

PROJECT DESCRIPTION**Huiku Trust Capacity Building 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

Huiku Trust is a community-based organization composed of the 800 residents living in Qabo and Grootlaagte villages in Ghanzi District. The villages are settlements of the San (Baswara) ethnic group, a historically marginalized population with high levels of unemployment, illiteracy, and poverty. Huiku Trust seeks to take advantage of Botswana's growing tourism industry by establishing a tourism center featuring traditional San culture and game viewing. However, Huiku Trust is constrained by its inexperienced management, inadequate accounting skills, and unfamiliarity with the tourism market.

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

Huiku Trust will contribute land, labor, and a borehole to the Project.

IV. Goal

The goal of the Project is to improve the standard of living of residents of the Ghanzi District in rural Botswana.

V. Purpose

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

VI. Outputs

- A. Improve Huiku Trust's financial management as evidenced by:
1. production of financial statements from the financial and accounting system that include monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, adequate financial controls, accounting procedures, policies, and systems that will be capable of being audited by an independent accounting or audit firm; 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 how to move the organization forward.
- B. Improve Huiku Trust's 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. A functioning campsite as evidenced by a camp log that records visitors.

VII. Activities

A. Financial Management Activities

Huiku Trust will hire a bookkeeper to manage its finances. The bookkeeper will travel to Ghanzi to attend training on computerized accounting software. Also, at the training, the bookkeeper will work with a financial systems consultant to create a manual of procedures that establishes internal controls and documents accounting policies by the end of month six of the Project. The bookkeeper will operate the Trust's financial systems and will advise the management and Board on the financial status of the organization.

B. Business Management and Governance Activities

1. Huiku Trust will hire a business manager responsible for the overall management of the Project. Specifically, the business manager will be responsible for coordinating training activities, overseeing the procurement of supplies and equipment, and ensuring the development of the business plan and marketing strategy. The business manager will be in charge of researching the potential for establishing a cultural village and craft market. He or she will also ensure that guests are received and guided to the campsite. The business manager will be hired by month four of Project Year 1.
2. Huiku Trust will establish an office with two desktop computers, computer accessories, and office furniture. The office will also function as a guest receiving area with a visitor sign in sheet. The office will be fully equipped by month six of Project Year 1.
3. During the first nine months of the Project, management staff from nearby Komku Trust will travel once a month to assist Huiku to recruit, interview, and hire a management team. After the management team is in place, Komku Trust will assist them in the procurement of supplies and arrangement of consultants.
4. The Huiku Board, management team, and two members will travel to Ghanzi to attend a good governance training session by a consultant experienced with community-based organizations. The training will teach participatory development methodologies that encourage community-wide participation in decision-making processes.
5. The business manager will work with a consultant to develop a business plan that outlines Huiku Trust's medium and long term growth and sustainability prospects. Specifically, the business plan will address the following:
 - a. assess the skill levels of the Trust members, describe the skills and employee levels necessary for managing a campsite, and costs associated with developing those skills;
 - b. describe any support the Trust can benefit from including, but not limited to, the Botswana Department of Wildlife and the Botswana Tourism Board; and
 - c. develop any potential apprenticeship relationship the Trust can form with a seasoned tourism operator, whereby Trust members train and work at tourist sites to learn the trade;
 - d. assess the potential for creating a cultural village for traditional dance performances, sale of San craft, and a restaurant featuring traditional San food;
 - e. establish areas best suited for game viewing, and create policies for walking, bicycling, and vehicle tours;
 - f. determine the number of visitors required to earn profits; and
 - g. assess the impact of seasonal fluctuations in the tourism industry on the business model.

C. Tourism Development Activities

1. Huiku Trust will hire a consultant to conduct a full environmental impact assessment study and an environmental management plan in accordance with provisions of the Environmental Impact Assessment Act of 2005. The Trust will engage a consultant by month three and submit the full EIA to the Botswana Department of Environmental Affairs for approval by the end of year one of the Project.
2. Huiku Trust will choose a site on its GH1 land for a campsite. Once the campsite is chosen, members will clear the land and install an ablution block with a septic tank that is appropriate for the site.
3. The management team will embark on a study tour of similar ecotourism enterprises to learn about industry best practices.
4. Huiku Trust will hire a consultant to conduct market research and develop a marketing strategy. Specifically, the market strategy will address the following:
 - a. the methods visitors use to plan their trips to Botswana, such as travel agencies and online booking agents, and ways to showcase Huiku Trust for those planning travel;
 - b. strategies, such as road signs, for capturing the market of regional travelers using the Trans-Kalahari Highway;
 - c. ways to differentiate Huiku Trust as a site for cultural tourism as well as wildlife tourism;
 - d. potential marketing partnerships with other Botswana tourism attractions; and
 - e. appropriate pricing to compete with other similar attractions in the region.

VIII. Roles and Responsibilities of the Parties

The staff and elected leadership of Huiku Trust are responsible for the management and the proper implementation of the Project. Enterprise Botswana, ADF's partner in Botswana, will provide training in the area of standard ADF bookkeeping, monitoring and assessment. Enterprise Botswana will also provide technical assistance and management during implementation.

IX. Monitoring and Evaluation

ADF's partner in Botswana will closely monitor the activities of the cooperative 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 action 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 the cooperative as part of the on-going performance assessment.