

PROJECT DESCRIPTION

Kaédi Women Carpet Weavers

Mauritania

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

Coopérative Espoir des Femmes Tisseuses de Kaédi (EFTK) is a cooperative of women carpet weavers in Kaédi. EFTK helps its members procure supplies, learn new skills, and market their carpets. Carpet weaving adds significant value to raw materials found near Kaédi, creating high profit margins for producers. EFTK would like to take advantage of this opportunity, but it lacks the accounting skills, managerial capacity, technical knowledge, and resources to produce high quality carpets to meet market demand.

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. EFTK Contribution

The cooperative members will contribute their time, skills, labor, and knowledge to the implementation of the Project.

IV. Project Goal

The goal of this Project is to improve the standard of living of women carpet weavers in Kaédi.

V. Project Purpose

The purpose of the Project is to improve EFTK'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. Project Outputs

By the end of this Project, it is expected that EFTK will achieve the following results.

- A. Improved financial management capacity as evidenced by:
 - 1. EFTK produces financial statements and reports that include monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, and it establishes adequate financial controls, accounting procedures, policies, and systems that meet international audit standards; and
 - 2. the management team routinely utilizes the management and financial reports produced such as performance reports, budget expenditures, profit and loss statements, cash flow statements, and balance sheets in making financial and management decisions for the Cooperative.

- B. Improved business and community management capacity as evidenced by:
 - 1. the application of formalized business practices through a regular annual general meeting and board meetings, as documented in meeting minutes; and
 - 2. the active participation of community members in the decision making process, as documented in meeting minutes.

- C. An increase in the number of women working at the Cooperative from a baseline of 19 to:
 - 1. 25 by the end of Project Year 1; and
 - 2. 30 by the end of Project Year 2.

VII. Project Activities

- A. Management Improvement Activities
 - 1. EFTK will hire a project manager responsible for coordinating project activities. The project manager's responsibilities will include preparing work plans, monitoring activities, assessing and analyzing implementation problems, investigating and applying corrective measures, and helping to organize the training sessions and technical assistance services.
 - 2. EFTK will hire an accountant to operate the cooperative's financial management system. The accountant will be trained in ADF reporting requirements, and be responsible for preparing quarterly financial reports.
 - 3. The management team and selected members will receive training in administrative and financial management. The training will focus on simplified accounting methods, cooperative management, monitoring success and mitigating risks, and preparing financial, performance, and activity reports.

4. EFTK will set up an office for its management team. The office will be equipped with accounting software and management will be trained in proper use of accounting software.
5. EFTK will develop a manual of procedures. The manual will document administrative, governance, and accounting policies.
6. A consultant will be hired to train the management team and select members in cooperative management and cooperative dynamics.

B. Production Improvement Activities

1. EFTK will use space provided by the Ministry of Social Affairs, Children, and Families (MASEF) for a workshop and storeroom. EFTK will remodel the space by repairing the roof, enlarging the main door, adding an additional door, and adding new windows for better ventilation. The remodeling will turn one room into a workshop, where EFTK will install three new looms and weaving tools. A second room will be turned into a storage space for finished carpets. A third room will be used for the office.
2. EFTK will procure enough wool and cotton for six months of production.
3. A consultant will conduct training sessions on carpet weaving skills for all members of the cooperative. The training classes will be conducted over the course of three months, with a total of 540 classroom hours. The training will be followed up with six months of technical assistance.
4. EFTK will hold workshops to train members in other income-generating activities (for example, couscous preparation, henna, knitting, small animal husbandry, gardening.) to diversify opportunities for income generation.

C. Marketing and business expansion activities

1. EFTK will hire a consultant to conduct an in-depth market study of artisanal carpets. The study will examine distribution paths, demand fluctuations, niche markets, and international sales. The market study will result in a strategy for EFTK to maximize its share of the carpet market.
2. The management team will visit another carpet producing cooperative in Mali or Tunisia. The study tour will enable EFTK to closely study the management, production, and marketing practices of a similarly constituted group.
3. The management team will work closely with a consultant to design a comprehensive business plan. The business plan will address the following:
 - a. analyzing the best organization and staffing structure to operate a sustainable and profitable business. This will involve analyzing EFTK's organizational structure;
 - b. assessing and recommending product lines that EFTK can develop based on the relative profitability and feasibility of production of each and providing strategies for penetrating markets for product lines recommended;

- c. measuring the benefits to members and recommending ways to expand membership and extend benefits to members;
- d. conducting a market analysis of existing and potential product lines, including competitors, and additional markets in Mauritania;
- e. assessing the current production capacity and determining the levels of manpower, additional training in technical expertise and capital investment needed for production expansion;
- f. providing a five-year production and profit and loss projections based on current production, costs and sales trends; and
- g. conducting any other additional analyses that will prepare the organization for expansion and sustained growth, to be determined during the design process of the business plan and implementation of this Project.

VIII. Roles and Responsibilities

The ADF Partner in Mauritania will provide the standard ADF training in bookkeeping, monitoring, and remediation assistance to EFTK. Group members are responsible for ensuring the proper management and implementation of the Grant.

IX. Monitoring and Evaluation

The ADF Partner in Mauritania will closely monitor the activities of the Project to ensure proper reporting, adherence to the Project implementation plan by the Grantee, and progress made toward the achievement of Project objectives. The Partner Organization will assess the Project risks and take remedial actions on an ongoing basis. Monitoring by the Partner Organization will be an important aspect of the on-going coaching and advisory service. The Partner will review the Grantee's quarterly reports and will discuss its comments and observations with the Project management team. Such an interaction will be part of an on-going performance assessment.