

**PROJECT DESCRIPTION**  
**IMPUYAKI Seed Potato Production Expansion**  
**Rwanda**

**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**

Kooperative Impuzamirimo ya Kijyamere (IMPUYAKI) is a registered farmers cooperative located in Gicumbi District in the Northern Province of Rwanda. There is an unmet demand for improved seed potato in Rwanda. However, IMPUYAKI lacks the capital to expand its seed potato production.

**III. Funding**

A. ADF Contribution

The financial plan for ADF's contribution is set forth in Appendix A-1 of 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 cause ADF's contribution to exceed the obligated amount specified in Article 4, section 4.1 of the Agreement.

B. IMPUYAKI Contribution

IMPUYAKI will contribute the time and skills of its staff in the implementation of the Project. The Cooperative will contribute 30 percent of the total investment valued at RWF 55,714,800 for the seed potato expansion. IMPUYAKI's contribution will be used for some of the maintenance costs of the plantation and purchase of office equipment, additional protective gear, staff salaries and all other operational costs not included in Appendix A-2. IMPUYAKI will also cover the trainers' fee for the seed potato multiplication training.

**IV. Project Goal**

The goal of the Project is to improve the economic welfare of smallholder potato farmers in Gicumbi District in Rwanda.

**V. Project Purpose**

The purpose of the Project is to increase incomes of IMPUYAKI's members and employees as follows.

- A. IMPUYAKI's adjusted net income (before taxes and depreciation) will change from the current baseline (2008) of RWF 2,677,886 to the following:
1. RWF (4,166,766) in Year 1;
  2. RWF 11,800,000 in Year 2;
  3. RWF 49,700,000 Year 3;
  4. RWF 84,800,000 in Year 4; and
  5. RWF 128,500,000 in year 5.
- B. Total wages paid to cooperative members rises from a 2008 baseline of RWF 210,000 to the following:
1. RWF 4,200,000 in Year 1;
  2. RWF 6,300,000 in Year 2;
  3. RWF 8,400,000 in Year 3;
  4. RWF 10,500,000 in Year 4; and
  5. RWF 12,600,000 in Year 5.
- C. The value of annual salaries paid by IMPUYAKI to its staff increases from a baseline (2008) of RWF 13,483,872 to the following:
1. RWF 18,839,040 in Year 1;
  2. RWF 24,561,470 in Year 2;
  3. RWF 26,329,896. in Year 3;
  4. RWF 28, 225,649 in Year 4; and
  5. RWF 30,257,895 in year 5.

## VI. Project Outputs

By the end of the Project, the capacity of IMPUYAKI and its members to grow and sell seed potato will increase as evidenced by the following.

- A. Seed potato production grows from 16 metric tons in 2008 to:
1. 340 metric tons in Year 1;
  2. 600 metric tons in Year 2;
  3. 1,000 metric tons in Year 3;
  4. 1,250 metric tons in Year 4; and
  5. 1,500 metric tons in Year 5.
- B. Sales revenues increase from RWF 86,000,000 in the base line and Year 1 to:
1. RWF 151,000,000 in Year 2;
  2. RWF 256,000,000 in Year 3;
  3. RWF 347,000,000 In Year 4; and
  4. RWF 454,000,000 Year 5.

- C. The number of hectares dedicated to improved seed potato multiplication will increase from one hectare in 2008 to:
1. 20 hectares in 2009;
  2. 30 hectares in 2010;
  3. 40 hectares in 2011;
  4. 50 hectares in 2012; and
  5. 60 hectares in 2013.

## VII. Project Activities

IMPUYAKI will ensure the following major activities are implemented with the assistance of consultants where necessary.

### A. Operations

1. Expansion of seed potato plantation.

IMPUYAKI will significantly increase the seed potato plantation by completing the following sub-activities:

- a. plowing and harrowing;
- b. hole preparation for potato;
- c. planting of seed potato;
- d. purchase of fertilizers and fungicide; and
- e. maintenance of the seed potato field.

2. Infrastructure

IMPUYAKI will improve its storage facilities by constructing a store with a capacity to hold at least 750 metric tons of potatoes.

### B. Training and Technical Assistance

The Project provides for the following training activities:

1. training of IMPUYAKI technical staff and lead farmers in seed potato multiplication techniques;
2. training of IMPUYAKI technical staff and farmers in the safe use of agricultural chemicals; and
3. training of IMPUYAKI staff in the use of accounting software.

### C. Financial Management

IMPUYAKI will recruit a qualified accountant to manage the Cooperative's financial and reporting activities. The Cooperative will also implement the activities recommended in the Financial Assessment Report.

**VIII. Roles and Responsibilities**

ADF's Partner in Rwanda will provide the standard ADF training in bookkeeping, monitoring and assessment. IMPUYAKI is responsible for ensuring the proper management and implementation of the Investment. The ADF Partner in Rwanda will provide IMPUYAKI with technical and management assistance during implementation.

**IX. Monitoring and Evaluation**

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