



ACTION POUR LES ENFANTS DE LA RUE
ACTION FOR STREET CHILDREN

**Youth Cottage
Industry Project in
Kigali City**

August 2019

ESTABLISHMENT OF COTTAGE INDUSTRY PROJECT

PROJECT LOCATION: The project is located at Nyarugenge, Kigali City

FUNDS OF PROJECT: Rwf 83,359,840.00 = US\$ 90,904.95

FUNDS REQUESTED: Rwf 41,679,920 = US\$ 45,453

DURATION: Long-term program

IMPLEMENTATION STRATEGY: 1 Year Strategy

IMPLIMENTOR: AER Organisation

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1. BRIEF HISTORY OF AER

AER was formed as a non-profit making organization by the Rwandans who had been heartily and greatly moved by the poor state of living of the Rwandan children and young who live in street.

The organization was established with a view to focus on the provision of the services in the following areas of interest for the street children and Youth:

- Vocational Training;
- Advocacy for Child Right;
- Micro Projects;
- Counselling Program;
- Peace building & conflict resolution;
- HIV/AIDS Awareness, Prevention and Care;
- Basic Primary Health Care;
- Vulnerable and Disabled Child Support Programme;
- Animal husbandly & Crop farming;
- Research and Planning for youngsters.

AER's aim in this regard focuses on the provision of technical insight, coordination, planning and soliciting of necessary resources to meet the desired goals. It directs beneficiaries, Government and other Interested Persons in the charitable issues. It helps in providing the strategic vision, hence foster greater coherence, consistency and coordination in formulating and implementing activities envisioned in the international charitable organizations code. It

formulates policies regarding child rights by way of helping them to build the country hence establishing their base for their better.

AER was founded in December 2011 as a result of a generalized outcry of many young Rwandans (especially girls and boys living in street). Its major tasks were to respond effectively to the needs of these street young people, who had fallen victims of a situation that was not of their own making.

AER programs involve (in general terms), attending to their needs by supporting and promoting their plans and aspirations, advising and counselling. Within the background of fostering mutual respect and support, AER raises an awareness of the dangers of the prevalent hazards that the Rwandan youth face, with special consideration of the vulnerability of unsupported youth in the street Vis a Vis the HIV/AIDS pandemic.

AER responds to the current Rwandan socio-economic situations that directly or indirectly affect the Rwandan Youth Living in Street. It takes into consideration the big numbers of street young Rwandans who are deprived of opportunities to acquire school-based skills because they are orphans, have profound or mild disabilities, and end up as dependents to distant relatives, or more often than not, are exploited in different ways by older people.

2. PROJECT DESCRIPTION

The project will be located in Nyarugenge District in Kigali City of Rwanda. The project is intended to instil in AER beneficiaries (Children in the street) a spirit of self-reliance, research, science and technology in form of manufacturing candles, soap (bar & liquid,) and Chalk.

The project targets 150 beneficiaries from Street Children in the Kigali City who will be trained in Cottage Industries and later will be enable them set up businesses related to the same products (soap, candles and chalk) hence ensure economic development, reduction of poverty and vagabond juvenile. As such, this basic and life skill will help the beneficiaries to acquire team work and organisational skills, so that they can team up into strong and competitive income generating ventures. In this case the project will be training and income generating in nature. The beneficiaries of the project will be youth living in street. The survey made by AER personnel revealed many children of the street resulting from life in street scourge. These beneficiaries (Target group) are obtained in consultation with local authorities. Hence, AER comes up to establish a project (Cottage Industries) that will help in improving economic conditions of Street Children. Reduction of poverty among the youth living in street in Kigali City and basically in Nyamirambo zone will lead to reduction of Youth Living in Street. As it's known, poverty can lead youth to live in street leads poverty. AER Cottage Industries project will lead to poverty alleviation and will be used as a tool to fight vagabond juvenile in Kigali City as such.

The need to establish skills training in Cottage Industry in Kigali City was prompted by the need to develop technology industry in the mentioned area derived from a long-term perspective of the organisation which will be implemented in phases of a one-year strategy. The research made by AER personnel in Kigali City demonstrates that materials like Candle, Soap (bar and liquid) and Chalk are on a high demand and as such, production of the same materials would be beneficial to the community mentioned and the neighbouring region.

