

MSETO COMMUNITY AGRO-HERBAL INTEGRATED PROCESSING PROPOSAL



**SUBMITTED TO:
AMSHA AFRICA FOUNDATION.
CELL PHONE: 0722 207905.
NAIROBI.**

**Email: robertabuto@amshafrica.org
Website: [www.amshafrica](http://www.amshafricafoundation.org) foundation.org**

BY JEMACRODA HERBAL & ALTERNATIVE MEDICARE

JOINTLY WITH

PELELEZA VILLAGE HEALTH COMMITTEE,

MSETO & OTHER SELF-HELP GROUPS

P.O. BOX 14-80305,

MWATATE-TAITA.

TEL: 0722-612590

Email: b.dairy09@yahoo.com

CONTACT PERSONS

MERCY MBELA - CHAIRLADY-0718731421

(PELELEZA VILLAGE HEALTH COMMITTEE)

LILIAN NZANO - CHAIRLADY-0725139619 (MSETO CONSOLIDATED GROUP)

JOSEPH MWAMBURI MULOMBI-PROJECT INITIATOR

Email: pelelezamseto@gmail.com

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Project Name:	Community initiated agro -herbal plants processing, usage and conservation for improved health.
Organizations names:	Jemacroda Herbs & Alternative Medicare Jointly with Peleleza Village Health Committee , Mseto & Self-Help Groups.
Address:	P.O. Box 14-80305, Mwatate - Taita. Email:
Contact Persons:	
Project Initiator (Jemacroda)	Joseph Mwamburi Mulombi - 0722612590
Chairlady (Peleleza)	Mercy Mbela - 0718731421
Chairlady (Mseto)	Lilian Nzano - 0725139619
<i>Herbal & Food Processing & Plants Conservation Programme:</i>	Community contribution Kshs 225,500.00 Partner's contribution Kshs 1,237,700.00
Amount requested:	Total project cost Kshs 1,463,200.00
Proposed start date:	1 st January, 2010
Proposed end date:	31 st December, 2010

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PREAMBLE & DESCRIPTION OF THE ORGANISATIONS PROPOSING THE PROJECT.

1.0 Introduction

Jemacroda Herbs & Alternative Medicare is a legal herbal practicing entity owned by Joseph Mwamburi Mulombi of Mlambenyi Village, Modambogho Sub-location, Mwatate Location in Mwatate District. The herbal practice was initiated by the need to provide an affordable range of medicines and remedies for the majority poor in Taita. Persistent hunger and unending poverty within the society makes this health management programme important. The proposed community initiated herbal processing project would not only provide income for the active players but also improve the health and welfare of the community at large.

The project will cover four (4) Districts namely Taita, Mwatate, Voi and Taveta in Coast Province. The districts as a whole are ranked 7th poorest in Kenya and have many landless people that have worked for generations in the sisal estates and private ranches. For those that are said to own land, it only amounts to a large enough land to build a house and the necessary utilities. Only 11 % of the districts are accessible to local people, as privately owned ranches take up 24% of the land while approximately 67% of the land mass comprises of the Tsavo East and West National Parks, a home to diverse kinds of wildlife. Limited accessibility to land and human wildlife conflict are a major cause of vulnerability and a contributor to unending food insecurity. At any given time, the districts, with an exception of Taveta, rely on food imports and hand outs from well wisher organizations. Only a small portion of the settled area (mainly the hills) is good for food production and the concentration of the larger part of the population in these areas is causing land degradation. In the less productive areas, subsistence farming using rudimentary technologies has little chances of increasing food production. Creation of sustainable livelihoods for the majority of the people is therefore a key concern in the districts. The area has a high unemployment rate of 16.21% with an average income of less than us\$1 per person per day .The unemployed directly depend on those who are in employment. Most of districts have poor infrastructure and most areas are not easily accessible during the rains. Access to social and health services are limited and even where available, cost sharing is a deterrent to the poor majority.

