

PROJECT DESCRIPTION

Toussiana Cashew Nut Processing 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

A local products processing unit of the national non-profit association, *Etre Comme Les Autres* (ECLA), is located in the village of Toussiana in the Upper Basins Region, Houet Province of Burkina Faso. The Toussiana unit produces dried mangoes and blanched cashew nuts for the export market. Currently productivity is constrained by poor equipment, low quality raw material inputs, and a lack of managerial and technical capacity to expand business opportunities and a network to reach new 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. ECLA Contribution

ECLA will contribute the time and skills of its staff in the implementation of the Project. ECLA will also contribute land, buildings, and equipment, whose costs are estimated at CFA 12,758,000.

IV. Project Goal

The goal of the Project is to expand ECLA's production capacity for mango and nut processing and thereby to improve the standard of living of workers and rural populations in the Toussiana area of Burkina Faso.

V. Project Purpose

The purpose of the Project is to increase the incomes of ECLA, its staff and members, as indicated by the following.

- A. ECLA's net income (before taxes and depreciation) will increase from the current baseline of CFA 24,843,600 in 2009 to:
 - 1. CFA 36,471,491 in 2010;
 - 2. CFA 52,832,127 in 2011; and
 - 3. CFA 62,417,685 in 2012.

- B. Total wages paid by ECLA to its processors increases from a baseline of CFA 25,200,000 to:
 - 1. CFA 97,222,000 in 2010;
 - 2. CFA 111,693,000 in 2011; and
 - 3. CFA 114,946,581 in 2012.

- C. The average monthly salary for employees will change from a baseline of CFA 21,000 in 2009 to:
 - 1. CFA 25,000 in 2010;
 - 2. CFA 25,750 in 2011; and
 - 3. CFA 26,008 in 2012.

VI. Project Outputs

By the end of the Project, the capacity of ECLA and its members to process cashew nuts will increase as follows.

- A. Increased cashew production from 468 tons in 2009 to the following:
 - 1. 932 tons in 2010; and
 - 2. 1038 tons in 2011.

- B. Annual raw material inputs increase from 0 tons in the baseline year, 2009, to the following:
 - 1. 19.4 tons in 2010;
 - 2. 20.3 tons in 2011; and
 - 3. 21.3 tons in 2012.

- C. Increased sales revenue from CFA 144,144,000 in 2009 to the following:
 - 1. CFA 325,582,950 in 2010;
 - 2. CFA 378,299,845 in 2011; and
 - 3. CFA 397,294,407 in 2012.

- D. The number of jobs will increase from a baseline of 182 employees in 2009 to the following:
1. 389 employees in 2010;
 2. 434 employees in 2011; and
 3. 436 employees in 2012.

VII. Project Activities

ECLA will ensure the following major activities are implemented with the assistance of consultants where necessary.

- A. Improve the processing capacity and quality of the cashew processing unit of ECLA through the following:
1. purchasing and using the new, more efficient equipment;
 2. holding training sessions, led by a consultant, in production techniques, ways to improve quality, and use of the new equipment; and
 3. conducting a feasibility study on and establishing micro-enterprises for women processors of cashew nuts.
- B. Improve the managerial and financial capacity of ECLA through the following:
1. with the help of a consultant, provide training in ADF financial management to the accounting staff; and
 2. develop a strategic plan for ECLA that includes a marketing strategy.
- C. Increase sales to the export market of cashew kernels produced by the ECLA plant and microenterprises through the following:
1. conducting a study of the cashew export market;
 2. hiring a marketing expert to provide marketing advice and support to the micro-enterprises; and
 3. holding training sessions, led by a consultant, on marketing strategies.

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 ECLA. ECLA is responsible for ensuring the proper management and implementation of the grant agreement. The future ADF Partner and/or consultants will provide ECLA 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 ECLA staff will play an important role in the implementation and overall sustainability of the Project. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review ADF's quarterly reports and will submit comments and observations to the management of ECLA as part of the on-going performance assessment.

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