

To Our Investors and Supporters,

I hope you are well and gearing up for the holidays! I'm checking in to let you know how the first half of my time in Bungu has been going. As the first half of the project year wraps up, I want to give you some strategic insight about my work over the past few months and the future direction of the project.

Included here are some highlights from the project's activities, an analysis of our goals and metrics, and a breakdown of our budget and expenditures. Note the general explanations of the 2Seeds Network and the Bungu Project, as well.

Please continue to follow the Bungu Project through the remainder of the project year as we continue assisting our Partners on their journey to *Maisha Bora*, the Good Life.

Thank you again for your generosity and support.

Yours truly,

Antal Neville
Bungu Project Coordinator, 2015 – 2016

Antal.neville@gmail.com
bungu.project@2seeds.org



Table of Contents

2Seeds Network	3
Bungu Project	3
<i>Purpose</i>	3
<i>Mission</i>	3
<i>Vision</i>	4
<i>Impact</i>	4
2015 – 2016 Project Activities	4
Project Highlights	4
Challenges Facing the Project.....	5
Overall	6
Project Finances	7
Financial Accountability.....	7
Project-Related Expenses	8
PC Living Expenses	8
Other Major Expenses	8
Monitoring & Evaluation: Goals & Metrics	9
Business Goals.....	9
<i>Group Revenue</i>	9
<i>Group Profit</i>	9
<i>Dollar-a-Day (2,500 TZS/day)</i>	9
<i>Production</i>	9
<i>Savings Deposit</i>	10
<i>Savings Balance</i>	10
Personnel Goals	10
Professionalization Goals	11
<i>Input Planning and Purchasing System</i>	11
<i>Systematized Plan to Transport Products</i>	11
<i>Financial System to Support the Business from Within</i>	11
<i>Sales Strategy to Market Final Products</i>	11
Social Media	12
Following the Bungu Project.....	12
Keeping up with 2Seeds	12

2Seeds Network

As you probably recall, 2Seeds Network is a US-based 501(c)(3) nonprofit working in the Korogwe District, the Handeni District, and Dar es Salaam, Tanzania. 2Seeds leverages the innovative spirit and leadership capabilities of young adults from across the world in order to incubate community based, self-sustaining, interdependent projects in Tanzania.

The 2Seeds Network believes that [developing human capital](#) is the key to catalyzing economic growth within extremely poor communities. Guided by our values, we are creating [a network](#) of independent yet interconnected agricultural development projects built on deep partnerships within and across communities. We strive to create environments in which people can achieve their full potential and solve problems together.

Bungu Project

My work here revolves around the Bungu Project, which was started in 2011.

Spread along steep slopes and winding basins high in the Usambara Mountains, the Bungu ward is favored by a temperate climate, reliable transportation connections, and the foundations of high-yield agriculture. But for many members of the Bungu community, incomes remain unstable and livelihoods exposed to risk. Favorable growing conditions encourage everyone to farm, but with only a single small market nearby, supplies are high and demand is low.

The Bungu Project is focused on creative solutions to facilitate market connections, build analytical skills for planning and evaluation, and effectively utilize the area's natural resources for a strong, growing group of committed partners.

Thanks to their work with the Bungu Project farmers' group, project partners are increasingly able to prepare and execute complex group cultivation plans, plus systemized harvests and transportation to markets. As it develops, the project continues its focus on boosting the quality of these crops and regularizing supply to allow for consistent deliveries to high-paying contracted buyers. The group is also conducting experiments to determine the viability of organic agriculture. To support this production, the group employs an innovative model of collective savings and self-financing built upon transparency and accountability.

At the core of these actions are the Bungu Project's community partners, whose capacity for team work, critical thinking, and responsibility is strengthened as work together to increase and stabilize their incomes.

Purpose

The purpose of the Bungu Project is to provide access to knowledge, resources, and opportunities that will inspire the people of the Bungu community to creatively and analytically seek out options for themselves.

