

**APPENDIX A:  
PROJECT DESCRIPTION**

**Basolile Farm Expansion Project Swaziland**

**I. Introduction**

This appendix describes the activities to be undertaken and results to be achieved with funds obligated under this Agreement. No item in this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

**II. Background**

Basolile Investments (Proprietary) Limited ("Basolile") is a Swaziland-based micro enterprise which produces traditional vegetables on a four hectare portion of a forty hectare farm and sells to local supermarkets and vegetable processing companies. The region where Basolile operates is known for high incidences of poverty and HIV/AIDS infection. In addition to its commercial endeavors, Basolile helps AIDS widows and orphans by, among other things, supplying them with second grade vegetables, proceeds from the sale of first grade vegetables grown on a allocated portion of land, and employment.

Despite Basolile's commercial successes, the enterprise is facing several challenges. Basolile has working capital problems including a lack of funds to purchase new farm implements to increase efficiency and productive capacity. Basolile lacks an efficient irrigation system to enhance its ability to expand from the current four to ten hectares of land. Also, Basolile's management has limited skills to maintain financial records and consistently and effectively coordinate the finance function of the organization.

**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**

The Grantee will contribute to the Project its existing assets which include a tractor, diesel engine pump, vehicles, and plough, among others. The Grantee is also contributing management and employee time and effort to the Project. From year two of the Project, Basolile will contribute the salary of the marketing manager. Basolile will contribute local labor during the process of replacing the flood irrigation system with the sprinkler system. In addition, Basolile will rehabilitate the road connecting the farm with the main road.

ADF  Grantee   
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C. Other Contributions

The Swaziland Ministry of Agriculture will contribute through extension services provided by the extension officer based at Hluti. NAMBoard will also contribute through technical support provided by its staff member responsible for Shisweleni region.

IV. Project Goal

The Project's goal is to improve living standards for residents of Swaziland, particularly for workers at Basolile and orphaned and vulnerable groups ("OVCs") in the Shisweleni region.

V. Project Purpose

The purpose of the Project is to improve Basolile's net income after tax, its employees' income, and the financial benefit to OVCs, as indicated by the following:

- A. Basolile's income before depreciation increased from 0 to:
  - Year 1 – SZL 41,295
  - Year 2 – SZL 89,515
  - Year 3 – SZL 106,358
  - Year 4 – SZL 243,969
  - Year 5 – SZL 323,003
  
- B. Basolile's total amount of salaries to farm employees (excluding the Director, Accountant and Farm Manager salaries) increased from 0 to:
  - Year 1: SZL 173,625
  - Year 2: SZL 224,250
  - Year 3: SZL 236,808
  - Year 4: SZL 250,069
  - Year 5: SZL 264,073
  
- C. Basolile's total amount of financial contributions from the sales coming from the 0.5 hectare plot dedicated to OVCs increased from SZL 0 to:
  - Year 1: 74,251
  - Year 2: 78,409
  - Year 3: 82,799
  - Year 4: 87,436
  - Year 5: 92,333

VI. Outputs

The project will generate the following outputs in order to attain the Project's purpose.

- A. Basolile's revenues increased, as measured by an increase in sales from a baseline of SZL 111,833 to:

- Year 1: SZL 618,169
  - Year 2: SZL 814,289

Year 3: SZL 895,716  
Year 4: SZL 1,030,071  
Year 5: SZL 1,184,584

B. Technical and management capacity strengthened, as measured by:

- Marketing manager on staff from year one;
- Basolile accountant able to manage computerized accounts for the farm by year one;
- Improved financial management skills including preparation of financial statements and annual financial budgeting, planning and reporting from year two;
- Development of a written financial procedures guide by year one; and
- Basolile farm maintaining written contracts for short-term and permanent employees and paying wages and benefits consistent with the national policy on agricultural workers.

C. Production capacity strengthened, as measured by:

- Employees effective at post-harvest handling of vegetables;
- Expanded irrigation system;
- Amount of cultivated land expanded from four hectares to ten hectares;
- Amount of cultivated land dedicated to OVCs expanded from 0.25 hectares to 0.5 hectares.

## VII. ACTIVITIES

Basolile will undertake the following activity components to generate the Project's expected outputs:

A. **Farm implements acquisition, installation and rehabilitation**

- Basolile will rehabilitate various vehicles including a truck used for transporting produce, a van, and a tractor;
- Basolile will acquire various farm implements including a new planter and harrower to ensure efficient tilling of the farm;
- Basolile will install electricity at the farm and connect an electric pump;
- An irrigation system will be installed to accommodate ten hectares of land; and
- Fencing will be erected to secure the ten hectares.

B. **Training and capacity building of Basolile management and farm workers**

The following training will be conducted:

- Jobe Investments will train Basolile workers in post-harvest handling of vegetable products in a way that minimizes loss and enhances quality end produce for the market;
- A consultant will train Basolile's management, supervisory and advisory board in farming business management including operations and effective production controls.

- LULOTE will train Basolile staff in financial management including how to establish financial systems, prepare financial reports, and accounting techniques.
- The Africa Cooperative Action Trust will facilitate training on HIV/AIDS targeting all Basolile employees. This training will sensitize Basolile employees on how HIV/AIDS is spread, how to promote safe behavior, and how to mitigate HIV/AIDS.

**C. Basolile farm office establishment and formalization of national care point support**

- Basolile will acquire a computer, install a phone line, fax and install accounting software to support its operations;
- Basolile will work with UNICEF to formalize relationships with the four National Care Points for Orphaned and Vulnerable Children. The formalized relationships will be guided by Memorandum of Understanding between Basolile, the National Care Points, represented by UNICEF or other NGOs and stakeholders in the area. The Memorandum of Understanding will clearly capture Basolile's level of support in kind and the financial resources contribution to cover other basic OVCs needs. For the duration of the project Basolile will contribute in kind and financially to the National Care Points in line with the Memorandum of Agreement.

**D. Farm production**

- The marketing manager will assess the produce market and advise on Basolile's production cycle; and
- The agricultural extension officer from the Ministry of Agriculture and the NAM Board Official working in Shisweleni region will provide on the job coaching and mentoring for Basolile in the expanding process. The two will also assist Basolile's production of new crops.

**VIII. Roles and Responsibilities of the Parties**

Basolile is responsible for ensuring the proper management and implementation of the Project. The ADF Partner in Swaziland will provide Basolile with technical assistance and advice during the implementation of this Project.

**IX. Monitoring and Evaluation**

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Grantee'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. The ADF Partner will monitor to ensure that the plan put in place for monitoring purposes is being implemented.

ADF



Grantee

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