

APPENDIX A

PROJECT DESCRIPTION**Sehunou Piggery and Horticulture Project****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

AEET, ADF's partner in Botswana, began working with the residents of Sehunou village in November 2006 through the Participatory Development Methodology Community Initiatives (PDM-CI) process. The process involved mobilizing the community in Sehunou village to identify priority needs and potential solutions and to engage in development initiatives to address those needs. As part of the mobilization, community members formed Thobaaxhaa Community Trust (TCT) in 2008. TCT identified high unemployment as the most important problem facing the village. To address this issue, TCT has decided to undertake small-scale horticulture and piggery production for sale. However, the Association lacks the financial resources and managerial capacity to undertake these activities.

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

Thobaaxhaa Community Trust will finance office expenses and salaries of the Trust after Project Year 1. In addition, TCT will contribute the labor of its members and a farm on which the horticulture and piggery activities will take place.

IV. Project Goal

The project goal is to promote the participation of Botswana citizens in the social and economic development of their communities and to improve the standard of living of small-scale farmers in the Central District of Botswana.

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V. Project Purpose

The purpose of the Project is to increase the incomes of Thobaaxhaa Community Trust and selected members of Sehunou Village, as demonstrated by the following.

- A. TCT's income (before taxes and depreciation) will increase from a baseline of Botswana Pula (BWP) 0 to BWP 8,441 in Project Year II.
- B. After Year I of Project implementation, the participating community members' income from horticulture and piggery production will increase from a baseline of Botswana Pula (BWP) 0 to BWP 19,200 in Project Year II.

VI. Outputs

- A. Increased capacity of TCT to produce vegetables and raise pigs as measured by the following increases in production volume and gross revenues.
 - 1. Horticulture Production and Sales Revenue
 - a. The number of tomatoes, rapes, and cabbages produced and sold will change from a baseline of zero to:
 - i. eight tons in Project Year I; and
 - ii. eleven tons in Project Year II.
 - b. TCT's projected annual gross revenues from the sale of tomatoes, rapes, and cabbages will change from a baseline of Botswana Pula (BWP) 0 to BWP 27,300 in Project Year II.
 - 2. Piggery (Porkers and Weaners) Production and Sales Revenue
 - a. The number of weaners and porkers produced and raised to a sellable size and weight will change from a baseline of zero weaners and porkers to:
 - i. 100 weaners and 70 porkers in Project Year I; and
 - ii. 110 weaners and 80 porkers in Project Year II.
 - b. TCT's projected annual gross revenues from the sale of weaners and porkers will change from a baseline of BWP 0 to:
 - i. BWP 137,000 in Project Year I; and
 - ii. BWP 165,000 in Project Year II.
- B. Increased capacity of TCT to support and coordinate community development projects, as demonstrated by the following.
 - 1. TCT's management routinely utilizes documents produced during the Project, such as quarterly bank reconciliations, budgets, profit and loss

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statements, balance sheets and cash flow statements in making financial and management decisions regarding how to advance income generation activities.

2. Establishment of a financial and accounting system that produces financial statements including monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, and has adequate financial controls, accounting procedures, policies, and systems that will be capable of being audited by an independent accounting or audit firm.

VII. Activities**A. Capacity Building Activities**

TCT will focus on capacity building activities in the first six months of the project, especially on training to meet the financial management needs of the association. The financial systems of the association will then be assessed after the first six months of the project as to its ability to obtain financial certification.

B. Production Activities

1. Through a participatory process the residents of Sehunou Village identified unemployment, poverty, poor health, and lack of financial resources as major problems in their community. Village members decided the establishment of a small-scale horticulture and piggery farm would help them address these problems. This Project will provide TCT and the community the resources to establish and maintain the farm.
2. TCT will provide overall management and coordination of the two interest groups, horticulture and piggery production. TCT will coordinate production related activities such as bulk collection and distribution to market places and identification of markets. The piggery production participants will raise piglets from sows and boars and sell porkers and weaners at market. The horticulture activity will take place on a one hectare plot and tomatoes, rapes, and cabbages will be grown on the plot.
3. In addition, the following activities will be undertaken to achieve the production and sales outputs.
 - a. Horticulture Activities
 - i. TCT will oversee the groups' fencing and bush clearing, including hiring a tractor to prepare the soil for vegetable planting.
 - ii. TCT will purchase and utilize the necessary garden tools, equipment, protective clothing, manure, fertilizer, and seed for the horticulture activity, and will facilitate the installation of the irrigation system.
 - iii. TCT will develop a basic marketing system for the horticulture products including transport to market and advertising.

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iv. TCT's members will be trained in horticultural production and marketing through farmer workshops and ongoing mentoring by the facilitator and AEET PDM staff.

b. Piggery Activities

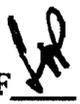
- i. TCT will purchase 120 piglets a year to feed for the production of porkers. They will also purchase 13 boars and 130 sows a year as breeding stock to produce weaners for sale. For proper rearing of the pigs, TCT will purchase and utilize the necessary tools, equipment, feed and medicines.
- ii. TCT will purchase the materials and construct a piggery shelter with water to house the pigs.
- iii. TCT piggery members will be trained in piggery management and husbandry. The initial training for pig producers will address proper handling and disposal of pig waste with the ultimate goal of reducing the impact of piggery activities on the environment and human health.
- iv. TCT will develop a basic marketing system for the porkers and weaners including transport to market and advertising.

C. Increased capacity of TCT to coordinate community development projects by successful continuation of the PDM-CI process.

- 1. TCT will hire a facilitator to work closely with the Executive Committee and Association members, and will continue to work with AEET using the PDM-CI process to guide the growth of the organization and expand village participation in TCT. The facilitator will manage and ensure that Project activities are implemented.
- 2. TCT, with the assistance of a technical expert, will complete a business plan and marketing strategy that will guide the growth of the small-scale horticulture and piggery production and determine the most cost-effective method of further expansion. The business plan will contain a detailed environmental impact analysis of pig wastes, including mitigation strategies as the enterprise scales up.

D. Increased Management Capacity

- 1. TCT will recruit a qualified bookkeeper who will be trained in financial management to perform the bookkeeping functions, generate financial reports and financial statements, and develop appropriate financial procedures.
- 2. TCT will hire technical assistance providers to train the Facilitator, Bookkeeper and Executive Committee on financial management and business management.

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3. TCT will hire a Chartered Accountant on a short-term contract to work closely with the bookkeeper to develop appropriate financial accounting procedures, policies and systems that comply with ADF guidelines and meet the Grantee's needs as well as ensuring timely and accurate financial reporting.

VIII. Roles and Responsibilities of the Parties

The staff and elected leadership of Thobaaxhaa Community Trust are responsible for the management and the proper implementation of the Project. AEET, ADF's PDM-CI Partner in Botswana, will provide training in the areas of management, ADF reporting, corporate/cooperative governance and business planning. The Partner will also provide technical assistance to the members and leadership in those areas.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Grantee'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.

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