

**PROJECT DESCRIPTION**  
**Robertsport Fishmongers Association**

**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**

Robertsport Fishmongers Association (RFMA) is a for-profit association of fishermen and fishmongers founded for the benefit of a low-income community and its fish workers. The Association is engaged in the harvesting, processing, and sale of fish and fish products for the Liberian market. Before the war, RFMA had more than 2,000 active members and was one of the largest fish producers in Liberia. However during the course of the war, RFMA's entire infrastructure was destroyed.

Since the end of the war, RFMA has been in the process of rebuilding the business. It has successfully re-activated 1,000 members (including 376 women) and rents one boat for the use of members.

RFMA seeks a return to the commercial viability it enjoyed before the war, but is hampered by a lack of business management skills, organizational misalignment from a conflict in purpose, poor financial controls and processes, and a critical lack of capital.

**III. Funding**

**A. USADF Contribution**

The financial plan for USADF'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 USADF's contribution to exceed the obligated amount specified in Article 4, section 4.1 of the Agreement.

**B. Client Contribution**

RFMA will contribute the time and labor of its management team and employees, as well as the use of its 200 metal drum dryers and four (4) large covered drying shelters to the project. RFMA will also contribute approximately \$4,500 to the cost of construction of the association's office building.

USADF  RFMA 

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**IV. Investment Goal**

RFMA seeks to improve the incomes of the fishing community in Robertsport and greater Liberia by expanding the fishing and processing capacity of the Association members. In addition, it will increase the incomes of RFMA and its employees.

**V. Investment Purpose**

The purpose of the Investment is to improve RFMA's prospects for sustained growth and expansion through capacity building and development a comprehensive strategic plan that USADF deems suitable for funding by a donor or other financial institution.

- A. The investment shall increase incomes of employees by:
  - replacing the payment in perishable goods valued at \$2,927 per month to a cash payment system in Year I; and
  - increasing pay from a baseline of \$2,927 to 3,300 per month in Year II.
  
- B. The Enterprise will convert all transactions from barter to a cash system and is projected to increase its adjusted net income (before taxes and depreciation) to:
  - \$35,790 in Year I; and
  - \$61,850 in Year II.

**VI. Outputs**

The anticipated output is increased capacity to capture, process, and market fish for the domestic market in Liberia.

- A. The Client will develop a comprehensive business plan that will guide its operations and will include at a minimum:
  - a marketing and distribution strategy that will enable RFMA to expand and reach existing and new customers;
  - projected financial results that support any proposed investment(s) as evidenced by acceptable returns on investment.
  
- B. The Client shall develop and institutionalize a fully functional financial and management system that complies with USADF reporting requirements and is consistent with internationally accepted standards.

USADF  RFMA 

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APPENDIX A

- C. The Enterprise's improved capacity will be measured in part by the increase in number of employees from a current baseline of 300 part-time fishermen to:
- 300 fishermen who will convert from part-time to full-time in Year I; and
  - 300 full-time and 300 part-time fishermen in Year II.
- D. The Enterprise's total revenues are projected to increase from a baseline of \$220,440 in perishable barter goods to:
- \$220,500 in cash in Year II.
- E. RFMA will increase its active, dues-paying association members from 1,000 to:
- 1,500 association members in Year II.
- F. The Client will have in place management and governance structures and capacity that meet best practice standards as evidenced by:
- a functional Board of Directors including credible and independent directors capable of adding business perspectives to the overall management of RFMA;
  - decentralized decision making;
  - improved production and stock management;
  - implementation of prudent cash management policies and efficient working capital management;
  - implementation of a financial management system capable of providing timely reporting and projections and meets ADF financial certification review requirements;
  - documentation, integration and implementation of critical financial, administrative, and critical operational procedures; and
  - implementation of environmental protection and safety policies and practices that have been clearly documented.
- G. RFMA will improve its fiscal and social responsibility as demonstrated by its compliance with the Re-Investment Commitment Schedule set forth in Appendix A-2 to this Agreement.

## VII. Activities

## A. Production

The primary activity of this project is the capture, processing, and sale of fish and fish products for the Liberian market. RFMA will improve its physical infrastructure and safety/security systems by undertaking the following:

- finish or renovate, as needed, incomplete structure as main office of the Association;
- purchase basic office equipment, including furniture for three offices, computer tables and cabinets;
- purchase basic office supplies, including stationery, letterhead and business forms; and,
- develop and institute a safety plan, acquiring the necessary equipment to ensure adherence to best practices of sustainable processing and production.

In addition, the Enterprise will increase its capacity for production by procuring new equipment to capture and conserve fish as follows:

- procuring a Worakyer fishing canoe;
- purchasing two outboard motors;
- purchasing special nets and accessories;
- purchasing a 20kVa portable generator;
- contributing to the purchase of an ice making machine; and
- purchasing fuel, motor oil and food sufficient for one month of fishing activity.

## B. Training

The Client shall build capacity by improving the financial and management systems as well as by recruiting new and training new and existing employees to improve their skill base in several areas. Activities will include:

- recruiting and training current fishermen and production staff;
- training employees and fishermen on new equipment and proper use of safety equipment;
- recruiting and hiring an experience accountant;
- recruiting and hiring a business manager;
- recruiting and hiring a business development expert;
- training of senior management in marketing, accounting and corporate governance practices and strategic business skills; and
- training on computer hardware and training on new accounting and financial management systems software.

## APPENDIX A

### C. Management and Governance

The Client will build capacity by improving its business management skills of senior management and the Board of Directors as demonstrated by:

- reorganizing the Board of Directors to ensure independence;
- selecting Directors with special interest in RFMA or expertise needed by the Client;
- training for Board of Directors in proper processes and procedures for Board activities;
- developing a comprehensive governance manual for Board training;
- hiring a cooperative and community development specialist to assist RFMA improve communications with association members;
- developing a plan for mitigating environmental and safety risks, including a plan for installing an environmentally friendly fish processing oven; and
- complying with the Re-Investment Commitment Schedule set forth in Appendix A-2 to this Agreement.

The Client shall develop fully functional financial and management systems that comply with USADF reporting requirements and are consistent with internationally accepted standards as demonstrated by:

- developing integrated and well structured internal controls and accounting systems;
- preparing training modules in basic accounting and financial management practices;
- replacing barter system with a cash system of payment; and,
- producing an administrative procedure manual and a comprehensive employee training plan for implementation.

### D. Marketing

The Client shall develop an aggressive strategy to identify and expand its customer base, identify means of advertising to generate greater awareness of the product line, and determine appropriate pricing. Activities include:



- hiring a marketing expert;
- conducting a market survey; and
- analyzing the market for price and product policies, competition and promotion strategies.

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

The staff and elected leadership of RFMA are responsible for the management and the proper implementation of the Project.

**IX. Monitoring and Evaluation**

Within sixty days of the effective date of this Agreement, the Client will form a monitoring and assessment committee composed of a representative cross-section of the Client's organization. The committee will develop a Project monitoring plan. In addition, during implementation the committee will ensure that the Project follows the implementation plan, and that problems identified through monitoring and evaluation are properly addressed in a timely manner.

USADF  RFMA 

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**B. Client Contribution**

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#### IV. Investment Goal

RFMA seeks to improve the incomes of the fishing community in Robertsport and greater Liberia by expanding the fishing and processing capacity of the Association members. In addition, it will increase the incomes of RFMA and its employees.

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The anticipated output is increased capacity to capture, process, and market fish for the domestic market in Liberia.

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