

PROJECT DESCRIPTION**Komku Cattle 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

Komku Trust (KT) has helped seven San communities in western Botswana organize into five cattle groups. The San are a historically marginalized population who suffer from high levels of unemployment, illiteracy, and poverty. Members of a cattle group own cattle individually, but share grazing and water rights among the group. The Botswana Meat Commission (BMC), which purchases livestock from domestic producers for export, has struggled to meet its quota of beef exports to the European Union. KT wants to take advantage of BMC's unmet demand, but it lacks the capacity to mobilize and support its member groups. KT is constrained by inadequate financial accounting, unorganized governance structure, lack of business experience, and inadequate livestock management skills.

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 4 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 Trust will contribute four boreholes. Members of the cattle groups will contribute labor for the construction of reservoirs, troughs, and borehole pump houses.

IV. Project Goal

The goal of this Project is to promote the growth of small-scale cattle enterprises that will improve the standard of living of the poor in the Central District of Botswana.

V. Project Purpose

The purpose of the Project is to improve KT's capacity to support cattle interest groups, as evidenced by the development of a comprehensive five-year business plan that ADF deems suitable for investment.

VI. Outputs

A. Improved financial capacity of KT as evidenced by the following:

1. KT management routinely uses documents produced during the Project, such as quarterly bank reconciliations, budgets, profit and loss statements, balance sheets, and cash flow statements in making financial and management decisions regarding how to advance income generation activities; and
2. Komku Trust establishes 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 meet international audit standards.

B. Improved organizational capacity of KT to support member cattle groups, as evidenced by the creation of a document outlining the duties and responsibilities of member groups and the Trust.

VII. Activities

A. Financial Management Activities

KT will hire a consultant with expertise in financial management on a short term contract to train the current financial administrator in formal accounting practices. The training will result in a Financial Systems and Accounting Manual that describes internal controls and standard accounting procedures. Once the financial system is in place, the consultant will provide follow-up training and assess the implementation of financial systems when necessary. Financial systems will be established by the end of month six of Project Year 1, and follow up services will be provided on a quarterly basis for an additional four quarters.

B. Organizational and Governance Activities

1. The board members of KT and the cattle group committee members will attend a training session on Trust and Cattle Groups governance. The training session will describe effective ways to manage the relationship between an umbrella group and its smaller member groups, and between the cattle groups' committees and the cattle groups' members. The training session will assist board members and cattle groups' committee members to appreciate, understand and interpret the Deed of Trust and the cattle groups' constitutions. Training will be complete by month six of Project Year 1.
2. KT will hire a consultant to review the Trust's organizational structure and conduct a workshop on effective use of human resources. The consultant will produce a report that includes detailed job descriptions for staff and board members and recommend actions that will make the organization more responsive to its member groups. The consultant's report will be in use by month nine of Project Year 1.
3. KT will hire a consultant to facilitate a strategic planning workshop for the board of directors. At the workshop, the Board will learn how to identify, plan, and implement other income generating activities that fit within the Livelihood Program for the San. The conference will produce a report outlining the Trust's plans for long-term growth. The strategic planning workshop will be complete by the end of Project Year 1.

C. Livestock Production Capacity Activities

1. KT will hire a consultant to train members in farm development. The consultant will conduct a workshop with members, resulting in a Farm Development Plan. The Farm Development Plan will incorporate the members' vision into a document that guides the physical development of member groups' ranches and farms regarding fencing, pad docking, water reticulation, firebreak development, and general maintenance. It will also include plans for adding new cattle groups within KT. The Farm Development Plan will be in use by month nine of Project Year 1.
2. KT will hire a consultant to work with members in the creation of a Livestock Management Plan. The consultant will conduct a workshop with members of all cattle groups, where she or he will teach them modern livestock care. The session will include training on animal hygiene, proper feed, veterinary care, and what type of livestock (e.g., heavy and early maturing) to raise for the beef market. The session will include interactive practice at the consultant's farm. The Livestock Management Plan will be in use by month nine of Project Year 1.

3. KT will hire a professional hydrologist to recommend the locations for boreholes on cattle group farms. Members will provide their own labor to install the boreholes, using equipment purchased through the Project. A hydrologist will be hired by month five of Project Year 1 and boreholes will be installed and in use by the end of Project Year 1.

D. Business Expansion Activities

1. The management team, Board of Directors, and selected members will attend a training session on entrepreneurship development. The training will teach business skills, such as developing marketing skills, anticipating costs, and appropriate reinvestments. Training will be complete by month three of Project Year 2.
2. KT, with the assistance of a consultant, will create a comprehensive five-year business plan, complete by month six of Project Year 2. The business plan will address the following:
 - a. explore the benefits of registering Cookaboo, Local, Botlhaba, Kuke, and GX cattle groups as agricultural management associations;
 - b. establish mechanisms for establishing new cattle groups, including processes to develop constitutions and secure water rights;
 - c. convert communal land areas into registered commercial farms;
 - d. explore the potential for members to learn herding skills for commonly owned and/or individually owned cattle;
 - e. establish channels for the cattle groups to deliver their products to the Botswana Meat Commission;
 - f. create a common marketing strategy that identifies local and regional buyers;
 - g. assess the carrying capacity of grazing land as potential sites for future commercial farms;
 - h. develop measures to ensure pasture regeneration; and
 - i. determine the volume of animal waste that will be generated and ways to dispose of it.

VIII. Roles and Responsibilities of the Parties

The staff and management of Komku Trust are responsible for the management and the proper implementation of the Project. Enterprise Botswana, ADF's partner in Botswana, will provide training in ADF required training and provide oversight of private consultants' training in the areas of governance, strategic planning, livestock management planning and farm development planning, and preparation of a marketing and business plan.

IX. Monitoring and Evaluation

ADF's Partner in Botswana will closely monitor the activities of Komku Trust to ensure proper reporting, adherence to the Project implementation plan by the organization and movement towards 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 ongoing coaching and advisory service. The Partner will review ADF's quarterly reports and will submit comments and observations to the management of Komku Trust as part of the ongoing performance assessment.