1.1 Groups Purpose

Facilitate local development through mobilization, organization and management of available resources for self- reliance and development of current and future generation.

1.2 Groups Vision

To have a strong and foresighted community herbal oriented users for improved health at affordable cost and conserving the species especially rare plants.

1.3 Groups Mission

Facilitating local development through enhancing the capacities of the Peleleza Village Health, Mseto & other Self-Help Groups Committee members in tackling social and economic problems through processing and sale of herbal and food products.

1.4 Groups Governance

As a Group Managed Organization with a group level organization and operational structures, Peleleza, Mseto and other groups are given the mandate to facilitate, mobilization, organization and management of the available resources to enable communities to improve on the household earnings according to the constitution. It's also given mandate to develop strategies for the organization sustainability and grant.

1.5 Groups achievements

- Have managed to establish three tree nurseries for growing both fruit and medicinal plants.

1.6 Groups Involvement

The group has been involving itself with local developmental issues through participation in various activities like field days, local shows where it performs well in displaying of its plants.

The group intends to reduce poverty through engaging local resources in trying to address poverty related incidences within community members evident in offering employment opportunity to local youths, sourcing for aid from other stakeholders.

2.0 Climate

Hence there was no data for climate of Mwatate available at the time of making the proposal, a Reimand (1993) compiled long term climatic data for various climatic stations in Kenya one for Bura Catholic Church Mission (station no. KE 0254) was adopted. The water balance, potential evapotranspiration and potential evaporation that have been calculated from the Data is as shown below

Table 1.0: Mean annual rainfall and mean evaporation.

	Jan	Feb.	Mar.	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Rainfall	34	41	112	214	109	23	15	14	30	82	169	93	936
Mean (EO)	199	191	203	168	154	142	124	130	156	166	152	187	1972
Mean (EO)	133	128	136	119	103	95	83	87	104	111	101	125	
R- Et	-99	-87	-24	95	6	-72	-68	-73	-74	-29	68	-32	

Source: Reimand, 1993

The mean annual potential evaporation (EO) is 1972 mm and is calculated according to Woodhead (1968). The mean monthly potential evaporation was estimated after Braun (1984).

According to Sombroek et al (1982), the area falls in temperature zone 2 with mean annual temperature of 22- 24 °c and classified as warm. The mean maximum range is 28-30 °c. Mean minimum range is 16-18°c and absolute minimum temperature range is 8-10°c.

3.0 Agro- Ecological Zones.

According the Farm Management Handbook of Kenya (1983), the area falls in Agro- Ecological Zone Lowland Midland zone 4 (LM4),(see table 1.1 below), which is marginal cotton zone with short to very short cropping seasons. Long rains start in at the end of March while short rains start at the end of October.

Table 1.1 Agro-Ecological zones in Taita/Taveta District:

Agro-Ecological zone	Altitude(m)	Annual mean rainfall (mm)	Annual mean temperature (°C)	Soils	Major enterprises
UM3	1370-1680	900-1200	20.1-18.2	-Stony sand clay Loams with moderate fertility	Horticulture, Dairy, Maize, Beans, Coffee
LH2	1370-1680	900-1200	20.1-18.2	-Stony sandy clay Loams well drained and quite deep-steep slopes	Horticulture, Dairy Coffee, Beans ,Irish Potatoes, Bananas
LM4	900-1220	600-800	22.9-20.9	-Dominated by well drained dark red, deep sandy clays with low fertility	Sunflower, Pigeon peas, Maize, Cotton, Greengrams, Cowpeas, Beans, Cross breed cattle
LM5	790-980	480-620	23.5- 22.4	-Dark red sandy clays	Pigeonpeas,Cowpeas, Sisal, ,Custard apple
LH6	610-790	480-600	24.6-23.5	-Well drained dark,friable,coarse loam sand to sandy clay	Ranching(local breeds) and National park

Source Farm Management Hand Book of Kenya.