The locally made Candle, Soap and Chalk manufactured in plenty and easily accessible considering the high level of poverty in Youth Living in Street of Kigali City where the project will be operated from. The project is intended for Street Youth in the Kigali City. The project will first target 150 Youth.

The project will be Community based and owned in the sense that the target group and community leaders will play a significant role in its implementation. The project will be composed of 150 beneficiaries who will be trained to work together

3. OBJECTIVES OF THE PROJECT

- To equip the street children in Youth Living in Street with practical skills and promote in them a spirit of self-reliance, sustainability and social well being.
- To promote the campaign against the forces that promotes poverty, social and moral decadence by making Youth Living in Street more active in developmental affairs of the society.
- To train Youth Living in Street in income generating skills so as to instil in them a sense of self-employment and assist them to improve their social and economic standards.

4. JUSTIFICATION FOR IMPLEMENTATION

The project will be operated in Kigali City, specifically at Nyarugenge District due to the presence of electric power that will facilitate in the production. The problem of lack of essential commodities like soap for daily cleanliness and candles will finally be solved.

Secondly, many Youth Living in Street who are idle, with no employment or means for survival will be helped by the project by involving them in the Cottage industry Production Unit and income generating activities (sell of the manufactured goods). The 150 beneficiaries are already trained in this regard. The project will bring development not only among Youth Living in Street of Kigali City, but also in the neighbouring districts.

5. TARGET GROUP

The direct beneficiaries of the Youth Living in Street in Kigali City and the indirect beneficiaries will be the whole population within the Kigali City and the neighbouring districts. AER has so far identified and registered 150 (One hundred fifty).

6. INPUTS

We expect to reach 150 Street Youth, mobilise them in the technical skill mentioned (manufacture of soap and candles). The targeted group will understand and appreciate the value of the technical know how obtained, hence involve themselves competently in the production process.

7. PROJECT MANAGEMENT

The project will be directly managed by the Coordinator of Vocational training with the technical personnel at the area of operation; AER's Accountant and all will be under the National Director of AER. AER Executive Committee headed by the Legal Representative will monitor project management.

8. SUSTAINABILITY

The project will sustain itself after the phase of funding as the trained street children will train others, set up other centres and the income from the production unit will strengthen the project further.

The income from the project will be used to buy more materials for manufacturing the mentioned items. Not only will the project sustain itself economically, but also the beneficiaries will benefit economically on the personal level hence reduce the level of poverty and unemployment among street youth of Kigali City.

9. EXPECTED RESULTS

- The trained Youth Living in Street in Cottage Industries will be involved in the Cottage Industries Production Unit that is meant for income generating.
- The trained beneficiaries will be encouraged to form small Cooperative under the patronage of AER, which will be given the capacity to make their cottage industries for production and income generating.
- There will be reduction of poverty among Youth Living in Street, as the income from their manufactured goods (soap and candles) will be used to solve their financial problems.
- The cooperative of Youth Living in Street will be helped to form other projects, they will be having financial strength to implement them.
- The element of poverty alleviation among Youth living in the street will lead to general community development and reduction of unemployment due to the economic activity in the project.

10. MONITORING AND EVALUATION

AER will produce periodical reports. The Project Coordinator will give reports demonstrating the progress of the project and set backs if any. These reports will be handed over to the National Director of AER who will finally report to the Donor. Evaluation reports will be produced after 6 months of the project calendar; the final report will be submitted to the Donor in the 12th Month.

As such, AER will do monitoring and evaluation in conjunction with the beneficiaries of the project.

