

PROJECT DESCRIPTION**Salemata Agricultural and Forestry Products Processing and Marketing****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

GIE Dado Ligo de Salemata (Salemata) was established in 2005 by ten women-led associations and registered in 2006 as an Economic Interest Group (GIE) in Salémata, in the Kedougou region of Senegal. Salemata has 225 members who process non-traditional forest and farm products, including fonio, baobab fruit, and shea butter. Salemata has identified a promising market outlet through a Dakar-based company, Bioessence, which is already buying processed baobab fruits and shea butter from Salemata members. Moreover, agreements for the sale of shea butter, baobab flour, and pre-cooked fonio are being finalized with private companies.

To meet this market demand, Salemata needs to reinforce its managerial capacities, develop a marketing strategy, and improve its production capacity by obtaining equipment capable of assuring compliance with hygiene standards and securing high quality raw materials for its processing needs.

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. Salemata Contribution

Salemata will contribute the time and skills of its staff in the implementation of the Project. Members will also contribute approximately ten percent of the total value of the grant for equipment.

IV. Project Goal

The goal of this Project is to strengthen the organizational capacity of Salemata and improve the standard of living of its women members who live in the Kédougou region of Senegal.

V. Project Purpose

The purpose of the Project is to improve Salemata'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 Salemata will achieve the following results:

- A. Salemata's management capacities will be strengthened so that it meets accepted standards in financial and administrative management, and accounting, as indicated by the following:
 - 1. an accounting and financial management system that fulfills ADF requirements is established;
 - 2. financial statements are routinely produced and used by management to trace financial transactions; and
 - 3. the organization's management bodies meet on a regular basis and report on their meetings to the members.

- B. Salemata will strengthen its production and marketing capacities, as indicated by the following:
 - 1. Salemata's production process meets HACCP quality standards;
 - 2. Salemata develops and implements a marketing strategy to reach new clients; and
 - 3. shea butter, fonio, and baobab fruit production levels are improved.

VII. Project Activities

Salemata will undertake the following activities by using the services of trainers or consultants when necessary.

- A. Improved Financial Management and Accounting Systems
 - 1. The group recruits and hires an experienced accountant.
 - 2. Its leaders and the accountant are trained on ADF's accounting and reporting system.
 - 3. The management team receives training in accounting and financial management.
 - 4. With the help of a consultant, a manual of procedures is developed and adopted by the organization.

- B. Organizational Development
 - 1. The current members of Salemata receive training on community-based organizations.
 - 2. The group's managers and main officers receive training in networking techniques and marketing and sales techniques for developing new markets.

3. With the help of a consultant, Salemata develops a business plan that includes a marketing strategy.

C. Improved Production Capacity

1. The members of Salemata receive training on hygiene and quality standards for processing their products.
2. With the help of a consultant, the ability of the production unit to meet HACCP standards is analyzed.
3. Equipment and materials are purchased to improve the production unit's operating capacity.
4. Farmers supplying fonio and other raw materials to the group receive training in cultivation and post-production techniques.
5. The group acquires a food processing license.

VIII. Roles and Responsibilities

The ADF Partner in Senegal will provide the standard ADF training in bookkeeping, monitoring and remediation assistance to Salemata. Group members are responsible for ensuring the proper management and implementation of the grant.

IX. Monitoring and Evaluation

The ADF Partner in Senegal will closely monitor the activities of the Project to ensure proper reporting, adherence to the Project implementation plan by the Grantee and progress made toward the achievement of Project objectives. The Partner Organization will assess the project risks and take remedial actions on an ongoing basis. Monitoring by the Partner Organization will be an important aspect of the on-going coaching and advisory service. The Partner will review the Grantee's quarterly reports and discuss its comments and observations with the Project management team. Such an interaction will be part of an on-going performance assessment.

X. Other Implementation Issues

The Grantee will keep ADF and the ADF Partner in Senegal informed, on a timely and regular basis, of any interruptions the Grantee experiences in its operations because of problems in accessing its premises at the Polyvalent Center, and the Grantee will seek the assistance of the ADF Partner as necessary in resolving such problems.