PROJECT DESCRIPTION

MakaPads Research and Product Development

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

Technology for Tomorrow (T4T) is a registered private limited liability company located on the Makerere University Main Campus in Kampala, Uganda. Its principal objective is to link research to community and industry needs. Currently, there is a large unmet demand for affordable sanitary napkins for women and girls in Uganda, especially within marginalized communities. Lack of access to and affordability of sanitary pads contributes to the high rates of absenteeism from school among girls. T4T has developed a cost effective sanitary napkin as part of its research agenda, tested the product within a restricted market segment (refugee camps) and found it to be viable. T4T wishes to test the product further as well as improve the production process, develop the market for the product and streamline the value chain before commercialization of its innovative product, but lacks the necessary capital and other resources.

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. Technology for Tomorrow Contribution

As part of its contribution, T4T will transfer technology to the communities for MakaPads production and fabrication of the relevant equipment. T4T will also provide the time, skills and labor of its existing staff as well as continue to pay for operational costs not covered by ADF. These costs include, but are not limited to: salaries and wages for the managing director and manager in charge of the MakaPads Project; rent for office space, electricity and water bills; and the cost of improving and/or modifying the MakaPads. Additionally, T4T will cover the salary costs of new personnel hired under this Project after the first eighteen months of their service.

IV. Project Goal

The goal of this Project is to improve the social and economic welfare of marginalized women and girls in Soroti and Gulu Districts in Uganda .

V. Project Purpose

The purpose of this Project is to increase the incomes of T4T employees and hired labor, and the incomes of suppliers of raw materials to T4T as indicated by the following.

A. T4T's adjusted net income (before taxes and depreciation) increased from UGX 1,904,000 in 2009 to:

1. UGX (1,329,000) in Year 1;
2. UGX 36,255,000 in Year 2; and
3. UGX 77,127,000 in Year 3.

B. T4T's payroll increased from UGX 82,111,000 in 2009 to:

1. UGX 243,468,000 in Year 1;
2. UGX 279,360,000 in Year 2; and
3. UGX 333,809,000 in Year 3.

C. Increased value of papyrus supplied by individuals to T4T from a baseline of UGX 6,579,450 in 2009 to:

1. UGX 12,060,024 in Year 1;
2. UGX 14,101,323 in Year 2; and
3. UGX 16,486,521 in Year 3.

VI. Project Outputs

A. T4T's sales revenues will increase from a baseline of UGX 118,430,000 in 2009 to:

1. UGX 341,321,000 in Year 1;
2. UGX 470,842,000 in Year 2; and
3. UGX 612,689,000 in Year 3.

B. Number of fulltime workers will increase from a baseline of 8 in 2009 and be maintained at 16 for each year of the Project.

C. Number of operating enterprises will increase from a baseline of 2 in 2009 and be maintained at 4 for each year of the Project.

D. Number of individuals supplying papyrus to T4T will increase from baseline of 10 in 2009 to:

1. 14 in Year 1;

2. 16 in Year 2; and
3. 20 in Year 3.

VII. Project Activities

T4T will ensure, with the assistance of consultants as necessary, the following major activities are implemented.

A. Production

1. Identify areas in Gulu and Soroti where the production sites will be established.
2. Sign lease agreements with the owners of the premises.
3. Hire local production staff to work with the site supervisors.
4. Determine the specifications of the tools and machinery to be fabricated, sign contracts with the fabricators, and subsequently fabricate the equipment.
5. Procure other production equipment and materials required for the MakaPads production.
6. Establish the mini laboratory and procure the required lab equipment.
7. Develop a technology training plan and materials and implement the training.

B. Marketing

1. Work with the Uganda National Bureau of Standards (UNBS) to develop the parameters of MakaPads quality standards and develop the quality standards for certification.
2. Acquire the UNBS quality mark for the MakaPads.
3. Undertake the marketing research for MakaPads and develop a marketing plan based on the research undertaken.
4. Undertake the social impact research for the Project.
5. Liaise with the African Regional Intellectual Property Organization (ARIPO) and obtain patents for the MakaPads.
6. Work with advertising companies to produce appropriate advertising materials and use them to advertise the MakaPads both on radio and television.

C. Social Impact Assessment

1. Determine the social impact parameters to be researched;
2. Determine the methodology of the social research and develop the necessary research tools;
3. Implement the tools for data collection, analyze the data and write the social research report.

D. Governance and Management

1. Hire T4T staff including a marketing officer, two site supervisors, two quality controllers and one accountant.

2. Review the current governance structure and develop clear reporting lines that separate the board from management.
3. Implement the required production training for the staff working in the two new production sites.

VIII. Roles and Responsibilities

ADF's Partner in Uganda will provide the necessary standard ADF Training in bookkeeping, monitoring and assessment. T4T is responsible for ensuring the proper management and implementation of the Project. The ADF Partner in Uganda will provide T4T with technical and management assistance during implementation.

IX. Monitoring and Evaluation

ADF's Partner in Uganda will closely monitor the activities of T4T to ensure proper reporting, adherence to the Project implementation plan by the Grantee, 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 T4T's quarterly reports and will submit comments and observations to the management of T4T as part of the on-going performance assessment.

X. Other Implementation Issues

A. The Grantee will ensure that the workers at the two enterprises funded under this Project have gloves, protective gear for their eyes, fiber dust inhalation gear, and hearing protective gear, if necessary. The enterprises also will obtain and maintain fire extinguishers.

B. The accountant needs to be recruited within the first 90 days of the Project and, until sufficient systems are in place, disbursements for equipment and working capital should be third party as much as possible.

C. During the first year of Project implementation, T4T will streamline its governance structure and ensure clear separation between the Board and Management. All the costs involved in this process will be covered by T4T.

D. T4T will test product characteristics and price points of the different product designs.

E. The Project will enlist the services of a social researcher as a team leader to facilitate the process of determining the social impact of the Project with the assistance of selected University students.

F. Using the results of both the market and social research, T4T will prepare and publish an article in a reputable international journal on the social and economic impacts of the Project.