Mission

The mission of the Bungu Project is to increase the ability of Bungu project partners to coordinate their production to fulfill a consistent crop supply agreement with buyers and, additionally, to

evaluate and choose appropriate market options to increase their profit. The group will also create means for partners to finance the consistent production and ensure quality.

Vision

The Bungu Project envisions creating a collaborative and effective group structure that allows project partners to professionalize production and distribution in order to achieve consistent increased income.

Impact

- Bungu in total:
 - Total inhabitants: 6448 people
 - Inhabitants able to work: 900 people
 - 2Seeds in Bungu:
 - Total: 17 households
 - Number of Partners in the farmers' group: 12
 - Number of adjacent members in the farmers' group: 2
 - Number of experts: 1
 - Number of support partners: 2
- 2Seeds direct impact, currently: ~80 people (1.2% of community)

2015 – 2016 Project Activities

Since our arrival, our Partners have already seen such progress and development towards self-sustainability. I believe that together we can set the business up for continued success. I would like to share some of the highlights and challenges I have encountered so far.

Project Highlights

- **Water Management Construction.** As part of the Network-Wide Water Management Initiative, the Bungu Project has broken ground on construction of flood barriers at the *shambas* (farm plots) most at-risk of flooding. Aside from a significant investment for the initiative provided by Network funds, this part of the Project has required a number of work days in which Partners carry sand or stone from the road (where a truck had dropped them off) on footpaths to the building site on each *shamba*. Partners have rallied together around work days, demonstrating a commitment to the flood-protection of each one of their *shambas*.
- **Soil Rehabilitation.** After low yields going back several planting seasons, the Bungu Project determined that the soil on a number of Partners' *shambas* was exhausted and needed a thorough overhaul. Project funds were used to subsidize the purchase of high-quality organic manure to rehabilitate the soil on each Partner's *shamba*. With rehabilitated soil, the aim is that the soil will be healthy enough to ensure consistent high yields from each Partner moving forward, creating in turn strong revenue from crops sold.
- **Developing a Crop Rotation Plan.** A crop rotation plan serves two main goals: reducing the risk of pests and preserving soil health. During this project year, I have worked with each Partner to segment out their *shambas* into different sections and create a map for each. With a map designating different segments of each *shamba*, Partners will be able to follow a

crop rotation plan that we have come up with to reduce the spread of pathogens and preserve soil health. A well-coordinated crop rotation plan among the entire group will have the additional advantage of ensuring regular harvests of each crop, creating in turn consistent revenue generation for the group.

- **Building up Partners' Accounts for Inputs.** The Bungu Project financial system is broken down into two parts: the group savings for large group-related expenses (called the *akiba*) and each individuals account for inputs (called the *akaunti*). Leading into the project year, several group members were in the red, with negative balances in their *akauntis*. Through better week-to-week recording keeping and vigilant peer encouragement, each Partner has pushed up into the black in their *akauntis*, leaving the group in a stronger financial position to prepare to plant.



Challenges Facing the Project

- **Ensuring Long-term Soil Health.** Making sure soil stays healthy will allow Partners to produce good harvests repeatedly moving forward. Yet failing to follow a crop rotation or to rehabilitate the soil may exhaust the soil. With small farm plots sometimes far from each other, with different weather conditions suitable for planting at different parts of the year, strictly following a crop rotation can be difficult. Each planting group of four Partners must be vigilant in holding each other accountable for following sound planting practices to ensure long-term soil health.
- **Producing Crops Regularly.** Creating greater income security among all our Partners is the primary goal of the Bungu Project, and this end is entirely dependent on the groups' producing and selling crops regularly. Sporadic harvests create sporadic incomes, potentially leaving Partners short on cash, both for personal consumption and business inputs. Producing crops regularly depends on each planting group practicing good soil management as well as being diligent about planting regularly. Once again, planting group accountability is a key piece to ensuring that the group members produce and sell crops regularly.

