PROJECT DESCRIPTION

Collaborative Efforts to Alleviate Social Problems (CEASOP)

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

Collaborative Efforts to Alleviate Social Problems (CEASOP) is a registered non-governmental organization located in Northern Uganda that works with disadvantaged and marginalized individuals previously living in internally displaced persons (IDP) camps to provide them with economic opportunities. Currently, there is an unmet demand in Uganda for the agricultural goods produced by CEASOP's clients such as pork, chicken and goat. CEASOP wishes to help its members take advantage of these market opportunities.

III. Funding

A. ADF Contribution

The financial plan for ADF's contribution is set forth in Appendix A.-1 of this Agreement. The parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 8 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. CEASOP Contribution

CEASOP will contribute its assets towards the implementation of the Project and the time, skills and labor of its staff. CEASOP will continue to pay its own annual operational costs not covered by ADF such as salaries and wages for the executive director, program officer and program assistant, rent, office space, storage costs, electricity and water and wages for part-time unskilled workers. In addition participating farmers will contribute land on which to grow crops, food and water for animals provided under this Project and local building materials such as sand, bricks, and stones for the construction of farm structures. In addition, CEASOP will cover the full gross salaries for the project coordinator, accounting assistant, veterinary assistant, and agricultural assistant starting 36 months after the initial dates of hire.

IV. Project Goal

The goal of this Project is to improve the standard of living of poor IDP returnees in Northern Uganda.

V. Project Purpose

The purpose of this Project is to increase the incomes of participating farmer-members as evidenced by the following.

A. Total annual adjusted net income (before taxes and depreciation) for participating farmer-members engaged in poultry farming increases from the current baseline of UGX 0 in 2008 to:
   1. UGX 198,900,000 in Project Year 1;
   2. UGX 347,400,000 in Project Year 2; and
   3. UGX 397,900,000 in Project Year 3.

B. Total annual adjusted net income (before taxes and depreciation) for participating farmer-members engaged in goat keeping increases from the current baseline of UGX 0 in 2008 to:
   1. UGX 56,500,000 in Project Year 1;
   2. UGX 98,700,000 in Project Year 2; and
   3. UGX 113,000,000 in Project Year 3.

C. Total annual adjusted net income (before taxes and depreciation) for participating farmer-members engaged in hog farming increases from the current baseline of UGX 0 in 2008 to:
   1. UGX 181,800,000 in Project Year 1;
   2. UGX 317,600,000 in Project Year 2; and
   3. UGX 363,700,000 in Project Year 3.

D. Total annual adjusted net income (before taxes and depreciation) for participating farmer-members engaged in sunflower cultivation increases from the current baseline of UGX 0 in 2008 to:
   1. UGX 86,900,000 in Project Year 1;
   2. UGX 151,800,000 in Project Year 2; and
   3. UGX 173,900,000 in Project Year 3.

E. Total annual adjusted net income (before taxes and depreciation) for participating farmer-members engaged in ginger cultivation increases from the current baseline of UGX 0 in 2008 to:
   1. UGX 81,800,000 in Project Year 1;
   2. UGX 142,900,000 in Project Year 2; and
   3. UGX 163,600,000 in Project Year 3.

VI. Project Outputs

A. Total annual sales revenues for participating farmer-members engaged in poultry farming increases from a baseline of UGX 0 in 2008 to:
   1. UGX 423,300,000 in Year 1;
   2. UGX 739,200,000 in Year 2; and
   3. UGX 846,600,000 in Year 3.

B. Total annual sales revenues for participating farmer-members engaged in goat keeping increases from a baseline of UGX 0 in 2008 to:
   1. UGX 120,200,000 in Year 1;
   2. UGX 210,000,000 in Year 2; and
   3. UGX 240,500,000 in Year 3.

C. Total annual sales revenues for participating farmer-members engaged in hog farming increases from a baseline of UGX 0 in 2008 to:
   1. UGX 386,900,000 in Year 1;
   2. UGX 675,700,000 in Year 2; and
   3. UGX 773,900,000 in Year 3.

