

APPENDIX A

PROJECT DESCRIPTION

Mali Promotion of the Exportation of Ami Guindo Textile Company, Limited Dye Products

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

Over the last ten years, the five women who comprise the Ami Guindo Textile Company, Limited (Ami Guindo) have established themselves as leading producers of high quality dyed textiles. Ami Guindo exports most of its products to other countries in west Africa (Nigeria, Benin, Togo, Senegal, Côte d'Ivoire, Guinea, Niger), Central Africa (Gabon, Congo Brazzaville), Europe (Germany, France, Italy, Switzerland), Saudi Arabia, and the United States of America.

Ami Guindo's growth rate has been impressive. Currently, it is unable to meet demand for its products due primarily to a lack of space to house its production equipment properly, inadequate transport to obtain supplies of raw materials and distribute its finished products, poor access to quality packaging materials, and inadequate operating capital.

III. Financial Plan

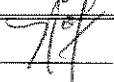
A. ADF Contribution

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.

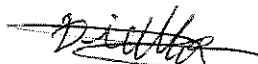
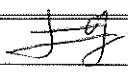
B. Grantee Contribution

Ami Guindo will provide the land for Project construction valued at approximately 7,600,000 FCFA. It will contribute existing assets (production equipment, an equipped salesroom in Bamako Coura) valued at approximately 18,482,990 FCFA. In addition, the group contribute up to approximately 9,910,500 FCFA to finance the construction of a drying space on the production site (approximately 500,000 FCA) in the first year of the project; the construction of outbuildings composed of a kitchen and a rest home in the first and second years of the Project (approximately 3,750,000 FCFA); the fencing of the 600 m2 plot of land (approximately 2,750,000 FCFA) in the first year of the Project; the acquisition of exhibit materials and the salesroom rehabilitation (approximately 1,750,000 FCFA) in the first year of the Project; and the purchase of small tools and the office and the watchman's house furnishing, (approximately 1,160,500 FCFA) in the first year of the Project.

ADF



Grantee



IV. Project Goal

The goal of the Project is to improve the living conditions of Ami Guindo's members and employees.

V. Project Purpose

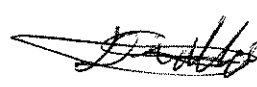
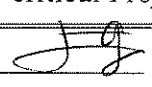

The purpose of the Project is to increase Ami Guindo's net income and its employees' incomes, as measured by the following.

- A. The enterprise's net revenues increases from the current level of 11,301,800 FCFA to 11,920,038 FCFA in year I; 27,195,926 FCFA in year II; 37,197,698 FCFA in year III; 42,745,124 FCFA in year IV; and 43,033,393 FCFA by the end of the Project.
- B. Employees' average annual incomes derived from the enterprise increases from the current level of 743,571 FCFA to 733,065 FCFA in year I; 797,606 FCFA in year II; 871,352 FCFA in year III; 961,601 FCFA in year IV; and 1,057,563 FCFA in year V.

VI. Project Outputs

The Project will generate the following major outputs in order to attain its purpose.

- A. Tie dye product sales increased, as measured by the following.
 - 1. The enterprise's production and marketing capacity increases from the current level of 1,174 coupons (all types taken into account) per year to 1,710 coupons in year I; 2,350 coupons in year II; 2,840 coupons in year III; and 2,900 coupons per year in years IV and V.
 - 2. Annual turnover increase from the current level of 93,830,000 FCFA to 129,349,680 FCFA in year I; 184,516,184 FCFA in year II; 231,463,382 FCFA in year III; 245,334,885 FCFA in year IV; and 254,657,611 FCFA in year V.
- B. Technical and management capacity strengthened, as measured by the following.
 - 3. By year II, the enterprise will be able to support its 28 current employees on a permanent full-time basis and will add 3 new full-time permanent employees.
 - 4. The group will produce monthly profit and loss statements in year I and thereafter.
 - 5. The enterprise will establish a Project performance monitoring plan in year I; data will be collected, analyzed, and reported every four months on critical Project indicators, thereafter.