4.0 Current status

4.1 Land use and economic activities,

The land use activities carried out in this scheme are;

Crop production- includes both food crops and commercial crops namely; maize, beans, kales, tomatoes, sugarcane and cotton.

Livestock production- this is in the form of extensive grazing of local cattle, goats and sheep.

Charcoal burning- this is for sale mainly in Taveta market.

Brick making – the bricks are sold for cash.

4.2 Land degradation

Human activities contributing to land degradation in the scheme include unsustainable agricultural land use namely;

- Poor soil and water management,
- The farmers in the scheme have poor soil and water management practices. They burn crop residues, practice poor crop rotation and poor use of organic manures.
- Deforestation,
- There is widespread cutting of trees for charcoal burning as an income generating activity and there is no forestation programme in place in the scheme.
- Overgrazing,
- Farmers in the scheme and others outside the scheme keep large herds of cattle. This has led to overgrazing leading to destruction of the soil structure and soil erosion.
- Improper crop rotation
- No proper crop rotation plan exists in the scheme and hence leading to poor yields
- Poor irrigation practices.
- Farmers apply excessive amounts of water in the part of the scheme under irrigation. This has led to drainage problems in the lower sections of the scheme. Soils in the affected sections were noted to be saline. Lack of division boxes has contributed to poor water distribution schedules.

4.3 Soil conservation

The soil conservation measures been practiced in the scheme are;

- Conservation tillage-practices in place are use of traditional planting sticks, mulching with crop residues, slashing and direct whole planting, mixed cropping, and intercropping.
- Conservation structures-existing structures are grass strips, crop residue lines and terraces.
- Contour farming-farmers practice planting along the contours.
- Agro-forestry – lines of agro-forestry trees exist in a few areas in the scheme.

5.0 Existing Agriculture

5.1 Crop production

The major food crop been planted in the scheme is maize. Other crops include beans, cowpeas, and pigeon peas.

Horticultural crops been grown in the include kales, tomatoes, onions, bananas, french beans and cabbages. The average farm size is 1.5 ha.

Farmers in the scheme experience the following production problems;

Crop failures due to unreliable rainfall,

- Poor land preparation (shallow digging),
- Poor quality seeds,
- Declining soil fertility,
- Inadequate crop rotation,
- Inadequate crop protection especially beans and vegetables,
- Poor storage of maize and other crops
- Increasing infestation of stoke borer and other pests without adequate control.

5.2 Livestock production

Farmers in the scheme keep the following types of livestock namely cattle, sheep, poultry, rabbits, donkeys and bees. Cattle kept is the East African Zebu which produces little milk and takes 3 years to mature to a weight of 150-250 kgs . The project can formulate herbal dairy milk boosters and pesticides. Trees population will increase honey production.

Goats and sheep take 1.5- 2 years to attain market weight. Cattle and shoats are mostly kept for sale. Long hives were noted to be the major types of hives in this area. Honey harvesting is traditionally by burning the bees. Average production of per hive is 10-15 kgs per year. Honey is consumed locally and very little is sold outside. In poultry farming, breeds kept are local and feeding was noted to be a major problem. New castle disease is the major killer of the birds in the scheme. Local herbs will be introduced to deal with livestock diseases e.g. East Coast Fever.

Livestock production problems include;

- Inadequate water drinking troughs for livestock.
- Poor bush management which hinders development of pasture,
- Poor livestock marketing and prices,
- Inadequate upgrading material for cattle and goats,
- Long distances to get vet services and dipping,
- Inadequate pastures.

Probable solutions of the problems include;

- Provision of water drinking troughs,
- Upgrading of existing local breeds,
- Pasture conservation in the form of hay to avoid over grazing,
- Training of livestock keepers on better livestock and pasture management practices.
- Availing modern technology on dairy production.

