

## PROJECT DESCRIPTION

### Lower Tappita Cooperative Development Project

#### Liberia

#### 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

Agriculture Relief Services, Inc. (ARS) is a non-governmental organization that provides agricultural extension services to smallholder farmers of Lower Tappita, where food production in Nimba County is concentrated. In 2009, ARS, with grant support from the Liberia Community Infrastructure Project (LCIP) to three hundred (300) rural farmers, organized and distributed planting materials so that crops already produced by farmers in the area could multiply and grow. At the close of LCIP's activities in the area, ARS facilitated the creation of community farmer groups by the project participants. Farmers now have large quantities of plantains, cassava, yams, and hot pepper for sale, but are unable to access the main markets effectively in areas such as Southeast Liberia and Monrovia. There is currently no cooperative association in Lower Tappita that can assist the farmers to conduct market research or organize more profitable sales through large buyers, and farmers lack their own means to transport their produce to the markets. As a result, farmers are often obliged to accept derisory prices for their goods or leave their crops to spoil when they are unable to find buyers.

#### 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

ARS will contribute office space in Sanniquellie and Tappita, three motorcycles, and a pick-up truck for use during the Project.

#### IV. Project Goal

The goal of the Project is to improve the standard of living of poor farmers in Lower Tappita District of Nimba County, Liberia.

ADF      ARS \_\_\_\_\_

**V. Project Purpose**

The purpose of the Project is to increase the incomes of farmer members from plantain, pepper, and other food crop sales through a cooperative organization from 0 to:

1. US\$ 101,000 in Project Year 1;
2. US\$ 405,000 in Project Year 2; and
3. US\$ 412,000 in Project Year 3.

**VI. Outputs**

The Project will result in the creation of a cooperative farmers association to facilitate members' ability to produce and market food crops as indicated by the following.

- A. The value of plantain, pepper, and other food crop sales through farmers' associations will increase from 0 to:
  1. US\$ 215,000 in Project Year 1;
  2. US\$ 861,000 in Project Year 2; and
  3. US\$ 885,000 in Project Year 3.
- B. Ten farmers marketing associations will be functional by Year 2 of the Project.
- C. A cooperative organization representing the interests of the ten farmers marketing associations will be registered and operational by Year 3 of the Project.
- D. The cooperative organization will cover all of its operating costs by the end of Project Year 2.

**VII. Activities**

- A. Training and Technical Assistance
  1. ARS will organize individual farmers into a functional cooperative society that promotes and facilitates food crop production and marketing. ARS will recruit qualified and experienced staff to implement the Project with assistance from the ADF Partner to ensure the hiring processes meet ADF's requirements. These will include: (1) a half-time project coordinator and finance officer for the duration of the Project; (2) five agriculture extension officers to promote increased agricultural production during the first 18 months of the Project; (3) two cooperative development officers to conduct training in cooperative management, operations, and marketing during the last 18 months of the Project; and (4) a driver, whose employment by the Project will end upon the transfer of the Project vehicle to the Cooperative. ARS will purchase two additional motorcycles and helmets with funds from the Project and provide any needed safety training to ensure that the personnel are able to carry out the Project activities.
  2. ARS will conduct a baseline survey and mobilization visits for awareness/sensitization by Project communities and stakeholders, local leaders and farmers during the first three months of the Project. ARS will work with 350 food crop farmers in ten communities from Tappita District,

