

**APPENDIX A:  
PROJECT DESCRIPTION**

**DOCEL EXPANSION PROJECT  
CAPE VERDE**

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

Association des Femmes Promotrices de l'Agro-Industrie (DOCEL) is a village production cooperative created in 1998 through the initiative of a local NGO, AMIPAUL (AMIGOS DO PAÚL), as a community based cooperative in Vila das Pombas, Paul, Santo Antão, that seeks both to build social capital, and generate income and permanent jobs for disadvantaged women. Paul is one of the poorest municipalities in Cape Verde. Factors affecting economic opportunity include a high concentration of land titles in the hands of a few farmers, a high illiteracy rate, and a high rate of unemployment, especially among women (31 percent in 2000). In addition, the Island of Santo Antão has been prohibited by the Government of Cape Verde from exporting fresh produce due to a millipede infestation.

DOCEL believes it could expand its current production of jams made from local fruits and herbs, allowing its members to produce commercially viable goods that are not subject to quarantine restrictions if it acquired the appropriate working capital, supplies and technical and management training and expanded its current production and marketing facility.

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

DOCEL will contribute its existing assets, including land and a building.

C. Other Contributions

AMIPAUL (a local NGO), the Municipality of Paul and the National Poverty Reduction Program (NPRP) will provide 6 percent of the project's estimated cost.

IV. Project Goal

The goal of the Project is to diversify and strengthen DOCEL's sources of revenues by adding a grocery store and increasing the production capacity of sweets, jams, and punches.

V. Project Purpose

The purpose of the Project is to increase income and revenues for DOCEL and its employees. This will be measured by the following:

- A. Total wage payments to employees increased from CVE 432,000 to:
  - CVE 1,664,680 in Year 1
  - CVE 1,676,333 in Year 2
  - CVE 1,688,067 in Year 3
  - CVE 1,699,884 in Year 4
  - CVE 1,711,783 in Year 5
  
- B. Net income of the enterprise before taxes, CRG and depreciation increased from CVE 144,256 to:
  - CVE 713,202 in Year 1
  - CVE 4,854,932 in Year 2
  - CVE 5,407,788 in Year 3
  - CVE 5,647,532 in Year 4
  - CVE 6,345,534 in Year 5

VI. Outputs

The major output of the Project is DOCEL's strengthened production capacity and financial position in the market, as indicated by the following:

- A. Production of jams (all types) increased from 1,020 kilograms to:
  - 5,034 Kg in Year 1
  - 6,298 Kg in Year 2
  - 6,487 Kg in Year 3
  - 6,682 Kg in Year 4
  - 6,883 Kg in Year 5
  
- B. Sales of groceries increased from CVE 0 to:
  - CVE 5,048,364 in Year 1
  - CVE 5,185,377 in Year 2

- CVE 6,266,009 in Year 3
- CVE 8,202,832 in Year 4
- CVE 10,738,328 in Year 5
- C. Annual sales increased from CVE 1,928,345 to:
  - CVE 9,458,148 in Year 1
  - CVE 10,719,545 in Year 2
  - CVE 12,006,104 in Year 3
  - CVE 14,156,516 in Year 4
  - CVE 16,913,548 in Year 5
- D. The number of permanent jobs increased from current level of 3 fulltime jobs to 8 fulltime jobs during first year of the project.
- E. The group members' technical and managerial skills reinforced, as follows:
  - (1) Administrative and Financial management system producing monthly statements in Year 1;
  - (2) Project performance monitoring plan developed in Year 1; data collected, analyzed, and reported every three months on critical project indicators;
  - (3) Marketing and export to other Islands;
  - (4) Business Plan (including market study) developed and implemented.

## VII. ACTIVITIES

### A. CONSTRUCTION AND EQUIPMENT

DOCEL will complete the construction of the manufacturing facility and adapt the first floor to accommodate the grocery store. DOCEL will also procure and install new production, store, and computer equipment, as well as purchase a vehicle and an initial stock of groceries.

### B. PROMOTION AND MARKETING

DOCEL will aggressively market its products. The major marketing tools to be used will include direct sales, sale to distributors, radio and TV advertising, leaflets, and brochures. Product sample tasting in the major super-markets in Praia and S. Vicente, as well as participation in trade shows will be essential promotion tools. DOCEL also intends to acquire customized labeled plastic bags. As DOCEL builds its sales forces and gains financial strength, additional promotion tools, such as T-shirts, hats, key-holders, leaflets, posters, and other advertising tools are expected to be used in its marketing efforts to raise the consumer's awareness of the quality of its products.

### C. TRAINING AND TECHNICAL ASSISTANCE

The implementation of the Project will require that the management team undergo additional training in basic and cost accounting, production operations, and marketing.

DOCEL will also contract with a supplier to provide additional technical assistance in accounting, administrative, financial, and procurement procedures and policies.

VIII. Roles and Responsibilities of the Parties

The staff and elected leadership of DOCEL are responsible for the management and the proper 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 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.