

PROJECT DESCRIPTION**Modise Lerala Piggery and 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

Modise Development Society (MDS) is a community based organization in Lerala village in the Central District of Botswana. Lerala is located in a very rural region, where poverty, illiteracy, and unemployment levels are high, especially among youth and women. AEET, ADF's Partner in Botswana, conducted participatory development workshops in Lerala to mobilize the community to identify priority needs and potential solutions to address poverty related problems. The community identified poultry and piggery production as potential income generating activities. However, MDS lacks the financial systems, managerial capacity, and equipment it needs to operate a sustainable enterprise.

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

MDS will cover the salaries of the management team after month 12 and its members will contribute land and labor in undertaking the Project.

IV. Project Goal

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

V. Project Purpose

The purpose of the Project is to increase the income of MDS and its members, as demonstrated by the following.

- A. The net income of MDS (before taxes and depreciation) will change from a baseline of zero BWP to:
 - 1. BWP (69,326) by the end of Project Year 1; and
 - 2. BWP 10,000 by the end of Project Year 2.

- B. The salaries and wages paid to participating members of MDS will increase from a baseline zero BWP to:
 - 1. BWP 40,300 by the end of Project Year 1; and
 - 2. BWP 88,700 by the end of Project Year 2.

VI. Outputs

- A. Improved financial capacity of MDS as evidenced by the following:
 - 1. 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. a financial and accounting system 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 audit standards.

- B. MDS improves its community management capacity, as evidenced by the following:
 - 1. MDS holds constitutional election for a Board of Trustees, and produces meeting minutes that attest to community participation in regular Board meetings and an annual general meeting; and
 - 2. MDS develops a formal structure governing its relationship with a piggery interest group and a poultry interest group.

- C. Improved poultry business and marketing capacity, as evidenced by an increase in broiler sales from a baseline of BWP zero to the following:
1. BWP 86,400 in Project Year 1; and
 2. BWP 183,600 in Project Year 2.
- D. Improved piggery business and marketing capacity, as evidenced by an increase in porkers and weaners sales from a baseline of BWP zero to the following:
1. BWP 124,500 in Project Year 1; and
 2. BWP 229,000 in Project Year 2.

VII. Activities

A. Financial and Community Management Activities

1. MDS 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. MDS will also hire a facilitator by month four of Project Year 1, whose role will be to oversee the day-to-day operations of the poultry and piggery businesses, cultivate markets, and manage staff.
2. MDS will establish an office with computer and accessories. The office will be outfitted for electricity by month three of Project Year 1. The management team and community members will be trained in basic computer literacy by month six of Project Year 1.
3. MDS will hire a consultant who will provide support to the bookkeeper and facilitator to develop a financial management system to the standards required for an audit. The consultant will facilitate a series of participatory development workshops with the community, where the management team and members of the community will learn about financial management practices and the financial system developed for the Project. 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.
4. The facilitator will arrange for a series of participatory development workshops with a consultant, during which the community will review its organizational structure and governance practices. The consultant will then work with the management team to prepare a report documenting a revised organizational structure that clearly delineates management and governance roles and articulates job descriptions, and defines the

relationship between MDS and member interest groups. The report will be complete by month six of the Project.

B. Piggery Production Activities

1. MDS members will clear land and establish perimeter fences around the site for the piggery shed. The facilitator will ensure that MDS purchases proper materials and engages competent contractors to build a piggery shelter capable of housing the weaners and breeding stock. The facilitator will also ensure that MDS hires a qualified contractor to connect the piggery shelter to water and electricity. The piggery shelter will be complete by month six of the Project.
2. The facilitator will procure feed and handling tools for proper care of the pigs.
3. The facilitator will arrange for a training session with extension officers from the Ministry of Agriculture. The training session will teach MDS members about piggery hygiene, husbandry, and management. After the training, the management team will design annual piggery operational plans. The training will be complete by month five of the Project.

C. Poultry Production Activities

1. MDS will clear land, build a perimeter fence, and construct a poultry shed capable of housing 2,000 day old chicks by month nine of Project Year 1. The facilitator will also ensure that MDS hires a qualified contractor to connect the piggery shelter to water and electricity. The chicken shed will be equipped with a heater to reduce mortality in the winter. The chicken shed will be complete by month six of the Project.
2. MDS will construct a slaughterhouse near the chicken shed. The facilitator will procure the proper machinery and equipment for the slaughterhouse, and ensure that it is connected to water and electricity. A freezer room will be near the slaughterhouse.
3. The facilitator will arrange for a training session with extension officers from the Ministry of Agriculture. The training session will teach MDS members about hygiene, parasite control, basic poultry operations, and proper and safe use of the slaughtering machinery and equipment. After the training, the management team will design annual poultry operational plans. The training will be complete by month six of the Project.
4. The facilitator will procure a batch of 2,000 day-old chicks and enough feed to raise them for six weeks.

D. Marketing and Business Expansion Activities

1. MDS will purchase advertising in local media to raise awareness of their pork and poultry products. The advertising will be bought and circulated by month 12 of the Project.
2. MDS will hire a consultant to conduct participatory meetings with the community about developing a business and marketing strategy for the community. The meetings will result in a business and marketing plan. The plan, which will be completed by month six of Project Year 2, will address the following:
 - a. design a product strategy to build sufficient economies of scale;
 - b. assess the relative profitability and growth potential for piggery and poultry projects;
 - c. review potential transport services for sourcing project inputs and delivering goods to market;
 - d. recommend ways to improve health, hygiene, and safety at the piggery and chicken projects;
 - e. assess the management capacity of the society to manage more income generating activities and describe the steps necessary to further develop MDS's management skills;
 - f. explore the benefits of joining a local poultry and small stock marketing cooperative; and
 - g. articulate a long-term marketing strategy, accounting for the benefits and constraints of local and regional markets.

VIII. Roles and Responsibilities of the Parties

The staff and management of Modise Development Society 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 Modise Development Society 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 Modise Development Society as part of the ongoing performance assessment.