

**APPENDIX A
PROJECT DESCRIPTION
EJISU JUABEN PIG FARMERS AND PROCESSORS 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

The members of Ejisu Juaben District Pig Farmers Association (PFA) breed pigs for sale to meat processors. PFA's members have profited from the piggery promotion program of the Ministry for Food and Agriculture (MOFA) designed to increase the domestic supply of protein and replace imports and increase incomes for rural farmers. However, PFA's ability to help its members take advantage of the growing market opportunities is frustrated by the Association's management team and management systems.

III. Funding

A. ADF Contribution

The financial plan for 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 3 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


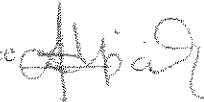
The Grantee will contribute the time and labor of its management team and employees to the project.


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 project is to improve the Grantee'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.

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
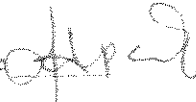
VI. Project Outputs


- A. A strategic business plan that charts the growth strategies of PFA:
- a comprehensive assessment of the piggery sub-sector and the pork market in Ghana to identify the opportunities and challenges;
 - a clear articulation of the types of strategic businesses investment and value-added services PFA will offer its members;
 - an operational plan for delivery of the planned services; and
 - a financial plan that demonstrates the income generation potential of the identified services.
- B. An effective management infrastructure:
- a skilled administrator and accounting officer;
 - the development and implementation of written administrative and accounting procedures;
 - the generation of periodic reports on business operations and the status of PFA and issuance of accounts statements to PFA members; and
 - demonstrated capacity to track all receipts from pig buyers, payments to suppliers, crediting of members accounts with net proceeds from pig sales, and to handle all administrative correspondences.
- C. Demonstrated competence in managing loan and grant accounts and PFA member relationships:
- the ability to prepare bankable proposal(s) and negotiate loans and grants;
 - effective management of a loan/credit management system; and
 - preparation and delivery of presentation to potential pig farmers.
- D. Enhancement of services to member farms through:
- improved logistics and logistics planning; and
 - development and utilization by farmers of piggery operations guidelines.
- E. Strong governance system in place:
- the PFA constitution reviewed and updated;
 - the PFA Executive Council understand their proper role and maintain oversight over management decisions.

VII. Major Activities to be financed under the Agreement

A. Business Development

PFA will develop a business plan and conduct an environmental impact assessment and marketing study.

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B. Management Development

PFA will recruit and hire an administrator and accounts officer for a period of 12 months and will set up an office to manage the Association on a more commercial basis. This individual will receive training in the preparation of strategic business plans.

C. Financial Management

PFA will implement a computerized financial management system and train the accounts clerk on its use.

D. Operations Improvement Support

PFA will develop piggery operations guidelines and development materials for training on effective farmer outreach campaigns. PFA will also implement a logistics system to enhance efficiency of feed transport.

E. Governance


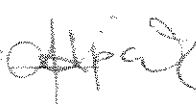
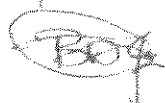
PFA will revise its constitution and its Board structure.

VIII. Roles and Responsibilities of the Parties

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

IX. Monitoring and Evaluation

INPRODEC will closely monitor the activities of PFA 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 PFA quarterly reports and will submit comments and observations to the management of PFA as part of the annual project evaluation. The two organizations will jointly design the evaluation process and PFA will incorporate the findings of the evaluation into their annual report.

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