GREEN SCHEME IMPLEMENTATION MANUAL

MINISTRY OF AGRICULTURE,
WATER AND FORESTRY

AGRIBUSDEV

FOREWORD

On behalf of the Ministry of Agriculture, Water and Forestry and on behalf of the Agency entrusted with the day to day responsibility for the implementation of the Green Scheme Policy and programmes in this case the Agricultural Business Development Agency (AGRIBUSDEV); I am very grateful to present the Green Scheme Implementation Manual to all our shareholders and stakeholders.

The development of the Green Scheme Implementation Manual as provided for under Article 9, Sub Article 9.2.4 of the Green Scheme Policy elaborates and simplifies the implementation process and procedures to all current participants and potential participants into the Green Scheme Programmes. As such the manual provide a structural framework which shall guide all role players in the administration and implementation of the Green Scheme Programme. It is our ultimate desire that, the use of this manual will minimize ambiguity in the interpretation of the policy thereby creating an element of consistency and predictability of our intervention.

This manual was developed through an inclusive process of consultation with various stakeholders and as such this shall provide a very good reason for all shareholders to own it. In the same context, we would like to express our profound gratitude to all individuals and institutions alike for their valuable inputs. Going forward, we shall remain open to receive feedback on the usefulness of the manual and on the need to review and amend it when necessary.

As a country we have a collective responsibility within our respective mandate to continue driving the Green Scheme Programme with a sense of urgency. Through various Green Scheme Initiatives, we can significantly drive the country towards food security, we can contribute to the stabilization of the domestic economy and at the same time free our people from the poverty trap. In that perspective, I would like to implore all stakeholders and shareholders not to rest until the current trend of importing staple food is substantially reversed. The support we have been receiving from stakeholders and more particularly from Traditional Authorities who continues to avail land for development make us to believe that together we can.

Once more, through the structural framework provided for by this manual, we must join hands as a nation in driving the green revolution for national food security. With concerted efforts we can liberate this country from hunger and abject poverty.

John Mutorwa (MP)
Minister of Agriculture, Water and Forestry

PREFACE

This manual has been developed within the provision of Article 9.2, Sub-article 9.2.4 of the Green Scheme Policy which dictates that a Green Scheme Manual should be developed. Whereas the Green Scheme Policy provides the policy framework to guide the development and management of the Green Scheme Projects; this manual elaborate in more details the operational procedures to all stakeholders and participants in the Green Scheme Programme. By and large the manual shall be read and interpreted within the framework of the Green Scheme Policy and as such the Green Scheme Policy shall always be the first point of reference. It is a living document and with changes in the policy and evolution in the general environment the manual will be reviewed and amended periodically.

The manual covers critical aspects that need to be in place to ensure project sustainability. It further recognises essential institutions that are in place, as well as those that should be established to ensure the eventual success of a Green Scheme Programme. The manual articulates in a very concise manner the rules, obligations and procures to be followed by all participants, as well as the monitoring and evaluation systems that have to be put in place. It further takes cognisance of various challenges and factors that may affect the implementation process, such as exchange rate fluctuations, changes in the regulatory environment, political and social unrest, natural calamities, HIV/AIDS and so on.

The development and implementation of this manual is anchored in the principle of good governance by espousing the following core values: integrity, transparency and accountability, dignity and respect, customer focus, innovation and creativity, professionalism and productivity. Over and above this manual our actions and conduct shall be guided by, among others, the Public Service Charter which advocates standard, information sharing, courtesy, helpfulness, consultation, openness, non-discrimination, quality of service and value for money.

In order to ensure the successful implementation of the Green Scheme Programme it is absolutely necessary that all involved officials and stakeholders shall adhere to the rules and guidelines contained in this manual.

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1 OBJECTIVES OF THE GREEN SCHEME INITIATIVE

1.1 These objectives are derived from the Green Scheme Policy. It is a must for all participants in the Green Scheme Initiatives to understand the strategic policy objectives. The Green Scheme Initiatives as per the Green Scheme Policy are geared towards the following objectives:

1.1.1 To increase agriculture production and sector contribution to Gross Domestic Product (GDP);
1.1.2 To promote investment in food production and agro industry;
1.1.3 To mobilise private and public capital for investment in agriculture;
1.1.4 To promote food security at national and household levels;
1.1.5 To diversify agricultural production and products for the domestic and export markets;
1.1.6 To promote research and adaptation of technology to increase productivity;
1.1.7 To promote value addition and job creation; and
1.1.8 To promote skills development and transfer of technology.

2 GREEN SCHEME IMPLEMENTATION STRATEGIES

2.1 As per the Green Scheme Policy, the objectives outlined above are to be achieved through the following strategic interventions:

2.1.1 Increasing the existing irrigated agricultural areas to full potential;
2.1.2 Identification of potential areas for agricultural irrigation;
2.1.3 Development of agro-projects at identified areas for irrigation;
2.1.4 Development of storage facilities and marketing infrastructure;
2.1.5 Mobilisation of public and private capital;
2.1.6 Capacity building to ensure productivity and competitiveness;
2.1.7 Research and development, technology transfer and adaptation;
2.1.8 Implementation of Good Agricultural Practices;
2.1.9 Promotion of the efficient utilisation of agricultural land and water resources; and
2.1.10 Diversification of agricultural crops and export promotion.

3 IMPLEMENTATION FRAMEWORK

FARMING MODELS AND FARM MANAGEMENT STRUCTURES

The Green Scheme Policy makes provision for five (5) farming models from which one may choose the preferred approach to a given development. The farming model adopted may have a bearing on the farm management structures. The farming models and the associated farm management structures are listed below.

