

**APPENDIX A
PROJECT DESCRIPTION
TEKURA ENTERPRISES LTD – GIFT AND HOME ACCESSORIES OAG**

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

Tekura Enterprises Limited ("Tekura") is a gift and decorative home accessories company. Tekura's products have strong market appeal because they are uniquely African, easily modifiable in terms of designs and have a relatively low price point.

The company has solid export experience with three large retailers in the United States. It faces increasing demand from these customers. To meet this demand, Tekura needs to strengthen its operational and management capacities.

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 cause ADF's contribution to exceed the obligated amount specified in Article 3, Section 3.1 of the Agreement.

B. Grantee Contribution

The Grantee will contribute the time and labour of its management team and employees to the project.

IV. Project Goal

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

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

- A. A fully functional financial management system certified as compliant with ADF and investor management reporting requirements as indicated by:
- production of regular financial reports and audited yearly accounts produced by Tekura; and
 - accounts procedures manual utilized by management team.
- B. An effective management and governance structure in place as demonstrated by:
- an experienced administrator synchronizing core functional areas;
 - a functioning Board of Directors that has made strategic decisions; and
 - a detailed plan for expanding share ownership and/or employee profit-sharing.
- C. A successful market penetration strategy supported by:
- a comprehensive market analysis that evaluates the market potential in terms of consumer segments and purchasing behavior;
 - a branding and promotions and distribution strategy that allows Tekura to reach consumers in a cost effective way; and
 - a tactical sales plan developed and initiated by the marketing and sales manager.
- D. Improved operational and management capabilities as demonstrated by:
- implementation of quality assurance systems;
 - documentation of critical administrative and operational procedures;
 - a scalable raw material sourcing approach that lays out relationship to and processes for working with artisanal producers;
 - improved cash receivable cycle.
- E. A detailed financial plan for investment and growth based on all project outputs.

VII. Major Activities to be financed under the Agreement

A. Financial Management Systems

Tekura will develop and implement a new financial management system, including new computers, accounting software and training, an accounting procedures manual, a proper budgeting system, and an internal control environment that will support fund accountability.

B. Managerial Capacity Improvement

Tekura will hire a sales and marketing officer, business manager, and accounting clerk to form a core management team. Key staff will participate in management training in areas such as leadership, time management, and team building. Tekura will reconstitute and expand its board of directors to improve its corporate governance systems.

C. Market Development

Tekura will develop and implement marketing analysis and a strategic marketing plan, including visits with targeted buyers and international trade fairs. Tekura will develop its marketing capabilities through an enhanced internet web site, brochures and promotional items.

D. Business Processes and Systems

Tekura will develop an administrative and business operating manual to formalize all the internal structures of the company. A technical assistant will train Tekura employees in quality management, occupational health and safety, and raw materials sourcing.

E. Business Plan Development

Tekura will develop comprehensive financial model and investment plan.

VIII. Roles and Responsibilities of the Parties

ADF's Partner INPRODEC will provide the necessary standard ADF training in bookkeeping, monitoring and assessment. Tekura is responsible for ensuring the proper management and implementation of the Project. The ADF partner in Ghana will provide Tekura with technical management assistance during the implementation of the project.

IX. Monitoring and Evaluation

INPRODEC will closely monitor the activities of Tekura to ensure proper reporting, adherence to the project implementation plan by the Grantee and movement towards the achievement of project objectives. INPRODEC will continuously assess the project risk and take remedial actions as needed. Monitoring by INPRODEC will be an important aspect of the ongoing coaching and advisory service. INPRODEC will review Tekura quarterly reports and will submit comments and observations to the management of Tekura as part of the annual project evaluation. The two organizations will jointly design the evaluation process and Tekura will incorporate the findings of the evaluation into their annual report.

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