

## PROJECT DESCRIPTION

## Kayes Federation of Vegetable and Fruit Producers

## 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

Association Réseau Regional des Horticulteurs de Kayes (RHK) is a federation of horticultural farmer groups in the Kayes region. RHK provides extension services to its members, such as training in agricultural techniques, helping members acquire inputs, and connecting members to wholesale purchasers. Regional demand for vegetables is higher than what the farmers currently produce, resulting in a strong market for horticultural products. Currently, RHK is unable to take advantage of this market opportunity because it has inadequate accounting systems, its management is unable to accurately assess member needs, and it lacks the resources to deliver needed extension services.

## 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. RHK Contribution

RHK will contribute members' tools and implements, RHK's membership fees, and labor to the completion of the Project. The Federation will purchase a second motorcycle for extension and monitoring activities to be carried out by the trainer recruited for this Project. The Federation will also contribute all the existing equipment and will cover a portion of the lease on the office and warehouse to be used for the project.

## IV. Project Goal

The goal of the Project is to improve the standard of living of poor vegetable producers in the Kayes region of Mali.

ADF  RHK 

## V. Project Purpose

The purpose of the Project is to improve RHK's prospects for sustained expansion as indicated by the development of a comprehensive five-year business plan that ADF deems suitable for funding by a donor or other financial institution.

## VI. Outputs

- A. Improved financial management as evidenced by:
1. RHK 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 organization.
- B. Improved business management capacity as evidenced by:
1. a functioning and active board of directors meets quarterly to assess management implementation progress and addresses implementation constraints in order to move the organization forward; and
  2. the board convenes the Annual General Meeting in accordance with its constitution to update members on RHK's on-going activities.
- C. Improved organizational capacity, as evidenced by seven functioning support services divisions within the Federation.

## VII. Activities

- A. Financial Management Improvements
1. RHK will hire an accountant who will manage the financial system of the Federation. The accountant will be responsible for setting up internal control systems, recording financial transactions, and reporting on the financial status of the Federation to the board. A member of the Federation will work closely with the accountant, with the intention to take over accounting responsibilities at the end of the Project.
  2. RHK will hire a consultant with expertise in financial management on a short term contract to work closely with the RHK accountant and the accountant's understudy to develop appropriate financial accounting procedures, policies, and systems that will ensure timely and accurate financial reporting, with the intent of meeting ADF's financial certification requirements by the end of the Project. The financial consultant will work with the accountant to document the financial

systems developed in a financial management manual. Once the financial system is in place, the consultant will provide follow-up training where necessary and assess the implementation of the financial system.

#### B. Organizational Management Activities

1. RHK will hire a project manager responsible for implementing the Project work plan and budget. The manager will be responsible for overseeing the Project activities and liaising with member cooperatives to ensure that the Project reaches the intended beneficiaries.
2. RHK will establish an office for its management team. The office will be equipped with computers, computer accessories, office furniture, and internet connectivity.
3. The technical team will receive training in database management. The training will be designed to help the Federation track the services delivered and the needs of member cooperatives.
4. To foster the smooth operation of such a complex organization, the board of directors, the management team, and member organization leaders will attend a training session in group dynamics. The training will encourage a healthy working relationship among Project participants and develop skills in advocacy, lobbying, representation, and negotiations.
5. RHK will develop a manual of procedures. The manual of procedures will document administrative policies, govern the use of Federation assets, provide guidelines on how to develop annual work plans and budgets, and document transportation and storage logistics.

#### C. Extension Service Activities

1. RHK will hire a trainer, who will facilitate the provision of technical assistance to the member cooperatives. The trainer will work closely with the agronomists in the technical secretariat and the consultants hired for the Project. He or she will be responsible for ensuring that training is diffused throughout the Federation.
2. RHK will strengthen the extension assistance by purchasing a motorcycle for use by the management team and technical assistance providers.
3. RHK will improve its responsiveness to member cooperatives by conducting a needs assessment survey. The survey will determine what services the member cooperatives demand from the Federation, and what activities member cooperatives can carry out independently. The survey will inform the management team's allocation of resources for extension services. Specifically, the survey will assess the needs for input purchases, water, commercial equipment and infrastructure, transportation assistance, processing facilities, preservation assistance, and access to markets.