5.3 Social Economics Issues.

The scheme falls in Mwatate District. The population of the division is about 80,000 of which 70% live in absolute poverty with the youth and women being the most vulnerable members of the community. (Taita/Taveta District PRSP, 2001-2004)

The Central Bureau of Statistics report of 2004 has that 60% of the people in the location where the scheme is located live below the poverty line out of a population of about 10,000 persons. The community in this scheme is faced with numerous challenges of developing sustainable livelihoods. Majority of the people in the district earn an average income of below Kshs 2000 per month. These figures are low because the agricultural resource base of the district is small; hence the levels of savings available for investment are low. It also means that the problem of poverty if left undressed and will still continue to be a major constraint.

Persistent drought is said to be the cause of lack of adequate food. More over there is ignorance about proper modern farming methods. Malnutrition level has also been high. Evaluation measurements and transformational development indicators done in 2005 revealed stunting at 26% and underweight at 23.9% higher than the district averages (VOI TDI report, 2005).

The main sources of livelihood of farmers in this scheme are;

- Crop production
- Livestock production
- Casual labour
- Skilled and Salaried employment
- Engagement in Merry go round activities
- Accessing revolving funds for business development and payment of school fees
- Small scale businesses

6.0 Problem statement

Mwatate District is within the ASAL areas of Kenya. These are areas considered food insecure. Since a large chunk of Kenya lies within these zones, the country is therefore rated as a Low Income Food Deficit Country. Food Insecurity in the Kenyan context is categorized as either chronic (due to access to production resource or episodic (due to climatic and economic shocks).

Food insecurity in Taita in general, is a factual of multiple factors. Taita people main livelihood is Agriculture yet they are not self sufficient in food and have a severely limited income base to purchase the deficit despite rising inflation.

Majority of the people in the district earn an average income of below 2,000 per month. These figures are low because the agricultural resource base of the district is small; hence the levels of savings available for investment are low. It also means that the problem of poverty if left undressed and will still continue to be a major constraint.

Persistent drought is said to be the cause of lack of adequate food. More over there is ignorance about proper modern farming methods. Malnutrition level has also been high. Evaluation measurements and transformational development indicators done in 2005 revealed stunting at 26% and underweight at 23.9% higher than the district averages (VOI TDI report, 2005).

The major causes are poor feeding habits, poverty and poor quality food. In order to cope with food insecurity, some 71% of the community result to sale of productive assets.

(VOI TDI Report 2005), while a significant proportion has been noted to depend on charcoal burning. In turn this leads to environmental degradation with far reaching effects. Improved agriculture, dairy and herbal plants farming through application of modern interventions will offer an alternative livelihood.

The interventions are perceived in the form of availing incentives for the planting, harvesting, processing and sale of products as an alternative income generating activity.

6.1 Project description and justification

The purpose of this project is to enhance sustainable livelihoods in above mentioned districts by building the capacities of vulnerable communities to exploit existing natural resources. The project will mainly focus on promoting alternative livelihoods that do well and are supported by the existing natural resources e.g. fruits (cultivated and wild), honey and its other products , vegetables and herbal plants among others. The project will also involve strengthening communities' capacity to improve the quality of their products and ensure that appropriate marketing outlets are created hence avoiding undercutting by middlemen and brokers. Capacity building in respect to leadership and board development, project management and organizational development will be done to ensure that appropriate systems and structures are set up to support the implementation of the project.

To make this mobilization of membership strong, Jemacroda Herbs & Alternative Medicare will work with Mwamko Mashinani Self-Help Group joint partners with Peleleza Village Health Committee Mseto and other Groups to access as many as possible grassroots self-help groups as constituent members. These base groups will be the primary beneficiaries of the project. The project will give blanket coverage to all enthusiastic enlisted members. The activities thereof will be determined by contribution of input in utilizing the locally available natural resources by the member

groups. The project will also create an inter-group trading so that some of the products will be used by member groups. It will inevitably be a platform for inter skills exchange.

