

PROJECT DESCRIPTION**Gojwane Youth Poultry 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

Gojwane Youth Poultry (GYP) members are San (Basarwa), an ethnic group that has been historically marginalized and excluded from economic development. GYP has developed a small poultry production operation and currently raises chickens that it sells as broilers on an eight-week cycle. The group has determined that the best way to improve incomes for its members is by exploring the potential for expansion and diversification. GYP is constrained, however, by the lack of a formal business structure that can support the poultry enterprise and interest group, a rudimentary financial management system, insufficient funds to purchase capital inputs necessary for an efficient and viable poultry enterprise and a dependency on one customer for market.

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

The organization will cover the salaries of the management team after Project Year 1. GYP will also contribute its land, its existing assets which include two chicken sheds and will pay for the costs of purchasing 1,000 day old chicks and feed for the 1,000 chicks over a six week cycle.

IV. Project Goal

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

V. Project Purpose

The purpose of the Project is to increase the incomes of Gojwane Youth Poultry and GYP members, as demonstrated by the following.

- A. GYP's income (before taxes and depreciation) will change from a baseline of Botswana Pula (BWP) 4,014 to the following:
 - 1. BWP -19,269 in Project Year I; and
 - 2. BWP 31,156 in Project Year II.

- B. GYP members will benefit from increased income with each member earning BWP 250 per month in Project Year 1 and BWP 400 in Project Year 2. Their combined annual income will increase from a baseline of BWP 24,000 to:
 - 1. BWP 41,500 in Project Year I; and
 - 2. BWP 105,600 in Project Year II.

VI. Outputs

- A. Increased capacity of GYP to raise and sell broilers and eggs as measured by the following increases in production volume and gross revenues.
 - 1. Broilers Production and Sales Revenue
 - a. The number of chickens produced and raised to a sellable size and weight will change from a baseline of 4,871 to the following:
 - 1) 6,100 in Project Year I; and
 - 2) 8,000 in Project Year II.
 - b. GYP projected annual gross revenues from the sale of broilers will change from a baseline of BWP 146,130 to the following:
 - 1) BWP 214,000 in Project Year I; and
 - 2) BWP 280,000 in Project Year II.
 - 2. Eggs Production and Sales Revenue
 - a. The number of dozen eggs produced will change from a baseline of zero to:
 - 1) 1,540 in Project Year I; and
 - 2) 8,000 in Project Year II.
 - b. GYP projected annual gross revenues from the sale of eggs will change from a baseline of BWP 0 to:
 - 1) BWP 14,700 in Project Year I; and
 - 2) BWP 105,000 in Project Year II.

- B. Increased capacity of GYP to support and coordinate community development projects, as demonstrated by the following.

1. GYP's management routinely utilizes documents produced during the Project, such as quarterly bank reconciliations, budget expenditures, profit and loss statements, balance sheets and cash flow statements in making financial and management decisions regarding how to advance income generation activities.
2. Production of financial statements from the financial and accounting system that include monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, 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. Financial Management Activities

1. GYP will hire a bookkeeper by month four of Project Year 1, whose role will be the proper reporting, recording and implementation of financial management processes.
2. GYP will hire a consultant who will provide support to the bookkeeper and facilitator to develop a financial management system at the standards required for an audit, with the intent of having financial systems capable of receiving financial certification from ADF by the end of the Project. The consultant will provide training to the bookkeeper and facilitator, will develop a financial management manual through a series of workshops with the management team and board and will provide in-depth training to the bookkeeper in the application of the financial manual. The consultant will provide ongoing support on a quarterly basis to the bookkeeper to ensure financial systems are being implemented correctly. Financial systems will be developed and documented in a financial manual by month six of Project Year 1 and follow-up training will be on a quarterly basis for the duration of the Project.

B. Business Management Activities

1. GYP will hire a facilitator by month four of Project Year 1 whose role will be general project management and implementation.
2. GYP will establish a fully functional office with one computer, printer, copier, fax, scanner, office furniture and electricity complete by month six of Project Year 1.
3. GYP will review its dividend policy and document, adopt and implement it through a participatory process to ensure a wider benefit spread. This will be complete by the end of Project Year 1.
4. Using participatory development methodologies, GYP will hire consultants to conduct several workshops on governance and

organizational structure to prepare GYP for expanded membership and production. Governance training will focus on group dynamics and the roles and responsibilities of the board and management. Organizational training will focus on defining the relationship between GYP and the interest groups and the support the interest groups will receive from GYP. Training sessions will begin in month six and will be complete by month nine of Project Year 1.

5. GYP will hire a consultant to develop a comprehensive business and marketing plan to guide the growth of GYP. The business plan will be complete by month 18 of Project Year 1.

C. Marketing Activities

1. GYP will receive training in marketing to help them develop their skills in marketing management and gain a better understanding of the poultry and eggs markets. Marketing training will be complete by month seven of Project Year 1.
2. GYP will hire a consultant to develop a marketing plan that will assist the group to establish relationships with additional buyers and determine strategies for penetrating markets where research shows GYP to be competitive. A marketing plan will be complete by month eight of Project Year 1.
3. By month nine of Project Year 1, GYP will obtain membership in a central poultry marketing cooperative so as to improve market access for their broilers.

D. Production improvement activities - Broilers

1. GYP will construct a chicken shed and slaughter house for the production of broilers. The chicken shed will house 1,000 chickens. Construction of the two facilities will be complete by month nine of Project Year 1.
2. GYP will purchase 1,000 day old chicks and will purchase feed and medication to cover a 42 day feeding schedule. Purchase of chicks and feed will be complete by month ten of Project Year 1.
3. GYP will purchase and operate various production equipment including water fonts, tube feeders, a cutter, a stunner and bleeder, an electronic scale and a plucking machine. GYP will also purchase and install a freezer room to store the chickens before sale and will purchase three gas heaters with regulators to keep the chickens warm. The equipment will be purchased and in operation by month eleven of Project Year 1.
4. GYP will purchase an electricity generator set to provide power to the machinery and equipment used and lighting for the chickens at night. The generator will be purchased by month ten of Project Year 1. Major

purchases of capital items will be disbursed via third party for the first four months of Project Year 1 or before financial staff is in place.

E. Production Improvement Activities - Layers

1. GYP will construct a chicken shed to house 1,000 chickens complete by month nine of Project Year 1.
2. GYP will purchase 1,000 point of lay chickens, feed and medication to cover a six month period and two starter and eight follower cages for the production of eggs. Purchase of these items will be complete by month ten of Project Year 1.
3. GYP will purchase packaging materials such as egg cartons and boxes by the end of Project Year 1.

F. Production Improvement Activities - Training

GYP members will receive training in poultry operations and management. The training will cover issues of hygiene, costing, basic marketing and production methods. Training will be complete by month nine of Project Year 1.

VIII. Roles and Responsibilities of the Parties

The staff and elected leadership of GYP 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 and cooperative governance, and business planning. The Partner will also provide technical assistance to the members and leadership in those areas.

IX. Monitoring and Evaluation

ADF's partner in Botswana will closely monitor the activities of the GYP 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 action 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 GYP as part of the on-going performance assessment.