

APPENDIX A

PROJECT DESCRIPTION:

OAG for
**M. D. SOW - CAPABILITY DEVELOPMENT, LIVESTOCK BREEDING,
MULTIPLICATION AND PROCESSING INVESTMENT
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


M.D. Sow & Associates Enterprise ("M.D. Sow") is a private partnership consisting of nine members with sixteen years of experience in livestock farming. Membership includes cattle herders, meat traders and independent butchers associated with the slaughter house. Liberia's reconstruction has led to a sharp and sustained spike in the demand for protein. This increase is set to continue as the country emerges from conflict and demand points for protein grow dramatically.

As a result of this high demand for meat products on the local market, M.D. Sow is experiencing significant stress points on its business and financial operations. M.D. Sow would like to pursue a growth expansion strategy to capture more of this lucrative emerging market for beef and protein. However, the company must first strengthen its planning, management and marketing capacity.

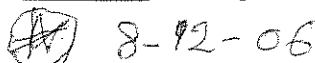
III. Funding

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.

ADF 

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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 program is to improve living conditions for the poor in Liberia.

V. Project Purpose

The purpose of the project is to improve the Grantee's prospects for sustained growth and expansion through capacity development and the development and execution of a comprehensive five-year strategic plan that ADF deems suitable for funding by a donor or other financial institution.

VI. Project Outputs


The project will have six key outputs. Those outputs and their performance indicators are:

1. An established governance structure and a strengthened board of directors:
 - a. comprised of effective individuals with integrity;
 - b. making key strategic decisions in the interest of the Grantee; and
 - c. formulating policies in the interest of M.D. Sow.
2. A comprehensive strategic plan to guide the Grantee through five years of growth and expansion that establishes:
 - a. priority areas and resources;
 - b. key financial resources that would be required; and
 - c. a comprehensive marketing strategy to achieve the growth targets.
3. A standardized operating procedure manual that outlines and institutionalizes areas of responsibility for each department.
4. Revised and updated by-laws and constitution of the society of farmers who are part of M.D. Sow to conform to local law and modern operating practices and standards.
5. A comprehensive financial management and control system implemented with an automated accounting system including the appropriate software package to enable M.D. Sow to document critical cost centers and identify key revenue

for ADF 

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drivers.

6. A well-funded and functioning technical operations infrastructure that includes:
 - a. a veterinarian and an assistant providing ongoing extension services and to deepen breeding and grazing methods already taught;
 - b. establishment of a demonstration grazing pasture including fencing, four breeding bulls, and feeding and shelter facilities; and
 - c. establishment of a quarantine area for management of Foot and Mouth Disease.

VII. Major Activities to be Financed Under the Agreement

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

A. Governance system development and Management Capacity Training

A local management consulting firm will:

- be hired to conduct training of board members to become responsive to the growth needs of the business;
- assist the Grantee to develop and publish a new administrative and financial management policy and procedures manual; and
- assist the Grantee to revise its by-laws and articles to reflect local legal requirements and modern operating practices and standards.

B. Operational

- A construction firm will be hired to establish a fenced demonstration pasture and grazing site with shelters and feeding facilities. An expert will work with the farmers to select and acquire four breeding bulls for crossing and fertilizing purposes.
- M.D. Sow will undertake ICT training and acquire computers and network connectivity.
- M.D. Sow will acquire marketing and advertising materials such as brochures and services to enhance its visibility, including print media and radio and television advertisements.

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C. Technical and Working Assistance

M.D. Sow will hire on a short term basis agricultural experts who will provide farmers with the necessary extension services and conduct research to develop an approach to best practices for livestock breeding, rearing and commercialized farming practices. The assistance will include training on how to utilize the advanced pasture system and emphasize quarantine methods to ensure that only disease-free livestock is slaughtered or sold. The training will also cover modern and appropriate cattle breeding and multiplication techniques.

D. Operational Strategy


- M.D. Sow will hire a consultant to provide the enterprise and farmers with a strategic business plan and training in what would be required to achieve M.D. Sow's strategic objectives.
- M.D. Sow will hire a veterinarian and assistant full time to focus on deepening the training on developing health improvement for cattle, and breeding and multiplication for the herds.
- M.D. Sow will hire an administrator, an accountant, and a bookkeeper who are competent in their respective fields.
- The Grantee will receive training in the following:
 - Board functions and governance;
 - Strategic and operational planning, including budgeting;
 - Financial and managerial accounting and basic bookkeeping, including establishing an automated accounting system and procedure manuals;
 - Business development and market assessment;
 - Communications and service delivery utilizing technology; and
 - Equipment and technology operation.

VIII. Roles and Responsibilities of the Parties

M.D. Sow and Associates 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 will provide M.D. Sow with the necessary standard ADF training in bookkeeping, monitoring and assessment and technical and management assistance during project implementation.

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IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee – M.D. Sow, working with CENFOD, 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 development of the project Monitoring plan, which will include the establishment of annual targets for the performance indicators.

CENFOD will closely monitor the activities of M.D. Sow to ensure proper reporting, adherence to the project implementation plan by the Grantee and movement towards the achievement of project objectives. CENFOD will continuously assess the project risk and take remedial actions as needed. Monitoring will be an important aspect of the ongoing mentoring and advisory service. CENFOD will conduct quarterly reviews of M.D. Sow's reports and will provide comments and observations to management of the Grantee as part of the periodic project evaluation. The two parties will jointly design the evaluation process and the Grantee will incorporate the findings of the evaluation into their annual report. This effort will be complemented by the monthly monitoring oversight from the ADF Accra Regional Office and the ADF Representative's Office.

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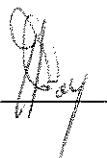
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