

PROJECT DESCRIPTION

Bankass Women's Milk Processing Capacity Building Project

Mali

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

The Bankass Milk Processing and Marketing Cooperative ("Bankass Women") is a registered cooperative with 65 members located in the southeastern part of Mopti District, Mali. The Cooperative processes raw milk into pasteurized milk and other dairy products. Bankass Women hopes to take advantage of unmet demand for dairy products in Mali's local and tourism markets. However, Bankass Women is constrained by weak management and marketing, business systems, and unreliable production equipment.

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 4, section 4.1 of the Agreement.

B. Bankass Women Contribution

Bankass Milk Processing and Marketing Cooperative will contribute to the Project the following: a house, gas freezer, tin cans for milk collection, gas oven, miscellaneous equipment and a plot of land to house another milk processing unit.

IV. Project Goal

The goal of the Project is to improve the living conditions of poor rural farmers living in the Bankass region of Mali.

ADF *ld* SCCL *A*

V. Project Purpose

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

VI. Project Outputs

- A. Improved production and technical capacities as evidenced by:
1. Bankass Women's milk production changes from baseline of 1,800 liters to:
 - a. 21,276 liters in Project Year 1; and
 - b. 22,340 liters in Project Year 2.
 2. Bankass Women's butter production changes from baseline of 0 kilograms to:
 - a. 798 kilograms in Project Year 1; and
 - b. 838 kilograms in Project Year 2.
 3. Bankass Women's yogurt production changes from baseline of 3,600 liters to:
 - a. 26,595 liters in Project Year 1; and
 - b. 27,925 liters in Project Year 2.
- B. Improved Management and Operating Systems Capacity as evidenced by:
1. an improved computerized accounting system is in place and Bankass Women satisfies ADF's financial and reporting requirements; and
 2. quarterly and annual financial reports and financial statements are routinely produced and used by management to trace financial transactions and pay bank fees on time and in its general decision making.
- C. Improved marketing capacity as evidenced by a change in overall dairy revenue sales from baseline of 3,150,000 FCFA to:
1. 22,544,000 FCFA in Project Year 1; and
 2. 23,581,320 FCFA in Project Year 2.

VII. Project Activities

A. Production

1. Bankass Women will restart its milk processing activities, which involve collecting, processing, pasteurizing, and commercializing milk and milk products for markets in Bankass and surrounding areas. The Cooperative's members will supply raw milk for processing. The members have an agreement to provide their fresh milk exclusively to the Cooperative. In addition, women in the area engaged in small scale livestock raising will supply the Cooperative with raw milk. All milk purchased by the Cooperative must meet established quality and hygiene standards. The Project will enable the Cooperative manage adequately the cold chain and supply channel, which are essential to the entire production system..
2. Bankass Women will establish a revolving fund to purchase inputs, including fresh milk and cattle feed.
3. An expert will train members in milk pasteurization and butter and yogurt manufacturing and processing techniques.
4. An expert will train members in equipment maintenance and upkeep.

B. Management and Operations

1. Bankass women will hire a project coordinator, accountant, and sales manager for 18 months and produce pay slips for this operational staff.
2. A consultant will train members in accounting and ADF reporting procedures, and produce a manual of procedures that meets international standards that allow the cooperative to manage funds in accord with ADF bookkeeping and reporting requirements. The accountant will replace the old register with a new operations and accounting system and financial controls.
3. A consultant will provide literacy training to all 65 members of Bankass Women. Training will center on handling the cash register, daily reporting and arithmetic computation.

C. Marketing

1. Bankass Women will construct a reception room on its facilities to host customers and clients.

ADF lot SCCL #

2. A consultant will conduct a 60-day market study examining ways to promote Bankass Dairy. The same consultant will implement a marketing strategy to establish prices, development business partnerships, and increase client orders.
3. Bankass Women will create a business plan to determine follow-up project economic and financial profitability, and an analysis of the environmental issues. The business plan should enable it to secure future investment.

VIII. Roles and Responsibilities of the Parties

Bankass Women has ultimate responsibility for ensuring the proper implementation of this Project.

IX. Monitoring and Evaluation

ADF's partner in Mali will closely monitor the activities of Bankass Women to ensure proper reporting, adherence to the project implementation plan, and progress toward the achievement of Project objectives. The Partner will continuously assess the Project's risks and 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 ADF's quarterly reports and will submit comments and observations to the management of Bankass Women as a part of the on-going performance assessment.

X. Other Implementation Issues

The Cooperative will provide to ADF a copy of the milk supply contracts it has with its members.

