

PROJECT DESCRIPTION**MRALIPA Livestock Expansion Project**

Tanzania

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

Manyara Ranch Livestock Producers Association (MRALIPA) is an association created to facilitate greater market access and improve the quality of livestock produced by five primary livestock associations from seven separate villages surrounding the Manyara Ranch in the Arusha region of Tanzania. MRALIPA would like to become the primary supplier of cattle, sheep, and goats to the Manyara Ranch small-scale abattoir and take advantage of unmet demand in the local and regional tourist and food markets for high quality domestically produced meat. However, a lack of necessary working capital (including steers and feed), insufficient staff and institutional capacity, inadequate skills and resources required to implement a micro-credit system, and the inadequate capacity of MRALIPA's constituent primary livestock associations prevent MRALIPA from taking advantage of 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

MRALIPA will contribute time, labor, land, and existing infrastructure.

IV. Project Goal

The goal of the Project is to improve the standard of living for livestock farmers in Monduli District in the Arusha Region of Tanzania.



V. Project Purpose

The purpose of the Project is to increase the income of MRALIPA's employees and suppliers as follows:

- A. MRALIPA's net income (before taxes and depreciation) will increase from TZS 0 in the base year to:
 - 1. TZS 17,400,000 in Year 1;
 - 2. TZS 21,300,000 in Year 2; and
 - 3. TZS 22,500,000 in Year 3.
- B. Total salaries and wages paid to MRALIPA staff (full time and part time) will increase from TZS 0 in the base year to:
 - 1. TZS 10,800,000 in Year 1;
 - 2. TZS 11,500,000 in Year 2; and
 - 3. TZS 12,300,000 in Year 3.
- C. The net income of farmers who access the MRALIPA revolving loan fund will increase from TZS 0 in the base year to:
 - 1. TZS 168,500,000 in Year 1;
 - 2. TZS 195,600,000 in Year 2; and
 - 3. TZS 227,500,000 in Year 3.

VI. Project Outputs

By the end of the Project period, the capacity of MRALIPA and its members to produce high quality livestock will be evidenced by the following.

- A. The number of farmer members with access to MRALIPA's revolving loan fund will increase from 0 in the base year to:
 - 1. 195 in Year 1;
 - 2. 200 in Year 2; and
 - 3. 208 in Year 3.
- B. The value of loans disbursed to members will increase from TZS 0 in the base year to:
 - 1. TZS 160,000,000 in Year 1;
 - 2. TZS 171,900,000 in Year 2; and
 - 3. TZS 188,700,000 in Year 3.
- C. The number of cattle bought or fattened using loans from MRALIPA's revolving loan fund, will increase from 0 in the base year to:

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1. 875 in Year 1;
2. 890 in Year 2; and
3. 930 in Year 3.

VII. Project Activities

MRALIPA will ensure the following major activities are completed with the assistance of consultants where necessary.

- A. Institute improved financial and operating procedures by training MRALIPA management and staff in financial and micro-credit management skills.
- B. Increase institutional capacity by:
 1. purchasing a vehicle and a motorcycle for use by extension and project management staff;
 2. completing the construction of the headquarters office building; and
 3. recruiting and retaining qualified personnel to serve as project manager, financial and administrative officer, and business development officer.
- C. Improve farmer productivity and access to farm inputs by:
 1. establishing a sustainable revolving loan fund to allow farmers to buy livestock-raising inputs, including cattle and feed;
 2. providing outreach and community extension services to each of the five primary livestock associations; and
 3. providing financial support to the five primary livestock associations for institutional operations.

VIII. Roles and Responsibilities of the Parties

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

IX. Monitoring and Evaluation

ADF's partners in Tanzania will closely monitor the activities of the Association to ensure proper reporting, adherence to the Project implementation plan by the Association and movement towards the achievement of Project objectives. The Partners will continuously assess risks and take remedial action as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partners will review ADF's quarterly reports and will submit comments and observations to the management of the Association as part of the on-going performance assessment.

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