11. BUDGET

Youth Cottage Industry in Kigali City

N°	ITEMS	QUANTITY	PRICE/UNIT	TOTAL IN RWF	TOTAL IN US\$
I	MANUFACTURE OF SOAP				
1.	Caustic soda	150 Kg	14,000.00	2,100,000.00	2,290.08
2.	Oil	900 Kg	2,800.00	2,520,000.00	2,748.09
3.	Plastic seals	600	6,000.00	3,600,000.00	3,925.85
4.	Gloves of protection	60	8,000.00	480,000.00	523.45
5.	Mask of protection	60	6,400.00	384,000.00	418.76
6.	Kneader (form)	150	28,000.00	4,200,000.00	4,580.15
7.	Mixer (dye)	850	3,200.00	2,720,000.00	2,966.19
8.	Molds	900	2,000.00	1,800,000.00	1,962.92
9.	Mbabula	50	18,000.00	900,000.00	981.46
10.	Cup of Fil	400	8,000.00	3,200,000.00	3,489.64
	Subtotal I			21,904,000.00	23,886.59
II	MANUFACTURE OF CANDLES				
1.	Beeswax	500 Kg	2,000.00	1,000,000.00	1,090.51
2.	Funnel	600	1,800.00	1,080,000.00	1,177.75
3.	Plastic paper	700	2,000.00	1,400,000.00	1,526.72
4.	Sticky paper	500	3,400.00	1,700,000.00	1,853.87
5.	Fil de Cotton	500	3,200.00	1,600,000.00	1,744.82
6.	Razors	650	2,800.00	1,820,000.00	1,984.73
7.	Plastic pipe	650	1,800.00	1,170,000.00	1,275.90
8.	Marmite	588	12,000.00	7,056,000.00	7,694.66
9.	Charcoal	300 bags	7,200.00	2,160,000.00	2,355.51
	Subtotal II			18,986,000.00	20,704.47
III	CHEMICALS FOR MAKING LIQUID SOAP				
1.	Sulfuric Acid	2000 Kg	5,000.00	10,000,000.00	10,905.13
2.	Caustic Soda arsh	960 Kg	2,000.00	1,920,000.00	2,093.78
3.	Tibrol	125 Kg	8,000.00	1,000,000.00	1,090.51
4.	Lemon perfume	120 Kg	36,000.00	4,320,000.00	4,711.01
5.	Apple Green	700 Kg	16,000.00	11,200,000.00	12,213.74
6.	Sodium maleficent	250 Kg	2,800.00	700,000.00	763.36
7.	Urea	500 Kg	2,400.00	1,200,000.00	1,308.62
8.	Magadi soda	850 Kg	4,000.00	3,400,000.00	3,707.74
	Subtotal III			33,740,000.00	36,793.89
IV	EQUIPMENTS / MACHINES				
1.	Candle Manufacturing Machine (120 candles/30 minutes)	1	2,751,000.00	2,751,000.00	3,000.00

2.	Accessories	1	183,400.00	183,400.00	200.00
3.	Packaging of Machine in Wooden	1	183,400.00	183,400.00	200.00
4.	Soap Manufacturing Machine	1	3,301,200.00	3,301,200.00	3,600.00
5.	Soap material mixer Machine	1	412,650.00	412,650.00	450.00
6.	Chalk Manufacturing Machine (400 Chalks / minutes)	1	1,375,500.00	1,375,500.00	1,500.00
7.	Chalk material mixer Machine fitted with ¼ HP Motor	1	229,250.00	229,250.00	250.00
8.	Trays for drying Chalks	1	110,040.00	110,040.00	120.00
9.	Packaging of Machine in wooden packaging	1	183,400.00	183,400.00	200.00
	Subtotal IV			8,729,840.00	9,520.00
	GRAND TOTAL			83,359,840.00	90,904.95

12. ACTION PLAN

Activity: Soap and Candle production in Kigali City, Cottage industry by AER beneficiaries.

Implementation Timetable

Time frame	Activities	Reporting
Month 1 (Start date)	Site set up (Cottage Industry-Production Unit)	To AER
Month 2-5	Production, Stocking & Marketing of manufactured Soap and Candles	To AER
Month 6	1 st report to the Donor.	To the Donor
Month 7-10	Soap and Candle production and Marketing of manufactured products (Soap and Candles) Continue	To AER
Month 11	Business evaluation to see profitability in production and business	To AER
Month 12	Evaluation & reporting to the Donor	To the Donor

13. BUSINESS PLAN

13.1. Soap Production

	Daily	Monthly (26 days)	Annually
Production	1176 Bars	30,576 Bars	366,912 Pacs
Income	$1176 \times 270 = \text{Rwf } 317,520.00$	$30,576 \times 270 = \text{Rwf } 8,255,520.00$	$366,912 \times 270 = \text{Rwf } 99,066,240$
Total Income	Rwf 317,520.00	Rwf 8,255,520.00 (\$	Rwf 99,066,240.00 = (\$

