

PROJECT DESCRIPTION

Sustainable Craft Development Program

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

Gantsi Craft Trust is a community based organization that produces and markets handicrafts. It has 800 producer-members comprised of 15 rural settlements in the Gantsi and Kgalagadi Districts in Botswana. The Trust wishes to take advantage of the strong demand for traditional San handicrafts in the domestic tourist lodges and in the international market. However, in order to take advantage of this market opportunity, the organization needs to improve its financial management and organizational management skills, and expand its business planning capacity.

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 8 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. Grantee Contribution

Gantsi Craft Trust will contribute a staff house, craft shop, office and a vehicle. Gantsi will also contribute voluntary labor of the craft producers in the areas of craft development training and workshops.

IV. Project Goal

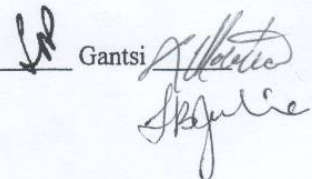
The goal of this Project is to improve the standard of living of craft-producing San in the Gantsi and Kgalagadi Districts of Botswana.

ADF

Gantsi

Page 1 of 3

Grant Agreement No. 1927-BOT



V. Project Purpose

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

VI. Outputs

- A. Improved management capacity as evidenced by the following.
 - 1. Improved business systems and accounting systems are implemented and Gantsi Craft Trust is certified as compliant with ADF financial and reporting requirements.
 - 2. Production of financial statements and adequate financial controls, accounting procedures, policies and systems are in place and capable of being audited by an independent accounting or audit firm.
- B. Improved production capacity as measured by an increase in sales from the producers from a baseline of BWP 250,000 to BWP 330,625 in Year II.

VII. Activities

Gantsi Craft Trust will ensure the following major activities are implemented.

- A. Improve the management and institutional capability of Gantsi Craft Trust by:
 - 1. improving financial management and accounting systems by hiring a consultant to help the bookkeeper and accountant develop accounting processes and systems specifically tailored to the operations of Gantsi
 - 2. contracting technical assistance to conduct and assist with implementation of an organizational review and a manpower skills assessment; and
 - 3. engaging a consultant to study material sourcing and the handicraft distribution chain along with developing a market retention plan including the identification of niche products, marketing systems, and niche markets. The consultant will also be responsible for preparing a comprehensive five year business plan tailored specifically to Gantsi Craft Trust.
- B. Training Activities will include the following.
 - 1. The Board of Trustees will be trained in good governance practices, strategic planning, and enterprise development in order to improve the



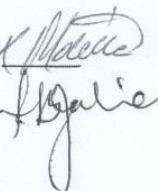
2. Each settlement's craft producers will undertake a seven-day training on new handicraft techniques and the proper use of equipment and tools.
3. The entire staff, Community Representatives, and craft producers will be trained on best practices for managing the trust shops.
4. Eighteen community representatives will be trained on leadership, training and marketing to improve the management of Gantsi Craft Trust.
5. The new coordinator will be trained to assist the bookkeeper in setting up improved financial management.

VIII. Roles and Responsibilities of the Parties

The staff and management of Gantsi Craft Trust are responsible for the management and the proper implementation of the Project. The ADF Partner in Botswana will provide training in the areas of standard ADF bookkeeping, monitoring and assessment. The ADF Partner in Botswana will also provide technical assistance and management assistance during implementation.

IX. Monitoring and Evaluation

ADF's Partner in Botswana will closely monitor the activities of Gantsi Craft Trust to ensure proper reporting, adherence to the project implementation plan by the Cooperative and movement towards the achievement of Project objectives. The Partner will continuously assess risks and take remedial actions as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review ADF's quarterly reports and will submit comments and observations to the management of Gantsi Craft Trust as part of the on-going performance assessment.



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- A. Improve the management and institutional capability of Gantsi Craft Trust by:
 - 1. improving financial management and accounting systems by hiring a consultant to help the bookkeeper and accountant develop accounting processes and systems specifically tailored to the operations of Gantsi Craft Trust and document them in a financial manual;
 - 2. contracting technical assistance to conduct and assist with implementation of an organizational review and a manpower skills assessment; and
 - 3. engaging a consultant to study material sourcing and the handicraft distribution chain along with developing a market retention plan including the identification of niche products, marketing systems, and niche markets. The consultant will also be responsible for preparing a comprehensive five year business plan tailored specifically to Gantsi Craft Trust.
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