

**APPENDIX A:  
PROJECT DESCRIPTION**

**UCAF PALM OIL MARKETING PROJECT  
BENIN**

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 "*Union Communale des Associations des Femmes de Pobè*" (UCAF) consists of 2,200 women organized into over 282 production or service groups in the Commune of Pobè. 130 groups produce palm oil. The other groups are involved in the small scale trade of local products and in agriculture. UCAF provides technical assistance services to the member groups. UCAF also has begun purchasing its members' palm oil and selling it in neighboring Nigeria

UCAF wishes to expand its export of members' palm oil. However, UCAF lacks the necessary management and technical expertise to grow and compete in regional and international palm oil markets.

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

UCAF (the Grantee) will contribute a total of 2,000,000 FCFA towards the purchase of office equipment and to cover the operating costs of the Project Management Committee.

IV. Project Goal

The goal of the Project is to increase the income of UCAF members from the sale and export of processed palm oil.

ADF  Grantee 

## V. Project Purpose

The purpose of the Project is to increase UCAF's capacity to implement an expansion strategy based on the production and marketing of palm oil, as measured by the development of a comprehensive five-year business plan that ADF deems suitable for funding.

## VI. Outputs

The major outputs of the Project and their indicators are listed below.

- A. UCAF demonstrates that they have the managerial skills to solve their problems and understand external forces that may affect their enterprise, as indicated by:
  - an annual action plan, which will be developed and implemented by UCAF;
  - the establishment of a competent management team; and
  - a viable business plan.
- B. The Grantee maintains the necessary financial and management records to assure financial certification and full accountability of ADF funds, as indicated by UCAF records certified by the ADF Rep and audited by the end of the Project, showing adequate internal controls, full accountability, and transparency in business operation.
- C. UCAF is able to develop, carry out and react to the opportunities and challenges of managing their cooperative, as indicated by a strategy and marketing plan which will be elaborated and implemented by Year 1.
- D. UCAF possesses the requisite technical skills for producing quality palm oil that conform to hygienic and export norms, as indicated by:
  - current production processes and capabilities are evaluated, and appropriate technology and enhanced production processes are identified; and
  - sales are maintained at current level.

## VII. ACTIVITIES

### A. Market Evaluation

The focal point of the Project will involve a regional palm oil market study and appropriate technology evaluation. UCAF will work with a technology specialist to evaluate existing production and recommend appropriate technology investment to enhance production. UCAF will also contract with business specialists to provide technical assistance and undertake market research to develop an appropriate business plan that will allow the group to be competitive on an ongoing basis. Accordingly, UCAF

will recruit a marketing specialist who will develop a marketing plan, as well as the distribution network to promote oil production in the Commune of Pobè. The marketing specialist will be asked to collaborate with the Union's officials to develop the marketing plan implemented through trips and commercial initiatives.

#### B. Training

The implementation of the Project will require training in management, internal control systems, and marketing. UCAF will contract with a supplier to provide training to Union members on the management of community-based organizations, including better usage of governance tools and formal business management tools. The training in internal control systems will be provided to the UCAF Board of Directors by the ADF Partner, with the assistance of external consultants. This training will focus on ADF's accounting system. The goal of the training is to ensure proper management of public funds under the grant agreement, a sound management of financial transactions and cash-on-hand, as well as the facilitation of financial monitoring by providing reliable and accurate financial records. Training in marketing will be provided to the Management Team.

#### C. Technical Assistance

The implementation of the Project will also require qualified and highly skilled management and technical personnel. UCAF will aggressively recruit three specialists, as follows:

1. The Senior Advisor, likely from an international network of voluntary advisors, will work with the group to evaluate their business model and impart the necessary business skills to manage the business going forward.
2. The Project Manager will be a vegetable fat engineer. He/she will evaluate existing production techniques and quality control processes. He/she will identify and recommend a new production solution and develop production and quality control systems to supplement the recommendation.
3. The Financial Assistant is in charge of the records, and the overall financial management of the business. He/she will receive training in ADF bookkeeping procedures, thus enabling him/her to produce the financial statements required by ADF, as well as the necessary financial and activity reports.

### VIII. Roles and Responsibilities of the Parties


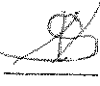
The staff and elected leadership of UCAF are responsible for the management and the proper implementation of the Project.

The ADF partner in Benin will provide technical and monitoring assistance and advice during the implementation of the Project.

ADF  Grantee 

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Grantee'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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