The project expects to support 10,000 (ten thousand) direct beneficiaries (members of the target groups) and an estimated 2,000 (two thousand) direct service providers that support the initiated activities in one way or another. These include suppliers of need materials like honey huge earthen pots for processing, processors, distributors etc. In total, the direct beneficiaries are 12,000 (twelve thousand) people. A further 100,000 (one hundred thousand) indirect beneficiaries are expected to benefit from the project, mainly from use of herbal medicine knowledge and secondary activities. The non-target groups will benefit from the project as secondary beneficiaries. These will be absorbed into the conservation programmes which have to go hand in hand with harvesting of herbals and wild fruits to assure continuity of the genes. This creation of alternative livelihoods, improved health food production by using organic farming methods, processing and marketing, will definitely flow to local organs, Institutions, Faith Based agencies, Government agencies and the local authorities. The local authorities will benefit directly from increased revenue collection from business activities arising from the project interventions.

The group has the capacity due to its dedicated members and good environmental factors favoring herbal and other trees conservation.

Broadly, the following are the expected outcomes of this project

- Operational small scale enterprises/industries which are managed and controlled by the communities at the group level. These will mainly be related to honey, vegetables, root crops, herbs, fruits (cultivated and wild), production and processing activities.
- A strong mentoring program existing within the Mwamko and well-wishers offering support to the project members as and when required. This will also ensure that there is a data base of a pool of organizations/individuals that can be incorporated in the mentoring program. The professionals affiliated to the two managing organs can serve as the initial mentors to specific groups depending on their area of specialty.
- Improved incomes at household levels by directly involving household members to harvest and semi-process the herbal materials leading to improved living standards by way of enhancing affordability of basic needs at the family level.
- Strong network and effective collaboration with NGOs, GoK departments and the private sector in offering technical support to the community initiated project during and after implementation of their activities.
- Effective governance and management systems within the managing organs providing guidance and steering the project players towards achieving the set goals.
- An empowered community taking charge of their own development agenda. This will be achieved by enhancing community's capacity to access, utilize and control resources within their districts and strengthening local governance structures to facilitate this process as such.

6.2 Goals and Objectives

Project Goal: To enhance the livelihoods of communities living in four districts named above, to sustain ably exploit existing resources and overcome rights violation based issues impacting on them and their livelihoods.

Objective: To enhance local initiatives in food and herbal production, processing and marketing and conservation of related species

Since inception, Mwamko has demonstrated its capacity to tap local resources and local initiatives to implement sustainable community interventions that have relevance and direct benefits to the community. All the self-help activities of all the 134 member groups can therefore be attributed to Mwamko ability to mobilize local resources. Mwamko has managed to help groups come up with several initiatives including production of herbal teas, honey, seed oils, herbal milk boosters for livestock herbal pesticides for both animals and crops and organic nitrogen fixing products etc. The fact that the organization is rooted in the community also makes it better positioned to understand the community needs. The organization has an established network and interaction with member groups and has a well-developed system of management of group affairs, including conflict resolution. These experiences are important in ensuring that interventions at group level are sustained.

This initiative will involve strengthening and expanding the following small scale enterprises through the establishment of processing and marketing outlets within the zones, availing credit from pool funds to active players involved in these activities, providing training and technical support in the implementation, management and development of related enterprises.

Production, processing and marketing:

Jemacroda and Mwamko will work with groups from the related producing zones to commercialize their activity by supporting them to increase their production and improve the quality. The organizations will source for a financier for required processing equipment and packaging done at a central place. The project will have its own processing facilities.

Institutional and organizational capacity building

This activity will involve strengthening the institutional/organizational capacity of Jemacroda and Mwamko and to ensure that the operations of the organizations are managed smoothly. The process will involve board and staff development to ensure that appropriate policy guidelines and programs are developed and implemented, in line with the organization's goals and objectives. The process will also involve addressing management and leadership challenges of the membership groups to ensure that their performance is enhanced and contributes towards the overall goal of the organization.

