

PROJECT DESCRIPTION

Chicken Production and Marketing by the DIRFEL Women in Kolda

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

DIRFEL is a cooperative of 300 women engaged in poultry production. The group aims to take advantage of growing urban demand for chicken products, but it does not currently produce or sell enough poultry to gain a foothold in the market. Production is low because members lack knowledge of proper chicken breeding and health maintenance techniques and cannot afford to use sanitary equipment and practices. In addition to low production levels, DIRFEL struggles to market its products because the cooperative lacks the capacity to manage financial transactions, design a business plan, and implement a marketing campaign.

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. DIRFEL Contribution

DIRFEL will contribute the time and skills of its staff in the implementation of the Project. DIRFEL will also supply the local hens, cereals to make chicken feed, use of the poultry complex (valued at CFA 41,000,000), village chicken coops (valued at CFA 12,000,000), its headquarters to host the project, a pickup truck (valued at CFA 6,000,000), 9 incubators (valued at CFA 7,650,000), a chicken feed mill (valued at CFA 1,100,000), and equipment and tools (valued at CFA 2,500,000).

IV. Project Goal

The goal of this Project is to improve the standard of living of residents in the Kolda region of Senegal.

V. Project Purpose

The purpose of the Project is to improve DIRFEL'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 DIRFEL 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 produced 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 bodies meet on a regular basis and report on their meetings to the members.

- B. DIRFEL will strengthen its technical capacity, as evidenced by the following:
 - 1. improved quality and increased size (from 1 kilogram to 2 kilograms per unit) of the poultry produced as a result of improved breeding with roosters of preferred genetic traits and attainment of a 70 percent vaccination rate;
 - 2. better outreach to local villages through the formation of a team of 30 women trained as community agents and three as facilitators, who will conduct routine visits to disseminate information and to train rural poultry producers; and
 - 3. the addition of 200 chicken coops in the Project area.

VII. Project Activities

A. Management Capacity Building

- 1. DIRFEL will hire a Project Coordinator responsible for the implementation of the project. The Coordinator will plan and monitor activities, analyze project data and produce reports for the Board of Directors, and perform outreach and maintain communication with members.

2. DIRFEL will hire an accountant to manage its finances. The bookkeeper will be trained in ADF accounting and reporting standards. The bookkeeper will operate the DIRFEL's overall financial systems and will advise the management and board on the financial status of the organization.
3. A consultant will train the management team in effective leadership, organizational development, and strategies for implementing and monitoring development projects. The training will result in a manual of procedures that establishes internal controls and documents DIRFEL's accounting, governance, and administrative policies.

B. Technical Capacity Building

1. A consultant will train facilitators and community agents in animal health, poultry production techniques, and poultry marketing strategies. The facilitators and community agents will provide extension services to members in rural areas. In particular, DIRFEL will train farmers to compost poultry manure before it is used as fertilizer. In addition, DIRFEL will advise farmers against routine use of antibiotics in the feed of healthy poultry to avoid development of resistant bacteria that may affect human health.
2. DIRFEL will procure four motorcycles to enable the management team to provide extension services to members, such as training sessions, health campaigns, and visits to chicken coops. The health training will emphasize the importance of vaccination, de-worming, disease prevention and hygiene, and upkeep of henhouses.
3. DIRFEL will supply members with materials and technical support to build henhouses. The henhouses will be equipped with troughs, feeders, and lime basted interior walls designed to prevent parasites and infection.
4. DIRFEL will purchase and distribute roosters, one per member.
5. The management team will procure audio-visual equipment and be trained in its use. DIRFEL will create instructional videos about best practices in the poultry industry, and teach members how to record lessons learned. The videos will be teaching tools and add to the institutional capacities of the organization.

C. Business Expansion Activities

1. A consultant will train the management team in principles of marketing. The training will help DIRFEL identify markets, monitor demand, and maintain good customer relations.
2. A consultant will provide business skills training to DIRFEL. The training will teach members about pricing inputs, mitigating risks, and identifying opportunities. The 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:
 - a. determine the most cost-effective ways of production and marketing of the Cooperative's products and services;

- b. project the returns on investment;
- c. document lessons learned from year one of the Project, particularly in the implementation of industry best practices;
- d. explore options for expanding membership of the Cooperative and/or providing benefits to non-members;
- e. develop indicators that track benefits to Cooperative members;
- f. develop a business strategy for marketing of the Cooperative's products and services;
- g. explore options for additional income generation activities for the Cooperative;
- h. provide an assessment of current market trends as well as an analysis of related risks; and
- i. 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 DIRFEL. 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 the Grantee 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 Grantee'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.