

**PROJECT DESCRIPTION**  
**T.R. Enterprises Agro-machinery, Equipment and Tools**

**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**

T. R. Enterprises, Inc. (TRE), an offshoot of the Atlantic Marketing Company (ATMARK), acts as a distribution agent in Liberia for GRATIS Foundation, a major Ghanaian manufacturer of agricultural machines and equipment. The company has a store in Monrovia, where the agricultural machines and equipment are displayed for sale. In addition, TRE sells agro-chemicals, veterinary drugs and animal feed as well as providing training, repairs and maintenance services for the machines and equipment.

TRE would like to meet the high demand for small processing machines and farming tools by shifting its focus from distribution to assembly and production of farm equipment and tools to provide low cost agricultural processing equipment and equipment services to farmers throughout Liberia. While the potential for profitability exists, TRE currently lacks the physical facilities; training and equipment for production; management capacity; governance structure; financial systems; and skilled personnel to begin manufacturing and servicing farm equipment.

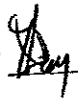
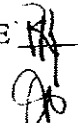
**III. Funding**

**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**

The Client will contribute the time and labor of its management team and employees to the project.

USADF  TRE 

**IV. Project Goal**

The goal of this project is to improve income of farmers by making low cost agricultural processing equipment and equipment services to farmers, particularly small farmers, available throughout Liberia. In addition, it will increase the income of TRE and its employees, as well as provide repair and service skills to individuals.

**V. Project Purpose**

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



The investment shall also increase the net income of the company and its employees as follows:

- A. The total value of payroll paid to workers is projected to increase from US \$34,454 to:
  - US \$41,280 in Year I; and
  - US \$44,624 in Year II.
  
- B. The Enterprise's adjusted net income (before taxes and depreciation) is projected to increase from a baseline of US \$29,196 in 2006 to:
  - US \$44,663 in Year I; and
  - US \$64,700 in Year II.

**VI. Project Outputs**

The anticipated output is increased capacity to produce farm equipment and provide repair and maintenance services for the equipment.

- A. The Client will develop a comprehensive business plan that will include at a minimum:
  - a marketing and distribution strategy that will enable TRE to expand and reach existing and new customers; and
  - projected financial results that support any proposed investment(s) as evidenced by acceptable returns on investment.

USADF  TRE 

## APPENDIX A

- B. The Client shall develop a fully functional financial and management system that complies with USADF reporting requirements and is consistent with internationally accepted standards as demonstrated by the following:
- integrated and well structured internal controls and accounting systems with automated accounting/financial features;
  - improved human resource management policies and procedures; and
  - consistent management reports, as well as reporting policies and procedures.
- C. The Enterprise's capacity growth will be measured via the generation of additional employment from a current baseline of 16 full-time employees (FTEs), including five senior managers, to:
- 20 total FTEs in Year I (4 additional jobs); and
  - 22 total FTEs in Year II (2 additional jobs).
- D. The Enterprise's total sales revenue are projected to increase from current baseline of US \$156,228 in 2006 to:
- US \$223,203 in Year I; and
  - US \$286,122 in Year II.
- E. TRE 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. Physical Infrastructure

The primary activity of this project is the production of low cost agricultural processing equipment and provision of equipment repair and maintenance services to Liberian farmers. TRE shall lease land to renovate and expand production facilities by completing the following:

- modifying and renovating existing structure;
- constructing additional facilities, including a warehouse, workshop and additional office space;
- improving the electrical system;
- installing security bars, fencing and access gates around the facility;
- procuring workshop tools and equipment for assembly;

## APPENDIX A

- implementing safety procedures and purchasing safety supplies;
- procuring technician tool kit sets and accessories; and
- procuring desktop computers, printers, internet access and LAN system.

### B. Marketing

The Client shall conduct a market assessment that will identify local and international competition, identify product demand for various tools and equipment, and methods to generate greater public awareness of the enterprise and its product line. Activities will include:

- developing and implementing comprehensive short-term and long-term marketing strategies, and identifying likely customer base and its needs;
- developing a product strategy to identify the best and most profitable product line to offer based on the needs and available resources of the customer base;
- designing and disseminating promotional materials through various media, including print and electronic advertising; and
- assessing the viability and profitability of product lines.

### C. Training

TRE will build its capacity by recruiting and training new and existing employees to improve their skill base in several areas, including:

- training the technicians on new equipment;
- training 20 technicians from across Liberia to provide quality maintenance and repair services for TRE products as well as other farm equipment;
- training the Board of Directors in appropriate corporate governance practices and strategic business and economic decision-making; and
- training on computer hardware and training on new accounting and financial management systems software.

## VIII. Roles and Responsibilities of the Parties


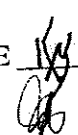
The Directors of TRE, production and service personnel, and management are responsible for executing each of the activities as planned in a timely manner in accordance with project paper. The USADF Partner in Liberia will work with TRE to ensure its training and production goals are met. The USADF Partner will also provide TRE with technical and management assistance during the implementation period.

USADF

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**IX. Monitoring and Evaluation**

Within sixty days of the effective date of this Agreement, TRE 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 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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