

PROJECT DESCRIPTION

Hafia Dalaba Food Security 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

The EIG Hafia Dalaba is a community organization engaged in fonio production and processing. Though there is a growing market for fonio in Kedougou, Tambacounda and Dakar, the group cannot currently meet demand due to production and distribution constraints. Specifically, the members use traditional tools and processing techniques, which are not fit for commercial production levels. Additionally, the organization lacks the management capacity to identify markets, operate accounting systems, and generally administer a professional organization.

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. Grantee Contribution

GIE Hafia Dalaba will contribute the following.

1. Members' individual plots for fonio production.
2. Workforce for production and processing.
3. Various local materials (e.g., firewood) and processing tools.

IV. Project Goal

The goal of the Project is to improve the living conditions in Kedougou region.

V. Project Purpose

The purpose of the Project is to improve Hafia Dalaba'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 Hafia Dalaba 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 introduced to 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; and
 - 5. management follows a manual of procedures that sets out the organization's policies.

- B. GIE Hafia Dalaba members will strengthen their production and marketing capacities as indicated by the following:
 - 1. at least two distribution channels outside Dalaba will be identified and exploited;
 - 2. the organization obtains 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; and
 - 4. members carry out at least two production cycles a year (during the rainy and dry seasons).

VII. Project Activities

Hafia Dalaba 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 Hafia Dalaba 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 others, 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. An ACA team will train the accountant and leaders of the EIG 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 EIG 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 EIG in financial and accounting management. The training will enable members to understand 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. To ensure the successful execution of the activities of the Project, the GIE will purchase equipment and office furniture, procure communication services (telephone, fax, courier and internet), bank charges and office supplies.

B. Production and processing capacities will be improved.

1. A consultant will train members in new agricultural techniques and post-harvest conservation and preservation activities. Based on the consultant's recommendation, Hafia Dalaba will purchase improved seeds, which it will distribute to its members.
2. Hafia Dalaba will procure a fonio processing machine with capacity for hulling and whitening.
3. Hafia Dalaba will procure manual drying and packaging equipment and a set of three tarpaulins to collect fonio husks.
4. Hafia Dalaba will establish a small revolving fund for women engaged in small-scale trade activities.
5. A consultant will train members in hygiene and safe agricultural handling practices.

C. Marketing capacities will be improved.

1. Hafia Dalaba 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 start the marketing development of the organization. It will be preceded by in-depth market research by GIE Hafia Dalaba. The plan will include the following:
 - a. determining the most cost effective ways of production and marketing of the EIG products;
 - b. projecting the returns on investment;

- c. document lessons learned from Year One of the Project, particularly in the implementation of industry best practices;
 - d. exploring options for expanding membership of the GIE and/or providing benefits to nonmembers;
 - e. developing indicators that track benefits to Hafia Dalaba members;
 - f. developing a business strategy for marketing the EIG's products;
 - g. exploring options for additional income generation activities for the organization;
 - h. providing an assessment of current market trends as well an analysis of related risks; and
 - i. including any other additional analysis that will prepare Hafia Dalaba for expansion and sustained growth, to be determined during the design process 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 its members for 10 months. In addition, the GIE will carry out commercial assessment activities and will participate in two trade fairs.

VIII. Roles and Responsibilities of the Parties

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

IX. Monitoring and Evaluation

ACA in Senegal will closely monitor the activities of Hafia Dalaba 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 risks 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 Hafia Dalaba as part of the on-going performance assessment.