

**PROJECT DESCRIPTION****Mbawemi Honey Capacity Building****Malawi****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**

Mbawemi Woman Orphanage Care, Human Rights and Civic Educators (Mbawemi) is a registered trust located in Mzuzu, Malawi that organizes the efforts of its 200 members to produce and market honey and beeswax products. Mbawemi would like to take advantage of an increased demand for these products; however, inadequate financial management systems, weak governance capability, and a lack of strategic planning prevent the organization from capitalizing on the market demand.

**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**

Mbawemi will contribute its time, skills, labor, and office facilities to the implementation of the Project.

**IV. Project Goal**

The goal of the Mbawemi Honey Capacity Building Project is to improve the standard of living of beekeepers in Malawi.

ADF



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**V. Project Purpose**

The purpose of the Project is to improve Mbawemi's prospects for sustained expansion as demonstrated by the development of a comprehensive five-year business plan that ADF deems suitable for funding by a donor or other financial institution.

**VI. Project Outputs**

By the end of the Project period, Mbawemi will achieve the following.

- A. Improved management and operating procedures as demonstrated by:
  1. Mbawemi produces financial statements and reports that include monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, and it establishes adequate financial controls, accounting procedures, policies, and systems that meet international audit standards;
  2. the management team routinely utilizes the management and financial reports produced, such as performance reports, budget expenditures, profit and loss statements, cash flow statements, and balance sheets, in tracing financial transactions and making financial and management decisions for the Trust; and
  3. staff management procedures are implemented in accordance with written plans and procedures.
  
- B. Improved technical capacities of beekeepers who receive training and technical assistance from Mbawemi as demonstrated by the value of raw materials purchased from the beekeepers increasing from MWK 107,380 in the Project's base year to MWK 250,000 in Year 1.

**VII. Project Activities**

Mbawemi will ensure the following major activities are implemented.

- A. Improve the management and institutional capability of Mbawemi by:
  1. working with a consultant to prepare a comprehensive business plan. At a minimum, this business plan should include a marketing strategy, a technology analysis, a production plan, a worker safety analysis, an environmental analysis, and a financial analysis;
  2. procuring a trainer to implement governance training to improve leadership skills of the Board of Directors;
  3. recruiting and retaining qualified personnel to serve as manager, accountant, and administrative assistant;

4. procuring a trainer to implement leadership training for three leaders from each beekeeping group to improve leadership at the village level;
5. obtaining certification for the production and marketing of honey from the Malawi Bureau of Standards; and
6. acquiring office equipment that will increase the organization's financial management and communications capacity. This equipment will include computers, desks, and chairs, as well as a printer and a scanner.

B. Institute improved financial and operating procedures by:

1. developing accounting processes and functions specifically tailored to the operations of Mbawemi and documenting them in an accounting procedures manual;
2. developing staff management procedures and documenting them in a policy manual;
3. acquiring and distributing bee suits to each beekeeping group to improve worker safety;
4. contracting with an outside auditor to audit the organization and successfully remediating all findings; and
5. purchasing, installing, and training key staff on the use of accounting software to enhance Mbawemi's accounting and internal control systems.

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

ADF's Partner in Malawi will provide the standard ADF training in bookkeeping, monitoring and assessment. Mbawemi is responsible for ensuring the proper management and implementation of the grant. The ADF Partner in Malawi will provide Mbawemi with technical and management assistance during implementation.

#### IX. Monitoring and Evaluation

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