

**PROJECT DESCRIPTION****SERACOM 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**

SERACOM assists farmers and livestock herders in the Northern Region of Burkina Faso to become organized and take advantage of production activities. Producer organizations continue to be constrained by weak yields and poor level of product quality due to a lack of access to markets and land, appropriate equipment, storage facilities, and means of transportation. SERACOM lacks the resources and skills to improve its administrative, financial, and accounting management, provide technical assistance to meet the needs of producer organizations, and develop management and organizational capabilities of producers at departmental and provincial levels to enable them to better market their products and to diversify their customer base.

**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. SERACOM's Contribution**

SERACOM will contribute salaries for a guard and two facilitators. SERACOM's contribution can be assessed at about five percent of the total Project cost, i.e., about US\$4,284.

**IV. Project Goal**

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

**V. Project Purpose**

The purpose of the Project is to help SERACOM improve delivery services to farmers and livestock herders, 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 SERACOM will achieve the following results.

- A. Improved financial and administrative management capacity as evidenced by:
1. SERACOM produces financial statements and reports that include monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, and 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 SERACOM as evidenced by:
1. an increase in the number of producers supported by SERACOM from a baseline of 630 producers to 1,245 producers by the end of the Project; and
  2. an increase in the total sales of the producers supported by SERACOM from a baseline of CFA 50,400,000 to CFA 168,000,000 by the end of the Project.

**VII. Project Activities****A. Management Improvement Activities**

1. SERACOM 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. SERACOM will conduct an annual audit to ensure appropriate financial management.

2. The management team and selected members will receive training in financial management and accounting systems. The training will focus on simplified accounting methods, SYSCOHA standard principles and procedures, management of rural micro-enterprises, management of harvests and supplies, monitoring success and mitigating risks, and preparing financial, performance, and activity reports. To strengthen financial management, SERACOM will engage a consultant to establish a formalized accounting system.
3. SERACOM 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. SERACOM will update the existing manual of procedures to be in compliance with current practices. The manual will document administrative, governance, and accounting policies.

B. Production Improvement Activities

1. SERACOM will hire two community agents to improve information dissemination to producers. The community agents will be equipped with two (2) motorcycles to conduct regular visits to producer groups and ensure appropriate information dissemination.
2. SERACOM will implement the Project activities with the assistance of consultants and the local ADF technical partner, ICDE. SERACOM technical team members will receive training and technical assistance in:
  - a. understanding rural organizations, including topics such as types of producers' organizations, regulations and governance, development of statutes, gender and development, communication and conducting meetings, and preparation of evaluations and reports;
  - b. project management, monitoring, and evaluation including topics on project design, implementation, developing monitoring and evaluations plans, and methods and tools for Project management;
  - c. agroecology principles to assist farmers in organic crop production;
  - d. best production practices for hygiene and quality control to expand access to new markets based on consumer demand; and
  - e. development of communication and commercial management tools, such as business cards, a database, filing systems, and flyers.

**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. SERACOM 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.