



Date: 21st August 2019

To: The Chief of Party, ISSD Plus-Uganda
CC: Chief of Operations, ISSD Plus Uganda
CC: The Agribusiness and LSB Coordinators, ISSD Plus-Uganda
CC: Finance and Admin Department, ISSD Plus Uganda
CC: Seed Expert, ISSD Plus Uganda Ngetta ZARDI
From: Regional Agribusiness Coordinator- North and West Nile

Budget Code: 2.1.3

Budgeted Q3 Amount: 9,190,000/=

Requested for Activity: 9,226,500/=

TERMS OF REFERENCE FOR TRAINING LSBs IN FINANCIAL LITERACY AND MANAGEMENT AND INTRODUCING LSBs TO MSC IN NORTHERN UGANDA

Background and Justification

The ISSD plus program aims towards increasing availability of affordable quality seed of preferred varieties for smallholder farmers. The LSB are trained professional seed businesses to fill a gap in providing quality seeds to target markets within the local communities to local farmers at affordable prices which are readily available and accessible at the same time.

Financial issues have been a challenge for a number of local seed businesses within the zone especially when times of purchasing foundation seed commences. As a result, some LSBs have already been linked to financial institution for financial service and a number of them have so far received support of which 02 is through the seed receipt finance and 02 through the input finance.

"Small and medium sized enterprises can add a massive contribution to economic growth in developing countries. But without access to financial services, they lack the means to create goods and innovations that are crucial for achieving this growth" (Rabobank View, 2006). Similarly, ISSD believes that it is crucial to have LSBs sustainably linked to sources of finance in order for them to overcome the cash flow related challenges and be able to invest in the seed business. Furthermore, the seed marketing cycle requires that LSBs have extra financial support because seed is sold two to three months after harvesting. Individual seed producers

have individual needs that require faster attention which in most cases force them to sell seed as grain through side selling. Additionally, the long marketing cycle makes it difficult for LSBs to have finances on time to access production inputs and to hire land and prepare their fields for the next production season, which often results into a number of yield “killers” such as late planting and poor field management among others. Therefore, having LSBs sustainably supported with financing through well thought through financing options is high on agenda for the ISSD Plus project in 2018.

Also pursuant to this, the LSB upgrade strategy being implemented by ISSD entails increased requirement of production resources (land/foundation seed/yield enhancing inputs) which would require additional financing which may be beyond the internal LSB financing capacity thus the need to identify other viable external financing options with appropriate financial products.

It is against this that this terms of reference is being generated.

Objectives of the training

1. Train LSBs about the concept of money and how to manage it well for business growth.
2. Prepare LSBs to anticipate business - cycle needs and deal with unexpected emergencies without assuming unnecessary debt.
3. Empower LSBs to make better decisions about money in respect to their seed multiplication business.
4. Understand debt management, sources, implications and challenges of failure for better manage debt.
5. Learn alternative ways of funding business without going into too much debt.
6. To equip the LSBs with the knowledge of how to save better
7. To also equip the LSBs with the know of how to be able to monitor their resources/ money and be accountable at every step
8. Have the team from Micro Finance Support Centre (MSC) also talk to them on financial literacy

Expected Outcomes

1. The LSBs will be able to save for other investments they need as a group in the long run but also save for the short term needs like buying foundation seed
2. The LSBs will be able to know how to use and be accountable for their money wisely
3. The LSBs will be able to know if and why they need loans or external financial support
4. The LSBs will start to be able to better monitor their group funds
5. Linkage with MSC

LSBs to be trained

30 active LSBS who has the potential to connect with MSC will be trained on financial literacy and management and later introduced to Micro Finance Support centre for further linkages on acquisition of soft loans

Training schedule

The training is proposed to take place in Gulu on 19th September 2019.

Budget Break Down

Items	Amount
Stationary	152,500
Meals and Refreshment	1,584,000
Participants refund	6,050,000
Staff Facilitation	1,440,000
TOTAL	9,226,500

Budget for the activity of financial literacy training and management

Items	Description	Qty	Freq.	Unit Cost	Amount
Stationary					152,500
Flip Chart	Pieces	3	1	18,000	54,000
Maskers	Boxes	2	1	10,000	20,000
Masking tape	Pieces	2	1	4,000	8,000
Pens	Boxes	1	1	18,000	18,000
Note Books	Pieces	35	1	1,500	52,500
Meals and refreshments					1,584,000
Break tea	Persons	36	1	10,000	360,000
Lunch	Persons	36	1	20,000	720,000
Water	Bottle	36	2	2000	144,000
Evening tea	Persons	36	1	10,000	360,000
Participants Refunds					6,050,000
Transport Refund- Far	Persons	8	2	35,000	560,000
Transport Refund- Gulu, Amuru	Persons	3	2	25,000	150,000
Transport refund- Near	Persons	19	2	30,000	1,140,000
Accomodation + Dinner	Persons	30	2	70,000	4,200,000
Staffs facilitation					1,440,000
Perdiem for staff (FAA, RAC & Driver)	Persons	3	2	130,000	780,000
MSC staffs peridem	Persons	2	2	130,000	520,000
NUSLBA Staff	Persons	1	2	70,000	140,000
TOTAL					9,226,500

Excel Budget and Participants



List of LSBs for the financial literacy trai

Therefore, we are requesting **Nine million two hundred and twenty-six thousand five hundred shillings only (9,226,500/=)** as funds to facilitate the training on financial literacy and management for LSBs

From

Christine Joyce Adong, Regional Agribusiness Coordinator – ISSD Plus Ngetta ZARDI

Programme for the training on Financial Literacy and Management

Time	Session	Responsible Persons
8:00- 8:30	Arrival and Registration	FAA
8:30- 8:45	Introduction of participants (name/organization)	Ambrose
8:45- 9:15	Participants expectations, ground rules, housekeeping issues	Christine
9:15-9:30	Training objectives and program highlight	Christine
9:30- 10:00	Introduction to Agricultural Finance	MSC
10:00- 10:30	Health Break	FAA/Hotel
10:30- 11:00	What is financial Education? How do LSBs raise money for expansion and growth?	Christine
11:00- 11:30	Introduction to the 4 modules of Financial Education	Christine
11:30- 12:00	Module 1: Savings- You can do It! Define savings Settings of savings goals: group Work Examples of savings goals	Christine
12:00- 13:00	Module 2: Budgeting- Use Money Wisely What is a budget? Why is a budget useful? Creating a budget in LSB: Group work What do you do to meet expenses when income for that period is not enough? How to stay within your budget Documents and records currently used to manage LSB money	Christine
13:00- 14:00	Lunch	FAA/Hotel
14:00- 15:00	Module 3: Debt Management- Handle with Care Defining a loan Questions to note before borrowing a loan Lending Methodologies	Christine
15:00- 16:00	Group Work: pick an enterprise and let us lay down its cost structure and compare that with the cost of the loan should an LSB seek to secure a loan facility	Ambrose
16:00-16:30	Bank services: Know your Options	MSC
16:30- 17:00	How to monitor your Money? Question to ask: Where is the money?	Christine
17:00- 17:20	Actions/ way forward for accessing services at MSC	Christine/ MSC
17:30	Wrap Up Closure Logistics	ISSD