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**APPENDIX A:
PROJECT DESCRIPTION**

**TSERNAOUA ONION COMMERCIALIZATION AND MARKETING
REVENUE GENERATING PROJECT
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

In recent years, the Government of Niger has developed an interest in promoting the export of agricultural products and set up a World Bank assisted project. This project, called PPEAP (project to promote the export of agricultural products), made the onion producers of Tsernaoua aware that they could increase revenues derived from onion marketing if they had an appropriate place for onion transactions and loading (trading center). Such a trading center would allow the producers to deal directly with exporters through their cooperative in a forum where all the stakeholders respect the rules of conduct in the interest of all, leading to an increase in onion exports and the profits made by small-holder onion producers and their marketing cooperative.

Amintchi is a cooperative of onion producers from the district of Tsernaoua in Tahoua Region. The members grow a purple onion much in demand in Niger and surrounding countries. Currently they sell their produce to middlemen, losing substantial profits in the process.

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 3, Section 3.1 of the Agreement.

B. Grantee Contribution

The Cooperative will provide a land of three (3) hectares in Tsernaoua and unskilled labor for the construction of the market as its contribution to the infrastructure cost.

ADF _____



Grantee _____

After the first year, the grantee on its own funds will take care of the remaining four years' expenses.

IV. Project Goal

The goal of the project is to improve the living conditions of the under-served groups of onion producers by establishing a viable enterprise of onion commercialization and marketing activities in Tsernaoua area.

V. Project Purpose

The purpose of the project is to increase the income from the sale of onions of the Cooperative and its participating farmers. This will be measured by the following:

- A. Annual net income of the cooperative before depreciation, income taxes, and CRG contribution increased from CFA 0 to:
 - CFA 18,112,739 in Year 1
 - CFA 22,115,678 in Year 2
 - CFA 21,758,308 in Year 3
 - CFA 25,179,430 in Year 4
 - CFA 27,883,033 in Year 5

- B. Total net income gain paid to all of the participating farmers increased from CFA 50,000 to:
 - CFA 74,663 in Year 1
 - CFA 783,966 in Year 2
 - CFA 823,165 in Year 3
 - CFA 864,323 in Year 4
 - CFA 907,540 in Year 5

VI. Outputs

A viable and sustainable trading center scheme for onions is established, as indicated by:

- A. Cooperative's annual gross incomes from sales increased from CFA 0 to:
 - CFA 51,754,375 in Year 1
 - CFA 54,342,094 in Year 2
 - CFA 57,059,198 in Year 3
 - CFA 59,912,158 in Year 4
 - CFA 62,907,766 in Year 5

- B. Total gross income gain paid to all of the participating farmers increased from CFA 85,000 to:
 - CFA 115,875 in Year 1
 - CFA 830,000 in Year 2
 - CFA 945,700 in Year 3



CFA 1,130,000 in Year 4
CFA 1,375,000 in Year 5

- C. Quantity of onion sold at the sales counter level and exported increased from 0 ton to:
 - 29,777 tons in Year 1
 - 31,266 tons in Year 2
 - 32,829 tons in Year 3
 - 34,471 tons in Year 4
 - 36,194 tons in Year 5

- D. Number of farms participating in the project increased from 0 to at least 214 by each year during the project.

The technical and management capacities of the cooperative are improved, as indicated by:

- A. The net profit margin as a percentage of sales increased from approximately 35% in Year 1 to:
 - 40% in Year 2
 - 38% in Year 3
 - 42% in Year 4
 - 44% in Year 5

- B. The cooperative collects and analyzes data, keeping regular and adequate records relative to activities (purchasing, sales and profit) and prepares financial reports by the first year of the project.

VII. Activities

The project will undertake the following activities:

A. Wholesale Operation

The Project will provide the Cooperative and its members direct market access. The focal point for Project activities is the establishment and operation of a trading center (market space) dedicated to onion transactions between producers, dealers, exporters, and other intermediaries. In addition to onions, the Cooperative will sell bags to its customers for carrying the onions. The Grant provides the Cooperative the funds to construct and equip the trading center. The center's infrastructure includes a warehouse, office space, hangars and storage facilities, shower closets and parking facilities.

The Cooperative will hire a competent full-time individual to manage the trading center. This individual will assist the Cooperative with marketing, sales planning, and accounting. He/she will provide the Cooperative's Board of Directors on-the-job training in these areas.



B. Training

To ensure a better activity implementation and the achievement of institutional and socio-economic objectives, the following training sessions are deemed necessary:

- ***Bookkeeping***

This training is necessary prior to the first disbursement of Grant funds. ADIDB's Financial Officer (FO) will provide the bookkeeping training to make sure that grantee is able to account properly for ADF funds. Four (4) persons including the Project manager (who will be recruited for this project), the Treasurer, the General Secretary and one member of the cooperative will participate to this training. The training will last four (4) days with six hours of training each day. A 4-day refresher course for the same four persons is planned.

- ***Business & Marketing***

The business and marketing management training will reinforce the institutional capacity and business management of the Cooperative. A local consultant who has experiences in training grassroots organizations in the area of micro-enterprise development will deliver this training.

- ***Groups Dynamics***

Approximately, sixty (60) of the cooperative's members will participate in this training. The members of the Cooperative will select participants based on established selection criteria. Members will be sensitized on the importance of transparency in the management of a community based organization.


- ***HIV/AIDS Awareness***

All 208 members will be trained in HIV/AIDS prevention and control techniques. The training will be organized into awareness campaign through sensitization, information. Local qualified consultants will provide the training.

- ***Study tour***

Selected members of the Cooperative will travel to the region of Agadez. This study tour's purpose is to learn and share with the onion producers of this locality, their outstanding experiences in management of a trading center. The study tour will last not more than seven (7) days including two days for roundtrip. A total of fifteen (15) members of the Cooperative are expected to take the trip.

C. Promotion and Marketing



The Cooperative will market its product aggressively. Promotional activities will include but may not be limited to the following: (1) participation in trade fairs; (2) radio commercials; (3) labeling on bags for onions sold; and (4) market networking.

VIII. Roles and Responsibilities of the Parties

The Cooperative has primary responsibility for ensuring that the Project's activities are properly implemented. Within the Cooperative, the Board of Directors will be the highest decision making body. It will formulate strategies, which includes supervising and coordinating implementation of the Project. ADIDB will provide technical support and guidance.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADIDB, the ADF Niger Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Grantee's organization. The committee will provide the Partner input for 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.

