

**APPENDIX A:
PROJECT DESCRIPTION
Manzini Youth Care /Eswatini Swazi Kitchen Honey Project**

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


Through ADF funding, the Regional Excellence Development Initiative (REDI), undertook a market study in April 2006 to assess the potential market for honey in Swaziland. This study confirmed findings by earlier studies by Kellogg Foundation, Techno Serve, the European Union Micro Projects and estimates from beekeeping experts in Swaziland. The REDI market survey revealed that the honey industry in Swaziland is still underdeveloped and that there is a huge market potential. The study also identified that small holder bee keepers are a key player in the development of the industry in Swaziland.

Manzini Youth Care (MYC) is a socio-economic development organization with a long history of promoting income generation and human development for the betterment of disadvantaged Swaziland communities. MYC seeks to exploit the existing business opportunity in the honey industry in Swaziland and create reliable sources of income for existing beekeepers and vulnerable households. Further, the organization seeks to also increase the profits generated from its business initiatives to enable it to contribute to the social and developmental needs of the disadvantaged youth that it supports. MYC has a factory building for processing honey but lacks adequate resources to start a honey processing and marketing enterprise. MYC does not have adequate financial resources to assist the beekeepers to collect their produce, to hire honey extraction equipment, or to procure the necessary packaging materials to market the processed honey.

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.

ADF  Grantee 

B. Grantee Contribution

MYC's primary contributions to the Project include the following in-kind items and activities:

- Renovation of Swazi Eswatini factory space for honey production
- Monthly rental fee for the factory
- Construction workshop on hive making
- Honey factory manager salary
- Field coordinator salary
- Salary for part-time accountant
- Project management office rental
- Upgrading skills for the part-time factory accountant
- Upgrading accountant systems and skills for the MYC accountant
- Procuring top bar frame extractor and two settling tanks.

The above listed contribution from MYC is estimated at a value of E 685 880 for the duration of the Project.

IV. Project Goal


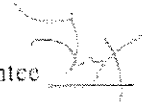
MYC's long-term goal is to develop economic security, and increase incomes for HIV/AIDS vulnerable homesteads.

V. Project Purpose

The purpose of the Project is two-fold:

- 1) To create a source of reliable income for HIV/AIDS vulnerable homesteads and to improve income earned by existing beekeeping associations derived from beekeeping and honey marketing initiatives. This will be evidenced by the value of honey purchased from beekeepers as follows:

Baseline – SZL 0
Year 1 – SZL 189,224
Year 2 – SZL 217,607
Year 3 – SZL 250,248
Year 4 – SZL 287,786
Year 5 – SZL 330,935

ADF  Grantee 

- 2) To increase MYC's income for social development derived from income from the honey Project as measured by the following indicators:

Earnings before depreciation and income taxes of BSK's new honey line will be as follows:

Baseline – SZL 0
Year 1 – SZL 69,104
Year 2 – SZL 35,130
Year 3 – SZL 84,520
Year 4 – SZL 181,196
Year 5 – SZL 216,748

Number of active hives amongst members of Lujú Lwemvelo Beekeepers Association will increase from a baseline of 153 hives to:

Year 1 - 200
Year 2 - 300
Year 3 - 350
Year 4 - 400
Year 5 - 450

VI. Outputs

The Project will generate the following outputs:

- 1) Increased honey productivity among beekeeping groups as evidenced the following increase in number of beekeepers selling honey to MYC:

Baseline - 0
Year 1 - 80
Year 2 - 130
Year 3 - 150
Year 4 - 175
Year 5 - 200

- 2) Increased amount of honey purchased from all beekeepers by the factory estimated as follows from a baseline of SZL 0 to:

Year 1 – SZL 189,324
Year 2 – SZL 217,607
Year 3 – SZL 250,248
Year 4 – SZL 287,786
Year 5 – SZL 330,935

3) Improved sales from the MYC factory of honey products as reflected by the following honey sales figures:

Baseline -- SZL 0
Year 1 -- SZL 481,941
Year 2 -- SZL 664,236
Year 3 -- SZL 771,525
Year 4 -- SZL 887,253
Year 5 -- SZL 1,020,340

VII. Activities

To achieve the above - stated outputs, the following activity components will be implemented:

- 1) Recruitment of field outreach and project management / coordination staff.
- 2) Participatory selection of 80 vulnerable homesteads to undertake beekeeping as an income generating initiative.

Program beneficiaries will be selected in consultation with the community leadership and rural health facilitators based on household incomes, number of dependants supported by a household, state of health of household members, access to water and food security and other issues relevant to the dynamics of the community.

A group of 120 households will be selected to attend a workshop to introduce members to beekeeping. This workshop will be used to select the final 80 beneficiary households.

- 3) Beekeeping and hive management training of the 80 farmers will include basic skills of beekeeping and hive management and a follow-up hive production workshop for the beekeepers.
- 4) Implementation of a honey collection system which will involve MYC field staff, extension workers, beekeepers and MYC factory and management staff. This system will have quality control systems to ensure that low quality honey is identified. MYC's relationship with Luju Lwemvelo Beekeepers Association will be governed by a Memorandum of Understanding. Luju Lwemvelo, alongside other beekeeping associations will supply honey to MYC at agreed prices. Collection sites for other associations will be established at Tikhuba and Nhangano.
- 5) Establishment of the honey factory at Manzini Industrial Training Centre.

- 6) MYC will develop market strategies with an initial focus on the local market. External markets will be identified in consultation with the Ministry of Foreign Affairs.

VIII. Roles and Responsibilities of the Parties

The Project Manager / Development Management Officer at MYC will be responsible for the overall management of the project. The Project Manager will be supported by a Project Coordinator. The factory Manager will be responsible for overall factory operations and will work closely with the honey processors and a honey factory finance officer.

The project management team and the factory team will work closely with the Field team which will mainly comprise extension staff with expertise in beekeeping. The field team will undertake extension, honey collection and other beekeeping related duties with the farmers.

MYC/ Eswatini Kitchens will provide material support to the farmers in the form of bee hives. ~~MYC will also provide information on micro-financing organizations to those farmers who wish to purchase additional hives.~~

Staff and consultants from the ADF Representative Office will provide the necessary standard ADF training in accounting, monitoring and evaluation.

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.

X. Other Implementation Issues

Upon selection of the 80 vulnerable households to participate in this project, the Grantee will organize and carry out a baseline survey and establish measurable social impact indicators, which they will continue to monitor annually for the duration of the project. They could include: the number of children by gender now attending school, the numbers of visits to a medical facility and family's ability to pay for such care, the numbers and kinds of animals or other assets the family has, and the type of home construction among others.

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