

PROJECT DESCRIPTION**Onion Production and Marketing Project in Koukouldi****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 Koukouldi Union of Onion Producers is one of four member unions in the Tenado Federation of Onion Producers' Unions. The Koukouldi Union oversees 60 onion associations representing four villages (Koukouldi, Poun, Doudou, and Sassia) and approximately 1,800 onion farmers. Each farm owner employs two workers on average (3,600 people).

The Union's member producers face major constraints in their ability to increase and improve their production and marketing of onions, which are: (i) poor onion quality; (ii) low yields; (iii) soil degradation; (iv) weak organization; (v) inadequate management capacities; and (vi) lack of regulation in the local market. To better assist its members with onion production and marketing, the Union must strengthen its own management capacities, follow operational guidelines as defined by the Federation, implement standard financial management and bookkeeping systems, and produce required financial and progress reports.

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. Union Contribution

The Union will contribute labor, time, building materials, and tools to various Project activities. The Union's contribution can be assessed at about five percent of the total project cost, approximately US \$4,750.

IV. Project Goal

The Project goal is to improve the standard of living of rural people in the Tenado district of Burkina Faso.

V. Project Purpose

The Project purpose is to improve the Union'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

- A. Improved management and operating systems capacity, as indicated by the following:
1. an improved computerized accounting system is in place and the Union satisfies ADF's financial and reporting requirements for final financial certification; and
 2. quarterly and financial statements are routinely produced and used by management in its decision making and to trace financial transactions.
- B. Improved production capacity, as indicated by the following:
1. The average onion production output per hectare will increase from a baseline of ten tons in 2009 to:
 - a. 12 tons in Year 1; and
 - b. 15 tons in Year 2.
 2. The total onion production of all the producer members of the Union will increase from a baseline of 6,700 tons in 2009 to:
 - a. 8,040 tons in Year 1; and
 - b. 10,050 tons in Year 2.
 3. The total sales for all the producer members of the Union will increase from a baseline of CFA 893,750,000 in 2009 to:
 - a. CFA 1,072,500 000 in Year 1; and
 - b. CFA 1,340,625 000 in Year 2.

VII. Project Activities

The Union will implement the Project activities with support from the extension agents, the input shop seller, and consultant trainers.

A. Improved Operations

1. The Union will recruit an extension agent and input shop seller to improve its managerial capability.
2. The Union will construct and furnish an input shop so it can provide better services to its members through the purchase and sale of inputs for their onion production.
3. The Union will hire an accountant to set up the accounting system and manage it.

B. Training and Technical Assistance

With support from the Federation of Onion Producers and outside resources, the Union will build its capacity through the following training and technical assistance activities:

1. establishing sound financial management and bookkeeping systems and training the Union core staff in using these systems to generate required statements and reports and to assess the system for final certification;
2. setting up and training the young agricultural extension workers network;
3. setting up a management system for the input shop;
4. supporting the producer groups to identify issues and draft their action plans;
5. disseminating to the members policies and management rules as defined by the Federation; and
6. raising producers' awareness to comply with the onion price and market regulation policies as enforced by the Union.

VIII. Roles and Responsibilities

ADF's future partner in Burkina Faso or a designated consultant will monitor and provide technical support for the project implementation. It will support the Union in defining the consultants and trainers' mandates and contracting with them. It will assist in the management of procurement according to ADF's procedures.

The Union will be responsible for the implementation of the various project activities and the production of activity and financial reports.

The producer members of the Union will be directly responsible for the production and sale of their onions.

IX. Monitoring and Evaluation

ADF's future Partner in Burkina Faso or a designated consultant will closely monitor the activities of the Union to ensure proper reporting, adherence to the Project implementation plan by the client and movement towards the achievement of Project objectives. The future Partner or designated consultant will continuously assess the Project risks and take remedial actions as needed. Monitoring by the future Partner or designated consultant will be an important aspect of the on-going coaching and advisory service. The future Partner or designated consultant will review ADF's quarterly reports and will submit comments and observations to the management of the Federation as part of the on-going performance assessment.