Staff/Administration

The Project will employ ten full-time and five part-time staff.

- Project Director (full time) - Responsible for hiring project staff, overseeing project development and operation, establishing and maintaining links with government agencies, and other organs. The Project Director will be Joseph Mwamburi Mulombi (author of this proposal) He will also supervise the research wing of the project
- Deputy Project Director (full-time) – Shall assist and assume the duties of the project director. Shall be on hand to deputize any other project's senior portfolios whenever necessary.
- Project Coordinator (full time) - Responsible for establishing the central community initiated herbal processing centre, developing working relationships with formal and informal community leaders, establishing links to community men's, women's and youth organizations, and scheduling of project programs.

- Deputy Project Coordinator (full time) - Shall assume the duties of project co-coordinator whenever required
- Chief Researcher (full time) - Responsible for identification of herbal plants and related materials, devise methods of harvest, rate availability of plants to classify them as plentiful, scarce and rare. To initiate conservation of the scarce and rare species. To co-ordinate with other organs to facilitate research. To advise on plant part, seasons and times best for harvest.
- Researcher (full time) - Shall deputize the chief researcher.
- Project Evaluator (full-time) - Responsible for monitoring the project and liaising with the managers of different units of the project. In charge of the movement of materials from source to processing site.
- Chief Ethno-medicine Pharmacist (full-time) - Responsible for storage and assisting the processors with processing products.
- Chief Processor (full-time) - Responsible for the processing of the herbal products. Liaising with the project evaluator to advice on what should be harvested.
- Assistant Processor (full-time) - Shall assist the chief processor.

The five part-time staff shall be hired whenever the need arises

7.0 Project activities

- Conduct a baseline survey for the 134 groups that can be integrated into the programme.
- Conduct a capacity Assessment for the smaller groups and the group to strengthen their organizational, technical and financial capacities.
- Conduct trainings on modern agro-herbal, business and marketing.
- Putting systems of savings and credit scheme management.
- Issuing of start up seedlings based on individual strength.
- Exploring linkages with partners.
- Putting system of running the business component in the group constitution.

8.0 Project Assumptions

Assumptions that have been made are:

- That the members shall be able to establish sizable tree nurseries.
- The members will save and be able to borrow funds to improve and expand their activities.
- Demand for herbal products will match consumption.
- There will be adequate rains.
- There will be adequate customers to purchase all processed inputs.

9.0 Project Monitoring and Evaluation

The target communities under the facilitation of Mseto group and Jemacroda will implement the project. Prior to implementation, consultative and collaboration meetings will be held with the beneficiaries and other stakeholders.

A detailed implementation plan shall be developed which include a monitoring plan for the project showing indicators to be monitored, when by who and the tools to be used.

There shall be fortnightly field visits and quarterly review meetings where each small group shall present representatives report to reflect the progress made over time. Minutes of these meetings and field visit reports shall be well documented for future use. A baseline survey will be carried out at the beginning of the project to establish current situation prior to intervention for easy of post project evaluation. The members and group's staff will undertake this exercise. End of project evaluation and a financial audit will also be carried out to verify the project success. Mseto Group management will oversee the implementation in collaboration with other stakeholders like the ministry of Agriculture, Health, among others.

Timely monthly, quarterly reports will be generated and submitted to partner.

10.0 Project Sustainability Plan

The project will work with existing groups, associations or could facilitate formation of others. The members and all service providers will sustainable pass skills, knowledge acquired to other groups. This will encourage promotion and replication of best practices. The transformation of the group will strengthen resource mobilization; marketing opportunities and the initiation of savings scheme, this will enhance accessibility of credit to groups through the profits accrued in there activity participation.

The groups increased resource base can be a yardstick to increased investments in other venture within the society which will go along way in improving resource exploitation; in this case the improved production will see exploitation of value addition chains and service industries.

