

## PROJECT DESCRIPTION

### Baracuda Women Agricultural and Fish Products Processing and Marketing

#### Senegal

#### 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 GIE Baracuda is a cooperative of 16 women's associations, representing 528 women engaged in small scale agriculture production and fish processing. Despite a growing urban market for maize and peanut butter, Baracuda's current output is very low and its sales figures are poor due to aging facilities and a nonexistent marketing strategy. GIE Baracuda lacks the accounting skills, organizational capacity, production facilities, and marketing ability to capitalize on rising demand for its products.

#### 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. GIE Baracuda Contribution

GIE Baracuda will provide all the equipment presently available in the processing unit. This equipment is estimated at CFA 7,000,000 and includes: three mills (for millet, coffee and peanut butter); two grinders (for groundnut and for walnut of mahogany); a winnower (for groundnut); a hulling machine (millet); and a dryer (for walnut of mahogany). In addition to this equipment, the GIE will cover the salaries of four staff members who are presently working at the unit, estimated at CFA 190,000 per month. The GIE will also continue to pay for cooking gas (CFA 9,500 per quarter).

#### IV. Project Goal

The goal of this Project is to improve the standard of living of Baracuda's members who live in Kolda in the Haute Casamance Region of Senegal.

## V. Project Purpose

The purpose of the Project is to improve GIE Baracuda's prospects for sustained expansion as indicated by the development of a five-year business plan that ADF deems suitable for funding by a donor or other financial institution.

## VI. Project Outputs

By the end of this Project it is expected that GIE Baracuda will achieve the following results.

- A. Its management capacities will be strengthened so that it meets accepted standards in financial and administrative management and accounting, as indicated by the following:
  - 1. an accounting and financial management system that fulfills ADF requirements is established;
  - 2. financial statements are routinely provided and used by management to trace financial transactions;
  - 3. management follows a manual of procedures that sets out the organization's policies; and
  - 4. the organization's management meets on a regular basis and reports on their meetings to the members.
  
- B. GIE Baracuda will strengthen its production and marketing capacities, as indicated by the following:
  - 1. receipt of a permit to manufacture agricultural products from the Senegalese Ministry of Commerce;
  - 2. achieving government certification in health and food quality standards; and
  - 3. securing at least two letters of intent to purchase its products from two end users.

## VII. Project Activities

- A. Financial Management Capacity Building
  - 1. GIE Baracuda will hire an experienced accountant to manage its finances and work closely with the treasurers of the 16 member organizations. The accountant will operate the GIE's overall financial systems and will advise the management and board on the financial status of the organization.
  - 2. A consultant will train the management team and the treasurers of the sixteen member associations in basic accounting practices. The training will cover the monitoring of revenue, expenditures, production and inventory, how to track customers and suppliers, the calculation of depreciation, and determining the profit or loss from operations. The

training will also teach each association to keep basic accounts and transfer data regularly to the accountant at GIE Baracuda.

3. A consultant will work with the management team to create a manual of procedures that establishes internal controls and documents accounting policies, with the intent to receive ADF financial certification by the end of the Project.
4. GIE Baracuda will establish an office equipped with a computer capable of supporting accounting software, a place to store financial data, and appropriate furniture.

B. Organizational Capacity Building.

1. A facilitator will conduct a Participatory Institutional Diagnosis (PID). The PID will allow members to voice concerns about the organization and shape their vision for its future. The PID will be the basis for a series of meetings designed to promote good governance. The meetings will examine the organizational structure of GIE Baracuda, the roles and responsibilities of members and management, and ways to ensure democratic decision making. The meetings will inform the creation of a manual of procedures outlining GIE Baracuda's governing structure.
2. The management team and selected members will embark on two exchange visits to similarly sized and constituted cooperatives. The exchange visits will help GIE Baracuda learn about principles of group cohesion.

C. Technical Capacity Building and Marketing Activities

1. GIE Baracuda will apply for permission to manufacture agricultural products from the Senegalese Ministry of Commerce.
2. GIE Baracuda will install a new mill and husking machine for processing cereal and will train workers on safe use of the equipment, utilizing a worker safety plan developed for the GIE.
3. GIE Baracuda will hire a carpenter to build display cases made of wood with clear windows to show the products while also protecting them from dust.
4. A consultant will train GIE Baracuda members in food hygiene and quality control. The training will be based on the standards used by urban supermarkets, and will include information on food handling techniques, safe packaging, and Senegalese consumer safety laws.
5. GIE Baracuda will design a product logo to distinguish it from other cereal producers in the region. The Cooperative will package its grain products and peanut butter using the new logo and air tight seals.
6. A consultant will train the management team and selected members in marketing skills. The training will emphasize ways to assess and meet customer demand.
7. GIE Baracuda will purchase ten tons of cereal, such as maize and millet, immediately after the harvest of Project Year One when prices are low. GIE Baracuda will apply its marketing training and sell the cereals to customers when prices begin to rise.

8. GIE Baracuda will attend trade shows to promote its products. Members will participate in designing their booth and promotional materials.

#### D. Business Expansion Activities

A consultant will collaborate with the management team and members to design a comprehensive, five year business and marketing plan. The plan will include the following:

1. determine the most cost-effective ways of production and marketing of the Cooperative's products and services;
2. project the returns on investment;
3. document lessons learned from Year One of the Project, particularly in the implementation of industry best practices;
4. explore options for expanding membership of the Cooperative and/or providing benefits to non-members;
5. develop indicators that track benefits to Cooperative members;
6. develop a business strategy for marketing of the Cooperative's products and services.
7. explore options for additional income generation activities for the Cooperative;
8. provide an assessment of current market trends as well an analysis of related risks; and
9. include any other additional analyses that will prepare the Cooperative for expansion and sustained growth, to be determined during the design process of the business plan and through implementation of this Project.

### VIII. Roles and Responsibilities

The ADF Partner in Senegal will provide the standard ADF training in bookkeeping, monitoring and remediation assistance to GIE Baracuda. Group members are responsible for ensuring the proper management and implementation of the grant.

### IX. Monitoring and Evaluation

The ADF Partner in Senegal will closely monitor the activities of the Project to ensure proper reporting, adherence to the Project implementation plan by GIE Baracuda and progress made toward the achievement of Project objectives. The Partner Organization will assess the Project risks and take remedial actions on an ongoing basis. Monitoring by the Partner Organization will be an important aspect of the on-going coaching and advisory service. The Partner will review the GIE Baracuda's quarterly reports and will discuss its comments and observations with the Project management team. Such an interaction will be part of an on-going performance assessment.