	(\$346.26)	9,002.75)	108,032.98)
Expenditure		Rwf 5,365,608.00	64,387,296.00 Frw
Reserve (Saving Account)		Rwf 900,000.00	10,800,000.00 Frw
Annual Profit		Rwf 1,989,912.00 (\$ 2,170.02)	Rwf 23,878,944.00 (\$ 26,040.29)

Expenditure

Items	Monthly cost
Raw materials	2,401,000
Labour cost (30 workers)	900,000
Transport	200,000
Power	50,000
TVA (18%)	1,485,994
Machine maintenance	278,614
Rent	50,000
Total Monthly Expenditure in Rwf	Rwf 5,365,608.00
Total Monthly Expenditure in US\$	\$ 5,851.26

13.2. Candle Production

	Daily	Monthly (26 days)	Annually
Production	750 Pcs	19,500 Pacs	234,000 Pacs
Income	$750 \times 350 =$ Rwf 262,500	$19,500 \times 350 =$ Rwf 6,825,000	$234,000 \times 350 =$ Rwf 94,500,000
Total Income	Rwf 262,500	Rwf 6,825,000	Rwf 81,900,500
Expenditure		Rwf 5,217,500	Rwf 62,610,000
Reserve (Saving Account)		Rwf 800,000	Rwf 9,600,000
Annual Profit		Rwf 1,607,500 (\$1,753.00)	Rwf 19,290,000 (\$21,035.97)

Expenditure

Items	Monthly cost
Raw materials	2,850,000
Labour cost (20 workers)	600,000
Transport	200,000
Power	50,000
TVA (18%)	1,417,500
Machine maintenance	50,000
Rent	50,000
Total Monthly Expenditure Rwf	Rwf 5,217,50.00
Total Monthly Expenditure in US\$	\$ 5,689.75

BUSINESS PLAN

	Daily	Monthly (26 days)	Annually
Production	3 Drums x 3= 27 jerricans/day (540 litres)	27 jerricans x 26= 702 (14,040 ltrs)	702 jerricans x 12= 8,424 (168.480ltrs)
Sales	27 jericans x 13,000 Frw= 351,000 Frw	702 Jerricans x 13,000 = Rwf 9,126,000	8,424 Jerricans x 13,000 = Rwf 109,512,000
Total Sales	Rwf 351,000	Rwf 9,126,000	Rwf 109,512,000
Expenditure		Rwf 6,835,500	Rwf 82,026,000
Reserve (Saving Account)		1,000,000	12,000,000
Profit in Rwf		Rwf 1,290,500	Rwf 15,486,000
Profit in US\$		\$ 1,407.31	\$ 16,887,68

Expenditure

Items	Monthly cost
Raw materials	3,750,000
Labour cost (20 workers)	800,000
Transport	200,000
Power	50,000
Taxes	1,585,500
Machine maintenance	50,000
Rent	300,000
Communication	50,000
Total Monthly Expenditure in Rwf	Rwf 6,835,500
Total Monthly Expenditure in US\$	\$ 7,454.20

ANNUAL PROFIT WILL BE UTILISED IN THE FOLLOWING WAYS:

N°	PROPOSE
1.	Mutuel de santé for Youth Living in Street
2.	Education Sponsorship for children or Youth Living in Street
3.	Shelter rehabilitation for Youth Living in Street
4.	Equipment replacement

14. FINANCIAL PROCEDURES AND ACCOUNTABILITY

AER Bank signatories are:

- Legal representative
- Deputy Legal representative
- Treasurer

The Purchasing officer is the Accountant and Project Co-ordinator. Financial reporting will be done every 6 Months. A narrative annual financial and activities report will be submitted to the Donor in the 12th Month.

15. AUDITING

An auditor is free to do his/her work any time during the life cycle of the project given at least two weeks' notice to the project Co-ordinator.

16. ROLES AND RESPONSABILITIES OF MAIN ACTORS

1. DONORS

- Provides funds to the project
- Solicits additional funds if necessary
- Receives reports on the project.

2. AER

- Implements and monitors the projects
- Liaises with the donor to ensure the flow of funds to the project
- Makes regular reports on the progress of the project
- Trains and engages beneficiaries
- Liaises with local authorities