

APPENDIX A

PROJECT DESCRIPTION

Diré Rice and Wheat Production and Marketing and Support for Women Income Generating Activities

1. 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.

2. Background

In Mali, 68 percent of the population lives below the poverty line. The village of Dire is located in one of the poorest districts in the country – Timbuktu. However, Dire has significant agricultural potential which, if exploited, would promote food security in the area. The Grantee, the Dire Agricultural Cooperative, has adopted a strategy to help its members and other residents of its village exploit the agricultural potential of the area, but lacks the resources to implement the strategy fully.

3. 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 Diré Agricultural Cooperative will contribute 392 hectares already prepared for growing crops. The prepared surface is divided as follows: 254 hectares for rice farming in the rainy season, 123 hectares for wheat farming, and 15 hectares for vegetable gardening, spices, anis, and cumin. Also, the Cooperative will contribute an Archimedean screw with an output of 350 liters per second and a 50 hp Motor pump made by FIAT.


4. Project Goal

The project's goal is to improve the well being of the poor and displaced populations of Dire.

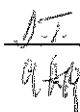
5. Project Purpose

The purpose of the project is to improve household food security and income of project farmer participants in Dire, as measured by the following:

ADF



Grantee



Page 1 of 5

Grant No. 1692-MLI

- the number of hectares of rice under cultivation will increase from the actual level of 165 hectares to 254 hectares from Year II through Year V;
- the number of hectares of wheat under cultivation will increase from the actual level of 22 hectares to 123 hectares from Year II through Year V;
- the number of hectares planted with anis and cumin will increase from the current level of 3 hectares to 60 hectares from Year II through Year V;
- the average daily adult caloric intake will increase from the current level of 1000 to 2000 by Year V;
- the average annual income of each woman involved in wheat processing to make couscous will increase from the current amount of 144,000 FCFA to 288,000 FCFA in Year I, 307,200 FCFA in Year II, 327,600 FCFA in Year III, 349,200 FCFA in Year IV, 372,600 FCFA in Year V;
- the average annual income of each woman involved in the processing of wheat to make vermicelli will increase from the current amount of 115,200 FCFA to 230,400 FCFA in Year I, 246,000 FCFA in Year II, 262,800 FCFA in Year III, 280,800 FCFA in Year IV, and 300,000 FCFA in Year V; and
- the average annual income of each woman involved in the processing of wheat into bread will increase from the current amount of 142,800 FCFA to 285,600 FCFA in Year I, 295,800 FCFA in Year II, 306,425 FCFA in Year III, 317,475 FCFA in Year IV, and 328,950 FCFA in Year V.

6. Project Outputs

The Project will generate the following major outputs in order to attain the Project's purpose.

- A. Cooperative's members, especially women, will increase their agricultural productivity and production:
1. the average annual yield of rice per hectare will increase from the current level of 2150 kilograms per hectare to 4000 kilograms per hectare in Year I, 4500 kilograms per hectare in Year II, 5500 kilograms per hectare in Year III, 6000 kilograms per hectare in Year IV, and 6500 to 7000 kilograms per hectare in Year V;
 2. the average annual yield of wheat per hectare will increase from the current level of 1150 kilograms per hectare to 3000 kilograms per hectare in Year I, 3200 kilograms per hectare in Year II, 3400 kilograms per hectare in Year III, 3500 kilograms per hectare in Year IV, and 4000 kilograms per hectare in Year V;
 3. the average annual yield of anis and cumin will increase from the current level of 800 kilograms per hectare to 1500 kilograms per hectare in Year I, 2000 kilograms per hectare in Year II, 2500 kilograms per hectare in Year III, 3000 kilograms per hectare in Year IV, and 3500 kilograms per hectare in Year V;

4. annual rice production will increase from the current level of 249.6 tons to 1,016 tons in Year I, 1,143 tons in Year II, 1,397 tons in Year III, 1,524 tons in Year IV, and 1,778 tons in Year V;
5. annual wheat production will increase from 24.7 tons to 369 tons in Year I, 480 tons in Year II, 510 tons in Year III, 525 tons in Year IV, and 600 tons in Year V; and
6. annual anis and cumin production will increase from the current level of 2.4 tons to 75 tons in Year I, 120 tons in Year II, 150 tons in Year III, 180 tons in Year IV and 210 tons in Year V.

