

**PROJECT DESCRIPTION****Virtuous Women Capacity Building 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**

Virtuous Women Multipurpose Cooperative was created in 2008 to continue school uniform and tailoring activities initiated by female tailors from various garment factory sites on Bushrod Island in Monrovia under a World Bank project to create jobs and generate income. The proceeds from this initiative have been used to benefit the cooperative's 106 members, including 96 women.

There is high demand for locally produced uniforms for schools, security firms, churches and other businesses, as well as suits with African designs and fabrics. Virtuous Women currently operates from temporary premises while awaiting completion of construction of their permanent production site on Bushrod Island. The business lacks operating capital to cover overhead expenses while awaiting completion of their production site and until production expands to an adequate scale to be self sufficient. The Cooperative does not have enough machines to accommodate all of its members, nor does it have some of the specialized machines needed to improve the efficiency and quality of its production. Cooperative managers also need training in business development and marketing skills to expand, increase productivity, and establish the cooperative on a sustainable basis.

**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**

Virtuous Women will contribute the labor of its members and employees and its used production equipment to the Project.

**IV. Project Goal**

The goal of this Project is to improve the standard of living of residents of Bushrod Island, Montserrado County, in Liberia.

**V. Project Purpose**

The purpose of the Project is to improve Virtuous Women's prospects for sustained growth and expansion through 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 financial management capacity as evidenced by the following:
1. Virtuous Women produces financial reports from financial and accounting systems that include monthly income and expense statements, cash flow statements, consolidated quarterly and annual statements and balance sheets, as well as adequate financial controls, accounting procedures, policies and systems that will be capable of being audited by an independent accounting or audit firm; and
  2. Virtuous Women's management team routinely utilizes financial documents produced during the Project, such as quarterly bank reconciliations, budget expenditures, and profit and loss statements, in making financial and management decisions for the group.
- B. Improved management capacity, as evidenced by a functioning and active management team that meets at least monthly to assess management implementation progress, addresses implementation constraints as necessary to move the organization forward, and convenes the annual general meeting to update members on Virtuous Women's on-going activities.
- C. Improved technical and marketing capacity as evidenced by sales that change from US\$ 71,425 to US\$ 61,691 in Year 1 and US\$ 79,166 in Year 2.

**VII. Activities****A. Production and Marketing Improvement Activities**

1. Virtuous Women will procure a lock stitch machine, a button hole fixing machine, a button hole machine, an overlock machine, and an irregular cutting stationary machine to complement their current equipment. Virtuous Women will also use grant funds to cover initial operating and overhead expenses, including rent of temporary production space for twelve months, production, supplies, maintenance, fuel, first aid supplies, and safety equipment.
2. Virtuous Women will hire a consultant to train members in machine maintenance and repair.

**B. Management and Accounting Improvement Activities**

1. Virtuous Women will hire a management consultant to work with the group's Board of Directors and management team to develop a comprehensive five-year business plan detailing opportunities for further expansion and sustained profitability of the group. The consultant will be hired by the fourth quarter of Project year one and the business plan will be developed by month three of Project year two. The business plan will:
  - a. document lessons learned from Project year one, particularly in the implementation of improved production techniques and marketing;
  - b. determine the most cost-effective ways of producing and marketing the group's products and services;
  - c. explore options for additional income generation activities for the group;
  - d. explore options for expanding employment and/or providing training opportunities for youth;
  - e. review current marketing practices, market trends and associated risks, and update the group's strategy for marketing its products; and
  - f. develop indicators that track benefits to members and the community.
2. Virtuous Women will hire a part-time accountant to work with the group's management team to develop and operate appropriate financial accounting procedures, policies, and systems. The accountant will document these in a financial systems manual, including a comprehensive set of organizational policies, procedures, and internal controls. The accountant will mentor and provide training to the management team to develop their financial skills and

provide training in financial principles. The accountant will be hired by month three of Project year one.

3. Virtuous Women will hire technical assistance provider(s) to train the Board and management team in business principles, monitoring and evaluation techniques, group dynamics, organizational development, and business entrepreneurship. The technical assistance provider(s) will be hired by month four of Project year one.

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

The members and management of Virtuous Women are responsible for the management and the proper implementation of the Project. ADF's Partner in Liberia will provide training in the areas of standard ADF bookkeeping, monitoring, and assessment. The Partner will also provide technical assistance and management assistance during implementation.

### **IX. Monitoring and Evaluation**

ADF's Partner in Liberia will closely monitor the activities of Virtuous Women to ensure proper reporting, adherence to the Project implementation plan by Virtuous Women, and progress 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 the group's quarterly reports to ADF and will submit comments and observations to the management of Virtuous Women as part of the on-going performance assessment.