

**Project Description**

**Bankass Livestock Cooperative 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 Livestock Cooperative (Waldé Faïnobé Dabadji) is a registered cooperative, established in 2006, made up of 20 members, of whom 4 are women. Currently, the Cooperative follows traditional herding practices, earning its income from fattening cattle for market. Unfortunately, traditional cattle herding practices can no longer provide economic stability because of competition for water and land with farmers. The Cooperative intends to adopt sedentary livestock production to fatten cattle and begin to sell cattle feed and provide milk to the Bankass Dairy and the local market. Unfortunately, Bankass Livestock Cooperative lacks the institutional capacity to smoothly transition to its new herding practices and manage and market its products.

**III. Funding**

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.

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**IV. Project Goal**

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

**V. Project Purpose**

The purpose of the Project is to improve the prospect for sustained expansion as demonstrated by the development of a comprehensive five year business plan for funding.

ADF *[Signature]* Bankass *[Signature]*

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VI. Project Outputs

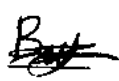
- A. Bankass Livestock Cooperative will increase its production capacities by:
1. Cattle feed production will increase from baseline 0 bundles (10 kilograms) to:
    - a. 30,000 bundles (10 kilograms) in Project Year 1; and
    - b. 31,500 bundles (10 kilograms) in Project Year 2.
  2. Milk production, changing its output from baseline 0 liters to:
    - a. 216,000 liters in Project Year 1; and
    - b. 226, 500 liters in Project Year 2.
- B. Improve its management and operations, as evidenced by the following:
1. the management uses a computerized accounting system to record traceable transactions and meets ADF financial and reporting requirements; and
  2. the management produces quarterly and annual financial reports and pays its bank fees on time.
- C. Improve its marketing techniques, as evidenced by:
1. Changes in its revenues from cattle feed sales from baseline 0 FCFA to:
    - a. 9,420,000 FCFA in Project Year 1; and
    - b. 10,420,000 FCFA in Project Year 2.
  2. Changes in its revenues from milk sales from baseline 0 FCFA to:
    - a. 23,220,000 FCFA in Project Year 1; and
    - b. 24381000 FCFA in Project Year 2.
  3. Changes in its revenues from cattle sales from baseline 870,000 FCFA to:
    - a. 15,000,000 FCFA in Project Year 1; and
    - b. 15,750,000 FCFA in Project Year 2.



VII. Project Activities

A. Production

1. The Project will help Bankass Livestock Cooperative acquire the capacity to supply milk to Bankass Women's Dairy. The Cooperative



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will increase its herd by 400 cows. It will keep approximately 300 heads of cattle for milking. The Cooperative will ensure the cows receive all required vaccinations, undergo an internal de-worming process (intestinal and blood) every six months and an external de-worming process once a month during the rainy season. A veterinarian, working closely with the local veterinary service, will monitor the health and hygiene of the cattle.

2. To address the shortage of cattle feed in the area, the Cooperative will set up a small cattle feed production unit using semi-dry fodder grass as raw material. In addition, it will hire a full-time animal feed machine operator with relevant experience.
3. The Cooperative will construct a hangar and warehouse for animal feed production equipment and animal healthcare equipment. This structure will include a pen for veterinary care.
4. Bankass Livestock Cooperative will hire a consultant to teach members cattle-feed production techniques. The consultant will train members in the proper use of the straw binder and chaff cutter. The Cooperative will also hire a veterinarian to ensure proper animal care and to teach members to feed animals for optimal milk production. The veterinarian will teach every Cooperative member how to properly administer vitamins to livestock.

### B. Management and Operations

1. Bankass Livestock Cooperative will hire a project coordinator and an accountant for 18 months and produce pay slips for this operational staff.
2. A consultant will train members in accounting and ADF reporting procedures. He or she will 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 operational accounting system and financial controls.
3. A consultant will teach functional literacy to all 20 members of Bankass Livestock Cooperative. This training will teach basic arithmetic, daily reporting, and how to handle the cash register.

### C. Marketing

1. A consultant will conduct a 60-day market study examining ways to promote Bankass Livestock Cooperative. The same consultant will

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- implement a marketing strategy to establish prices, development business partnerships, and increase client orders.
2. With the assistance of a consultant, the Cooperative will develop a business plan that will guide it in the implementation of the market study, especially the acquirement of contracts and investment funds.
  3. Bankass Livestock Cooperative will sign a one year contract to supply the Bankass Women's Dairy with 100 liters of fresh milk every day at a price of 250 FCFA per liter.

### VIII. Roles and Responsibilities of the Parties

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

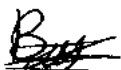
### IX. Monitoring and Evaluation

ADF's partner in Mali will closely monitor the activities of Bankass Livestock Cooperative 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 Livestock Cooperative as a part of the ongoing performance assessment.

ADF



Bankass



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Investment No. 1857-MLJ

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ADF  Bankass \_\_\_\_\_

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