

PROJECT DESCRIPTION
BOKÉ DRIVERS' TRAINING CENTER
GUINEA

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

Auto École AMSY (AMSY) is a driving school in Guinea offering in-classroom and practical training for licensing of drivers of light vehicles and commercial passenger transport vehicles. With the influx of multinational mining companies in Guinea, there is a rapidly expanding market for qualified drivers/operators in all license categories, including light vehicles, passenger transport vehicles, heavy vehicles for transport of materials, and heavy mining equipment. Mining companies and their contractors are required to recruit qualified labor locally, if available, to increase the standard of living for those affected by their mining activities, where unemployment rates stand at 90 percent while cost of living is skyrocketing. However, very few local residents meet the qualification standards of the mining companies. Even if the local residents know how to drive, they are typically informally trained and unaware of the rules of the road and proper safety conduct before and during vehicle operation. Therefore, even though mining companies are eager to hire them, they cannot do so until the candidates are properly trained.

Local villagers are willing and able to pay for appropriate heavy vehicle driver training. However, no business in Guinea currently offers such services to the public, thus preventing them from gaining the qualifications necessary to apply for available heavy vehicle employment positions. Guinean driving schools have not offered these services because they are constrained by a lack of funds to purchase capital intensive commercial trucks and heavy mining equipment and a lack of training on how to meet international standards and requirements. In order to respond to this need, AMSY must expand its capacity to provide driver training on light vehicles, passenger transport, and commercial trucks that meets international standards and requirements.

III. Funding

A. ADF Contribution

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

B. Client Contribution

Auto École AMSY's contribution over the duration of the Project includes: 1) furnishing the Boké Training Center; 2) a mini-bus for commercial passenger transport training; and 3) an additional truck for heavy transport vehicle training.

IV. Project Goal

The goal of the Project is to improve the standard of living of residents in affected mining communities in the Sangarédi, Boké, and Kamsar areas of Guinea.

V. Project Purpose

The purpose of the Project is to expand opportunities for paid employment in the transport sector for residents from communities in the Sangarédi, Boké, and Kamsar areas as indicated by the number of Project participants who find paid employment by the end of the Project, as indicated by the following.

- A. The number of AMSY candidates who pass the Class BC licensing exam and obtain employment as drivers by targeted mining companies and businesses will be at least 25 in 2009; at least 85 in 2010; and at least 135 in 2011.
- B. The number of AMSY candidates who pass the Class B licensing exam and obtain employment as drivers by targeted mining companies and businesses will be at least 35 in 2009; at least 40 in 2010; and at least 45 in 2011.
- C. The number of AMSY candidates who pass the Class BCD licensing exam and obtain employment as drivers by targeted mining companies and businesses will be at least 40 in 2009; at least 45 in 2010; and at least 50 in 2011.

VI. Outputs

The primary output of the Project is to provide AMSY with the capacity to expand into and maintain market share in Class BC driver's training and create a sustainable enterprise. The expected outputs from the Project are as follow.

- A. Total sales revenues will increase from approximately GNF 700 million in 2008 to:
 1. GNF 800 million in 2009;
 2. GNF 1,000 million in 2010; and
 3. GNF 1,100 million in 2011.
- B. Net income before taxes and depreciation will increase/decrease from approximately GNF 110 million in 2008 to:
 1. GNF 7 million in 2009;
 2. GNF 200 million in 2010; and
 3. GNF 215 million in 2011.
- C. The number of candidates in AMSY's new Class BC training program will increase from zero in 2008 to at least 65 in 2009; to at least 200 in 2010; and to at least 300 in 2011.
- D. The number of AMSY candidates passing the Ministry of Transportation Class BC licensing exam will total at least 55 in 2009; at least 170 in 2010; and at least 270 in 2011.
- E. The number of candidates in AMSY's Class B training program will increase from 800 in 2008 to at least 875 in 2009; to at least 945 in 2010; and to at least 1,000 in 2011.
- F. The number of AMSY candidates passing the Ministry of Transportation Class B licensing exam will total at least 700 in 2009; at least 800 in 2010; and at least 900 in 2011.
- G. The number of candidates in AMSY's Class BCD training program will increase from 300 in 2008 to at least 325 in 2009; to at least 350 in 2010; and to at least 375 in 2011.
- H. The number of AMSY candidates passing the Ministry of Transportation Class BCD licensing exam will be at least 260 in 2009; at least 295 in 2010; and at least 335 in 2011.
- I. By the first quarter of 2010, AMSY will have established at least one formalized partnership with a mining company or contractor.

VII. Activities

To generate the above outputs and to fulfil the Project purpose, AMSY will engage in the following activities.

- A. AMSY will upgrade its accounting and financial controls through the hiring of a qualified accountant and bookkeeper who will, with the guidance of a Financial Management and Accounting Consultant, implement financial control systems and a computer based financial management system.
- B. AMSY and its management team, working under the guidance of an Operations and Quality Control Consultant, will develop and implement a company Health and Safety Policy that is aligned with the policies of mining companies and their contractors.
- C. AMSY and its Operations Director, with the guidance of a Leadership and Staff Management Consultant, will develop and implement an Employee's Manual and contracts that specify employee roles and responsibilities, salaries and benefits, and human resource policies. The consultant will also work with the management team to develop their skills to devise and implement measurable action plans that meet company performance goals and targets.
- D. AMSY, with the assistance of a Marketing Consultant, will develop a Marketing Plan to establish its value proposition and marketing strategy for its new product line of Class BC driver's training. In addition, AMSY will hire a Contract Consultant to provide training to improve its Management Team's skills to better negotiate with multinational clients and manage expectations to obtain repeat business. AMSY will continuously engage and cultivate strong partnerships with companies and secure formalized contracts with those companies.
- E. AMSY will hire a qualified Manager for the Boké Training Center. The Manager will work with mining companies and their contractors to develop and maintain a Class BC training curriculum that meets multinational mining company standards and requirements.

AMSY will advertise for and select a qualified contractor to construct the Boké Training Center in Missara 1 that will consist of two classrooms, an office, a restroom, and an open shed where the training vehicles will be parked. AMSY will furnish and equip the center where it will conduct in-classroom and on-the-road practical training for Class B, Class BC, and Class BCD licenses. AMSY will purchase a used commercial truck and hire six qualified driving instructors to staff the center. AMSY will contract with a qualified trainer to upgrade the six instructors'

qualifications to ensure that they meet international standards and requirements of the mining companies and contractors.

VIII. Roles and Responsibilities

AMSY staff is responsible for the management and the proper implementation of the Project. ADF's Partner in Guinea will provide technical assistance in capacity building and monitor AMSY's progress toward meeting production and training milestones.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Grantee's organization. The committee will work with the Partner to develop 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.

X. Other Implementation Issues

None.