

GRANTEE

The Diocko Economic Interest Group (EIG or Diocko) comprises 56 owners of carpentry workshops located in Pikine-Guediawaye, a suburb on the outskirts of Dakar. The owners formed Diocko as a buyers' cooperative in 1995 to address common problems they faced and to promote the development of their businesses. Diocko was legally constituted and registered as an economic interest group with the Dakar Commercial Register on October 11, 1995, under number 95.B.1360.

The project will help EIG increase the productivity, production capacity, and product quality of its members' micro and small enterprises. To this end, the project will: (1) establish a service center to increase its members' access to modern, efficient carpentry technology and equipment; and (2) provide technical, business management, and marketing training to enhance members' capacity to operate their individual workshops.

PROJECT GOALS AND OBJECTIVES

The project's goals are to: (1) establish an economically viable carpentry service center; (2) promote the growth, profitability and competitiveness of the Diocko members' carpentry businesses; and (3) improve the incomes and standard of living of Diocko members, employees, and their families.

The project's objectives are listed below.

- Establish a carpentry service center with a full complement of modern equipment that is accessible to Diocko members for custom machine work by the end of Year 1.
- Improve the technical ability and qualifications of 72 shop foremen and carpenters in industrial drawing, 72 apprentices in tool-making, 72 people in blueprint drawing, 36 artisans in wood sculpture, and 6 workshop owners in business management.
- Reduce production time for orders in the 42 member workshops that have no equipment by 50%, and increase their overall product quality by the end of Year 4.
- Generate annual revenues of at least 45 million CFA (\$69,230) by Year 3 and 55 million CFA by Year 5.
- Generate a capital fund for reinvestment in the project of 35.2 million CFA (\$54,150) by the end of Year 5.

ADF



Grantee



USE OF ADF FUNDS

ADF will provide Diocko a total of 113,285,000 CFA to construct and equip a workshop, provide training and technical assistance, and conduct audits of the grant.

Infrastructure Construction: ADF will provide a total of 31,000,000 CFA to develop a 600 m² workshop site, including a 300 m² shed that will house the production equipment and a storeroom, offices (30 m²), 3 showers, and 3 toilets (12 m²). The funds will also cover construction of a fence, installation and connection of electricity and water, and inspection costs to ensure the technical quality of the construction. The workshop will be constructed on land purchased by the group near the Guediawaye municipal offices.

Equipment: ADF will provide a total of 60,285,000 CFA for purchase and installation of equipment, including 2 molding machines, a set of bits and dies, 2 joint saws, a plane, a lathe, a belt sander, a circular saw, a band saw, a heavy duty plane, a tenon saw, a welder, three sharpeners, a 200-liter compressor, a double grindstone, 5 sprayer pistols, 2 diesel pistols, a computer and printer, and a telephone. EIG will procure brands of machinery that are well known and widely used in Senegal, and for which spare parts and service are readily available.

Training and technical assistance: ADF will provide a total of 19,500,000 CFA to cover a portion of the training costs planned during the project for production techniques (6 six-month sessions, 72 participants), business management (4-three-day sessions, 20 participants), financial management and accounting (3 four-day sessions, 5 participants), monitoring and evaluation (6 participants), and HIV/AIDS prevention (3 six-month sessions, 75 participants). A local NGO will design and supervise the technical training. Local trainers will provide the instruction. A specialized local institution will provide the training in HIV/AIDS awareness and prevention.

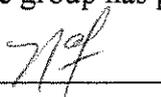
Audit: The Foundation will provide 2,500,000 CFA to cover audit costs during and after the project.

GROUP CONTRIBUTION

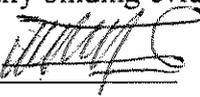
Diocko will contribute a total of 15,000,000 CFA to the project, including 9,150,000 CFA for the purchase of a 600m² plot for construction of the workshop, and 6,000,000 CFA for operating capital to initiate the project. Diocko will also reinvest up to 63,000,000 CFA from its net cash flow in community projects over the life of the project.

Diocko is currently in the process of purchasing the site where the service center will be constructed. ADF will withhold disbursement of any funds for construction or equipment until the group has provided legally binding evidence that it owns the site.

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PROJECT DESCRIPTION

This project will help Diocko's members increase the production capacity and quality of their workshops and improve the professional qualifications of their carpenters and apprentices. It will establish for the members a fully equipped carpentry service center to help them overcome a major obstacle to income growth – access to modern and efficient production equipment. It will also improve members' access to training resources.

The production equipment available to members through the service center will include a band saw to cut heavy planks, a plane to shave wood pieces to the proper dimensions, a heavy plane to straighten bent or warped planks, special saws to cut various joints, a molding machine to produce designs, a circular saw for plywood, a lathe for sculpting, a belt sander for rough sanding, a variety of finishing and maintenance tools (welder, sharpeners, compressor and paint guns), and an exhaust fan to remove and collect sawdust from the work area. The group may purchase high quality second-hand or reconditioned machinery, rather than new machinery.

Diocko will recruit a manager to oversee the day-to-day operations of the center (under the supervision of the group's management committee), a shop foreman and 5 machine operators (to be hired from among employees from the members' workshops), a cashier, and two guards. The group will choose the management committee from among the best-qualified and available members. The committee will have responsibility for monitoring and overseeing the operations of the center. The center will offer services to members on a first-come-first served, cash basis. Equity in the center will be apportioned equally among the members. The center will provide services to non-members when machines are available.

The project includes a technical training package for workshop foremen and qualified carpenters. Also, the management of the center and six owners of member workshops will participate in business and financial management and accounting training. In addition, the center will provide training for at least 6 apprentices at any given time.

In order to facilitate the financial management of the project, Diocko will open three interest-bearing bank accounts in addition to the account to receive ADF funds. One account will receive all income generated by the project before funds are allocated for various expenses. A second account will receive regular monthly or quarterly deposits for equipment replacement. A third account will receive regular quarterly deposits for community reinvestment activities.

As part of ADF's overall efforts to coordinate with other organizations for the promotion of AIDS awareness, the grant includes funds for the group to obtain HIV/AIDS awareness training.

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