

PROJECT DESCRIPTION**Afitin Capacity Building Project****Benin****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

In the Saclo arrondissement in Zou département, a region marked by food insecurity and one of the highest poverty levels in Benin, 58 low-income women produce afitin, a local condiment made from fermented African locust beans. The afitin produced in Saclo arrondissement is popular with consumers throughout Benin due to its superior flavor and nutritional content. However, the local women who produce afitin earn little from the activity due to the lengthy time required for manual production, the large quantities of firewood used in the traditional production process, the lack of working capital and storage facilities needed to stock up on locust beans at harvest season, and limited business management skills of the processing groups. In addition, the local non-governmental organization working with the women, the Cercle de Recherche et d'Appui pour un Développement Durable (CRADD), lacks the management capacity to be able to provide technical assistance to the 58 women afitin producers in Saclo arrondissement, and the resources to supply the women with labor-saving processing equipment, fuel-efficient ovens, working capital, and a warehouse, which will allow the women to increase the profitability of their afitin production activities by reducing the costs of raw material, fuel and labor.

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.

ADF  CRADD 

B. Grantee Contribution

The afitin processing groups will contribute a plot of land of 750 square meters, upon which a storage warehouse will be built. The members will contribute their labor for the processing operations.

IV. Project Goal

The goal of this Project is to improve the standard of living of low-income afitin producers and their families in the Saclo arrondissement in Zou département, Benin.

V. Project Purpose

The purpose of the Project is to improve the afitin processing groups' prospects for increased income and growth through the development of a sustainable business plan.

VI. Outputs

A. Improved financial management capacity of CRADD NGO as evidenced by the following:

1. CRADD produces quarterly and annual income and expense statements, and demonstrates adequate financial controls, accounting procedures, policies, and systems that can be audited by an independent accounting or audit firm; and
2. CRADD's management team routinely uses financial documents such as quarterly bank reconciliation, budget expenditures, and income and expense statements produced during the Project to make financial and management decisions for the organization.

B. Improved production and marketing capacity of the participating groups as evidenced by the following:

1. the quantity of afitin produced by the five groups increases from 2100 kilograms per year before the Project to 4284 kilograms in Project Year 1 and 4410 kilograms in Project Year 2;
2. gross revenues from sales of afitin produced by the five groups increase from FCFA 4,200,000 per year before the Project to FCFA 8,568,000 in Project Year 1 and FCFA 9,128,700 in Project Year 2; and

3. income from dues and service fees of the five groups is sufficient to cover the costs of servicing and replacement of the afitin storage and processing equipment in Project Years 1 and 2.

VII. Activities

A. Production Inputs, Processing and Marketing

The five participating processing groups will establish a revolving fund for the purchase of locust beans at harvest time, when prices are at their lowest, as well as salt and cooking fuel used in afitin production. The groups will purchase simple processing equipment, including shellers, pots, fuel-efficient stoves, storage containers and small tools, to improve productivity and return on labor.

B. Warehouse and Waste Water Catchment Construction

CRADD will hire a qualified contractor to construct a warehouse to be used by the five groups for storage of locust beans purchased at harvest time, and five waste water catchments to hold waste water resulting from the processing of the locust beans into afitin. CRADD will hire a qualified specialist to develop the request for bids for construction of the warehouse and waste water catchments, participate in the selection of the contractor, and monitor the progress and quality of the construction.

C. Training

CRADD will hire specialists to conduct a series of training sessions designed to improve the management and governance of CRADD, and the production and marketing capabilities of the participating afitin groups.

Training sessions for the afitin groups will be offered in the local language and will cover the following topics:

1. afitin processing techniques;
2. food hygiene and conservation, including use of a safe "starter" culture for fermentation;
3. storage and conservation of locust beans;
4. functional literacy, cost calculation, microenterprise management, distribution and marketing; and
5. association management, crisis resolution, and lobbying.

Training sessions for CRADD NGO members and staff will cover the following topics:

1. ADF grant management and reporting procedures;
2. financial management and internal control;

3. computer literacy; and
4. community Project design and management.

D. Technical Assistance

CRADD will hire a qualified accounting manager to ensure accounting and reporting of Project funds and to coordinate execution of the Project. CRADD will hire a qualified agricultural technician to facilitate training sessions and adoption of best practices in afitin production and marketing by the five groups.

VIII. Roles and Responsibilities of the Parties

The members and management of CRADD are responsible for the management and the proper implementation of the Project. ADF-designated community development entities in Benin will provide training in the areas of standard ADF bookkeeping, monitoring, and assessment, and will also provide technical and management assistance during implementation. To the maximum extent practical, CRADD and ADF will use third party disbursements for procurement of large items and services.

IX. Monitoring and Evaluation

ADF-designated community development entities in Benin will closely monitor the activities of CRADD to ensure proper reporting, adherence to the Project implementation plan by the company and progress towards the achievement of Project objectives. They will continuously assess risks and take remedial actions as needed. Monitoring by these entities will be an important aspect of the on-going coaching and advisory service. They will review the company's quarterly reports to ADF and will submit comments and observations to the management of CRADD as part of the on-going performance assessment.

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