

**APPENDIX A:
PROJECT DESCRIPTION**

Collection and Export of Seaweed

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

West African WAGS (Sea Vegetables) S.A. ("WAW") has worked with algae production for six years. The majority shareholder and manager of the company is a biologist and algologist and has developed various algae production processes for dried algae, carrageen, algae powder, algae flakes, and algae compost. WAW's production process involves many people from the surrounding community including women algae processors from thirteen villages.

WAW has found that its products meet a certain commercial need both locally and in international markets. In order to expand to meet this need, however, WAW must significantly improve its business and operational capacity.

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 will contribute the time and labor of its management team and employees to the Project.

IV. Project Goal

The goal of the Project is to promote employment growth and income enhancement for the poor in Senegal.

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 than ADF deems suitable for funding by a donor or other financial institution.

VI. Outputs

A. WAW's organizational and management capacity strengthened as demonstrated by a comprehensive five-year business plan that:

1. assesses the market potential for WAW products;
2. determines a strategy to promote commercialized algae products;
3. identifies and compares effective sales and distribution strategies; and
4. assesses WAW's production capacity and presents a strategy for responding to market demand including supply chain and production process improvements.

B. Project targets are achieved (according to the implementation plan):

1. A qualified business manager and a professional accountant hired;
2. Basic accounting software and needed computer equipment installed;
3. Registration under OAPI in the name of the Grantee of the four main product formulae completed;
4. Brochures and publicity produced regarding algae products and research;
5. Performance reports prepared in a timely manner; and
6. Effective algae production and supply processes are established.

VII. Activities

WAW will undertake the following major activities:

- promote and disseminate the results of the research on algae and its commercialized uses including producing brochures, commercials and other promotional materials;
- register, in the name of WAW, the invention formulae described in the Project to protect its intellectual property;
- negotiate partnership contracts with the women partner organizations for adequate supply of quality algae and with more distributors in Senegal and abroad;
- upgrade its accounting and financial system;
- hire a qualified chief accountant;
- hire a qualified business manager;
- purchase computer equipment and accounting software;
- purchase equipment including an all-purpose oven and a tank;

- purchase raw materials for a minimum production of 100 tons of raw algae to ensure adequate supply for market validation;
- conduct training of its staff and the individuals who are involved in algae production on improved production and processing techniques; and
- introduce new production techniques and equipment.

VIII. Roles and Responsibilities of the Parties

The recruited staff and designated leadership of WAW are responsible for the management and the adequate implementation of the Project. The local entities providing technical assistance in partnership with ADF will provide training and technical assistance in the areas of management, ADF reporting, corporate and cooperative governance, and business planning.

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.