6. The enterprise will establish a business plan in year I and update it at least annually.

VII. Activities

A. Production and Marketing

The Project will enable Ami Guindo to increase its processing capacity and productivity through the construction of adequate working facilities and procurement of appropriate equipment. This will permit the Grantee to produce at full capacity, ensure healthy working conditions for its employees, and meet all hygiene standards for production of quality products.

Ami Guindo will use ADF funds to construct:

- a shed of 90 m² that will shelter the spaces for soaking – fastening – marking and ironing;
- a store-room of 30 m² for raw materials;
- an office of 20 m²;
- a lodging of 20 m² for the watchman;
- a sunk well and a water tower of 6 m³; and
- toilets and a cesspool to collect wastewaters.

The Grantee will ensure that a fence is built around the entire Project site, the necessary utilities (water, electricity, telephone) are installed, blueprints for construction are prepared, and construction supervision and inspection are provided to the Project.

Ami Guindo will use ADF funds to purchase a generator set of 4 KVA for the electric network's supply; a PETROLA electric pump for the pumping of water from the well to the water tower, a new delivery van vehicle for the transportation of the staff and the raw materials, and a multimedia personal computer with an unlimited power supply (UPS) and printer.

ADF will provide initial operating capital to fund the following: (1) raw materials composed of 9 bales of bazin, colorants, soda, candles and various inputs; (2) fees for the Project vehicle's registration and insurance; (3) six-month supply of fuel and lubricant for the Project vehicle and the generator; (4) maintenance and various repairs for the first year of the Project; (5) communication costs including the telephone, fax, postage, the Internet connection for the first year of the Project; and (6) the costs for advertisement and bank charges for the first year of the Project.

The Project will enable the Grantee to improve the appearance and quality of its products by improving processing techniques and hygiene. In addition, the Project will enable the Grantee to improve the graphic quality of its tie-dye products.

Ami Guindo will consolidate its market position with a more aggressive advertising strategy. The group will conduct a limited television and radio advertising campaign and distribute promotional materials (t-shirts, bags, etc.) to promote its products locally.

B. Training and Technical Assistance

The Project will provide the Grantee appropriate business management training, including personnel management, financial management and accounting, administration, and marketing training. The Project includes on-site follow-up technical assistance, particularly in marketing and financial management to ensure that Ami Guindo adopts and masters appropriate management systems.

ADF's Partner in Mali, AED-Sahel, will help the Grantee establish a performance monitoring system that will provide management with appropriate information for decision-making and monitor its progress toward Project objectives. An external auditor will conduct an audit during the Project.

The ADF Partner will assist the Grantee in hiring of a business manager during the first quarter of the Project. The business manager will provide the Grantee full-time, on-site assistance to meet ADF's reporting, financial management, and procurement requirements.

VIII. Roles and Responsibilities of the Parties

Ami Guindo is responsible for ensuring the proper management and implementation of the Project. Ami Guindo will hire a financial manager to oversee the day-to-day activities of the Project. The ADF Partner will provide Ami Guindo technical and management assistance during the implementation of the Project.


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 assessment committee composed of a representative cross-section of the Grantee's organization. The committee will work with the Partner to 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.

X. Other Implementation Issues

Ami Guindo will establish three bank accounts: (a) an account to manage reinvestment funds; (b) an account to receive ADF funds; and (c) a current account. Ami Guindo will use the reinvestment account to receive regular deposits for equipment replacement and reserves to acquire additional equipment, construct a headquarters, or undertake other activities. It will make deposits to the account on a quarterly basis (at a minimum), beginning as soon as the Grantee's member groups receive their new equipment or start managing the new facilities, whichever comes first.

Ami Guindo will provide ADF with a profit-sharing plan before begins construction of the new production facility begins. The profit-sharing plan will describe how the Grantee will share benefits with non-member employees, when the enterprise generates sufficient net income for the distribution of dividends to its members.

ADF  Grantee 