

PROJECT DESCRIPTION**JOPOCOS Oil Palm Outgrowers Capacity Building****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

Recent improvements in the sole oil palm processing facility in Ghana's Ashanti region have led to an increase in demand for oil palm fresh fruit bunches from nearby farmers. The Juaben Oil Palm Outgrowers Cooperative Society (JOPOCOS) is an association of 627 oil palm outgrowers, based in the Juaben traditional area of the Ashanti region. JOPOCOS would like to take advantage of this unmet market demand; to do so, the organization needs to improve its management skills, expand its business planning, and increase its technical ability to educate farmers on agronomic best practices.

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 8 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

JOPOCOS will contribute staff time and knowledge in oil palm production.

IV. Project Goal

The goal of the JOPOCOS grant is to improve the standard of living for rural oil palm growers in the Ashanti region of Ghana.

ADF



JOPOCOS



Page 1 of 3

Grant Agreement No. 1923-GHA

V. Project Purpose

The purpose of the Project is to improve JOPOCOS'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. Outputs

By the end of the Project period, JOPOCOS will achieve the following.

- A. Improved technical capacities as demonstrated by average yield for farmer members increasing from 3.81 mt/ha to 5.95 mt/ha by year two.
- B. Improved management and operating systems capacity as demonstrated by:
 1. improved business systems and accounting systems are implemented and JOPOCOS is certified as compliant with ADF financial and reporting requirements; and
 2. the Board and Management use financial and accounting reports and audited yearly account reports in their decision making.

VII. Activities

JOPOCOS will ensure the following major activities are implemented.

- A. Improve the management and institutional capability of JOPOCOS by:
 1. training JOPOCOS extension leaders in the necessary skills to improve leadership and better organize, train, and handle group members;
 2. establishing greater independence from the primary processing mill, Juaben Oil Mills, by paying the salaries of association staff including a program manager; and
 3. preparing a comprehensive business plan.
- B. Institute improved financial and operating procedures by:
 1. procuring computers and accessories, and installing accounting software;
 2. hiring a finance manager to manage the financial accounting system and handle the finances of the association;
 3. developing accounting processes and roles specifically tailored to the operations of JOPOCOS, and documenting them in a financial manual;
 4. training group financial secretaries to adopt proper bookkeeping procedures to improve work delivery in order to be accountable for funds collected; and

5. extension units providing training to farmer groups in basic record keeping, budgeting and costing, sales and expenditure tracking, production planning, and other topical issues relevant to their farming operations.
- C. Augment commercial capability and business competitiveness by:
1. training JOPOCOS extension leaders and group leaders to train individual group farmers in best agronomic practices and improved technology in the cultivation of oil palm;
 2. facilitating group animation and formation in new communities to identify and invite new farmers into the association;
 3. establishing linkages between farmers and agricultural input dealers for bulk orders; and
 4. rehabilitating the JOPOCOS vehicle to better access farmers.

VIII. Roles and Responsibilities of the Parties

The Manager and Oversight Committee of JOPOCOS will have the primary responsibility for implementation of the project activities as planned. The ADF Partner in Ghana will play a lead role in holding JOPOCOS accountable for meeting implementation and training milestones. In addition, the ADF Partner will provide JOPOCOS with technical and management assistance during implementation.

IX. Monitoring and Evaluation

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

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