

**APPENDIX A:
PROJECT DESCRIPTION
TABALACK ONION PRODUCTION AND MARKETING CAPACITY BUILDING
NIGER**

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 Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

Established in 2001, Union des Coopératives et Groupements de Tabalack (UC/GAT), referred to as AMANA, is an umbrella organization, made up of 24 cooperatives specializing in onion production and trading. Its members produce and sell purple onions, commonly called the "Violet of Galmi". Presently, most of the onions from Tabalack are exported to other West African countries such as Cote d'Ivoire, Ghana, Benin, and Togo. During non-onion growing seasons, members often produce millet and sorghum, the main cereals of the region.

AMANA wishes to expand the scale of services it provides to its members. However before doing so, AMANA needs strengthen its planning, management, and operational capacities.

III. Funding

A. USADF Contribution

The financial plan for USADF'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 USADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. AMANA Contribution

AMANA will provide the time and labor of its management team and members to the investment.

IV. Investment Goal

The goal of the investment is to increase incomes for onion producers in the Tabalack region of Niger.

V. Investment Purpose

The purpose of this Project is to improve AMANA's prospects for sustained expansion as indicated by the development of a comprehensive five-year business plan that USADF deems suitable for funding by a donor or other financial institution.

VI. Outputs

- A. Accounting and financial management capabilities are improved, as demonstrated by the following.
- AMANA has in place an effective cash management system and uses a computerized accounting system to record traceable transactions according to an accounting and financial management manual that meets international standards.
 - Funds are managed in accordance with USADF bookkeeping and reporting procedures.
 - Bank fees are paid on time.
 - Quarterly and annual financial reports are prepared according to generally accepted standards and are submitted on time.
- B. Governance team and structures are improved, as demonstrated by the following.
- AMANA, including board members and cooperative leaders, establish a clear vision for the union's direction (goals, activities, etc.).
 - AMANA holds regular meetings and records decisions in meeting minutes.
- C. A viable onion distribution system developed as indicated by the following.
- AMANA sells at least 7,200 bags of onions for a sales value of CFA 56,520,000. The net income for AMANA is expected to be CFA 840,000.
- D. AMANA's overall management and service delivery are improved, through a pilot program for the purchase and sale of onion seeds, as follows.
- AMANA purchases and sells to its members 160 kilograms of improved onion seeds. The sales value is CFA 3,600,000 and the net income to AMANA is projected to be CFA 720,000.
 - AMANA's transportation, sale and profit-distribution system is profitable and self-sustaining after three trips transporting onions from Tabalack to the onion market and back.

VII. Major Activities To Be Financed Under The Agreement

A. Management

AMANA will undertake the following management activities.

1. An investment coordinator will have lead responsibility for improving the day-to-day management of the Union's operations and increasing financial oversight.
2. A business development advisor will work with the Union to formulate a long-term business plan that includes the following components –
 - a marketing plan, based on an assessment of supply, demand, pricing trends and key buyers and distributors;
 - an operations improvement plan based on an assessment of current effectiveness and efficiency of operations and the identification of core operational activities and support functions;
 - a management plan discussed and agreed upon with the Board of Directors and the management team;
 - a financial analysis and plan; and
 - an assessment of AMANA's key investment requirements and its Projections for growth and return on investment.
3. A marketing specialist will train the Union's staff in good business practices and assist in the implementation of the marketing scheme developed under the Project.

B. Pilot Operations

AMANA will undertake the following pilot schemes.

1. Income generation: The Union will purchase and sell to members improved onion seeds to test the financial viability of such an operation.
2. Distribution: The Union will transport members' onions by truck from Tabalack to Tsernaoua three times to test out an improved distribution system.

C. Construction

The Union will construct a hangar to serve as a selling point and an office.

D. Training

Training will include sessions in bookkeeping for the investment coordinator and four members of AMANA, and in financial management, and business and marketing management for the investment coordinator and 19 members, including AMANA's Board of Directors.

VIII. Roles and Responsibilities

Pursuant to Article 11 of the Agreement, USADF's Partner organization will ensure the proper management and implementation of the Project.

IX. Monitoring and Evaluation

While AMANA has the primary responsibility for monitoring the Project, USADF's Partner in Niger will monitor the activities of AMANA to ensure proper reporting, adherence to the investment implementation plan by the Client, and movement towards the achievement of the investment objectives. The Client, in collaboration with the USADF Partner, will continuously assess risks to the project risk and implementation obstacles and will take remedial actions as needed. Monitoring by the Partner will be an important aspect of the ongoing coaching and advisory service. The Partner will review AMANA's quarterly reports and will submit comments and observations to senior management as a part of the ongoing performance assessment.

