

PROJECT DESCRIPTION
RAMAT Pastoralists Livestock Project

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

There is growing demand for high quality beef from the domestic market and a heavy unmet demand for quality beef from the Middle East and Europe. Jumuiya Ya Kijamii Kuhifadhi Mazingira Maliasili Na Ufugajji Endelevu (RAMAT) is a sixty-member association of low income Maasai pastoralists located in Northern Tanzania that produces livestock and beef and sells it to Manyara Ranch, a 17,860 hectare ranch owned and managed by the Tanzania Land Conservation Trust. RAMAT would like to take advantage of this unmet market demand; but to do so, its members need to improve their livestock and husbandry practices and their operational 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 cause ADF's contribution to exceed the obligated amount specified in Article 4, section 4.1 of the Agreement.

B. Client Contribution

RAMAT will contribute staff time.

C. Other Contribution

Manyara Ranch will contribute financial and organizational management training to RAMAT.

IV. Investment Goal

The goal of the RAMAT investment is to improve the standard of living for rural pastoralist livestock keepers in the Manyara region of Tanzania.

V. Investment Purpose

The purpose of the investment is to improve RAMAT'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. Outputs

A. Improved Production and Technical Capacities

1. RAMAT livestock pastoralist members increase the volume of cows sold to Manyara Ranch from a baseline of 45 to a least 70 cows by the end of the EDI.
2. Improved stock breeding and fattening techniques increase the average sale price received by the pastoralists from a baseline of TZS 150,000 per cow to at least 180,000 per cow by the end of the EDI.

B. Improved Management and Operating Systems Capacity

1. Improved business systems and accounting systems are implemented and RAMAT is certified as compliant with ADF financial and reporting requirements.
2. The Board and Management use financial and accounting reports and audited yearly account reports in its decision making.

VII. Activities

The requested EDI funds will be utilized to strengthen institutional and organizational capability of RAMAT as a whole and build the capability of the organization to improve and expand market opportunities for livestock trading. The investment will specifically enable RAMAT to solve internal constraints and utilize sound basic operating and business systems. This EDI will enable RAMAT to achieve the following:

- A. Improve the management and institutional capability of RAMAT.
- Update the current constitution to incorporate the expanded membership base and structure.
 - Restructure the Board of RAMAT so that it can represent to all stakeholders of Manyara ranch and effectively deliver to the goals of the organization. The establishment of the new Board will seek consultation and guidance from the Meat Board of Tanzania.
 - Mobilize livestock keepers surrounding the Manyara Ranch and expand its membership to seven villages and 280 members.
 - Recruit a competent management team which will be charged with the day to day coordination and implementation of activities of RAMAT.
 - Outsource trainers to conduct leadership and good governance training for the members of the board and appointed committees, leaders of the business groups and the management of RAMAT.
 - Re-register RAMAT reflecting the expanded and more structured role of the organization linking pastoralists to the market.
- B. Build internal systems.
- Establish an office building which will serve as the head office of RAMAT. The building will be constructed near the Manyara Ranch headquarters in order to enhance marketing synergies and benefit from economies of scale.
 - Improve the information, communication and technology of RAMAT which will include purchase of computers and installation of internet services.
- C. Institute internal financial and operating procedures.
- Develop accounting processes and roles specifically tailored to the operations of RAMAT and document them in a financial manual.
 - Purchase and implement a computer based accounting package to ensure that all financial activities are properly handled in a manner acceptable to the stakeholders.
- D. Augment commercial capability and business competitiveness
- Train all the members in market understanding and commercial livestock production.
 - Establish a marketing information system (MIS).
 - Develop a comprehensive market strategy which will guide the members in production of commercial livestock brands based on market preferences.

- Improve livestock production and animal husbandry practices used by pastoralist members. Activities will include feeding and pasture management, breeding programs and disease control.
- Conduct practical training to individual members on fattening and fodder banking. This activity will involve utilizing mature steers housed at Manyara Ranch for demonstration purposes.

E. Natural Resources Conservation

Community based natural resource management techniques such as improved stock breeding, increased meat marketing, establishment of feedlots, and implementing grazing and water access agreements will be employed to minimize land degradation. Conduct training to promote planned grazing and rangeland management practices as sound grassland and natural resource management techniques.

F. Develop a five-year business plan to determine commercial viability of expanding RAMAT livestock trading activities. This will be done in conjunction with expanding activities of Manyara Ranch which include establishment of an abattoir. The business plan will include:

- Business Description – ownership structure, industry analysis, types and quality of products, and operations;
- Marketing Plan – customers, competition, pricing strategy, sales tactics, and promotion and distribution strategies;
- Operational/Production Plan – livestock development, production facilities and capacity, production regulation (industry/policy and /or regulation);
- Organization Plan - management team, culture, relations with other stakeholders, employees, and supporting services;
- Financial Plan - Financial requirements, proposed capitalization, financing sources, critical risks and limiting factors, cash flow and P&L projections, scenario/sensitivity analysis, and break even analysis.

VIII. Roles and Responsibilities of the Parties

The Chairman (RAMAT), Manager, and Board of Directors of RAMAT have the primary responsibility for implementation of the project activities as planned. The ADF Partner in Tanzania will play a lead role in holding RAMAT accountable for meeting implementation and training milestones. In addition, the ADF Partner will provide RAMAT with technical and management assistance during implementation.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Client, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Client's organization. The committee will provide the Partner input for the Project monitoring plan. In addition, during implementation, the committee will have responsibility for ensuring that the Project follows the implementation plan, and that problems identified through monitoring and evaluation are properly addressed in a timely manner.