4. RHK will improve its capacity to deliver benefits to its member cooperatives by establishing a fund for agricultural inputs and leasing a warehouse to store inputs and production goods. Member cooperatives will be able to access seeds, chemical fertilizers, and pesticides through the Federation.
5. A consultant will train the technical team in the safe application and storage of agricultural chemicals. The training will be designed to allow RHK to provide more effective extension services to its members.
6. RHK farmers will receive training in sustainable agriculture, planting according to seasons, seed multiplication, application of fertilizer, and other agricultural techniques.
7. The RHK management team will conduct regular visits to member cooperatives. During the visits, RHK will evaluate the efficacy of project training sessions, evaluate members' implementation of project activities, and suggest solutions to obstacles.

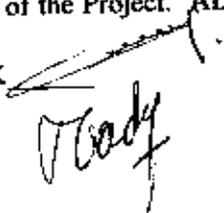
#### D. Business Plan Development

RHK will hire a consultant to work closely with the management team and board to develop a comprehensive five-year business plan complete by month three of Project Year 2. The business plan will address the following:

1. analyze the best organization and staffing structure to operate a sustainable and profitable business. This will involve analyzing RHK's organizational structure;
2. assess and recommend product lines that RHK can develop based on the relative profitability and feasibility of production of each product. Provide strategies for penetrating markets for product lines recommended;
3. define the fee and commission structure for RHK member cooperatives;
4. provide strategies for integrating more regional farmers into member cooperatives;
5. assess the manpower, training and technical assistance requirements for expansion of production;
6. provide five-year production and profit and loss projections for each type of vegetable produced, based on current production, costs and sales trends; and
7. undertake any additional analyses that will prepare the Federation 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 of the Parties

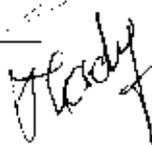
The staff and elected leadership of RHK are responsible for the management and the proper implementation of the Project. ADF's Partner in Mali will provide training in the area of standard ADF

ADF  RHK 

bookkeeping, monitoring, and assessment. The Partner Organization 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 Federation to ensure proper reporting, adherence to the Project implementation plan by the Federation, 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 Federation as part of the on-going performance assessment.



## PROJECT DESCRIPTION

### Kayes Federation of Vegetable and Fruit Producers

#### 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

Association Réseau Regional des Horticulteurs de Kayes (RHK) is a federation of horticultural farmer groups in the Kayes region. RHK provides extension services to its members, such as training in agricultural techniques, helping members acquire inputs, and connecting members to wholesale purchasers. Regional demand for vegetables is higher than what the farmers currently produce, resulting in a strong market for horticultural products. Currently, RHK is unable to take advantage of this market opportunity because it has inadequate accounting systems, its management is unable to accurately assess member needs, and it lacks the resources to deliver needed extension services.

#### 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. RHK Contribution

RHK will contribute members' tools and implements, RHK's membership fees, and labor to the completion of the Project. The Federation will purchase a second motorcycle for extension and monitoring activities to be carried out by the trainer recruited for this Project. The Federation will also contribute all the existing equipment and will cover a portion of the lease on the office and warehouse to be used for the project.

#### IV. Project Goal

The goal of the Project is to improve the standard of living of poor vegetable producers in the Kayes region of Mali.

ADF  RHK \_\_\_\_\_

## V. Project Purpose

The purpose of the Project is to improve RHK's prospects for sustained expansion as indicated by the development of a comprehensive five-year business plan that ADF deems suitable for funding by a donor or other financial institution.

## VI. Outputs

- A. Improved financial management as evidenced by:
1. RHK 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 organization.
- B. Improved business management capacity as evidenced by:
1. a functioning and active board of directors meets quarterly to assess management implementation progress and addresses implementation constraints in order to move the organization forward; and
  2. the board convenes the Annual General Meeting in accordance with its constitution to update members on RHK's on-going activities.
- C. Improved organizational capacity, as evidenced by seven functioning support services divisions within the Federation.

