

PROJECT DESCRIPTION

Gamji Gate Fish Vendors Development Project

Nigeria

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

Gamji Gate KDS Fishermen Cooperative Society (GGKFCS) is a cooperative wholly owned by a group of fishermen, small-scale aquaculturists and fish vendors located at Gamji Gate Fish market in Kaduna metropolis, Kaduna State, in the northern part of Nigeria. The Cooperative sells its fresh and processed fish at both local and regional markets directly to consumers and other major end-users.

There is a considerable increase in demand for fish and other seafood especially among low-income groups in Nigeria. However, domestic production can hardly meet the local market demand which presents GGKFCS with an opportunity. GGKFCS wishes to take advantage of this business opportunity but is constrained by: 1) a lack of modern processing (drying) facilities; 2) a lack of adequate storage (cold room) facilities; 3) erratic power supply and poor access to capital; 4) poor business management and organizational skills; 5) improper accounting and record keeping techniques; and 6) low outputs and poor economic returns.

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 8 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.

B. Grantee Contribution

GGKFCS will contribute the labor of its members and up to Nigerian Naira (NGN) 350,000 to help finance operating costs of the storage (cold room) and processing (drying kiln) facility.

ADF



GGKFCS



IV. Project Goal

The goal of this project is to improve the standard of living for low-income fish farmers and vendors in the northern Nigeria State of Kaduna.

V. Project Purpose

The purpose of the project is to improve GGKFCS' prospects for sustained growth and expansion 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 fish storage and processing services as evidenced by the following:
1. Provision of storage (cold room) services for both members and non-members of the cooperative from a current baseline of zero to a capacity of up to one metric ton per day.
 2. Provision of modern fish processing services for both members and non-members of the cooperative from a current baseline of zero to a capacity of 300kg per day.
- B. Improved management and accounting capabilities as evidenced by the following:
1. The management team routinely utilizes financial documents produced during the Project, such as quarterly bank reconciliations, budget expenditures, profit and loss statements, balance sheets and cash flow statements in making financial and management decisions for The Cooperative.
 2. A functioning and active board of directors meets quarterly to assess management implementation progress and addresses implementation constraints necessary to move the organization forward. In addition, the board convenes the Annual General Meeting (AGM) in accord with its constitution to update members on GGKFCS's on-going activities.
 3. Production of financial statements from the financial and accounting system that include monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, adequate financial controls, accounting procedures, policies and systems that will be capable of being audited by an independent accounting or audit firm.
- C. Improved marketing methods as evidenced by letters of intent with two major end-users such as institutions, industries and hotels/restaurants.

VII. Activities**A. Production Improvement Activities**

1. The Cooperative will establish a storage (cold room) facility with a storage capacity of one ton of fresh fish and other seafood per batch. The cooperative and its members will render modern storage services to members and non-members alike for a fee. Members will be trained in modern storage techniques and industry safe practices at the facility.
2. The Cooperative will establish a fish processing facility. Members will provide their labor at the facility and they will be trained in modern fish processing techniques using modern technologies. They will also learn industry safe practices, especially in proper waste disposal, odor and vermin control. They will also learn how to best address other environmental issues that might arise as a result of their activities.
3. Technical Assistance Providers will train GGKFCS members, the Board of Trustees and the management team in use of modern techniques and equipments for fish processing, proper fish waste disposals, HACCP, environmentally-friendly and industry best practices.
3. A Production/Processing Supervisor will be recruited to supervise activities at the cooperative's facility. He will also train members in environmentally-friendly and industry best practices of fish storage and processing activities at the facility.
4. An environmental consultant will work with the Cooperative members in proper environmentally friendly production techniques. Specifically, the consultant will train members and management staff in vermin control, odor reduction, proper disposal practices of fish waste and spoilt fish and proper handling of fish and fish products. The consultant will also provide environmental monitoring services to the Cooperative during the implementation of the Project.

B. Management and Accounting Improvement Activities

1. GCKFCS will recruit new management personnel, a general business manager, an accountant and a production processing supervisor, to manage certain aspects of the Cooperative's activities under the Project. Current Executive Council members will act as understudies to these professionals to build their own management capabilities.
2. A General/Business Manager will be recruited and have overall management responsibility for the Cooperative's operations.
3. The General Business Manager, with the help of the executives of the cooperative and the management consultant will develop a comprehensive 5-year business plan detailing opportunities for further expansion and sustained profitability. The business plan will include but not be limited to the following:

APPENDIX A

- (a) determine the highest price GGKFCS can charge for its products (dried fish) and services rendered by the cooperative;
 - (b) project the returns on investment;
 - (c) document lessons learned from year one of this EDI Project and from other ADF fish projects particularly in the implementation of industry best practices;
 - (d) explore options for expanding membership of the Cooperative and /or providing benefits to non-members;
 - (e) develop indicators that track benefits to beneficiaries;
 - (f) develop a business strategy for marketing the cooperative's products and services.
 - (g) explore options for additional income generating activities for The Cooperative;
 - (h) evaluate the possibility of exporting processed (dried) fish to international markets;
 - (i) provide an assessment of current market trends as well an analysis of related risks; and
 - (j) any other additional analysis that will prepare the Cooperative for expansion and sustained growth, to be determined during the design process of the business plan and through implementation of this Project.
4. An Accountant will be recruited and will establish and operate The Cooperative's financial systems and will advise the management and Board on the financial status of the organization.
 5. A Consultant will work closely with the accountant and Executive Council understudies to develop appropriate financial accounting procedures, policies and systems that will be documented in a financial systems manual. The Consultant will develop the financial skills of the accountant and understudies and provide training in financial principles to members of the management team, Executive Council and Board of Trustees.
 6. Technical Assistance Providers will train GGKFCS members, the Board of Trustees, and the management team in business principles, monitoring and evaluation techniques, group dynamics, organizational development, and business/entrepreneurship.

7. A Technical Assistance Provider will work with the management team to develop a comprehensive set of organizational policies and procedures, a manual of internal controls and a manual of accounting procedures.

C. Marketing Improvement Activities

The General Business Development Manager, with the aid of a consultant, will develop a market and sales strategy that will focus on the marketing of the storage and processing services to other entrepreneurs in the fish industry. The strategy would also focus on marketing the cooperative's product at the local, regional and international markets.

VIII. Roles and Responsibilities of the Parties

The staff and management of GGKFCS are responsible for the management and the proper implementation of the Project. Diamond Development Initiatives (DDI), ADF's partner in Nigeria, will provide training in the areas of standard ADF bookkeeping, monitoring and assessment. DDI will also provide technical assistance and management assistance during implementation.

IX. Monitoring and Evaluation

ADF's Partner in Nigeria will closely monitor the activities of GGKFCS to ensure proper reporting, adherence to the project implementation plan by The Cooperative and movement towards the achievement of the Project objectives. The Partner will continuously assess risks and take remedial actions as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review ADF's quarterly reports and will submit comments and observations to the management of GGKFCS as part of the on-going performance assessment.

ADF  GGKFCS 


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