

PROJECT DESCRIPTION

Gahaya Links Basket Home Décor and Jewelry Manufacturing

Rwanda

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

Gahaya Links Company Limited with its headquarters in Kigali, Rwanda was established in 2004 by two sisters who combined their experience in handicrafts design and marketing to organize rural women into cooperatives and associations that produce high quality crafts for export to Western consumers. The Company would like to expand its business by developing new product lines both in their existing handicrafts specialties as well as in new lines of jewelry and textiles. However, Gahaya Links lacks adequate capital to undertake the required investments.

III. Funding

A. ADF Contribution

The financial plan for ADF's contribution is set forth in Appendix A-1 of 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. Gahaya Links Contribution

Gahaya Links will contribute the time, skills, and labor of its staff and members in the implementation of the Project. The Company will contribute towards costs and per diem related to training in jewelry making. Gahaya Links will pay all operational costs not covered by ADF which include salaries of its staff, wages for its part-time unskilled workers, electricity, and water.

IV. Project Goal

The goal of this Project is to raise the standard of living and contribute to the economic empowerment of women in Rwanda as a foundation for achieving sustainable peace and development.

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V. Project Purpose

The purpose of this Project is to increase the income of Gahaya Links and that of artisans working with Gahaya Links and its employees. This will be evidenced as the following.

- A. Increase in Gahaya Links' net income (before taxes and depreciation) from RWF 62,717,000 in the Project's base year to:
 1. RWF 54,571,000 in Year 1;
 2. RWF 91,800,000 in Year 2;
 3. RWF 178,800,000 in Year 3; and
 4. RWF 224,500,000 in Year 4.

- B. Increase in salaries paid to workers from RWF 44,459,000 in the Project's base year to:
 1. RWF 50,100,000 in Year 1;
 2. RWF 63,700,000 in Year 2;
 3. RWF 65,000,000 in Year 3; and
 4. RWF 65,600,000 in Year 4.

- C. Increase in the value of raw materials and finished products supplied by women groups from RWF 228,619,785 in the Project's base year to:
 1. RWF 204,190,000 in Year 1;
 2. RWF 251,000,000 in Year 2;
 3. RWF 322,300,000 in Year 3; and
 4. RWF 373,700,000 in Year 4.

VI. Project Outputs

By the end of the Project, the capacity of Gahaya Links to process and sell peace baskets, textiles, jewelry, and beads will increase as evidenced by the following.

- A. An increase Gahaya Links' sales revenue from a baseline of RWF 424,600,000 to:
 1. RWF 363,000,000 in Year 1;
 2. RWF 459,000,000 in Year 2;
 3. RWF 624,500,000 in Year 3; and
 4. RWF 722,100,000 in Year 4.

- B. An increase in export sales revenues from a baseline of RWF 424,644,198 to:
 1. RWF 342,300,000 in Year 1;
 2. RWF 437,900,000 in Year 2;
 3. RWF 601,500,000 in Year 3; and
 4. RWF 697,300,000 in Year 4.

VII. Project Activities

Gahaya Links will ensure, with the assistance of consultants as necessary, the following major activities are implemented.

- A. Expansion of Production Activities
 - 1. Construction of a new production facility.
 - 2. Installation of electricity in the production buildings.
 - 3. Purchase and installation of sewing machines.
- B. Equipment Purchase
 - 1. Purchase of a Van.
 - 2. Purchase of Sewing Machines.
- C. Training of management and staff in monitoring and evaluation

VIII. Roles and Responsibilities

Gahaya Links is responsible for ensuring the proper management and implementation of the Project. The ADF Partner in Rwanda will provide Gahaya Links with technical and management assistance during implementation. ADF's Partner in Rwanda will also provide training in monitoring and evaluation.

IX. Monitoring and Evaluation

ADF's Partner in Rwanda will closely monitor the activities of Gahaya Links to ensure proper reporting, adherence to the Project implementation plan by the Grantee, and movement towards the achievement of Project objectives. The Partner will continuously assess the Project risk and will 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 Gahaya Link's quarterly reports and will submit comments and observations to the management of Gahaya Links as part of the on-going performance assessment.

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