

**APPENDIX A:  
PROJECT DESCRIPTION  
UGANDA ORIBICING WOMEN SAVINGS AND CREDIT**

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 residents of the Lira and Apac districts of Uganda are among the poorest in the country. The Grantee, Oribicing Women's Cooperative Savings and Credit Society (Oribicing), is a membership organization that provides financial and non-financial services to small entrepreneurs in these districts. The family business of the average Oribicing member generates about UGS 50,000 (\$US30) per month. From this approximately UGS 10,000 is reinvested in the business. The balance generally does not cover the monthly cost of food, clothing, medical care, housing, education for the children, and other basic needs.

Over the last six years Oribicing has been able to extend only 1,020 loans from its revolving credit scheme, which means approximately 4,953 of its shareholders have not benefitted from the loan program. In addition, Oribicing's loan size of UGS 56,000 (\$US32) is not sufficient to meet the average loan capital requirement of its members' enterprises, which is estimated at UGS 300,000 (\$US167).

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

Oribicing's total contribution to the project is UGS 69,959,763 (\$US 39,977), of which UGS 56,394,763 is loan fund capital. The remainder is for operating costs. Oribicing's contribution amounts to approximately 17 percent of total project costs.

IV. Project Goal

The goal of the Project is to improve the quality of life for residents of the Lira and Apac districts of Uganda.

#### V. Project Purpose

The purpose of this five-year Project is to increase the income of Oribicing's members, as indicated by a rise in average income from UGS 600,000 in project year 0 to UGS 1,800,000 by year 5.

#### VI. Project Outputs

In order to attain the Project's purpose, Oribicing will acquire the following:

- A. increased capacity and efficiency to respond to financial and non-financial needs of its members, as indicated by ---
  - 1. loan processing time reduced from the current two weeks to one week by year 5;
  - 2. staff ability to record financial data improved 100 percent by the end of the project;
  - 3. time required to produce accurate reports reduced from one week to one day by year 5; and
  - 4. number of members receiving business assistance increased from 520 in year 0 to 5,159 by the end of the project.
  
- B. strengthened lending abilities, as indicated by --
  - 1. approximate value of loans extended to clients increased from 56 million UGS in project year 0 to 280 million UGS by project year 5; and
  - 2. number of loan products extended to clients increase from one in project year 0 to two by the end of project year 1.
  
- C. improved ability to administer credit as indicated by an increase in loan repayment from 95 percent in project year 0 to 98 percent in project year 5.
  
- D. Enhanced work force, as indicated by an increase in staff size from nine fulltime employees to 17 by project year 2.

#### VII. Major Activities to be Financed Under the Agreement

Oribicing will undertake the following activities to generate the Project's expected outputs:

- A. Extension and Management of Credit

1. Increase the existing loan fund. Oribicing will provide two loan products, i.e., commercial loans for 6 months, and agricultural loans for 12 months.
2. Establish two new branches in the Lira and Apac districts. A credit officer, assisted by a computer literate secretary/cashier will manage each branch. The grant will finance twenty-four months of salaries for credit officers (3), a credit advisor (1), an accountant (1), and secretaries/cashiers (3).
3. Monitor clients' business performance and the credit management. Using grant funds, Oribicing will purchase and maintain five motorcycles for monitoring visits and travel between headquarters and branches.
4. Track savings and loan performance. The grant will fund the installation of credit management software, including the purchase of the software and license for use, initial staff training in the software, loan performer tracking training, and 12 months of technical assistance.

#### B. Mobilization for Share Capital and Savings

Oribicing will continue to educate its members on the importance of savings in business development. It will encourage members to increase the amount saved to a minimum of UGS 10,000 per month, initially earning a 3 percent interest.

#### C. Training

Resource persons from experienced organizations that specialize in management, environmental protection and sustainable use of natural resources, AIDS education, and computer training will provide training. The ADF grant will fund the purchase of training materials, trainers' fees, accommodations, meals during training, renting of training venues, and paying for transport for participants. The Project will include targeted training in the following areas.

- Management. The Project provides for training designated members of the Oribicing board and staff members as trainers in business counseling and management. They will in turn train approximately 5,353 members from 157 groups.
- HIV/AIDS. The grant will fund HIV/AIDS prevention training for 520 group leaders and Board members.
- Computer. Four members of the head office staff will take a course in the use computers in credit management at COMPAQ, a computer school in Lira.

### VIII. Roles and Responsibilities of the Parties

Oribicing has primary responsibility for ensuring that project activities are properly implemented. Within Oribicing, the Board of Directors have the overall responsibility

for supervising and coordinating implementation. A credit committee, audit committee, executive procurement committee, project manager, branch credit committee, and staff of the branch offices will assist the Board.

Pursuant to Article 10 of the Agreement, the Uganda Development Trust (UDET), ADF's Partner, will provide Oribicing technical assistance and advice during the implementation of this project.

#### IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Partner, will form a monitoring and assessment committee composed of a representative cross-section of the Grantee's organization. The committee will provide the Partner input for the Project monitoring plan, which will include the **establishment of annual targets for the performance indicators**. In addition, during implementation, the committee will have responsibility for ensuring that the Project follows the implementation plan, and that problems identified through monitoring and evaluation are properly addressed in a timely manner.