

## PROJECT DESCRIPTION

Kauchi Multipurpose Cooperative Society  
Zambia**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**

Kauchi Multipurpose Cooperative Society (KMCS) is an umbrella union of seven primary cooperative societies and 127 members, 50 of whom are female. The Cooperative is located in a remote area of Lumwana in the Copper belt region, Northwestern Province of Zambia. The primary cooperative societies are currently engaged in fish farming, banana production and beekeeping.

The opening up of a copper mine in the Lumwana area has stimulated the local economy and increased demand for various food products from the mine itself and villagers who now have employment and income. KMCS wishes to strengthen its members' fishing enterprises to take advantage of this unmet increased food demand in the Lumwana area. However, KMCS currently lacks the management and operational capacity to do so.

**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. Grantee Contribution**

KMCS will contribute labor from members, its existing fish ponds and Zambian Kwacha (ZMK) 210,000 for the implementation of project activities.

**IV. Project Goal**

The goal of this project is to promote the growth of small scale agricultural enterprises and improve the standard of living of poor farmers in the Lumwana area, Northwestern Province of Zambia.

ADF



KMCS



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**V. Project Purpose**

The purpose of the project is to improve KMCS's prospects for sustained expansion as evidenced 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 management capacity as evidenced by:**

1. a functioning financial management system is in place by month 18 of the Project that produces producing quarterly bank reconciliations, budget expenditures, profit and loss statements, balance sheets and cash flow statements consistently used by management in its decision making;
2. the board of directors reviews and approves work plans, budgets and financial reports in a timely manner;
3. a functioning and active board of directors meets quarterly to assess management implementation progress and addresses implementation constraints necessary to move the organization forward. In addition, the Board convenes the Annual General Meeting (ASGM) in accord with its constitution to update members on KMCS's on-going activities.

**B. Improved technical capacity as evidenced by farmer members' use of fish farming best practices in the seven rehabilitated demonstration ponds by the end of Project Year 1.****VII. Activities****A. Enterprise Development**

1. KCMS will hire a consultant to train participating farmer members in enterprise development, business plan development, and marketing.
2. A technical expert with the involvement of the board and the management team will develop a comprehensive five-year business plan that includes:
  - (a) determining the best organization and staffing structure for a sustainable enterprise;
  - (b) developing a management accounting system that traces costs and revenues by product and determines at what level the Cooperative is sustainable;



- (c) market research data and conclusions that will that recommend the appropriate product / service mix and a marketing and pricing plan for all products and services; and
- (d) identifying and measuring benefits to beneficiaries and developing a profit distribution system.

B. Management Improvement

- 1. KMCS will hire a coordinator to manage training and technical support activities, facilitate purchase of inputs, manage the fish pond demonstration sites, produce progress reports for approval by the board.
- 2. An expert will review KMCS's governance and organizational structure and develop administrative policies and procedures that will be documented in a governance manual.
- 3. Board members will travel on a study tour to see a commercial fish farm operation.

C. Business Skills Improvement

- 1. KMCS will hire a bookkeeper to record all financial transactions, manage receipt and payment of funds, and produce timely financial reports.
- 2. An accountant will work on a short-term contract and will work closely with the bookkeeper and coordinator to develop appropriate financial accounting procedures, policies and systems that will be documented in a financial systems manual.
- 3. The accountant will provide appropriate training to the bookkeeper after assessing his/her financial skills.

D. Technical and Operational Improvement

- 1. KMCS will train its farmer members in fish pond construction and fish management. The training will focus on pond design, fish breeding, fingerlings management, fish feeding regimes, fish diseases and control and fish harvesting methods.
- 2. KMCS will rehabilitate one pond in each of its seven sites to serve as demonstration ponds for farmer members to apply their new skills in fish management.
- 3. A consultant with expertise in aquaculture will work with the coordinator to develop a fish farming operations manual to guide management in how to grow and market fish and a develop a fish farming technical manual on best practices in fish farming.

4. KMCS will instruct farmer not to use as fish food manure that is not fully composted, and the Cooperative will conduct monitoring to ensure that farmers are following this instruction.

### VIII. Roles and Responsibilities of the Parties

The staff and management of KMCS are responsible for the management and proper implementation of the Project. ZATAC, ADF's partner in Zambia, will provide training in the areas of standard ADF bookkeeping, monitoring and assessment. ZATAC will also provide technical assistance and management assistance during implementation.

### IX. Monitoring and Evaluation

ADF's Partner in Zambia will closely monitor the activities of KMCS to ensure proper reporting, adherence to the project implementation plan by the Cooperative and movement towards the achievement of Project objectives. The Partner will continuously assess risks and take remedial actions as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review ADF's quarterly reports and will submit comments and observations to the management of KMCS as part of the on-going performance assessment.



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