

**APPENDIX A:  
PROJECT DESCRIPTION  
Shea Butter Processing and Marketing 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**

GIE K2M La Maison du Karité (the "Company" or "Grantee") was legally constituted on 4 June 2003 as an Economic Interest Group. The Company is a leader in cosmetic shea butter products. The Company presently sells out of one store front and distributes to independent purchasers such as the National Orthopedics Center. The Company sees additional unmet demand for its products and would like to expand its operations and to add another storefront. In order to expand, however, the Company must first strengthen its planning, management, and marketing capacity.

**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 the time and labor of its management team and employees to the Project.

**IV. Project Goal**

The goal of the Project is to promote employment growth and income enhancement for the poor in Senegal.

**V. Project Purpose**

The purpose of the Project is to improve the Grantee'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. Organizational and management capacity strengthened as demonstrated by a comprehensive five-year business plan that:
1. assesses the market potential for the Company's products;
  2. determines a strategy to promote the Company's products;
  3. identifies and compares effective sales and distribution strategies; and
  4. assesses the Company's production capacity and presents a strategy for responding to market demand including supply chain and production process improvements.
- B. Project targets are achieved (according to the implementation plan) and the following outputs are attained:
1. A qualified business manager, a professional accountant, and an assistant accountant hired;
  2. Basic accounting software and needed computer equipment installed;
  3. Registration under OAPI (*Organisation Africaine pour la Propriété Intellectuelle*) completed in the name of the Grantee of the Company's intellectual property, including the formulae for the three main products and the three main trademarks;
  4. Brochures produced in multiple languages for the export market;
  5. A new show room and selling point established;
  6. A new mill implemented with improved production speed and quality;
  7. Performance reports prepared in a timely manner; and
  8. Effective production and supply processes established.

## VII. Activities

The Company will undertake the following major activities.

- A. Developing an effective business and marketing plan.

The Company will:

- work with a consultant to create a business plan containing a market study and a marketing strategy with market validations;
- test a new and wider product show room and selling point with new presentation shelves;
- register under the OAPI in the name of the Company its intellectual property including the formulae for the three main products and the three main trademarks; and
- translate and print its marketing materials for the export market.

- B. Upgrading its accounting and financial system in order to ensure compliance with donor and investor management reporting requirements.

The Company will:

- hire a qualified business manager, chief accountant, and assistant accountant;
- receive technical assistance in accounting and financial statements; and
- acquire basic accounting software and additional computer equipment.

C. Introducing new production techniques.

The Company will:

- improve its production processes and outcomes through the acquisition and use of a new mill;
- improve the shape of soaps and the presentation of all products;
- receive technical assistance on equipment needs and uses; and
- receive technical assistance on packaging and labeling.

**VIII. Roles and Responsibilities of the Parties**

The recruited staff and designated leadership of the Company are responsible for the management and the proper implementation of the Project. CONSULTANTS ASSOCIES, the ADF's acting partner in Senegal or the contracted partner, will provide training in the areas of management, ADF reporting, corporate and cooperative governance, and business planning. CONSULTANTS ASSOCIES or the contracted partner will also provide technical assistance to the members and leadership in those areas.

**IX. Monitoring and Evaluation**

Within sixty days of the effective date of this Agreement, the Grantee will form a monitoring and assessment committee composed of a representative cross-section of the Grantee's organization. The committee will develop a 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.