

## PROJECT DESCRIPTION

**Kaduna State Association of Hearing Impaired Persons Capacity Building Project**  
**Nigeria**

**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**

Kaduna State Association of Hearing Impaired Persons ("KASAHIP," "the Association") provides developmental services to 3,500 hearing impaired persons in Kaduna State, Nigeria. KASAHIP was founded to address the economic and social marginalization of hearing impaired persons by providing vocational training in carpentry, tailoring, hairdressing, and shoemaking at training workshops established by the Association, and by providing small loans to support members' educational and business pursuits. In Kaduna State, there is a growing market demand for the clothing and carpentry goods produced by KASAHIP. Additionally, KASAHIP aims to provide educational and financial services to a greater portion of its members. However, it is prevented from expanding its production and training services because of the poor coordination of its business and financial management systems, and lack of access to working capital to improve its production and training facilities and to expand its revolving loan fund.

**III. Funding****A. ADF Contribution**

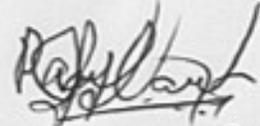
The financial plan for ADF's contribution is set forth in Appendix A-1 to this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 8 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 4, Section 4.1 of the Agreement.

**B. Grantee Contribution**

KASAHIP will contribute the labor of members at the carpentry and tailoring workshops; existing tailoring and carpentry machinery and equipment; a portion of funds for the payment of trainers' salaries at the workshops; and any other logistics support as might be required.

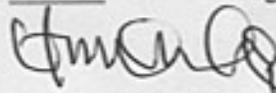
**IV. Project Goal**

The goal of this Project is to improve the standard of living of hearing impaired persons in the northern Nigeria State of Kaduna.

ADF  KASAHIP 

Page 1 of 6

Grant Agreement No. 2168-NIA



## V. Project Purpose

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

## VI. Outputs

- A. Improved management capacity as evidenced by the fact that KASAHIP's Board of Trustees and management team meets quarterly to assess management progress, and address implementation constraints as necessary to move the organization forward, and convenes the Annual General Meeting in accordance with the Constitution to update members on KASAHIP's on-going activities.
- B. Improved business management capacity as evidenced by an active Board of Trustees and management team that develops and implements an annual operations plan.
- C. Improved financial management capacity as evidenced by:
  1. KASAHIP produces financial statements that include monthly income, balance sheet and cash flow statements, consolidated quarterly and annual statements, adequate financial controls, accounting procedures, policies, and systems that meet international audit standards; and
  2. KASAHIP's management team routinely utilizes financial documents produced during the Project, such as quarterly bank reconciliations, budget expenditures, profit and loss statements, balance sheets, and cash flow statements in making financial and management decisions for the association.
- C. Improved technical capacity as evidenced by KASAHIP's receipt of one letter of intent from a carpentry works purchaser, and one letter of intent from a clothing retailer or wholesaler, to buy KASAHIP's wood products and clothing.

## VII. Activities

- A. Financial Management Improvement Activities
  1. KASAHIP will hire an accountant by month six of Project year one. The accountant will manage the Association's books and financial records, and prepare periodic financial reports for the Association. A member of the Association will work closely with the accountant in order to acquire the skills to take over the position at the end of the Project.
  2. KASAHIP will hire a financial systems consultant by month six of Project year one. The consultant will establish computerized financial and internal control systems for the Association. The consultant will train members and staff on bookkeeping and proper maintenance of financial records, and ensure that the management team routinely uses financial documents produced during the

Project. The consultant will provide continued advisory support and consultancy services to KASAHIP staff, especially the accountant.

3. KASAHIP will expand its pilot revolving loan fund for members engaged in small scale businesses. By month six of Project year one, KASAHIP's Board of Trustees and management team will form a Loan Administration Committee. The committee will develop criteria by which to select recipients of small loans, and will remain engaged in the loan administration process throughout the Project. Small loans will be given out beginning by month eight of Project year one.
4. KASAHIP will engage a technical assistance provider to train select KASAHIP members, Board of Trustees, and management team in monitoring and evaluation techniques. The training will be conducted by month eight of Project year one, and a follow-up training session will occur before the end of the Project.

B. Business Management Improvement Activities

1. KASAHIP will hire a general business manager by month six of Project year one. The general business manager will have overall management responsibility for the Association's operations. She or he will develop and implement procurement, business outreach, and marketing strategies for the Association. The general business manager will work closely with and mentor a member of the Association in order for him or her to take over the position before the completion of the Project.
2. KASAHIP will engage a management consultant by month six of Project Year one. The management consultant will ensure the implementation of the Association's business and financial management systems. She or he will also work closely with the Board of Trustees and management team to advise the Association on any implementation problems that arise during the Project.
3. KASAHIP will hire a technical assistance provider to train KASAHIP's members, Board of Trustees, and management team in group dynamics. The training will focus on encouraging a healthy working relationship among those involved in the Project. The training will be conducted by month eight of Project year one.
4. KASAHIP will hire a technical assistance provider to train KASAHIP's members, Board of Trustees, and management team in business skills, and entrepreneurship. The training session will focus on identifying business opportunities, the importance of planning, and strategies for managing tailoring and carpentry enterprises. The training will be completed by month eight of Project year one.
5. KASAHIP will hire a technical assistance provider to train KASAHIP's members, Board of Trustees, and management team on organizational development. The training will result in a clearly articulated vision and mission for the Association and help ensure that all members understand the Association's objectives. The training will be completed by month eight of Project year one.