- **Expanding Market Access.** Market access was one of the initial challenges identified in the Bungu Project in 2011. Since then, while the Project has successfully found a way to market crops for the volumes it has produced, planning for potentially much larger production volumes in the future would require finding a way for the group to expand market access, regularly selling crops in Korogwe as well as Dar es Salaam and other major cities that can absorb larger demand.
- **Healthy Financial Management.** The group's ability to effectively plan and manage its expenses moving forward will be a major requirement for its transition to business. Earlier this project year, several group members had gone into the red in their *akaunti* balances due to a slipup in the bookkeeping system. While this particular kink has been ironed out, making sure the books are accurate moving forward and each member knows where he or she stands is crucial for the group to function as a self-sustaining business.



Overall

Through our ups and downs, my Partners and I have stayed positive and hopeful. We trust one another, learn from one another, and recognize what an excellent opportunity for exchange this experience is. In Swahili, we say "*Kwa pamoja tunaweza!*" meaning "Together we can do it!" This is a message we've taken to heart.

Project Finances

As you may recall, all of the funds covering project operations and our costs of living here in Tanzania were generously donated by investors like you.



My initial goal was to raise \$8,000 to cover project and living expenses during my time here. Together with funds that were raised by my teammate Billy before he left early due to unforeseen circumstances, I have raised \$14,448.11* as of November 19, 2015.

Although I have met my fundraising goal, that does not mean I cannot continue to raise funds for the Bungu Project. I am grateful that you have trusted me with your contribution in the past, and I want to emphasize that every donation, no matter the size, makes an important difference in the work that is being done with our Partners. Our work is never finished, and I appreciate any additional support that you may be able to provide.

*This figure includes the funds raised by my teammate Billy Beaver, before he left the Project for personal and family reasons.

Financial Accountability

Financial accountability is a cornerstone of our project work. During each of our monthly meetings with our fellow PCs, we check our numbers with our financial accountability partners. We compare pricing and expense trends, and ensure all of us are on the right track.

Every month, we budget our funds and track our expenses. This is useful not only to see where our money has gone, but also as a tool to project our status through the coming months for the rest of our time in Tanzania.

To give you an idea about where your invested money has been used so far, here are a few of our major expense categories. We've included sums from when we arrived through November, monthly averages, plus our forecasts through March 2016 (the end of our commitment here).

Project-Related Expenses

Category	Year to Date	Monthly Average	Forecast through March, 2016	Forecasted Total
Project Training	\$5.00	\$1.67	\$0	\$0
Project Travel	\$1.82	\$0.61	\$0	\$0
Project Supplies	\$5.91	\$1.97	\$30.00	\$35.91
Project Investments	\$779.73	\$259.91	\$3,000	\$3,779.73
Total	\$792.45	\$264.15	\$3,030.00	\$3,815.64

PC Living Expenses

Category	Year to Date	Monthly Average	Forecast through March, 2016	Year Total
PC Food	\$222.80	\$74.27	\$150.00	\$372.80
PC Transportation	\$165.38	\$55.13	\$140.00	\$305.38
PC Occupancy & Rent	\$330.08	\$110.03	\$0	\$330.08
PC Telephone & Net	\$274.17	\$91.39	\$200.00	\$474.17
PC Supplies	\$204.13	\$68.04	\$100.00	\$304.13
Total	\$1,196.56	\$398.85	\$550.00	\$1,746.56

Other Major Expenses

Category	Total
Round Trip Airfare	\$4,029.30
Supplemental Airfare	\$
Visas	\$200.00
Vacations	\$
Insurance	\$608.06
Vaccinations	\$1,218.77
Total	\$6,056.13

If you are interested in seeing a more detailed breakdown of our project expenses, personal expenses, and budgets, do not hesitate to ask. The numbers above have been consolidated and simplified for the purposes of this report.