D. Total annual sales revenues for participating farmer-members engaged in sunflower cultivation increases from a baseline of UGX 0 in 2008 to:
   1. UGX 185,000,000 in Year 1;
   2. UGX 323,100,000 in Year 2; and
   3. UGX 370,000,000 in Year 3.

E. Total annual sales revenues for participating farmer-members engaged in ginger cultivation increases from a baseline of UGX 0 in 2008 to:
   1. UGX 174,100,000 in Year 1;
   2. UGX 304,100,000 in Year 2;
   3. UGX 348,200,000 in Year 3.

F. CEASOP's management capacity improves as evidenced by:
   1. CEASOP has automated financial management and accounting systems that meet ADF requirements and it routinely produces financial statements, reports and documents, which the Board of Directors and management team use in decision making.
   2. CEASOP uses data collected from its marketing and evaluation systems to propose remedial activities that are accepted and implemented by participating SHGs.

VII. Project Activities

CEASOP will implement the following major activities:

A. Agricultural Production Activities

1. Management Capacity Activities

   a. Purchase bicycles for each Self-Help Group (SHG) to facilitate group coordination and field based peer review meetings by SHG leaders.
   b. Train Cluster Level Associations (CLA) representatives in organizational governance and leadership including group cohesion and dynamics and farming as a business.
   c. Organize and conduct a study tour to neighboring districts implementing similar projects.
   d. Organize and set up stalls at the National Agricultural Show in Jinja municipality.

e. Organize and register two new CLAs.
f. Register participating CLAs as a Federation.
g. Conduct a marketing and advertising campaign related to CLA activities and produce using talk shows on FM radio and in the Luo language daily newspaper, Rupiny. These campaigns will be aimed at taking advantage of opportunities for the existing SHGs to expand their sales in markets within the SHGs' communities, in Lira Municipality, with institutions such as hotels, restaurants, schools, and with the growing number of traders from Kampala, Soroti, Kitgum and Gulu looking for produce and livestock.

2. Technical Capacity Activities

a. Develop a Procurement and Distribution Plan and fit it to farming patterns of participating SHGs in order to maximize benefits of crop seasonality.

b. Poultry Farming Inputs
   i. Animals will feed free range with limited tethering will be fully enclosed in shelters. Each participating member of an SHG will contribute towards the costs of local construction materials such as sand, bricks, hardcore, stones, roofing materials and the labor required to erect farm structures.
   ii. Purchase 5,200 chickens (4,680 hens and 520 roosters), necessary vaccines and drug treatments, egg booster, drinker cans, feeders, bags of feed and hand spray pumps for pest control and to prevent animal diseases.

c. Goat Raising Inputs
   i. Animals will feed free range with limited tethering. Each participating member of an SHG will contribute towards the costs of local construction materials such as sand, bricks, hardcore, stones, roofing materials and the labor required to erect farm structures.
   ii. Purchase 805 goats (800 nannies and 5 boars), necessary vaccines and drug treatments, syringes and hand spray pumps for pest control and to prevent animal diseases.

d. Pig Farming Inputs
   i. Animals will feed free range with limited tethering. Each participating member of an SHG will contribute towards the costs of local construction materials such as sand, bricks, hardcore, stones, roofing materials and the labor required to erect farm structures.
   ii. Purchase 805 pigs (800 sows and five boars), necessary vaccines and drug treatments, bags of feed and hand spray pumps for pest control and to prevent animal diseases.

e. Sunflower Production Inputs
   i. Sunflower growers are expected to provide 690 total acres (or 1.5 acres per member) for sunflower production.
   ii. Purchase 3,600 kg of high quality sunflower seeds (sufficient for the first two planting seasons) to improve yields.

f. Ginger Production Inputs
   i. Ginger growers are expected to provide 150 total acres (or 0.5 an acre per member) for ginger production.
   ii. Purchase 13,600 kg of high quality ginger seeds (sufficient for the first two planting seasons) to improve yields.