## VII. Activities

- A. Financial Management Improvements
1. RHK will hire an accountant who will manage the financial system of the Federation. The accountant will be responsible for setting up internal control systems, recording financial transactions, and reporting on the financial status of the Federation to the board. A member of the Federation will work closely with the accountant, with the intention to take over accounting responsibilities at the end of the Project.
  2. RHK will hire a consultant with expertise in financial management on a short term contract to work closely with the RHK accountant and the accountant's understudy to develop appropriate financial accounting procedures, policies, and systems that will ensure timely and accurate financial reporting, with the intent of meeting ADF's financial certification requirements by the end of the Project. The financial consultant will work with the accountant to document the financial

systems developed in a financial management manual. Once the financial system is in place, the consultant will provide follow-up training where necessary and assess the implementation of the financial system.

B. Organizational Management Activities

1. RHK will hire a project manager responsible for implementing the Project work plan and budget. The manager will be responsible for overseeing the Project activities and liaising with member cooperatives to ensure that the Project reaches the intended beneficiaries.
2. RHK will establish an office for its management team. The office will be equipped with computers, computer accessories, office furniture, and internet connectivity.
3. The technical team will receive training in database management. The training will be designed to help the Federation track the services delivered and the needs of member cooperatives.
4. To foster the smooth operation of such a complex organization, the board of directors, the management team, and member organization leaders will attend a training session in group dynamics. The training will encourage a healthy working relationship among Project participants and develop skills in advocacy, lobbying, representation, and negotiations.
5. RHK will develop a manual of procedures. The manual of procedures will document administrative policies, govern the use of Federation assets, provide guidelines on how to develop annual work plans and budgets, and document transportation and storage logistics.

C. Extension Service Activities

1. RHK will hire a trainer, who will facilitate the provision of technical assistance to the member cooperatives. The trainer will work closely with the agronomists in the technical secretariat and the consultants hired for the Project. He or she will be responsible for ensuring that training is diffused throughout the Federation.
2. RHK will strengthen the extension assistance by purchasing a motorcycle for use by the management team and technical assistance providers.
3. RHK will improve its responsiveness to member cooperatives by conducting a needs assessment survey. The survey will determine what services the member cooperatives demand from the Federation, and what activities member cooperatives can carry out independently. The survey will inform the management team's allocation of resources for extension services. Specifically, the survey will assess the needs for input purchases, water, commercial equipment and infrastructure, transportation assistance, processing facilities, preservation assistance, and access to markets.

4. RHK will improve its capacity to deliver benefits to its member cooperatives by establishing a fund for agricultural inputs and leasing a warehouse to store inputs and production goods. Member cooperatives will be able to access seeds, chemical fertilizers, and pesticides through the Federation.
5. A consultant will train the technical team in the safe application and storage of agricultural chemicals. The training will be designed to allow RHK to provide more effective extension services to its members.
6. RHK farmers will receive training in sustainable agriculture, planting according to seasons, seed multiplication, application of fertilizer, and other agricultural techniques.
7. The RHK management team will conduct regular visits to member cooperatives. During the visits, RHK will evaluate the efficacy of project training sessions, evaluate members' implementation of project activities, and suggest solutions to obstacles.

#### D. Business Plan Development

RHK will hire a consultant to work closely with the management team and board to develop a comprehensive five-year business plan complete by month three of Project Year 2. The business plan will address the following:

1. analyze the best organization and staffing structure to operate a sustainable and profitable business. This will involve analyzing RHK's organizational structure;
2. assess and recommend product lines that RHK can develop based on the relative profitability and feasibility of production of each product. Provide strategies for penetrating markets for product lines recommended;
3. define the fee and commission structure for RHK member cooperatives;
4. provide strategies for integrating more regional farmers into member cooperatives;
5. assess the manpower, training and technical assistance requirements for expansion of production;
6. provide five-year production and profit and loss projections for each type of vegetable produced, based on current production, costs and sales trends; and
7. undertake any additional analyses that will prepare the Federation 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 of the Parties

The staff and elected leadership of RHK are responsible for the management and the proper implementation of the Project. ADF's Partner in Mali will provide training in the area of standard ADF

bookkeeping, monitoring, and assessment. The Partner Organization 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 Federation to ensure proper reporting, adherence to the Project implementation plan by the Federation, 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 Federation as part of the on-going performance assessment.