Monitoring & Evaluation: Goals & Metrics

Goals and metrics provide shared focus, structure, and motivation to everyone engaged in the development of 2Seeds projects. This includes our local Partners, our 2Seeds colleagues, and us. Our project goals are the guideposts that direct us towards the fulfillment of our projects' missions, and realization of our projects' visions. We use the 2Seeds monitoring and evaluation model to set goals and track metrics.

This August, 2Seeds worked with Project Partners to set Network-Wide Metrics to measure progress towards the self-sustainability of each business. These measurements of profitability, personnel power, and professionalization guide our work through the 2015 - 2016 year in setting our Partners up to continue business operations independently.

Business Goals

Group Revenue

Goal	August	September		October		Average	
TZS/month	TZS/month	TZS/month	% Change	TZS/month	% Change	TZS/month	% Change
500,000	109,450	80,600	-26.4%	28,350	-64.8%	72,800	
Status:	Revenue has fallen short of our goal as production volumes have been low.						

Group Profit

Goal	August	September		October		Average	
TZS/month	TZS/month	TZS/month	% Change	TZS/month	% Change	TZS/month	% Change
250,000	106,450	69,600	-34.6%	25,350	-63.6%	67,133	
Status:	Profit margins have been consistently high.						

Dollar-a-Day (2,500 TZS/day)

Goal	August	September		October		Average	
# of Partners	# of Partners	# of Partners	% Change	# of Partners	% Change	# of Partners	% Change
4	1	0	-100%	0	0%	0	
Status:	Due to low yields from plantings in June, July and August before the temporary hold on planting, most Partners have not met the dollar-a-day income goal.						

Production

Goal	August	September		October		Average	
Kg/month	Kg/month	Kg/month	% Change	Kg/month	% Change	Kg/month	% Change
500	128	154	20.4%	40	-74.0%	107	
Status:	Planting has temporarily been put on hold to focus on soil rehabilitation and water management construction.						

Savings Deposit

Goal	August	September		October		Average	
TZS/month	TZS/month	TZS/month	% Change	TZS/month	% Change	TZS/month	% Change
50,000	0	0	N/A	0	N/A	0	N/A
Status:	Deposits into the savings accounts have been put on hold in order to boost each group member's <i>akaunti</i> , i.e. individual account for purchasing inputs.						

Savings Balance

Goal	August	September		October		Average	
TZS	TZS	TZS	% Change	TZS	% Change	TZS	% Change
1,500,000	1,842,000	1,842,000	N/A	184,200	N/A	1,842,000	N/A
Status:	The savings balance has been a healthy 22.8% above our goal.						

Personnel Goals

We are also working to improve business operations by building the capacity of our Partners in their roles. Here are a few updates on our work together with key Partners.

- Raymond:** Chairman: *Raymond is a charismatic group leader and is consistently on top of new initiatives within the group. Traditionally his biggest responsibility has been leading each Monday group meeting, guiding the group the weekly meeting agenda. Now beyond moving the meetings along, Ground Team and I have been working with Raymond to take a more proactive leadership role in terms of group guidance outside the meetings. Regarding recent group work days for water management construction, for example, Raymond has taken a larger role organizing each work day and encouraging group members to attend. Moving forward, we aim to work with Raymond even further to make sure he is active in shaping the group's business strategy.*
- Kuruthumu:** Treasurer: *Kuruthumu is a dedicated, hardworking and reliable group member that has put in a great deal of effort to learn to manage the group's finances. Ground Team has created several recordkeeping books for her in order to facilitate the increasing number of records she keeps, including akiba deposits and balances, akaunti deposits and balances, as well as group revenue, profit and costs. She understands the concepts well, but at times falls back on Ground Team's support when anything unforeseen comes up. Our aim is to develop her confidence and capacity in order for her to take a greater charge of the bookkeeping system, including perhaps even taking the initiative to develop new metrics to keep track of that she determines would be useful.*
- Mngoma:** Organic Coordinator/Input Coordinator: *Mngoma was previously the Organic Coordinator, yet the group's organics production has dissipated as poor soil has pushed Partners to use all inputs available – both organic and traditional – to produce quality crops. With the lack of responsibilities as the Organic Coordinator, the Leadership determined he should take on the role of Input Coordinator, organizing the bulk acquisition of inputs from suppliers in Korogwe. Mngoma has excitedly dived into this new role, eagerly meeting the Korogwe suppliers and staying on track of the*

group's input requests. The increased responsibility has even furthered his engagement in the group activities, as he has become one of the group members consistently arriving early to group meetings and group work days, each time with boundless energy and enthusiasm.

