

**PROJECT DESCRIPTION****Sesame Production and Marketing Project****Niger****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**

Sesame export is one of the most profitable crops for farmers in Niger, due to rising international demand and a favorable climate for sesame cultivation. Buyers regularly express interest in purchasing sesame produced by the Coopérative des Producteurs de Sésame d'Aguié (COOPSE) in far greater quantities than the cooperative is able to supply. COOPSE has not scaled up production to meet this demand because it lacks sufficient working capital and infrastructure to provide inputs and buy members' production at harvest. Expansion of production and sales will increase the incomes of the cooperative's 360 smallholder farmers.

**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. COOPSE Contribution**

COOPSE will contribute the land where the warehouses will be constructed. Additionally, the Cooperative will meet office administration costs and pay salaries for its staff starting in the second year of project.

**IV. Project Goal**

The goal of the Project is to improve the standard of living of smallholder sesame farmers in Aguié Department, Maradi Region of Niger.

**V. Project Purpose**

The purpose of the Project is to increase the incomes of COOPSE and its members, as demonstrated by attainment of the following performance indicators:

- A. The total annual income earned by COOPSE members from sales of sesame to the Cooperative increases from a baseline of CFA 4,823,800 in 2009 to:
1. CFA 27,187,500 in Year 1;
  2. CFA 34,159,150 in Year 2; and
  3. CFA 42,646,170 in Year 3.
- B. COOPSE's annual net income (before taxes and depreciation) changes from a baseline of CFA -16,223,918 in 2009 to:
1. CFA -127,730 in Year 1;
  2. CFA 2,281,900 in Year 2; and
  3. CFA 5,394,390 in Year 3.

## VI. Project Outputs

By the end of the Project, the capacity of COOPSE and its members to grow and sell sesame will increase as evidenced by the following:

- A. The quantity of sesame marketed by COOPSE will increase from 18 metric tons in 2009 to:
1. 104 metric tons in Year 1;
  2. 131 metric tons in Year 2; and
  3. 163 metric tons in Year 3.
- B. COOPSE's annual sales of sesame increases from CFA 4,773,650 in 2009 to:
1. CFA 40,473,960 in Year 1
  2. CFA 50,656,280 in Year 2; and
  3. CFA 63,108,960 in Year 3.
- C. Land used by COOPSE members for sesame production increases from 394 hectares in 2009 to:
1. 500 hectares in Year 1;
  2. 525 hectares in Year 2; and
  3. 600 hectares in Year 3.

## VII. Project Activities

### A. Infrastructure and Equipment

COOPSE will hire qualified contractors to construct one main warehouse with a storage capacity of 500 tons in Aguié, and three others with a storage capacity of 40 tons each at the trading centers of Dan Saga, Débi and Gazaoua. The warehouses will be used to store agricultural inputs and sesame to be marketed by the cooperative. Each of the four warehouses will be equipped with a tarp, a scale, and spraying equipment. In addition, the warehouse at Aguié will be equipped with two sewing machines.

COOPSE will construct a total of 30 pits for the production of compost. Their annual production capacity will be 2 tons of compost per pit. COOPSE will also establish and maintain tree nurseries to produce a total of 135,000 seedlings (27,000 seedlings per year) of *Acacia senegal* and *Bauhinia rufescens* to be planted by member farmers in their fields.

ADF will finance the procurement of office equipment to include a personal computer, a laptop and accessories, one desk, three chairs and one metallic cupboard for the agricultural technician, 10 tables and 16 chairs for the meeting room.

COOPSE will purchase a used truck to be used for transport of sesame and inputs, and a motorcycle to be used by cooperative employees for project activities.

#### B. Technical Assistance

ADF will finance the salaries of an agricultural technician and three field monitors for six months per year for two years. ADF will also finance twelve months' salary for a full-time project manager, an accountant, a full-time driver and a warehouseman.

COOPSE will hire consultants to provide the following training for its employees and members:

The project manager and the accountant will receive training in international trade in Niamey.

31 COOPSE members and employees will receive training in the production of Neem seed oil to protect sesame from insect attacks during the production phase in year 1 and 3 of the project.

62 COOPSE members and employees will receive training in composting techniques in year 1 and 3 of the project.

12 COOPSE members and employees will receive training in nursery techniques in year 1 and 3 of the project.

The security guard will receive training in stock management and fumigation in year 1 and 3 of the project.

The agricultural technician and the three supervisors will receive training in sesame production techniques in year 1 and 3 of the project.

80 COOPSE members and employees will receive training in techniques of pesticide use in year 2 of the project.

80 COOPSE members and employees will receive training in group dynamics in year 1 and 3 of the project.

#### C. Marketing

ADF will provide funds for a guarantee to be deposited with the Banque Régionale de Solidarité to facilitate access to a line of credit which COOPSE will use to purchase and resell agricultural inputs and purchase members' sesame production for marketing to large buyers.

COOPSE will organize four extension campaigns to educate its members on the production of sesame to meet international standards. A consultant will assist the cooperative to identify and communicate with additional customers and create a database to help manage these interactions. During the project implementation period, COOPSE will send, each year, sesame seed samples to a strategic selection of importers that will be identified as part of their customer database. A consultant will assist the cooperative in designing a logo and a leaflet. COOPSE will also undertake a promotion campaign in Kano, Nigeria to promote the sesame produced by its members.

#### **VIII. Roles and Responsibilities**

COOPSE has the primary responsibility for ensuring the proper management and implementation of the Project. ADF staff in Niger will provide COOPSE with technical and management assistance during implementation.

#### **IX. Monitoring and Evaluation**

ADF staff in Niger will closely monitor the activities of COOPSE to ensure proper reporting, adherence to the project implementation plan by the client and movement towards the achievement of project objectives. ADF will continuously assess the project risk and take remedial actions as needed. ADF staff will review COOPSE's quarterly reports and will submit comments and observations to the management of COOPSE as part of its on-going performance assessment.