

## PROJECT DESCRIPTION

### Production and Marketing of Traditional Art Capacity Building – SOPRAT 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 this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

#### II. Background

The Timbuktu Arts and Craft Promotion Company (“SOPRAT”) is a limited liability company created in May 2007, by fourteen associations of craftsmen residing in Timbuktu. The individual craftsmen who are members of these associations are engaged in such trades as traditional joinery, jewelry-making, foundry works, manufacturing of leather goods, tanning, and shoe-making. SOPRAT supports its members’ production activities but is not itself a producer. Its goal is to promote traditional arts and crafts in order to meet the demand of the more than 5,000 tourists who visit Timbuktu annually and thereby help reduce poverty among its members. It seeks to generate profits, and eventually to become an autonomous enterprise that would sell raw materials to its members, subcontract with members for their products, and provide a wood joinery service.

SOPRAT, however, faces significant constraints to expanding its business and becoming profitable. It lacks an acceptable accounting system, a commercial strategy, a strategic development plan, and trained professional staff.

#### 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. SOPRAT Contribution

SOPRAT will contribute qualified staff, whom it will recruit before undertaking other activities.

#### IV. Project Goal

The goal of the Project is to increase the incomes of the 627 individual artisans living in Timbuktu, Mali, who belong to SOPRAT's member associations.

#### V. Project Purpose

The purpose of the Project is to improve SOPRAT's prospects for sustained expansion as indicated by a comprehensive business plan that USADF deems suitable for investment by a donor or other financial institution.

#### VI. Project Outputs

The expected outputs are:

A. A comprehensive business plan that includes at a minimum the following elements:

- a marketing and distribution strategy that enables SOPRAT to expand and reach new customers;
- projected financial results that support any proposed investment(s) as evidenced by acceptable returns on investment; and
- a plan to address the environmental and occupational safety implications of the enterprise's activities, including: the need for airborne sawdust control; mitigation of the environmental effects of leather tanning and other activities by artisans; identification of alternatives to the use of lead for making jewelry, windows and doors; and alternatives to the disposal of sawdust, such as briquetting or composting.

B. A fully functional financial management system that complies with USADF reporting requirements and is consistent with internationally accepted standards, as indicated by:

- effective cash management and use of a computerized accounting system to record traceable transactions;
- funds managed in accordance with USADF bookkeeping and reporting procedures;
- timely payment of bank fees; and
- quarterly and annual financial reports that are comprehensive, accurate, and timely.

C. SOPRAT's operational capabilities enhanced, as demonstrated by:

- a human resources organizational plan;
- delineation of the roles of the executive and management teams;
- elaboration of a strategic vision document for SOPRAT; and
- documentation of critical administrative and operational procedures.

D. Member organizations' operational capacity enhanced, as demonstrated by:

- SOPRAT's revenues are F CFA 47,539,000 in 2008 and F CFA 50,173,000 in 2009;
- the SOPRAT member organizations meet regularly; and
- the member organizations submit comprehensive, timely and accurate reports to SOPRAT.

## VII. Major Activities to be Financed Under the Agreement

The following activities will be performed under this Project:

### A. Member Services

1. Access to markets: In order to help its members increase their revenues, SOPRAT will contract with buyers for orders larger than an individual member can fill and then divide the work among members by sub-contracting with them.
2. Access to raw materials: SOPRAT will create a purchasing center to provide its members reliable access to raw materials.
3. Access to cabinet making technology: to improve the artisan's working conditions and increase their productivity, SOPRAT will purchase a seven-function machine for cabinet making.
4. SOPRAT will purchase a seven-function machine that will facilitate cutting, planing, and surfacing operations by its members; safety equipment, including fire extinguishers, for use by the members; and raw materials for sale to members as a pilot expansion effort.

### B. Management Activities

1. SOPRAT's management, with the assistance of a consultant, will complete a marketing strategy and business plan keyed to the organization's six product lines.
2. Working with a consultant, SOPRAT will develop a long-term strategic business plan that describes the organization's stages of development, resource mobilization vehicles, future partners, and so on.

3. Working with a consultant, SOPRAT will design the internal operations and accounting management tools, which will be documented in a procedures manual.

#### C. Training

1. A consultant will train SOPRAT's managers in strategic planning and plan implementation.
2. A consultant will train SOPRAT's management team in the application of the new procedures manual and work with the team to make necessary adjustments to the manual during the first seven months of the manual's implementation.
3. Appropriate members of SOPRAT's staff will receive training in bookkeeping and the USADF reporting system.
4. Capacity building: SOPRAT will hire a consultant to provide member organizations training in accounting, roles and responsibilities of members, the nature and functions of organizations.

### VIII. Roles and Responsibilities of the Parties

SOPRAT is responsible for ensuring the proper management and implementation of the Project. SOPRAT will hire highly qualified staff to oversee the day-to-day activities of the Project. The USADF Partner will provide SOPRAT with 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 Client, working with the USADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Client's organization. The committee will work with the USADF 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.