

PROJECT DESCRIPTION**Robelela Youth Poultry Farm 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

Robelela Youth Poultry (RYP) is a legally registered youth group based in Robelela approximately 50 kilometres northeast of Mmadinare Village in the Bobirwa Sub District of the Central District of Botswana. The area is remote and populated by the San (Baswara) ethnic group, a historically marginalized people with high levels of unemployment, illiteracy, and poverty. The ten members of RYP identified poultry production as a promising avenue for income generation, especially because a new road will soon connect them to larger markets. To take advantage of this opportunity, RYP needs to improve its financial management systems, develop business and community management structures, and improve its technical capacity to produce and market poultry products.

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

RYP will cover the salaries of the management team after month 12 and its members will contribute land and labour in undertaking the Project. The organization will also contribute the existing sub structure fencing, two 5,000 litre water reservoirs and a small Honda generator.

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 RYP and its members, as demonstrated by the following:

- A. The net income of RYP (before taxes and depreciation) will change from baseline zero BWP to:
 - 1. BWP 18,000 by the end of Project Year 1; and
 - 2. BWP 30,000 by the end of Project Year 2.
- B. The income of each RYP member will increase from baseline zero BWP per month to BWP 400 per month by the end of Project Year 1 and BWP 440 per month by the end of the Project.

VI. Outputs

- A. Improved financial capacity of RYP as evidenced by the following:
 - 1. management routinely using 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. establishing 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 meet international audit standards.
- B. RYP improves its community management capacity, as evidenced by the following:
 - 1. The constitutional election of a Board of Trustees, and meeting minutes that attest to community participation in regular Board meetings and an annual general meeting; and
 - 2. RYP increases the number of participating members from a baseline of 10 to 20 members by the end of the Project.

- C. Improved poultry business and marketing capacity, as evidenced by an increase in egg sales from a baseline BWP zero to the following:
1. BWP 90,000 in Project Year 1;
 2. BWP 150,000 in Project Year 2.

VII. Activities

A. Financial Management Activities

1. RYP 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. RYP 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 business, cultivate markets, and manage staff.
2. RYP will hire a consultant who will provide support to the bookkeeper, facilitator, and one additional member to develop a financial management system at the standards required for an audit. The consultant will provide training to the bookkeeper and facilitator, will develop a financial management manual through a series of workshops with the management team and board and will provide in-depth training to the bookkeeper in the application of the financial manual. 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.

B. Community Management Activities

1. RYP will review its dividend policy and document, adopt and implement it through a participatory process to ensure a wider benefit spread. This will be complete by month six of the Project.
2. RYP will establish a fully functional office with computers, office furniture, electricity and internet connectivity complete by month three of the Project. A consultant will train members in computer literacy by the end of month four of the Project.
3. A consultant will facilitate workshops with all members to document RYP's ownership and governance structure and develop a community management strategy. The governance structure will describe the relationship between the organization and the interest groups, establish mechanisms to coordinate activities, and clarify the duties and responsibilities of members. The community management strategy will set forth ways for RYP to recruit more members.

C. Business and Marketing Activities

1. RYP will hire a consultant to train members in basic business management by month 12 of the Project. The training will cover benefits sharing, savings, and reinvestment. By the end of month 18, RYP will develop a comprehensive business plan to guide its growth.
2. RYP will hire a consultant to train members in poultry marketing. The training will cover product pricing and market identification. The training consultant will help RYP develop a marketing plan to assist the group establish relationship with potential buyers and penetrate markets where research shows RYP to be competitive. A marketing plan will be complete by month eight of Project Year 1.
3. RYP will attain membership in a central poultry marketing cooperative so as to improve market access for their broilers by month nine of the Project.

D. Poultry Production Activities

1. RYP will clear land, build a perimeter fence, and construct a poultry shed capable of housing 1500 layer hens by month nine of Project Year 1. The management will register the local borehole and hire a contractor to lay the pipes connecting it to the shed.
2. A workshop will train RYP members in poultry production and enterprise skills. The training workshop will cover hygiene, parasite control, and basic poultry operations and marketing.
3. All 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.

VIII. Roles and Responsibilities of the Parties

The staff and management of Robelela Youth Poultry Farm 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 Robelela Youth Poultry 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 Robelela Youth Poultry as part of the ongoing performance assessment.