

ENTREPRENEURSHIP

STUDENT'S BOOK



OPTION:

ECLPE, SME, LE, SSE

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FOREWORD

Dear Student-teachers, Rwanda Education Board is honored to present to you this Entrepreneurship book for year three which serves as a guide to competence-based teaching and learning to ensure consistency and coherence in the learning of entrepreneurship subject. The Rwandan educational philosophy is to ensure that you achieve full potential at every level of education which will prepare you to be well integrated in society and exploit employment opportunities. The government of Rwanda emphasizes the importance of aligning teaching and learning materials with the syllabus to facilitate your learning process. Many factors influence what you learn, how well you learn and the competences you acquire. Those factors include the instructional materials available among others. Special attention was paid to the activities that facilitate the learning process in which you can develop your ideas and make new discoveries during concrete activities carried out individually or with peers. In competence-based curriculum, learning is considered as a process of active building and developing knowledge and meanings by the learner where concepts are mainly introduced by an activity, a situation or a scenario that helps the learner to construct knowledge, develop skills and acquire positive attitudes and values. For effective use of this textbook, your role is to:

- Work on given activities which lead to the development of skills
- Share relevant information with other learners through presentations, discussions, group work and other active learning techniques such as role play, case studies, investigation and research in the library, from the internet or from your community;
- Participate and take responsibility for your own learning;
- Draw conclusions based on the findings from the learning activities.

I wish to sincerely extend my appreciation to the people who contributed towards the development of this book, particularly to Educate! which provided financial support and REB staff who organized the whole process from its inception. Any comment or contribution would be welcome for the improvement of this textbook for the next edition.

Dr. NDAYAMBAJE Irénée

Director General, REB

ACKNOWLEDGEMENT

I wish to express my appreciation to all the people who played a major role in the development of this entrepreneurship textbook for year three. It would not have been successful without the active participation of different education stakeholders. I owe gratitude to Educate! which allowed their staff to bring their expertise in the integration of skills lab pedagogy in all subjects especially the entrepreneurship textbooks and financial support provided in development of those books. Finally, my word of gratitude goes to the Rwanda Education Board staff particularly those from Curriculum, Teaching and Learning Resources Department who were involved in the whole process of in-house textbook writing.

Joan Murungi,

Head of CTRLD

Introduction

This textbook is part of school curriculum reform in Rwanda in particular how the curriculum is taught. It is hoped that this change will make what you learn in school more useful both at school and when you leave school.

In the past, the main reason for schooling was to obtain knowledge – that is facts and ideas about each subject. But nowadays the main reason due to changes that are happening in the environment and the job market is becoming more competitive therefore you should be able to use the knowledge you will obtain from this text book to develop competencies. These competencies include ability to think for yourself, ability to communicate with others and to explain what you have learnt, as well as being creative in developing your own ideas, not just following those of the Tutor and the textbook. In this textbook, different approaches are used to help you to develop competences and make this textbook user friendly. Among these approaches are the following:

Activity-based learning

These activities present you with instructions to follow that will help you to learn and discover others for yourself. You already have knowledge and many ideas based on the experiences you have had and your life within community. Some of the activities, therefore, require you to use the knowledge and ideas you already have.

In using this book, therefore, it is essential that you do all the activities and follow all the instructions. You will not learn very well unless you complete these activities provided. They are the most important part of the Textbook.

In some ways this makes learning more of a challenge. It is usually challenging to think for yourself than to copy what the Tutor tells you. But if you take up this challenge you will become a better person and become more productive and successful in your life.

Group work

You can also learn a lot from other people in your class. If you have a problem, it can often be solved by sharing it with others. Many of the activities in the book, therefore, involve discussion. Your tutor will help to form and organize these groups in a conducive learning environment facing each other. You cannot discuss properly unless you are facing each other.

Research

One of the objectives of the new curriculum is to help you discover for yourself. Some activities, therefore, require you to do research using Textbooks in the library, the internet if your school has access, or any other source such as newspapers

and magazines etc. This means that you will develop skills of learning for yourself that can help you both when still in school and after school. Your tutor will help in case your school does not have a fully equipped library or internet.

Skills lab

Entrepreneurship subject is more practical than theoretical that is why it requires time for skills lab which is a regular time on normal time table when student-teachers are required to complete learning activities working in manageable groups.

During skills lab activity student-teachers are given an opportunity to talk more and get more involved in the lesson than tutors. Student-teachers receive constructive feedback on work done (Tutor gives quality feedback on student presentations).

The Skills Lab prepares student-teachers to complete portfolio assignments on their own after classes. So, classroom activity should connect directly to the portfolio assignment and during the skills lab the tutor makes sure that he/she links the unit with the portfolio assignment, student's business club and back home projects.

Icons

To guide you, each activity in the book is marked by a symbol or icon to show you what kind of activity it is. The icons are as follows:



Introductory activity icon

This indicates thinking for yourself or groups discussion. You are expected to use your own knowledge or experience, or think about what you have read in the book, and answer questions individually or as a group activity.



Learning activity icon

This icon reminds you to link your previous knowledge with the topic you are going to learn. As a student feel free to express what you already know about the topic. What is most important is not giving the right answer but the contribution you are making towards what you are going to learn.



Application activity

Some activities require you to complete them in your exercise book or any other book. It is time for you to show if you have understood the lesson by answering the questions provided.



Skills lab lessons

This icon indicates a practical activity, such as a role play to solve a problem or complete an activity, participating in a debate and following the instructions provided by the teacher. These activities will help you to obtain practical skills which you can use even after school.



End unit Assessment icon

This icon requires you to write down the responses to activities including experiments, case studies and other activities which assess the attainment of the competences. Tutors are expected to observe the changes in you as a student teacher.

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UNIT 1

AGRIBUSINESS AND SOCIO-ECONOMIC DEVELOPMENT



Key Unit Competence:

To be able to develop agri-business activities and know their contribution towards socio-economic development.



Introductory activity

Case study

Mahoro is a Teacher training college graduate and an orphan. After her parents died in 2005, she continued with the agricultural work that her parents used to do turning it into family business. Mahoro had to assume all the responsibilities looking after her 3 siblings/brothers and sisters.

She started from one cow, a small farmland using her knowledge in entrepreneurship obtained in TTC, and O'level sought advice from her immediate relatives. Her relatives advises her to apply for a loan in Umurenge Sacco and luckily she was granted a loan after presenting a good business plan, she had in mind expanding and while having a dream of being self-employed.

Some of her friends discouraged her by advising her to apply for the job and go to teach but she kept deaf ear, at first, she invested almost half of the loan in growing sorghum but the season wasn't favorable and the scorching sun destroyed everything. Mahoro didn't give up the next season she changed to Irish potatoes and she harvested over 10 tones; since then Mahoro has been able to buy a commercial house in the trading centre, pays taxes to the government and looks after her siblings and they are all university graduates. Mahoro has secured a contract from Nakumatt to supply vegetables and she has a plan to start processing her output to be able to conquer international market.

Questions

- a. Identify ways in which Mahoro's farming activity is different from other farmers as usually done in your locality.
- b. What motivated Mahoro to undertake the above activities?
- c. Suggest the contribution of agribusiness to the economic development of the country
- d. In which situation can the government assist the youth to benefit more from agribusiness activities?

1.1. Meaning of agri-business, Socio-economic development, and agri-business activities



Activity 1.1

1. Explain the meaning of agri-business
2. Using your knowledge acquired in O' Level, explain the concept of socio-economic development.

1.1.1. Meaning of agri-business, Socio-economic development

The term "agri-business" is delivered from two words namely agri (which means agriculture) and business. Agriculture; is the art of cultivating and growing the plants and livestock for the survival of an individual or a family. After a long time people doing agriculture just for their survival only, they experienced a lack of monetary income and they started thinking of how they can produce more for selling purposes hence Agribusiness.

Agribusiness therefore is a combination of agriculture and business. It is defined as an activity of growing plants, live stocks,... for commercial purposes. This may include the dealing in agrichemicals, breeding, crop production, distribution, farm machinery, processing, and seed supply, as well as marketing and retail sales.

Eventually, Agribusiness involves in the production and selling of agricultural products to earn a profit. The size of agribusinesses differs from micro businesses to large businesses.

Example of some activities that an entrepreneur can do in agribusiness

1. Tree nursery. A tree nursery can be a great investment when done in right way
2. Fish farming. Fish farming is an ideal business idea for investors with available land, and it does not always require a body of water.
3. Dual crop farming.
4. Dairy farming.
5. Herb gardening.
6. Bee farming.
7. Aquaponics....
8. Micro greens farming.
9. Urban agriculture. You don't need a huge space to get into the agriculture business
10. Vegetable farming
11. Livestock feed
12. Fruit growing

1.1.2. Socio-economic development

This is a multi-dimensional process of transformation involving accumulated qualitative and quantitative changes in an economy leading to better standards of living. Social economic development involves cultural changes, social changes, economic transformation, education reforms and it is a continuous process covering a long period of time.

Socio-economic development involves economic growth which should eventually lead to changes in peoples way of life, attitude, fairer distribution of the country's wealth and provision of essential needs like food, shelter, clothing, higher standards of living, changes in occupational structure towards self-reliance and radical changes in political institutions and administrative structure with the aim of giving greater opportunities to the masses in the decision making.

Agribusiness is one of the drivers of socio-economic development in developing countries and it is on this note that it should be embraced and taken advantage of by government institutions concerned to ensure that optimum output through support and sensitization of the youth.

Agribusiness has an impact on practically all the Sustainable Development Goals (SDGs). According to the Food Agriculture Organization of United Nations (FAO), over 70 per cent of the world's food needs are met by small farmers. Agriculture is the economic sector that employs most people in the world, and the main source of food and income for many people living in poverty. Thus, investing in agriculture is not only one of the most effective strategies to improve food security and promote sustainability but it is also essential to many countries' economic development.

1.1.3. Agri-business activities

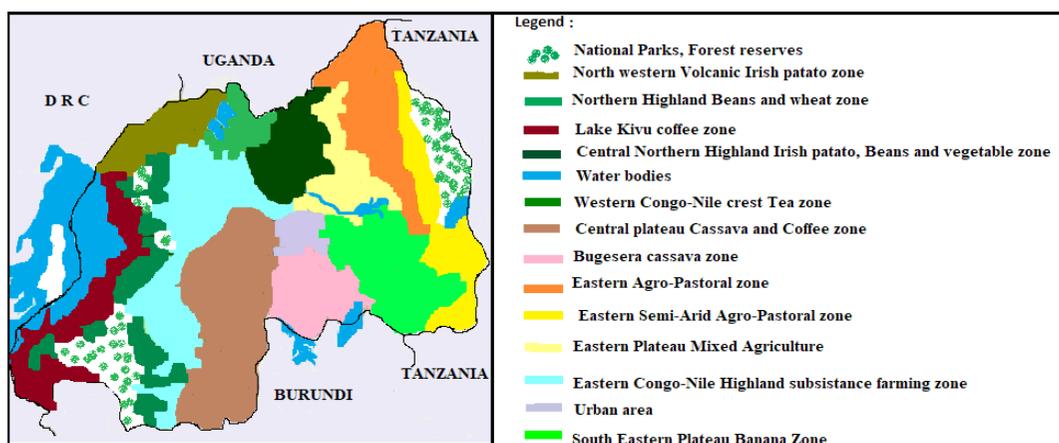


Figure 1. 1: Various agricultural activities done in different parts of the country

Practicing agribusiness in Rwanda requires serious analysis. As you observe the map above, different agricultural activities are conducted in various areas; one needs to scan the environment before investing. There are some crops that are grown here but that cannot survive there... (e.g.: Irish Potatoes are grown better in North than in south). Therefore, entrepreneurs should recognize that not every agribusiness venture is viable everywhere unless if you avail some of the key climatic conditions to that surface (E.g.: irrigation practiced in dry areas) though the type of soil will also matter.

Another point to note is that, though most people believe that agribusiness is best done on extended/ wider surfaces, people should be aware that even on a single square meter (1m²) one can do agribusiness for instance mushrooms, Legumes, various vegetables, and as well, poultry does not require big surfaces.



Fig 1.9: Modernized agribusiness practiced on small space

As entrepreneurship student teachers, you have to be very inquisitive and think out of the box.

a. Livestock/ Animal rearing

This type of agri-business involves in the rearing and selling of different types of animals for beef, milk and hides and other products. Animals commonly kept include: cattle, sheep, goats, hens, pigs and camels



Secondary source: newtimes.co.rw

Figure 1.2: Zero grazing and piggery

b. Crop production

In this type of production crops are produced and sold, they include; coffee, tea, cassava, bananas, cotton, maize, beans, potatoes, tobacco etc.



Secondary source: newtimes.co.rw

Fig 1.3: Crops grown in a valley area

c. Poultry keeping:

An entrepreneur in this type of agribusiness concentrates on the keeping and selling of birds for meat, eggs, feathers and skins. The types of bird commonly kept in Rwanda include: chicken, ducks, turkeys, Guinee fowls etc.



Secondary source: hope-mag.com

Fig 1.4: Poultry farming

d. Floriculture.

Entrepreneurs in this type of agribusiness grow and sell flowers



Secondary source: irwanda24.com

Fig1. 5: flower gardening

e. Aquaculture.

In this type of agribusiness, entrepreneurs deal in fish farming, crocodile farming etc.



Secondary source: newtimes.co.rw

Fig1. 6: Fish farming

f. Horti-culture:

Entrepreneurs dealing in this business, grow fruits and vegetables.



Figure 1. 7: Farming of fruits and vegetables

g. Apiculture:

Entrepreneurs in this business involve in bee keeping for honey.



Figure 1.8: Bee keeping



Application activity 1.1

Study the photos below and answer the question thereafter



Question:

1. Describe agri-business activities illustrated in the photos above.
2. Conduct a research on agri-business activities provided in the photo above, analyze them and come up with the ones that suit your school locality.

1.2 Contribution of agribusiness towards socio-economic development



Activity 1.2

In your own understanding, explain different benefits people in your community have enjoyed/benefited or gained from agribusiness activities.

Agriculture is crucial for Rwanda's growth and reduction of poverty, as the backbone of the economy, it accounts for 39 percent of gross domestic product (GDP), 80 percent of employment, 63 percent of foreign exchange earnings, and 90 percent of the country's food needs.

The following are some of the contributions of agribusiness to the economic development of the country:

- These businesses provide food for the community and people are able to survive on food produced.
- They provide employment chances to the people in the community and this helps to reduce on unemployment in Rwanda. Agribusiness employs the biggest percentage of people
- Provide raw materials/inputs to other industries in the country for instance wheat providers supply inputs to Azam industries to produce wheat flour etc.
- They act as sources of income to the population. People get money which they use to buy essential goods thereby increasing on their standards of living.
- They use bi-products like rubbish, husks etc. which would have otherwise been dangerous to the environment there by conserving it from damage.
- Provide foreign exchange through the sale of goods on foreign markets
- Provide market to other industrial products e.g. fertilizers, farm tools
- Act as a source of income to the government in form of taxes
- Some areas are developed because of agricultural activities and products from such areas e.g. roads are developed.