- Lower Nimba County to organize ten Farmers Development Associations (FDAs). Each FDA will have a membership of approximately 35 farmers who currently produce food crops for marketing. ARS will empower individual farmers to enlarge their farm sizes through training, access to markets, and provision of basic hand tools and planting materials.
3. ARS will establish three farm demonstration sites where FDA members will be trained in improved cultivation and storage methods for plantain, eddoes, yam, and hot pepper. The demonstration sites will initially be managed by ARS and transferred to the farmers' organization by the end of the Project.
  4. ARS staff or consultants will provide business development training to the farmers, cooperative management training to board members of the cooperative and members of the FDAs, and safety and environmental training to select cooperative members responsible for the cooperative center. ARS will work with the FDAs to take any necessary actions to prevent or swiftly address any environmental problem such as erosion or soil degradation that may result from the Project. In addition to basic awareness of environmental issues to be included in the farmers' training package, ARS will establish disposal centers on farm demonstration sites and cooperative centers for waste and unused ADF-approved chemicals, if any, provide an introduction to organic farming principles and methods, and promote erosion control. ARS will promote practices that include green manuring, use of cover crops, and crop rotation or association using leguminous plants. ARS will also promote lowland cultivation, particularly of rice, as a means of increasing productivity and reducing pressure on forest land.
  5. ARS will enter into agreements with the Liberian Forestry Development Authority and the Liberian Environmental Protection Agency of Liberia to monitor and enforce forestry regulations to reduce deforestation without tree replacement and promote practices of natural regeneration, afforestation, and combination of food crop and tree crop production. ARS staff or consultants will promote community-wide awareness of the undesirable effects of slash and burn agriculture through the farmer training sessions and mass media. The FDAs will enter into Memorandums of Understanding with ARS committing all parties to reduction of slash and burn practices. ARS will also produce tree seedlings approved by the Liberian Forestry Development Authority and distribute them to FDA members and other interested community members to replace trees cut for agricultural purposes.
  6. ARS will work with farmers and facilitate processes to organize farmers into a cooperative for better business results; facilitate meetings among buyers, farmers, and other stakeholders to address fair pricing of the farmers' products; provide information on prevailing prices on the market; encourage joint marketing or pooling by farmers; establish business links with buyers; and encourage farmers to produce high quality products for better prices. ARS will organize exchange visits for group leaders with other farmers' cooperatives to facilitate exchange on both technical production and leadership/management issues. ARS will document the processes and results and submit them to ADF.
  7. ARS will work with the FDAs to organize two General Assembly sessions during the Project to create awareness among members, assist and encourage farmers to form a cooperative, elect leaders, set rules and regulations to govern the cooperative, and plan and review activities and reports. ARS will

identify and hire an organizational development consultant with the assistance of the ADF Partner to facilitate preparation and conduct of the activities of the General Assemblies. ARS will ensure:

- a. governance training for the board, management committee members, and members of newly established internal management committees to reinforce the separation of functions and provide clarity about their respective roles;
  - b. financial and accounting training for the management team to strengthen their capacity to manage the assets and general business transactions of the Cooperative;
  - c. development and testing of a financial policies and operational procedures manual to guide day-to-day operations that will be reviewed and adopted by the Cooperative's general assembly; and
  - d. development of a five-year business plan to guide the formation and registration of the Cooperative.
8. ARS will carry out a participatory assessment with stakeholders at the end of the Project to assess its impact on individual farmers and their communities.

B. Produce Buying and Marketing

1. ARS will work with the FDAs to obtain land from the local communities where it will construct market sheds and stalls with storage space in each of the ten Project communities for use by the FDA members. Ownership of the markets will vest in the individual FDAs and the Cooperative at the end of the Project. ARS will equip the markets with wheelbarrows and scales.
2. ARS will work with the new Cooperative association to construct a cooperative center in a centrally located area in the District. ARS will work with the FDAs to obtain title to land in the name of the Cooperative association for construction of the center. ARS will initially manage the center during the course of the Cooperative's formation. After the Cooperative's registration, ARS will cede the center to the Cooperative. This center will have a warehouse, conference area for meetings, offices, a well with a hand pump, and toilets. The center will serve as the central point for marketing purposes. The center will be equipped with a five KVA generator to supply electricity for lighting and office equipment.
3. ARS will ensure that eleven ADF-approved signboards are procured and installed at the ten community market sites and the cooperative center. These signboards will be made of metal sheets, printed on both sides, with dimensions of two feet by four feet.
4. ARS will procure and manage a four-ton mini truck for the transport of FDA members' (and later Cooperative members') produce to markets identified with best prices. ADF will provide start-up funds for fuel and operating expenses for this activity. ARS will cede ownership of the truck and the commodity fund, including any earnings obtained from the marketing activities, to the Cooperative by the end of the Project.

**VIII. Roles and Responsibilities of the Parties**

ARS has primary responsibility for ensuring that the Project's activities are properly implemented. Within the organization, the board of directors will be the highest decision making body, subject to review by the general assembly. Day-to-day management of Project activities will be carried out by the management committee. ADF's Partner in Liberia will provide technical support and guidance.

**IX. Monitoring and Evaluation**

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Liberia Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Grantee organization. The committee will provide the Partner with input for the Project monitoring plan. In addition, during implementation the committee will be responsible for ensuring that the Project follows the implementation plan and that problems identified through monitoring and evaluation are adequately addressed in a timely manner.