11.0 Budget

A. Budget on Capacity Building

NO	ITEM DESCRIPTION	COMM. CONTRIB.	PARTNER	COMMENTS
1.	Sensitization and mobilization of 15 Active members adopt Forestry. Transport & Lunch - 200 x 2x2days Lunch allowances for 2 Staff - 300 x 2x2days VENUE: WUNDANYI	6,000	6,000 2,400	Members will provide their own lunch.
2.	Conduct capacity Assessment for the group members Lunch allowance to Project Initiator	300	0	All members will under go the exercise
3.	Trainings on leadership group dynamics, project management by social service officer & forestry officer Facilitation- 300x1 Transport-400x1	0	1,400	Members will provide their own lunch.

4.	Train 15 members on herbal and other trees planting, management, harvesting and storage by forestry officer. Transport- 400Kshx2days Lunch allowance 300 x2	0	1,400	Members will provide their lunch and writing material
5.	Stationery Flip charts,pens,masking tapes	2,000	0	
6.	Training on resource mobilization. Travel allowance and lunch to microfinance officer(MFI)	700	0	Members will provide writing material.
7.	Land For Building Centre for processing, packaging and storage.	200,000	0	To be provided by the community
8.	Harvest points visits - follow-ups twice a month to check on Establishment and maintenance operations of the harvested materials.	15,000	0	This will be done by Project Initiator and elected small group representatives.
9.	Reflection quarterly review meeting Lunch allowance to Project Initiator and 6 group representatives	1,500	0	Members to volunteering sharing and learning experiences
10.	Project Director Deputy Project Director Project Coordinator Deputy Project Coordinator Chief Researcher Researcher Chief Processor Deputy Processor Project Evaluator Chief Ethno-Medicine Pharmacist	0	0	Salaries will be pegged on %s after deducting all direct inputs and operating costs.
	Sub total - A & B	225,500	11,200	

B. Budget on Enterprise Development

NO	ITEM DESCRIPTION	Unit	COMMUNITY	PARTNER
1.	Cost building on selected ground (Cement, sand, stones, timber, and related building materials)	1	100,000 Labour, Sand and Stones	400,000
2.	Furniture & Fittings, Tables (3), Chairs (10) & File Cabinet	Various	0	30,000
3.	Grinding Mill for Herbs and storage facilities Tablet & Capsule Packing Machine	1	0	550,000
4.	Sun Dryers & Tarpaulins	30	0	150,000
5.	Pangas, Jembes, Shovels, Knives, Metals brushes, Gloves, Rakes, Wheelbarrows, Wire gauze, Polls, Nails, Timber, Water sprinklers, animal manure planting materials and seeds	Various	0	200,000
7.	Reinforced Plastic water Tank and accessories (Tap, piping and Slab for tank rest) Capacity 5,000 litres	1	0	35,000
8.	Laptop, Desk computer and Accessories	1 & 1		100,000
9.	Administrative cost 10%.overhead to cover transport costs and installation of the miller and upgrading single phase power to three phases.			236,500
	Subtotal-B		0	2,561,500
	Total Project cost(A + B)		225,500	2,572,700

Member's contribution cost Kshs. 225,500

Partner contribution cost Kshs 2,572,700

Total project cost is Kshs 2,798,200.00

(Two million seven hundred ninety eight thousand two hundred Kenya shillings only)

11.1 Assumptions of Expected Revenue/Profits at 1st year operations

	<i>DETAILS</i>	<i>1st MONTH Kshs</i>	<i>1st YEAR Kshs</i>
A	Income From Sale of Herbal Products	600,000	7,200,000
B	Cost of Inputs (Materials & Labour) (40% of A)	240,000	2,880,000
C	Gross Margin	360,000	4,320,000
	Distribution of Gross Margin		
D	Personnel & Operating Costs (60% of C)	216,000	2,592,000
E	Research & Development Fund (15% of C)	54,000	648,000
F	Education & Bursaries (10% of C)	36,000	432,000
G	Incentive Plow-backs to Groups (25% of C)	54,000	648,000