3.1 MODEL 5.1 "PRIVATE DEVELOPMENT IN COMMUNAL AREAS"

Under this model, a private investor who has acquired or identified an area of not less than 30 hectares and who intends to register his or her project as a Green Scheme must follow these procedures:

3.1.1 He or she has to obtain written consent from the Traditional Authority under whose jurisdiction the identified area falls;

3.1.2 Upon obtaining consent, an investor shall conduct a feasibility study in consultation with the MAWF, AGRIBUSDEV and Ministry of Enviromental and Tourism (MET) particularly on the water rights, and Environmental Impact Assessment (EIA), respectively;

3.1.3 Once all the necessary rights have been obtained (including the acquisition of the Environmental Clearance Certificate) and the necessary consultations are done, an investor shall submit an application for a leasehold to the relevant Regional Land Board for recommendation and approval by the Ministry of Lands and Resettlement (MLR);

3.1.4 Once the leasehold has been granted an investor shall present a written application and business plan to AGRIBUSDEV for consideration and possible registration of the project as a Green Scheme Project. Provided that the application is approved, a Memorandum of Understanding regulating the relationship between the parties participating in the scheme shall be signed;

3.1.5 Upon approval by AGRIBUSDEV the investor shall develop the land as per the approved business plan;

3.1.6 The inclusion of a Small Scale Irrigation Farming component is not mandatory under this model but highly recommendable. Therefore, only investors who include a Small Scale Irrigation Farming component shall qualify for special incentives as defined in the Green Scheme Incentive brochures.

3.1.7 APPLICABLE FARM MANAGEMENT STRUCTURES

Under this farming model an investor is not required to prescribe to any Farm Management Structure of the Green Scheme Policy.

Under this model of farming an investor will be required to adhere to Good Agricultural Practices (GAP) standards and implement Hazard Analysis and Critical Control Point (HACCP) systems. This will ensure efficient and sustainable utilisation of land, water and other resources while at the same time enhancing occupational health and safety.

3.2 MODEL 5.2 "PRIVATE DEVELOPMENTS IN THE COMMERCIAL AREA (ON LAND WITH TITLE DEED)"

Under this model, a private investor who has acquired an area of not less than 30 hectares and who intends to register his or her project as a Green Scheme Project shall follow the following procedures:

3.2.1 Purchase his or her own land or obtain a commercial piece of land by other means;

3.2.2 Once the Title of Deed has been secured an investor shall conduct all the necessary studies in consultation with AGRIBUSDEV, MAWF and MET for the water rights and Environmental Impact Assessment respectively;

3.2.3 Once the leasehold has been granted an investor shall present a written application and business plan to AGRIBUSDEV for consideration and possible registration of the project as a Green Scheme Project. Provided that the application is approved, a Memorandum of Understanding regulating the relationship between the parties shall be signed;

3.2.4 The inclusion of a Small Scale Irrigation Farming component is not mandatory under this model but recommendable. An investor who includes a Small Scale Irrigation Farming component shall qualify for additional incentives as described in the Green Scheme Incentive brochure.

3.2.5 APPLICABLE FARM MANAGEMENT STRUCTURES

Under this farming model an investor is not required to prescribe to any Farm Management Structure of the Green Scheme Policy. However he/she will be required to adhere to Good Agricultural Practices (GAP) and conform to the HACCP systems. This will ensure efficient and sustainable utilisation of land, water and other resources while at the same time enhancing occupational health and safety.

3.3 MODEL 5.3 “STATE DEVELOPMENT IN COMMUNAL AREAS”

In this model, MAWF shall approach Traditional Authorities and encourage them to voluntarily avail land for development. In return, the Traditional Authorities may also approach MAWF with offers of land for Green Scheme Development. These are the procedures to follow:

3.3.1 The Ministry receives a written offer of land from the Traditional Authority under whose jurisdiction the particular piece of land falls;

3.3.2 The Ministry shall acknowledge receipt of an offer and commence with the technical assessment and feasibility study (which shall include the EIA);

3.3.3 If the land is found to be suitable, the Ministry shall send an acceptance letter to the Traditional Authority and at the same time enlist the services of a land surveyor to survey and demarcate the project;

3.3.4 After the surveying and demarcation has been completed, the Ministry shall submit the application for leasehold to the Regional Land Board;

3.3.5 Upon obtaining the leasehold and securing the financial resources, the development process shall commence. The development shall be undertaken by the Government alone or jointly with private investor(s);

3.3.6 The participation or inclusion of Small/Medium Scale Irrigation Farmers under this model is mandatory.

3.3.7 APPLICABLE FARM MANAGEMENT STRUCTURES

MAWF, after consultation with AGRIBUSDEV, shall make a pronouncement on the Farm Management Structure to be adopted.

Once the Farm Management Structure has been decided upon AGRIBUSDEV shall advertise for the management of the project in accordance with the Farm Management Structure as prescribed by the MAWF;

Where the project is jointly developed by the Government and a private investor; the shareholders shall jointly decide on the appropriate management structure prior to the commencement of the development.

3.4 MODEL 5.4 "STATE DEVELOPMENT IN THE COMMERCIAL AREA (ON LAND WITH TITLE DEED)"

3.4.1 The land will either be purchased by or donated to MAWF;
3.4.2 MAWF shall commission the technical assessments to verify whether the land is suitable for Green Scheme development ;
3.4.3 The outcome of the assessment process shall inform MAWF on whether the process of buying or accepting a donation will be pursued;
3.4.4 Once a decision to purchase or accept the donation is made, AGRIBUSDEV shall facilitate all the necessary registration processes to acquire the Title of Deed which shall be in the name of MAWF;
3.4.5 After the Environmental Clearance Certificate, water permit and other requirements have been obtained and the financial resources secured, the development process shall commence. The development shall either be undertaken by the Government alone, or jointly with a private investor.
3.4.6 APPLICABLE FARM MANAGEMENT STRUCTURES

MAWF after consultation with AGRIBUSDEV shall make a pronouncement on the Farm Management Structure to be adopted. Once the Farm Management Structure has been decided upon, AGRIBUSDEV shall advertise for the management of the project in accordance with the Farm Management Structure as prescribed by the MAWF.

