

**PROJECT DESCRIPTION**  
**Guinée Confection Uniform Manufacturing**

**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**

There is a growing market for uniforms throughout Guinea and in particular in the mining zones of Kamsar and Sangardei where Global Alumina Corporation and other international mining companies are located. Guinée Confection is a 100 percent Guinean-owned uniform manufacturing business based in Conakry. Since the Company's founding by its current owner in 1992, Guinée Confection has become the largest uniform manufacturer in Guinea, serving mining, retail petrol, construction, and production companies.

The Company wishes to increase its production capacity, enhance its human and technical capabilities, and expand its client base to meet the growing demand for uniforms in Guinea. However, Guinée Confection is constrained by its current production workspace, inadequate equipment, and working capital.

**III. Funding**

**A. USADF Contribution**

The financial plan for USADF 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**

Guinée Confection will provide working capital and equipment as necessary to achieve the growth targets.

**IV. Project Goal**

The goal of the project is to reduce poverty and improve the living standards for Guineans.

**V. Project Purpose**

The purpose of the project is to increase income for Guinée Confection and its employees. The following indicators will be used to track the achievement of this purpose:

- A. Nominal net income will decline from 219,850 KGNF in 2007 to 40,416 KGNF in 2008; and will increase to 81,049 KGNF in 2009; to 195,264 KGNF in 2010; to 274,086 KGNF in 2011; and to 376,936 KGNF in 2012.
- B. Nominal salaries for workers will increase from 83,016 KGNF in 2008, to 113,375 KGNF in 2009, to 185,124 KGNF in 2010, to 246,624 KGNF in 2011, to 326,103 KGNF in 2012 to 396,758 KGNF in 2013.

**VI. Project Outputs**

The major output of the project is the Client's increased production and improved management capacity:

- A. Nominal revenues generated will increase from 569,640 KGNF in 2007 to 1,080,000 KGNF in 2008; to 1,466,250 KGNF in 2009; to 2,568,870 KGNF to 2010; to 3,472,732 KGNF in 2011; and to 4,647,673 KGNF in 2012.
- B. The total number of employees at Guinée Confection will increase from 13 in 2007 to 19 in 2008; to 23 in 2009; to 30 in 2010; to 33 in 2011; and to 36 in 2012.
- C. Guinée Confection 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.

**VII. Major Activities to be Financed under the Agreement**

To generate the above outputs and to fulfil the project purpose the following activities will be funded by USADF:

A. Infrastructure Improvements

The Project will finance renovations and upgrades of Guinée Confection's current 91 square meter workshop located in Conakry. New equipment, including 20 new sewing machines, a computerized embroidery machine, a thermo sealing machine, a computer, a printer with fax and a scanner will be purchased. With this new equipment, Guinée Confection will be the only manufacturer in Guinea capable of doing embroidery emblems in-house.

B. Operations Improvement and Management Capacity Building

1. Business Systems Formalization

A Financial Administrator (FA) with experience in manufacturing and production will be hired to oversee all of the company's financial and accounting transactions. The FA will be trained in procurement of raw materials and benchmarking, prices and quality to those of like manufacturers in Africa, Europe and Asia.

2. Financial Management

An accounting firm will install a financial system and training appropriate employees on the new system. A local accountant will provide monthly oversight and prepare annual financial statements in years 1 and 2.

3. Workplace Safety

An expert will conduct worker safety assessment to promote Improved worker safety and production efficiencies.

C. Marketing and Sales

Guinée Confection will hire a marketing and sales agent to promote the company, obtain new sales leads and provide timely follow up with potential customers. In addition, marketing, sales and procurement capacity building will be provided for Confection's owner and management team.

**VIII. Roles and Responsibilities**

Guinée Confection's management is responsible for ensuring the proper management and implementation of the Project. The USAID Partner in Guinea will provide Guinée

Confection with technical and management assistance during the implementation of the Project.

### **VIII. Monitoring and Evaluation**

The USADF Partner in Guinea will closely monitor the activities of the Investment in order to ensure high quality reporting and that the implementation plan is followed. Besides tracking general progress of the project, the Partner 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 Guinea will be an important aspect of the ongoing coaching and advisory service. The USADF Partner in Guinea will review all the Investment's quarterly reports prepared and submitted by Guinée Confection, and will submit comments and observations to the management of Guinée Confection as part of the annual project evaluation. The two organizations will jointly design the evaluation process and Confection will incorporate the findings of the evaluation into their annual report.