

APPENDIX A
PROJECT DESCRIPTION
CHOBE ENCLAVE CONSERVATION TRUST
COMMUNITY TOURISM OAG PROJECT

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 Government of Botswana has identified the tourism industry as having a high potential for creating employment in rural areas. Rural communities are being granted greater control over the natural resources adjacent to them. However, communities often lack the business acumen necessary to market effectively the natural resources under their management.

Chobe enclave is surrounded by three protected areas of Chobe National Park, Chobe Forest Reserve and the floodplains of the Chobe River. The area has limited agricultural potential and, being surrounded by conservation areas, the communities must endure crop damage and livestock predation by wildlife resources. This very poor area has good potential for an expanded tourism industry.

Chobe Enclave Conservation Trust ("CECT") has leased areas within Chobe enclave and obtained government endorsement of a management plan for those areas. This plan would allow CECT to expand its tourism operations. However, CECT lacks the business and management capacity to capitalize fully on this expansion opportunity.

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 7 of the Agreement and do not make ADF's contribution to exceed the obligated amount specified in Article 3, Section 3.1 of the Agreement.

B. Grantee Contribution

CECT will contribute management and employee time and effort to the project.

IV. Project Goal

The goal of the project is to promote employment growth and income enhancement for the poor in Botswana.

V. Project Purpose

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

VI. Project Outputs

The expected outputs from the OAG project are:

- A. Fully developed business and growth plan:
 - Thorough market analysis and strategy development;
 - Compilation of a comprehensive business growth and expansion plan (project proposal) suitable for additional funding consideration; and
 - EIA for Ngoma lodge site.

- B. Efficient financial management systems implemented:
 - Installation of a new financial accounting systems certified as fully compliant with ADF and Department of Wildlife and National Parks reporting requirements;
 - Documented operations procedures; and
 - An effective bookkeeper in place to utilize the new system.

- C. Enhanced operational management and monitoring capabilities:
 - Organizational and management analysis;
 - Competent managerial, technical, and operational skills necessary to run an efficient and growing tourism business;
 - Competent and effective governance structures established to provide strategic oversight on an efficient and growing tourism business; and
 - Improved communication and computer systems in place.

VII. Major Activities to be financed under the Agreement

- 1. Fully developed growth and business plan:
 - CECT will develop a strategic marketing plan including Market Analysis and Strategy Development;

- CECT will develop an effective tourism business model following market-oriented approaches through the compilation of a comprehensive business growth and expansion plan (project proposal), suitable for additional funding consideration; and
- CECT will design appropriate infrastructure improvements and an environmental impact statement for the Ngoma lodge site.

2. Efficient financial management systems implemented with the support of an outside accounting consultant:

- Accounting and financial systems will be developed including the installation of a new financial accounting systems certified as fully compliant with ADF and DWNP reporting requirements;
- Documented operations procedures will be developed and implemented; and
- A bookkeeper will be hired and trained to maintain proper accounting systems and controls in order to fully utilize the new system.

3. Enhanced operational management and monitoring capabilities:

CECT will engage a consultant will be engaged for CECT to undertake an organizational review that assesses current operations and governance practice and needs. This work will involve:

- Producing organizational and management analysis;
- Establishing competent and effective governance structures to provide strategic oversight on an efficient and growing tourism business;
- Training of management staff in management skills, business practices, operations, marketing and governance, including board of directors roles and responsibilities; and
- Computer system purchasing and implementation.

VIII. Roles and Responsibilities of the Parties

ADF's Partner in Botswana, AEET will provide the necessary Standard ADF training in bookkeeping, monitoring and assessment. The Board of CECT is responsible for establishment of the organization's policies and ensuring proper management and implementation of the Project. ADF, through its Partner AEET, will provide CECT with technical and management assistance during the implementation of the project.

IX. Monitoring and Evaluation

AEET will closely monitor the activities of CECT to ensure proper reporting, adherence to the project implementation plan by the Grantee and movement towards the achievement of project objectives. AEET will continuously assess the project risk and take remedial actions as needed. Monitoring by AEET will be an important aspect of the ongoing coaching and advisory service. AEET will review CECT's quarterly reports and

will submit comments and observations to the management of CECT as a part of the annual project evaluation. The two organizations will jointly design the evaluation process.