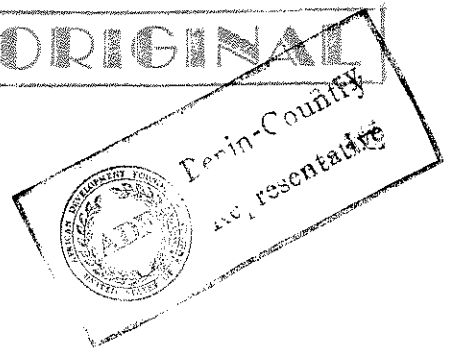


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**APPENDIX A**  
**Project Description**  
**Mon Petit Benin**



**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**

In 1995, Mrs. Lea Medji recruited four people to join her in the formation of Mon Petit Benin (MPB), a fruit and vegetable chips processing and sales enterprise. Since that time, the business has diversified its production and sale of chips from potato and plantain only to include taro, yams, cassava, sweet potato and breadfruit. Between 2000 and 2002, MPB increased its production by 158 percent and won a number of national quality awards. Notwithstanding this impressive record, MPB has not been able to meet the demand for its products, primarily due to lack of adequate space, equipment, and working capital.

**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**

Mon Petit Benin will contribute FCFA 5,000,000 to purchase land where the new workshop will be constructed.

**IV. Project Goal**

The Project's goal is to increase the income and improve the standard of living of the staff and managers of Mon Petit Benin.

**V. Project Purpose**

The purpose of this five-year Project is to increase the income of Mon Petit Benin's members and employees.

**VI. Project Outputs**

The principal output of Project will be strengthened capacity of Mon Petit Benin as measured by the following.

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- Mon Petit Benin will increase its production of chip packets to:
  - 80,625 packets in year 1;
  - 120,938 packets in year 2;
  - 201,562 packets in year 3;
  - 302,343 packets in year 4; and
  - 362,811 packets in year 5.
- Mon Petit Benin will have a functioning marketing and distribution system as indicated by the development of a marketing and distribution plan and gross sales.

## **VII. Major Activities to be financed under the Agreement**

### **A. Production of Chips**

Mon Petit Benin will process fruits and vegetables into chips, which entails cleaning, peeling, cutting, and cooking the raw material. The Grantee will inspect the pulps carefully to ensure they are not infected. It will package the cooked chips.

The ADF Grant provides Mon Petit funds to construct and equip a workshop for the production of chips. An architect will supervise the construction. The workshop will cover a fenced area of 400 square meters and will include a kitchen, administration office, and toilets. The Grant will designate space within the fenced area to secure the Project vehicle.

The ADF Country Representative and Partner organization will assist the Grantee in developing terms of reference (TOR) for solicitation of construction services. The Grantee will advertise the TOR in the local paper consistent with the practices for open, fair and full competition. The Grantee will sign a contract with the successful bidder in accordance with ADF requirements. This contract will clearly point out the terms of payment. The ADF Country Representative will ensure that an independent architect is used to inspect and report to ADF and the Grantee as the construction progresses.

The ADF Country Representative and the Partner will assist the Grantee with the review and analysis of pro-forma and the selection of competitive suppliers of Project equipment. Consideration will be given to the quality, pricing, terms of sale and guarantees of each offeror.


The Grant provides working capital. The Grantee will use these funds to purchase raw materials needed to increase its production.

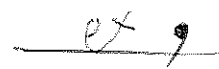
### **B. Marketing and Distribution**

The Project will target the Cotonou and Porto Novo markets. Mon Petite Benin will establish sale points in each city. Its marketing strategy will include a radio broadcast campaign and advertising at sale points. The Grant provides funds to purchase a vehicle for the marketing and distribution activities.

### **C. Training and Technical Assistance**

Mon Petit Benin will hire a business manager train selected members in marketing, accounting, and management.

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### **VIII. Roles and Responsibilities of the Parties**

Mon Petit Benin is responsible for ensuring the proper management and implementation of the Project. The Director, as project manager, has the overall responsibility for supervising and the coordinating project implementation. The business manager will be responsible for the day-to-day management of the Project for two years, after which time a member trained by the business manager will assume that responsibility. The ADF Partner in Benin, the Association pour l'Intermediation et le Développement (AID), will provide Mon Petit Benin technical and management assistance during the implementation of the Project.

### **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 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. The Grantee and the Partner will specifically monitor production costs, market conditions, and product pricing to ensure that the product price is appropriate to cover production and overhead costs.

### **X. Other Implementation Issues**

Mon Petit Benin will establish three bank accounts:

- an account to manage the reinvestment funds;
- an account to receive ADF funds;
- a current account.

Mon Petit Benin will use the reinvestment account to receive regular deposits for equipment replacement and reserves to acquire additional equipment. It will make deposits to the account on a quarterly basis (at a minimum) beginning in Year II.

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