

**APPENDIX A:
PROJECT DESCRIPTION**
Women in Nigeria (Bauchi) Micro-credit 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

Poverty is pervasive among the women with whom Women in Nigeria – Bauchi Chapter (WIN-B) works. Their sole source of income typically comes from activities they can undertake at home. There is also low level of literacy among the women. Most women have rudimentary skills in some income generating activities that, if exploited, could raise their economic and social status. Additionally, women need access to funds to engage in such ventures.

WIN-B provides micro-loans to raise women's economic and social well-being, but it does not have adequate funds to meet the loan needs of its existing clients, not to mention the demand from new women groups. In 2002, WIN-B was able to give loans to only 14 client groups with 271 women, which is about 25 percent of its total client groups and less than 15 percent of their women members. Clearly, there is a large unmet need for the kinds of services that WIN-B provides to poor rural women.

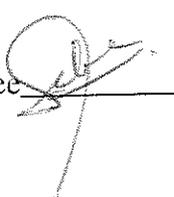
III. Funding

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 provide credit funds that it already has available or will be collecting from over the life of the project (estimated N1,600,000) and will cover various operating costs, including the salaries of loan officers and a financial and administrative officer (second through fifth years of the project), and a driver after a vehicle is procured under the project. The Grantee will also fund monitoring costs after the first year and miscellaneous operating costs. The total estimated value for these items during the project is N5,290,000.

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IV. Project Goal

To improve the socio-economic status of poor rural women in WIN-B's target areas of Bauchi State.

V. Project Purpose

To increase income of poor rural women in Bauchi State. Participants income will increase:

- 10% in the 1st year of participation;
- 10% additional in the 2nd year of participation;
- 10% additional in the 3rd year of participation;
- 15% additional in the 4th year of participation; and
- 15% additional in the 5th year of participation.

VI. Outputs

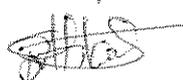
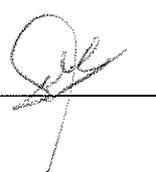
The five-year project has the following outputs and performance targets:

- Access to credit increased for poor rural women in Bauchi State, as measured by:
 - size of accessible loan increased from N5,000 to N7,000;
 - 2,040 first-time borrowers (90 in 1st year; 120 in 2nd year; 450 in 3rd year; 1,380 in 4th year);
 - 10,000 loans extended (700 in 1st year; 1,500 in 2nd year; 1,500 in 3rd year; 3,600 in 4th year; and 2,700 in 5th year).
- Skills enhanced of participating entrepreneurs in micro-credit and enterprise management, as measured by:
 - 136 new group leaders trained in loan management and book-keeping (6 in 1st year; 8 in 2nd year; 30 in 3rd year; 92 in 4th year);
 - 68 new group leaders trained in business management and leadership (3 in 1st year; 4 in 2nd year; 15 in 3rd year; 46 in 4th year);
 - group leaders maintaining loan records of members; and
 - entrepreneurs maintaining their own business records.
- WIN-B's operational efficiency and effectiveness improved, as measured by:
 - 98% loan recovery each year of the project;
 - operational sustainability attained by end of 1st year and maintained annually thereafter through end of project;
 - full financial sustainability attained by end of project;
 - WIN-B staff produce quarterly financial reports and auditable annual statement, as well as quarterly loan repayment and aging reports; and
 - Loan officers make bi-monthly visits to every group.

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VII. Activities

The following specific activities will be carried out under the project.

