

PROJECT DESCRIPTION**Biriwiri Potato Farmers Cooperative Capacity Building****Malawi****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

Biriwiri Farmers and Marketing (BIFAM) is a registered cooperative society that grows, harvests, and sells an improved variety of Irish potato in the Central Region of Malawi. BIFAM would like to take advantage of unmet demand for Irish potatoes and potato crisps in Malawi. To increase its potential to capture additional market share, BIFAM needs to improve its management and technical capabilities as well as its financial management systems.

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. Client Contribution

BIFAM will contribute land and labor.

IV. Project Goal

The goal of the BIFAM grant is to improve the standard of living for farmers in Malawi.

V. Project Purpose

The purpose of the investment is to improve BIFAM's prospects for sustained expansion as demonstrated by the development of a comprehensive five-year business plan that ADF deems suitable for funding by a donor or other financial institution.

VI. Project Outputs

By the end of the Project period, BIFAM will achieve the following.

- A. Improved technical capacities as demonstrated by the number of farmers supplying potatoes increasing from 50 farmers per annum to 120 farmers per annum by the end of the project.
- B. Improved management and operating systems capacity as demonstrated by:
 1. improved business systems and accounting systems are implemented and BIFAM is certified as compliant with ADF financial and reporting requirements; and
 2. management uses financial and accounting reports and audited yearly account reports in its decision making.

VII. Project Activities

BIFAM will ensure the following major activities are implemented.

- A. Improve the management and institutional capability of BIFAM by:
 1. training BIFAM satellite leaders to acquire the necessary skills to improve leadership and better organize, train, and encourage group members;
 2. training BIFAM board and management in good governance;
 3. training BIFAM board and management to manage a credit revolving fund and hire a consultant to develop a credit revolving loan fund manual;
 4. preparing a comprehensive business plan;
 5. developing a personnel manual;
 6. developing a market strategy;
 7. acquiring additional office space and equipment that will increase their accessibility to the farmer members and potential buyers; and
 8. establishing a more professional leadership core by recruiting and paying association staff including a general manager.

- B. Institute improved financial and operating procedures by:
1. hiring an accounts assistant to manage the financial accounting system and handle the finances of the association;
 2. developing accounting processes and roles specifically tailored to the operations of BIFAM and documenting them in a financial manual; and
 3. conducting an internal audit to identify and resolve weaknesses in the financial records or systems.
- C. Improve Irish potato production systems by:
1. training BIFAM staff in quality standards, packaging, and operation of potato crisp machinery;
 2. training factory staff in health and safety practices; and
 3. improving product quality through certification from the Malawi Bureau of Standards.

VIII. Roles and Responsibilities of the Parties

ADF's Partner in Malawi will provide the standard ADF training in bookkeeping, monitoring and assessment. BIFAM is responsible for ensuring the proper management and implementation of the Grant. The ADF Partner in Malawi will provide BIFAM with technical and management assistance during implementation.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Client, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Client's organization. The committee will provide the Partner input for the Project monitoring plan. In addition, during implementation, the committee will have responsibility for ensuring that the Project follows the implementation plan, and that problems identified through monitoring and evaluation are properly addressed in a timely manner.