

PROJECT DESCRIPTION
Maasai Women Economic Development Organization

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 Maasai Women Economic Development Organization (MWEDO) was legally registered in the year 2000 as a company limited by guarantee and later as a non-governmental organization (NGO) under society ordinance. As a non-profit organization, any surpluses made are reinvested in the organization's programs. Based in Arusha, MWEDO's membership consists of 80 women's groups comprising a total 2,800 members. The economic and social projects are at a grassroots production level, and the organization and its members are striving to improve quality, marketing and efficiency for their hand made products. Maasai women are often the main providers for their immediate and extended families.

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 4, section 4.1 of the Agreement.

B. Client Contribution

MWEDO will contribute some existing staff, administrative premises, office equipment, and use of vehicles (at the initial project implementation phase).

IV. Investment Goal

The goal of the MWEDO investment is to improve the standard of living for Maasai women in the Arusha and Manyara regions.

V. Investment Purpose

The main purpose of the investment is to increase the incomes of rural Maasai women, MWEDO, and its employees.

- A. MWEDO's net income before tax and depreciation will increase from the current baseline of Tanzanian Shillings (TZS) zero to:
- TZS -4,149,485 in Year I;
 - TZS 18,223,261 in Year II;
 - TZS 24,374,326 in Year III;
 - TZS 31,384,192 in Year IV; and
 - TZS 39,368,114 in Year V.
- B. The total value of salaries paid to employees specific to this "Maasai Women Market Linkages and Fair Trade Center" (Business Development Manager, Designer, Project Accountant, and Driver) will increase from a baseline of TZS zero to:
- TZS 23,400,000 in Year I;
 - TZS 25,038,000 in Year II;
 - TZS 26,790,660 in Year III;
 - TZS 28,666,006 in Year IV; and
 - TZS 30,672,627 in Year V.
- C. The total gross income paid to Maasai women producers from the sale of their products to MWEDO will increase from a baseline of zero to:
- TZS 161,419,752 in Year I;
 - TZS 177,965,277 in Year II;
 - TZS 198,075,353 in Year III;
 - TZS 220,457,868 in Year IV; and
 - TZS 245,369,607 in Year V.

VI. Outputs

A major output of this Project is increased capacity of MWEDO to support beadwork producer groups, with the aim of increasing business volumes and enhancing access to local, regional and international markets as evidenced by the following indicators:

- A. Maasai beaded handicrafts production volumes will increase from a baseline of zero minimal unit sales:
- 52,384 in Year I;
 - 55,003 in Year II;
 - 57,753 in Year III;
 - 60,641 in Year IV; and
 - 63,673 in Year V.
- B. MWEDO's projected gross revenues during the life of the Project are as follows:
- TZS 242,129,628 in Year I;
 - TZS 266,947,915 in Year II;
 - TZS 297,113,029 in Year III;
 - TZS 330,686,802 in Year IV; and
 - TZS 368,054,410 in Year V.
- C. MWEDO will strengthen 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.

VII. Activities

A. Production

MWEDO produces hand made products for local and export markets. This Project will enable MWEDO to improve its production efficiency and the quality of its products through the implementation of the following activities:

- hiring of a design expert and production manager to oversee the implementation of key production activities and the sourcing of raw materials;
- entering into contracts with marquis customers such as Macy's or Hallmark to ensure sound market feedback, bulk orders, on-time payments and a more consistent, year-round production;
- training employees in critical areas including product costing, productivity measurements, input/output planning, safety and quality control;



- train both MWEDO and the Maasai producers in valuable business development skills, including marketing, promotion, product design and management; and
- establish the Maasai Women Fair Trade Centre that will be a business and training wing for MWEDO. This will lead to increased production capacities of the producer groups through the market linkage approach.

B. Product Design and Promotion

MWEDO will hire a product designer, with capabilities in marketing and sales to lead the implementation of its marketing plan. Marketing activities will include the following:

- analyzing demand trends and growth rates in the relevant sectors;
- developing a strategy to increase MWEDO's competitiveness and market feedback mechanisms;
- designing new trade fare promotional materials;
- developing a strategy for web-based advertising;
- developing and promoting a unique brand name for the company's products; and
- training and technical assistance in market research and development product development and branding, product promotion, and value chain analysis.

C. Management Improvement

MWEDO will hire a fulltime business manager and part-time Accountant in addition to the Product Designer. Along with the Managing Director, they will coordinate the implementation of a management improvement plan that will include the following activities:

- developing and improving financial and information systems;
- developing raw material sourcing and contracting plans;
- developing production and systems improvement strategies;
- marketing systems development (product branding, promotion, customer relations, and so on); and
- providing training and technical assistance in planning, budgeting, financial management cost management and accounting, and entrepreneurship.



D. Empowerment and Community Impact

During the first year of the Project, the participants will identify measurable indicators of their own empowerment which they believe can be promoted by the Project's activities. The Partners will assist them in this exercise and in setting and tracking targets for empowerment related directly to the Project's activities.

Working with the Partner, the participants will develop indicators and track the link between Project accomplishments and the number of Maasi children attending school and receiving health care on a regular basis.

VIII. Roles and Responsibilities of the Parties

The Managing Director (MWEDO), Business Manager, Product Designer, and Accountant of MWEDO hold primary responsibility for implementation of the project activities as planned. The ADF Partner in Tanzania will monitor carefully MWEDO's progress toward meeting production and training milestones. In addition, the ADF Partner will provide MWEDO with technical and management assistance during implementation.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Client, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Client's organization. The committee will provide the Partner input for the 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.