1. **Loan Fund.** WIN-B will introduce two new loan products that fit better the needs of its clients, with an administrative fee that enables the Grantee to make the credit program sustainable. ADF funds will enable WIN-B to increase access to credit by capitalizing its loan fund.
2. **Training and Technical Assistance.** In order to strengthen WIN-B's credit management capacity, the project will include:
 - the addition of three new staff members (two loan officers and a finance and administrative officer), with funding for the first twelve months of salary;
 - training of officers and staff in loan management and financial management ;
 - training of board members in leadership skills;
 - training of the loan officer and account officer in word processing and spreadsheet applications to manage the project and loan portfolio;
 - developing and printing a loan policy document and additional loan and savings documents;
 - procuring Loan Performer software and providing training to the accountant and senior loan officer for credit portfolio management;
 - holding semi-annual workshops with other ADF micro-credit grantees to share experiences, best practices and innovations in the field;
 - acquisition of relevant office equipment and furniture;
 - monthly technical assistance in loan management, financial management and record-keeping during the first year of the project ; and
 - loan monitoring, project evaluation and auditing of organization's accounts and other basic operational expenses.
3. **Member Services.** The project will provide training to new group leaders in basic loan management, financial record-keeping, business management and leadership.

VIII. Roles and Responsibilities of the Parties

The Executive Council (EXCO) will conduct general oversight of the project, while actual execution, under the direction of the Coordinator, will be shared as follows:

- The eight-person project micro-credit management/implementation committee, which is composed of officers who volunteer part-time and the head loan officer, will provide overall planning and management of the project. It will also screen, process all loan applications and loans disbursements. The committee will assist the loan officers in regular loan monitoring and collection.
- The head loan officer will have primary responsibility for day-to-day management of micro-credit activities under the supervision of WIN-B's Coordinator and Executive Council. She will be assisted by a second loan officer to be hired during the second year of the project. (Two more loan officers would be hired for the expansion planned during the later years).
- The loan officers will conduct regular loan monitoring and will be supported by the project management and implementation committee.

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- The finance and administrative officer will be responsible for all the financial and accounting activities of the project.
- The Participatory Project Monitoring and Evaluation Committee (PPMEC), composed of four WIN-B officials and eight representatives of women client groups, will be responsible for quarterly participatory project monitoring and annual project evaluation.
- Group leaders will provide training to members, monitor the loans of the beneficiaries, and collect loans at their individual group's level.
- Elected officials of WIN-B will support the project staff as the need arises.

Limited outside experts or facilitators will be utilized for discreet activities, including conducting the identified staff training programs, developing loan and financial record-keeping systems, and providing periodic technical assistance to WIN-B on installing and maintaining new management systems.

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 evaluation committee composed of a representative cross-section of the Grantee's organization. The committee will work with the Partner to develop the project monitoring plan. In addition, during implementation, the committee will ensure that the project follows the implementation plan, and that problems identified through monitoring and evaluation are addressed in a timely manner.

The loan officers, with support from members of the micro-credit implementation committee, will monitor the project regularly. They will conduct one visit every two months to the client groups and women beneficiaries to monitor the performance of the groups and individual beneficiaries.

The twelve-member project monitoring and evaluation committee (PPMEC) will conduct quarterly project monitoring visits to the groups and undertake an annual assessment of the project. To ensure effectiveness and efficiency in carrying out their work, the PPMEC will be divided into four teams of three members each. Each team will cover two of WIN's eight target LGAs. One member of the committee will be charged with the responsibility of coordinating the activities of the committee and she/he will be the principal contact person for monitoring and evaluation of the project.

The PPMEC will assess overall impact and progress of the project in terms of the following:

- Savings and loans activities of the client in terms of the loan administration and management, savings services conducted, record keeping
- Loan repayment progress and problems
- Group cohesion and management
- Enterprise management
- Relevance of training on client's enterprise

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The loan officer will produce a report for each bi-monthly monitoring visit, and the PPMEC will do the same for each quarterly project monitoring visit. WIN-B will follow-up on all necessary remedial actions.

ADF will engage an external consultant to conduct a project performance assessment 18 months into the project. An impact evaluation will be conducted at the end of the project. The focus will be on assessment of the quality of life of the beneficiaries, adequacy of the credit facility in terms of size and products with reference to demand, the quality and relevance of training in relation to the needs of beneficiaries and the efficiency of the organization's credit administration. WIN-B's monitoring reports, its progress reports to ADF, and individual client data gathered with the new loan impact assessment tool will be used in this final evaluation.

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