Where the project is jointly developed by the Government and a private investor; the shareholders shall jointly decide on the appropriate management structure prior to the commencement of the development.

3.5 MODEL 5.5 "COMMERCIAL IRRIGATION DEVELOPMENT IN COMMUNAL AREAS"

This model is applicable to investors or farmers who wish to develop an irrigation project with the area size ranging between 3 to 30 hectares. The farmers in this model would qualify for various incentives as per the prevailing incentive structure.

3.5.1 An investor or farmer, who has been allocated a piece of land by the Traditional Authority, should submit a business proposal to AGRIBUSDEV for consideration and support to acquire the water rights and the leasehold from the Regional Land Board;
3.5.2 Once the leasehold has been granted a farmer or investor shall present the business plan and an application to AGRIBUSDEV for approval and registration of the project as a Green Scheme Project upon which a Memorandum of Understanding regulating the relationship of the parties shall be signed;
3.5.3 Investors or farmers who wish to develop more than 30 hectares automatically fall under Model 5.1 of the Green Scheme Policy and have to follow the procedures prescribed under that model;
3.5.4 An Investor or farmer shall be assisted with the provision of seeds, fertiliser, pesticides and marketing at a rate or level as specified in the incentive brochure;
3.5.5 Investors and farmers who develop less than 3 hectares will not be assisted under the Green Scheme Programme, but would be assisted under the National Horticultural Programme or any other programme rendered by the Ministry.
3.5.6 APPLICABLE FARM MANAGEMENT STRUCTURE

A proper management structure approved by AGRIBUSDEV shall be put in place as part of the Memorandum of Understanding.

All farming operations will be required to adhere to Good Agricultural Practices (GAP) standards and Hazard Analysis and Critical Control Points (HACCP). This will ensure efficient and sustainable utilisation of land, water and other resources while at the same time enhancing food hygiene, occupational health and safety.

4 PARTICIPATION OF SMALL SCALE IRRIGATION FARMERS (SSIFS) IN GOVERNMENT DEVELOPED GREEN SCHEME PROJECTS

The Government recognises the need to empower aspiring and emerging Small Scale Irrigation Farmers (SSIFs). It further recognises the potential role SSIFs can play in the agenda for increased agricultural production.

The eligibility of SSIFs to participate in the Scheme shall be based on the following aspects:

- Size of plot: not bigger than 11 hectares
- Individuals interested in full-time irrigation farming (preferably unemployed individuals)
- Successful completion of the training programme approved by MAWF (training opportunities shall be advertised by AGRIBUSDEV)
- Signing of a lease agreement between the SSIF & MAWF/AGRIBUSDEV
- Signing of the tripartite agreement (financing & service provision agreement) between the Financier, Service Provider and individual Small Scale Farmer.
- Commercial farmers and resettled farmers will not be considered
- Availability of funds from Government to provide a loan guarantee, alternatively proof of funding from own source

5 PARTICIPATION OF MEDIUM SCALE IRRIGATION FARMERS (MSFS) IN GOVERNMENT DEVELOPED GREEN SCHEME PROJECTS

The eligibility to participate in the Scheme shall be based on the following:

5.1 AVAILABILITY OF PLOTS WHICH SHALL BE ADVERTISED BY AGRIBUSDEV

5.2 SIZE OF PLOT: BETWEEN 12 – 30 HECTARES

5.3 SUBMISSION OF THE APPLICATION AND A BUSINESS PLAN TO AGRIBUSDEV FOR CONSIDERATION

5.4 PLACEMENT OF MSFS SHOULD BE BASED ON THE CAPACITY TO PROVIDE OWN FUNDING/COLLATERAL

5.5 PROOF OF SOUND MANAGEMENT OF THE PLOT

5.6 TRAINING – MSF AND/OR MANAGER OF A PLOT (PROOF OF TRAINING IN THE AREA OF AGRICULTURE - MANAGER OR PLOT OWNER)

5.7 LEASE AGREEMENT IN PLACE

5.8 SERVICE PROVISION AGREEMENT TO BE SIGNED BETWEEN THE SERVICE PROVIDER AND INDIVIDUAL MEDIUM SCALE FARMER

5.9 COMMERCIAL FARMERS AND RESETTLED FARMERS WILL NOT BE CONSIDERED

6 SUSTAINABILITY OF THE PROJECTS

To ensure the sustainability of each project, the following should be adopted:

6.1 PROJECT RESERVE/LEASE ACCOUNT

6.1.1 All the Green Scheme Projects that are fully or partially owned by the Government shall open a reserve/lease account within one year of operation into which retained earnings/profit, and lease fees shall be paid;

6.1.2 The amount to be transferred into the reserve account shall be determined only after the audited report has been presented and accepted by AGRIBUSDEV's Board. This shall take into account the approved annual operational budget for the project for the subsequent year;

6.1.3 Funds in the reserve account shall be used exclusively to finance the replacement of assets and any other related activities as approved by the AGRIBUSDEV Board;

6.1.4 The AGRIBUSDEV Board shall appoint signatories to the reserve/lease account.

Release of funds from the Reserve/Lease Account

The release of funds from the reserve account shall follow the following procedures:

(i) A farm manager for a given project shall request the release of funds through the Managing Director of AGRIBUSDEV, who should then make a recommendation to the Board for approval. The submission shall include the proposed budget breakdown.

(ii) Once approval has been granted by the Board the funds will be released by the designated officials.

