

PROJECT DESCRIPTION

Kgagodi Women Beekeepers Honey 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

Kgagodi Remmogo Basadi Association (KRBA) is an organization of women in Kgagodi Village, located in Botswana's Central District. KRBA is affiliated with Kgagodi Development Association, an ADF-funded community enterprise that promotes income generating activities for member groups in Kgagodi village. KRBA identified beekeeping as an opportunity for the women to increase their income because demand for honey is high in Botswana. However, the group is unable to take advantage of this market opportunity because of weak management by and lack of funds for beekeeping supplies.

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 Association will contribute the land where the hives will be located and members will contribute their labor to the completion of the Project.

C. Other Contribution

Kgagodi Development Association will provide the services of their facilitator and bookkeeper to manage the activities of this Project.

IV. Project Goal

The goal of this Project is to improve the standard of living among rural residents in Botswana's Central District.

V. Project Purpose

The purpose of the Project is to increase the income of KRBA and its participating members, as evidenced by:

- A. KRBA's net income (before taxes and depreciation) will change from a baseline of Botswana Pula (BWP) zero to:
 - 1. BWP 3,000 in Project Year 1;
 - 2. BWP 3,000 in Project Year 2;
 - 3. BWP 11,700 in Project Year 3;
 - 4. BWP 29,800 in Project Year 4; and
 - 5. BWP 48,950 in Project Year 5.

- B. Participating members' income will change from a baseline of be BWP zero per month per member to:
 - 1. BWP 0 per month in Project Year 1;
 - 2. BWP 400 per month in Project Year 2;
 - 3. BWP 440 per month in Project Year 3;
 - 4. BWP 600 per month in Project Year 4; and
 - 5. BWP 660 per month in Project Year 5.

VI. Outputs

- A. Improved financial capacity of KRBA
 - 1. KRBA 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 and in advancing income generation activities; and
 - 2. KRBA 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 will meet international audit standards.

- B. Increased honey production and marketing capacity
 - 1. Participating members of KRBA increases from a baseline 20 to:
 - a. 20 members by the end of Project Year 1;
 - b. 25 members by the end of Project Year 2;
 - c. 50 members by the end of Project Year 3;
 - d. 50 members by the end of Project Year 4; and
 - e. 50 members by the end of Project Year 5.

2. The annual volume of honey produced by KRBA increases from a baseline zero kg to:
 - a. 480 kg in Project Year 1;
 - b. 600 kg in Project Year 2;
 - c. 1,900 kg in Project Year 3;
 - d. 4,600 kg in Project Year 4; and
 - e. 6,300 kg in Project Year 5.
- C. Honey sales revenue increases from a baseline of BWP zero to:
1. BWP 21,600 in Project Year 1;
 2. BWP 29,700 in Project Year 2;
 3. BWP 103,450 in Project Year 3;
 4. BWP 275,500 in Project Year 4; and
 5. BWP 415,000 in Project Year 5.

VII. Activities

A. Financial Management Activities

1. The bookkeeper currently working with the Kgagodi Development Association will assume responsibilities for setting up internal control systems, recording financial transactions, and reporting the financial status of KRBA to its Board of Directors and the Board of Directors of KDA. The KDA bookkeeper will begin working with KRBA starting in month one of Project Year 1. It is estimated that 25% of the KDA bookkeeper's time will be dedicated solely to managing the accounts of KRBA.
2. KRBA will hire a consultant with expertise in financial management to work closely with the community members, the facilitator, and the bookkeeper to develop appropriate financial accounting procedures, policies and systems that will ensure timely and accurate financial reporting. Once the financial system is in place, the consultant will provide follow-up training where necessary and assess the implementation of the financial system by conducting quarterly visits to KRBA. 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.
3. The financial systems consultant will conduct participatory workshops about financial management, resulting in a community created financial management manual. The workshops will encourage member input in financial decision-making and encourage enthusiasm and understanding for proper accounting procedures. The financial manual will be complete by month nine of Project Year 1.

