

**Budget Narrative**  
**Outspan Organic Exports Enterprise**

<b>Category</b>	<b>Description</b>	<b>Cost Ush</b>
<b>A</b>	<b>Plant and Equipment</b>	<b>71,338,000</b>
A.1	<u>Factory Refurbishment and Spares</u> for refurbishment of the current existing factory machinery to cost Ush 10,500,000 are outlined as follows: <u>Equipment Repairs</u> 10,500,000 - Flat Iron Bar 180,000 - Screws with nuts (100 pieces) 80,000 - Grease 35,000 - Fan Belts (3 pieces) 120,000 - Cleaner 730,000 - Sieving Plates (3 pieces) 180,000 - Fuse Box (1) 100,000 -Heavy Duty Weighing Scale 9,075,000 <b>(See invoices by Quick Start Equipment &amp; Spare Supplies, BMC Enterprises attached).</b>	10,500,000
A.2	<u>Electrical Fittings and Wiring</u> 14,433,000 - Replacement of electricity fittings in Store 1 1,923,000 - Replacement of electricity fittings in Store 2 2,510,000 - Motors (5) each at Ush 2,000,000 10,000,000 <b>(See invoices by Jirad Electricals, M.K. General Traders, and Bakatamba Metal Works).</b>	14,433,000
A.3	<u>Bubbles (2)</u> Ush 20,405,000 is required to purchase 2 fumigation bubbles with a combined capacity of 36 metric tons. <b>(See invoice by Power Plastics of UK-limited suppliers/unique item)</b>	20,405,000
A.4	<u>Motorcycles</u> Ush 21,000,000 will be used to buy 6 motorcycles for Field Extension Officers at a cost of Ush 3,500,000 each. <b>(See invoices by Chuang Xin (U), Gold Wheels International Uganda, and Nirma International U).</b>	21,000,000
A.5	<u>Generator</u> Ush 5,000,000 to purchase a standby generator for powering at the plant. <b>(See comparative invoices by N.N.T. Traders, Twesigye Innocent, and Inter-Tech Enterprises).</b>	5,000,000
<b>B</b>	<b>Working Capital</b>	<b>250,000,000</b>
B.1	<u>Crop Finance:</u> Ush 250 million will be used to purchase the organic sesame and chillies in the first two months of the December – March 2006/7 season.	250,000,000
<b>C</b>	<b>Management Personnel</b>	<b>21,600,000</b>
C.1	<u>General Manager – Finance &amp; Administration:</u> Ush 12,000,000 will go towards salary for a General Manager for 1 year at Ush 1,000,000 per month. OEL will meet the other half of the salary in year 1 and the full salary in the following years. Salaries are based on the Partner’s knowledge of similar position compensation.	12,000,000

C.2	<u>Marketing/Export Officer</u> Ush 6,000,000 will go towards part salary for a Marketing Manager for 1 year at Ush 500,000 per month. OEL will contribute Ush 500,000 as top up of the salary in year 1 and will pay all salary in year 2 onwards. Salaries are based on the Partner's knowledge of similar position compensation.	6,000,000
C.3	<u>Assistant Field Supervisor</u> Ush 3,600,000 will be for hire and remuneration of a new Assistant Field Supervisor for 12 months at Ush 300,000 per month. OEL will meet salary in year 2 onwards. Salaries are based on the Partner's knowledge of similar position compensation.	3,600,000
<b>D</b>	<b>Management Systems</b>	<b>18,000,000</b>
D.1	<u>Computer and Accessories</u> Ush 7,500,000 will be used to cover the cost of procuring a new computer with all the necessary accessories i.e. computer, printer and flash disk. <b>(See attached comparative invoices by Nile Computers, Maranatha Document Center, Clem Investments)</b>	7,500,000
D.2	<u>Pastel Software</u> Ush 7,500,000 will be used to procure and install a pastel accounting software package and training by the service providers in running day to day bookkeeping activities and generation of management accounting information <b>(see attached quotation by Intesolmac).</b>	7,500,000
D.3	<u>Pastel Software Training</u> ADF will contribute Ush 3,000,000 for training OEL's board and management staff in the use of the installed software <b>(see quotation by Intesolmac).</b>	3,000,000
<b>E</b>	<b>Training &amp; Technical Assistance</b>	<b>34,500,000</b>
E.1	<u>Organic Farming Re-Training</u> Ush 12,000,000 will be used to facilitate refresher training of the organic farmers in organic farming methods and strengthening organic Internal Control Systems.  45 Refresher training workshops will be conducted for all the 4,537 farmers. The training will be conducted in groups of 100 people each for two days. Each of the farmers will be facilitated with 2 lunch meals each estimated at Ush 1,300.	12,000,000
E.2	<u>Technical Assistance Provider(s) in Finance, Accounting and Marketing:</u> Outspan Enterprises will contract TAP(s) to train and develop its management capacity in Finance, Accounting and Marketing functions at a cost of Ush 10,000,000.  Providing technical assistance will cost Ush 5,700,000 in financial/accounting systems and Ush 4,300,000 in marketing <b>(see proposals by Tropical Developments and Techno-Brain (U) Ltd).</b>	10,000,000
E.3	<u>ADF Financial Management and Participatory Monitoring Training:</u> Ush 2,500,000 will be used to facilitate Financial Management and	2,500,000

	<p>Participatory Monitoring and Evaluation procedures to be attended by all Outspan management team members.</p> <p><i>The Evaluation Officer's Training</i> <span style="float: right;"><i>Ush 1,200,000</i></span>  Non-residential training for the Evaluation Committee of 20 people, @ Ush 15,000/day for 4 days training.</p> <p><i>The Finance Officer's Training</i> <span style="float: right;"><i>Ush 1,300,000</i></span>  Training in (a) ADF accounting systems, and (b) Reporting for 2 members of Board, Management and 2 Field Staff.  -2 workshops x Ush 50,000 full board x 6 days x 2 people =  Ush 1,200,000  -Training materials and production of manuals = <i>Ush 100,000</i></p>	
E.4	<p><u>Impact Assessment Survey</u>  ADF will provide funds Ush 10,000,000 for carrying out an impact assessment of the project in year 3.</p> <p>- Fees for 25 days each at Ush 185,000 = 4,625,000  - Per diem for 15 days each at Ush 80,000 = 1,200,000  - Transport to and in the Production Areas for 15 days  Ush 200,000 = 3,000,000  - Communication, Report Production, = 1,175,000</p>	<b>10,000,000</b>
<b>F</b>	<b>Administrative Costs:</b>	<b>3,000,000</b>
F.1	<p><u>Banking and Communications:</u>  Ush 1,500,000 will be used meet bank charges plus communications with UDET office for the period of the project.</p> <p>Bank charges are estimated at Ush 900,000 (Ush 15,000 per month) while transport to and from ADF/UDET offices estimated at Ush 600,000 based on UDET experience with other grantees and distance from Kampala.</p>	1,500,000
F.2	<p><u>Computer and Office Supplies:</u>  A flat fee of Ush 1,000,000 will be used to procure an estimated 24 months stock of stationery that will be used to record on office records plus reports at Ush 41,600 per month.</p> <p>Ush 28,800 per month will be used to cater for computer supplies for its computer for 24 months.</p>	1,500,000
<b>G</b>	<p><u>Audit:</u>  ADF will provide funds amounting to Ush 5,000,000 to audit the project during or on expiration of the project.</p>	<b>5,000,000</b>