

PROJECT DESCRIPTION

CMRTE Cassava Production Capacity Building

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

Chinangwa, Mbatata, Roots and Tubers Enterprises Farmers Group (CMRTE) is a farmer's cooperative based in the Zomba district of Malawi. The 2,000 farmer members grow cassava through farmer clubs and individual farms and process cassava into fermented flour, unfermented flour, and animal feed. Increases in the price of maize as well as intermittent droughts have increased the demand for cassava, a drought resistant crop. CMRTE would like to take advantage of increased market demand but to do so the cooperative needs to improve its financial management skills, expand its business planning, 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

CMRTE will contribute land and labor.

IV. Grant Goal

The goal of the CMRTE grant is to improve the standard of living for farmers and their families in the Zomba district of Malawi.

V. Grant Purpose

The purpose of the grant is to improve CMRTE's prospects for sustained expansion as demonstrated 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, CMRTE will achieve the following.

- A. Improved technical capacities as demonstrated by average farmer cassava yield increased from 500 metric tons per annum to at least 1,000 metric tons per year by the end of the project.
- B. Improved management and operating systems capacity as demonstrated by:
 - 1. implementation of improved business systems and accounting systems;
 - 2. ADF financial and reporting requirement compliance certification of CMRTE; and
 - 3. management's use of financial and accounting reports, and of audited yearly account reports in its decision making.

VII. Activities

CMRTE will ensure the following major activities are implemented.

- A. Improve the management and institutional capability of CMRTE by:
 - 1. training CMRTE leaders to acquire the necessary skills to improve leadership and better organize, train, and handle group members;
 - 2. preparing a comprehensive business plan;
 - 3. developing a personnel policy;
 - 4. establishing a more professional leadership core by recruiting and paying association staff including a general manager; and
 - 5. furnishing the CMRTE office with additional furniture and computers.
- 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; and

2. developing accounting processes and roles specifically tailored to the operations of CMRTE and documenting them in a financial manual.

C. Improve cassava production systems by:

1. improving product quality through acquisition and use of cassava processing equipment;
2. improving product quality through testing and certification by the Malawi Bureau of Standards;
3. improving the quality of cassava planting materials available to farmer members;
4. mobilizing existing members and recruiting new members;
5. training CMRTE members in best agronomic practices; and
6. improving the on-farm demonstration facility for training at the farm level.

VIII. Roles and Responsibilities of the Parties

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

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Client, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Client'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.

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