

**PROJECT DESCRIPTION**  
**SAF Refrigeration Services Expansion**

**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**

A sole proprietorship, Enterprise SAF Prestation (SAF) is a 100 percent Guinean-owned air conditioning and refrigeration service company based in Sangaredi. The company provides diagnostic services, maintenance and repairs to air conditioning units, refrigerators, freezers, and other domestic appliances. In the Sangaredi area, the increase in mining activities has created an opportunity for SAF to capture significant new markets.

However, SAF faces some challenges and constraints. The company needs specialized equipment, careful training especially in worker safety and, ultimately, procurement of less volatile substances. Because the company is new, management capability to handle multiple clients is lacking. A strategic or business plan must be developed to guide expansion. New management systems and training in their use are also needed.

**III. Funding**

**A. USADF Contribution**

The financial plan for USADF'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 USADF's contribution to exceed the obligated amount specified in Article 4, section 4.1 of the Agreement.

**B. Client Contribution**

The Client will contribute the time and labor 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 Sangaredi and surrounding areas.

**V. Project Purpose**

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

**VI. Project Outputs**

A. A successful market penetration strategy supported by:

- a strategic marketing plan that will further identify business opportunities by services sought (i.e., types of refrigeration equipment, domestic appliance repair) and an action plan for SAF staff;
- a branding/promotions and distribution strategy that allows SAF to reach consumers in a cost effective way; and
- a tactical sales plan.

B. A fully functional financial management system certified as compliant with USADF and investor management reporting requirements as indicated by:

- the implementation of a software-based financial management system capable of providing timely and accurate reports and projections; and
- financial controls and operational procedures manual utilized by management team.

A comprehensive price/cost analysis to determine the optimal pricing schedule for its services and materials vis a vis a growing corporate customer base.

C. SAF will improve its fiscal and social responsibility as demonstrated by its compliance with the Re-Investment Commitment Schedule set forth in Appendix A-2 to this Agreement.

**VII. Major Activities to be financed under the Agreement**

A. Business Planning SAF will engage a Guinean business consultant who will work part time on site with SAF over a six month period to develop a business, marketing and sales plan for the company. The consultant will coach the company's staff in key areas, including pricing, sales, and market strategic planning.

B. Infrastructure Improvements

SAF will renovate and equip its workshop. Improvements will include a larger workspace, better storage, and the addition of safety features.

APPENDIX A

C. Training and Technical Assistance

The company's technicians will receive training in welding, worker safety and use of refrigerants. Management staff will be trained to implement effective, computerized operational and financial systems.

D. Marketing

SAF will continue to market through professional and technical networks. The consultant will identify additional channels, such as equipment trade fairs.

VIII. Roles and Responsibilities of the Parties

The staff and elected leadership of SAF are responsible for the management and the proper implementation of the Project.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Client will form a monitoring and assessment committee composed of a representative cross-section of the Client's organization. The committee will develop a project monitoring plan. In addition, during implementation, the committee will have responsibility for ensuring that the project follows the implementation plan. Problems identified through project monitoring and evaluation must be properly addressed by SAF in a timely manner and in a fashion acceptable to USADF.

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