

**APPENDIX A
PROJECT DESCRIPTION
BBWCC BUYER LINKAGE 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

Baskets Weavers Co-operative Club's (BBWCC) members are skilled artisans capable of producing high quality straw products for export. They weave to buyer requests for specific size, style and color according to the season or colors currently in-vogue in an export market. BBWCC, however, lacks the management capability to be proactive in identifying export markets, produce to export standards, and develop product designs that appeal to western consumers. Therefore, BBWCC's export marketing strategy has been reactive, generally consisting of ad hoc interactions with buyers. Because of their high cost of inputs and their lack of control of the distribution channel, BBWCC's members also earn low margins on their products.

There is an immediate market opportunity for BBWCC to develop a more stable export market through selling its products to an international buyer. This opportunity has resulted from ADF's new pilot initiative called the Buyer Linkage Program (BLP) which is a focused program aimed at connecting suppliers especially in the handicraft sector to a wide range of suitable buyers.

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 make ADF's contribution to exceed the obligated amount specified in Article 3, section 3.1 of the Agreement.

B. Grantee Contribution

BBWCC will contribute the Ghanaian cedi equivalent of USD543 towards its working capital requirements.

IV. Project Goal

The goal of the project is to improve the socio-economic conditions of the poor in Ghana, especially for women and other marginalized groups.



V. Project Purpose

The purpose of this project is to increase the incomes of BBWCC and its members derived from the export and domestic sale of their straw products, as indicated by the following:

- BBWCC's net income will improve from a \$721 deficit in year 0, to \$3,896 in year 1, \$4,468 in year 2, and to \$7,000 in year 5.
- The income of members from their weaving activities will increase from zero before project implementation begins to \$16 in year 1, and to \$24 by year 5.

VI. Project Outputs

The expected outputs from the project areas follows.

A. Increased capacity of BBWCC to produce market-quality baskets:

- production output will increase from 3,000 baskets in year 0 to 7,000 in Year 1 to 7,700 in Year 2, to 8,450 in Year 3, to 9,316 in Year 4 to 10,249 in year 5; and
- revenue from the sell of baskets will increase from \$11,413 in year 0 to \$55,805 in year 1, to \$63,295 in year 2, \$71,790 in Year 3, to \$81,428 in Year 4 to \$92,361 in year 5.

B. Improved operational efficiency:

- By year 5, unit production costs will decline by XXX percent (NB: see sec 4.3 of PP);
- By year 5, BBWCC's capacity utilization will increase from approximately 8 percent to XXX percent (NB: See sec. 4.3 of PP)

VII. Major Activities to be financed under the Agreement

A. Production

Over the five-life life of the project, BBWCC plans to increase it production of baskets by 130 percent. To help reach this goal, BBWCC will contract for the expertise of Aid to Artisans Ghana (ATAG). ATAG will assist BBWCC with its production planning, timely delivery of orders, organization of the production process, pre-production training, on-site supervision, and quality control. Specific production improvement activities will include re-organizing weavers to work in groups at craft centers, bulk purchase of straw during the peak season to reduce input cost and ensure continuous production, and establishment of a straw farm to reduce production cost.

BBWCC will undertake the necessary actions to ensure the safety of its member. These action will include, but are not limited to, maintaining a first aid kits and fire extinguishers and production centers, training in the use of the kits and extinguishers, and undertake an environmental impact evaluation of the chemical dyes, fungicides, and pesticides used in production.



B. Market Development

BBWCC will contract ATAG to develop a marketing plan and undertake promotional activities in order to attract buyers.

C. Internal Systems Improvement

BBWCC will establish financial management systems to ensure proper costing, inventory management, record keeping and reporting.

D. Training

BBWCC will provide training to its members in production planning, quality control and financial management.

E. Organizational Plan Development

BBWCC will develop a comprehensive business and organizational plan to enhance its business capabilities. An evaluation on environmental impact of chemical dyes and chemicals to be used on the straw farm will form part of the plan.

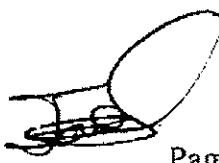
VIII. Roles and Responsibilities of the Parties

ADF's Partner, INPRODEC will provide the necessary Standard ADF training in bookkeeping, monitoring and assessment.

BBWCC is responsible for ensuring the proper management and implementation of the Project. The ADF Partner in Ghana, INPRODEC will provide BBWCC with technical and management assistance during the implementation of the project.

IX. Monitoring and Evaluation

INPRODEC will closely monitor the activities of the BBWCC to ensure proper reporting, adherence to the project implementation plan by the Grantee and movement towards the achievement of project objectives. INPRODEC will continuously assess the project risk and take remedial actions as needed. Monitoring by INPRODEC will be an important aspect of the ongoing coaching and advisory service. INPRODEC will review BBWCC's quarterly reports and will submit comments and observations to the management of BBWCC as a part of the annual project evaluation. The two organizations will jointly design the evaluation process and BBWCC will incorporate the findings of the evaluation into their annual report.



