

**APPENDIX A:
PROJECT DESCRIPTION
BOK KHALAAT
Women's Fish Processing and Marketing Project**

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

Proceeds from the processing and marketing fish is the main source of income for the 250 women who comprise the Bok Khalaat Ligeuy Siine Plage (**Bok Khalaat**). Bok Khalaat would like to increase its production for the local market and export to countries in the region. To do so, it must strengthen its management and technical processes.

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 7 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 3, Section 3.1 of the Agreement.

B. Grantee Contribution

The Grantee's contribution is estimated at CFA 29 millions and consists of existing fixed assets, including 102 improved ovens, 200 iron cast pots, scales of 15 kilograms and 50 kilograms, and one weighing machine.

IV. Project Goal

The goal of the Project is to improve living conditions of members of Bok Khalaat, and their families.

V. Project Purpose

The purpose of the Project is to improve the Grantee's prospects for sustained expansion as indicated 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. A fully functional financial management system certified as compliant with ADF and investor management reporting as indicated by:

ADF  Grantee _____

- the recruitment of a qualified accountant during the first year of the Project; and
- utilization of accounting and financial management manual utilized by the management team.

B. Improved operational and management capabilities as demonstrated by:

- an experienced project manager synchronizing core functional areas;
- implementation of quality assurance systems;
- a management team implementing best practices in production management (quality, health and safety standards); and
- documentation of critical administrative and operational procedures.

C. A successful market penetration strategy that includes:

- a comprehensive market analysis that evaluates the market potential in terms of segments and purchasing behavior;
- a promotion and distribution strategy that allows Bok Khalaat to reach customers in a cost effective way; and
- a tactical sales plan.

VII. Activities

A. Management Improvements

Bok Khalaat will undertake several activities to improve its management, including the following:

- install accounting software and develop and implement accounting and financial procedures;
- conduct market research and develop a marketing strategy;
- standardize transaction instruments (contracts, letters of intent from buyers);
- conduct planning exercises that project investment requirements and returns over the short, medium, and long term; and
- conduct studies on critical issues, including the environment and technology choices.

B. Improvements in Technical Capacity

Bok Khalaat will undertake the following activities to improve its operational capacity:

- A group dynamics consultant will assist the Grantee in its organization and defining collective rules of operation and accountability;
- A marketing and trade expert will assist in identifying export markets and the development of a marketing strategy;
- An expert from the Food Technology Institute (ITA) will provide training in quality and hygiene techniques;
- An environmental expert will provide training on waste management techniques and sensitization on environmental issues;
- Bok Khalaat will conduct field exchange visits with an association in fish processing;

and

- Bok Khalaat will construct modernized working shelters to test the site improvement plan.

VIII. Roles and Responsibilities of the Parties

Bok Khalaat is responsible for the management and the proper implementation of the Project. Consultants Associates, ADF's acting partner in Senegal or its successor, will train the Grantee in management, ADF reporting, corporate and cooperative governance, and business planning. It will also provide technical assistance to Bok Khalaat's members and leadership in those areas.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee will form a monitoring and assessment committee composed of a representative cross-section of the Grantee's organization. The committee will develop a Project monitoring plan. In addition, during implementation, the committee will have responsibility for ensuring that the Project follows the implementation plan, and that problems identified through monitoring and evaluation are properly addressed in a timely manner.