6. KASAHIP will hire a technical assistance provider to train KASAHIP's Board of Trustees and Executive Council in governance. The training will focus on defining specific roles for members of the Board of Trustees and Executive Council, and good governance practices. The training will be conducted by month eight of Project year one.
7. By month ten of Project year two, the general business manager and management consultant will develop a comprehensive five-year business plan detailing opportunities for further expansion and sustained profitability. The business plan will:
  - a. determine the most cost-effective ways of production and marketing of the Association's products and services;
  - b. project returns on investment;
  - c. document lessons learned from year one of the Project, particularly in the implementation of industry best practices;
  - d. explore options for expanding membership of the Association and/or providing benefits to non-members;
  - e. develop indicators that track benefits to members, such as the sales volumes of member businesses and income of members;
  - f. develop a business strategy for marketing of the Association's products and services;
  - g. explore options for additional income generation activities for the Association;
  - h. provide an assessment of current market trends as well an analysis of related risks; and
  - i. include any other additional analysis that will prepare the Association for expansion and sustained growth, to be determined during the design process of the business plan and through implementation of this Project.

C. Production Improvement Activities

1. Technical assistance providers will be engaged by month six of Project year one to train members of KASAHIP in modern carpentry and tailoring techniques. Training will build members' capacity to design and produce high quality products that have high marketability potential.
2. A carpentry consultant will be engaged by month eight of Project year one. The consultant will oversee carpentry activities and ensure that KASAHIP members put into practice the carpentry training they receive. The consultant will provide ongoing training to members, help them develop products with high market potential, and implement industry best practices.

3. A clothing consultant will be engaged by month eight of Project year one. The consultant will oversee tailoring activities and ensure that KASAHIP members put into practice the tailoring training they receive. The consultant will provide ongoing training to members, help them develop products with high market potential, and implement industry best practices.
4. Select members of KASAHIP will attend a lessons learned workshop, where similar ADF-funded cooperatives will share their challenges and successes, by month twelve of Project year one.
5. KASAHIP will refurbish its carpentry workshop by month twelve of Project year one. The carpentry workshop will be equipped with modern tools, machinery, and equipment to allow KASAHIP members to increase the quality of the carpentry products they produce.
6. KASAHIP will refurbish its tailoring workshop by month twelve of Project year one. The tailoring workshop will be equipped with modern tools, machinery, and equipment to allow KASAHIP members to increase the quality of the clothing they produce.

C. Marketing Improvement Activities

The general business manager and management consultant will develop a marketing and sales strategy by month eight of Project year one. The strategy will focus on marketing of the Association's product at local and other regional markets. This strategy will also target major wholesalers and end users in Kaduna and neighboring states.

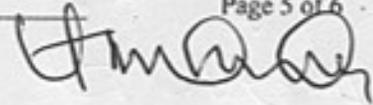
**VIII. Roles and Responsibilities of the Parties**

The staff and management of KASAHIP are responsible for the management and the proper implementation of the Project. Diamond Development Initiatives (DDI), ADF's partner in Nigeria, will provide training in the areas of standard ADF bookkeeping, monitoring and assessment. DDI will also provide technical assistance and management assistance during implementation.

**IX. Monitoring and Evaluation**

ADF's Partner in Nigeria will closely monitor the activities of KASAHIP to ensure proper reporting, adherence to the Project implementation plan by the Association, and movement towards the achievement of Project objectives. The Partner will continuously assess risks and take remedial actions 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 KASAHIP as part of the on-going performance assessment.

ADF  KASAHIP

  
  
 Page 5 of 6

Grant Agreement No. 2168-NIA

X. Other Implementation Issues

- A. Within three months of the first disbursement, KASAHIP will:
1. hire a technical assistance provider to provide recommendations for fire prevention and proper ventilation of the carpentry workshop that are to be refurbished, train KASAHIP workers in occupational safety, and provide refresher training in occupational safety at least once a year during the Grant period for the carpentry workers; and
  2. purchase (i) fire extinguishers, first aid kits, and a sufficient number of face masks, goggles, hearing protection, and boots for the carpentry workers and fire extinguishers, and first aid kits and (ii) any needed hearing protection for the tailoring workers.
- B. KASAHIP will obtain any required or recommended government safety inspections after completion of the workshops and installation of the equipment for both the carpentry and tailoring activities.

