

**APPENDIX A**  
**PROJECT DESCRIPTION**  
**VELD PRODUCTS RESEARCH & DEVELOPMENT**  
**COMMUNITY HOODIA PRODUCTION OAG 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**

Veld Products Research and Development (“VPR&D”) is a non-governmental organization located in Gaborone, Botswana. VPR&D seeks to enhance rural livelihoods by developing opportunities for sustainable utilization of natural resources.

VPR&D has identified a potential opportunity to build the capacity of Bokspits, Rapplespan, Vaalhoek, and Struizendam villages (the community which formed a trust called “BORAVAST Trust”) to undertake sustainable cultivation of the hoodia gordonii plant (“hoodia”) in Botswana. The opportunity will likely materialize if Unilever completes testing of hoodia and decides to make commercial use of it. VPR&D hopes that if BORAVAST Trust begins cultivating hoodia seeds and plants, the community will benefit from a profitable and sustainable source of income.

**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 make ADF’s contribution to exceed the obligated amount specified in Article 3, Section 3.1 of the Agreement.

**B. Grantee Contribution**

VPR&D will contribute management and employee time and effort to the project.

**IV. Project Goal**

The goal of the project is to promote employment growth and income enhancement for the poor in Botswana.

ADF  Grantee \_\_\_\_\_

## V. Project Purpose

- The purpose of the project is to improve the Grantee's prospects for expanding its operations into the production of hoodia seeds and plant material for commercial use, 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. Project Outputs

The expected outputs from the OAG project are:

- A. Production systems developed
  - Expanded plant supply - sufficient supply of hoodia seeds and seedlings built up that can be distributed to future growers
  - Production technologies demonstrated through four community production sites
  - Skilled growers
  - Local grower support expertise
  - Best practice on growing of hoodia documented
- B. Fully developed business and growth plans
  - Investment plan for expansion and replication of small holder production units to meet market demand
  - Expansion of viable marketing channels
- C. Marketing channels established securing access to markets for small growers
  - Marketing development strategies and plan in place
  - Buyer linkages established
  - Marketing capacity enhanced
- D. Local grower support structures established
  - Enhanced capacity of BORAVAST Trust in the areas of project management and quality assurance in order to support extension of production to small growers

## VII. Major Activities to be financed under the Agreement

The role of VPR&D in the project will be to:

Production systems developed:

- Setting up four community production units to field test viable local production capabilities;
- Expanding hoodia plant supply - sufficient supply of seeds and seedlings built up that can be distributed to future growers;

- Undertaking production trials on hoodia cultivation (e.g. germination, pest control, transplanting, propagation, chemical analysis);
- Training growers in hoodia production techniques;
- Establishing four community production sites;
- Establishing local grower support expertise and structures;
- Documenting best practice on growing hoodia;
- Developing project management, extension and quality assurance capacity of BORAVAST Trust; and
- Training and capacity building of BORAVAST Trust to facilitate expansion phase of grower support.

Fully developed business and growth plans:

- Developing strategic marketing plan and an effective business model following market-oriented approaches;
- Creating an investment plan for expansion and replication of small holder production units to meet market demand; and
- Expanding viable marketing channels.

Marketing channels established securing access to markets for small growers:

- Establishing market assessment and marketing channels for access to international buyers;
- Creating a marketing development strategy and plan;
- Establishing buyer linkages; and
- Enhancing marketing capacity.

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

The Board of VPR&D is responsible for establishment of the organization's policies and ensuring proper management and implementation of the Project. ADF, through its Partner AEET, will provide VPR&D with technical and management assistance during the implementation of the project. AEET will provide the necessary Standard ADF training in bookkeeping, monitoring and assessment.

### **IX. Monitoring and Evaluation**

AEET will closely monitor the activities of VPR&D to ensure proper reporting, adherence to the project implementation plan by the Grantee and movement towards the achievement of project objectives. AEET will continuously assess the project risk and take remedial actions as needed. Monitoring by AEET will be an important aspect of the ongoing coaching and advisory service. AEET will review VPR&D's quarterly reports and will submit comments and observations to the management of VPR&D as a part of the annual project evaluation. The two organizations will jointly design the evaluation process.

**X. Other Implementation Issues**

AEET will monitor closely VPR&D's sales of hoodia to ensure that no sales are made for the purpose of human consumption until such time as clinical trials by a reputable research entity find that hoodia is safe for human consumption.