

05-JUN-19-6A

1608-SWA

Proj. Descript GA

**APPENDIX A:  
PROJECT DESCRIPTION  
DUMAKO DEVELOPMENT PROJECT - SWAZILAND**

**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**

Swaziland's annual population growth of 3.8 percent, the economic impact of a prolonged drought, and a HIV seropositivity rate at 40 percent are key contributors to the country's increasing poverty, especially among rural households. The promotion of small and medium enterprises (SMEs) leads the Government of Swaziland's strategy to increase incomes and reduce poverty in the country. The Government has moved toward improving the enabling environment for these enterprises. However, access to financial and technical support services remains a major obstacle to the growth of SMEs. The Grantee, Africa Cooperative Action Trust (ACAT), assists rural communities to gain access to the needed services.

**iii. Funding**


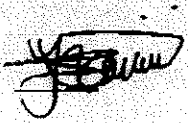
**A. ADF Contribution**

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 3, Section 3.1 of the Agreement.

**B. Grantee Contribution**

ACAT will provide communication facilities (telephone, fax, computers,) office space, office equipment, vehicles, personnel salaries, travel for the HIV/AIDS volunteers, and expenses related to the HIV/AIDS survey and monitoring and evaluation. **Each of the 150 participating farmers are expected to provide adequate work days on their plots to assist the project in reaching its targets.** Based on prevailing agricultural wage rates for general laborers, a value of SZL 15 per day is assigned to this labor.

**C. Other Contributions**

ADF  Grantee 

Farm Chemicals Ltd. will provide farmers with training on pesticide use for no fee.

#### IV. Project Goal

The goal of the Project is to reduce poverty among subsistence grassroots households, improve household food security and nutrition, and empower rural communities to mitigate the impact of HIV/AIDS in the Dumako and Mkhondvo River Valley areas.

#### V. Project Purpose

The purpose of the Project is to assist 150 farm households in the Dumako area to increase their incomes as follows.

A. Net income of participating farmers from crop sales (gross revenues from crop sales minus cash costs of inputs used to produce cash crops and crops for home use) will increase from 0 to:

Year 1 - SZL 66,718  
Year 2 - SZL 83,666  
Year 3 - SZL 104,916  
Year 4 - SZL 137,047  
Year 5 - SZL 179,017

B. Salaries of input shed personnel will increase from 0 to:

Year 1 - SZL 22,800  
Year 2 - SZL 23,826  
Year 3 - SZL 41,084  
Year 4 - SZL 42,933  
Year 5 - SZL 44,865

#### VI. Outputs

The three major outputs of the Project are listed below.

A. Increased capacity among participating farmers to produce vegetables as indicated by the following illustrative commercial production targets:

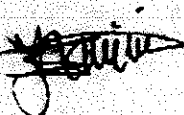
Year 1--65,040 kilograms of cabbage, 33,630 kilograms of tomatoes, 27,600 kilograms of green pepper, 26,829 bunches of spinach (averaging 10 leaves per bunch), 21,333 kilograms of onions  
21,470 kilograms of beet roots

Year 2--78,060 kilograms of cabbage, 40,350 kilograms of tomatoes, 33,120 kilograms of green pepper, 31,954 bunches of spinach (averaging 10

ADF



Grantee



leaves per bunch), 25,590 kilograms of onions, 25,760 kilograms of beet roots

Year 3--93,672 kilograms of cabbage, 48,420 kilograms of tomatoes, 39,720 kilograms of green pepper, 38,345 bunches of spinach (averaging 10 leaves per bunch), 30,710 kilograms of onions, 30,920 kilograms of beet roots

Year 4--117,080 kilograms of cabbage, 60,540 kilograms of tomatoes, 49,650 kilograms of green pepper, 47,931 bunches of spinach (averaging 10 leaves per bunch), 38,390 kilograms of onions, 38,650 kilograms of beet roots

Year 5--146,350 kilograms of cabbage, 75,660 kilograms of tomatoes, 62,070 kilograms of green pepper, 59,914 bunches of spinach (averaging 10 leaves per bunch), 47,990 kilograms of onions, 48,310 kilograms of beet roots

B. A sustainable input supply system for participating farmers created as indicated by increases in the net income of the input shed (includes input sales and interest received from loans to farmers) from 0 to:

Year 1 - SZL 248,969

Year 2 - SZL 308,759

Year 3 - SZL 383,736

Year 4 - SZL 497,098

Year 5 - SZL 645,176

C. A viable marketing organization established for farmers' produce as indicated by an increase in the sales revenues of vegetables from 0 to:

Year 1 - SZL 213,845

Year 2 - SZL 268,160

Year 3 - SZL 336,272

Year 4 - SZL 439,257

Year 5 - SZL 573,779

## VII. ACTIVITIES

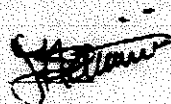
The Project's activities are designed to improve the economic situation of participating households, especially those affected with HIV/AIDS, by helping them capitalize on the local demand for fresh vegetables. In addition, the Project will offer HIV/AIDS services to participating households and other community residents. The Grantee is responsible for ensuring the implementation of the following major activities.

