

PROJECT DESCRIPTION

Sebba Sesame Production and Export

Burkina Faso

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

The Association pour la Promotion de l'Agriculture, de l'Élevage et de l'Hydraulique (APAEH) is an association of small scale agricultural producers in the Yagha Province of Burkina Faso. APAEH provides extension services, input sourcing, administrative support, and marketing assistance to 161 farmers groups, representing 4,116 individual producers. Due to a high demand for sesame, including a large purchase order from an American company, APAEH intends to help its members increase sesame production. Currently, most producers have seeds that produce low yields and practice inefficient production techniques. APAEH does not have the resources to procure and distribute certified seeds, and its extension officers do not have the capability to teach and reinforce modern production techniques that meet international quality standards. APAEH also needs to re-focus its sales strategy on regional and international markets.

III. Funding

A. ADF Contribution

The financial plan for ADF's contribution is set forth in Appendix A-1 of this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 8 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 4, section 4.1 of the Agreement.

B. APAEH Contribution

The Association members will contribute their time, skills, labor, and knowledge to the implementation of the Project. APAEH will also contribute an additional US \$12,250, or five percent of the Project cost, towards the cost of materials (sand, gravel, and water) for the construction of the storehouses. Producers' groups will also contribute to the purchase of needed equipment.

IV. Project Goal

The goal of the Project is to improve the standard of living of farmers and rural populations in the Yagha Province of Burkina Faso.

V. Project Purpose

The purpose of the Project is to increase the income of APAEH and its members as indicated by the following.

- A. APAEH's net income (before taxes and depreciation) will increase from the current baseline of CFA 519,175 in 2009 to:
 1. CFA 20,041,000 in Project Year 1;
 2. CFA 22,186,000 in Project Year 2;
 3. CFA 31,936,000 in Project Year 3;
 4. CFA 30,064,050 in Project Year 4; and
 5. CFA 34,147,175 in Project Year 5.

- B. The total amount paid by APAEH to its producers increases from a baseline of CFA 25,200,000 to:
 1. CFA 29,250,000 in Project Year 1;
 2. CFA 31,500,000 in Project Year 2;
 3. CFA 40,500,000 in Project Year 3;
 4. CFA 45,000,000 in Project Year 4; and
 5. CFA 49,500,000 in Project Year 5.

VI. Project Outputs

By the end of the Project, the capacity of APAEH and its members to produce and sell sesame will increase as follows.

- A. Increased sesame production from 200 tons in 2009 to the following:
 1. 750 tons in Project Year 1;
 2. 1,000 tons in Project Year 2;
 3. 1,400 tons in Project Year 3;
 4. 1,800 tons in Project Year 4; and
 5. 2,000 tons in Project Year 5.

- B. Increased sales revenue from CFA 46,188,000 in 2009 to the following:
 1. CFA 300,000,000 in Project Year 1;
 2. CFA 400,000,000 in Project Year 2;
 3. CFA 560,000,000 in Project Year 3
 4. CFA 720,000,000 in Project Year 4; and
 5. CFA 800,000,000 in Project Year 5.

VII. Project Activities

A. Management Improvement Activities

1. APAEH will hire an experienced accountant to manage its finances and operate the overall financial systems. The accountant will advise the management and board on the financial status of the organization.
2. APAEH will hire a project director responsible for overall management of the Association, including preparing work plans, monitoring activities, assessing and analyzing implementation problems, investigating and applying corrective measures, and helping to organize the training sessions and technical assistance services.
3. APAEH will develop a manual of procedures. The manual will document administrative, governance, and accounting policies.
4. APAEH will establish an office with a warehouse in Sebba and six storehouses, one for each district. The main office in Sebba will be equipped with furniture, a computer and accessories to handle data management. The office will install solar panels and use a generator to supply the office with electricity. A database will be developed the first year to manage farmer production information with the assistance of a consultant.
5. APAEH will engage a consultant to conduct training sessions on organizational dynamics to strengthen the management structure and information dissemination between the Association and village groups.

B. Production Improvement Activities

1. Improved Production Techniques
 - a. APAEH will distribute improved seed varieties in Year 1 to enable the production of seeds for distribution for the duration of the Project.
 - b. The Project will procure furrows and plows, followed by training in modern sesame production techniques.
 - c. The post harvest process will be improved by the purchase of equipment such as drying racks, weighing scales, tarpaulin sheets, and a truck to streamline collection from the storehouses and transport to the main warehouse in Sebba.
 - d. APAEH will construct a total of 120 compost pits across the six districts and supply village groups with wheelbarrows, carts, and small equipment in order to give farmers access to organic fertilizers.
2. APAEH will create and implement a credit fund for farmers. The credit fund will offer small loans to members who want to purchase equipment and other agricultural inputs and improve their infrastructure.

C. Marketing Improvement Activities

1. APAEH will purchase packaging materials to ensure that products are carefully transported and professionally presented for sale.
2. APAEH will engage a consultant to conduct training sessions on post harvesting technologies that meet the international standards of quality for management extension agents, union leaders, and collection agents. A quality control and

traceability monitoring system will be developed and strictly enforced. Quality control committees will be created in each district and individuals in each group will be designated to oversee this function. Motorcycles will be provided by the Project for field visits.

VIII. Roles and Responsibilities

A consultant and/or future ADF partner will retain responsibility for building the managerial capacity and improving the financial and bookkeeping systems of APAEH. APAEH is responsible for ensuring the proper management and implementation of the grant agreement. The future ADF Partner and/or consultants will provide APAEH with technical and management assistance during implementation of the Project.

IX. Monitoring and Evaluation

A consultant and/or the future ADF Partner Organization will be instrumental in the success of the Project. Proposed objectives will require regular progress reviews to ensure goals are on track. The APAEH staff will play an important role in the implementation and overall sustainability of the Project. Monitoring by the future Partner or consultant will be an important aspect of the on-going coaching and advisory service. The future Partner or consultant will review ADF's quarterly reports and will submit comments and observations to the management of APAEH as part of the on-going performance assessment.