6.2 BENEFIT AND ENTITLEMENT TO THE TRADITIONAL AUTHORITY

The Green Scheme Policy recognises the contribution and support by the Traditional Authorities. Such support has a bearing on the successful implementation of the Green Scheme initiatives. This includes availing land for development, mobilising communities to support the projects and creating conducive environment for projects to flourish.

The Traditional Authority under whose jurisdiction a certain project falls shall be entitled to:

6.2.1 An amount of N$ 50 - 00 per each hectare irrigable, per annum.

6.2.2 Each project shall pay the noted amount by the 31st of March each year.

6.3 ENVIRONMENTAL IMPACT ASSESSMENT

The Environmental Management Act (Act 7 of 2007) mandates that, environmental impact assessments shall be conducted, in respects of the following development among others;

6.3.1 The construction of canals and water transfer schemes;
6.3.2 The drilling of boreholes;
6.3.3 The construction of dams;
6.3.4 The abstraction of ground or surface water.

An Environmental Impact Assessment study is a prerequisite for the development of any irrigation project. MAWF or the private investor where applicable, shall appoint a competent institution, to undertake the Environmental Impact Assessment, prior to the commencement of any development.

6.4 ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL

6.4.1 In order to comply with national environment regulation and minimum pollution standards, every project shall develop an environment management plan. The plan shall state among others the procedures to be followed in disposing waste, including chemical and plastic waste, in line with internationally accepted standards.

6.5 HEALTH AND SAFETY

6.5.1 All farms are required to adhere to international safety standards and best practices. Health and safety issues for each project shall be documented in the project's health and safety manual which shall be submitted to AGRIBUSDEV for approval. The manual shall define among others the maximum speed to be driven on the project premises, or the wearing of safety clothes (masks, boots etc).The management team for each project shall ensure that such a manual is developed and that it's well understood by all employees.
6.5.2 Sign-boards indicating the maximum speed limit on the project and information on the do's and dont's shall be erected around the project.
6.5.3 For health and safety reasons pets (dogs, cats, chickens and so on) shall only be kept in confined areas;
6.5.4 with the exemption of the dairy farm no livestock shall be allowed on the projects.

6.6 LEASE FEES PAYABLE

6.6.1 The Government shall avail all the necessary infrastructure and farm implements to SSIFs and MSFs who are placed on the Green Scheme Projects. However, in order to sustain such infrastructure and implements the Government shall charge SSIFs and MSFs reasonable lease fees.
6.6.2 Each small or medium scale farmer operating on the Green Scheme shall pay an

amount as determined by the competent authority appointed by AGRIBUSDEV.

6.6.3 This amount shall be paid annually into the project reserve / lease account to be opened for each project. The Service Provider shall in the administration of the SSIFs loan accounts, deduct the lease fees payable from the sales proceeds and pay over the amount due into the project reserve account / lease account.

6.6.4 MSFs shall make their own arrangements to pay their respective lease fees in accordance with the standing agreement.

6.7 IN-SERVICE TRAINING

Service Providers supported by the respective portfolio managers from AGRIBUSDEV shall identify training needs for their employees, SSIFs and MSFs. In-service training shall be a continuous exercise and shall be documented.

6.8 MAINTENANCE OF PROJECT PROPERTIES

It is the responsibility of the Service Providers and all Lessees to ensure that all properties under their care are properly maintained. Any breakage due to negligence whatsoever shall be the responsibility of the occupant or the Service Provider.

7 INSTITUTIONAL ARRANGEMENT

In order to ensure the effective and efficient operation and management of the Green Scheme Programme, the following institutional arrangements are in place to support the implementation of the Green Scheme Initiatives:

7.1 MINISTRY OF AGRICULTURE, WATER AND FORESTRY (MAWF)

7.1.1 The Ministry shall be responsible for:

The overall implementation, monitoring and preparation of periodic progress reports to Cabinet on the pace of implementation of the Green Scheme Programme;

Coordination and consultation among the relevant stakeholders involved in the implementation of the Green Scheme Policy;

Creation and promotion of the necessary framework and enabling environment for the implementation of the Green Scheme Programme in order to achieve the desired objectives;

Approve the applications for water right and permits;

Approve incentives to participants in the Green Scheme Programme;

Support the producers by creating a conducive marketing framework, through the establishment of fresh produce hubs, national strategic food reserves and distribution infrastructure.

Approve the placement of beneficiaries to be placed on the Green Scheme Projects;

Approve the Farm Management Structure to be followed.

7.1.2 AGRIBUSDEV shall be responsible for:

Overseeing the management and operation of the Green Scheme Projects;

Promotion of investment into the Green Scheme Programme;

Developing the financing scheme for crop and horticultural production;

Promotion of research and introduction of agricultural best practices, the innovation and adaptation of technology, technology transfer and skills development through the development of technology centres;

Developing and facilitating agronomic and irrigation tailor made educational programmes, in association with the relevant institutions responsible for education and vocational training, to ensure adequate skills development within the Green Scheme portfolio;

Endorse the placement of beneficiaries to be placed on the Green Scheme projects;

Endorse the farm management structure to be followed.

7.1.3 Agro Marketing and Trading Agency (AMTA)

AMTA shall support the producers by creating a conducive marketing framework and by training the producers in order to meet various quality standards.

7.1.4 Financial Institutions

Responsibilities of Financial Institutions, particularly Agribank:

To avail production and capital loan facilities to farmers and investors intending to participate in the Green Scheme programme.

7.2 PROJECT STEERING COMMITTEE

A Steering Committee for each project shall be established. Each Committee shall be comprised of officials from MAWF, AGRIBUSDEV, Regional Council, Agribank (where applicable), a representative from the Service Provider and Small/Medium Scale Irrigation Farmers and a representative from AMTA. Participation by Traditional Authority shall be by invitation.