However, though agribusiness has a lot of contributions, we should bear in mind that people who practice it meet with/face so many challenges. Therefore, here are some of the challenges faced and the possible solutions:

Challenges faced in Agribusiness and possible solutions:

Challenges	Proposed solutions
Pests and diseases	Use of pesticides, and quality seeds
Unanticipated climate change and poor irrigations systems	Improve irrigations systems and do previsions
Price Fluctuations	Farmers should do speculations of their outputs
Unfavorable infrastructures like farming machines and storage facilities	Farmers need to operate in cooperatives for joint effort and inquire government support
Poor / Lack of research activities	People should do studies before risking their resources.
Lack of transport and market, etc.	Farmers need to operate in cooperatives for joint effort so the government can easily subsidize. e.g.: IAKIB dairy in Gicumbi



Application activity 1.2

1. Think about any 3 agri-business activities in your school locality, and discuss their contribution towards socio-economic development of Rwanda.

1.3 Youth employment in agri-business



Activity 1.3

With clear examples, explain the meaning of youth employment.

1.3.1. Meaning of youth employment

There is no legal reference to define the term “youth”. Individuals are either under aged, entirely dependent or adults and thoroughly responsible for what they do.

According to the criteria on recognized by the United Nations, the youth comprises of people that are between 15 and 19 years old (adolescents) and those who are aged between 20 and 24 (young adults).

Youth meaning varies from one society to another and has evolved depending on political, economic and socio-cultural contexts. In that case, a young person is that person who is considered as such by the society". In Rwanda, the youth is made up of persons aged between 14 and 35.

Youth employment is the situation of young people who are looking for jobs, are able to find jobs, with the age range being that defined by the United Nations as 15–24 years old.

Note. Given that a third of Rwandans, about 3.7 million individuals are aged 15 to 34, and youth employment is a critical policy issue.

In Rwanda, the land is the main factor of production and is, as a result, due to the fact that plots are becoming smaller and smaller. The land is too small to be rationally used by the population that still employs anachronistic techniques that we know. This is the reason why the promotion of youth employment should also target non-agricultural activities both in rural and urban areas such as rural production oriented, sewing, leather works, cycle repairing, construction, carpentry, electricity, bricks production, sports equipment production, cyber café, electronic workshop and activities that require greater labor force (Haute Intensité de Main d'Oeuvre/ HIMO),

A good entrepreneur who invests in area of agriculture should have in mind that, Rwanda is in situation that 42 % of the youth aged between 14 and 35 are either unemployed or only work on seasonal small scale agriculture. Excessive needs in terms of land find expression in that on family owns less than one hector for its agricultural activities, which is the line below which one cannot meet their nutritional basic needs. To invest in agribusiness, there is a need to think big to bring new technologies in agriculture or to think the way of modernizing the agriculture or practice agriculture on small space, for example greenhouse farming, market gardening, small space gardening ,etc.

1.3.2. Benefits of youth employment

With youth underemployment rates the highest they have been in 40 years it is more important now than ever to embrace and explore the benefits that young people bring

- **New energy and perspective:** Young employees can bring fresh perspective and a different way of thinking to your business. Most young workers are eager to learn, build their experience and apply their skills in the workforce. This enthusiasm is great for team building, productivity and workplace moral. Younger employees will also give you an advantage if you want to target the millennial market as they understand how to reach and communicate with their peers.

- **Workforce development:** Young people are used for learning. If they have just come out of school or tertiary education, they will still retain a mindset that will help them absorb training more readily. As they don't have a huge amount of previous experience young people are essentially a 'blank slate.' This affords/gives their employer an opportunity to develop a workforce of young people specifically trained to meet their organization's needs.
- **Affordability:** More often than not, wages for a young employee are less expensive than those for an older more experienced worker. There are also options for formal trainee and apprenticeships which can be of great benefit to both employers and young people.
- **Technology advancement & early adoption:** Millennial have grown up around technology. Their natural affinity for tech and their ability to apply and understand different technologies quickly sets them apart from other generations in the workforce. Hiring young people has a positive and important impact in driving business forward in the adoption and use of new software and technology
- **Adaptability & agility:** When unexpected circumstances arise, younger people are better equipped to respond to sudden change, this can be of great benefit in the shifting landscape of the modern-day workplaces where process, technology and priorities are constantly changing. With economic, social and political boundaries in a state of flux, adaptability gives young people an advantage in a work environment that is more agile, changeable and fast paced than ever before.
- Youth employment builds young people's self-esteem and self-confidence;
- It develops ability of the youth to manage personal and social relationships;
- Offering worthwhile and challenging new experiences at work and outside work place;
- It provides learning opportunities to enable young people to gain knowledge and develop new skills;
- Building young people's capacity to consider risks and consequences and make informed decisions and take responsibility
- Helps young people to develop social awareness and a sense of social solidarity form their work environments.
- It gives young people a voice in decision-making which affect their lives;
- Enhances young people's role as active citizens and preserving culture.
- When young people are employed, the crime rate is reduced, idle resources are exploited and generally the living standard is improved.



Application activity 1.3

As a TTC graduate, you are requested by your village leader to address citizens in your village about the youth employment.

Describe the benefits of youth employment towards community development that will be entailed in your speech.



Skills Lab -1-

1. After learning about different agribusiness activities in your community, you are required to think and come up with different modern methods that can be applied to improve on productivity of agribusiness products and promote youth employment.
2. Scan your home environment or elsewhere, and come up with possible agribusiness activity that you can undertake after school and suggest its role to your personal & family economic development.



End of unit assessment

Assume you are a TTC leaver and you have been selected as a district youth leader. During a campaign about “**Youth involvement in agribusiness activities**”, you are requested to advise youths on scalable agribusiness activities.

Required:

- a. Identify any two agribusiness activities that you can do in your home locality.
- b. Describe the methods that you can use to make it a real profitable business than survival and discuss their contribution towards socio-economic development.

UNIT 2

ENVIRONMENTAL IMPACT ASSESSMENT (EIA)



Key Unit Competence:

To be able to prepare EIA report as a tool for preventing negative effect of business activities on the environment.



Introductory activity

Case study: Rwanda's government through Rwanda Environment Management Authority (REMA) and environmental impact assessment report (EIA) guidelines expects entrepreneurs to be cautious and careful with goods produced, the technology used, the materials used for the production and their probable impact on human health and the environment. If the product/project does not meet the requirements of the general expected standards, then it is not permitted for further production and the owner will have to change the technology and the structure of the product.

Rwanda has tremendously grown in areas of urbanization and the infrastructure, economic activities for example furniture workshops (timber), charcoal stores, bottled water production etc. If not well addressed are bound to impact negatively on the environmental attributes of the project areas and its surroundings like water pollution, air, land pollution, deforestation etc. Kigali being the capital city of the country, it continues to have the most economic activities and population with such economic situation, the economy and the environment are bound to be affected negatively and positively thus entrepreneurs intending to start any project have to prepare appropriate Environmental Impact Assessment reports showing most sustainable and cost effective way of mitigating any negative impact that may arise as a result of the implementation of the proposed project.

Questions:

Referring to the above case study, answer the following questions.

- Using your previous knowledge of entrepreneurship and as a student who intends to start a small brick laying project in the holidays summarize the positive and negative effects your project may have on the environment and surrounding?
- What strategies would you propose to the entrepreneurs in Kigali to mitigate the likely challenges as a result of the projects started?
- Identify the importance of Environmental Impact Assessment report for business idea you intend to start in your community.

2.1 Definition of Environment and Effects of business activities on the environment



Secondary Source: *ipsnews.net* Secondary source: *matadornetwork.com*

Fig 2.1: Effects of man's activities on the environment



Activity 2.1

Consider this: Many buildings are built from materials that do not come from renewable sources. Office buildings have a huge appetite for electricity to power lighting, air conditioning, computers, printers, and photocopiers. Equipment may be left on 24 hours a day, seven days a week—even when no one is working. Offices consume vast amounts of paper. Even with more offices recycling paper, a large amount of paper waste still goes to landfill sites or incinerators. In addition to paper, offices produce a lot of other waste, including equipment (especially computers), because companies regularly upgrade their equipment to stay competitive. Electronics such as photocopiers and computers can end up in landfills, where they do not break down and, even worse, can leach harmful chemicals into the ground and water. Rush-hour traffic jams in towns and cities are full of people trying to get to work—wasting time and polluting the atmosphere.

Questions

1. In your own words what is the environment?
2. What activities mentioned in the case study affect the environment?
3. Identify the would-be positive effects of the above activities on the environment?

2.1.1 Definition of Environment

The term Environment is derived from a Latin word "**Environia**" which means to surround. It refers to both abiotic (physical or non-living) and biotic (living) environment. The word environment means surroundings, in which organisms live. Therefore; **environment** is the sum total of conditions that surrounds us at a given point of time and space. It is comprised of the interacting systems of physical, biological and cultural elements which are interlinked both individually and collectively. Environment is the total sum of conditions in which an organism has to survive or maintain its life process. It influences the growth and development of living forms.

Business environment is the total sum of all external and internal factors that influence a business. Business environment is the combination of internal and external factors that influence a company's operating situation.

The business environment can include factors such as: clients and suppliers; its competitors and owners; improvements in technology; laws and government activities; market, social and economic trends.

- i) According to P. Gisbert “Environment is anything immediately surrounding an object and exerting a direct influence on it.”
- ii) According to E. J. Ross “Environment is an external force which influences us.”

2.1.2 Effects of business activities on the environment

Positive effects of business activities on the environment include:

- Saves on cutting down forests for fuel.
- Reduction on carbon emissions which depletes the ozone layer.
- Reduction on soil fertility loss and leaching of minerals.
- Reduces water loss from the soil.
- More forest cover which improves the air we breathe in.
- Reduction on desertification and leads to more rain.
- Makes environment appealing and more beautiful.
- Increased vegetation cover which improves the quality of air.
- Improved drinking water quality, household sewage connection, and improved hygiene practices.
- Results into taxes which the government earns as revenue to set up social amenities such as schools, hospitals, roads and provide security to the country.
- Results into production of goods that satisfy people's needs thereby improving the society's well-being.
- Creation of employment opportunities for the people thereby improving their standards of living.
- Corporate social responsibility activities such as sponsoring sports activities, planting of trees, building of schools and hospitals which help the community.
- Business activities promote infrastructural development in the society such as road construction, schools, and houses for people thus contributing to the development of the society.

Business activities that positively affect the environment include:

- Reuse, reduce, and recycle activities that reduce wastage and other activities that would affect the environment negatively.
- Afforestation: This involves planting trees which helps regenerate the environment.



Secondary source: vickange.blogspot.com

Fig2.2: Tree planting on the steep hills to avoid soil erosion

- Proper Waste management: This is the collection, transportation and disposal of garbage, sewage and other waste products.
- Social responsibility: “Umuganda” literally translated as ‘coming together with a common purpose to achieve an outcome’. Most business are involved in communal/collective work that protect the environment.
- Horticulture and floriculture: This involves planting of crops especially flowers which beautify the environment.
- Building of terraces in hilly or mountainous terrain to decrease both erosion and surface runoff thereby protecting the environment.



Secondary source: worldbank.org

Fig 2.3 Terracing on the hills of Rwanda

- Replacing non-decomposable materials with decomposable ones such as polythene bags with paper bags. Paper bags can easily decompose in soil there by protecting the environment.



Secondary source: viajesenespanol.co

Fig 2.4 Paper bags as an alternative packaging material

Negative effects of business activities on the environment:

These include:

- **Soil degradation:** This refers to the destruction of soil fertility, soil nutrients composition (organic and inorganic) resulting from overgrazing, over cultivation, deforestation, mining and quarrying and contamination from disposal of harmful waste products (industrial wasted oils and chemicals).
- **Industrialization:** Although industrialization is important for the economic growth and development of a society, it is also harmful to the environment. Amongst other things, industrial processes cause climate change, water, air and soil pollution; health issues, extinction of species, and so on.



Fig.2.5. Industries emit fumes that cause air pollution in the atmosphere.

- **Deforestation:** Some business use trees in their operations for production of goods and services, e.g. carpentry workshops, construction, businesses and household's clear large tracts of forests to make farms, roads and railways.



Fig.2.6. A deforested area, businesses that require timber, more land for expansion and so on lead to the cutting down of trees leaving the land bare.

- **Heating and air conditioning systems** pump greenhouse gas emissions from offices into the atmosphere and use up vast amounts of electricity.
- **Poor waste disposal:** Offices produce a lot of waste including equipment which end up in landfills, where they don't breakdown and, even worse, can leach harmful chemicals into the growth and water.
- **Depletion of resources:** Businesses use a lot of natural resources in their operations. For example, manufacturing businesses deplete minerals, lumbering depletes forest resources, fishing depletes/reduces the water resources and mining and quarrying destroys and degrades land.
- **Pollution** (air, water, land): Businesses emits a lot of carbon dioxide, smoke, ozone depleting gases, dust Sulphur-dioxide and so on which is dangerous for animal and plant respiration.
- **Displacement of people:** The establishment of businesses displaces people which affects the balancing of the ecosystem causing over population in given places and hence affecting the natural environment.
- **Rush-hour traffic jams:** In towns and cities are full of people trying to get to work-wasting time and polluting the atmosphere.
- **Vibration:** This is the result of movement and running of heavy industrial machines. These vibrations produced greatly weaken buildings leading to collapse of such affected building.

Business activities that negatively affect the environment

The business owners can carry out activities that affect the environment negatively. How are the business activities eco-friendly when it comes to the environment

and its natural resources? You may be surprised by some specific examples of ways the working world damages the environment:

Business activities that negatively affect the environment include:

- **Charcoal burning:** This is done to get charcoal for sale. This business activity leads to deforestation (the cutting down of trees). The trees are burnt and, in this process, fumes are emitted in the atmosphere leading to air pollution.
- **Construction:** Businesses clear land to construct business buildings. In this process, they cut down trees and at the same time degrade the soil.
- **Swamp reclamation:** This is the clearing of swamps for various purposes such as settlement, farming and so on. Swamp reclamation leads to the destruction of the ecological cycle and wildlife habitats.
- **Industrialization:** This activity leads to the emission of poisonous fumes into the atmosphere (air pollution). It also leads to land pollution when waste products of business activities are deposited on land. Water pollution can also occur.



Fig: 2.3: Industrialization activities lead to waste disposal which contaminates the environment. Source; www.ipsnews.net

- **Agriculture:** This is the growing of crops and rearing of animals. Poor methods of farming such as overgrazing and over cropping lead to soil degradation.
- **Bricklaying:** This is the modeling of bricks from soil and clay for sale. This activity leads to soil degradation.

