

PROJECT DESCRIPTION

Mango Processing and Marketing

Mali

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 Koulibalibougou Cooperative (CPGAK) is an organization of small-scale farmers engaged in the production of fruits and vegetables. There is strong demand for dried mangos in domestic and international markets, and CPGAK has identified an exporter willing to place large orders for CPGAK mangos. However, CPGAK cannot currently capitalize on this opportunity because it lacks the equipment and training to dry and package mangos on a large scale. Further, CPGAK's management does not have the capacity to oversee a complex and growing operation.

III. Funding

A. ADF Contribution

The financial plan for ADF's contribution is set forth in Appendix A-1 to 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. Grantee Contribution

CPGAK will contribute its land, members' tools and implements, and labor to the implementation of the Project.

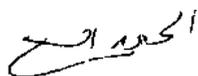
IV. Project Goal

The goal of the Project is to improve the standard of living of farmers in rural Mali.

ADF



CPGAK



V. Project Purpose

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

An increase in the net income (before depreciation and taxes) of CPGAK from a baseline of 0 to:

- A. CFA 75,322,000 in Year 1;
- B. CFA 79,347,000 in Year 2;
- C. CFA 85,573,250 in Year 3;
- D. CFA 88,007,310 in Year 4; and
- E. CFA 92,665,575 in Year 5.

VI. Outputs

A. Improved financial management as evidenced by:

1. CPGAK produces financial statements and reports that include monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, and it establishes adequate financial controls, accounting procedures, policies, and systems that meet international audit standards; and
2. the management team routinely utilizes the management and financial reports produced such as performance reports, budget expenditures, profit and loss statements, cash flow statements, and balance sheets in making financial and management decisions for the Cooperative.

B. Improved production capacity as evidenced by an increase in dried mango production from a baseline of 5.4 tons per year to:

1. 108 tons in Year 1;
2. 113 tons in Year 2;
3. 119 tons in Year 3;
4. 125 tons in Year 4; and
5. 131 tons in Year 5.

C. Improved marketing capacity as evidenced by an increase in the Cooperative's revenue from mango sales from a baseline of CFA 5,400,000 to:

1. CFA 108,000,000 in Year 1;
2. CFA 113,400,000 in Year 2;
3. CFA 119,070,000 in Year 3;
4. CFA 125,020,000 in Year 4; and
5. CFA 131,270,000 in Year 5.

VII. Activities

A. Management Improvement Activities

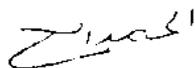
1. CPGAK will hire a manager responsible for overall management of the Cooperative, including preparing work plans, monitoring activities, assessing and analyzing implementation problems, investigating and applying corrective measures, and helping to organize the training sessions and technical assistance services.
2. During the first two years of the Project, the manager and selected members will receive training in financial management. The training will focus on maintaining accounts and preparing financial, performance, and activity reports.
3. CPGAK will set up an office for its management team. The office will be equipped with accounting software and management will be trained in proper use of accounting software.
4. CPGAK will develop a manual of procedures. The manual will document administrative, governance, and accounting policies.

B. Production Improvement Activities

1. CPGAK will construct and equip a processing and packaging facility. The facility will include rooms for drying, curing, cutting, conditioning, treating, and packaging mangos.
2. CPGAK will procure 15 gas dryers for processing mangos. A consultant will train members on drying techniques, including proper use of the drying equipment and accessories.
3. The manager will coordinate the purchase of fresh mangos from members and other producers in the surrounding villages.

C. Marketing Improvement Activities

1. CPGAK will hire a marketing agent responsible for designing and implementing a marketing strategy. The marketing strategy will determine ways to build CPGAK's brand recognition, participate in agricultural fairs, access urban markets, and explore partnerships with buyers in Burkina Faso and Côte d'Ivoire.
2. The manager and marketing agent will procure packaging materials to ensure that CPGAK products are professionally presented for sale.



VIII. Roles and Responsibilities of the Parties

The staff and elected leadership of CPGAK are responsible for the management and the proper implementation of the Project. ADF's Partner Organization in Mali will provide training in the area of standard ADF bookkeeping, monitoring, and assessment. The ADF Partner Organization in Mali will also provide technical assistance and management during implementation.

IX. Monitoring and Evaluation

ADF's Partner in Mali will closely monitor the activities of the Cooperative to ensure proper reporting, adherence to the Project implementation plan by the Cooperative, and movement towards the achievement of Project objectives. The Partner will continuously assess risks and take remedial action as needed. 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 the Cooperative as part of the on-going performance assessment.

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