B. Management Improvement Activities

1. The project facilitator for KDA will assume responsibilities for KRBA. The facilitator's responsibilities will include arranging training sessions, coordinating

- supply purchases, conducting regular meetings with the Board of Trustees, overseeing infrastructure construction and upkeep, developing a market strategy for honey, developing a transportation strategy to ensure products get to market in a timely manner and ensuring that project implementation benefits all project participants. The KDA facilitator will begin working with KRBA starting in month one of Project Year 1.
2. KRBA will establish a fully functional office with computers, office furniture, and electricity connectivity by month six of the Project.
 3. KRBA will use a consultant to conduct participatory development workshops with community members to guide the growth of KRBA. During the workshops, the consultant, in consultation with the community, will create a community management strategy documenting the relationship between KRBA and KDA. The strategy will establish a clear relationship between KRBA and KDA by documenting expected benefits and responsibilities, such as dues and services. The strategy will also establish policies and procedures for electing a Board of Trustees, and it will create channels for group members to participate in Board decisions, such as regular public meetings and regular elections. The workshops will be held by the end of month nine of the Project.
 4. KRBA will receive training in marketing to determine methods to identify and penetrate honey markets, especially in chain stores in Palapye. Training will help KRBA members have a better understanding of the market for honey and how to apply marketing strategies. Training will be complete by month eight of Project Year 1.
 5. KRBA will hire an experienced consultant to train members in business management. The training will cover areas such as recording transactions, estimating input costs, developing appropriate prices, sharing benefits, and reinvesting to make the project sustainable. Training will be complete by month nine of Project Year 1.
 6. KRBA will hire a consultant to develop a comprehensive business and marketing plan to guide the growth of KRBA. The business plan will be complete by month six of Project Year 2. The business plan will address the following:
 - a. determine the steps necessary for procuring licenses and other permits as may be required under the law;
 - b. describe the skills necessary for developing new honey products;
 - c. assess the potential for expanding beyond honey production by renting hives for pollination purposes and/or selling wax, pollen, or royal jelly;
 - d. compare the advantages and disadvantages of various types of hives;
 - e. examine alternatives to using smoke in beekeeping activities;
 - f. assess the management capacity of the Association in managing the income generation activities and the steps necessary to further develop the Association's management skills; and
 - g. provide an assessment of honey growth activity as developed under the Project, focusing on the potential for growth, sales and production projections and using the market study as a basis for expansion.

C. Honey Production Activities

1. The facilitator will procure 60 beehives, citrus trees and flowers for bees to forage nectar, protective clothing, beekeeping equipment, shade netting, and packaging materials for members, and coordinate the establishment of a fenced beekeeping plot. Complete by month nine of Project Year 1. Major purchases of capital items will be disbursed via third party until KRBA has financial systems in place.
2. KRBA members will attend a training workshop about beekeeping operations. The training will include instructions on hygiene, planting trees and flowers conducive to bee hives, proper use of equipment and protective clothing, and honey harvesting and marketing. Complete by month six of Project Year 1.
3. The facilitator will arrange a study exchange tour with a similarly-sized beekeeping operation during the first year of the Project. The tour will help members observe the group dynamics and production activities of a community-led beekeeping enterprise. The facilitator will arrange of second tour during Project Year 2 for 20 members to see how a beekeeping enterprise expands its production level.

VIII. Roles and Responsibilities of the Parties

The staff and management of KRBA are responsible for the management and the proper implementation of the Project. AEET, ADF's partner in Botswana, will provide training in the areas of management, ADF reporting, governance and business planning.

IX. Monitoring and Evaluation

ADF's Partner in Botswana will closely monitor the activities of KRBA 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 KRBA as part of the ongoing performance assessment.

X. Other Implementation Issues

Until such time that the Grantee has been financially certified, disbursements will be limited to BWP 684,000, and capital equipment will be provided through third party disbursements until financial systems are in place.