

PROJECT DESCRIPTION**Niélénin Sheep Wool Carpet Processing and Marketing****Mali****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

The Coopérative Multifonctionnelle Niélénin (Niélénin) is a cooperative of 65 women carpet-weavers. The Cooperative purchases raw wool from collectors, processes the fibers into yarn, weaves the yarn on hand looms, and then sells the carpets in domestic and international markets. The Cooperative operates below production capacity due to insufficient working capital to purchase raw materials and a lack of mechanized equipment to process the wool fibers into yarn. The Cooperative also needs to build its administrative and financial capacity in order to expand operations to meet the market demand.

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. Niélénin's Contribution

The Niélénin Cooperative will contribute its personnel, time, experience, skills, and equipment and infrastructure valued at CFA 105,000,000 to the implementation of the Project.

IV. Project Goal

The goal of the Project is to improve the standard of living for women carpet weavers in Ségou, Mali.

V. Project Purpose

The purpose of this Project is to improve Niélénin'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.

ADF



Niélénin



Page 1 of 3

Grant Agreement No. 2050-MLI



- A. Niélénin's management capacities will be strengthened so that it meets accepted standards in financial and administrative management, and accounting, as indicated by the following:
1. Niélénin 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. Niélénin will strengthen its production and marketing capacities, as indicated by carpet production levels improving from a baseline of 294.53 square meters to 441.795 square meters in Year 1 and 662.6 square meters in Year 2.

VII. Activities

Niélénin will implement the following activities by using the services of trainers or consultants when necessary.

A. Improved Financial Management and Accounting Systems

1. Niélénin will recruit and hire an experienced accountant.
2. Niélénin leaders and the accountant will be trained on ADF's accounting and reporting system.
3. Niélénin management team will receive training and technical assistance in accounting, financial management, and preparation of reports (financial, performance and activity).

B. Organizational Development

1. The Niélénin management team will receive training in organization, administrative management, maintaining administrative documents, personnel management, group dynamics, administrative and financial procedures, reporting and evaluation.
2. With the help of a consultant, Niélénin will develop a business plan that includes a marketing strategy.
3. The Cooperative will receive technical assistance to develop and implement a financial, administrative and accounting procedures' manual.
4. The Cooperative will hire a coordinator, responsible for the technical coordination of all Project activities with the members of the Board. The coordinator will help prepare work plans, monitor activities, detect and analyze problems, develop and implement corrective measures, and help organize the training and the technical assistance.

ADF



Niélénin




C. Improved Production and Marketing Capacity

1. Cooperative members will be trained in the use of the new equipment, personal and environmental safety practices and improved carpet-weaving methods based on domestic and international market standards.
2. Members will receive literacy training so they can provide marketing strategies and record keeping services to the organization.
3. The Cooperative will hire a marketing agent to investigate new markets for its products by developing business contacts, including tourists, hotels, embassies and consulates. Niélénin will participate in fairs, national and international conferences. The sales representative and Cooperative members will visit Mauritania and Tunisia to share expertise with similar organizations and also as a means to find new markets.
4. Niélénin will purchase sheep wool from Malian suppliers, cotton yarn (weft and wrap) and other consumables.
5. The Cooperative will procure new equipment and the necessary worker safety gear to mechanize the processing of raw wool, establish an office, and renovate the waste removal system to reduce the negative impact of waste water on the environment.

VIII. Roles and Responsibilities of the Parties

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

IX. Monitoring and Evaluation

ADF's Partner Organization in Mali will be instrumental in the success of the Project. The ADF Partner Organization 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.

ADF



Niélenin




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VI. Outputs

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

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