Professionalization Goals

The final focus of our yearly goals is to professionalize the business through the following means:

Input Planning and Purchasing System

Bungu's farming inputs are cheapest when purchased in bulk in Korogwe. In order to keep costs at a minimum, we are developing a system with Mngoma, the newly appointed Input Coordinator, to purchase inputs in bulk and store them, distributing to group members based on request.

Systematized Plan to Transport Products

There is daily bus service between Bungu and Korogwe, which the group can use to transport its crops to sell. When volumes harvested exceed those that can be absorbed in Korogwe's small city market, low-cost transportation options are needed to transport, with a certain degree of flexibility, to larger cities like Dar es Salaam and Tanga. The Bungu Project's Market Coordinator, Hamisi, has been working with other Market Coordinators from other 2Seeds Network Projects to develop best practices for coordinating the cost and logistics of moving crops these longer distances.

Financial System to Support the Business from Within

While the Bungu Project has excelled at depositing group savings into the business's savings account, it has not been fully fleshed out how funds in the account will be used. The Bungu Project's Leadership has been working with Ground Team to determine a system of how group savings can be used responsibly once Project Coordinator investments come to an end in March 2016.

Sales Strategy to Market Final Products

Local markets in Bungu and Korogwe can only absorb so much volume of Bungu Project's crops. Bigger money lies in the markets of larger cities like Dar es Salaam and Tanga. Yet far from these markets, the Bungu Project can often incur high transport costs for the journey as well as experience tough competition with crops arriving from other places in Tanzania. The group is developing a sales strategy to space out production, and therefore sales, as much as possible, to avoid having too much risk riding on one large load of crops to a high-value urban market associated with high transport costs and competition.

Social Media

Following the Bungu Project

This investor report reflects some of the foundations, framework, and progresses of our project. If you want a closer look, and to stay connected to our day-to-day operations and advances, connect to our project through our social media outlets.



We try to tweet frequently from our project site, as cell reception and internet connectivity allow. You can follow the Bungu Project here, <https://twitter.com/BunguProject> Don't forget to tweet @BunguProject, and tag #2Seeds!



In addition, we periodically write blog posts about everything from important developments in the project, to our next quarter's goals, to our new friendships in Bungu. You can read our thoughts here, <http://theBunguproject.wordpress.com/>



The hub of all of this activity is the Bungu Project's Facebook page, here <https://www.facebook.com/Bunguproject>. Like us, refer us to your friends, and follow our activity. We love staying connected.



See pictures from the ground of PCs and Partners on the Bungu Project Instagram here, <http://instagram.com/BunguProject>.

Keeping up with 2Seeds

Please take a look at the 2Seeds Network's social media pages. You'll find content relevant to all of the projects, network-wide initiatives, corporate activities, recruitment, and more.



Frequent updates from the ground in Tanzania and from the US. You can follow the 2Seeds Network here, <https://twitter.com/2SeedsNetwork>. Don't forget to tweet @2Seeds Network, and tag #2Seeds!



Look to the corporate blog for posts about strategy, developments, and other content related to 2Seeds and its work. You can read the 2Seeds corporate blog here, <http://2seedsnetwork.wordpress.com/>.



Find pictures, links, and more on the 2Seeds Facebook page, here <https://www.facebook.com/2seedsnetwork>. Like it, refer it, and keep up with the progress of 2Seeds.



See pictures from the ground of PCs and Partners on the 2Seeds Instagram here, <http://instagram.com/2seedsnetwork>.