

**APPENDIX A
PROJECT DESCRIPTION
ADIARA COTTON-LACE PRODUCTION AND MARKETING
MALI**

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 Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

Adiara Couture (“Adiara”) is a sole proprietorship in Bamako specializing in haute couture and lace marketing. Currently, there are no producers of lace in Mali, and Adiara Couture must import lace for its own dressmaking workshop. Given the greatly increased demand in Mali for better quality lace, Adiara Couture decided to expand by including lace production in its activities. Its customers will include major dressmaking workshops in Bamako and other parts of Mali, as well as in neighboring countries

III. Funding

A. USADF Contribution

The financial plan for USADF’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 USADF’s contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

B. Adiara Contribution

Adiara will contribute F CFA 53,361,000 for construction, equipment transport, and working capital. Adiara will also contribute the time and labor of its staff and management team to the Project, as well as existing facilities and equipment.

IV. Project Goal

The goal of this investment is to improve the standard of living for citizens in Bamako and elsewhere in Mali, particularly women working in clothing and lace production.

V. Project Purpose

The purpose of this investment is to enable Adiara Couture to increase its income, the salaries of its workers, and its contributions to the Dressmakers' Association, as indicated by the following:

- A. Adiara's expanded net income (before depreciation and taxes), from a baseline of CFA 26,051,334 to:

Year I - CFA 42,418,000;
Year II - CFA 43,243,000;
Year III - CFA 64,889,000;
Year IV - CFA 73,310,000; and,
Year V - CFA 78,657,000.

- B. Increased salaries to workers, from a baseline of CFA 15,120,000 to:

Year I - CFA 28,950,000;
Year II - CFA 40,896,000;
Year III - CFA 44,292,000;
Year IV - CFA 47,253,000; and,
Year V - CFA 47,598,000.

- C. Adiara will distribute profits from its increased revenues to its workers, from a baseline of zero to:

Year I - CFA 1,220,900;
Year II - CFA 1,062,150;
Year III - CFA 1,994,450;
Year IV - CFA 2,415,500; and,
Year V - CFA 2,682,850.

- D. Contributions from Adiara's profits will be distributed to the Dressmakers Association (Bamako Commune II) credit fund, from a baseline of zero to:

Year I - CFA 1,220,900;
Year II - CFA 1,062,150;
Year III - CFA 1,994,450;
Year IV - CFA 2,415,500; and,
Year V - CFA 2,682,850.

VI. Outputs

Adiara will add and expand capacity to produce high quality lace, as indicated by the following:

- A. Increased revenues from a baseline of zero to:
- Year I – CFA 227,500,000;
 - Year II - CFA 271,050,000;
 - Year III - CFA 320,035,000;
 - Year IV – CFA 342,730,000; and,
 - Year V – CFA 363,610,000.
- B. Increased total production of lace (both ordinary lace types 1 and 2 and open-work lace types 1 and 2) from a baseline of zero to:
- Year I - 7,500 units;
 - Year II - 9,000 units;
 - Year III - 11,250 units;
 - Year IV - 11,700 units; and,
 - Year V - 12,000 units.
- C. The current level of 38 employees will increase with the addition of 23 new full-time workers and 2 new part-time workers over the life of the Project.
- D. Adiara will improve its fiscal and social responsibility as demonstrated by its compliance with the Re-Investment Commitment Schedule set forth in Appendix A-2 to this Agreement, as follows:
- Year 1 - zero;
 - Year 2 – CFA 14,615,475;
 - Year 3 - CFA 29,916,740;
 - Year 4 - CFA 36,232,410; and,
 - Year 5 - CFA 40,235,375.

VII. Major Activities To Be Financed Under The Agreement

A. Production

Adiara intends to expand its production of high-quality lace. To this end, this Project will enable the company to acquire a new plant and efficient technology through the acquisition of equipment. In addition, the Project provides training to Adiara's staff in the production process, focusing on areas such as choice of raw materials, production flow, and quality control.

B. Management Improvements

Staff and the executive officers will be trained in accounting and management to improve the company's internal accounting systems.

C. Marketing

Adiara will hire a marketing expert to train Adiara's management and a new marketing officer. The expert will provide training in pricing, competition, supply chain management, and client relations. The expert will design a marketing strategy and assist the company in implementing it during the life of the Project.

VIII. Roles and Responsibilities

USADF's Partner in Mali will provide the necessary standard USADF training in bookkeeping, monitoring and assessment. Adiara is responsible for ensuring the proper management and implementation of the project. The USADF Partner in Mali will provide Adiara with technical and management assistance during implementation.

IX. Monitoring and Evaluation

While Adiara has the primary responsibility for monitoring the project, the USADF Partner will closely review Adiara's reporting and adherence to the project implementation plan to quickly identify and address any problems. The USADF Partner will monitor quarterly reports and provide feedback to Adiara as part of the Project evaluation process.