

PROJECT DESCRIPTION

D'Kar Community Capacity Building Project

Botswana

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

Kuru Development Trust (KDT) is a community based organization that promotes income generating activities for 1500 rural residents in D'Kar settlement village, near Gantsi. The members of KDT are part of the San ethnic group, a historically marginalized population with high levels of illiteracy, unemployment, and poverty. KDT has identified two opportunities for income generating projects. First, there is strong local demand for vegetables. Second, KDT hopes to capitalize on excitement and demand for souvenirs related to the 2010 World Cup in South Africa. However, KDT currently lacks the accounting skills and management capacity to effectively support community based projects.

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

Kuru Development Trust will contribute land for horticulture, office space and other buildings, and the labor of its existing management team and members.

IV. Project Goal

The goal of this Project is to improve the standard of living of the San community in D'kar and the surrounding area.

V. Project Purpose

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

VI. Outputs

- A. Improved financial management as evidenced by the KDT management team's routine use of performance reports, budget expenditures, profit and loss statements, cash flow statements, and balance sheets in making financial and management decisions for individual business development projects.
- B. Improved KDT community management capacity as evidenced by a functioning and active Board of Directors that meets quarterly to assess management development progress and address implementation constraints impeding operational efficiency and progress.
- C. KDT-developed horticulture project sells at least three new varieties of vegetables.
- D. KDT-developed youth leatherworking produces and sells at least three types of small goods.

VII. Activities

A. Financial Management Activities

KDT will establish an office equipped with two computers and install accounting software. A financial systems consultant will train the coordinator, deputy coordinator, and the finance manager on proper use of the computerized accounting software. The financial systems consultant will also work with the management team to create a manual of procedures that establishes internal controls and documents accounting policies by the end of month six of the Project. The finance manager will operate the Trust's financial systems and will regularly advise the management and Board on the financial status of the organization.

B. Business Management and Governance Activities

1. The coordinator of KDT will assume responsibilities for the overall management of the Project. Specifically, the coordinator will be responsible for facilitating training activities, overseeing the procurement of supplies and equipment, and ensuring the development of the business plan and marketing strategy.

2. KDT will create a Business Development Unit staffed with two business development officers by month four of the Project. The business development officers and the management team will attend a training workshop on business and management skills. The workshop will teach principles of leadership, project management, and financial management.
3. The business development officers will train members in business skills, such as pricing inputs, mitigating risks, identifying market opportunities, managing human resources, and other sound entrepreneurial practices. The business development officers will also provide technical assistance with the development of business and marketing plans. The Business Development Unit will be supported by a ten percent fee on revenues from community projects.
4. The KDT Board, management team, and two members will attend a good governance training session by a consultant experienced with community-based organizations. The training will teach participatory development methodologies that encourage community-wide participation in decision-making processes.

C. Pilot Income Generating Projects

KDT will initiate two income generating community-based enterprises during the Project. The projects will allow KDT's management team and new business development office to improve its management capacity by applying the skills it learns during the training workshops.

1. Horticulture Project
 - a. KDT will take soil and water samples from the community horticulture plot and send them to a soil expert for testing. Based on the testing consultation, the horticulture project members and the management team will determine the best mix of crops to plant. The testing will be done by month four of the Project.
 - b. The coordinator and business development officer(s) will arrange a training session with a horticulture consultant for members of the horticulture interest group. The consultant will analyze the agronomic conditions in D'Kar and the market for various crops. Based on his or her study, the consultant will teach members proper techniques for land preparation, crop production, safe use of herbicides and chemicals, crop husbandry, and marketing for selected crops. The consultation will be conducted by month five of the Project.
 - c. The coordinator and the business development officer(s) will arrange for the installment of a drip irrigation system on the ten hectare horticulture plot. The irrigation system will be installed by month six of the Project.

- d. The coordinator and the business development officer(s) will procure seeds and herbicides by month six of the Project. Members of the horticulture project will prepare the field and plant the seeds.

2. Youth Sports Component

- a. The management team will procure sporting equipment, such as soccer balls and nets, and organize the youth into sports teams. The youth will participate in a variety of team sports participate in games and tournaments organized by the management team.
- b. The coordinator and business development officer(s) will arrange for ten youth from across the teams D'Kar to attend a training workshop on entrepreneurship. The training session is a nine part program called "Know About Business", and is licensed by the Government of Botswana through the Ministry of Education. The training will teach participants how to start their own business. It will include information about registering an enterprise, balancing costs and revenues, identifying markets, and growing at a sustainable rate. The participants at the training session will teach the material to their teammates to spread the knowledge and skills among the youth of KDT.
- c. The coordinator and business development officer(s) will procure leather, linen, needles, thread, and tools necessary for the production of mini soccer balls, decorative flags, and other sports-related goods.
- d. KDT will engage the services of a local leatherworker to train the youth in leatherworking practices. This consultant will advise participants on production and of leather soccer balls and other sports paraphernalia.
- e. The coordinator and business development officer(s) will engage the services of an expert in entrepreneurship and business management to provide ongoing support to the participants. This consultant will advise the participants on planning, costing their inputs, pricing their project, and reaching new markets. The entrepreneurship consultant will conduct regular visits to the Project to ensure proper implementation.

D. Business Expansion Activities

KDT will hire a consultant to work with the Board and management to develop a comprehensive five-year business plan to guide the strategic direction of Kuru Development Trust. The business plan will address the following:

1. assess the skill levels of the Trust members and describe the skills and employee levels necessary for managing multiple, permanent enterprises, and costs associated with developing those skills;

2. identify any support the Trust can benefit from, including, but not limited to, the Ministry of Agriculture;
3. use the horticulture and sports production projects as a guideline, determine the market demand for KDT's existing and potential product lines both in the local region, in other regions of Botswana and for export;
4. assess the efficacy of the business development unit and provide recommendations for the organizational structure of KDT to ensure the Trust is able to assess the relative profitability of each of its enterprises;
5. provide market strategies for penetration into additional markets and additional product lines;
6. provide five-year profit and loss and cash flow analyses and determine the breakeven point for each of the proposed enterprises; and
7. determine the benefits to the members for participation in Trust activities including, but not limited to, monthly stipends, profit sharing and service provision, and provide quantifiable indicators for measuring benefits to members.

VIII. Roles and Responsibilities of the Parties

The staff and management of Kuru Development Trust are responsible for the management and the proper implementation of the Project. The ADF Partner in Botswana will provide training in the areas of standard ADF bookkeeping, monitoring and assessment. The ADF Partner in Botswana will also provide technical assistance and management assistance during implementation.

IX. Monitoring and Evaluation

ADF's Partner in Botswana will closely monitor the activities of Kuru Development Trust to ensure proper reporting, adherence to the project implementation plan by the Cooperative and movement 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 ADF's quarterly reports and will submit comments and observations to the management of Kuru Development Trust as part of the on-going performance assessment.