### A. Backyard Vegetable Gardens

ADF



Grantee



150 farm households in the Dumako area will set up individual backyard gardens of approximately 200 square meters each for the cultivation of a variety of vegetables. This Project will enable the participants to engage in commercial vegetable production, as well as production for household consumption. ACAT will provide an on-site extension officer and three facilitators to offer technical expertise to farmers on a daily basis, working in coordination with the government extension officers. ACAT will assist farmers in the following ways: (1) establish strategically located demonstration plots on how to set up gardens; (2) maintain communication with the marketing organization; (3) formulate production plans; (4) provide basic garden equipment such as hoes, vegetable crates, and fencing; (5) install a cold room for storage of vegetables; (6) equip a Project office; and (6) acquire transport for the Project and its extension workers.


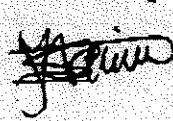
In addition, ACAT will provide training and technical assistance to farmers in preparing crop estimates, grading and selling of vegetables, record keeping, compost making, preservation, application of liquid manure, marketing, land preparation and planting, biological pest control, and other topics as necessary. Farm Chemicals, Incorporated will train farmers in the proper use of chemical pesticides. During Project implementation, ACAT will explore the availability of safer alternatives to "restricted use" chemical pesticides.

For the first crop cycle under the Project, ACAT will advance farmers interest-bearing loans in the form of the inputs they need during the first four months of the production cycle. These inputs include vegetable seeds, fertilizers, fungicides, insecticides, and tools. The marketing organization to be established by the Project will deduct each farmer's loan from the sales proceeds of his or her crops, and deposit the proceeds into a revolving fund that will be managed by the input shed discussed below. ACAT will provide oversight for the operation of the fund.

**B. Farmer Associations and the Input Shed Operation**

ACAT will renovate an input shed (retail outlet) at Dumako to ensure that most production inputs and hardware the farmers need will be available locally. The Phakamani Multi-Purpose Cooperative (PMPC) will assist the 150 participating farmers to form ten farmer associations. These associations will become members of PMPC. PMPC, through the associations, will establish a management committee that, with the assistance of an ACAT employee, will oversee the daily operation of the input shed. ACAT will have ultimate responsibility for ensuring the proper operation of the shed.

ACAT will advance working capital to PMPC to purchase shed inventory stock required for approximately two months. ACAT will recover advances with interest from PMPC and re-lend funds to PMPC as needed for expansion of the input shed.

ADF  Grantee 

C. Marketing

ACAT and the Swaziland Farmers' Development Foundation (SFDF) will form a for-profit marketing organization. The organization will collect and market the farmers' produce, provide farmers market information needed for the formulation of production plans, and develop a marketing strategy. The farmers will acquire ownership interest in the marketing company during the life of the Project.

D. HIV/AIDS Services

During the first two years of the Project, ACAT will provide HIV/AIDS education and support services to the participating 150 farm families in addition to 280 families participating in an ADF funded activity that SFDF is implementing. ACAT will recruit and train approximately 15 community volunteers in the first year of the Project and approximately 8 during the second year. During home visits, the volunteers will provide families HIV/AIDS awareness training, perform certain household chores, and collect relevant information needed to monitor the effectiveness of the services.

VIII. Roles and Responsibilities of the Parties

ACAT is responsible for ensuring the proper implementation of the Project. To facilitate implementation, ACAT will enter into agreements with the Phakamani Multi-Purpose Cooperative and the Swaziland Farmer Development Foundation, for the purposes described in section VII above.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee will form a monitoring and assessment committee composed of a representative cross-section of the Grantee's organization. The committee will develop a 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.

ACAT will carry out a baseline survey at the beginning of the Project and update it each program year. The survey will focus on collecting information regarding the incidence of HIV/AIDS infections, family size, family composition, ages, family health, land property, crops grown, income, etc. ACAT will conduct a gender disaggregated examination of the social consequences and benefits of the Project. It will evaluate the HIV/AIDS training in conjunction with the production and marketing assessment in the third year of the Project.

ADF  Grantee 