- **Fishing:** This is the extraction of animals from water bodies for sale and consumption. Bad fishing methods lead to the fishing of young fish and extinction of certain fish species from water bodies.
- **Mining:** This is the extraction of minerals from the soil. Mining leads soil degradation, soil erosion and displacement of people.
- **Lumbering:** This is the cutting of trees for commercial purposes. As trees are cut down, the soil is left bare and this can lead to soil erosion and reduced rain.



Fig.2.4. Lumbering is the cutting down of trees for commercial purposes such as deriving furniture or sell for firewood

- **Packaging:** Most businesses have packaging materials for their goods such as plastic bottles, polythene bags, glasses and so on. These packaging products are non-biodegradable and are harmful to the soil.



Application activity 2.1

Read the case study below and answer questions that follow.

But it is it is just a bottle of water

On the way to school, Sally and her mother picked up consumables for her to use at school. Sally's mother insisted on getting bottled water for her daughter because of her strong belief that bottled water was safer and cleaner than tap water. Back at the dormitory, however, Sally's new roommate, Jane, argued against this with facts she had learned in class.

“Did you know that while tap water is frequently tested to maintain public health and safety, bottled water has no guidelines for testing? The Rwanda Standards Board can’t regulate all the water that is bottled and sold within the country, which accounts for most of bottled water.”

Sally was taken back by her new room-mate’s comments on the first day that they met.

“Ummmmh, ok, but it can’t be that bad,” she said. Sally’s mother, on the other hand, admired Jane’s enthusiasm and passion for the environment, and her knowledge of bottled water.

“So, what you’re saying is that you want to pay a lot more for untested sealed water in bottles that are horrible for the environment, especially since people don’t recycle?” said Jane.

“Water bottles are convenient ... anyway, I recycle ... sometimes,” said Sally.

Jane was shocked to hear that her new roommate didn’t recycle often. What kind of person was she? “Do you know what happens to the recycled water bottles?!” she asked.

Feeling momentarily brilliant, Sally said, “They go into landfills, of course.”

“Yes, landfills that are filling quickly,” snapped Jane. “We don’t have room for water bottles that could be recycled. When water bottles are thrown in trash, not only do they fill landfills, but they also increase air pollution and destroy our ozone layer. When they are burned with the regular trash, toxic fumes are emitted that are harmful to our health, and these include greenhouse gasses that are harmful to the environment.”

“Okay, okay, you made your point; I’ll recycle my water bottles all the time,” said Sally.

“But you still won’t stop drinking bottled water! Do you know where the water comes from? A lot of companies get their water from aquifers, many of which are running low. Water bottle companies do bulk water exports, extracting groundwater at unsustainable rates. And did you know that once an aquifer is emptied or polluted, they are almost impossible to restore? Soon we will have some major water shortages.”

Sally was frustrated, already arguing with her roommate, but she realized that Jane made a good point, and was impressed with her knowledge. But she still wondered why we didn’t hear about these effects if they were so horrible and what could they do about it anyway.

Two weeks later Sally's mother was in the super market back in her hometown and reached for a case of bottled water. She hesitated and thought "should I really be buying this water if it is so bad for the environment?"

Questions

- Should Sally's mother buy the bottled water? Support your answer.
- How can you make society aware of the environmental problems associated with bottled water?
- What will be the future impact on the environment if we continue to use bottled water like we do today?

2.2 Preventive measures to reduce negative effects of business activities on the natural environment



Activity 2.2

Due to the different economic, political, social and environmental changes in today's economy, there's need for proper planning for any economic activity to be implemented. Entrepreneurs are expected to follow proper EIA guidelines so as to avoid environmental, human and economic risks.

Rwanda's government through REMA ensures the protection and sustainable management of environment and encourages optimal use of natural resources. Different stakeholders have different functions to perform in order to execute proper EIA procedures.

As a student of entrepreneurship, you have been approached by MUTESI Chantal who is planning to start a project of brick laying in her society.

Advise her on what measures should she take to mitigate the likely environmental effects caused by her project on the environment?

2.2.1 Introduction

It is undeniable /unquestionable that profitability is the common goal amongst many businesses. Nonetheless, while making a profit, there is one more thing that a business should strive for; "being environment-friendly" in order to achieve success while minimizing negative impacts on the environment.

2.2.2 Positive measures a business can employ in order to reduce the negative effects of business activities on the environment.

The following are the positive measures a business can employ in order to reduce the negative effects of business activities on the environment:

- **Choosing energy saving equipment:** The equipment used by the business is a major source of environmental threats. With this, you should be cautious in picking equipment, regardless of the nature of your business. If you have vended laundry, consider buying equipment from international companies like *Continental Girbau*. The company has made a reputation for having washing machines, extractors and dryers that use minimal water and energy without compromising the outcomes.



Secondary source: sfrwanda.org

Fig 2.5 Some of the energy saving equipment (charcoal stoves and gas for cooking)

- **Picking right supplies:** Aside from your equipment, your supplies will also matter. Let us say that you have an industrial Laundromat. You should pick detergents that do not contain harsh chemicals that will be toxic to the environment. On the other hand, if you have a restaurant, use compostable take-out trays. For those who offer janitorial services, use eco-friendly cleaning products.
- **Training Employees:** It is not enough that you have green equipment and supplies. To truly become an advocate of environmental sustainability, your workforce has to take part. That being said, companies should also invest in educating their employees about what they can do to be a part of the revolution. They should exert proactive efforts. Collectively, this can do a lot for the betterment of the environment.
- **Practicing Recycling:** This is one of the most popular ways to show your environmental concern. Aside from being good for the environment,

recycling can offer a number of business benefits, such as lowering costs associated with disposal of waste, improving company image, minimizing the need to purchase new supplies, and encouraging creativity through thinking of ways to re-use things that would have been thrown away.



Secondary source: taarifa.rw

Fig 2.6 recycling plastic waste as a move to protect the environment

- **Improve energy efficiency:** By minimizing the energy consumption of your business, you are reducing your carbon footprint and doing something good for the environment. One thing to consider is the use of solar panels to harness an alternative source of energy to provide the electricity needed by the business. Choose appliances with Energy Star Certification. The implementation of the right energy strategies will help achieve significant business growth.
- **Harness technology:** There are also many ways to take advantage of technology to reduce the environmental impact of your business. For instance, use teleconferencing to meet with your potential clients rather than driving or flying. Technology can also improve the efficiency of business processes, making it possible to reduce wastage of resources.
- *Reforestation programs*
- *Sensitization and education of the general public about the importance of conserving the environment*
- *Soil conservation and management*
- *Following environment laws set by the government*

By practicing the tips that have been mentioned above, it will be easier for a business to demonstrate its concern for the environment. In turn, this will be instrumental in creating a positive brand image, and hence, will help the business to achieve profitability while being eco-friendly.



Application activity 2.2

As a student of entrepreneurship suggest possible outcomes that would result from businesses operating in Rwanda without an environmental impact assessment report.

2.3 Meaning of EIA report and steps of preparing an EIA report



Activity 2.3

Case Study:



Fig.2.7. Terracing on the mountainous area of Rwanda to reduce soil erosion

While entrepreneurs are undertaking economic activities or setting projects, they have to be cautious to reduce adverse effects on the environment and human beings. This can be done by replacing and/or modifying planned activities to reduce negative impacts. For example in the above picture where terraces are used to reduce soil erosion and other environmental effects resulting from agricultural activities therefore it is a mandate for all business people intending to start projects to write an environmental impact assessment report showing how the project will address the above negative effects while accumulating sales and profits.

Questions:

- According to your own understanding, what do you think is an environmental impact assessment report?
- Suggest the steps you think should be involved in preparation of environmental impact assessment report.

2.3.1 Meaning of EIA report

An environmental impact assessment report is a detailed document involving a systematic process for identifying, predicting and evaluating the environmental effects of proposed actions and projects. This process is applied prior to major decisions and commitments with particular attention given to preventing, mitigating and offsetting the significant adverse effects of proposed undertakings.

Historical background & Context of EIA in Rwanda

Environmental challenges in Rwanda date back several decades. Recently, the government of Rwanda has undertaken strong commitment to understand its current and future environmental challenges as a necessary step in the pursuit for sustainable development. Today, to effectively manage environmental challenges.

EIA was adopted to effectively manage environmental challenges such as:

- Soil erosion.
- Deforestation.
- Wetland drainage.
- Water degradation.
- Climate change and the loss of biodiversity.

The national environmental challenges are exacerbated /intensified by the:

- Low levels of environmental awareness.
- Inadequate technical & human resources.
- Low intra-sectorial coordination on environmental issues.

Thus, these EIA guidelines should serve as a protocol for use by various stakeholders involved in the conduct of environmental impact assessment.

National Policy on EIA

The Constitution of the Republic of Rwanda adopted in June 2003 ensures the protection and sustainable management of environment and encourages rational use of natural resources.

Various initiatives were taken by the Government of Rwanda (GoR) to address the environmental issues; these include:

- Formulation of environmental policy (2003);
- Enactment of environmental Organic Law No. 04/2005 of 08/04/2005 (2005);

- Establishment of Rwanda Environmental Management Authority (REMA), under Organic Law No.04/2005 of 08/04/2005 Article 64, to coordinate and oversee all aspects of environmental management for sustainable development.
- Other various socio-economic development policies and strategies such as “Rwanda Investment and Exports Strategic Action Plan, 2005-2007”.

Vision 2020” calls for a well-regulated environment management system that takes into account principles of sustainable development while at the same time contributing to poverty reduction.

Note: EIA is an invaluable tool for environmental management in a trans-boundary context, playing role in information dissemination between Rwanda and neighboring countries and widening the scope of understanding of environmental impacts beyond its borders. EIA process in Rwanda provides a pretext and basis for future international cooperation and conflict resolution concerning environmental impacts at a regional level.

Objectives, Roles and Benefits of EIA in Rwanda

The main objective of EIA is to promote sustainable development and ensure that environmental issues are given proper priority. This is in line with that is fully committed in its pursuit for sustainable development with the objectives of enhancing living standards of people in a short period of time and obtaining true benefits to sustainably balance human needs with nature for today’s and future generations.

The objectives of EIA are four-fold:

- To provide a national standardized process for development authorization.
- To protect Rwanda’s natural environment from potentially significant and avoidable impacts caused by development projects.
- To invoke environmental consciousness and responsibility for all development activities in Rwanda.
- To facilitate efficient and modern development activities whilst considering the needs of present and future generations.

2.3.2 Steps of preparing an EIA report

EIA in Rwanda consists of the following procedures:

- a. Project brief submission and registration:** As a first step in the EIA process, a developer proposing to start a project shall notify REMA in writing by submission of a Project Brief. The purpose of a project brief, which is to provide information on the proposed activity so as to enable

REMA and Lead Agencies establish whether or not the activity is likely to have significant impact on the environment, and thus determine the level of EIA necessary.

- b. Scoping and consideration of alternatives:** The responsibility for scoping is done by developers (or their EIA experts) in consultation with Lead Agencies and all relevant stakeholders. Scoping is intended to establish important issues to be addressed in the environmental impact and eliminate the irrelevant ones. After scoping, REMA approves the terms of reference that would be used for carrying out the environmental impact study.
- c. Baseline data collection and analysis of initial state:** Baseline data describes status of existing environment at a location before intervention of the proposed project. Site-specific primary data on and around a proposed site should be collected by experts conducting the environmental impact study to form a basis for future environmental monitoring.
- d. Impact prediction and analysis of alternatives:** Impact prediction is a way of forecasting the environmental consequences of a project and its alternatives. This action is principally a responsibility of an EIA expert. For every project, possible alternatives should be identified and environmental attributes compared. Alternatives should cover both project location and process technologies. Alternatives should then be ranked for selection of the most optimum environmental and socio-economic benefits to the community. Once alternatives have been analyzed, a mitigation plan should be drawn up for the selected option and is supplemented with an Environmental Management Plan (EMP) to guide the developer in environmental conservation.
- e. Public hearing:** After completion of EIA report, the public must be informed and consulted on a proposed development. REMA may, if it deems necessary, conduct a public hearing before EIA reports are appraised by its technical committee. Any stakeholders likely to be affected by the proposed project are entitled to have access to unclassified sections of the EIA report and make oral or written comments to REMA. REMA shall consider public views when deciding whether or not to approve a proposed project.
- f. Decision-making:** During the decision-making and authorization phase, EIA documents submitted to the Authority are reviewed by two decision-making committees: a technical committee and an executive committee constituted by REMA. If the project is approved, the developer will be issued with an EIA certificate of authorization, which permits implementation of the project in accordance with the mitigation measures in the EIA report and any additional approval conditions.
- g. Environmental monitoring:** Monitoring should be done during both construction and operation phases of a project. It is done not just to ensure that approval conditions are complied with but also to observe whether the

predictions made in the EIA reports are correct or not. During implementation and operation of a project, monitoring is a responsibility of the developer and REMA.



Application activity 2.3

For EIA certificate to be finally obtained from the authorities (REMA offices of a given district), there is a process that developers have to go through. Given your knowledge and background about EIA so far, what process should one go through while preparing the EIA report?

2.4 Importance of EIA report



Activity 2.4

Kayitesi is a S6 leaver who has just started to operate a mining business activity in Bugesera district. She has not been able to prepare any document related to how the activity will have an effect to the environment both positively and negatively, the district officials having obtained information about her illegal activity.

She has been summoned/called by the district office to give clear explanation to her activities in case she suffers punishment from REMA.

Questions;

1. As a student of entrepreneurship whom Kayitesi has approached for advice. Advise her by identifying the importance of preparing an environmental impact assessment report
2. What are the likely consequences of not submitting the EIA report to REMA before starting any business activity?

Importance of the environmental impact assessment report includes the following:

- It is a key component of a more systematic and objective approach to environmental issues.
- Provides a framework for promotion of efficient decision-making in project approval.
- Enables implementation of environmental safeguards to mitigate significant negative impacts.
- Avoid ecological damage and large-scale irreversible loss of natural resource.

- An invaluable tool for environmental management in a trans-boundary context.
- Provides a basis for future international cooperation and conflict resolution concerning environmental impacts at a regional level.
- Enables incorporation of environmental considerations in design and site selection for a project or development activities.
- Providing information beneficial to decision making.
- Enhancing responsibilities of relevant parties in the development process.
- It helps in mitigating and minimizing environmental damage.
- Helps to void costs and delays in implementation of projects that would arise from unanticipated environmental problems.
- Makes developmental projects more financially and economically efficient.
- Provides active contribution towards sustainable development in the country as a whole.



Application activity 2.4

What is essential in an EIA? (Select all that apply):

- a. That it allows decision makers to assess a project's impacts in all its phases.
- b. That it allows the public and other stakeholders to present their views and inputs on the planned development.
- c. That it contributes to and improve the project design, so that environmental as well as socioeconomic measures are core parts of it.



