

PROJECT DESCRIPTION**Mowana Trust Broilers and Horticulture 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

Mowana Trust (MT) is a legally registered community-based organization that promotes economic development for the approximately 860 inhabitants of Mosweu and Mokokwana villages in Botswana. MT identified horticulture and poultry production as the most promising income-generating activities because the members possess basic agricultural skills and the area has ample water supply. Twenty members have formed a group to engage in horticulture, and 26 members have formed a group to produce poultry. However, before it can earn sustainable revenues for MT and provide income to the 46 participating members, the Trust must improve its financial management systems, develop management and governance structures, and learn horticulture and poultry production and marketing 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 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 Trust will cover the salaries of the management team after month 12, provide for heating and electricity for the slaughter house, and contribute land and labor for the Project.

IV. Project Goal

The goal of this Project is to promote the growth of small-scale poultry and horticulture 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 the revenue of Mowana Trust and the incomes of participating members, as evidenced by the following.

- A. The net income of Mowana Trust (before taxes and depreciation) will change from a baseline of Botswana Pula (BWP) 0 to BWP 53,706 in Year 2.
- B. The individual incomes of the 46 participating members derived from poultry production and horticulture will be BWP 400 per month per member. The total annual income will increase from baseline BWP 0 to BWP 73,600 in Year 2.

VI. Outputs

- A. Improved financial capacity of MT as evidenced by the following:
 1. Mowana Trust 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. Mowana 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 will be capable of being audited by an independent accounting or audit firm.
- B. Mowana Trust improves its capacity to mobilize and support its members, as evidenced by the constitutional election of a board of Trustees who meets regularly and conducts public meetings.
- C. Improved horticulture production and marketing capacity, as evidenced by the following:

1. an increase in annual vegetable production from a baseline of 0 tons to 17 tons by the end of Year 2; and
 2. an increase in cabbage sales from baseline zero to:
 - a. BWP 198,000 in Year 1; and
 - b. BWP 422,400 in Year 2.
- D. Improved poultry production and marketing capacity, as evidenced by:
1. an increase in chickens slaughtered from a baseline of 0 to 16,000 by the end of Year 2; and
 2. an increase in chicken broiler sales from a baseline of 0 to
 - a. BWP 52,500 in Year 1; and
 - b. BWP 105,000 in Year 2.

VII. Activities

A. Financial Management Activities

1. MT will hire a bookkeeper by the end of month four of the Project. The bookkeeper will be responsible for setting up internal control systems, recording financial transactions, and reporting the financial status of MT to the Board of Trustees.
2. MT will hire a consultant with expertise in financial management on a short term contract 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, with the intent of having financial systems capable of receiving financial certification from ADF by the end of the Project. The consultant will hold a participatory workshop with group members to ensure that members acquire a deeper understanding of the procedures. The consultant will work with the MT bookkeeper to document the financial systems developed in a financial management manual. 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 MT. 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. Community Mobilization and Support Activities

1. MT will hire a project facilitator by the end of month four of Project Year one. The project facilitator will be responsible for arranging training sessions, coordinating equipment purchases, conducting regular meetings

with the Board of Trustees, overseeing infrastructure construction and upkeep, developing a market strategy for the poultry and horticulture products, developing a transportation strategy to ensure products get to market in a timely manner and ensuring that project implementation benefits all project participants.

3. MT will establish a fully functional office with computers, office furniture, and electricity connectivity by month six of the Project.
4. MT will use a consultant to conduct participatory development workshops with community members. During the workshops, the consultant, in concert with the community, will create a community management strategy documenting the relationship between the Trust, its individual members, and community interest groups. The strategy will 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 strategy will also establish formal mechanisms for creating a community interest group, describe the Trust's commitment to the interest groups, and detail the interest group's responsibilities to the Trust, such as dues and subscriptions. The workshops will be held by the end of month nine of the Project.
5. MT will receive training in marketing to determine methods to market its products and identify markets that MT can penetrate. MT members will have a better understanding of the market for horticulture and broilers and how to apply marketing strategies. Training will be complete by month eight of Project Year 1.
6. MT will hire a consultant to develop a comprehensive business and marketing plan to guide the growth of MT. The business plan will be complete by month 18 of Project Year 1.

C. Production and Marketing Activities for Horticulture

1. The members of the horticulture interest group will prepare a one hectare plot of land. Members will clear away brush and set up a fence surrounding the land plot, using materials provided by MT. An irrigation outfitter will install a drip irrigation system, using water from the community borehole. MT will hire a tractor to plough the field by month six of the Project.
2. The facilitator will procure seeds, fertilizer, and protective clothing for the horticulture interest group by month nine of the Project.

3. By the end of Project Year 1 of the Project, the facilitator will arrange for the horticulture interest group to join a horticulture marketing cooperative to improve market access to horticulture products.

D. Production and Marketing Activities for Poultry Interest Group

1. Members of the poultry interest group will attend training sessions that teach aspects of poultry management, product pricing and basic marketing for poultry products. This will be done by month nine of the Project.
2. The facilitator will arrange for the construction of a poultry house capable of holding 1,000 hens and their eggs, a separate slaughter facility with appropriate equipment, and a freezer room. This will be complete by month nine of the Project. 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.
3. The facilitator will procure broiler chicks, poultry feed, and medication for the poultry house.
4. By the end of Project Year 1, the facilitator will arrange for the poultry horticulture group to join a poultry marketing cooperative to improve market access to horticulture projects.

VIII. Roles and Responsibilities of the Parties

The staff and management of Mowana Trust 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 Mowana 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 Mowana Trust as part of the ongoing performance assessment.