**APPENDIX A
PROJECT DESCRIPTION
BBWCC BUYER LINKAGE 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

Baskets Weavers Co-operative Club's (BBWCC) members are skilled artisans capable of producing high quality straw products for export. They weave to buyer requests for specific size, style and color according to the season or colors currently in-vogue in an export market. BBWCC, however, lacks the management capability to be proactive in identifying export markets, produce to export standards, and develop product designs that appeal to western consumers. Therefore, BBWCC's export marketing strategy has been reactive,. Generally consisting of ad hoc interactions with buyers. Because of their high cost of inputs and their lack of control of the distribution channel, BBWCC's members also earn low margins on their products.

There is an immediate market opportunity for BBWCC to develop a more stable export market through selling its products to an international buyer. This opportunity has resulted from ADF's new pilot initiative called the Buyer Linkage Program (BLP) which is a focused program aimed at connecting suppliers especially in the handicraft sector to a wide range of suitable buyers.

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 make ADF's contribution to exceed the obligated amount specified in Article 3, section 3.1 of the Agreement.

B. Grantee Contribution

BBWCC will contribute the Ghanaian cedi equivalent of USD543 towards its working capital requirements.

IV. Project Goal

The goal of the project is to improve the socio-economic conditions of the poor in Ghana, especially for women and other marginalized groups.

V. Project Purpose

The purpose of this project is to increase the incomes of BBWCC and its members derived from the export and domestic sale of their straw products, as indicated by the following:

- BBWCC's net income will improve from a \$721 deficit in year 0, to \$3,896 in year 1, \$4,468 in year 2, and to \$7,000 in year 5.
- The income of members from their weaving activities will increase from zero before project implementation begins to \$16 in year 1, and to \$24 by year 5.

VI. Project Outputs

The expected outputs from the project areas follows.

A. Increased capacity of BBWCC to produce market-quality baskets:

- production output will increase from 3,000 baskets in year 0 to 7,000 in Year 1 to 7,700 in Year 2, to 8,450 in Year 3, to 9,316 in Year 4 to 10,249 in year 5; and
- revenue from the sell of baskets will increase from \$11,413 in year 0 to \$55,805 in year 1, to \$63,295 in year 2, \$71,790 in Year 3, to \$81,428 in Year 4 to \$92,361 in year 5.

B. Improved operational efficiency:

- By year 5, unit production costs will decline by XXX percent (NB: see sec 4.3 of PP);
- By year 5, BBWCC's capacity utilization will increase from approximately 8 percent to XXX percent (NB: See sec. 4.3 of PP)

VII. Major Activities to be financed under the Agreement

A. Production

Over the five-life life of the project, BBWCC plans to increase it production of baskets by 130 percent. To help reach this goal, BBWCC will contract for the expertise of Aid to Artisans Ghana (ATAG). ATAG will assist BBWCC with its production planning, timely delivery of orders, organization of the production process, pre-production training, on-site supervision, and quality control. Specific production improvement activities will include re-organizing weavers to work in groups at craft centers, bulk purchase of straw during the peak season to reduce input cost and ensure continuous production, and establishment of a straw farm to reduce production cost.

BBWCC will undertake the necessary actions to ensure the safety of its member. These action will include, but are not limited to, maintaining a first aid kits and fire extinguishers and production centers, training in the use of the kits and extinguishers, and undertake an environmental impact evaluation of the chemical dyes, fungicides, and pesticides used in production.

B. Market Development

BBWCC will contract ATAG to develop a marketing plan and undertake promotional activities in order to attract buyers.

C. Internal Systems Improvement

BBWCC will establish financial management systems to ensure proper costing, inventory management, record keeping and reporting.

D. Training

BBWCC will provide training to its members in production planning, quality control and financial management.

E. Organizational Plan Development

BBWCC will develop a comprehensive business and organizational plan to enhance its business capabilities. An evaluation on environmental impact of chemical dyes and chemicals to be used on the straw farm will form part of the plan.

VIII. Roles and Responsibilities of the Parties

ADF's Partner, INPRODEC will provide the necessary Standard ADF training in bookkeeping, monitoring and assessment.

BBWCC is responsible for ensuring the proper management and implementation of the Project. The ADF Partner in Ghana, INPRODEC will provide BBWCC with technical and management assistance during the implementation of the project.

IX. Monitoring and Evaluation

INPRODEC will closely monitor the activities of the BBWCC to ensure proper reporting, adherence to the project implementation plan by the Grantee and movement towards the achievement of project objectives. INPRODEC will continuously assess the project risk and take remedial actions as needed. Monitoring by INPRODEC will be an important aspect of the ongoing coaching and advisory service. INPRODEC will review BBWCC's quarterly reports and will submit comments and observations to the management of BBWCC as a part of the annual project evaluation. The two organizations will jointly design the evaluation process and BBWCC will incorporate the findings of the evaluation into their annual report.