

**APPENDIX A  
PROJECT DESCRIPTION  
BOTSWELELO CENTRE  
THAMAGA POTTERY 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**

Thamaga Pottery is a community based project in Thamaga village in Kweneng District. It came about as an initiative of the Catholic Church to create employment for youth and women in a rural location by enhancing traditional skills to produce high quality pottery tableware. The company has amassed considerable experience, production assets, and product expertise, providing Thamaga with a recognized brand name. Despite the years of operation the company lacks the ability to develop and execute a profitable growth strategy and the skills needed to evolve its product line.

**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**

Botswelelo Center will contribute the ongoing enterprise as well as the management and employee time and effort towards the implementation of 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 this 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 as follows.

- A. Fully developed business and growth plan:
  - target markets for diversification identified;
  - market strategy and plan developed; and
  - investment plan for meeting projected market demand presented based on assessment of production capacity.
  
- B. Efficient financial management systems implemented:
  - new financial accounting systems certified as fully compliant with ADF and investor management reporting requirements installed;
  - procedures documented; and
  - fully trained book keeper in place to utilize the new system;
  
- C. Diversified product range:
  - updated production designs and quality control;
  - prototypes developed for trial marketing; and
  - product pricing analysis conducted;
  
- D. Increased marketing capacity:
  - marketing tools developed (web-site, product catalogues, brochures, promotional materials); and
  - product packaging designed for export market.
  
- E. Enhanced operational management and governance capabilities:
  - managemnt team implementing best practices in production related to efficiency, quality, health and safety, etc.;
  - business processes and systems re-engineering for efficiency;
  - critical administrative and operational procedures documented; and
  - sound governance structures established

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

### **A. Accounting and Financial Systems Development**

With the support of an outside accounting consultant, a bookkeeper will be trained to maintain proper accounting systems and controls.

### **B. Management Structure Development and Training**

The company will undertake an organizational review that assesses current human resource practice and needs. The management staff will receive training in business skills and practices. The board will receive training in board roles and responsibilities.

### C. Operations Systems Improvement

The company will analyze its production resources (machinery, materials and human resources) and systems to enhance effectiveness and efficiency. It will develop product prototypes for trial marketing.

### D. Governance

The Grantee will retain technical assistance to support the establishment of good governance structures.

## 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

Botswelero Cente is responsible for ensuring the proper management and implementation of the Project. ADF, through its Partner AEET, will provide Botswelero with technical and management assistance during the implementation of the project.

## IX. Monitoring and Evaluation

AEET will closely monitor the activities of Botswelero Center 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 Botswelero Center's quarterly reports and will submit comments and observations to the management of Botswelero Center as a part of the annual project evaluation. The two organizations will jointly design the evaluation process.