Skills Lab -2-

1. The government is running a youth empowerment program aiming at making youths start strong, viable and sustainable projects in their communities. One of the conditions is that for the youth to qualify for the program is to develop EIA report of the project that will be supported. Using the above information (about EIA report), write a simple EIA report for the project you would present to the government to win the above support.
2. Design an EIA report for the business club activities



End of unit assessment

Mahoro a TTC graduate in the recent world vision competitions for entrepreneurship presented a business to start a tea processing project extracted from avocado seed and won 5 million Rwandan francs.

Mahoro has approached you as a friend to seek for advice before going ahead with her project. So, she presents to you the following questions:

- a. Identify the positive and negative impacts such a project may have on the surroundings/environment.
- b. Suggest the possible strategies that Mahoro can apply to reduce the negative effects of the above project on the environment.
- c. What major steps will Mahoro have to include in the environmental impact assessment report to be submitted to REMA.
- d. Explain the importance of such a report to the general development of the business.

UNIT 3

CUSTOMS DECLARATION



Key Unit Competence:

To be able to develop an ethical behavior towards customs system



Introductory activity

The government of Rwanda has reinforced a policy of obligatory deductions for imported and exported products; it is possible for the Government to tax products which are not manufactured in the country. Based on your previous knowledge about Rwandan customs, gained from S.3 unit 6 as well as knowledge about taxes in business gained from year 2, answer the following questions:

- In your own understanding, what is the meaning of customs and customs declaration?
- Briefly explain the different types of customs declaration available on different border points in Rwanda.
- Discuss the various documents/forms that are used in customs declaration.
- Identify reasons why goods are declared before entering into the country.

3.1 Meaning of customs and customs declaration



Activity 3.1

- Explain the term customs.
- In your understanding, what do you think normally happens at the Customs?
- “Goods to declare”. Based on this statement, what do you think customs declaration means.

Customs: The word customs mean a government agency entrusted with enforcement of law and regulations to collect protect import-revenue, to regulate and document flow of goods in and out of the country. Customs are also referred to as the official organization or department responsible for collecting taxes on goods especially on goods leaving or entering the country and preventing illegal trade.



Fig.6.2. People clearing at the customs office in Rwanda (source: www.newtimes.rw)

Customs declaration: This is a statement showing goods being imported or exported on which duty will have to be paid. It is also a necessary document

to facilitate the acceptance, verification and payment of taxes before the goods can be handed over to the importer; it also referred to as the practice used by customs officers to clear goods into a country and levy tariff including clearance procedures such as documentation and inspection, method of determination of goods clarification, and method of assigning its value as the base for an Advalorem tariff.



Application activity 3.1

Determine the differences between customs and customs declaration.

3.2 Declaration of goods in customs and customs offices in Rwanda



Activity 3.2

Observe the map below, and answer the questions that follow.

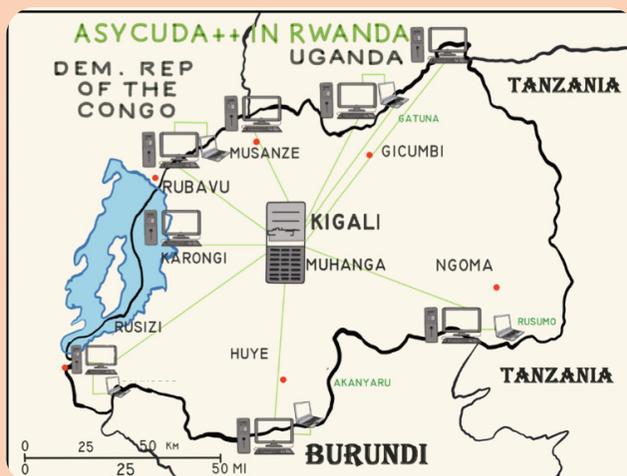


Fig.3.3 Border posts in Rwanda (Secondary Source. RRA website)

Questions:

- Identify the main customs offices in Rwanda located on the map above?
- Mention any other customs offices in Rwanda you know that are not mentioned above.

Customs declaration is the practice used by customs officers to clear goods into a country and levy tariff including clearance procedures such as documentation and inspection, method of determination of goods clarification, and method of assigning its value as the base for an Advalorem tariff.

Customs Offices

The history of taxes in Rwanda indicates that tax legislation was inherited from colonial regimes. During the second republic, the administration and accountability of taxes in Rwanda was initially under the Ministry of Finance and Economic Planning. This was later on vested into Rwanda Revenue Authority (RRA) that was established by law N° 15/15 of 8th November 1997.

The authority was established by the government to restore, to improve its resource mobilization capacity and strengthen the main economic institutions of the country while providing the public with better quality and courteous services in order to mobilize more resources, the authority is therefore required to assist taxpayers in understanding and meeting tax obligation.

The main customs offices in Rwanda include:

- | | | |
|----------------------|------------------------|-------------------|
| ▪ Akanyaru-Bas | ▪ Kaniga | ▪ Kibuye |
| ▪ Akanyaru-Haut | ▪ Aerogare-Kigali | ▪ Rusumo |
| ▪ Butare | ▪ Cyanika | ▪ Buhita |
| ▪ Buziba | ▪ Gisenyi-Corniche | ▪ Kaniga |
| ▪ Gatuna | ▪ Rutete | ▪ Kigali-poste |
| ▪ Gikondo | ▪ Gisenyi poids-lourds | ▪ Kigali-Poste |
| ▪ Gatsata oil Depots | ▪ Kabuhanga | ▪ Rwempasha |
| ▪ Kagitumba | ▪ Bugarama | ▪ Murago |
| ▪ Kabuye oil Depots | ▪ Bweyeye | ▪ Rwabusoro |
| ▪ Nshili, Rusumo, | ▪ Cyangugu | ▪ Kigali-Aéroport |

Examples of goods cleared through customs in form of imports and exports:

- | | |
|-------------------------------------|--|
| - Cassitérite | - Cassitérite |
| - Animal hides | - Tin |
| - Tea | - Baskets and fine art |
| - Coffee | - Mineral products: gold, wolfram, silver, Iron |
| - Machinery and equipment | - Security service in international peace keeping missions |
| - Cement and construction materials | - Human capital experts: Technicians, researchers, etc. |
| - Petroleum products | |
| - Foodstuffs | |



Application activity 3.2

As a student of entrepreneurship give reasons why you think there are many customs offices in Rwanda?

3.3 Documents used for declaration of goods in customs



Activity 3.3

Your friend, who lives in USA, has asked you to guide her or him on how to export cars to Rwanda, as a student of entrepreneurship, compile various documents needed during the customs declaration.

There are many documents used to declare goods which have been brought on to the nation, since some goods may have limit, customs excise tax or are banned from entry.

Those documents may include:

a. Transport invoice. A transport invoice is a non-negotiable commercial document issued by a seller to a buyer.

The transport invoice identifies the following:

- Both trading parties
- lists, descriptions and quantities of items sold
- Date of shipment and mode of transport
- Prices and discounts (if any)
- Delivery and payment terms.

 COMPANY NAME, PVT LTD. Company address, city state zip Company phone, fax, contact info				
FREIGHT INVOICE				
<i>Invoice No</i>		<i>Date</i>		<i>Bill of loading No</i>
<i>Name</i>			<i>Destination</i>	
<i>Address</i>			<i>Cont Type</i>	
<i>City,ST ZIP</i>			<i>Vessel/Voyage</i>	
<i>Contry</i>			<i>Port of loading</i>	
<i>Phone</i>			<i>No. of Pkgs</i>	
<i>Email</i>			<i>Gross/Net weight</i>	
			<i>Ex Rate</i>	
#	Description	Quantity	Unit Price	Total

Fig.3.4 A transport invoice is a non-negotiable commercial document issued by a seller to a buyer.

b. Transport document. A transport document shows information about cargo that is being transported. Transport documents lie at the heart of international trade transactions.

These documents are issued by the shipping line, airline, international trucking company, railroad, freight forwarder or logistics company.

To the shipping company and freight forwarder, transport documents provide an accounting record of the transaction, instructions on where and how to ship the goods and a statement giving instructions for handling the shipment.

There is a type of transport document for each mode of transport: (CMR for road transport, Bill of Lading for shipping, etc.). Goods carried in multimodal transport units (mainly containers) use a document called FIATA multimodal Bill of Lading (FBL).

Below are main transport documents explained in detail what they are used for? Who prepares them and to whom they are addressed?

i) CMR (Contract de Transport International des Merchandises par Route): The CMR transport document is an international consignment note used by drivers, operators and forwarders alike that govern the

responsibilities and liabilities of the parties to a contract for the carriage of goods by road internationally.

The carrier usually completes the form, but the sender (exporter) is responsible for the accuracy of the information and must sign the form when the goods are collected. The consignee will also sign the form on delivery, which is essential for the carrier to be able to confirm the delivery of the goods and to justify the payment for its services.

The CMR transport document is not a document of title and is, therefore, non-negotiable. This document is prepared by the exporter and the freight forwarder and is addressed to the importer and the carrier.

ii) Air waybill: This is a transport document used for air freight. An Air waybill (AWB) is a non-negotiable transport document covering transport of cargo from airport to airport. The Air waybill must name a consignee (who can be the buyer), and it should not be required to be issued “to order” and/or “to be endorsed” as it is not a title of property of the merchandise. Since it is not negotiable, and it does not evidence title to the goods, in order to maintain some control of goods not paid for by cash in advance, sellers often consign air shipments to their sales agents or freight forwarders’ agents in the buyer’s country.

iii) Bill of Lading: This is a transport document for sea freight. A Bill of Lading (B/L) is issued by the agent of a carrier to a shipper, signed by the captain, agent, or owner of a vessel. A bill of lading shows the following:

- Written evidence regarding receipt of the goods (cargo).
- The conditions on which transportation is made (contract of carriage).
- Engagement to deliver goods at the prescribed port of destination to the lawful holder of the bill of lading.

A Bill of Lading is both a receipt for merchandise and a contract to deliver it as freight. There are a number of different types of bills of lading and a number of regulations that relate to them as a group of transport documents. Since this is a negotiable instrument, the Bill of Lading may be endorsed and transferred to a third party while the goods are in transit.

MULTI-MODAL TRANSPORT DOCUMENT / BILL OF LADING

Consignor / Shipper TECHNO PHARMCHEM 1022 , MODERN INDUSTRIAL ESTATE BAHADURGARH - 124507 HARYANA INDIA		MTD / B/L No. : FBLDMBAA0917/00594	
Consignee (or order) RWANDA EDUCATION BOARD P.O BOX 3817, KIGALI - RWANDA TEL. +250 255121482		Shipment Ref. No. : 	
Notify Address MUZUNGU GODFREY, NEW PREFERENCE HORBOUR HOUSE 5TH FLOOR MOI AVENUE-MOMBASA KENYA TEL. +256706592161		FREIGHTBRIDGE LOGISTICS PVT. LTD. <i>"An Endeavour to connect ends"</i> C-707, 7th Floor, Neelkanth Business Park, Vidyavihar (W), Mumbai - 400 086, India Tel : 91-22-6722 6722 Fax : 91-22-6722 6721 Email : info@fblindia.in Website : www.fblindia.in CIN No.: U63000MH2004PTC149802 Reg. No. MTO / DGS / 473 / OCT / 2017	
Vessel / Voyage No. UNI FLORIDA / 1719		Port of Loading NHAVA SHEVA	
Port of Discharge MOMBASA		Place of Delivery MOMBASA	
For Delivery Apply to FBL GLOBAL LOGISTICS PVT. LTD. (MOMBASA) P.O. BOX 42443-80100 TSS TOWERS, 10TH FLOOR, NKUMRAH ROAD, MOMBASSA KENYA Tel : +254 412319123 Fax : +254 412319124		Place & Date of acceptance / Route / Place of transhipment (if any) ICD/PPG/DELHI TEL. FAX. SECOND ORIGINAL	

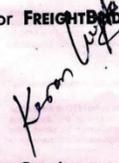
Container No.(s)	Marks & Number	Number of Packages, kind of packages, general description of goods	Gross Weight	Measurement
09 [NINE WOODEN PALLETS CONTAINING 124 CB CARTONS]	---	09 [NINE WOODEN PALLETS CONTAINING 124 CB CARTONS] CONTAINING : " LABORATORY REAGENTS & SUPPLIES FOR EDUCATIONAL & RESEARCH PURPOSES	GROSS WT: 8.015 2,103.000 KGS	CBM
09 [NINE WOODEN PALLETS CONTAINING 124 CB CARTONS]		INV NO : TPC/1718/E/014 SB NO : 8334838 IEC NO : 0588164925	NET WT: 1,610.000 KGS	
09 WOODEN PALLETS		FREIGHT PREPAID & ORIGIN INC PREPAID LCL/LCL-CFS/CFS, SAID TO WEIGH/ SAID TO CONTAIN DESTINATION CHARGES TO CONSIGNEE ACCOUNT		
NOS : 01 To 09		NOTIFY PARTY 2: =====		
		GOODWILL LAB SUPPLIES LTD, P.O BOX 4647 KIGALI - RWANDA TEL: +250 788356249		

Particulars above furnished by consignor / consignee **ORIGINAL**

Freight Amount	Freight payable at DELHI	Number of Original B/L / MTD(s) 3 (THREE)	Place and Date of Issue DELHI 06-SEP-2017
-----------------------	------------------------------------	---	---

Taken in charge in apparently good condition herein at the place of receipt for transport and delivery as mentioned above, unless otherwise stated. The MTO in accordance with the provisions contained in the MTD undertakes to perform or to procure the performance of the multimodal transport from the place at which the goods are taken in charge, to the place designated for delivery and assumes responsibility for such transport. One of the MTD(s) must be surrendered, duly endorsed in exchange for the goods. In witness where of the original MTD all of this tenor and date have been signed in the number indicated below one of which being accomplished the other(s) to be void.

- By accepting this Bill of Lading shipper accepts and abide by all terms, conditions clauses printed and stamped on the face or reverse side of this Bill of Lading.
- By accepting this Bill of Lading, the shipper accepts his responsibility towards the carrier for payment of freight (in case of freight collect shipments), Accrued Government, reshipment or disposal costs (as the case may be) if the consignee fails to take delivery of the cargo with 90 days from the date the cargo reached destination.
- For freight prepaid Bill of Ladings, delivery of Cargo is subject to realisation of freight cheque. Demurrage / Detention charges at Port of destination Payable by consignee as per lines tariff.
- The carrier reserves the right to repack the goods if the same are not in seaworthy packing. The packing condition will be certified by the local bonded warehouse or competent survey or, and the shipper by virtue of accepting this Bill of Lading accepts the liability towards the cost for the same.
- For shipments where inland trucking is involved it is mandatory on consignee to custom clear the shipment at port of discharge.
- In case of any discrepancy found in declared weight & volume the carrier reserve the right to hold the shipment & recover all charges as per the revised weight & volume whichever is high from shipper or consignee.

For **FREIGHTBRIDGE LOGISTICS PVT. LTD.**

 As Carrier
 (Authorised Signatory)

104691 Weight and measurement of container not to be included (TERMS CONTINUED ON BACK HEREOF)

Fig.6.4. Bill of Lading, a transport document for sea freight.

c. Goods invoice. A goods invoice is a document sent by a seller to a buyer specifying the amount and cost of goods that have been provided by a seller.

