

## PROJECT DESCRIPTION

### Badawa Kutashi Kunema Women Capacity Building Project

#### Nigeria

#### 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

Established in 2003, Badawa Kutashi Kunema Farmers Multipurpose Cooperative Society (“BKKFMCS,” “the Cooperative”) provides developmental services to 50 women in the city of Kano in northern Nigeria. The women members of BKKFMCS, many of whom are widows, are among the most marginalized groups in Kano because of the difficulties they face in accessing educational opportunities and engaging in income-generating activities. BKKFMCS empowers Cooperative members by providing income-generating opportunities, including soap and pomade making and animal husbandry; offering small loans at low interest rates; and providing capacity-building activities such as vocational training and literacy classes for Cooperative members. In Kano State there is a growing market demand for affordable household consumables such as the soap and petroleum jelly products the Cooperative produces. To help its members capitalize on this market opportunity, the Cooperative must overcome existing constraints, including lack of access to working capital to improve production methods, and inadequate business and financial management skills of its executives.

#### 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. Grantee Contribution

BKKFMCS will contribute the labor of members at the soap and petroleum jelly products making facility; existing tools and equipments; and any other logistics support as might be required.

#### IV. Project Goal

The goal of this Project is to improve the standard of living of low income women in the northern Nigeria State of Kano.

#### V. Project Purpose

The purpose of the Project is to improve BKKFMCS' prospects for sustained expansion as evidenced 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. BKKFMCS' improved financial management capacity as evidenced by its production and use of financial statements that include monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, adequate financial controls, accounting procedures, policies, and systems that meet international audit standards.
- B. BKKFMCS' improved business management capacity as evidenced by an active board of trustees and management team that develops and implements an annual operations plan.
- C. BKKFMCS' improved technical capacity as evidenced by its receipt of one letter of intent to buy its soap and petroleum jelly products from a major retailer or wholesaler.

#### VII. Activities

- A. Management and Accounting Improvement Activities
  1. BKKFMCS will recruit a general business manager by month six of Project year one. The general business manager will have overall management responsibility for the Cooperative's operations. A member of the Cooperative will work closely with the general business manager in order to acquire the skills to take over the position at the end of the Project.
  2. BKKFMCS will recruit a management consultant who will collaborate with BKKFMCS members, the Board of Trustees, and the Executive Council to ensure the implementation of the cooperative's business and financial management systems. The management consultant will work closely with the Board of Trustees and Executive Council to advise them on implementation problems that arise during the Project. The management consultant will be engaged by month six of Project year one.

3. BKKFMCS will hire an accountant by month six of Project year one. The accountant will operate the Cooperative's financial systems and will advise the Board of Trustees and Executive Council on the financial status of the organization. A member of the Cooperative will work closely with the accountant in order to acquire the skills to take over the position at the end of the Project.
4. BKKFMCS will hire a financial systems consultant by month six of Project year one. The financial systems consultant will work with the accountant to create a manual of procedures that establishes internal controls and documents accounting policies. The manual will be created by the end of month eight of Project year one, with the aim of receiving ADF financial certification by the end of the Project.
5. BKKFMCS will engage a technical assistance provider to supply accounting software to the Cooperative, to install and customize the software to suit the Cooperative's day-to-day accounting procedures and financial transactions, and to train the accountant on the use of the software. Software will be installed and training will be conducted by month eight of Project year one.
6. BKKFMCS will engage an adult literacy educator by month eight of Project year one. The educator will organize and conduct regularly scheduled adult literacy classes for BKKFMCS members and the Executive Council. The educator will be engaged for a 12 month period at the end of which it is expected that literacy levels of BKKFMCS members and the Executive Council will have significantly improved.
7. BKKFMCS will engage a technical assistance provider to train BKKFMCS members, the Board of Trustees, and the Executive Council in monitoring and evaluation techniques. The training will be conducted by month eight of Project year one, and a follow-up training session will occur by the end of the Project.
8. BKKFMCS will engage a technical assistance provider to train BKKFMCS members, the Board of Trustees, and the Executive Council in group dynamics. The training will focus on encouraging a healthy working relationship among Project participants. The training will be conducted by month eight of Project year one.
9. BKKFMCS will engage a technical assistance provider to train BKKFMCS Board of Trustees and Executive Council in governance. The training will help the Board of Trustees and Executive Council to understand their roles within the organization, and to establish appropriate operational procedures and systems for the Cooperative. Governance training will be conducted by month eight of Project year one.
10. BKKFMCS will engage a technical assistance provider to train selected BKKFMCS members, the Board of Trustees, and the Executive Council in business and entrepreneurship. The training session will focus on

identifying business opportunities, the importance of planning, and strategies for managing a soap production enterprise. The training will be conducted by month eight of Project year one.

