

**APPENDIX A:
PROJECT DESCRIPTION**

**BOASA BOAPELE
HORTICULTURAL MARKETING PROJECT, BOTSWANA**

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

Botswana's agricultural policy assigns priority to the role of irrigated horticulture in promoting rural production and national food self sufficiency. The country is unable to satisfy demand for fruit and vegetable produce. The Central district imports 36 percent of the fruits and vegetables consumed by its residents.. Irrigated horticulture offers farmers in rural villages of Bobirwa sub district an opportunity to generate sustainable incomes through application of available skills and good local water resources.

In 2002, Boasa Boapele Horticultural Marketing Cooperative (BBHMC) established a marketing center in Bobonong village to improve market access for small producers. However, the Cooperative lacks cold room facilities and insulated vehicles required to transport farmers' produce to market timely and in good condition.

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 3, Section 3.1 of the Agreement.

B. Grantee Contribution

The Cooperative will contribute its existing assets.

IV. Project Goal

The goal of the Project is to reduce rural poverty in the Central district of Botswana.

ADF  Grantee _____

V. Project Purpose

The purpose of the Project is to increase BBHMC's income and that of its employees, and horticultural producers in Bobirwa and Tuli Block, as measured by the following:.

A. BBHMC's produce purchases from producers increase from P411,894 to:

Year (1) 2005/6	693,625
Year (2) 2006/7	1,040,438
Year (3) 2007/8	1,456,613
Year (4) 2008/9	1,747,935
Year (5) 2009/10	2,097,522

B. BBHMC's net profits before taxes and depreciation increase from (P5,310) to:

Year (1) 2005/6	(60,573)
Year (2) 2006/7	54,327
Year (3) 2007/8	113,969
Year (4) 2008/9	159,985
Year (5) 2009/10	189,922

C. BBHMC's salary payments to its employees increase from P 62,880 to:

Year (1) 2005/6	74,660
Year (2) 2006/7	86,648
Year (3) 2007/8	92,280
Year (4) 2008/9	98,278
Year (5) 2009/10	104,707

VI. Outputs

The major output of the Project is the establishment of an efficient marketing channel for fruit and vegetables produce, as indicated by the following:

A. BBHMC's total revenues from sales of horticulture produce increase from P457,660 to:

Year 1 2005/6	775,000
Year 2 2006/7	1,162,500
Year 3 2007/8	1,627,500
Year 4 2008/9	1,953,000
Year 5 2009/10	2,343,600

B. BBHMC's sales gross margin ratio increases from 10.0 to:

Year 1 2005/6	22.1
Year 2 2006/7	25.8
Year 3 2007/8	22.0
Year 4 2008/9	21.4
Year 5 2009/10	19.8

ADF  Grantee _____

VII. ACTIVITIES

A. Purchasing and Marketing of Produce

Under this Project, BBHMC will implement an intensive market distribution strategy to ensure increased penetration of district markets, expanded customer base, and sales growth. It will develop this strategy during the first six months of the Project.

BBHMC will invest in upgrading its storage and distribution capacity, and hire a manager to enhance its operational and administrative capacity. The Cooperative will install cold room facilities in the marketing center and purchase two insulated vehicles appropriately designed to deliver produce to customers on time and in good condition to Francistown and other regional markets.

B. Training and Technical Assistance

BBHMC will contract service providers to train its staff and board members in the development of effective marketing and management strategies and systems. In addition, BBHMC will contract technical accounting support to develop accounting systems and enhanced produce control through installation of a fully integrated point of sale system. Appropriate members of BBHMC will also receive training in financial management, and project monitoring and evaluation.

C. Administrative Support

BBHMC will recruit an experienced business marketing manager to oversee its operations and administration.

VIII. Roles and Responsibilities of the Parties

The Board of BBHMC is responsible for establishment of the organization's policies and the overall implementation and monitoring of the Project. It will recruit a capable business and marketing manager to implement activities under the Project.

Action for Economic Empowerment Trust (AEET), ADF's partner, will provide technical and monitoring assistance and advice during the implementation of the Project.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Partner, 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 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.

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