

Business Uganda Development Scheme (BUDS) for Northern Uganda



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Private Sector Foundation Uganda (PSFU) through the Office of the Prime Minister (OPM) received funding from the UK Department for International Development (DFID) under the Northern Uganda Post Conflict Recovery and Development Program (NUPRDP). The 13 million British Sterling Pounds Grant Scheme is intended to support business improvement, value addition and job creation in the greater North and parts of Eastern and North-Western Uganda. The matching grant Scheme will also assist businesses in the PRDP regions to expand their operations and invest in the necessary technologies. PSFU in conjunction with DFID and Office of the Prime Minister are launching the BUDS programme officially on 6th May 2011 at the new BUDS office located on Plot 22B Upper Churchill Drive, Gulu.

What is BUDS?

BUDS is a Scheme that offers financial support in form of cost-share grants to micro, small and medium enterprises (MSMEs) to enable them obtain and use business development services for purposes of becoming more productive and competitive. The Scheme will also support value addition processes undertaken by agro based industries as one of the ways of boosting the economic recovery of Northern Uganda. BUDS will adopt a holistic approach to supporting other sectors including manufacturing, commerce, services, commercial farming, etc in order to achieve the objectives of the NUPRDP.

What is the objective of BUDS?

The objective of BUDS under the Post Conflict Recovery and Development Program (PRDP) is to stimulate pro-poor economic growth in Northern Uganda and to better retain the economic benefits of especially agriculture in the Post Conflict regions. The project is aimed to improve post harvest handling, processing, storage and marketing of agricultural and pastoral production through investment in essential equipment, Technical Assistance (TA) and training.

What is the Grants Implementation Process?

Eligible business entities will have to submit a filled application form together with a project/activity proposal highlighting the company background, planned activity, rationale, duration, deliverables/outputs, budget and source of initial funding. Where necessary, hand-holding will be provided by Scheme Officers who have the technical capacity to analyze and advise on business development services. The Scheme will cost-share with firms/organizations on a reimbursement basis up to 60 percent of the total costs on eligible expenses.

What are some of the expected Benefits of BUDS?

The BUDS project will provide up to 60% cost-sharing reimbursable grants for businesses to:

- (a) Stimulate pro-poor economic growth in Northern Uganda and to better retain the economic benefits in the North
- (b) Improve post-harvest handling, processing, storage and marketing of agricultural and pastoral production
- (c) Increase performance in all sectors including manufacturing, commerce, services, commercial agricultural consultancy, business associations farming cooperatives etc.
- (d) Maximize value addition channels and supply chain management;
- (e) Development of rural enterprise based on sustainable utilisation of natural resources;
- (f) Development of labour-intensive industries for employment creation;
- (g) Elimination of gaps in the supply chain leading to processed agricultural products;
- (h) Development of links between investors and the local economy through the supply of raw materials, employment and training; and
- (i) Promotion of trade by rural enterprises including trade outside of their locality.

Who is eligible for Support?

A matching grant will be given out to an applicant after being appraised based on the following criteria:

1. A legal person
2. A company registered in Uganda under the Companies Act (1961), a cooperative formed under the Co-operative Societies Act, an NGO operating under the NGO Registration Regulations and the NGO Registration Act, a chamber of commerce, trade association or similar business representative organisation legally established in Uganda, or vocational training institutions legally established in Uganda.
3. Organisations directly responsible for the preparation and management of the action with their partners and not acting as an intermediary.
4. Stable and have sufficient financial resources to ensure the continuity of their organisation throughout the project and, if necessary, to play a part in financing it; and or demonstrate ability through verifiable assets.
5. Able to demonstrate their experience and capacity to manage activities corresponding in scale and complexity with those for which a grant is requested.
6. Have demonstrated/verifiable ownership of title or right of beneficial use of assets/land on which farming activities will be carried out.
7. A formal business EXCEPT those in the production of weapons and gambling shall not be eligible for support.
8. The applicants will have to prepare an adequate business concept or proposal (*see BUDS proposal guidelines*) for the attainment of which the applicants intend to obtain business development services, value addition and or equipment. The business concept/proposal shall include projected increases in sales revenue, the description of financial resources required for its implementation, the anticipated sources of funds, the proposed time frame and benefits (including spill-over's e.g. employment /sales) expected to be derived.
9. The Scheme will support enterprises from any sector such as manufacturing, commerce, industry, commercial agriculture and services. Serious business start-ups who are registered and have proven invested capital will qualify for support.
10. Indirect Costs (overheads) are eligible for flat-rate funding fixed at not more than 7% of the total eligible direct costs.

11. Supported Businesses will have to reside in one of the districts prescribed (by Office of the Prime Minister) under the Post Conflict Recovery and Development Programme (PRDP)

Districts/Municipalities that qualify for support under the PRDP:

- a) **Acholi sub-region;** Amuru , Gulu, Kitgum, Pader, Gulu Municipality, Agago, Lamwo, Nwoya
- b) **Bukedi sub-region;** Budaka, Busia, Butaleja, Pallisa , Tororo , Tororo Municipality, Kibuku , Busia Municipality
- c) **Bunyoro sub-region;** Buliisa, Masindi, Kiryindaongo, Masindi Municipality
- d) **Elgonia sub-region;** Bududa, Bukwo, Kapchorwa, Manafwa, Mbale , Sironko, Mbale Municipality, Bulambuli, Kween
- e) **Karamoja sub-region;** Abim, Kaabong, Kotido, Moroto, Nakapiripirit, Moroto Municipality, Amudat, Nakpak
- f) **Lango sub-region;** Amolatar, Apac , Dokolo, Lira, Oyam, Lira Municipality, Otuke, Alebtong, Kole,
- g) **Teso sub-region;** Amuria, Bukedea, Kaberamaido, Katakwi, Kumi, Soroti, Soroti Municipality, Serere, Ngora
- h) **West Nile sub-region;** Adjumani, Arua , Koboko, Moyo, Nebbi, Arua Municipality, Yumbe, Maracha, Zombo

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