

**PROJECT DESCRIPTION**

**Mogapinyana Metal Works Project**

**Botswana**

**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 Mogapinyana Youth Association is a community initiative formed to encourage residents of Mogapinyana Village to identify ways they can improve their economic and social status and participate in the decisions about development in their village. Mogapinyana Youth and Action for Economic Empowerment Trust (AEET), ADF's partner in Botswana, undertook a participatory development methodology exercise to help the residents identify their development priorities. Based on this process, the residents chose to undertake a small metal works project, as there is an identified need for metal products in the village and neighboring towns. However, the Association has insufficient financial resources to launch the project.

**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**

Mogapinyana Youth will finance its office expenses and salaries of the Facilitator and Bookkeeper after Project Year 2. Mogapinyana Youth's members will contribute their labor to the project. Mogapinyana will also contribute a building in which to house the metal works workshop.

**IV. Project Goal**

The Project's goal is to improve the standard of living of poor youth in the Central District of Botswana.

## APPENDIX A

### V. Project Purpose

The purpose of the Project is to increase the incomes of Mogapinyana Youth Association and selected members of Mogapinyana Village through the small-scale income generation activity in metal works production and sale as evidenced by the following indicators.

- A. Mogapinyana Youth's income (before taxes and depreciation) will increase from a baseline of Botswana Pula (BWP) 0 to:
  - 1. BWP -86,991 in Project Year I;
  - 2. BWP 4,610 in Project Year II; and
  - 3. BWP 5,079 in Project Year III;
  
- B. The participating community members' income from metal works production will increase from a baseline of Botswana Pula (BWP) 0 to:
  - 1. BWP 0 in Project Year I;
  - 2. BWP 13,850 in Project Year II; and
  - 3. BWP 15,230 in Project Year III;

### VI. Outputs

- A. Increased capacity of Mogapinyana Youth to produce and sell metal works products as evidenced by the following.
  - 1. Mogapinyana's annual production volumes of metal products such as window and door frames and burglar bars will change from a baseline of 0 metal products to:
    - a. 500 products in Project Year I;
    - b. 1,100 products in Project Year II; and
    - c. 1,300 products in Project Year III.
  - 2. Mogapinyana's projected annual gross revenues will change from a baseline of Botswana Pula (BWP) 0 to:
    - a. BWP 148,900 in Project Year I;
    - b. BWP 397,000 in Project Year II; and
    - c. BWP 436,800 in Project Year III.
  
- B. Increased capacity of Mogapinyana Youth to support and coordinate community development projects, as demonstrated by the following.
  - 1. Mogapinyana Youth's management routinely utilizes documents produced during the Project, such as quarterly bank reconciliations, budget expenditures, profit and loss statements, balance sheets and cash flow statements in making financial, and management decisions for how to advance income generation activities.

## APPENDIX A

2. Mogapinyana Youth utilizes the established purchase, production and marketing methods from the small-scale metal works project to determine a method to increase the participation of village residents in Mogapinyana Youth's income generation activities.

### VII. Activities

- A. Through a participatory process the residents of Mogapinyana Village identified youth unemployment, poverty and lack of financial resources as major problems in their community. Village members decided that small scale manufacturing beginning with a metal works workshop would help them address these problems. Metal products were identified as being in demand in the village and in neighboring towns and some members of the Mogapinyana Youth Association have already some level of experience and have received training in metal works activities.
- B. Mogapinyana Youth members will undertake the metal works activity at a workshop leased from the Village Development Committee. Members will receive hands-on training and gradually improve the quality of the products produced. The members will receive training from metal experts in the community and the facilitator will provide overall management and coordination of the workshop participants.
- C. In addition, the following activities will be undertaken to achieve the production and sales outputs.
  1. Mogapinyana Youth will ensure that the workshop is operational by purchasing the necessary equipment, tools, raw materials and installing and maintaining the utilities.
  2. Mogapinyana Youth members will be trained in metal work production to build the technical capacity of the laborers at the workshop.
  3. Mogapinyana Youth will develop and arrange for the basic marketing system for their products including advertising in local newspapers and transport to the local market.
- D. Increased capacity to coordinate community development projects by a consolidation and successful continuation of the PDM-CI process to guide Mogapinyana Youth's growth in the short, medium, and long term.
  1. Mogapinyana will hire a facilitator to work closely with the board, members and continue to work with AEET in the PDM-CI process to guide the growth of the organization and its capabilities. The Facilitator will manage and ensure that project activities are implemented. The facilitator will also work expand the membership of the metal works project and work to form other interest groups.

2. By month six of year two of the Project, Mogapinyana Youth will hire technical experts to complete a business plan and marketing strategy that will guide the growth of the metal works activity and determine the feasibility of other small scale income generation projects.

**E. Management**

1. Mogapinyana Youth will hire a qualified bookkeeper who will be trained in financial management to perform the bookkeeping functions, generate financial reports, and financial statements and develop appropriate financial procedures.
2. Mogapinyana Youth will engage technical experts to Mogapinyana in governance and organizational dynamics.

**VIII. Roles and Responsibilities of the Parties**

The staff and elected leadership of Mogapinyana Youth are responsible for the management and the proper implementation of the Project. AEET, ADF's PDM-CI Partner in Botswana, will provide training in the areas of management, ADF reporting, corporate and cooperative governance and business planning. The Partner will also provide technical assistance to the members and leadership in those areas.

**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.

**X. Other Implementation Issues**

**A. Safety**

Before using the equipment funded by ADF, the Client will obtain training from the Rural Industries Innovation Centre to minimize the occupational safety risks associated with metal cutting, welding, painting, and solvent operations.

**B. Environmental**

After equipment installation and training have been completed, the workshop will be inspected by the District Council Department of Public Health for environmental and occupational safety compliance before the Client starts commercial operations.

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