

APPENDIX A
PROJECT DESCRIPTION
E.J. FARMS CITRUS PLANTATION

I. Introduction

This appendix describes the activities to be under taken 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

E.I. Farms Limited ("E.I. Farms") owns and operates two citrus groves in the Ashanti Region located in impoverished communities at Dawu/Jamasi and Mampong. The company seeks to build a viable citrus plantation and a cooperative of out-growers to sell fruits locally and regionally, primarily to benefit the local community in terms of jobs and income to farmers. Currently, E.I. Farms has a total of 124 acres with 120 acres under cultivation and plans to develop an additional 500 acres by 2010. About 51 out-growers have approximately 400 acres under cultivation.

E.I. Farms sees opportunity to have a significant employment, income and multiplier effect by expanding its citrus operations as well as by establishing a juice processing facility in the Ashanti region. To achieve its goals, the company needs to enhance its capabilities in agronomy and irrigation, best practices in social impact, outgrower strategies and financial management.

III. Funding

A. ADF Contribution

The financial plan for the ADF 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. E.I. Farms Contribution

E.I. Farms will contribute the time and labor of its management team and employees to the project. In addition, E.I. Farms will contribute US \$15,000 in funding to the project.

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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 project is to improve E.I. Farm'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. Project Outputs

The final deliverables are:

- A. A comprehensive business plan and market study:
 - Detailed evaluation of value chain for citrus processing;
 - Option assessment and recruitment phases for three opportunities (plantation, out-growers and juice);
 - Investment plan and detailed financial model;
 - Detailed operational plan to incorporate outgrowers into business; and
 - Social impact dashboard, incorporating best practices in ensuring participation, profit-sharing and ownership by local community.

- B. A thorough technical assessment and implementation roadmap for the irrigation system as demonstrated by:
 - Determination of appropriate irrigation option suitable for both Davu and Jamasi and Mampong farms;
 - Finalized topological survey and mapping, soil survey, geotechnical, and hydrological analysis;
 - Finalized engineering design with estimated cost report; and
 - A comprehensive report on the environmental implication of the proposed irrigation system and environmental management plan.

- C. Farming operations enhancement as demonstrated by:
 - Implementation of documented guidelines and procedures for citrus farming/agronomic practices;
 - Farm manager and supervisors utilizing best agronomic practices to boost yield;
 - Utilization of human resource and administrative procedures by management;
 - Installation and use of mobile radio communication systems for the farm managers and supervisors; and

ADF  E.I. Farms 

- Implementation of financial accounting system certified as fully compliant with ADF and investor management reporting requirements.

VII. Major Activities to be financed under the Agreement

A. Business Development

E.I. Farms will develop a business plan, conduct a market study, engage in outreach activities to out-growers and evaluate best practices in engaging local community.

B. Technical Assessment

E.I. Farms will undertake an environmental impact assessment and develop an engineering design and technical assessment of irrigation systems.

C. Farm Operations Improvement

E.I. Farms will develop a farming operations manual and conduct training in operations management.

VIII. Roles and Responsibilities of the Parties

ADF's Partner INPRODEC will provide the necessary Standard ADF training in bookkeeping, monitoring and assessment. E.I. Farms is responsible for ensuring the proper management and implementation of the Project. The ADF partner in Ghana will provide E.I. Farms with technical management assistance during the implementation of the project.

IX. Monitoring and Evaluation

INPRODEC will closely monitor the activities of E.I. Farms 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 E.I. Farms quarterly reports and will submit comments and observations to the management of E.I. Farms.

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