PROJECT DESCRIPTION**Bankass Women's Milk Processing Capacity Building Project****Mali****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

The Bankass Milk Processing and Marketing Cooperative ("Bankass Women") is a registered cooperative with 65 members located in the southeastern part of Mopti District, Mali. The Cooperative processes raw milk into pasteurized milk and other dairy products. Bankass Women hopes to take advantage of unmet demand for dairy products in Mali's local and tourism markets. However, Bankass Women is constrained by weak management and marketing, business systems, and unreliable production equipment.

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 4, section 4.1 of the Agreement.

B. Bankass Women Contribution

Bankass Milk Processing and Marketing Cooperative will contribute to the Project the following: a house, gas freezer, tin cans for milk collection, gas oven, miscellaneous equipment and a plot of land to house another milk processing unit.

IV. Project Goal

The goal of the Project is to improve the living conditions of poor rural farmers living in the Bankass region of Mali.

V. Project Purpose

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

VI. Project Outputs

- A. Improved production and technical capacities as evidenced by:
1. Bankass Women's milk production changes from baseline of 1,800 liters to:
 - a. 21,276 liters in Project Year 1; and
 - b. 22,340 liters in Project Year 2.
 2. Bankass Women's butter production changes from baseline of 0 kilograms to:
 - a. 798 kilograms in Project Year 1; and
 - b. 838 kilograms in Project Year 2.
 3. Bankass Women's yogurt production changes from baseline of 3,600 liters to:
 - a. 26,595 liters in Project Year 1; and
 - b. 27,925 liters in Project Year 2.
- B. Improved Management and Operating Systems Capacity as evidenced by:
1. an improved computerized accounting system is in place and Bankass Women satisfies ADF's financial and reporting requirements; and
 2. quarterly and annual financial reports and financial statements are routinely produced and used by management to trace financial transactions and pay bank fees on time and in its general decision making.
- C. Improved marketing capacity as evidenced by a change in overall dairy revenue sales from baseline of 3,150,000 FCFA to:
1. 22,544,000 FCFA in Project Year 1; and
 2. 23,581,320 FCFA in Project Year 2.

VII. Project Activities**A. Production**

1. Bankass Women will restart its milk processing activities, which involve collecting, processing, pasteurizing, and commercializing milk and milk products for markets in Bankass and surrounding areas. The Cooperative's members will supply raw milk for processing. The members have an agreement to provide their fresh milk exclusively to the Cooperative. In addition, women in the area engaged in small scale livestock raising will supply the Cooperative with raw milk. All milk purchased by the Cooperative must meet established quality and hygiene standards. The Project will enable the Cooperative manage adequately the cold chain and supply channel, which are essential to the entire production system..
2. Bankass Women will establish a revolving fund to purchase inputs, including fresh milk and cattle feed.
3. An expert will train members in milk pasteurization and butter and yogurt manufacturing and processing techniques.
4. An expert will train members in equipment maintenance and upkeep.

B. Management and Operations

1. Bankass women will hire a project coordinator, accountant, and sales manager for 18 months and produce pay slips for this operational staff.
2. A consultant will train members in accounting and ADF reporting procedures, and produce a manual of procedures that meets international standards that allow the cooperative to manage funds in accord with ADF bookkeeping and reporting requirements. The accountant will replace the old register with a new operations and accounting system and financial controls.
3. A consultant will provide literacy training to all 65 members of Bankass Women. Training will center on handling the cash register, daily reporting and arithmetic computation.

C. Marketing

1. Bankass Women will construct a reception room on its facilities to host customers and clients.

2. A consultant will conduct a 60-day market study examining ways to promote Bankass Dairy. The same consultant will implement a marketing strategy to establish prices, development business partnerships, and increase client orders.
3. Bankass Women will create a business plan to determine follow-up project economic and financial profitability, and an analysis of the environmental issues. The business plan should enable it to secure future investment.

VIII. Roles and Responsibilities of the Parties

Bankass Women has ultimate responsibility for ensuring the proper implementation of this Project.

IX. Monitoring and Evaluation

ADF's partner in Mali will closely monitor the activities of Bankass Women to ensure proper reporting, adherence to the project implementation plan, and progress toward the achievement of Project objectives. The Partner will continuously assess the Project's risks and 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 ADF's quarterly reports and will submit comments and observations to the management of Bankass Women as a part of the on-going performance assessment.

X. Other Implementation Issues

The Cooperative will provide to ADF a copy of the milk supply contracts it has with its members.