The Committee shall be chaired by an official(s) to be appointed by the AGRIBUSDEV Board. AGRIBUSDEV shall serve as the secretariat to the Steering Committee.

The Committee shall report to the Chairperson of AGRIBUSDEV Board.

The Committee forms a quorum when a majority of members are present.

The core functions of the Steering Committee are:

- To strengthen the monitoring component of the Green Scheme Programme
- To endorse the performance target or indicator for each project
- To monitor the pace of implementation toward the set target
- Recommend appropriate remedial or corrective measures
- To provide periodic reporting on the status of implementation
- To elaborate on infrastructure requirements for each project
- To elaborate on the format of project reports
- To scrutinise and recommend the items that need to be procured for the project through the development budget
- To address labour issues and facilitate conflict resolution
- To provide advice on the marketing of produce from the project

7.3 TECHNICAL EVALUATION COMMITTEE

For the effective and efficient procurement of capital goods and services for the Green Scheme Projects a technical evaluation committee shall be constituted.

The committee shall be responsible for:

- Reviewing and compiling the priority list of capital items to be procured in a given financial year and submit the revised list through the Tender Committee to the AGRIBUSDEV Board for approval. A priority list for each project shall be drawn up and tabled to the Steering Committee at least by the 3rd quarter each year
- Evaluation of business proposals and tenders for the procurement of goods and services
- The committee should at least be constituted by officials from AGRIBUSDEV and from the Engineering Division and the Directorate of Planning within MAWF
- Committee members and their alternates shall be appointed by the Board or else by MAWF
- The Board shall also appoint the Chairperson and his or her Deputy
- AGRIBUSDEV shall serve as the secretariat to the Committee
- The committee forms a quorum when a majority of members are present

8 PROJECT MONITORING AND EVALUATION

Monitoring and evaluation systems shall be put in place by AGRIBUSDEV. Such systems shall be able to generate monitoring and evaluation reports.

8.1 REPORTS

8.1.1 Technical report by farm manager

Each project manager shall submit a quarterly technical report to AGRIBUSDEV.
The manager's report shall cover key aspects as per the standard reporting format to be issued by AGRIBUSDEV. This report shall also include a technical audit checklist showing compliance with Good Agricultural Practices (GAP).

8.1.2 Financial Report

The financial reporting requirement shall be guided by the farm management structures under which a given project is being managed and the standing agreement in place. The following financial reports shall be submitted under each of the following farm management structures.

8.1.2.1 Lease Agreement: Government Owned Property

Under this management structure a copy of the audited financial statements or an extract of the audited financial statement shall be submitted not later than four (4) months after the end of the financial year. In any event within thirty (30) days after completion of the company's annual audit.

8.1.2.2 Lease Agreement: Part of the property belongs to the Government and part belongs to the private investor

Under this management structure a copy of the audited financial statements or an extract of the audited financial statement shall be submitted not later than four (4) months after the end of the financial year. In any event within thirty (30) days after completion of the company's annual audit.

8.1.2.3 Management of the Government-owned agro project

(a) Monthly Financial Statements:

- Income statement for the commercial component detailing sales for each produce, cost of sales per produce, gross profit, expenses and profit or loss
- Comparison of the focused results with actual results showing variances
- The consolidated income statement for the activities of the small scale farmers (if applicable)
- Age analysis for operational creditors
- Age analysis of operational debtors
- Cash flow statement detailing surpluses and shortages
- Bank reconciliation statements

(b) Quarterly Reports

- Consolidated quarterly report covering items noted above

(c) Annual Financial Statements

- A complete audited report by a qualified auditor or accountant
- A statement of the financial position
- A statement of comprehensive income
- A statement of changes in equity
- A statement of cash flow for the period

8.1.2.4 Profit Sharing Agreement

a) Monthly Management Reports

- Income statement for the commercial component, detailing sales for each produce, cost of sales per produce, gross profit, expenses and profit/loss
- Comparison of the budgeted results with actual results showing variances
- The consolidated income statement for the activities of the small scale farmers (if applicable)
- Age analysis of operational creditors
- Age analysis of operational debtors
- Cash flow statement detailing surpluses and shortages
- Bank reconciliation statements

(b) Quarterly Reports

- Comprehensive quarterly report and a consolidated quarterly report covering items noted above

(c) Annual Financial Statements

- A complete audited report by a qualified auditor or accountant
- A statement of financial position
- A statement of comprehensive income
- A statement of changes in equity
- A statement of cash flow for the period

8.2 MONITORING AND EVALUATION OF SSIFS AND MSFS

In a set-up where a small/medium scale irrigation farming component is included, the assigned agronomist in consultation with the Service Provider (SP) shall produce a quarterly performance report which shall detail the performance of the individual farmer. The standard format of the report shall be issued by AGRIBUSDEV.

The report shall be co-signed by the agronomist assigned, the Agricultural Scientific Officer (where applicable), and the SP & SSIFs / MSFs concerned.

8.3 MONITORING AND EVALUATION OF THE FARM MANAGER OR SERVICE PROVIDER

The assigned Agronomist, Engineer, Accountant (including human resource officials) from AGRIBUSDEV shall compile quarterly monitoring reports and bi-annual evaluation reports on the performance of the Farm Manager or Service Provider.

A standard reporting format shall be issued by AGRIBUSDEV.

8.4 AGRIBANK / FINANCIER'S REPORT

(a) Monthly Statement to SSIFs
Agribank or any other financier shall provide monthly financial statements to the SSIFs reflecting the status of their loan account.

(b) Quarterly Report
Agribank and any other financier shall submit a quarterly report which should cover, but should not be limited to the following topical issues:

- Status of loan repayment
- Status of new applications
- Approvals of cropping programmes and loans
- Status report on outstanding debts
- Recommendations

8.5 AGRIBUSDEV REPORT

Based on the reports as noted above, AGRIBUSDEV shall compile and submit a quarterly progress report and an annual report to the Board, which shall include an overview of the Green Scheme's contribution towards the achievement of Green Scheme objectives, as well as relevant recommendations on how to address identified problems or challenges and realign project rules and guidelines.

