APPENDIX A

PROJECT DESCRIPTION

Pampy Food Security Project Capacity Building Project

Senegal

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

GIE Pampy de Oudoucar (GIE Pampy) is an organization of 40 small scale agricultural producers in rural Senegal. GIE Pampy helps its members improve their living standards by organizing the cultivation of vegetables and the processing of baobab fruit. The village has insufficient water supply, and members use basic tools and traditional growing techniques, which limits crop yield. Further, the Cooperative does not have the management capacity to effectively source inputs, identify markets, and organize training sessions.

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. GIE Pampy Contribution

The GIE will contribute land (surface area of 384 m²), a processing shelter and the GIE headquarters building (estimated 7,000,000 FCFA), labor for production and processing, local materials and processing tools.

IV. Project Goal

The goal of the Project is to improve the standard of living in the Sédhiou region.

V. Project Purpose

The purpose of the Project is to improve GIE Pampy'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

By the end of this Project, it is expected that GIE Pampy will achieve the following results.

A. Its management capacities will be strengthened so that it meets accepted standards in financial and administrative management and accounting, as indicated by the following:

1. the separation of tasks is realized;
2. a functional accounting system is implemented and SYSCOA and ADF standards are known and adopted by the members;
3. an accounting and financial management system that fulfills ADF requirements is established;
4. financial statements are routinely provided and used by management to trace financial transactions;
5. management follows a manual of procedures that sets out the organization's policies.

B. GIE Pampy members will strengthen their production and marketing capacities as indicated by the following:

1. at least two distribution channels outside Pampy are mastered and exploited;
2. the organization receives a license to manufacture agricultural and forestry products from the Senegalese Ministry of Commerce;
3. the organization achieves government certification in health and food quality standards.
4. members carry out at least two production cycles a year (during the rainy and dry seasons).

VII. Project Activities

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

A. Accounting, administrative and financial management capacities of the group will be improved.

1. GIE Pampy will hire an experienced accountant to manage its finances and work closely with the treasurer and the president. The accountant will operate the GIE's overall financial systems and will advise the management and board on the financial status of the organization. Among other functions, he/she will play the role of coordinator; and ensure the execution of the

overall activities of the project within the deadlines and according to quality standards recommended by ADF.

2. The ACA (Association Conseil pour l'Action) team will train the accountant and leaders of the GIE on ADF procedures and reporting system. The purpose of this training is to ensure a good understanding of the ADF system for a better management of funds.
3. A consultant will train members of the GIE in organizational development. The goal of this training is to teach members the basics of an organization, train them on the roles of the different posts in the office, familiarize them with the organization of regular meetings and ensure the smooth functioning of the management bodies.
4. A consultant will train members of the GIE in financial and accounting management. The training will enable members to understand the basic accounting principles and their usefulness for the organization and in daily life.
5. A consultant will work with the management team to create a manual of procedures that establishes internal controls and documents accounting policies, with the intent to receive ADF financial certification by the end of the Project.
6. A consultant will be recruited to carry out a literacy program in Mandingue.
7. To ensure a successful execution of the activities of the Project, the GIE will purchase equipment and office furniture, procure communication services (telephone, fax, courier and internet), and office supplies.

B. Production and processing capacities will be improved.

1. A consultant will conduct training on market gardening course techniques. The training will enable members to know and claim ownership of modern market gardening operation techniques.
2. A consultant will give training in conservation and processing techniques. The purpose of studying such techniques is to offer the GIE the opportunity to produce fresh products throughout the year.
3. A consultant will give training on composting to strengthen the use of biological fertilizers.
4. A horticultural technician will provide daily monitoring and support to members implementing new agricultural techniques.
5. Working capital will be provided for the purchase of seeds, gardening inputs (pepper, onion and tomato), and baobob fruit powder.
6. The sinking of new wells with all the technical specifications of a garden well will be carried out and an irrigation channel and storage tanks will be installed. The borehole will be equipped with an electropump and accessories for drawing water and a 6.5 KVA generator that will supply power to the machine.
7. GIE Pampy will purchase light equipment for the production of baobob fruit powder and market gardening operations. The gardening equipment will consist of a set of watering cans, rakes, hoes and hook forks.

C. Marketing capacities will be improved.

1. GIE Pampy will hire a consultant to design a logo, advise on packaging, and develop a marketing strategy.

2. A five-year business plan will be developed to initiate the organization's marketing efforts. It will be preceded by in-depth market research by GIE Pampy. The plan will include the following:

   a. determine the most cost effective ways of producing and marketing the GIE products;
   b. project the returns on investment;
   c. document lessons learned from Year One of the Project, particularly in the implementation of the industry best practices;
   d. explore options for expanding membership of the GIE and/or providing benefits to non–members;
   e. develop indicators that track benefits to Pampy members;
   f. develop a business strategy for marketing of the GIE's products;
   g. explore options for additional income generation activities for the organization;
   h. provide an assessment of current market trends as well as an analysis of related risks; and
   i. include any other additional analyses that will prepare Pampy for expansion and sustained growth, to be determined during the design of the business plan and implementation of this Project.
3. An external consultant will be recruited to support the marketing development of the GIE and strengthen the marketing capacities of members for ten months. In addition, the GIE will participate in two trade fairs.

VIII. Roles and Responsibilities

ACA in Senegal will provide the standard ADF training in bookkeeping, monitoring and assessment. GIE Pampy is responsible for ensuring the proper management and implementation of the Grant. The ADF Partner in Senegal will provide GIE Pampy with technical and management assistance during implementation.

IX. Monitoring and Evaluation

ACA in Senegal will closely monitor the activities of GIE Pampy to ensure proper reporting, adherence to the project implementation plan by the Grantee and movement towards the achievement of Project objectives. ACA will continuously assess the project risk and take remedial actions as needed. Monitoring by ACA will be an important aspect of the on-going coaching and advisory service. ACA will review ADF's quarterly reports and will submit comments and observations to the management of GIE Pampy as part of the on-going performance assessment.