

## PROJECT DESCRIPTION

## NIGER

## GALMI ONION PRODUCERS' UNION CAPACITY BUILDING OAG PROJECT

**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 Galmi onion enjoys a good reputation and is consumed throughout West Africa. The high regard for this purple onion extends to neighboring countries where there is a distinct preference for it. The onion grows best in Niger and the Government of Niger encourages its production, sale and export as a revenue source. At present, the market for the onion is not well organized as buyers from other countries simply go to Niger to buy their requirements from various producers. The Union des Cooperatives des Professionnel de la Filiere Onion (UCPFO) represents 18 cooperatives or groups totalling 3,724 onion farmers in the district of Galmi in the Tahoua region. The UCPFO is seeking to increase the income of its members by selling lower cost, bulk-purchased seeds, providing storage space and trading places for its members, and improve farmers' negotiating position in the regional marketplace. The Union was recently founded and lacks experience, management and planning capacity, financial and marketing skills, and an office to conduct business.

**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 make ADF's contribution to exceed the obligated amount specified in Article 3, Section 3.1 of the Agreement.

**B. Grantee Contribution**

The Union will provide three hectares of land in Galmi as its contribution for future construction of an onion trading center. The Grantee will provide the manpower for selling and distributing the seeds to the farmers and will be responsible for all other costs for this project not specifically identified in the ADF budget.

#### IV. Project Goal

The goal of the project is to increase incomes and reduce poverty in the Tahoua area of Niger.

#### V. Project Purpose

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

#### VI. Outputs

##### A. Improved operational and management capabilities:

- Periodic financial statements on cooperative operations
- Re-structuring into a more effective organization by the 12<sup>th</sup> month of the project
- Financial management system and operational manuals produced
- Project staff has successfully implemented the accounting and financial management system by end of the OAG period
- In-depth market study analysis conducted
- A detailed marketing strategy, based on an outside consultant's market study, drafted before the end of the OAG period.

##### B. Sale and distribution of onion seeds

- The ordering, inventorying, selling, and distribution of seeds and collection of revenues as a profit center.
- Reports documenting the profitability and sustainability of the sale of onion seeds to members.

#### VII. Activities

The project will undertake the following activities:

##### A. Onion Seed Sales

The cooperative will use working capital to enable the cooperative to sell onion seeds to members and to generate an operating profit.

##### B. Creation of Office Work Space

The Grantee will rent, and furnish with equipment, furniture and supplies, an office space where the cooperative can conduct its daily business.




### C. Training

UCPFO members will receive training in the following areas:

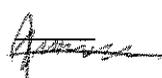
- Bookkeeping (and subsequent refresher training) with each course lasting four days each for the project manager, treasurer, general secretary and two other members.
- Financial management and basic accounting training lasting five days for the chairman, secretary, treasurer, project manager, and two members from each of the 18 constituent cooperatives/groups.
- Business and marketing management training lasting five days for the general secretary, treasurer, project manager, and one person from each of the 18 constituent cooperatives and groups.
- Phyto-sanitary auxillary training (plus subsequent refresher training with each course lasting four days) for two persons from each of the 18 constituent groups.
- Group dynamics training lasting four days for the 7 members of the Board of Directors and 5 members of each of the 18 constituent groups.
- Study tour to Agadez for five days to learn and share experiences on managing an onion trading center with onion producers in that region for the 7 member Board plus the project manager.
- HIV/AIDS awareness training for 3,274 members of the 18 constituent groups over a two day period for each group.

### D. Technical Assistance and Other Assistance

- UCPFO, in collaboration with ADIDB, will hire a technical assistance provider who will gather statistics, and provide expertise sufficient to assess production and markets to develop a successful marketing strategy for the onion cooperative.
- UCPFO, in collaboration with ADIDB, will hire a technical assistance provider who will work closely with the onion cooperative to strengthen its accounting and financial management skills.
- UCPFO will hire an experienced project manager and business advisor.

## VIII. Roles and Responsibilities of the Parties

The Union has primary responsibility for ensuring that the Project activities are properly implemented. Within the Union, the Board of Directors will be the highest decision making body. It will formulate strategies, which includes supervising and coordinating implementation of the Project. ADIDB will provide technical support and guidance.

**IX. Monitoring and Evaluation**

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADIDB the ADF Niger 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.