With the approval of the Board, AGRIBUSDEV shall distribute the report to all shareholders and stakeholders.

8.6 RECORD KEEPING

In order to have a strong system of monitoring and evaluation, each project shall keep records of relevant information on key variables that have to be monitored and evaluated as per the data recording sheet to be issued by AGRIBUSDEV.

The data recording sheet shall be filled in by each farm manager and submitted to AGRIBUSDEV on a quarterly basis.

All reporting requirements noted above shall follow the Government financial calendar with year end being 31 March.

9 OPERATIONAL PROCEDURES

9.1 REPORTING PROCEDURES

All the relevant reports as outlined under Chapter 8 shall be channelled through AGRIBUSDEV. However report on sensitive issues (corruption, theft, grievances against AGRIBUSDEV management) may be channelled to the Chairperson of the AGRIBUSDEV Board or any other competent authority.

9.2 ISSUING OF MEDIA RELEASE

All official communication pertaining to the operation and management issues at the Green Scheme Projects shall be channelled through the AGRIBUSDEV Managing Director's office.

Any Project Managers, or small and medium scale farmers who intend to issue a media release or public statement on the operation of the Green Scheme Project shall consult with the Managing Director's office before issuing such a release.

9.3 HIRING OR BORROWING OF PROJECT EQUIPMENT

The Green Scheme Programme allows for the hiring or borrowing of equipment, trucks and implements between the Green Scheme Projects.

The Project Manager hiring out any equipment or implements to another project shall seek written approval from the Managing Director of AGRIBUSDEV. Such a request shall contain information on the terms and conditions (duration, proposed fee rate) under which equipment or implements will be hired out.

The equipment, trucks or implements shall be hired at a rate as approved by the AGRIBUSDEV Board from time to time.

9.4 APPOINTMENT OF AN AUDITING FIRM

The submission of audited financial statements by the Green Scheme Projects is mandatory. Appointment of an auditing firm (with the exception of projects that are under lease agreement) shall be done with the approval of the AGRIBUSDEV Board.

In case of a profit-sharing agreement, the appointment of an auditor shall be done with the consent of all parties.

9.5 PAYMENT OF DIVIDEND AND BONUS

The payment of dividends and bonuses by Green Scheme Projects operating on a profit sharing agreement or Government–owned agro projects shall only be effected once the audited financial statements have been approved by the AGRIBUSDEV Board at the Annual General Meeting (AGM).

9.6 ALTERATION TO PROJECT DESIGN AND INFRASTRUCTURE

As per the revolving need of the project, existing project infrastructure could be extended or adjusted. Any Service Provider or Lessee who intends to make any alterations or additions to the project design or infrastructure has to submit the proposal for alterations to the AGRIBUSDEV Managing Director's office for onward submission to the Technical Committee for consideration before affecting such changes or additions.

9.7 PARTICIPATION BY PRIVATE INVESTORS IN THE GREEN SCHEME PROGRAMME

The Green Scheme Policy makes provision for private investor(s) participation in the Green Scheme Programme through different models i.e. a Public Private Partnership (PPP), a Built Operate and Transfer (BOT) agreement, or leasing and profit sharing. Participation in the Green Scheme Programme shall be through public tenders. Whenever opportunities arise, AGRIBUSDEV will issue a public invitation for private participation.

9.8 DETERMINING THE PROJECT VALUE AND LEASE FEES PAYABLE

AGRIBUSDEV shall appoint a competent authority to evaluate the project and to determine the fair value of the project. The lease fees payable shall be stipulated in all the lease agreements.

9.9 RELOCATION OF COMMUNITIES

Where a suitable area identified for irrigation farming is inhabited by communities, MAWF and/or AGRIBUSDEV will compensate in cash the affected inhabitants, in accordance with the Cabinet guidelines or any applicable guidelines. The relocation and compensation must be done in direct consultation with the affected community, Traditional Authority, Local and / Regional Council.

9.10 ACQUIRING OF WATER EXTRACTION RIGHTS

In order to obtain water permits, investors shall submit an application for water extraction rights to MAWF though AGRIBUSDEV for consideration and approval before commencing with the envisaged development. AGRIBUSDEV shall facilitate approval of such an application considering that the applicant has complied with the applicable farm development procedures as set out in this manual.

9.12 INFORMATION SIGN-BOARDS

All Green Scheme Projects must erect sign-boards which shall contain among others the following relevant information: name of the project, full address and contact details.

AGRIBUSDEV shall develop and distribute the standard template.

9.13 USE OF GOVERNMENT VEHICLES ASSIGNED TO GREEN SCHEME PROJECTS

The use of GRN vehicles assigned to the projects shall be exclusively for project specific related activities. The use of the vehicles shall be approved by the Managing Director (MD) of AGRIBUSDEV or by any other official delegated by him.

In case of any emergency and when the delegated officials are not available, special authorisation could be made through the office of the MD by placing a call/ e-mail/ fax to the MD.

9.14 PROCUREMENT OF GOODS AND SERVICES FOR SSIFS

AGRIBUSDEV shall jointly with Agribank or any other financier create a funding scheme for small scale irrigation farmers operating on Green Scheme Projects. The detailed guidelines, rules and procedures for procurement of goods and services are contained in the inputs procurement manual “Guidelines for the Procurement of Goods and Services for Small Scale Irrigation Farmers” which is available at AGRIBUSDEV’s office.

