

PROJECT DESCRIPTION
BUFA Institutional Strengthening Project
Uganda

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

Busia Fish Mongers Association (BUFA) is a membership organization composed of 323 individuals engaged in various aspects of the fish trade business within Busia District. BUFA's members are unable to buy large quantities of fish and access refrigerated transport to keep the fish fresh. This often results in high loss of inventory and poor quality fish sold at unsustainable profit margins. BUFA does not have the financial or institutional capacity to assist members to overcome these constraints.

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 4, Section 4.1 of the Agreement.

B. BUFA's Contribution

BUFA will contribute the total assets of the association, currently valued at Uganda Shillings (UGX) 31,194,234, towards the implementation of this Project. BUFA will continue to pay salaries for the Administrative Manager, Accounts Assistant and Office Attendant and other operational costs during the period of the Project.

IV. Project Goal

The goal of the Project is to improve the economic welfare of BUFA members in Busia District, Uganda.

V. Project Purpose

The purpose of this Project is to strengthen the management and operational capacity of BUFA, improve working conditions of its members, and plan for future expansion.

VI. Outputs

By the end of the Project period, BUFA will accomplish the following.

- A. Improve financial management, corporate governance, and human resource capacity as demonstrated by:
 - 1. transforming BUFA into a registered cooperative society;
 - 2. building a fully functional financial management system capable of producing reports;
 - 3. establishing an accounting manual with policies and procedures; and
 - 4. creating a functional human resource manual with a revised organizational chart and corporate governance policies.

- B. Improve services provided by BUFA to its members as demonstrated by:
 - 1. putting in place a micro credit fund with a loan tracking system;
 - 2. renovating the sanitation and drainage system within the Busia market that meets the National Environmental Management Authority (NEMA) standards; and
 - 3. making fish transport containers available for hire.

VII. Activities

BUFA will ensure the following major activities are implemented.

- A. Improve BUFA's prospects for expansion.
 - 1. Develop a comprehensive marketing plan that includes:
 - a. a market research report with analysis of the potential markets, local and regional, for each of their current products; and
 - b. a marketing strategy that includes promotion, pricing and distribution.
 - 2. Commission the development of a comprehensive business plan that includes
 - a. a cost benefit analysis report for the purchase of refrigerated transport and construction of an ice plant; and
 - b. an analysis of the value addition opportunities for fish.

- B. Enhance BUFA's service provision to its members.
 - 1. Improve the sanitation and waste disposal in the public fish market in accordance with NEMA recommendations by:
 - a. constructing an incinerator, soak pit and two garbage containers;
 - b. paving the loading bay and walkways in the market; and
 - c. excavating and building proper drainage channels for rain water.
 - 2. Procure weighing scales and fish transport containers.
 - 3. Establish a loan fund for members.

- C. Strengthen BUFA's financial and management systems by:
 - 1. commissioning an audit to identify weaknesses;
 - 2. managing the 20 market fish stalls on a fee basis;
 - 3. implementing a loan tracking system for its credit program;

4. hiring a marketing officer in the second year;
 5. developing a human resource manual;
 6. installing a computerized accounting system; and
 7. training staff to use the new accounting system for decision-making purposes.
- D. Improve BUFA's ability to carry out its desired business in accordance with law activities by:
1. transforming from an NGO to a cooperative society; and
 2. training management and board members in company governance procedures.

VIII. Roles and Responsibilities of the Parties

ADF's Partner, UDET, will provide BUFA with standard ADF training in bookkeeping, monitoring and assessment. BUFA will be responsible for ensuring that there is proper management and implementation of the Project. The ADF Partner in Uganda, UDET, will provide BUFA with the technical and management assistance during the implementation of the Project.

IX. Monitoring and Evaluation

UDET will closely monitor the activities of BUFA to ensure proper reporting, adherence to the Project implementation plan by the client and movement towards the achievement of Project objectives. The Partner will continuously assess the Project risk and take remedial actions as needed. Monitoring by the Partner will be an important aspect of the on-going coaching and advisory service. The Partner will review ADF's quarterly reports and will submit comments and observations to the management of BUFA as part of the on-going performance assessment.

X. Other Implementation Issues

- A. The microcredit fund will commence only after BUFA's completion of registration as a cooperative society.
- B. The ADF financial assessment tool will be administered by the end of the first year of Project implementation in order to ensure that BUFA is in compliance with financial management and reporting systems. Disbursements for market renovations should be made third-party where possible until that time.
- C. BUFA will continue working closely with and under the supervision of the District Health Inspector who examines all BUFA members' handling and selling fish in and outside the market and issues them with the annual health certificates.
- D. Within the first six months of the Project, UDET will assist BUFA in developing a waste management plan in consultation with the National Environmental Management Authority (NEMA).