

APPENDIX A:

PROJECT DESCRIPTION

SMALL SCALE PRODUCTION OF SEA SALT

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

For generations, sea-salt producers used mangrove wood to boil seawater for the extraction of salt. This traditional method is time consuming and environmentally detrimental. In 1999, the French non-governmental organization, Charente Maritime, introduced an alternative sea-salt production technique that uses the sun as the source of energy. Sea water is collected in reservoirs then filtered through a series of salt pans where, through evaporation and crystallization, salt crystals are deposited in small salt boxes.

Coopérative d'Exploitation de Sel Marin (CESMACO) is a sea-salt production cooperative established to utilize the new technique. CESMACO is currently producing sea salt from four main sites located near Coyah Town. Over the past four years CESMACO's salt production reached: 117 tons in 2000, 125 tons in 2001, 129 tons in 2002 and 121 tons to date for 2003. However, the group has not been able to reach its full potential due to a lack of capital for additional salt pans, small boats, and infrastructure.

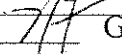

III. Funding

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 Grantee will contribute GNF 39,350,000 in assets: 121 tons of salt in stock, membership fees, local construction materials and unskilled labor for the construction of their saltpans and storehouses.

ADF  Grantee 

IV. Project Goal

The goal of the Project is to contribute to the development of the sea salt production industry in Guinea.

V. Project Purpose

The purpose of the Project is to increase the incomes of the CESMACO enterprise and its members. Specifically, the project will:

- increase the annual net revenue of the Cooperative from GNF 8,398,000 actual to GNF 13,640,000 in year 1, GNF 7,658,000 in year 2, GNF 47,713,000 in year 3, GNF 85,539,000 in year 4, and GNF 126,204,000 in Year 5; and
- increase total annual salary of employees from 12,584,000 to GNF 78,300,000 in year 1, GNF 89,262,000 in year 2, GNF 101,759,000 in year 3, GNF 116,005,000 in year 4, and GNF 132,246,000 in year 5.

VI. Outputs

A. The Project will generate the following major outputs to achieve this purpose:

- increased annual production of iodized salt from 129 tons actual to: 121 tons in year 1; 181 tons in year 2; 272 tons in year 3; 362 tons in year 4; and 453 tons in year 5;
- increased annual sales including revenues from transportation service from GNF 24,200,000 actual to: GNF 78,300,000 in year 1; GNF 117,450,000 in year 2; GNF 179,698,000 in year 3; GNF 243,779,000 in year 4; and GNF 310,818,000 in year 5; and
- establish an efficient and effective management team and develop a sound marketing strategy.

VII. Activities

A. Production

Over the life of the Project, CESMACO's members, using cost-effective and environmentally friendly technology, will construct 25 salt pans at four main sites along the coastline of the Prefecture of Coyah. Ten (10) pans will be constructed in the first year of the Project and 5 in each in years 2 through 4. CESMACO will be responsible for salt collection, transport and storage, at a central storage facility that will be constructed under this Project. At the warehouse the salt will be iodized, packed in 50 kilogram bags and labeled to identify it as a CESMACO product. The salt is then distributed to wholesalers and retailers.

B. Procurement and Marketing

CESMACO will establish a procurement committee responsible for purchasing all production equipment and supplies and for the management of funds provided by the Foundation for the cost of materials and other inputs. Based on the Grantee's annual production plan, the committee will ensure that production materials are purchased on schedule and that equipment is well maintained.

C. Training

CESMACO's members will participate in the following training: (1) improved techniques of salt production; (2) procurement and marketing; (3) cooperative management; (4) financial management; (5) monitoring and assessment; (6) ADF's standard bookkeeping training; and (7) HIV/AIDS education. Technical experts will conduct the training in collaboration with ADF's partner organization, Centre d'Appui au Développement (CAD).

VIII. Roles and Responsibilities of the Parties

CESMACO is responsible for ensuring the proper management and implementation of the Project. The ADF Partner in Guinea, CAD, will provide technical and management assistance to CESMACO 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.

Other Implementation Issues

None.

ADF



Grantee

