

APPENDIX A

PROJECT DESCRIPTION:

Ro-Zi's Food Service Management

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

Ro-Zi's is a one hundred percent Liberian owned food service and catering company based in Monrovia. Bringing strong food service management credentials back from the United States, founder and CEO Rosemarie Tolbert quickly established Ro-Zi's as the premier catering concern in Monrovia with top clients like UNMIL and the US Embassy. In response to the demand for its services, Ro-Zi's is in the midst of expanding into long term food service management contracts and is finishing construction of a restaurant with meeting facilities, Ro-Zi's Café. However, to undertake this expansion successfully, Ro-Zi's needs assistance in management, working capital, and market development.

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. Client Contribution

Ro-Zi's will continue to provide working capital as necessary to achieve the growth targets. Also, Ro-Zi's will contribute any funds needed in addition to the amount provided by USADF to complete the café construction.

IV. Project Goal

The goal of the Project is to reduce poverty in and around Monrovia by creating jobs and increasing incomes within the food service sector.

V. Project Purpose

The purpose of the Project is to increase income for Ro-Zi's, its employees and local food producers. The following indicators will be used to track the achievement of this purpose:

- A. Ro-Zi's earnings (before depreciation and taxes) will grow from a loss of US\$3,205 in 2007 to a gain of US\$22,552 in 2008; to US\$98,652 in 2009; to US\$125,568 in 2010; to US\$152,694 in 2011; and to US\$180,003 in 2012.
- B. Ro-Zi's salary payments to workers will grow from US\$67,000 in 2007 to US\$135,000 in 2008; to US\$168,000 in 2009; to US\$189,000 in 2010; to US\$211,000 in 2011; and to US\$237,000 in 2012.
- C. Ro-Zi's payments to local food producers will increase from US\$33,750 in 2007 to US\$57,000 in 2008; to US\$84,000 in 2009; to US\$98,000 in 2010; to US\$114,000 in 2011; and to US\$129,000 in 2012.

VI. Project Outputs

The expected outputs from the Project are:

- A. Total sales revenues generated will grow from US\$225,000 in 2007 to US\$380,500 in 2008; to US\$563,000 in 2009; to US\$659,000 in 2010; to US\$760,000 in 2011; and to US\$866,000 in 2012.
- B. The total number of employees at Ro-Zi's is expected to increase from 26 in 2007 to 51 in 2008; to 75 in 2009; to 88 in 2010; to 101 in 2011; and 116 by 2012. At least fifty percent of the employees are expected to be women.
- C. A board of directors will follow best practices in providing strategic guidance for this company.
- D. The company will be certified in accordance with health and safety regulations.
- E. The company will have in place a career development plan.

- F. The company will demonstrate fiscal and social responsibility as detailed in the Re-Investment Commitment in Appendix A-2 to this Agreement.

VII. Major Activities to be Financed under the Agreement

To generate the above outputs and to fulfill the Project purpose, the following activities will be funded by USADF:

A. Complete and Furnish the Café

In order to expand its operations, Ro-Zi's has begun construction of a café, restaurant and conference center located on Tubman Boulevard in Sinkor, Monrovia. The Project will provide materials and services to complete construction of the café as specified in Appendix A-2 to this Agreement. In addition, the Project will provide funds to equip the café with commercial grade restaurant equipment and decorative furnishings, including a six-burner range/flat grill, double-stack convection oven, two-basket deep fryer, commercial microwave, commercial rice cooker, robot coupe, commercial scale, holding cabinet, panini grill, ice machine and bakery merchandiser.

The Project will also finance the purchase of a refrigerated container to be used for transporting refrigerated items from overseas; a vehicle, camtherm hot/cold carriers, insulated carriers, and a food storage unit to facilitate catering operations; and Aldel POS 123-IBM single station display registers and printers.

In addition, the Project will enable Ro-Zi's to purchase food and supplies needed to open the café and expand the business in other areas. These will include such items as cutlery, dinnerware, coffee services, stainless steel plate covers, glassware and chafing dishes, as well as funds for the purchase of food and other consumables.

B. Management Capacity Building and Formalization of Business Systems

Ro-Zi's will improve its management capacity and formalize its business systems, including training in governance and financial systems and processes. It will hire a local firm to conduct the first independent audit of the company to determine Ro-Zi's actual financial position, as well as weaknesses and strengths. Ro-Zi's will hire a Chief Operating Officer. Ro-Zi's will also recruit training and technical assistance to improve operations planning/management, upgrade executive management skills, vet Board members, and enhance good corporate governance and strategic decision-making skills.

A local accounting firm will train Ro-Zi's accountant and Chief Executive Officer (CEO) in the fundamentals of financial planning and budget management with a focus on preparation and interpretation of accounting reports for daily decision making and Board meetings. In addition, Ro-Zi's will acquire software and hardware for an efficient accounting management information system (MIS). A local accounting firm will install and provide training in the use of an appropriate accounting software package. The firm will develop administrative and financial procedure manuals to serve as a guide for the application of required policies and procedures to meet industry standards.

Ro-Zi's will hire contractors to provide specialized food service industry Safe Serve and Hazard Analysis and Critical Control Point (HACCP) training. This training is to ensure that Ro-Zi's obtains certification that it meets international standards for food handling and safety.

VIII. Roles and Responsibilities of the Parties

Ro-Zi's management is responsible for ensuring the proper management and implementation of the Investment. The USADF Partner in Liberia will provide Ro-Zi's with technical and management assistance during the implementation of the Investment.

IX. Monitoring and Evaluation

The USADF Partner in Liberia will closely monitor the activities of the Investment in order to ensure high quality assurance of the reporting as well as ensure the implementation plan is followed. Besides tracking general progress of the Project, it will also continuously assess the identified Project risks so that remedial actions can be taken on time in order to forestall significant adverse impact on the realization of the Project objectives. Monitoring by the USADF Partner in Liberia will be an important aspect of the ongoing coaching and advisory service. The USADF Partner in Liberia will review all of the Investment quarterly reports prepared and submitted by Ro-Zi's, and will submit comments and observations to the management of Ro-Zi's as part of the annual Project evaluation. The two organizations will jointly design the evaluation process, and Ro-Zi's will incorporate the findings of the evaluation into their annual report.