

PROJECT DESCRIPTION**Naasakle Limited Capacity Building****Ghana****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

Naasakle Limited is a company based in Ghana that produces and exports shea butter. Naasakle buys de-husked shea nuts from the Christian Mothers Association (based in the Northern Region of Ghana), processes the nuts into unrefined shea butter, exports the shea butter to companies in the United States, and provides best practices guidance to the association on gathering and de-husking the shea nuts. Naasakle would like to take advantage of increased demand for shea butter in the United States but to do so the organization needs to improve its management and technical capabilities as well as its financial management systems.

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 4 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

Naasakle will contribute land and labor.

IV. Project Goal

The goal of the Naasakle Project is to improve the standard of living for women involved in the shea butter industry in the Northern Region of Ghana.

V. Project Purpose

The purpose of the Project is to improve Naasakle's prospects for sustained expansion as demonstrated by the development of a comprehensive five-year business plan that ADF deems suitable for funding by a donor or other financial institution.

VI. Project Outputs

By the end of the Project period, Naasakle will achieve the following.

- A. Improved technical capacities as demonstrated by the value of raw material purchases from farmers increasing from GHS 13,000 per year to at least GHS 26,000 per year by the end of the grant.
- B. Improved management and operating systems capacity as demonstrated by:
 1. improved business systems and accounting systems are implemented and Naasakle is certified as compliant with ADF financial and reporting requirements; and
 2. management uses financial and accounting reports and audited yearly account reports in its decision making.

VII. Project Activities

Naasakle will ensure the following major activities are implemented.

- A. Improve the management and institutional capability of Naasakle by:
 1. preparing a comprehensive business plan;
 2. developing an operations and administrative procedures manual;
 3. training the management team in leadership, project monitoring and evaluation;
 4. training the management team in sales and marketing software;
 5. training leaders of the women's supplier groups and management staff in environmental management;
 6. purchasing a motorbike to reach remote suppliers;
 7. acquiring additional office space and equipment that will increase Naasakle's accessibility to the suppliers and potential buyers; and
 8. establishing a more professional leadership core by recruiting and paying association staff.

- B. Institute improved financial and operating procedures by:
1. hiring an accountant to manage the financial accounting system and handle the finances of the association; and
 2. developing accounting processes and roles specifically tailored to the operations of Naasakle and documenting them in a financial manual.
- C. Improve shea butter production systems by:
1. training leaders of the women's supplier groups and Naasakle staff in quality control and health and safety practices; and
 2. purchasing safety equipment for production staff.

VIII. Roles and Responsibilities of the Parties

ADF's Partner in Ghana will provide the standard ADF training in bookkeeping, monitoring and assessment. Naasakle is responsible for ensuring the proper management and implementation of the grant. The ADF Partner in Ghana will provide Naasakle with technical and management assistance during implementation.

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 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.