A goods invoice indicates what must be paid by the buyer according to the payment terms of the seller. Payment terms usually specify the period of time that a buyer has to send payment to the seller for the goods and/or services that they have purchased.

An invoice provides a detailed account of the goods and a set of other information that can vary a bit depending on the requirements in the country the invoice is issued and the type of goods being sold. The goods invoice has the description, quantity, selling price, freight, insurance, and packing cost. The delivery terms and payment are also listed.

Usually, an invoice will include the following points of information in order to be considered a legal invoice:

- **The word ‘Invoice’**
 - A unique reference number: the invoice number.
 - The date the product was sent or delivered (or the date the service was rendered).
 - The date the invoice was sent.
 - The contact information and name of the seller.
 - The name and contact details of the buyer.
 - The terms of payment (that explain the means of payment, when the sum should be received, any cash discount details for early payment, late payment fees, and so on).
 - A line detailing the product/service.
 - The cost per unit of the product (if this applies).
 - The total amount that is owed.

Uses of invoices

The following are some of the uses of invoices:

- Invoices are used to request payment from buyers.
- Keep track of sales.
- Help control inventory.
- And facilitate delivery of goods and services.
- Invoices are also used to track expected future revenues.

- Help to manage customer relationships by offering favorable payment options, such as extended time periods for payment or discounts for early payment or cash payment.

COMMERCIAL INVOICE						
Date			Invoice No			
Exporter Address City/State/ZIP Code Country Phone/Fax Contact Person			Consignee Address City/State/ZIP Code Country Phone/Fax Contact Person			
Tax ID No (EIN)	Total Gross Weight	Transportation	Tax ID No (EIN)	Terms of Sale:		
Other	Total # of Pieces	AWB/BL#	Currency			
Commodity Description	HS	Country of Manufacture	Qty	UOM	Unit Price	Total Amount
These commodities, technologies, or softwares were exported from the United States in accordance with export administration regulations. Diversion contrary to United States law prohibited. We certify that this commercial invoice is true and correct.			Subtotal			
			Freight Cost			
			Insurance Cost			
			Total Invoice Value			
I/we hereby certify that the information on this invoice is true and correct and that the contents of this shipment are as stated above.						
Name		Signature		Date		

Fig.3.4. A goods invoice is from a seller to a buyer showing the amount and cost of goods that have been provided by a seller.

- d. Packing list.** The packing list is a more detailed version of the commercial invoice but without price information. It shows the quantity of each good in the shipment.

PACKING LIST

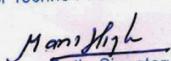
Exporter Techno Pharmchem 1022, Modern Industrial Estate, Bahadurgarh – 124507, Haryana (India)		Invoice No. & Date TPC/17-18/E/014 DATED 28.08.2017		
Consignee RWANDA EDUCATION BOARD P.O BOX 3817, KIGALI – RWANDA TEL. +250 255121482		Buyer's Ref. No. & Date 01/05/REB/2017-2018/NO		
		NOTIFY PARTY 1: MUZUNGU GODFREY, NEW PREFERENCE HORBOUR HOUSE 5TH FLOOR MOI AVENUE-MOMBASA KENYA TEL. +256706592161 NOTIFY PARTY 2: GOODWILL LAB SUPPLIES LTD, P.O BOX 4647 KIGALI – RWANDA TEL: +250 788356249		
		Country of Origin of Goods INDIA	Country of Final Destination RWANDA	
Pre Carriage by: SEA	Place of receipt by Pre-carrier ICD PPG New Delhi			
Vessel/Flight No. UNI FLORIDA /1719	Port of Loading NHAVA SHEVA, INDIA			
Port of Discharge MOMBASA	Final Destination MOMBASA			
Marks & No.	No. & Kind of Pkgs	Description of Goods	Quantity	Remarks (per case)
Container No. Case No.				NETT.WT. 12.5 Kg GROSS WT. 16.5 Kg 43x43x19cms
1-18.	Sodium Hydrogen Carbonate (Each Box Contains 25 x 500gm)		450 x 500gm	
19-36.	Sodium Thiosulphate (Each Box Contains 25 x 500gm)		450 x 500gm	NETT.WT. 12.5 Kg GROSS WT. 16.5 Kg 43x43x19cms
37-45.	Copper (II) Sulphate (Each Box Contains 25 x 500gm)		225 x 500gm	NETT.WT. 12.5 Kg GROSS WT. 16.5 Kg 43x43x19cms
46.	Sodium Hydrogen Carbonate Sodium Thiosulphate Copper (II) Sulphate		10 x 500gm 10 x 500gm 5 x 500gm	NETT.WT. 12.5 Kg GROSS WT. 16.5 Kg 43x43x19cms
47-64.	Potassium Iodide (Each Box Contains 25 x 500gm)		450 x 500gm	NETT.WT. 12.5 Kg GROSS WT. 16.5 Kg 43x43x19cms
65-72.	Iodine (Each Box Contains 50 x 500gm)		400 x 500gm	NETT.WT. 25 Kg GROSS WT. 28.5 Kg 32x32x28cms
Signature & Date For Techno Pharmchem  Auth. Signatory				

Fig.3.5: The packing list shows the goods in a consignment with their respective quantities. No price indicated.

A packing list must include the following:

- Invoice number.
- Quantity and description of the goods.
- The weight of the goods.

- Number of packages.
- Shipping marks and numbers.

A copy of the packing list is often attached to the shipment itself and another copy is sent directly to the consignee to assist in checking the shipment when received.

Although not required for all transactions, it is required by some countries and some buyers. A packing list is prepared by the exporter and addressed to the importer, the carrier and the import customs clearance.

e. Certificate of fumigation.

The certificate of fumigation also referred to as a **“pest control certificate”** is the proof that wooden packing materials used in international sea freight shipping such as wooden pallets and crates have been fumigated or sterilized prior to international shipment.

The certificate of fumigation usually contains details such as purpose of treatment, the articles in question, temperature range used, chemicals and concentration used, and so on.

The certificate of fumigation as an international sea freight shipping document is not a mandatory international shipping export document. However, it assists in quick clearance of an international sea-freight shipment upon the arrival to the destination.

The certificate of fumigation should be completed by a certified vendor prior to international shipment and be submitted to an international sea freight carrier shipping facility in the country of origin of the international shipment.

f. Certificate of Origin

A **“Certificate of Origin”** is also called a **“Form A”**. It certifies a shipment's country of origin. The Certificate of origin is commonly issued by a trade promotion office, or a chamber of commerce in the exporting country. This document is filled in by the exporter and certified by a recognized issuing body, confirming that the goods in a particular export shipment have been produced, manufactured or processed in a particular country.

A certificate of origin is often required by customs authorities of a country as part of the entry process. Such certificates are usually through an official organization in the country of origin such as the local chamber of commerce or a consular office.

The goods description must coincide with that provided in the commercial invoice and in the packing list (number, goods description, name of the consignor and

of the consignee, trademarks, etc.). If the certificate of origin is not shown, the import customs may, if it deems it necessary, accept the dispatching of goods. In this case, the corresponding tariff would be applied to third countries (non-preferential origin), without any tariff discount.

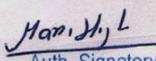
1. Goods consigned from (Exporter's business name, address, country) Techno Pharmchem 1022 , Modern Industrial Estate, Bahadurgarh - 124507 , Haryana , India			Reference No. 1434797 CERTIFICATE OF ORIGIN (NON PREFERENTIAL) (Combined Declaration and Certificate) Issued in India  DELHI CHAMBER OF COMMERCE ESTD. 1950 49, RANI JHANSI ROAD, NEW DELHI-110055 PH. : 23616421, 23515828, 23518994, 23610397 FAX : 91-11-23628847, 23622815 E-Mail : dccnd@nda.vsnl.net.in Website : www.delhichamber.com		
2. Goods consigned to (Consignee's name, address, country) RWANDA EDUCATION BOARD P.O.BOX 3817 , KIGALI - RWANDA			4. For official use		
3. Means of transport and route (as far as known) By RAIL/ROAD : ICD PPG NEW DELHI TO NHAVA SHEVA By SEA : NHAVA SHEVA PORT TO MOMBASA , KENYA			8. Origin criteria INDIA		
5. Item No.	6. Marks and number of packages	7. Number and Kind of packages, Description of goods	9. Gross weight or other Quantity	10. Number and date of Invoices	
1	9 WOODEN PALLETS CONTAINING 124 CARTONS	"LABORATORY REAGENTS & SUPPLIES FOR EDUCATIONAL & RESEARCH PURPOSES" AS PER INVOICE NO. : TPC/17-18/E/014 DATED 28.08.2017	GROSS WT 1610 KG NETT WT	AS PER INVOICE TPC/17-18/E/014 DT. 28.08.2017	
11. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.  ASHOK KUMAR V. Asstt. Secretary DELHI CHAMBER OF COMMERCE NEW DELHI, INDIA			12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in India and that they comply with the origin requirements for exports to RWANDA New Delhi 08.09.2017 (Importing country) For Techno Pharmchem  Auth. Signatory Place, Date & Signature and stamp of authorised signatory		

Fig.3.6. A certificate of origin shows that the goods in a particular shipment have been wholly obtained, produced, manufactured or processed in a particular country.

g. Phytosanitary certificate. Phytosanitary certificate is a certificate stating that a specific crop was inspected a predetermined number of times and a specified disease was not found. An inspection certificate issued by a competent governmental authority to show that a particular shipment has been treated to be free from harmful pests and plant diseases.

The phytosanitary certificate must be issued before the customs clearance for export and import. It is granted for a period of sixty days covering the usual deadlines for shipping and international freight.

Phytosanitary certificates are issued for the following commodities:

- Plants, bulbs and tubers, or seeds for propagation, fruits and vegetables, cut flowers and branches, grain, and growing medium.
- Plant products that have been processed where such products, by their nature or that of their processing, have a potential for introducing regulated pests (e.g. wood, cotton).
- Other regulated articles where phytosanitary measures are technically justified (e.g. empty containers, vehicles, and organisms).

Importing countries should not require phytosanitary certificates for plant products that have been processed in such a way that they have no potential for introducing regulated pests, or for other articles that do not require phytosanitary measures.

h. Delivery Note

TRANS MAX KENYA LIMITED
FOR ALL YOUR CLEARING & FORWARDING AGENT, AIRPORT & EXPORT, TRANSPORT, WAREHOUSING, SEA AND AIR FREIGHT SOLUTION

DELIVERY NOTE 1036

DATE: 07/10/17
REF NO: T.M.K.
CONSIGNEE: R. W. NDA. COLLECTOR BOARD
PO Box 2817
KISumu, RWANDA
Moi Avenue, New cannon Towers 5th floor
PO Box 16949-80100 Mombasa
Fax: 041 2230518 Tell: +254 722 827 336
Email: info@transmaxltd.com
PIN NO. P051228823D
VAT. NO. 0190642U
VESSEL: GEM TAMB... ETAD 11/17

NO OF PKGS	MARKS	DESCRIPTION OF GOODS	CBM	GWT
1/20	TGW 345598	SIC LABORATORY EQUIPMENT	40	9

Empty container to be returned to: RWANDA
Truck No. KBR 212/207628
Date of loading: 07/10/17
Consigned by: WANDA VICTOR Signature: [Signature] Date: 07/10/17
Carrier: I/We accept to transport the goods detailed above to the mentioned destination in the same condition received
Name of the transporter: R. W. NDA VIKI Loading clerk: VICTOR
Condition of the container while loading: OK
Driver's details:
Name: MUSIL MWINA Driver's ID/D/L/P NO. 20974665
Driver's telephone number: 0720-52905 M84
Consignee: We'll Have received all the goods detailed above in good order. Remarks if any
Name: [Signature] Date: 07/10/17 Time: 4PM
Signature & rubber stamp: [Signature and Stamp]

All goods are carried/handled and stored at owners risk and the company will not be liable in any way whatsoever for any negligence or errors of servants or agents.

Consignee to retain white copy
Transporter to retain yellow copy
Invoicing green copy

Fig.3.7. A Delivery Note is one of the transport documents accompanying the shipment of goods that list the description and quantity of goods delivered.

A delivery note accompanies the shipment of goods listing the description and quantity of goods delivered. A copy of the delivery note, signed by the buyer or consignee is returned to the seller or consignor as proof of delivery.

Delivery notes have a dual function for the exporter:

- Justify the removal of the products from its store and proof credit delivery to the importer and therefore, it is important that the importer signs the copy provided by the carrier. For the importer, delivery notes serve to verify that the goods received match those listed on the purchase order or contract.
- For the carrier, a delivery note is used as a proof of delivery of the goods.

i. Payment receipt.

It is a simple document that shows that payment was received in exchange for goods or services. For example, a receipt can be something as simple as what an individual gets after making a purchase at the grocery store.

Businesses also use payment receipts for product delivery or independent contractors, among others, to ensure that both parties have proof that the goods or services were rendered. Some businesses combine a receipt with an invoice, and will just make a notation on the bottom of the existing document that payment was made; this can make filing slightly easier.

The purpose of this receipt in any situation is to verify that the correct amount was charged for the correct products or services. A receipt shows the following:

- The name and address of the store.
- The date of purchase.
- Description of the item.
- The price paid and any taxes that were added in.
- Method of payment, such as cash, a check or credit card.

Anyone being given a receipt after a purchase should quickly check to make sure that the amounts shown are correct; this is especially true if a credit card was used for the purchase, where a mistaken charge could be a big problem.

Receipts are used by buyers or customers to prove they paid for an item, especially in return situations in which goods are faulty or defective.

j. Certificate of analysis



IPHA
Serving Scientific Community
Since 1985



TECHNO PHARMCHEM
AN ISO 9001 : 2008 CERTIFIED COMPANY

Registered Office : 103 D, New Eastern District, 10, Anna's View, Phase II, Sector 13, Gurgaon, Haryana
Corporate Office : 104, Sector 13, Gurgaon, Haryana
Branch Office : Plot No. 1023, Gurgaon Industrial Estate, Gurgaon, Haryana
Telephone : 0122-2200000 Fax : 0122-2200000
Website : www.technopharmchem.com E-mail : info@technopharmchem.com

CERTIFICATE OF ANALYSIS

Name of the Sample	:	Sucrose AR
Batch No.	:	220433
Date of Mfg.	:	Dec 2016
Date of Exp.	:	Nov 2021
Register No.	:	2016-17
Qty of Sample	:	500gm
Date of Analysis	:	Dec 2016

S.No	Test Parameters	Observed Values	Standard Values
1.	Description	Passes	Colorless crystals or White Crystalline powder
2.	Water insoluble matter	0.0024%	Max.0.003%
3.	Loss on drying	0.028%	Max.0.05%
4.	Sulphated ash	0.003%	Max.0.005%
5.	Chloride	0.0005%	Max.0.0005%
6.	Nitrogen compounds	0.002%	Max.0.002%
7.	Sulphate	0.0012%	Max.0.002%
8.	Reducing sugars	0.008%	Max.0.01%

Chief Chemist

This assay material complies with the in-house technical specifications of Techno Pharmchem.
This report do not release the customer from examining the product upon receipt.
This is a computer generated document, hence no signature required.

