

**APPENDIX A  
PROJECT DESCRIPTION  
BOSBEL OUTGROWERS 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**

Bosbel Outgrowers Association (BOA), a co-operative of 372 farmers across ten communities in three districts of the Northern region, produces soyabeans for Bosbel Vegetable Oil Mills and other oilseed processors. As is the case with other farmers in the area, BOA's members have not been able to supply their customers adequate quantities of soyabeans. To address this problem BOA, with assistance from Bosbel, has decided to establish BOA as an independent and viable business enterprise.

**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 make ADF's contribution to exceed the obligated amount specified in Article 3, section 3.1 of the Agreement.

**B. Grantee Contribution**

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

**IV. Project Goal**

The goal of the project is to promote employment growth and income enhancement for the poor in Ghana.

**V. Project Purpose**

The purpose of the OAG is to improve the Grantee's prospects for sustained expansion as indicated by strengthening its management and operational capacity and by the development of a comprehensive five-year business plan that ADF deems suitable for funding by a donor or other financial institution.

ADF



Grantee



## VI. Project Outputs

The expected outputs from the project are:

- A. A fully developed business growth and expansion plan that:
- demonstrates that BOA can operate as a viable business to achieve social goals;
  - provides a revenue expansion model based on a clearly articulated pricing structure and policy that meets customers needs;
  - establishes a diversified product and customer base as a risk mitigating measure as well as revenue enhancement
  - assesses cost drivers to producing and marketing quality farm produce consistent with revenue plan;
  - identifies additional profitable crop/farming activities to be embarked upon by the growers as a revenue enhancing strategy
  - provides an expansion and investment plan to consolidate the existing co-operative and invest in an expanded co-operative business.
- B. An established presence of competent managerial, technical, and operational skills as demonstrated by:
- design and implementation of a modern agronomic farming practices and techniques that will result in yield improvement;
  - developing and executing well structured production and purchase agreements;
  - a documented and functional administrative policy and procedures; and
  - the hiring of an Operations Manager, an Outgrowers Relations Manager and an Accounting Officer with supervisory responsibilities defined and implemented.
- C. A governance structure that ensures transparency, accountability and independence from Bosbel Vegetable Oils Limited (Bosbel):
- design and implementation of a well defined organisation structure and governance system in place;
  - clear delineation of roles and responsibilities between Bosbel and BOA including: including firewalls on Bosebel involvement in issues of conflict of interest and; a training and transition plan for handover of responsibilities;
  - agreed and signed shareholders agreement, production agreement, and purchase agreement; and
  - a purposeful board of advisors in place.
- D. Acquired and implemented functioning financial management systems:
- a competent accounting officer capable of maintaining well-designed processes and methods geared towards profitability;
  - system certified as fully compliant with ADF and investor management reporting requirements as demonstrated by:

- a well structured internal control and accounting system
- a comprehensive accounting procedures manual.

E. Improved farming practices, management, and organizational practices among farmer members:

- \* farmers use improved farming techniques such as farm calendar management, planting distancing, harvesting techniques, and other good agricultural practices; and
- \* farmers adopted improved management and organizational practices such as reliable record keep, conflict resolution processes, and effective negotiation strategies.

**VI. Major Activities to be Financed under the Agreement**

A. Managerial Capacity and Governance

BOA will establish a competent management team and a clear organization structure that will consolidate and position the co-operative for expansion.

B. Group Organization

BOA will establish a database management system for members, improve and consolidate group cohesion among members as well as establish the appropriate regulatory framework to assist the farmers in conducting business with processors.

C. Internal Systems and Control

BOA will establish financial, management and operational systems to ensure proper, record keeping and reporting, sound management practices as well as the establishment of suitable operating and control environment.

D. Business Planning and Market Development

BOA will develop a strategic growth plan and expansion plan to position the business for additional investment.

E. Soyabean Cultivation

BOA will undertake yield improvement through the provision of improved planting materials and timely provision of tractor services to farmers.

F. Training

BOA will embark on an intensive management and farmer's capacity building through training, and systems upgrade.

ADF  Grantee 

## VII. Roles and Responsibilities of the Parties

BOA is responsible for ensuring the proper management and implementation of the Project. The ADF Partner in Ghana, INPRODEC will provide BOA the standard ADF training in bookkeeping, monitoring and assessment and technical and management assistance during the implementation of the project.

## IX. Monitoring and Evaluation

INPRODEC will closely monitor the activities of the BOA to ensure proper reporting, adherence to the project implementation plan by the Grantee and movement towards the achievement of project objectives. INPRODEC will continuously assess the project risk and take remedial actions as needed. Monitoring by INPRODEC will be an important aspect of the ongoing coaching and advisory service. INPRODEC will review BOA's quarterly reports and will submit comments and observations to the management of BOA as a part of the annual project evaluation. The two organizations will jointly design the evaluation process and BOA will incorporate the findings of the evaluation into their annual report.

ADF

Grantee

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