**APPENDIX A:
PROJECT DESCRIPTION
TABALACK ONION PRODUCTION AND MARKETING CAPACITY BUILDING
NIGER**

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 Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

Established in 2001, Union des Coopératives et Groupements de Tabalack (UC/GAT), referred to as AMANA, is an umbrella organization, made up of 24 cooperatives specializing in onion production and trading. Its members produce and sell purple onions, commonly called the "Violet of Galmi". Presently, most of the onions from Tabalack are exported to other West African countries such as Cote d'Ivoire, Ghana, Benin, and Togo. During non-onion growing seasons, members often produce millet and sorghum, the main cereals of the region.

AMANA wishes to expand the scale of services it provides to its members. However before doing so, AMANA needs strengthen its planning, management, and operational capacities.

III. Funding

A. USADF Contribution

The financial plan for USADF'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 USADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. AMANA Contribution

AMANA will provide the time and labor of its management team and members to the investment.

IV. Investment Goal

The goal of the investment is to increase incomes for onion producers in the Tabalack region of Niger.

V. Investment Purpose

The purpose of this Project is to improve AMANA's prospects for sustained expansion as indicated by the development of a comprehensive five-year business plan that USADF deems suitable for funding by a donor or other financial institution.

VI. Outputs

- A. Accounting and financial management capabilities are improved, as demonstrated by the following.
- AMANA has in place an effective cash management system and uses a computerized accounting system to record traceable transactions according to an accounting and financial management manual that meets international standards.
 - Funds are managed in accordance with USADF bookkeeping and reporting procedures.
 - Bank fees are paid on time.
 - Quarterly and annual financial reports are prepared according to generally accepted standards and are submitted on time.
- B. Governance team and structures are improved, as demonstrated by the following.
- AMANA, including board members and cooperative leaders, establish a clear vision for the union's direction (goals, activities, etc.).
 - AMANA holds regular meetings and records decisions in meeting minutes.
- C. A viable onion distribution system developed as indicated by the following.
- AMANA sells at least 7,200 bags of onions for a sales value of CFA 56,520,000. The net income for AMANA is expected to be CFA 840,000.
- D. AMANA's overall management and service delivery are improved, through a pilot program for the purchase and sale of onion seeds, as follows.
- AMANA purchases and sells to its members 160 kilograms of improved onion seeds. The sales value is CFA 3,600,000 and the net income to AMANA is Projected to be CFA 720,000.
 - AMANA's transportation, sale and profit-distribution system is profitable and self sustaining after three trips transporting onions from Tabalack to the onion market and back.

VII. Major Activities To Be Financed Under The Agreement

A. Management

AMANA will undertake the following management activities.

1. An investment coordinator will have lead responsibility for improving the day-to-day management of the Union's operations and increasing financial oversight.
2. A business development advisor will work with the Union to formulate a long-term business plan that includes the following components –
 - a marketing plan, based on an assessment of supply, demand, pricing trends and key buyers and distributors;
 - an operations improvement plan based on an assessment of current effectiveness and efficiency of operations and the identification of core operational activities and support functions;
 - a management plan discussed and agreed upon with the Board of Directors and the management team;
 - a financial analysis and plan; and
 - an assessment of AMANA's key investment requirements and its Projections for growth and return on investment.
3. A marketing specialist will train the Union's staff in good business practices and assist in the implementation of the marketing scheme developed under the Project.

B. Pilot Operations

AMANA will undertake the following pilot schemes.

1. Income generation: The Union will purchase and sell to members improved onion seeds to test the financial viability of such an operation.
2. Distribution: The Union will transport members' onions by truck from Tabalack to Tsernaoua three times to test out an improved distribution system.

C. Construction

The Union will construct a hangar to serve as a selling point and an office.

D. Training

Training will include sessions in bookkeeping for the investment coordinator and four members of AMANA, and in financial management, and business and marketing management for the investment coordinator and 19 members, including AMANA's Board of Directors.

VIII. Roles and Responsibilities

Pursuant to Article 11 of the Agreement, USADF's Partner organization will ensure the proper management and implementation of the Project.

IX. Monitoring and Evaluation

While AMANA has the primary responsibility for monitoring the Project, USADF's Partner in Niger will monitor the activities of AMANA to ensure proper reporting, adherence to the investment implementation plan by the Client, and movement towards the achievement of the investment objectives. The Client, in collaboration with the USADF Partner, will continuously assess risks to the project risk and implementation obstacles and will take remedial actions as needed. Monitoring by the Partner will be an important aspect of the ongoing coaching and advisory service. The Partner will review AMANA's quarterly reports and will submit comments and observations to senior management as a part of the ongoing performance assessment.