

PROJECT DESCRIPTION**Gbogoun Governance and Management Enhancement Project****Liberia****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 shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

Gbogoun Multipurpose Cooperative Society ("GMCS," or "the Cooperative") consists of fifty low-income farmers near Suehn Town in Bomi County who produce cassava and cassava products for sale in markets in Monrovia. Although located relatively close to Monrovia, GMCS members, until recently, have been largely cut off from the city markets during much of the year due to the poor condition of the roads. In addition, GMCS members possess insufficient knowledge of modern production and processing techniques, insufficient processing equipment, and weak business and financial management skills that prevent them from taking advantage of the demand in the Monrovia markets.

III. Funding**A. ADF Contribution**

The financial plan for ADF's contribution is set forth in Appendix A-1 to this Agreement. The 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. Grantee Contribution

GMCS will contribute the labor of its members and land to the Project.

IV. Project Goal

The goal of this Project is to improve the standard of living of low-income cassava producers in Bomi County of Liberia.

V. Project Purpose

The purpose of the Project is to improve GMCS' prospects for sustained growth and expansion through the development of a comprehensive three-year business plan that ADF deems suitable for funding by a donor or other financial institution.

VI. Outputs

- A. Improved financial management capacity as evidenced by the following:
1. GMCS produces financial reports from financial and accounting systems that include monthly income and expense statements, consolidated quarterly and annual statements, as well as adequate financial controls, accounting procedures, policies and systems that will be capable of being audited by an independent accounting or audit firm; and
 2. GMCS' management team routinely utilizes financial documents produced during the Project, such as quarterly bank reconciliations, budget expenditures, cash flow statements, and profit and loss statements, in making financial and management decisions for the Cooperative.
- B. Improved management capacity as evidenced by a functioning and active Management Committee that meets at least monthly to assess management implementation progress, addresses implementation constraints necessary to move the organization forward, and convenes the Annual General Meeting to update members on GMCS' on-going activities.
- C. Improved technical and marketing capacity as evidenced by increased sales of cassava and cassava products from US\$2,725 to US\$51,500 in Year 1 and US\$54,000 in Year 2.

VII. Activities

- A. Production and Marketing Improvement Activities
1. The Cooperative will hire an agronomy consultant to conduct training and provide follow-up monitoring on improved cassava cultivars, soil and water conservation, production techniques, crop rotation schemes, and post-harvest processing. The consultant will be hired by month four of Project year one.
 2. The agronomy consultant will establish on-farm demonstration plots which will be used to provide practical demonstrations of improved cassava production and best practices, including crop rotation techniques

to maintain soil fertility, for adoption on members' individual plots. The consultant will update the annual production plan quarterly based on experience and changes in market conditions. The demonstration plots will be established by month five of Project year one.

3. GMCS will hire a firm specialized in water supply systems to conduct an assessment for the siting and construction of concrete-lined large diameter well equipped with a hand pump to provide water for cassava processing. GMCS will hire the firm by month five of Project year one.
4. GMCS will procure a cassava grater and press and associated materials to process a portion of their production into products such as fufu, gari, and dipper. GMCS will hire a contractor to provide training to Cooperative members in the safe use and proper maintenance of the equipment. The Cooperative will also hire a contractor or a specialized firm to provide training to group members in improved processing techniques and quality control, particularly to ensure that the cassava products have safe levels of cyanic compounds for human consumption.
5. GMCS will establish supply contracts with buyers in the main Monrovia markets and rent a market stall in one of the main Monrovia markets to serve as its primary outlet for deliveries and sales and as storage facility for its products. The Cooperative will also establish a process that will provide feedback to the members on the general trend of the market regarding supply, demand, quality, preferences, pricing, and scheduling to inform its own production planning.

B. Management and Accounting Improvement Activities

1. GMCS will take all necessary actions to obtain its formal registration certificate by month six of Project year one.
2. GMCS will hire a management consultant to work with the Cooperative's Board of Directors and management team to develop a comprehensive three-year business plan detailing opportunities for further expansion and sustained profitability of the Cooperative. The consultant will be hired by month nine of Project year one and the business plan will be developed by month three of Project year two. The business plan will:
 - a. document lessons learned from Project year one, particularly in the implementation of improved production and processing techniques;
 - b. determine the most cost-effective ways of producing and marketing the Cooperative's products and services;

- c. explore options for additional income generation activities for the Cooperative;
 - d. explore options for expanding Cooperative membership and/or providing benefits to non-members;
 - e. review current marketing practices, market trends and associated risks, and update the Cooperative's strategy for marketing the its products; and
 - f. develop indicators that track benefits to members and the community.
3. GMCS will hire an accounting consultant to work closely with the Cooperative's Board of Directors and management team to develop and operate appropriate financial accounting procedures, policies and systems. The accounting consultant will document these in a financial systems manual, including a comprehensive set of organizational policies, procedures and internal controls. The consultant will mentor and provide training to the secretary, the management team, and the Board of Directors to develop their financial skills and provide training in financial principles. The accounting consultant will be hired by month three of Project year one.
 4. GMCS will hire a technical assistance provider(s) to train GMCS members, the management team, and the Board of Directors in business principles, monitoring and evaluation techniques, group dynamics, organizational development, and business entrepreneurship. The technical assistance provider(s) will be hired by month six of Project year one.

VIII. Roles and Responsibilities of the Parties

The members and management of GMCS are responsible for the management and the proper implementation of the Project. ADF's Partner in Liberia will provide training in the areas of standard ADF bookkeeping, monitoring, and assessment. The Partner will also provide technical assistance and management assistance during implementation.

IX. Monitoring and Evaluation

ADF's Partner in Liberia will closely monitor the activities of GMCS to ensure proper reporting, adherence to the Project implementation plan by the Cooperative and progress towards the achievement of Project objectives. The Partner will continuously assess 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 the Cooperative's quarterly reports to ADF and will submit comments and observations to the management of GMCS as part of the on-going performance assessment.