

APPENDIX A

PROJECT DESCRIPTION: OAG FOR TERRAVILLA GARDENS, INC. 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

Terravilla Gardens, Inc. ("Terravilla" or the "Grantee") has been in the business since 1986 though its business was interrupted due to the civil war. It has ample water supplies, good soil and an agreeable micro-climate that will foster a high production. Though local demand for cut flowers is limited, the export market has greater potential. The Grantee has parent stocks of 45 different varieties of tropical flowers and horticultural plants and has a vision of utilizing these assets to create a business with expanded production. In order to grow its business, the Grantee needs to renovate its farm buildings, improve its financial and management skills, develop strategic plans, and improve its marketing.

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 7 of the Agreement and do not make ADF's contribution to exceed the obligated amount specified in Article 3, Section 3.1 of the Agreement.

B. Grantee Contribution

The Grantee will contribute the time and labor of its management team and employees to the project.

IV. Project Goal

The goal of the project is to increase income for the poor in Montserurado County of Liberia.

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V. Project Purpose

The purpose of this project is to improve Terravilla's prospects for sustained expansion as indicated 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

The project will have the following key outputs:

1. An established governance structure and a strengthened board of directors that:
 - a. is composed of effective individuals with integrity;
 - b. makes key strategic decisions in the interest of the Grantee;
 - c. formulates policies in the interest of Terravilla; and
 - d. is legally formed and registered.
2. A comprehensive strategic plan to guide Terravilla through five years of growth and expansion that establishes:
 - a. priority flower varieties and planting areas;
 - b. key financial resources that would be required; and
 - c. a comprehensive marketing strategy to achieve the growth targets.
3. Strong and competent management team and human resource structure established with a:
 - a. proper human resources plan of benefits, including health, retirement, shareholding and disability; and
 - b. commitment from management codified in an operations procedure manual.
4. Acquired and implemented a comprehensive financial management and control system that:
 - a. fulfills the accounting function with the appropriate technology and software package installed;
 - b. enables Terravilla to identify and document critical cost centers in its flower production and distribution process; and
 - c. provides the platform to better monetize sales opportunities both for domestic and export markets.
5. Technical and working capital assistance provided to assure quality as demonstrated by:
 - a. readily available quality control measures for farmers;
 - b. more abundant farming inputs;
 - c. renovated manager's house;
 - d. rehabilitated garden; and
 - e. better logistical facilities.

VII. Major Activities to be funded under the Agreement

The Grantee will undertake the following activities to generate the Project's expected outputs.

A. Governance Assistance

- The Grantee will establish a Board of Directors and put in place the required organizational structure.
- A consultant will train board members on governance, strategic planning, and responding to the growth needs of the business.
- A consultant will produce Terravilla's administrative and financial management policies and procedures manuals.
- A legal advisor will prepare and update Terravilla's corporate documents.

B. Technical Assistance – Horticulture

- A consultant specializing in horticulture and flower marketing will produce technical and market analyses on the development of a viable local and export strategy and model.

C. Post-War Revitalization

- Terravilla will renovate a manager's house on the farm to better manage its horticultural production.
- Terravilla will expand its parent stocks for export.
- Terravilla will improve the on-going rehabilitation of the garden.

D. Management

- Terravilla will hire a competent business manager.
- Terravilla will hire a competent accountant.
- A consultant will train the:
 - Terravilla bookkeeper, new accountant, and new business manager on setting up a manual accounting system and the fundamentals of financial management, including financial report production;
 - management team in managing business operations including administrative processes, business communications, negotiations skills, monitoring and evaluation, reporting, technical training, vision, ethical values, leadership training, accounting, and financial management.
 - administrator and accounts officer in the analysis of business opportunities and development of strategic plans; and
 - management team on basic computer skills.
- A consultant will develop:
 - business and financial management procedure manuals; and
 - Terravilla's business plan working in connection with Terravilla management.

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- Terravilla will acquire new computer equipment and connectivity in order to improve productivity, communication and facilitate management review of business data.

E. Promotional Materials

- Terravilla will produce promotional brochures; and
- Terravilla will undertake promotional activities using electronic and print media.

VII. Roles and Responsibilities of the Parties

The Grantee is responsible for ensuring the proper management and implementation of the Project. The ADF in-country partner (ADF's technical assistant, CENFOD) together with the evaluation officer from INPRODEC (ADF Ghana partner), the implementation team ("IT") will provide Terravilla with the necessary standard ADF training in bookkeeping, monitoring and assessment and technical and management assistance during project implementation.

VIII. Monitoring and Evaluation

The IT will monitor closely the activities of Terravilla to ensure proper reporting, adherence to the project implementation plan and also to assure evident movement towards the achievement of project objectives. The implementation team will continuously assess the project risks and take remedial actions as needed. Monitoring will be an important aspect of the ongoing mentoring and advisory service. The IT, primarily CENFOD will conduct quarterly reviews of Terravilla's reports and will provide comments and observations through the EO from INPRODEC to Terravilla's management as part of the periodic project evaluation.

for ADF  Grantee 

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