

PROJECT DESCRIPTION**Cole Joe Wood Furniture Production and Marketing Project****Liberia****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

Cole Joe Wood Workshop (CJWW) is a legally registered company that produces high quality, affordable furniture for middle level income customers in Buchanan and surrounding areas. CJWW has a customer base of local companies, government entities, and individuals, but it is unable to meet the demand or compete for large contracts due to a lack of electricity for its workshop. Additionally, CJWW has limited capacity to manage the operations and finances of the workshop to meet the requirements of large corporate customers.

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

CJWW will contribute its assets, which include land, buildings and members' expertise in the woodworking industry.

IV. Goal

The goal of the Project is to improve the standard of living of CJWW employees and their families.

V. Purpose

The purpose of the Project is to improve Cole Joe Wood Workshop's prospects for sustained expansion as indicated by the development of a comprehensive three-year business plan that will guide expansion of the business through reinvestment and financing identified in the planning process.

VI. Outputs

- A. Improve financial management as evidenced by:
1. CJWW produces financial statements from its financial and accounting system that include monthly income, balance sheet, and cash flow statements, consolidated quarterly and annual statements;
 2. CJWW demonstrates the use of adequate financial controls, accounting procedures, policies, and systems that can be audited by an independent accounting or audit firm; and
 3. CJWW's management team uses the management and financial reports produced to make financial and management decisions to improve the performance of the company.
- B. CJWW's workshop is certified to meet occupational safety inspection requirements and disposal of waste products meets ADF and Liberian requirements.
- C. Improved technical and operational capacity as evidenced by increased revenues from the workshop from US\$ 10,245 in 2008 to US\$ 214,000 in 2010 and US\$ 246,000 in 2011.

VII. Activities

- A. Financial Management and Administrative Activities
1. CJWW will hire a part-time Accountant to work with its staff to manage its finances. The Accountant will create a manual of procedures that establishes internal controls and documents accounting policies by the end of month four of the Project. The Accountant will assist CJWW's core management staff to operate the CJWW's financial systems that will include both computerized accounting software and a manual, paper-based accounting system. All major purchases will be third-party disbursements until the financial systems are in place to safeguard the assets and documents of the transactions.
 2. CJWW will establish an office with a laptop computer with internet access, computer accessories, and accounting software.
 3. CJWW will complete an administrative manual that outlines conditions of service for employees, safety policies for use of the woodworking equipment, procurement procedures, travel policy, and the proper use of company property.
- B. Technical Capacity Building Activities
1. CJWW will renovate the generator room to provide adequate space for safe, efficient operation of the generator, and complete construction of the washroom and toilets, including construction of a septic tank. CJWW will procure and install a 75 KVA generator to power the woodworking equipment in the workshop, as well as a new jointer machine to complete the range of machine processes needed for an efficient woodworking production line.
 2. CJWW will hire a local firm or consultant specialized in occupational safety issues to review the workshop's operating procedures and environment. Based on the review, the consultant will design and deliver a training program to address any deficiencies noted. Once all measures have been

- completed, the workshop will be inspected for certification that it meets Liberian health and safety standards.
3. CJWW will identify poultry producers or other consumers who can make use of the sawdust and waste wood products produced by the workshop.
 4. CJWW will hire a master trainer in woodworking techniques to provide training to CJWW managers and employees in modern woodworking, organizational, and finishing techniques and the proper and safe use of the woodworking equipment.
 5. CJWW will provide woodworking services for other small carpenters in the area, such as ripping, planing, and molding.
 6. CJWW will only purchase lumber from entities with valid concession licenses that meet the Liberian Forestry Development Authority's requirements.
- C. CJWW will hire a consultant to work closely with the management team to develop a medium and long term growth strategy. The business plan will:
1. review CJWW's organization and staffing structure to optimize use of its skills, resources and opportunities;
 2. assess the viability of various finished wood products, based on the pilot production activities;
 3. recommend an appropriate mix of product lines to maximize CJWW's long term profitability, taking into account market demand, profit margins, manufacturing skills, and equipment; and
 4. develop a strategy for expansion that identifies the sources of financing and skills development needed to carry out the expansion.

VIII. Roles and Responsibilities of the Parties

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

IX. Monitoring and Evaluation

ADF's Partner in Liberia will closely monitor the activities of CJWW to ensure proper reporting, adherence to the project implementation plan by the company 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 company as part of the on-going performance assessment.