9.15 DONATIONS BY THE PROJECTS

In terms of Section 18 of the State Finance Act, (Act no. 31 of 1991) the Treasury at its discretion shall authorise any donation of movable as well as immovable state properties to be made. All submissions for donations shall be channelled through AGRIBUSDEV. The following information shall be furnished in any submission of such an application to the Treasury:

(a) The purpose for which the donation is intended for;
(b) The value of the donations in cash or in kind;
(c) The conditions, if any, attached to the donation;

(d) The reason or motivation why the project wants to make the donation;
(e) Full particulars of the donation;
(f) The financial implications (direct or indirect expenses such as transport costs, personnel expenses, stock, office expenses, taxes, etc.), if any, which have to be incurred on acceptance of the donation.

9.16 SEGREGATION OF CAPITAL AND OPERATIONAL ACTIVITIES AT THE FARM LEVEL

For better management of Green Scheme Projects a clear definition and segregation of activities that constitute capital investments and operational investments shall be made. As per all management agreements in place, the responsibility for capital development rests with MAWF, whereas that of operational capital rests with the Service Provider and SSIFs.

Here are the guidelines on the segregation of capital from operation:

(a) Mechanisation: Capital Expenditures
Acquisition or purchasing of new machinery and implements
Replacement of machinery and implements when they become obsolete or have exhausted their life span;

(b) Mechanisation: Operational Expenditure
Servicing, repair and replacements of minor components of machinery and implements;

(c) Irrigation systems: Capital Expenditure
Setting up of new pump-station, pipelines and irrigation system for any project
Remedy design faults on irrigation systems
Replacement of pumps, pipe network and irrigation system (draglines – only to be replaced after 10 years) when they become obsolete
Repair of major components of the irrigation system, e.g. main supply line, motors subjected to joint decision between the Engineer, Asset Controller & farm manager
Joint assessment reports
Expenses incurred as a result of force majeure;

(d) Irrigation systems: Operational Expenditure
Repair, replacement and maintenance of irrigation and electrical components such as water meters, pipe-fittings, valves, sprinklers, drippers / emitters etc.

9.17 DISPOSAL OF EQUIPMENT AND MACHINERY

All machinery and equipment remains state property and as such shall not be disposed of, auctioned, or removed from the project without the prior approval of AGRIBUSDEV.

FORMS

Annex 1: Monitoring and evaluation of Small Scale Irrigation Farmers

Ref	Area of Selection monitoring and evaluation of Small Scale Irrigation Farmers (SSIFs)	Analytical comments by the Monitoring Officer
1.	**Utilisation of resources allocated as per the cropping programme**	**COMMENTS**
a)	Assess if there is efficient and optimal utilisation of resources availed to the SSIFs (land, fertilisers, seeds etc)	
b)	Document approximate percentage of utilisation of allocated land (specify hectares)________ of__________ Document below reasons for lack of optimal utilisation of land: ____ ____	
c)	Document approximate percentage of utilisation of allocated fertiliser ____________________________________	
d)	Document below the reasons for lack of optimal utilisation of fertiliser, if any: ____________________________________	
e)	Document approximate percentage of utilisation of allocated seeds ____________________________________	
f)	Document below the reasons for the lack of optimal utilisation of seeds, if any: ____ ____	

Ref	**Area of Selection monitoring and evaluation of Small Scale Irrigation Farmers (SSIFs)**	**Analytical comments by the Monitoring Officer**
g)	Based on the latest statements produced (produced by the Financier and Service Provider) for the SSIFs, is there any indication of any inability to pay for utilities provided for farming activities – water and electricity etc? ____________________________________ ____________________________________ ____________________________________	
h)	Enquire from the Service Provider the general availability of the SSIFs on the allocated land ____________________________________ ____________________________________	
i)	Based on discussions with Service Provider / Farm Manager, determine whether due care is exercised by the SSIFs when handling project equipment ____________________________________ ____________________________________	
j)	Determine the SSIF’s ability to coordinate human resources required at different intervals of the cropping season ____________________________________ ____________________________________	
2.	**Cropping and Marketing Program**	

Ref	Area of Selection monitoring and evaluation of Small Scale Irrigation Farmers (SSIFs)	Analytical comments by the Monitoring Officer
a)	Enquire with Service Provider / Farm Manager on SSIF's level of participation in drawing up the Cropping Programme	
b)	Enquire from Service Provider or Farm Manager about SSIF's adherence to the Cropping Programme ______________________________ ______________________________	
c)	Enquire from Service Provider or Farm Manager on SSIF's achievement of expected yields ______________________________	
d)	Compare actual yields to projected yields per cropping programme and discuss with SSIF and Service Provider or Farm Manager factors that affected the crop yield. Document reasons below: ______________________________ ______________________________	
e)	Assess participation in ensuring the harvested crop is prepared in accordance with laid down marketing program and guidelines ______________________________	
f)	Assess if the SSIFs shows an initiative to resolve issues identified at the plot (disease attacking crop; inadequate supply of water; crop damage by birds) ______________________________	

Ref	Area of Selection monitoring and evaluation of Small Scale Irrigation Farmers (SSIFs)	Analytical comments by the Monitoring Officer
3.	**Utilisation and repayment of loans from the financier**	
a)	Review the statements sent to SSIFs from the Service Provider or Farm Manager on the status of the SSIF's indebtedness to the financier. Assess if the SSIF is paying their debts to the financier as per the financing agreement ____________________________________ ____________________________________	
b)	Document if the repayments are being made in accordance with the loan agreement ____________________________________	
c)	Enquire from Service Provider or Farm Manager if there are additional services which have been rendered to the SSIF ____________________________________ ____________________________________	
d)	Assess if the SSIF has paid for such services in full after the cropping season	
4.	**Relationship of SSF and service provider**	

