

PROJECT DESCRIPTION**TanCert Organic Inspection and Certification****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

Tanzania Organic Certification Association (TanCert) is a registered civil society organization based in Dar es Salaam, Tanzania. The organization provides organic certification and inspection services for organic agricultural producers in Tanzania. TanCert would like to take advantage of unmet local demand for these services; however, weak organizational capability and low marketing capability prevent the company from capitalizing on the market demand.

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

TanCert will contribute the time and skills of its staff in the implementation of the project as well as computer equipment.

IV. Project Goal

The goal of the Project is to improve the standard of living and economic welfare of the rural poor in Tanzania.

V. Project Purpose

The purpose of the Project is to increase the income of TanCert's employees as follows.

- A. TanCert's net income (before taxes and depreciation) will increase from the current baseline of TZS (70,737,297) to:
 - 1. TZS (46,856,455) in Year 1;
 - 2. TZS (12,725,963) in Year 2;
 - 3. TZS 32,706,358 in Year 3; and
 - 4. TZS 76,451,850 in Year 4.

- B. Total salaries and wages paid to employees will increase from TZS 41,430,000 in the Project's base year to:
 - 1. TZS 56,760,000 in Year 1;
 - 2. TZS 62,436,000 in Year 2;
 - 3. TZS 68,679,600 in Year 3; and
 - 4. TZS 75,547,560 in Year 4.

VI. Project Outputs

By the end of the Project period, the capacity of TanCert to provide organic certification and inspection services will increase as evidenced by the following.

- A. Increase in group membership from 16 group members in the Project base year to:
 - 1. 21 members in Year 1;
 - 2. 26 members in Year 2;
 - 3. 31 members in Year 3; and
 - 4. 36 members in Year 4.

- B. Increase in total individual producers certified, producing and marketing organic products from 110,000 in the Project base year to:
 - 1. 126,923 in Year 1;
 - 2. 152,308 in Year 2;
 - 3. 186,054 in Year 3; and
 - 4. 211,538 in Year 4.

- C. Increase in TanCert's sales revenue from TZS 34,908,978 in the Project base year to:
 - 1. TZS 60,460,229 in Year 1;
 - 2. TZS 110,875,425 in Year 2;
 - 3. TZS 166,577,797 in Year 3; and
 - 4. TZS 222,886,490 in Year 4.

VII. Project Activities

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

- A. Improve the management and institutional capability of TanCert by:
 1. training new laboratory staff in laboratory analysis procedures;
 2. developing an organic production technology information database;
 3. decentralizing business service operations to eight zones;
 4. purchasing a vehicle to reach remote clientele;
 5. conducting a revised assessment of the sustainability of different market streams based on changing market conditions after year one; and
 6. establishing a more professional leadership core by recruiting and paying association staff.

- B. Institute improved financial and operating procedures by:
 1. training TanCert staff on financial management and reporting procedures and monitoring and evaluation skills; and
 2. training accountant on latest accounting software and computerized accounting systems.

- C. Improve organic certification and inspection services by:
 1. acquiring and using modern laboratory equipment;
 2. renting laboratory space to house new laboratory equipment;
 3. broadening and diversifying organic inspection and certification services; and
 4. improving identification of potential clients through attendance at trade fairs.

VIII. Roles and Responsibilities of the Parties

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