

PROJECT DESCRIPTION

Tessa Mouh Cooperative Wool Processing Project

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

There are over 100 artisan cooperatives in Zouerate creating a large amount of competition for resources and clients. Tessa Mouh is a Women's Cooperative which has chosen to focus on producing wool yarn due to a diminished supply and increased demand in the local market.

The Cooperative aims to become a self-sustaining organization that is in a better position to provide for the needs of its members by strengthening production and organizational capacities for members through implementation of training programs focusing on financial management, work distribution and organization, improved procurement and acquisition methods, marketing, and manufacturing techniques for wool yarn.

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. Tessa Mouh's Contribution

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

IV. Project Goal

The goal of this Project is to improve the standard of living for women in the Tiris Zemour region.

ADF  Tessa Mouh 

V. Project Purpose

The purpose of the Project is to improve Tessa Mouh'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 Tessa Mouh will achieve the following results.

- A. Improved financial and administrative management capacity as evidenced by:
 - 1. Tessa Mouh 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;
 - 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 tracing financial transactions and making financial and management decisions for the Cooperative;
 - 3. an accounting and financial management system that fulfills ADF requirements is established; and
 - 4. the organization's management bodies meet on a regular basis and report on their meetings to the members.
- B. Tessa Mouh will increase the number of employees from a baseline of 0 to 20 by the end of the Project.
- C. The average net income per member received from Cooperative product sales will increase from a baseline of MRO 0 to:
 - 1. MRO 48,667 by the end of Year 1; and
 - 2. MRO 28,189 by the end of Year 2.

VII. Project Activities

A. Management Improvement Activities

- 1. Tessa Mouh 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. Tessa Mouh will hire an accountant to operate the Cooperative's financial management system. The accountant will be trained in ADF reporting requirements and prepare 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. Tessa Mouh will develop a manual of procedures. The manual will document administrative, governance, and accounting policies.

B. Production Improvement Activities

1. Tessa Mouh will set up an office for its management team and equip the workshop with two looms, two sewing machines, and tools.
2. Tessa Mouh will procure enough camel and sheep hair for twelve months of production.
3. A consultant will conduct training sessions on the wool industry for all members of the Cooperative. The training sessions will be conducted once over the course of five days.
4. Two experts will conduct training sessions on new weaving techniques for all members of the Cooperative. The training sessions will be conducted for a total of 360 course hours.
5. Tessa Mouh will hold workshops to train members in other income-generating activities to diversify opportunities for income generation.

VIII. Roles and Responsibilities

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

IX. Monitoring and Evaluation

OKT-Consult in Mauritania will closely monitor the activities of the Project to ensure proper reporting, adherence to the Project implementation plan by Tessa Mouh, and progress made toward the achievement of Project objectives. OKT-Consult will assess the Project risks and take remedial actions on an ongoing basis. Monitoring by OKT-Consult will be an important aspect of the on-going coaching and advisory service. The Partner will review Tessa Mouh'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.