B. The Cooperative will strengthen its technical and managerial capacity:

1. a financial management system that produces monthly profit and loss statements will be operational in Year I;
2. a project performance monitoring plan will be developed and functioning in Year II;
3. data collected, analyzed, and reported every three months on critical program indicators;
4. during Year II a marketing strategy will be developed and implemented;
5. the number of jobs will increase from the current level of 15 to 36 in Year I, 44 in Year II, 56 in Year III, 68 in Year IV, 84 in Year V; and
6. the number of 280 part-time jobs will be created for the nursery plants, farm plough, planting, weeding, harvest, threshing, and winnowing.

7. Activities

The Diré Cooperative will help participating farmers overcome the following constraints to expanding production and improving the quality of their rice and wheat crops and spices.

A. Rice and Wheat Production

The Cooperative will help participating farmers overcome the following constraints to expanding production and improving the quality of their rice and wheat crops.

- **Access to water:** using the motor pumps provided by this project, the Cooperative will coordinate an irrigation scheme to cover a total of 254 hectares and 123 hectares available for cultivation of rice and wheat, respectively. The Cooperative will supervise the scheme to ensure proper distribution of water and compliance with pumping schedules.
- **Access to agricultural inputs:** the Cooperative will establish and manage a fund to provide agricultural inputs for rice farmers. The fund will be used to purchase improved seeds, fertilizer, petrol and lubricants, and maintain equipment. The Cooperative will

establish transparent terms and conditions for participation in the fund. Each farmer will withdraw his or her quota in exchange for a signed and dated delivery slip.

- **Access to improved production technology:** the Cooperative will provide farmers access to safer and more efficient technology for rice and wheat threshing, rice husking and wheat milling. It will ensure that workers receive adequate training in the operation and maintenance of the equipment. In addition, the Cooperative will record data related to the use of the threshers and establish monthly operating accounts. Once the agriculture campaign is over, the threshers will be warehoused until the next campaign. The Cooperative will record information useful to management on the daily operations of the rice husking machines, such as the types of uses, quality and quantity of processed paddy rice and any other crops processed, breakdowns, appropriate solutions to problems, number of workers and wages, servicing, quantity and cost of petrol, and so on. The miller and the mill management committee will keep records to help monitor the mill operation, calculate and analyze monthly technical and financial results.

B. Processing of Wheat Flour

The Cooperative will provide the members of the Handu Koreye Women's Association the support necessary to purchase and process wheat into local products with a high market potential, namely, local bread, vermicelli, pasta, and couscous. The Cooperative will set up a revolving fund to be managed through the Nyesigiso Microfinance Institution. The management committee of the Association will be in charge of assessing the wheat needs of each woman. Wheat stock will be purchased and distributed among women in accordance with needs individually expressed for a period of three months.

C. Anis and Cumin Planting

The Cooperative will provide participating farmers with means of irrigation and necessary inputs coupled with the technical package required to develop anis and cumen, two major market crops from the region.

D. Training and Technical Assistance

The Grantee will provide its staff training in business management and technical skills including financial management and accounting, bookkeeping and reporting, agricultural production technique, equipment servicing and maintenance, and training in marketing. In addition, the Grantee will retain the expertise, as noted below, to assist in the implementation of this project.

- A marketing specialist will be recruited in the second year of the project to provide follow-up marketing assistance and ensure the Cooperative develops a marketing strategy that identifies and responds to a profitable market niche for the surplus production of rice, wheat, anis and cumen.
- The Nyesigiso MFI will provide technical assistance in managing the credit component of the project. The assistance will consist in the management of the cash loan component of the project.

- The Cabinet d'Expertise Comptable Traoré will provide accounting services to the Cooperative. The services will cover training, accounting monitoring and preparation of required ADF reports.

The ADF Partner will assist the Grantee in the hiring of a project coordinator during the first quarter of the Project to provide the Grantee full-time assistance to meet ADF reporting, financial management, and procurement requirements.

8. Roles and Responsibilities of the Parties

The Agricultural Cooperative of Diré is responsible for ensuring the proper management and implementation of the Project. With the assistance of the entity that is working in partnership with ADF, the Cooperative will hire project coordinator during the first quarter of the Project provide the Grantee full-time assistance to meet ADF reporting, financial management, and procurement requirements.

The technical assistance entity that is working in partnership with ADF in Bamako will provide the Cooperative technical and management assistance during the implementation of the Project. However, given the distance between Bamako and the project site in Timbuktu, ADENORD, a non-governmental organization in the region of Timbuktu, will provide timely and adequate monitoring for the project.

9. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with ADENORD NGO will form a monitoring and assessment committee composed of a representative cross-section of the Grantee's organization. The committee will work with the ADENORD to 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.

10. Other Implementation Issues

The Agricultural Cooperative of Diré will establish a bank account to receive ADF funds.