

PROJECT DESCRIPTION**Banzon Rice Production Capacity Building Project****Burkina Faso****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

UDTER faces several constraints, including a low level of organization of the Union and member groups, low administrative and financial management capacity, a lack of capital for supplies of rice paddy, technical difficulties to produce parboiled rice of a consistent high quality, and the lack of a business plan and marketing strategy to sell the final products. The proposed project will focus on developing sustainable strategies for community life and management tools and methods to increase the effectiveness of UDTER. The Union seeks to increase productivity, expand market opportunities, build administrative and financial capacity, and create stronger structures for group dynamics.

III. Funding**A. ADF's 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. UDTER's Contribution

UDTER will contribute materials and manual labor to the building of the shelter area. UDTER's contribution can be assessed at about five percent of the total Project cost, i.e., about US\$4,899.

IV. Project Goal

The Project goal is improve the living conditions of rural people living in the Kenedougou Province in the Southern Region of Burkina Faso.

V. Project Purpose

The purpose of the Project is to help UDTER improve delivery services to its member rice processors, as evidenced by the development of a comprehensive business plan that ADF deems suitable for investment.

VI. Project Outputs

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

- A. Improved financial and administrative management capacity as evidenced by:
 - 1. UDTER 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;
 - 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 tracing financial transactions and making financial and management decisions for the group;
 - 3. an accounting and financial management system that fulfills ADF requirements is established; and
 - 4. the organization's management bodies meet on a regular basis and report on their meetings to the members.
- B. Improved capacity of the UDTER members to process rice as evidenced by:
 - 1. the total steamed rice production in UDTER increasing from 315 tons in 2009 to 532.4 tons by the end of the Project; and
 - 2. the total sales for UDTER will increase from CFA 117,600,000 in 2009 to CFA 195,786,500 by the end of the Project.

VII. Project Activities

- A. Management Improvement Activities
 - 1. UDTER will hire an accountant manager to operate the group's financial management system. The accountant will be trained in ADF reporting requirements and prepare quarterly financial reports. The accountant will help coordinate Project activities. Responsibilities will include 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. UDTER will conduct an annual audit to ensure appropriate financial management.

2. The management team and selected members will receive training in administrative and financial management. The training will focus on simplified accounting methods, cooperative management, monitoring success and mitigating risks, and preparing financial, performance, and activity reports. To strengthen financial management, UDTER will engage a consultant to establish a formalized accounting system.
3. UDTER will set up an office for its management team. The office will be equipped with a computer, furniture, and office supplies to strengthen its organizational and operational capacities.
4. UDTER will develop a manual of procedures. The manual will document administrative, governance, and accounting policies.

B. Production Improvement Activities

1. UDTER will construct areas equipped with production equipment to accommodate the different processing steps involved in the production of parboiled rice.
2. UDTER will hire a community agent to improve information dissemination between the group and village groups. The community agent will be equipped with a motorcycle to conduct regular visits to member associations and ensure appropriate information dissemination. To support the efforts of the community agent, the management team will receive training in group leadership and facilitation techniques and 364 members will receive within ten (10) training sessions in group dynamics to better understand their roles and responsibilities within the organization.
3. UDTER will set up a revolving fund to procure 20 tons of paddy rice for the first year of rice production. A consultant will be hired to create a working capital fund to ensure perpetual purchasing capabilities and also steadily increase the amount of paddy rice the group can purchase each year.
4. UDTER will implement the Project activities with the assistance of consultants and the local ADF technical partner, ICDE. UDTER members will receive training and technical assistance as follows:
 - a. a training of trainers session in rice steaming techniques for 31 female trainers;
 - b. best production practices for 314 women across the 14 associations, with an emphasis on hygienic quality to meet international standards;

- c. design and publish marketing tools, develop a strategic marketing plan, improve rice packing, and implement the changes with the help of a marketing expert hired by UDTER; and
- d. conduct an information exchange trip to visit a women's association of rice processors in Benin to learn new techniques for improved production and improve organization and internal operations for UDTER.

VIII. Roles and Responsibilities

ICDE in Burkina Faso will carry out the monitoring and provide technical support for the Project's execution. It will support the Association in defining the consultants and trainers' mandates and contracting with them.

UDTER will be responsible for the implementation of the various Project activities and production of technical and financial reports.

IX. Monitoring and Evaluation

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