

Technical Assistance for Project Design

THE CASE OF BUDS-ERT

*A service of the Private Sector Foundation
Uganda (PSFU)*

Presentation format

- ◆ **What is BUDS-ERT**
- ◆ **Target Business Areas**
- ◆ **Eligible activities**
- ◆ **Ineligible activities**
- ◆ **Accessing BUDS-ERT Support**
- ◆ **Common causes of Referral for Applications /Payments**
- ◆ **Other Services supported by BUDS-ERT**
- ◆ **Contact details**

What is BUDS-ERT

- ◆ BUDS-ERT is a **grant scheme** that provides financial support and advisory services to private sector firms, NGOs, CBOs and other private entities in energy and ICT business.
- ◆ Objective: to develop private sector capacities for *starting* and *operating* rural electrification related businesses and promote the application of efficient productive uses of electricity and traditional fuels in Rural Electrification areas.

Target areas of Business

- ◆ Independent networks (not connected to the national grid)
- ◆ Extension of the main grid
- ◆ Solar energy
- ◆ Wind energy
- ◆ Biogas
- ◆ Energy efficiency improvements
- ◆ Traditional fuels
- ◆ Telecentre activities
- ◆ Rural telephony services

Examples of Eligible activities

- ◆ Business plans, feasibility studies, company diagnostics
- ◆ Capacity building
- ◆ Installation of quality management systems
- ◆ Production efficiency/cost reduction
- ◆ Market research
- ◆ Advertising and promotion

Ineligible activities

No support for

- ◆ Capital costs (e.g purchase of equipment and land)
- ◆ Working capital
- ◆ Recurrent costs (e.g salaries and utilities)
- ◆ Taxes (e.g VAT)
- ◆ Maintenance costs
- ◆ Expenses of activities already underway

How to access support

- ◆ Submission of application, vetting of application, approval or referral of application,
- ◆ Preparation and signature of support agreement,
- ◆ Implementation and monitoring of activity,
- ◆ Completion of activity and submission of claim for reimbursement,
- ◆ Verification of outputs and deliverables,
- ◆ Verification and validation of accountability documents and finally,
- ◆ Payment of the grant re-imbursing 50% of the agreed costs to the applicant.

Common causes of referrals for applications/payments

- ◆ Incomplete promoter identification e.g certificate of incorporation.
- ◆ Missing details on the service provider hired e.g CVs, rate history.
- ◆ Missing details on activities to be carried out and justification of period of activity.
- ◆ Application for support of ineligible activities usually of a one-off nature, routine or which do not contribute to the increase in sales, profitability e.g tax audit fees

Common causes of referral contd.

- ◆ Incomplete deliverables e.g missing reports, manuals.
- ◆ Incomplete accountability documents e.g receipts, signed vouchers, bank statements.

Other services supported by BUDS-ERT

- ◆ Development of standards with UNBS
- ◆ Development of suitable financial products for energy-related business
- ◆ Support to incorporate energy specialisation in the Faculty Curriculum at Makerere University

More information.....

- ◆ Brochures and application guidelines available
- ◆ Further information including application forms can be obtained at the PSFU offices on Plot 43, Nakasero Road
- ◆ Telephone: 041-342163, 077-730985, 041-250380
- ◆ Fax: 041-259109
- ◆ Website: www.psfuganda.org

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