

**PROJECT DESCRIPTION  
PULUKPEH FARMERS REHABILITATION PROJECT  
LIBERIA**

**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**

Pulukpeh Multipurpose Farmers Cooperative Society (Pulukpeh) is a registered cooperative with 272 members. It engages in the production of oil palm from palm tree plantations in Suacoco District of Bong County in central Liberia.

Pulukpeh is now reorganizing in light of the potential for expanded uses of palm oil. The industrialized world is seriously looking at crude palm oil as an environmentally friendly "biodiesel" alternative to high sulphur content and environmentally unsustainable fossil fuels. This demand is expected to increase palm oil prices as the technology takes root. In addition, there is a strong demand for palm oil for other industrial uses and for cooking within Liberia and in neighbouring countries. Pulukpeh would like to take advantage of this market opportunity but is constrained by poor production capacity, inadequate working capital to rehabilitate the plantation and buy oil from surrounding communities, and weak management and governance capacity.

**III. Funding**

**A. ADF Contribution**


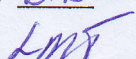
The financial plan for ADF's contribution is set forth in Appendix A-1 to this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 7 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

**B. Client Contribution**

Pulukpeh members will contribute labor and locally available materials valued at approximately US\$ 6,900 to the Project for land clearing, plantation extension, mill-house extension and renovation, and office and warehouse renovation.

**IV. Project Goal**

The goal of the Project is to improve the standard of living of poor farmers in the Suacoco district of Bong County, Liberia.

ADF  Pulukpeh D.D.D.  


## V. Project Purpose

The purpose of the Project is to increase Pulukpeh's income and the income of Pulukpeh farmer members from palm oil sales.

- A. Total annual farmer member income from palm oil sales will increase from approximately L\$28,000 per year to:
  1. L\$50,000 in Project Year 2;
  2. L\$78,000 in Project Year 3; and
  3. L\$105,000 in Project Year 4.
- B. Pulukpeh's total annual revenues from palm oil sales will increase from baseline of US\$23,000 to:
  1. US\$ 37,000 in Project Year 1;
  2. US\$ 61,000 in Project Year 2;
  3. US\$ 68,000 in Project Year 3; and
  4. US\$ 68,000 in Project Year 4.
- C. Pulukpeh Cooperative covers all of its operating costs by Project Year 3.

## VI. Outputs

The Project will strengthen the capacity of the Cooperative and its members to produce palm oil as indicated by the following:

- A. Palm oil produced and sold through Pulukpeh will change from a baseline of 0 to:
  1. 58,000 liters in Project year 1;
  2. 64,000 liters in Project year 2;
  3. 70,000 liters in Project year 3; and
  4. 70,000 liters in Project year 4
- B. The number of regular full-time employees working for Pulukpeh will increase from a baseline of 27 to:
  1. 31 in Year 1;
  2. 34 in Year 2;
  3. 37 in Year 3; and
  4. 48 in Year 4.
- C. Improved financial management and reporting systems as demonstrated by:
  1. an accounting system is installed, quarterly financial reports and statements produced and used by management in its decision making; and
  2. fully functional financial management system is certified as compliant with ADF requirements.

**VII. Activities****A. Plantation Development and Operation**

Pulukpeh will acquire more efficient processing equipment and reconfigure its two palm oil mills for better processing flow. Pulukpeh will renovate its storage and office space and acquire office equipment. The Cooperative will acquire a tractor and trailer and push carts to enable the farmers to harvest and transport their palm fruit from individual plots to the mill sites for processing into oil.

Pulukpeh will process member's palm fruit into oil, and charge an in-kind payment sufficient to cover all operating costs. Pulukpeh will use its capital fund to purchase farmers' oil output which they will market directly to end users outside the Project area using a pick-up truck that they will procure for Project activities. Pulukpeh will also use the capital fund to purchase and market other seasonal products produced by its members such as rubber and cocoa.

The Cooperative has obtained a new Tribal Land Certificate from tribal and Bong County authorities as a first step to replace title documents lost during the war. The Cooperative will re-survey the plantation area as part of the process of obtaining a replacement deed from the Government of Liberia. Pulukpeh will use improved oil palm seedlings from their current nursery and procure additional selected seedlings from neighboring countries to plant or replant 400 acres of oil palm plantation. The Cooperative will provide a food for work contribution to members to assist them with a part of the cost for the clearing and planting activities. The Cooperative will recover these costs from its members through monthly dues payments and oil processing fees.

**B. Training and Technical Assistance**

Pulukpeh, with assistance from the ADF Partner, will engage a consulting firm or expert to work with Pulukpeh and to assist stakeholders from the larger Raymond Town and Kpatawee community to identify and prioritize their immediate and most significant socio-economic priorities. Cooperative management committees will be set up to improve communication and ensure that members are engaged in the oversight and evaluation of key cooperative activities. The process will also assist the cooperative to determine priorities for investments within the cooperative and the larger community.

Pulukpeh will recruit a qualified business manager, technical manager, and accountant to strengthen the Cooperative Management team. Business manager candidates will be tested and interviewed by a consulting firm and Accountant candidates will be vetted and tested by an audit firm prior to short-listing and final interviews by Pulukpeh and the ADF Partner.

To ensure ongoing compliance with reporting requirements, the ADF Partner will make certain that mandated training activities are conducted for key senior managers. Pulukpeh will hire a consultant to provide governance and financial management training for Board members and the management team to reinforce the new separation of functions initiated by the Cooperative's Board. Pulukpeh will hire a consultant to work with the Board and the Management Committee to develop and test an

accounting policies and procedures manual that will be reviewed and adopted by the Cooperative's General Assembly.

Pulukpeh will hire a consultant to conduct training to ensure that proper sanitation and food and workplace safety conditions are maintained during the processing, storage and distribution of edible palm oil. At the end of the training, at least four of the mill staff at the two sites will be designated as quality control and safety officers.

### VIII. Roles and Responsibilities of the Parties

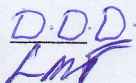
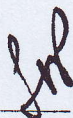
Pulukpeh has primary responsibility for ensuring that the Project's activities are properly implemented. Within the organization, the Board of Directors will be the highest decision making body. Day to day management of project activities will be carried out by the Management Committee. ADF's Partner in Liberia will provide technical support and guidance.

### IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Client, working with the ADF Liberia Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Client organization. The committee will provide the Partner with input for the Project monitoring plan. In addition, during implementation the committee will be responsible for ensuring that the Project follows the implementation plan and that problems identified through monitoring and evaluation are adequately addressed in a timely manner.

### X. Other Implementation Issues

None.



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ADF  Pulukpeh \_\_\_\_\_

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