Fig.3.8. Certificate of analysis confirms that specific goods have undergone specified testing with specified results and adhere to product specifications and standards of production.

Certificate of analysis is a document issued by a quality assurance entity confirming that specific goods have undergone testing with specified results and adheres to product specifications and standards of production of certain products such as food products and drugs.

In international trade, a certificate of analysis is usually the result of an agreement between the seller and the buyer, or a requirement of one of their governments. The certificate of analysis is mostly used for food products, wines and spirits, chemicals and pharmaceuticals.

Sometimes, as in the case of wine exports, there are countries that require it at the import customs. This certificate can be issued by a certification authority.

k. Goods arrival notice.

A goods arrival notice is a document sent by a carrier or agent to the consignee to inform him/her about the arrival of the shipment and number of packages, description of goods, their weight, and collection charges (if any). It is also called an **arrival notice**.

I. Warehouse handling invoice.

Warehouse handling invoice is a written document given by a warehouse /keeper for items received for storage in his or her warehouse, which serves as evidence of title to the stored goods. The general rule is that warehouse receipts need not be in any particular form. They must, however, contain the following information:

- Location of the warehouse and the place where the goods are stored.
- The date when the invoice was issued.
- The consecutive number of the invoices.
- Terms indicating whether the goods are to be delivered to the bearer of the receipt, to a particular individual, or to a particular individual on his or her order.
- The storage rate or handling charges.
- Statement describing the goods or the manner in which they are packed.
- The signature of the warehouseman or his/her agent.
- The amount of advance payment made, if any.
- Any other terms which do not impair the warehouseman's duty.

In situations where a warehouse handling invoice does not contain these provisions, the warehouseman can be held liable in damages to anyone who sustains financial injury because of the omission.

m. Assessment notice.

This is a document issued by a taxing authority specifying the assessed value of a property.

Rwanda Revenue Authority
Customs Services Department



Assessment Notice

Customs office: 21KA - Kigali-Aeroport

Declaration reference

Model	Customs reference	Declarant reference	Assessment reference	Packages
IM 4	16/10/2017 C 11393	2017 ANALYTICALBALANC	17/10/2017 L 18487	57

Declarant 101711684 NEW PREFERENCE CLEARING COMPANY LTD GIKONDO MAGERWA	Consignee 103321710 GOODWILL LAB SUPPLIES LTD KIGALI CITY, GASABO, REMERA
---	---

Global taxes

Tax code	Tax description	Tax code
PRF	Computer Processing Fee	3,000
Total Global taxes		3,000

Item taxes

Tax code	Tax description	Tax value
C02	Customs duty non petroleum products	0
V02	Value Added Tax non petroleum prods	0
W01	Withholding tax	515,614
QIF	Quality Inspection Fees	13,444
Total Item taxes		529,058

80 Receveur des Douanes Not Specified

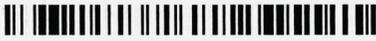
Tax code	Tax description	Tax value
QIF	Quality Inspection Fees	13,444.00
W01	Withholding tax	515,614.00
Total 80		529,058.00



003661056408000

83 Redevance Informatique Not Specified

Tax code	Tax description	Tax value
PRF	Computer Processing Fee	3,000.00
Total 83		3,000.00



003661056408300

Total assessed amount for the declaration 532,058

Office stamp

Signature

Fig.3.9. Assessment notice

n. Importation Permit or License

An import license is a document issued by a national government authorizing the importation of certain goods into its territory.

Import licenses are considered to be non-tariff barriers to trade when used as a way to discriminate against another country's goods in order to protect a domestic industry from foreign competition. Each license specifies the volume of imports allowed, and the total volume allowed should not exceed the quota.

Government may put certain restrictions on what is imported as well as the amount of imported goods and services. For example, if a business wishes to import agricultural products such as vegetables, then the government may be

concerned about the impact of such importations of the local market and thus impose a restriction. Import licenses are put in place because of the following reasons:

- To restrict outflow of foreign currency and improve a country's balance of payments position.
- To control entry of dangerous items such as explosives, firearms, and certain substances.
- To protect the domestic industry from foreign competition.



Fig.3.10. Importation permit. A document issued by a national government authorizing the importation of certain goods into its territory.

Summary of import documents used in Rwanda

- Air Way Bill (Airfreight) or Bill of Lading (Sea freight).
- Commercial Invoice(s) or equivalent document.
- Packing List.
- Import Declaration Form (IDF). (from the Importer).
- Importer's Tax Identification Number (TIN) and VAT numbers.
- Duties and Taxes Exemption Certificates, if any.
- National Drug Authority Certificate / Permit for import of drug and

pharmaceuticals.

- Phytosanitary certificates for import of agricultural products.
- Registration / De-registration Card of country of origin of old/used vehicles.
- Gift Certificates, if gifted to any organization eligible for duty free clearance.
- Passport of the individual for clearance of personal effects.
- Certificate of Origin – especially for goods imported from COMESA countries.



Application activity 3.3

Scenario:

During an international trade, Terimber enterprise has imported the following products outside Rwanda:

Oil from Tanzania, Sugar from Kenya, and cement from Zambia; upon arrival at the customs, he was told that the importer should pay customs duties in regard to importation procedures.

In line with the scenario above, describe the different documents which can be used for the declaration of goods at the customs.

3.4 Types of customs declaration



Activity 3.4

Basing on your knowledge acquired from O'level, answer the following questions.

Briefly explain on the following different types of customs declaration:

- a. Import.
- b. Temporary importation.
- c. Warehouse.
- d. In-transit.

Customs declaration is a form that is required by most countries when a citizen or a visitor or goods are entering that nation's borders (called imports).

The purpose of the import form is to declare what goods are being brought into the nation, as some countries may have import quotas (limits), customs excise taxes, or bans/embargos from entry on some goods or quantities of goods.

Main types of customs entry include:

a. Export customs declaration

This is an official document declaring designated goods or service produced in one country to another which is called C17 form. Export of goods often requires involvement of customs authorities. An export's counterpart is an importer. Goods that may be exported in Rwanda.

b. Import customs declaration

Is a government document declaring designated goods or service produced to be moved or sold into the country from other countries. In order to facilitate trade, RRA customs services department adopted some special regimes.

c. Temporary importation

Is the import of goods into another country or territory for a limited period of time; such goods are generally not subject to tariffs or similar fees, though they must leave the country within a certain period of time.

Temporary importation means that goods may be used in the country without payment of duty or VAT under certain conditions and re-exported afterwards in the same state as they were in at import.

d. Warehousing

A warehouse is a commercial building for storage of goods. Warehouses are used by manufacturers, importer, exporter, wholesalers, transport businesses, customs, etc. Warehouses allow transport optimization along the supply chain, and allow companies to work with an optimal inventory (economic order quantity) regarding service quality.

e. Consumption entry

For goods to be offered for consumption in the importing country.

f. Formal entry

That is required to be covered by an entry bond because its aggregate value exceeds a certain amount.

g. Informal entry

That is not required to be covered under an entry bond because its value is less than a certain amount.

h. In-transit entry

This is customs declaration for the movement of goods from the port of unloading to the port of destination, under a customs bond.

Transit refers to the movement of goods entering or leaving the country's borders

under customs control .

i. Mail entry

For goods entering through post office or courier service and below a certain value.

j. Person baggage entry

For goods imported as personal baggage.

Stakeholders involved in customs

Stakeholders involved in customs and their roles are explained below:

a. Rwanda Revenue Authority (RRA)

Rwanda Revenue Authority is concerned with the assessment and collecting taxes on imported and exported commodities.

Rwanda Revenue Authority plays a very important role in raising government revenue through imposing and collecting taxes from both imported and exported commodities.

Rwanda Revenue Authority also regulates the economic activities in favor of economic interests of an economy through its activities of imposing and collection of taxes.

For this case, Rwanda Revenue Authority is a body which is responsible for assessing and collecting taxes from imports and exports in Rwanda.



Fig.3.11. Rwanda Revenue Authority, one of the stakeholders involved in customs.

b. Bureau of Standards

Bureau of Standards is concerned with the quality of commodities being imported or exported. The standards of a commodity are characteristics of a product and different prescription concerning the same products such as size, name, labeling color and so on.

To be authorized to sell on the Rwanda territory, the manufacturer has to bring proof that his product is standardized from Rwanda Standards Board. Therefore, Rwanda Standards Board plays the following roles:

- Provides reference documents containing solutions to technical and commercial problems concerning products, goods and services which rise often in the relationship between economic, scientific, technical and social partners.
- Improves the quality of products. This promotes competition which leads to the consumption of quality products at a relatively lower price.

In Rwanda, it is the **Rwanda Standards Board (RSB)** that deals with control of quality, state and condition of commodities which are imported or exported. To achieve this, Rwanda Standards Board has been well equipped with modern laboratories.

c. Clearing and forwarding agency

The clearing and forwarding agency are a body which is concerned with controlling and imposing taxes on commodities that cross borders of a country. Clearing and forwarding agencies play a very important role in the statistical analysis of the nature, the origin and the value of products that are received from foreign countries.

d. Warehousing agency and security bodies

The warehousing agency is concerned with imported commodities.

Imported commodities are stored in warehouses on a temporary basis without being subjected to import duties and taxes. Warehousing is concerned with storage facilities and protection of commodities that are waiting to be consumed or used.

Therefore, warehousing agency plays the following roles:

- Protect imported commodities against theft and bad climate conditions.
- Prepare in advance against price fluctuations, for example, if after a particular season, certain products are in abundance, one must keep them to wait a stronger demand at a good price.
- Goods can be stored and repacked again for transporting to the importer's premises.



Application activity 3.4

The government of Rwanda through Rwanda revenue introduced many types of customs declaration so suite different customer needs as a move to diversify revenue collection which is a mandate in the development of the country.

- a. As a student of entrepreneurship identify the major types of customs entry used by Rwanda revenue authority and explain how they can assist in boosting national development.
- b. Identify some of the stakeholders involved in customs declaration.

3.5 Procedures for clearing goods in customs



Activity 3.5

Basing on your knowledge acquired form O'level, answer the following questions.

Briefly explain on the following different types of customs declaration:

- a. Import.
- b. Temporary importation.
- c. Warehouse.
- d. In-transit.

You happen to have a friend on Facebook that wishes to invest in your country, she has approached for advice on investment opportunities and you have chosen to encourage her to invest in import trade. Prepare a list of procedures that the investor friend will have to go through to bring goods on Rwandan market.

Since 2012, the RRA has employed the One Single Electronic Window – an online system for filing, issuing, and modifying export and import declarations. Through scanning and uploading of key documentation such as certificates of origin or quality and customs declarations, the system allows importers, exporters, or their brokers to send or receive information or documents to the concerned agencies related with the clearing process at one point without moving.

Customs clearance procedures include the following in Rwanda:

- i) Obtain notice of arrival of the goods (avis d'arrivee).
- ii) Submit goods arrival notice for verification by Rwanda bureau of standards.
- iii) Obtain manifest.
- iv) Submit import document to the clearing agent for tax calculation.

- v) Pay import tax.
- vi) Obtain an invoice for warehouse handling fees.
- vii) Pay warehouse fees for goods handling.
- viii) Obtain goods exit note.

In addition to documentary and physical verification at border posts, importing taxpayers may be subject to Post-Clearance Audits (PCA).



Application activity 3.5

You have been appointed by your school to import goods from Asia, describe the procedures of verifying and paying custom duties.

3.6 Importance of customs declaration



Activity 3.6

As a student of entrepreneurship, suggest reasons why you think it is important for the country to have customs declaration?

You must declare any items to customs which you have acquired from outside of the country when returning home — or which you are importing, if you are visiting that country. To declare something is to notify customs (usually in writing, via a form) of items which you are required to declare. Therefore, the importance of customs declaration includes the following:

- **To ensure observance of laws.** Laws on taxes, quality standards of goods and services imported or exported are observed by customs authorities.
- **Trade compliance and facilitation.** Customs procedures also facilitate smooth running of trade activities through regulating prices and quantity of exports and imports.
- **To protect economic interests.** Customs procedures also protects economic interest of an economy, through regulating what should be imported and exported depending on the prevailing conditions.
- **To protect the rights and interest of citizens and businesses.** This can be done through discouraging import so as to protect local business from foreign competition and encouraging export.
- **To ensure observance of revenue collection.** Taxes are collected on imports and exports from borders of a country by customs authorities.



Application activity 3.6

With examples, analyze the importance of customs declaration to Rwanda



Skills Lab

Read the following scenario and answer questions that follow:

1. Umutoni is a major trader who exports her products to Uganda; she has to clear her products at Gatuna border with customs office.
 - a. Prepare a role play describing some of the documents she is likely to use during declaration.
 - b. Suggest reasons why it is important for her to clear goods through customs before putting them on the market.
2. You are required to design a delivery note of your business club to use in the recent contract secured from a local supplier.



End of unit assessment

1.
 - a) Identify some of the challenges still encountered by traders at customs points.
 - b) Suggest some of the measures to help people develop a positive attitude towards customs declarations.
 - c) Arrange the following customs declaration procedures in their appropriate order starting with the first :
 - i) Submit import document to the clearing agent for tax calculation.
 - ii) Submit goods arrival notice for verification by Rwanda bureau of standards.
 - iii) Pay warehouse fees for goods handling.
 - iv) Pay import tax.
 - v) Obtain notice of arrival of the goods (avis d'arrivée).
 - vi) Obtain manifest.
 - vii) Obtain goods exit note.
 - viii) Obtain an invoice for warehouse handling fees.

UNIT 4

EMPLOYEE RECRUITMENT PROCESS



Key Unit Competence:

To be able to design a strategy for recruiting workers in their businesses and prepare for job opportunities in the community.



Introductory activity

1. Explain the meaning of employee recruitment and selection.
2. Explain any 3 factors considered while recruiting employees/workers.
3. Describe procedures/stages in recruitment process.
4. Identify required documents to apply for a job.

4.1 Meaning of recruitment and selection process, and factors considered to recruit workers



Activity 4.1

1. Using clear examples, explain the meaning of the following terms as used in entrepreneurship:
 - a. Recruitment
 - b. Selection process
2. Assume you are selected by a start-up business in your home locality and appointed as a human resource manager to help in recruiting new employees, explain factors you will consider while recruiting employees/workers.

