

APPENDIX A:

PROJECT DESCRIPTION

UBM Mangrove Rice Marketing

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 Boora Male (UBM) is an association of rice farmers. UBM sells its members' rice production. Its major customer is the Bauxite Company of Guinea (CBG), the largest mining company in Guinea and a leading exporter of bauxite worldwide. UBM is hampered by inadequate facilities and capital in meeting CBG's rice requirements and the general demand for rice in Guinea.

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

The total contribution of the Union was estimated at GNF 136,988,882 or 32.42 percent of the cost of the Project. This contribution consists of the following:

- (i) 2,554 hectares of mangrove land developed with hydraulic infrastructure the value of which is estimated at GNF 114,930,000;
- (ii) membership fees amounting to GNF 850,000; and
- (iii) GNF 21,208,882 in cash.

IV. Project Goal

The goal of the Project is to contribute to the development of an agribusiness enterprise in the northern maritime Guinea region.



V. Project Purpose

The purpose of the Project is to increase income of the Union Boora Malé enterprise and its members.

- Average annual net revenue of the Boora Male Union will increase from GNF 142,390,000 actual, to GNF 367,280,000 by year 1, GNF 762,192,000 by year 2, GNF 1,521,870,000 by year 3, GNF 2,743,614,000 by year 4, and GNF 4,583,293,000 by year 5.
- The total income of the Boora Male Union will increase from GNF 875,330 actual to GNF 1,261,331 by year 1, GNF 1,571,257 by year 2, GNF 2,154,856 by year 3, GNF 3,129,472 by year 4, and GNF 4,619,704 by year 5.

VI. Outputs

A. Expanded marketing capacity of Union Boora Malé

1. The annual quantity of hulled rice marketed will increase from 1,239 tons actual to 3,000 tons by year 1, 3,900 tons by year 2, 5,265 tons by year 3, 7,371 tons by year 4, and 10,319 tons by year 5.
2. The annual sales will increase from GNF 1,040,676,000 actual, to GNF 2,520,000,000 by year 1, GNF 3,439,900,000 by year 2, GNF 4,875,917,000 year 3, GNF 7,167,597,000 by year 4, and GNF 10,536,368,000 year 5.

B. Improved managerial and technical capacity of UBM members

1. A sound marketing strategy will be in place by the end of year 1.
2. Regular and accurate financial statements will be produced by the end of each year.
3. Customers (companies or institutions) will increase from one (1) actual to five (5) by year 5 of the project.
4. The number of permanent employees will increase from zero actual to 15 in year 1.

VII. Activities to be Finance under the Grant

A. Rice Collection

UMB will organize the rice collection process around three central storehouses. Members will bring their rice to one of fifteen UMB village storehouses. UMB will transport the rice from the village warehouses to one of three central storehouses located in Koba, Tougnify, and Sangaredi. UMB will transport the rice collected at the three central storehouses to the main storehouse in Kansar for distribution to CBG workers. UMB will leave some of the rice in the Sangaredi storehouse for the CBG workers there.

UMB will use funds provided by this Grant to purchase, operate, and maintain two used trucks needed for the collection operation. In addition, UMB will use operating capital provided under the Grant to buy the rice from its members.

B. Rice Packaging and Storage

UMB will perform the packaging and storage activities at the central storehouses. The Grant provides funds to construct and equip the storehouses, packaging equipment, working capital, and administration of the operation.

C. Marketing

UMB will use national television, national and local radio stations, and brochures to advertise its products. It will also participate in agricultural fairs.

D. Training

UMB will recruit experts to train selected staff in procurement and marketing, cooperative management, financial management, quality control and storing techniques, and HIV/AIDS. CAD will provide standard bookkeeping training.

E. Environmental Assessment

UMB will hire experts to conduct an environmental assessment to measure the impact of the Project on the mangrove and salinity build-up on the rice fields. The experts will work in collaboration with CAD.

VIII. Roles and Responsibilities of the Parties

The Union Boora Mali is responsible for ensuring the proper management and implementation of the Project. The Union will organize its farmer members to ensure that the process for preparing the rice for retailing is executed cost effectively and with efficiency. The ADF Partner in Guinea, Center for Development Support (CAD) will provide UBM with 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.

X. Other Implementation Issues

With the ADF Partner's assistance, UBM will investigate the possibility of using stabilized bricks in the construction of the walls of their storage depots in an effort to promote a more environmentally-friendly technology. CAD will facilitate the introduction of UBM to the BTS Mamou grantee and help determine if this is a technically-appropriate and cost-effective option.

ADF

Grantee