11. BKKFMCS will engage a technical service provider to train select BKKFMCS members, the Board of Trustees, and the Executive Council in organizational development. The training will focus on team building, management techniques, and goal setting. The training will result in a clearly articulated vision for the Cooperative. The training will be conducted by month eight of Project year one.
12. BKKFMCS will engage a technical assistance provider to conduct an HIV/AIDS sensitization workshop for BKKFMCS members, the Board of Trustees, and the Executive Council. The workshop will be conducted by month ten of Project year one and will raise the cooperative's awareness level about the pandemic in the local community and throughout Nigeria.
13. BKKFMCS will engage a technical assistance provider to collaborate with select BKKFMCS members, the Board of Trustees, and the Executive Council to develop a manual of policies and procedures related to personnel, procurement, training, and other management functions of the cooperative. The manual will be developed by month ten of Project year one.
14. BKKFMCS will increase the representation of women in its Board of Trustees to better reflect the makeup of its membership. BKKFMCS will aim to have at least three women selected to its Board of Trustees by the end of Project year one. The methods and criteria for selection of the new members onto the board will be established by month ten of Project year one at a BKKFMCS General Assembly meeting.
15. BKKFMCS will engage a technical assistance provider to collaborate with the general business manager and the Executive Council to develop a comprehensive five-year business plan detailing opportunities for further expansion and sustained profitability. The business plan will be developed by month ten of Project year two and will:
  - a. determine the most cost-effective ways of production and marketing of the Cooperative's products and services;
  - b. project the returns on investment;
  - c. document lessons learned from year one of the Project, particularly in the implementation of industry best practices;
  - d. explore options for expanding membership of the Cooperative and/or providing benefits to non-members;
  - e. develop indicators that track benefits to Cooperative members, such as income and soap and petroleum jelly production;

- f. develop a business strategy for marketing of the Cooperative's products and services;
- g. explore options for additional income generation activities for the Cooperative;
- h. provide an assessment of current market trends as well an analysis of related risks; and
- i. include any other additional analyses that will prepare the Cooperative for expansion and sustained growth, to be determined during the design process of the business plan and through implementation of this Project.

B. Production Improvement Activities

1. BKKFMCS will recruit a production consultant by month six of Project year one. The consultant will provide supervisory support at the production facility, ensuring that industry best practices are maintained. He or she will also provide continued on-the-job training assistance to members of the cooperative.
2. By month eight of Project year one, BKKFMCS will rent a property which will be used as the production facility. The property will be well ventilated, in an appropriate location for the proposed project activities, and connected to public utilities.
3. By month ten of Project year one, BKKFMCS will procure machinery and equipment necessary for soap and petroleum jelly products production. This machinery and equipment will be installed at the proposed production facility.
4. BKKFMCS will engage a technical assistance provider to train members of BKKFMCS and the executive council on the use of the machinery and equipment acquired for soap and petroleum jelly products production. The training will focus on how the machineries and equipments will be used to improve products and the production process, and how the machinery can be used to attain optimum production efficiencies and capacities. The training will be conducted by month ten of Project year one.
5. BKKFMCS will engage a technical assistance provider to train executives and members of BKKFMCS on workplace and environmental safety procedures. This training will be aimed at improving awareness and encouraging adoption of industry best practices concerning workplace safety and environmental protection. The training will be conducted by month ten of Project year one.
6. BKKFMCS will provide vocational training assistance to some resource-poor housewives, widows, and other marginalized and underserved women or women's groups in the community. This vocational training

will be in soap and petroleum jelly products production and will be provided twice throughout the Project in order to reach a large number of the target audience. This activity will form part of the Cooperative's contribution to the development of their community.

7. BKKFMCS Board of Trustees, Executive Council, and selected members will attend a lessons learned workshop by month twelve of Project year one, where similar ADF-funded cooperatives will share their challenges and successes.
8. By month twelve of Project year one, select members of BKKFMCS will embark on a study tour of another enterprise engaged in production of soap and petroleum jelly products in Kano State. The study tour will provide the Cooperative with the opportunity to learn about the experiences, challenges and opportunities faced by other enterprises in the industry. Lessons learned will enable the Cooperative to improve its own production processes. The management team will choose the organization(s) to visit based on similarities in operations and prospects of networking and business linkages.
9. By month two of Project year two, BKKFMCS will establish a revolving loan scheme for its members. Under the scheme, low-interest small-scale loans will be granted to members to enable them to fund their individual small-scale enterprises. Interest charged on these loans will increase the income generation capacity of the cooperative.
10. By month four of Project year two, select members of the Executive Council and membership of BKKFMCS will attend an international trade fair organized annually by the Kano State Chamber of Commerce and Industry. Attendance at the trade fair will provide the Cooperative with the opportunity to showcase its various soap and petroleum jelly products to wholesalers, retailers and individual consumers in Kano State and beyond.

#### C. Marketing Improvement Activities

1. The general business manager will work with the management consultant to develop a marketing and sales strategy. This will focus on marketing the cooperative's soap and petroleum jelly products to wholesalers, retailers and individual consumers in Kano city and environs. The marketing and sales strategy will be developed by month four of Project year two.
2. By month six of Project year two, BKKFMCS will produce labels, cartons and other packaging materials with the Cooperative's name and its logo as a way to differentiate its products from others in the market.

**VIII. Roles and Responsibilities of the Parties**

The staff and management of BKKFMCS are responsible for the management and the proper implementation of the Project. Diamond Development Initiatives (DDI), ADF's partner in Nigeria, will provide training in the areas of standard ADF bookkeeping, monitoring and assessment. DDI will also provide technical assistance and management assistance during implementation.

**IX. Monitoring and Evaluation**

ADF's Partner in Nigeria will closely monitor the activities of BKKFMCS to ensure proper reporting, adherence to the Project implementation plan by the Cooperative and movement towards the achievement of Project objectives. The Partner will continuously assess risks and take remedial actions 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 BKKFMCS as part of the on-going performance assessment.