4.1.1 Meaning of recruitment and selection process

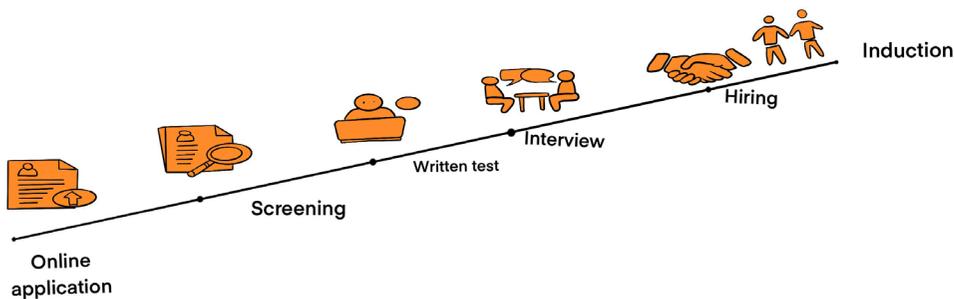


Figure 4.1: Selection process is essential to hire suitable workers

Recruitment: Refers to the overall process of attracting, shortlisting, selecting and appointing suitable candidates for job (either permanent or temporary) within an organization.

According to Edwin Flippo: “**Recruitment** is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization “. Recruitment is the activity that links the employers and the job seekers.

- The process begins when new recruits are sought and ends when the new employees are hired.
- The result is a pool of application forms from which new employees are selected.

Selection :On the other hand is a process whereby out of the many job applicants, the best is taken to fill the vacancy. Selection means reducing down the application pool by using the screening tools such as test, assessment centers, background and reference checks. During selection of employees, the choice can be on the candidates both from within the organization or from outside.

Every organization creates a selection process because organizations have their own requirements. Although the main steps remain the same, let us understand in brief how the selection process works:

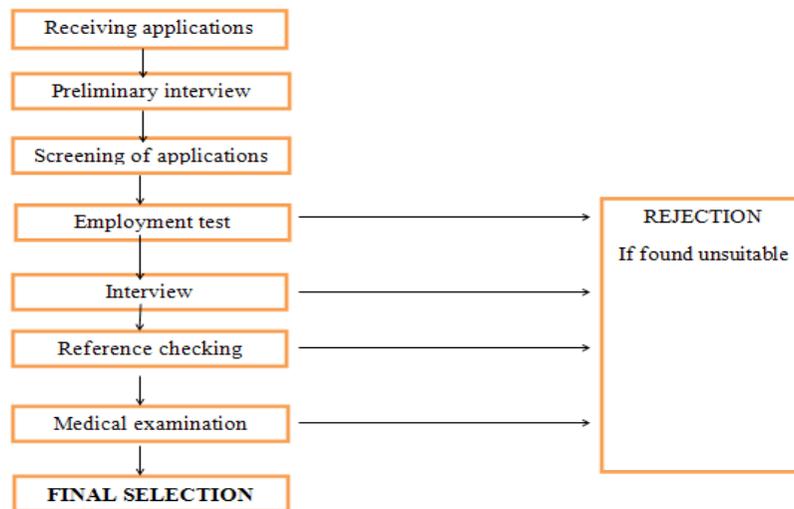


Figure 4.2: Detailed selection process

4.1.2 Factors considered when recruiting workers / employees

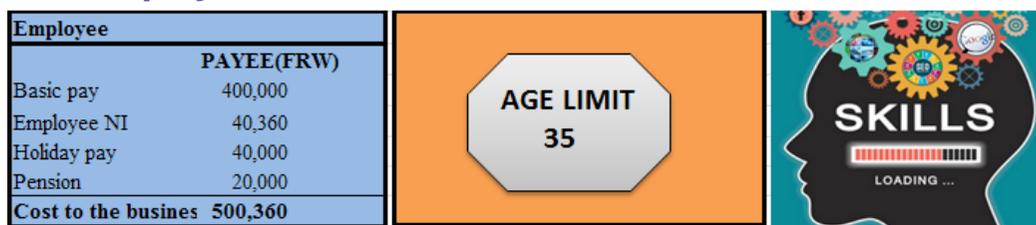


Figure 4.2: The cost, age and the skills of an employee are considered during recruitment

a. Size of the firm: The size of the organization affects the recruitment process. If the organization is planning to increase its operations and expand its business, it will think of hiring more personnel which will handle its operations. Size of the firm also defines the recruitment scope and need. Small firm's Human Resource department has to handle less manpower. As the organization grows wider, the recruitment complexities increase. Recruitment process would become more time-consuming and needs more focus and large data processing.

b. Human resource needs: Staffing is an ongoing process that begins with finding the right people through proper planning, recruiting, and selecting. But staffing does not end once employees are hired; management must keep and nurture its people via training, appraising, compensating, and implementing employment decisions that determine such things as promotions, transfers, and layoffs. When recruiting new workers, you have to think about the prospective human resource needs that may arise due to new hires.

c. Employment costs: These costs fall into several broad categories:

- **Recruiting expenses:** Finding technically qualified people who are effective in a rapidly growing start-up venture is not easy task. This is a one-time cost in the total employee cost calculation. Recruitment costs include advertising, fees for online recruiting services, etc.
- **Basic salary:** Basic salaries vary all over the place depending on the industry and a variety of other factors. Be sure to establish rational salary ranges given your growth plans. This means that in most cases there should not be great salary differentials between early hires and later employees.
- **Employment taxes:** In preparing a personnel budget, be sure to include all the employment related taxes such as professional income tax.
- **Benefits:** Basic salary and employment taxes are not enough. In most cases, an employer will need to provide some benefits such as life insurance, dependent care assistance, tuition reimbursement, accommodation, and any other possible allowance where applicable.

d. Age of employees:



Figure 4.3: Employees of different age can learn from each other

Age of the worker is a very important criterion to consider during the recruitment process. This is because some duties require workers with strong physical abilities while some others require those with wisdom. To help your young and old employees find common ground, you need to treat them as individuals and not just as members of certain generational categories. Help them realize that they can learn from their differences; e.g. driving is suitable for young while research requires experienced people (old).

- e. Employees' skills:** One of the easiest ways to select through candidates is by looking at their skillset. Can they do the job and can they do it efficiently? Skill can be easy to measure based on the facts in front of you (resume, cover letter and interview). It is true that some tend to fabricate or "stretch" their experience so a solid approach to confirm skills is to contact previous employers and verify if the skills communicated match up with what the previous employer(s) saw. Of course, if the candidate lacks experience they should communicate and express a desire to learn and pick up those skills.
- f. Employee's experience:** Work experience might be one of the most important considerations you have for particular jobs at your facility. Experience in particular areas such as answering busy telephone lines or handling accounts, for example, can be essential for specific staff roles. For other positions, work experience might not be absolutely necessary, but a strong work background is always a good thing as it exemplifies/illustrates a good work ethic.
- g. Nature of job:** The nature of an employee's work is best defined as the type of work that he/she does. This can refer to the basic daily tasks carried out as part of a job and can refer to other non-routine tasks that may be required. Added together, the characteristics of these tasks comprise the nature of an employee's work. The nature of this work may be summed up in the employee's title and taken into consideration during the recruitment process. For example, a human resources manager is someone who manages a human resources department and performs all of the tasks required of such a position.
- h. Number of workers:** When one is recruiting employees, he/she has to consider both the number of workers needed and available qualified applicants. The number of workers a business recruits depends on different criteria most importantly the available vacant positions and its corresponding budget.
- i. Health conditions:** A lot of *job applications* have a section saying «Do you have any existing or prior *medical condition* that may affect your ability to do the *job*»? Employees with good health conditions are liked by recruiters.
- j. Language:** The language is one of the effective communication drives. A candidate who can effectively communicate as many languages as possible is advantageous in the recruitment process.



Application activity 4.1

Assume you are selected as one of the school business club leaders, and you have a very strong income generating project at your Teacher Training Center. Advise your business club on factors to consider when recruiting employees.

4.2 Procedures/ stages of recruitment process of workers



Activity 4.2

Case study:

Umutoni, a human resource manager of Sweet bread bakery was having the challenges of getting a suitable finance manager for the company. She was advised to prepare job analysis. Furthermore, she was advised to prepare a job description which outlines the responsibilities and duties to be carried out by the financial manager. Umutoni was also advised to prepare a job specification which outlines the requirements, qualifications, expertise, physical characteristics, for the financial manager. All these were to appear on the job advert. The task was so challenging, but she managed to come up with the documents, and a suitable financial manager was got after the selection and interviews.

- a. Describe the following stages as involved in recruitment process:
 - i) Job analysis
 - ii) Job description
 - iii) Job specification
 - iv) Job advertisement
- b. Why do you think it is important to prepare the above documents?

If an organization needs to hire right employees, the following stages should be put into consideration:

- a. Conduct a job analysis:** Job analysis involves establishing the nature of the job (tasks, activities, responsibilities, and accountabilities) which will also determine associated required talents and competencies defining behavioral attributes for best performance.

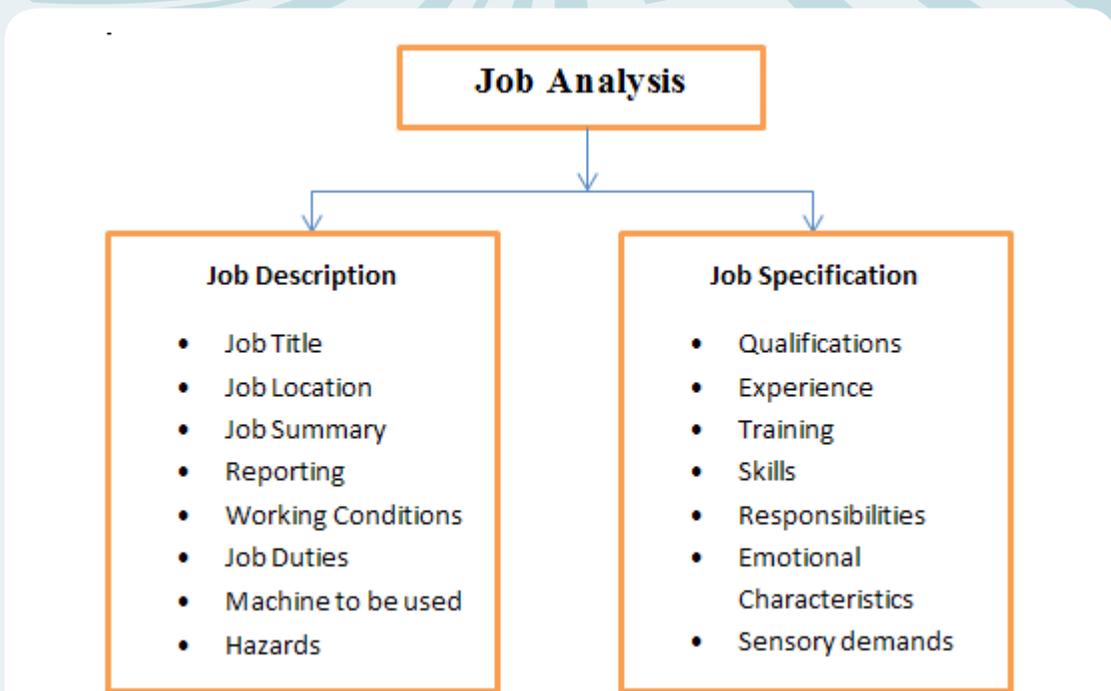


Figure 4.4: The output of job analysis is the job description and specification.

A personnel manager has to undertake job analysis to recruit the right person on the job.

b. Create a job description: Job description is a process of describing the job to be performed. This is also referred to as a written statement which outlines the duties and responsibilities involved in performing a job such as who does what, when, where and why. The main contents are the job purpose and the job tasks and responsibilities. It informs employees exactly what is expected of them and provides a useful document to refer to when you are evaluating an employee's performance. You can also use it to develop selection criteria, identify training needs, and manage performance.

Example of a job description for a finance manager:

Job title	Finance manager
Department	Finance Department
Responsible to	Managing Director
Responsible for	Accountants, Cashiers

Main purpose of the job:

- Responsible for bookkeeping, auditing and making financial reports for the business.

- Responsible for accountants, cashiers and workers in the finance department. To take a supervisory role.

Main duties:

- Preparing pay rolls .
- Making financial reports for external auditors and other stake holders.
- Advise the general manager and the managing directors on financial issues.
- Supervise the subordinate staff .
- Advising staff when queries arise.

Occasional duties:

- Appointment of new staff.
- Training new staff in their duties.
- Training new staff on how to use new equipment. Disciplining staff as and when required.
- Dismissing staff if necessary.

c. Create a job specification: Job specification involves a definition of qualifications, experiences and competencies required by the jobholder and any other necessary information on the special demands made by the job such as physical conditions, unusual hours or travel away from home. Job specification sets out terms and conditions of employment such as pay, employee benefits, general health, mental health, intelligence, aptitude, memory, judgment, leadership skills, emotional ability, adaptability, flexibility, values and ethics, manners and creativity, etc.

Example of a job specification for a financial manager:

Job title	Finance manager
Qualities/ qualification	Bachelor's degree in finance and accounting
Experience	5 years of working experience
Skills	Able to communicate in Kinyarwanda, French and English

Qualifications

Essential: Bachelor's degree in finance and accounting. Master's degree in a related field will be an added advantage.

Experience:

Desirable minimum is 5 years' experience of working in the finance department.

Skills:

- Communicating effectively with others.
- Ability to manage people.
- Computer literate with computerized accounting software packages e.g. Sage or Quick books.

Others

- Physical fitness, needs to be fit all day.
- Personal characteristics: Honest and responsible, friendly, helpful, organized, high integrity, etc.

d. Defining a job position: This section contains providing general information about the job position. The current or requested classification, working title, pay range, exemption status, department name and number, position number, percentage of effort, the job description summary, comparable positions, etc. This is all about what responsibilities you might have.

e. Attracting the applicants (Job advertisement): Job advertising is a way organizations communicate to attract new employees to work with them. Recruitment advertisements typically have a uniform layout and contain the following elements:

- Brief description of the organization.
- The title of the job advertised, the grade and the manager to whom the job holder will report.
- Duties and responsibilities of the job holder.
- Skills and competences of the job holder.
- Conditions of educational qualification and experience of that job position holder.
- The channel of communication used for submitting the application.
- The timeline during which applications will be submitted.
- The channel of communication for feedback.
- Signature and the stamp of the organization manager who is posting the advertisement. Some business organizations use recruitment advertising agencies to receive professional advice and also help them to recruit new workers. They offer a service which they are paid for in return.

Examples of recruitment agencies in Rwanda include:

- Tohoza.com
- Umurimo.com
- Jobs in Rwanda
- NFT consult
- Ndangira.net

f. Selection: This is the process of getting human resources into organizations' departments, sections and jobs. Human Resource Managers are responsible for recruitment and selection which should be clear on the type of employees they are looking for. Lack of clarity may lead to poor selection criteria and may result in the wrong person being recruited for the job.