g. Oxen Inputs
   i. Purchase 40 oxen, 20 ox carts, 20 ox ploughs and accessories, necessary vaccines and drug treatments and syringes.
   ii. The 20 oxen teams will be procured and distributed to the 20 SHGs that are involved in farming activities only. The teams of oxen will facilitate easier and faster tillage of SHGs members' plots and will produce manure which members will use as organic manure to maintain soil fertility. The ox carts will also help each SHG to efficiently transport increased members' produce to local markets. Each ox cart has the capacity to haul up to one metric ton per trip.

h. Increase access to agricultural extension services and technical expertise and assistance for mentoring and training in new approaches for animal husbandry and crop farming.

i. Sign land use rights documents to establish presence at markets at the parish level and erect stalls.

j. Apply for a plot of land and develop and seek approval for an architectural plan to create a distribution center in Lira Town.

B. CEASOP Management Capacity Activities

1. Financial and Administrative Management Capacity Activities

a. Hire an accounting assistant to manage and report on CEASOP finances.
b. Train key accounting and management personnel in standard ADF bookkeeping and accounting, including consolidated accounting including computerization and accounting techniques required for accrual based accounting.
c. Complete the ongoing computerization of the accounting function using Tally, already funded by one of the existing donors.
d. Commission an enterprise wide compliance audit required to establish CEASOP's financial position. Current audits are program based audits, conducted on generally acceptable auditing standards and devoid of CEASOP institutional status.
e. Reorganize management chart to incorporate detailed interface with program field activities and communication channels.
f. Install a Petty Cash system preferably based on the imprest system.
g. Develop a comprehensive information and communication technology (ICT) manual.
h. Upgrade and or improve the current Accounting and Finance Procedures Manual into an Operational Manual.
i. Relocate and centralize administrative and management functions at one location.

j. Train Board members and senior management staff lacking finance backgrounds in basic accounting, how to read and use financial statements, and how to manage an integrated accounting system.

2. Management and Oversight Capacity Activities

a. Hire project coordinator.
b. Hire a veterinary assistant who will make a work plan for husbandry activities for participating members, review extension service requirements for SHGs, develop or purchase required training materials, and establish network with similar agencies for technical support.
c. Hire agricultural assistant who will make a work plan for crop growing activities for participating members, review extension service requirements for SHGs, develop or purchase required training materials, and establish network with similar agencies for technical support.
d. Purchase motorcycles and accessories in order to serve beneficiaries better and facilitate the movement of extension service providers while carrying out on-farm training and monitoring project activities.
e. Purchase computers and accessories to improve information processing and communication.
f. Train key personnel in corporate governance and human resources management.
g. Train Board of Directors and management staff in best practices in corporate governance and human resources systems management.
h. Review the existing strategic plan for possible improvements and updates.
i. Train key personnel in monitoring and evaluation systems development, including developing monitoring tools, testing tools, analyzing data better manage and adapt programs and evaluate, participatory monitoring and evaluation. CEASOP will collect, collate and process data on economic activities of its Self-Help Groups (SHGs).
j. Train operational and program staff in stores management best practices highlighting the importance of procurement and good inventory management with the view of passing on these skills to CLAs and Federation staffs.

VIII. Roles and Responsibilities

ADF's Partner in Uganda will provide the necessary standard ADF training in bookkeeping, monitoring, and assessment. CEASOP is responsible for ensuring the proper management and implementation of the Investment. The ADF Partner in Uganda will provide CEASOP with technical and management assistance during implementation.

IX. Monitoring and Evaluation

ADF's Partner in Uganda will closely monitor the activities of CEASOP to ensure proper reporting, adherence to the Project implementation plan and movement towards the achievement of Project objectives. The Partner will continuously asses 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 CEASOP's quarterly reports and will submit comments and observations to the management of CEASOP as part of the on-going performance assessment.

X. Other Implementation Issues

CEASOP will provide in-kind credit, such that each member who receives support will be required to make in-kind payment by passing over similar and equivalent support to another SHG group member that will not benefit from the seed and livestock inputs this project is to procure. Recovery of in-kind credit will be done at the time of harvesting for sunflower and ginger and after the chickens, goats and pigs have produced chicks, kids and piglets. CEASOP will develop a memorandum of understanding with each of the 53 SHGs, spelling out terms and conditions of how this in-kind credit system will be managed.