

PROJECT DESCRIPTION**Tamaske Onion Trading Center****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 this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

The 1,135 members of the Tamaske-based FUFOM Federation have extensive experience in onion production and commercialization. However, they receive little income from this activity for the following reasons: (a) the onions are marketed through intermediaries who fix farm gate prices just above the cost of production; (b) poor access to production inputs, especially fertilizers; (c) lack of information on market standards requirements; and (c) lack of an adequate system for marketing the produce. The Federation has identified measures to address these constraints, but it lacks the funds to undertake them.

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 make ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. Client Contribution

The Federation will provide 1.5 hectares of land in Tamaske.

IV. Project Goal

The goal of the Project is to improve the living conditions of onion producers in the Tamaske area.

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V. Project Purpose

The purpose of the Project is to increase the incomes of the onion producers of Tamaske. Net income before depreciation and taxes will increase from a baseline of -FCFA 2,534,000 in 2008 to the following:

- A. FCFA 1 267 998 in year 1;
- B. FCFA 5 137 623 in year 2;
- C. FCFA 8 510 936 in year 3;
- D. FCFA 8 815 640 in year 4; and
- E. FCFA 9 408 582 in year 5.

VI. Outputs

A financially sustainable onion trading center is established, as indicated by the following.

- A. The Federation's gross sales revenue will increase from a baseline value of FCFA 11,228,000 in 2008 to the following:
 - 1. FCFA 36 780 486 in year 1;
 - 2. FCFA 39 643 186 in year 2;
 - 3. FCFA 41 945 716 in year 3;
 - 4. FCFA 43 673 398 in year 4; and
 - 5. FCFA 45 482 816 in year 5.

- B. The quantity of onions sold at the trading center will increase from a baseline of zero in 2008 to:
 - 1. 6,976 tons in year 1;
 - 2. 8,327 tons in year 2;
 - 3. 9,057 tons in year 3;
 - 4. 9,148 tons in year 4; and
 - 5. 9,239 tons in year 5.

- C. The number of vehicles registered and taxed at the trading center will increase from a baseline of zero in 2008 to:
 - 1. 199 in year 1;
 - 2. 238 in year 2;
 - 3. 259 in year 3;
 - 4. 261 in year 4; and
 - 5. 264 in year 5.



VII. Activities

The Project will undertake the following activities.

A. Infrastructure

The major activity under the Project is the establishment and operation of a center for trading the onions produced by the Federation's members. The Federation will construct and equip a trading center using cement block construction on a two-hectare plot of land. The trading center will consist of:

1. warehouse and office unit;
2. two (2) sheds for onion storage;
3. a unit of three (3) showers and toilets; and
4. a fence and guard house.

The center will enable the Federation to market directly to buyers and thus eliminate the middleman. It will have a counter where onions will be sold at prices known to buyers and sellers. The price transparency will enable farmers to get better prices. In addition, the center will provide producers access storage facilities, which will reduce produce losses.

B. Revolving Funds

The Federation will establish and manage a revolving fertilizer fund. The Federation will purchase approximately 1,250 bags fertilizers for a total amount of FCFA 15,000,000. These bags will be sold to members on a cash basis. The fund may also be used to secure future delivery of onions from members at harvest time. Proceeds from sale of fertilizer and onions will be used to maintain the value of the fund's capital.

C. Training

In order to enable the Federation to better manage the organization, the following training sessions will be undertaken.

1. Internal Auditing

Two new internal auditors to be elected by the general assembly will receive training in the field of audit trail, cash and bank control including reconciliations, control of supporting documents, inventory of assets, and budget control. Training will last four days and will be conducted by the ADF Niger Office Program Assistant.

2. Administrative and Financial Procedures on ADF Reporting

In order to strengthen staff technical skills, the Federation manager and the accountant will be trained on the use of the procedures manual and in the

harmonization of all the internal supporting documents (such as cash vouchers, ledgers, registering books, purchase order, delivery order, travel vouchers, payroll, etc.).

3. Sensitization on Market Standards Requirements

A consultant will instruct and sensitize producers on standards requirements by major onion buyers, such as Agro-Niger, so that they will be able to produce the quality demanded by the market. The training will be organized at the union level. Twenty-five participants per union will be selected and for the six unions, a total of 150 participants will attend this session. The training will focus on the following:

- a. the Federation's strategy to get higher prices;
- b. market onion standards requirements;
- c. improved production techniques, including nursery management, irrigation management, and optimum dosage of fertilizers (simple and composed types); and
- d. techniques of onion harvesting including identification of optimum maturity point, respect of harvest moment, drying up of the product in the shade, adequate handling of the product, use of proper cutting material, and meticulous sorting out of bulbs.

D. Marketing and Promotion

Representatives of the Federation will attend three commercial fairs organized in Niamey by the Ministry of Agriculture.

VIII. Roles and Responsibilities of the Parties

The Federation has primary responsibility for ensuring that the Project activities are properly implemented. The ADF Niger Partner will provide technical support and guidance.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Client, working with the ADF Niger Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Client's organization. The committee will work with the Partner to develop the 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.



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