

PROJECT DESCRIPTION**AMAGRO Mango Production Capacity Building****Tanzania****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

The Association of Mango Growers (AMAGRO), a farmers association with 65 members in the Pwani and Lindi districts of Tanzania, aims to take advantage of unmet demand for high quality mangos in regional and Middle Eastern markets. To increase its potential to capture additional market share, AMAGRO needs to improve its management skills, improve its business planning, expand access for farmers to improved technologies and seed varieties, recruit more mango farmers in the coastal districts, 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

AMAGRO members will offer their time and assets to further the Project goals of skills development and increased production and improved product quality. Members will also contribute their own savings as initial capital in a revolving loan fund for the purchase of inputs.

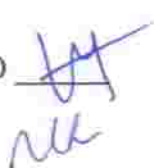
IV. Project Goal

The goal of the Project is to raise the standard of living for the members and employees of AMAGRO.

ADF



AMAGRO



Page 1 of 3

Grant Agreement No. 1924-TAN

V. Project Purpose

The purpose of the investment is to improve AMAGRO'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, AMAGRO will achieve the following.

- A. Improved technical capacities as demonstrated by mango seedlings production increased from 10,000 per year to at least 15,000 per year by year two.
- B. Improved management and operating systems capacity as demonstrated by:
 1. implementing improved business systems and accounting systems, and certifying AMAGRO as compliant with ADF financial and reporting requirements; and
 2. management's use of financial and accounting reports and audited yearly account reports in its decision making.

VII. Activities

AMAGRO will ensure the following major activities are completed with the assistance of consultants where necessary.

- A. Improve the management and institutional capability of AMAGRO by:
 1. training AMAGRO leaders to acquire the necessary skills to improve leadership and better organize, train and interact with group members;
 2. preparing a comprehensive business plan;
 3. conducting a market study with value chain analysis;
 4. establishing a more professional leadership core by recruiting and paying association staff including a project manager, agricultural manager, nursery supervisor, and secretary;
 5. furnishing the AMAGRO office with additional furniture and computers; and
 6. implementing revolving loan fund software and training, and a trial lending program.
- B. Institute improved financial and operating procedures by:
 1. hiring an accountant to manage the financial accounting system and handle the finances of the association;

2. developing accounting processes and roles specifically tailored to the operations of AMAGRO and documenting them in a financial manual; and
3. training farmer members in micro-credit and revolving loan principles.

C. Improve mango production systems by:

1. improving product quality through expansion of skills in mango inspection, grading, and packaging;
2. improving the quality of mango seedlings available to farmer members;
3. developing a database of mango production and practices;
4. developing a mango production manual for farmers;
5. mobilizing existing members and recruiting new members;
6. making progress towards development of a memorandum of understanding with the government of Tanzania and other stakeholders for mango production and marketing support services;
7. improving identification of potential buyers through attendance at trade fairs;
8. developing promotional materials;
9. implementing a farm monitoring and inspection system;
10. training AMAGRO members in best agronomic practices and improved technology in the cultivation of mangos; and
11. constructing onsite demonstration shelters for training at the farm level.

VIII. Roles and Responsibilities of the Parties

ADF's Partner in Tanzania will provide the standard ADF training in bookkeeping, monitoring, and assessment. AMAGRO is responsible for ensuring the proper management and implementation of the Grant. The ADF Partner in Tanzania will provide AMAGRO with technical and management assistance during implementation.

IX. Monitoring and Evaluation

ADF's partner in Tanzania will closely monitor the activities of the Association to ensure proper reporting, adherence to the Project implementation plan by the Association and movement towards the achievement of Project objectives. The Partner will continuously assess risks and take remedial action as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review ADF's quarterly reports and will submit comments and observations to the management of the Association as part of the on-going performance assessment.




PROJECT DESCRIPTION**AMAGRO Mango Production Capacity Building****Tanzania****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

The Association of Mango Growers (AMAGRO), a farmers association with 65 members in the Pwani and Lindi districts of Tanzania, aims to take advantage of unmet demand for high quality mangos in regional and Middle Eastern markets. To increase its potential to capture additional market share, AMAGRO needs to improve its management skills, improve its business planning, expand access for farmers to improved technologies and seed varieties, recruit more mango farmers in the coastal districts, 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

AMAGRO members will offer their time and assets to further the Project goals of skills development and increased production and improved product quality. Members will also contribute their own savings as initial capital in a revolving loan fund for the purchase of inputs.

IV. Project Goal

The goal of the Project is to raise the standard of living for the members and employees of AMAGRO.

V. Project Purpose

The purpose of the investment is to improve AMAGRO'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, AMAGRO will achieve the following.

- A. Improved technical capacities as demonstrated by mango seedlings production increased from 10,000 per year to at least 15,000 per year by year two.
- B. Improved management and operating systems capacity as demonstrated by:
 - 1. implementing improved business systems and accounting systems, and certifying AMAGRO as compliant with ADF financial and reporting requirements; and
 - 2. management's use of financial and accounting reports and audited yearly account reports in its decision making.

VII. Activities

AMAGRO will ensure the following major activities are completed with the assistance of consultants where necessary.

- A. Improve the management and institutional capability of AMAGRO by:
 - 1. training AMAGRO leaders to acquire the necessary skills to improve leadership and better organize, train and interact with group members;
 - 2. preparing a comprehensive business plan;
 - 3. conducting a market study with value chain analysis;
 - 4. establishing a more professional leadership core by recruiting and paying association staff including a project manager, agricultural manager, nursery supervisor, and secretary;
 - 5. furnishing the AMAGRO office with additional furniture and computers; and
 - 6. implementing revolving loan fund software and training, and a trial lending program.
- B. Institute improved financial and operating procedures by:
 - 1. hiring an accountant to manage the financial accounting system and handle the finances of the association;

2. developing accounting processes and roles specifically tailored to the operations of AMAGRO and documenting them in a financial manual; and
3. training farmer members in micro-credit and revolving loan principles.

C. Improve mango production systems by:

1. improving product quality through expansion of skills in mango inspection, grading, and packaging;
2. improving the quality of mango seedlings available to farmer members;
3. developing a database of mango production and practices;
4. developing a mango production manual for farmers;
5. mobilizing existing members and recruiting new members;
6. making progress towards development of a memorandum of understanding with the government of Tanzania and other stakeholders for mango production and marketing support services;
7. improving identification of potential buyers through attendance at trade fairs;
8. developing promotional materials;
9. implementing a farm monitoring and inspection system;
10. training AMAGRO members in best agronomic practices and improved technology in the cultivation of mangos; and
11. constructing onsite demonstration shelters for training at the farm level.

VIII. Roles and Responsibilities of the Parties

ADF's Partner in Tanzania will provide the standard ADF training in bookkeeping, monitoring, and assessment. AMAGRO is responsible for ensuring the proper management and implementation of the Grant. The ADF Partner in Tanzania will provide AMAGRO with technical and management assistance during implementation.

IX. Monitoring and Evaluation

ADF's partner in Tanzania will closely monitor the activities of the Association to ensure proper reporting, adherence to the Project implementation plan by the Association and movement towards the achievement of Project objectives. The Partner will continuously assess risks and take remedial action as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review ADF's quarterly reports and will submit comments and observations to the management of the Association as part of the on-going performance assessment.