Ref	Area of Selection monitoring and evaluation of Small Scale Irrigation Farmers (SSIFs)	Analytical comments by the Monitoring Officer
a)	Obtain feedback from the SSIF and the Service Provider or Farm Manager on their overall working relationship and problems that are being encountered ______________________________________	
b)	Suggestions or recommendations to improve the working relationship between the SSIFs and the Service Provider or Farm Manager. Document below: ______________________________________ ______________________________________ ______________________________________	
5.	**Compliance with environmental programs**	
a)	Assess the SSIF's farming practices and their effect on the environment ______________________________________ ______________________________________	
b)	Enquire from the Service Provider or Farm Manager the SSIF's role and initiative taken in compliance programs on the environment ______________________________________ ______________________________________	
c)	Assess the condition of the houses as far as neatness and maintenance of the houses are concerned ______________________________________	
d)	Assess compliance with the GAP standards	

Ref	Area of Selection monitoring and evaluation of Small Scale Irrigation Farmers (SSIFs)	Analytical comments by the Monitoring Officer
	Overall Comments and Recommendations:	
	Prepared By:	Date:
	Service Provider:	Date:
	Extension Officer/assigned Agronomist	Date:
	Small Scale Farmer:	Date:

Annex 2: Evaluation of Service Provider or Farm Mangers

Ref	Area of monitoring and evaluation of service provider or farm manager	Document findings and comments		
1.	**Compliance with environmental programs**	**Yes**	**No**	**Comments**
a)	Does the Service Provider or Farm Manager show own initiative towards obtaining resources for the small scale farmers (subsidised seeds, fertiliser, ploughing and weeding services)?			
b)	Does the Service Provider or Farm Manager correctly apply farming inputs obtained to guarantee a good yield and minimum wastage of inputs?			
2.	**Utilisation of training offered**			
a)	Evaluate the provision of training programs, workshops or demonstrations by the Service Provider or Farm Manager to Small Scale Farmers.			
b)	Assess knowledge transfer from training conducted e.g. a significant improvement in farming methods and yields following training of small scale farmers.			
3.	**Payment for services rendered**			
a)	Assess whether the Service Provider or Farm Manager makes timely payments to AGRIBUSDEV where applicable.			
b)	Assess whether the farmer makes timely payments to the employees on the farm.			
c)	Assess whether the farmer makes timely payments to creditors/ financier / Traditional Authority.			
d)	Timely pay-out to SSIFs and MSFs			
4.	**Output of farming season**			
a)	Obtain statistics on actual yields attained by the Service Provider or Farm Manager.			
b)	Compare actual yields to projected yields.			
c)	Obtain details of challenges faced by the Service Provider or Farm Manager.			

Ref	Area of monitoring and evaluation of service provider or farm manager	Document findings and comments		
5.	**Human Resources**			
a)	Obtain details of challenges faced by the Service Provider or Farm Manager.			
b)	Accuracy in compilation of remuneration, contributions and deductions.			
c)	Status of leave records.			
d)	Summary of disciplinary hearing meetings.			
e)	Health and safety measures in place			
f)	Training and Development activities conducted			
6.	**Financial performance against budget**			
a)	Is actual performance aligned to the budget forecasts? If not obtain reasons.			
b)	Is the entity operating profitably?			
c)	Based on the figures is the entity a going concern?			
7.	**Environmental and best practice**			
a)	Is there adherence to the crop rotation programme?			
b)	Records incidences of pests/disease outbreak and measures taken			
c)	Is the waste management policy adhered to?			
d)	Does the company have an Environment Management Plan in place?			
e)	Records of fertiliser & chemical application and as well as irrigation schedule			
f)	Testing of water (drinking & irrigation)			

Ref	Area of monitoring and evaluation of service provider or farm manager	Document findings and comments		
8.	**Resources and equipment**			
a)	Has the Service Provider or Farm Manager bought additional farming equipment?			
b)	Condition of the resources and infrastructure on the project?			
c)	Inventory of implements & equipment on farm			
d)	Maintenance records of equipment			
e)	General neatness & maintenance of properties & equipment			
	Overall Comments and Recommendations:			
	Prepared By:	Date		
	Noted by (Service Provider):			

Annex 3:- Cropping Programme Assessment Form

Prepared by:	
Designation:	
Date:	

Assessment of Cropping Programme using the checklist below:

No	Criteria	Analytical comments
a)	Pre-planting soil assessment with recommended crops to be grown in that area and nature of required inputs	
b)	Crop mix which details the allocated hectare to each type of crop to be planted	
c)	Duration of cropping season for each crop	
d)	Expected inputs (type and quantities) for each type of crop and estimated costs. Only recommended seeds for a particular area of the country should be used	
e)	Irrigation scheduling	
f)	Additional capital development required (equipment)	
g)	Expected yield for each type of crop on leased land and SSIFs	
h)	Day to day/ weekly activities to be performed	
i)	Nature and timing of assistance to be provided to SSIFs	
j)	Human resource requirement for the entire cropping season	

Overall assessment of the cropping programme (tick appropriately)

	Exceeds requirements
	Meets requirements
	Overall assessment of

Include below proposed remedial action to be taken

Remedial action approved by: ____

Designation: ____

Discussed with the Service Provider by: ____________________________________

Designation: ____

Annex 4: Farm Manager's Report:

The quarterly Technical Report by the Farm Manager shall contain the following information:

- the total irrigable area
- the total area under production
- the types of crops planted
- submission of financial report
- report on GAP status
- number of people employed (specify gender): Commercial & SSIF & MSF where applicable (permanent, casuals)
- capacity building activities
- research activities / trials
- marketing aspect of produce
- important visits
- feed-back from meeting attended by senior managers
- report on the SSIFs production activities
- maintenance of infrastructure, equipment and irrigation system(s)
- investment requirements (infrastructure & equipment)
- challenges and recommendations
- report on accidents (safety issues)

Notes

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