity.
- B. Improved organizational and management system as indicated by KEREBUKA's ability to hold elections for new executive committee members by the year 2011 and convert its legal status to a registered cooperative by the year 2012.
- C. Improved technical skills as evidenced by KEREBUKA members successfully undergoing food safety training and product testing to obtain a certificate from the local regulatory body that allows for commercialization of pineapple juice by the end of the Project.
- D. Improved gross sales of pineapple and juice from a baseline of BIF 12,448,910 to:
 1. BIF 32,666,365 in Year 1; and
 2. BIF 38,931,209 in Year 2.
- E. Improved pineapple juice processing techniques as demonstrated by an increase in total bottles of pineapple juice produced per year from 0 bottles in year 2009 to:
 1. 6,743 bottles per year in 2010 for 6 months; and
 2. 14,160 bottles per year in 2011 for 12 months.
- F. Improved agricultural skills as demonstrated by members maintaining 1.5 hectare of disease-free pineapple growing land in Year 1 and 3.5 hectare in Year 2 of the Project.

VII. Project Activities

- A. Pineapple Production and Processing Improvement Activities
 1. Key members of KEREBUKA will conduct a study tour to Gako Organic Training Center in Rwanda to learn improved pineapple production techniques before they start land cultivating.
 2. KEREBUKA will hire an experienced consultant (agronomist) to train its members in improved pineapple production techniques including such topics as terracing, proper planting density, and moisture retention before the cultivation season starts.

3. KEREBUKA will provide 1.5 hectare as communal land for cultivation to establish a new pineapple farm free of diseases; and will purchase agricultural inputs to include quality pineapple suckers (disease-free) from Rwanda.
4. KEREBUKA will uproot and destroy diseased plants in the current 25 hectare farm and gradually replace them with new plantlets on at least 2 hectares by the end of this Project.
5. KEREBUKA will hire a qualified agricultural services extension worker (agronomist) to provide technical assistance and guidance to farmers on improved farming techniques for pineapple growing during the Project implementation period.
6. KEREBUKA will improve the current juice production facility and will construct a water catchment system and furnace to use as a juice boiler, and acquire artisanal-style processing equipment to be able to process pineapple juice.
7. KEREBUKA will undergo training at CNTA Burundi in improved fruit juice processing techniques such as pasteurization, bottling, packaging, and conservation methods.
8. Local food safety/quality laboratories will test KEREBUKA's juice product and certify it for public consumption.
9. An experienced consultant will train KEREBUKA key personnel members in business and marketing skills.

B. KEREBUKA's Institutional Capacity Building Activities

1. KEREBUKA will hire a qualified project coordinator and an accountant who will be responsible for Project implementation according to a proposed plan, production of timely and accurate reports, and adherence to basic bookkeeping and financial standards.
2. KEREBUKA will purchase a computer and accessories and accounting software and key staff will be trained in managing an automated accounting system.
3. Key personnel will be trained in basic ADF bookkeeping and financial management.
4. KEREBUKA will hire a consultant to develop an administrative and financial procedures manual; and in the last six months of the Project, KEREBUKA will undergo a bookkeeping review to test improved financial capability.
5. Key personnel members will be trained in good governance and leadership, food safety and quality standards, and in basic computer skills.
6. Members will receive training on cooperatives to understand their roles and responsibilities as cooperative members.

C. KEREBUKA's Marketing Capacity Activities

1. As part of the business plan development, members will work with a consultant to conduct a local market survey for their juice to enable them to understand their competition, determine the appropriate type and size of bottles to use, and the quantities to produce on a regular basis.
2. KEREBUKA will design its own logo/label for the juice bottles as a way of gaining recognition in the local market.

VIII. Roles and Responsibilities of the Parties

Kilimanjaro International Burundi Ltd (KIB), ADF's Partner in Burundi, will provide the necessary standard ADF training in bookkeeping, monitoring and assessment. KEREBUKA is responsible for ensuring the proper management and implementation of the Project. The ADF Partner in Burundi will provide KEREBUKA with technical and management assistance during Project implementation.

IX. Monitoring and Evaluation

ADF's Partner in Burundi will closely monitor the activities of KEREBUKA to ensure proper reporting, adherence to the Project implementation plan by the Grantee, and movement towards the achievement of Project objectives. The Partner will continuously assess the Project risks and take remedial actions as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review both KEREBUKA's financial and Project activity reports and will submit comments and observations to the management of KEREBUKA as part of the on-going performance assessment.

X. Other Implementation Issues

- A. Within the first six months of Project implementation, KEREBUKA will plan and conduct a study tour to the ADF-funded Agasaro Project in Rwanda where key members will learn improved production and juice processing techniques.
- B. Since ADF funds will cover costs for quality suckers for the first agricultural season only, KEREBUKA Association will establish a reserve fund to import new disease-free suckers as needed to replace the plants in the 25 hectare farm.