There are important steps in the process for effective competence-based selection:

- Development of competence models for selection.
- Determination of selection methods.
- Training of assessors.
- Assess job applicants.
- Validate the assessment methods.
- Development of a database for future use.

g. Hiring: After successfully completing all the previous stages, an appointment letter will be issued by the employer to the worker. A reference check is made about the candidate selected and then finally he/she is appointed by giving a formal appointment letter.

h. Integrating the new employee to the organization/Orientation: On-boarding helps to foster a positive first impression and increases the likelihood that employees will buy into the corporate culture and assimilate into the position. Properly executing the orientation process can greatly increase the new employee's satisfaction and success, which bodes/promises well for retention.

The following are essential five steps to effectively on board new employees to your organization:

- **Prepare the office for the new arrival**

The first day on the job should be organized and scheduled before the new workers come. Managers should build out a schedule in advance that includes learning the job in particular and company policy and process in general. Share this agenda with your new hire in advance. Also, send a copy to all team members involved with the on-boarding process.

- **Assign a mentor**

One of the best facilitation strategies for on boarding is mentor relationship. Mentors provide guidance that goes beyond traditional training. Match up a seasoned employee with the new hire in the early stages of training. A mentoring relationship will prove invaluable to the new employee's integration into the workplace.

- **Make positive introductions a priority**

Create good will toward the new hired by introducing them to the current team with a short explanation of the person's expertise and qualifications. This type of introduction helps current employees become familiar and acceptance of the new person. Also, avoid statements that create competitive or insecure feelings.

- **Request feedback from new employee**

Consistent feedback from the new employee is valuable in knowing which facets of the on-boarding process work and which ones need to be improved. Periodically, ask for input on the training process, and measure its effectiveness.

- **Provide a cohesive goal**

From the beginning, every new employee or seasoned should understand the company goals along with his or her specific tasks. A common goal serves to create greater collaboration and harmony. Facilitation strategies for integrating new employees require planning and follow-up. The results bring a more engaged, dedicated employee and fewer workplace conflicts.



Application activity 4.2

1. Design a job description for one of the following;
 - a. A school business club cashier
 - b. Shop assistant
2. Design a job specification for your chosen job.
3. How do a job description and job specification help to ensure the most suitable person for the job is recruited?

4.3 Required documents to apply for a job



Activity 4.3

1. TUYISHIMIRE is a senior six graduate. Having learnt about a job advert by INYANGE Industries (a famous manufacturing company in Rwanda), posted in the new times has approached you a fellow student for advice, advise her pointing out the requirements to apply for the job.
2. a) Identify the difference between a curriculum vitae and an application letter?
b) Identify the major parts that good curriculum vitae should have.

To prove that you are eligible for work and to apply for a job, the following are some of the documents you will have to submit:

4.3.1. Application letter:

Writing an application letter will be the first correspondence you are going to have with your possible employer. The employer will definitely judge you on your application letter if you are worthwhile being interviewed. Always remember that any job competition is very tough. Therefore, your application letter must stand out because employers usually deal with hundreds of job applications for a single position.

Start your letter by adding your contact information at the top. You want to make it as easy as possible for your prospective employer to contact you and know who you are. Before you begin your letter, make sure that you have the proper letter-head.

- i) Name
 - ii) Address
 - iii) Phone number
 - iv) Email address
 - v) Personal website (if you have one)
- **Include the company's information:** After you include your information, you need to include the title of the employer to whom you are applying for the job, the name of company and address. By including the contact information of the company to which you are applying, you are showing that you have taken the time to write a specific letter or application to this company, and have done your research on the hiring manager for the position.

- **Address your letter to the person whom you are writing:** To begin your letter, you want to be formal and start with a proper/correct address. Once again, a simple “Dear Manager, Director”, etc. This will depend on the information given from the advertisement.
- **Salutations:** These are greetings used in a letter; e.g. Dear Sir, Dear Madam.
- **Subject line:** This indicates the title or the position being applied for.
- **Body of the letter:** This has three distinct parts:
 - **In the first paragraph,** you have to mention the job you are applying for and where you saw the job listing.
 - **The next paragraph(s)** are the most important part of your letter. Remember how you gathered all that information about what employers was seeking, and how you can meet their needs. This is where you will share those relevant details on your experience and accomplishments.
 - **The third and last part** of the body of the letter will be your word of appreciation to the employer; and you can also offer follow-up information.
- **Complimentary close:** Complete your letter with a polite close, such as «Best» or «Sincerely, » followed by your signature and your name.

Notice: When you apply online through E-Recruitment; follow the structure/format provided to you.

Sample hint of an application letter

Name Address

Telephone number

Email Address

Month, Day, Year

Title of the authority receiving the application

Name of Organization

P. O. Box Address

Dear Mr. /Ms. /Dr. General Director

Subject line: Include the title /position you are applying for

Opening paragraph: State what position you are applying for and a brief introduction about yourself; how you learned of the organization or position, and basic information or qualifications about yourself.

2nd paragraph: Indicate why you are interested in the type of work; demonstrate that you know enough about the position to relate your background to the position. Mention specific qualifications which make you a good fit for the employer's needs. This is an opportunity to explain in more details relevant items in your CV/resume. Refer to the fact that your CV/resume is enclosed. Mention other enclosures if such are required to apply for a position.

3rd paragraph: Indicate briefly why you're so passionate about the opportunity you're applying for. State that you would be glad if you are granted a job. Thank the employer for her/his consideration in advance.

Sincerely,

(Your handwritten signature)

Your name typed

SAMPLE APPLICATION LETTER

Kigali City

Gasbo District

Kimironko Sector

Email: buteja@gmail.com

Phone: +250783344560

15th October 2019

To: Director of Rwanda

Microfinance Ltd Kigali

Dear sir/Madam,

Re: Application for job on position of cashier

I would like to apply for the position of cashier as per your advert in Imvaho nshya no: 2345-4-2019 in the institution which is under your responsibility.

In fact, I am a young Rwandan of 25 years of age and I am an A2 certificate holder in Math, Economics and Geography. As you can see from my curriculum vitae, I have had two years experiences of working in that field such as education and financial institutions. I work well in team on daily basis and I am eager/enthusiastic to contribute to the growth of your institution too.

Although no specific IT qualification, I do have necessary key board skills and necessary knowledge of the soft-ware that you use.

I am most interested in the situation that you are offering and look forward to hearing from you.

Yours sincerely,

Signature

BUTERA Jane

4.3.2. Curriculum Vitae (CV):

The letters CV stand for curriculum vitae which in Latin means “Course of life”. When used in a job seeking context, a CV is a brief history of your education, work experience and activities, skills, accomplishments and any other information relevant to getting a job.

A.CV writing and format tips:

- i) **Include relevant information only:** Your CV should not include all details about your life. Keep it simple, clear and neat.
- ii) **CV Length:** While resumes are generally one page long, CV is longer. Most CV are at least two pages long, and often much longer.
- iii) **Font and Size:** Do not use ornate/decorative fonts that are difficult to read; Times New Roman, Arial, Calibri, or a similar font is best. Your font size should be between 10 and 12 points, although your name and the section headings can be a little larger and/or bolded.
- iv) **Format:** However, in deciding to organize the sections of your CV, be sure to keep each section uniform. For example, if you put the name of one organization in italics, every organization name must be in italics. If you include a sentence or two about your accomplishments in a position, fellowship, etc., make a bullet list of each accomplishment. This will keep your CV organized and easy to read.
- v) **Be accurate:** No spelling or grammatical errors. Be sure to edit your CV before sending it. Check spelling, grammar, tenses, names of companies and people, etc. Have a friend or career services counselor check over your CV as well.
- vi) **Be consistent:** Punctuation, highlighting, verb tense, spacing etc. should be verified.
- vii) **Spells out acronyms:** The first time it appears, put the acronym in parentheses and then use the acronym after that.

B. Elements of Curriculum Vitae

Not all curriculum vitae look the same. But there are general sections that have to be included in almost all CVs. However, one may choose to include only some sections because others do not apply to his/her background or industry. Include what seems appropriate for your area of specialty. In your CV you can include:

- a. Contact information:** At the top of your CV, include your personal identification/name and contact information (address, phone number, email address, etc.).
- b. Education background:** This may include the school/institution attended, dates of study, and degree received.
- c. Work Experience:** List relevant work experience; this may include nonacademic work that you feel is worth including. List the employer, position, and dates of employment. Include a brief list of your duties and/or accomplishments.
- d. Skills :**
 - Professional competencies relevant to the position for which you are applying.
 - Computer skills.
 - Language skills, etc.
- e. References:** In this part, include people who know you and who might be contacted in case they need any information about you. Lastly, end by certifying that the information is from the best of your knowledge.

Below is a sample of curriculum vitae (CV)

Curriculum Vitae

1. PERSONAL IDENTIFICATION

- **Names:** BUTERA Janet
- **Date of Birth:** 8/12/1995
- **Gender:** Female
- **Nationality:** Rwandese
- **Marital status:** Married
- **Telephone:** (+250) 738469764
- **E-mail:** butejane@yahoo.fr
- **Contact address:** P.o.Box 1010

Bugesera District

Eastern Province – Rwanda

2. EDUCATION BACKGROUND

Dates attended		Name of the learning Institution	Academic Awards	Main field of study
From	To			
2010	2012	Kiziguro Secondary School	Advanced Level Certificate (A2)	Mathematics- Economics- Geography (MEG)
2007	2009	New Good Life Christian High Academy	O' Level Certificate	General Education
2001	2006	Munezero Primary School	Primary Education Leaving Certificate	Primary Education

3. PROFESSIONAL EXPERIENCE

A.	<p>From: January 2011- To date</p> <p>Self-employed: Running a Min Super Market: BUTEJA Min Supermarket</p> <p>Number and kind of employees supervised: 5 Employees (1 Cashier, 2 attendants, 1 Messenger, 1 Cleaner)</p>
B.	<p>From: June 2013 – 2015: Worked as receptionist at UBUMWE Guest House, Kigali – RWANDA</p>

4. OTHER SKILLS ACQUIRED

A.	<ul style="list-style-type: none"> ▪ October 1st – 30th, 2015: Customer care Training ▪ January 10th – February 13th, 2016: Business Planning and Project Management
B.	<ul style="list-style-type: none"> ▪ Good communication skills ▪ Good interpersonal skills ▪ Personal selling skills ▪ Working under minimum supervision

5. LANGUAGES

Mother tongue: Kinyarwanda								
Other languages	Read		Write		Speak		Understand	
	Easily	Not easily	Easily	Not easily	Easily	Not easily	Easily	Not easily
English	√		√		√		√	
French	√			√	√		√	
Swahili		√		√	√		√	
Kinyarwanda	√		√		√		√	

6. HOBBIES

- Volunteering
- Adventuring
- Travelling
- Making friends
- Reading books

7. REFEREES

Full name	Full address	Telephone No. and email	Business or Occupation
Mr. KAYAR John	Kigali Traders Ltd, Kigali - Rwand	(+250) 0728543290 kayjohn@yahoo.co.uk	The Manager

Mrs. INEZA Beatrice	The New Hope Revival Mission Rwanda	+(250) 0789789781 inezabea@gmail.com	Commissioner general
Miss BURANGA ISHEJYA Judith	UBUMWE Guest House	+(250)788866131 buraiju@ubumweguest.org	The Hotel Manager

I, BUTERA Janet do declare that the above information is true to the best of my knowledge.

BUTERA Janet,

The manager,

BUTEJA Min Supermarket

4.3.3 Academic credentials/ relevant qualification papers

Credentials often refer to academic or educational qualifications, such as degrees or diplomas that you have completed or partially-completed. Credentials can also refer to occupational qualifications, such as professional certificates or work experience.

These are examples of academic credentials:

- Secondary (high) school diploma
- College diploma
- Bachelor's degree
- Master's degree
- PhD or Doctorate degree
- Professional school degree (for example, for law, medicine, teaching)

A few organizations evaluate international academic credentials to compare them to credentials you can get in your country. You may need this for work or if you apply to a college, university or institute.



Application activity 4.1

Assume you want to apply for a post in any business company.

- Design an application letter
- Design your curriculum vitae.



Skills Lab

Bright Business club wants to expand by introducing other viable projects. In efforts to ensure the club grows effectively, they will recruit a strong marketing manager from one of the members in the club. The key role of the marketing manager is to ensure the right projects are implemented in the club.

1. As student teachers of entrepreneurship, create a relevant job specification and make an advert for the above position.
2. Discuss the importance of creating a job specification for a given position.



End of unit assessment

1. You have come across an advertisement on the internet about the need for Head of Security in a prominent shop. Write an application letter to apply for the above post.
2. Gikundiro is a senior six level student who wants to start a fruit processing business and she needs help from you to design an advert for various posts in a fruit processing business.

UNIT 5

TEAM LEADERSHIP



Key Unit Competence:

To be able to demonstrate a good leadership strategy for leading teams in the business.



Introductory activity

There is no right or wrong way to answer this assessment. It is for your own use during this unit. You will read an element of competence listed in the left column. Think about yourself: do you think you can do this? How well? Read the statements across the top. Put a check in column that best represents your situation. At the end of this unit, you will take this assessment again.

My experience	I have no experience in doing this.	I know a little about this.	I have some experience doing this.	I have enough experience in this.	I am confident in my ability to do this.
Knowledge, Skills and Attitudes					
Describe the qualities of a good leader.					
Demonstrate leadership in my personal life and with others, at work or in the community.					
Promote group cooperation					
Help others accomplish a task by providing guidance & leadership					
Describe my own leadership style					
Follow necessary steps to successfully solve problems – identification; information gathering; generating, choosing and evaluating a solution					

5.1 Meaning of leadership and Qualities of a leader



Activity 5.1

1. Read the following paragraph and answer questions that follow.

Think about a time when you have been a leader. It can be a leader of anything, a group task at school, home or in your community, at a job, being a leader on a sports team...

- a. How did you like playing that role?
 - b. What made it difficult or easy for you?
 - c. Based on your experience described above, what do you understand by leadership?
2. a) Referring to your community, or country, name any three (3) examples of leaders who you think are inspiring (famous people or people from your community).
 - b) Describe the characteristics/qualities you think make those leaders inspiring or effective.

5.1.1 Meaning of leadership

Leadership is the art of motivating/ influencing a group of people to act towards achieving a common goal.

This leadership definition captures the essentials of being able to inspire others and being prepared to do so. Effective leadership is based upon ideas (whether original or borrowed), but will not happen unless those ideas can be communicated to others in a way that engages them enough to act as the leader wants them to act.

Put even simpler, a leader is the inspiration and director of the action. He or she is the person in the group that possesses the combination of personality and leadership skills that makes others want to follow his or her direction.

5.1.2 Qualities of good leader



Figure 5.1: Qualities of a good leader

To help you improve your leadership skills, here are examples of what makes a great leader.

a. Determination

A great leader has a never-ending determination. He/she is the first one to initiate an idea and the last one to give up. It is because of a leader's determination that projects are started and completed successfully.

b. Flexibility

A great leader can adapt to any situation. He/she sees the situation from many different angles and can adjust himself accordingly.

c. