

PROJECT DESCRIPTION

Peanut Products Capacity Building Project

Benin

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 Groupement de Femmes Transformatrices de Produits Agricoles de Kybéfanni ("GFTPAK" or "Association") is a group of twenty rural women in northern Benin who produce groundnut oil and oil cake as their main source of income for personal and household expenses. Groundnuts are widely produced as a cash crop in the area, and there is a steady demand from civil servants and buyers from Niger and Nigeria for groundnut oil and oil cake. However, these women lack capital to purchase groundnuts in bulk when prices are low to process later when the cost of groundnuts rises. The women lack access to a sheltered area to conduct their activities, resulting in suspension of activities when it rains. They also lack access to simple processing equipment such as shellers and roasters that can greatly reduce the labor required to produce groundnut oil. As a result, the women are unable to exploit fully the market opportunity for groundnut oil and oil cake.

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. Contribution of the Association

The Association will contribute a piece of land of 750 square meters for the building of storeroom and processing area. The members will contribute their labor for the processing operations.

IV. PROJECT GOAL

The goal of the Project is to improve standard of living of low-income peanut oil producers in Segbana Commune in the Alibori Department of northern Benin.

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V. PROJECT PURPOSE

The purpose of the Project is to improve GFTPAK's prospects for increased income and sustained growth through development of a sustainable business plan.

VI. OUTPUTS

- A. Improved financial management capacity as evidenced by the following.
 1. GFTPAK produces quarterly and annual income and expense statements and demonstrates adequate financial controls, accounting procedures, policies, and systems that can be audited by an independent accounting or audit firm.
 2. GFTPAK's management team routinely uses financial documents such as quarterly bank reconciliation, budget expenditures, and income and expense statements produced during the Project to make financial and management decisions for the Association.
- B. Improved management capacity as evidenced by an increase in the Association's revenues from CFA 547,000 in 2009 to CFA 2,935,000 in 2011 and 2012.
- C. Improved production capacity as evidenced by an increase in production from 504 liters of oil in 2009 to 2,400 liters in 2011 and 2012.

VII. ACTIVITIES

- A. Production Inputs, Processing and Marketing
 1. GFTPAK will establish a revolving fund in a local bank for the purchase of groundnuts at harvest time, when prices are at their lowest in the 2010 production season. Association members will store the groundnuts and use them progressively throughout the year to produce oil for the local market. GFTPAK will purchase simple processing machines including peanut shellers, roasters, improved wood stoves, storage containers, and small tools to improve productivity and return on labor.
 2. GFTPAK may also sell a portion of the groundnuts without processing before the 2011 harvest if prices are favorable and the Association deems that sale of raw peanuts is more profitable than processing them into oil. GFTPAK will deduct the cost of the peanuts plus its own operating costs from the oil and oil cake sales to replenish the account for procurement of peanuts for the subsequent season. The project manager, with the assistance of the Partner and specialized technical assistance, will develop a business plan to guide the Association's activities after completion of the current Project.

B. Warehouse construction

GFTPAK will hire a qualified contractor to construct a warehouse to store peanuts for processing, and a gazebo and a kitchen area for processing activities and group meetings. GFTPAK members will provide unskilled labor when needed during construction. GFTPAK will hire a civil engineering specialist to develop the request for bids for construction of the buildings and fence, participate in the selection of the contractor, and monitor the progress and quality of the construction.

C. Training

GFTPAK will hire specialists to conduct a series of training sessions designed to improve members' peanut oil and oil cake production and marketing. The sessions will cover the following topics:

1. improved peanut oil processing techniques and safe storage techniques for shelled and unshelled groundnuts. This training will be provided to all members; and
2. financial and cooperative management, including ADF procedures and use of grant funds, simple accounting and internal controls, pricing and small enterprise management, credit management, cooperative life and crisis management, lobbying, and marketing of agricultural products, including market identification, negotiation, and contracting. The specialist providing the training in accounting and internal controls will develop a manual of administrative and financial procedures for use by the Association. The members of the Executive Committee and the Project management staff will receive training in financial and operations management; internal financial controls; ADF procedures; and the management and recovery of credit. The secretary of the association will teach ten members of the association how to read and write in Boo language.

D. Exchange Visit

The Association will organize an exchange visit with groundnut oil producers in Covè, southern Benin to exchange experiences on improved oil processing techniques and marketing.

VIII. ROLES AND RESPONSIBILITIES OF THE PARTIES

GFTPAK is responsible for the good management and implementation of the Project. ADF and its Partner in Benin will provide technical assistance during Project implementation.

IX. MONITORING AND EVALUATION

Within sixty days of the effective date of this Agreement, GFTPAK, working with the ADF Benin Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Association. The committee will provide the Partner with input for the Project monitoring plan. In addition, during implementation the committee will be responsible for ensuring that the Project follows the implementation plan and that problems identified through monitoring and evaluation are adequately addressed in a timely manner.

ADF



GFTPAK

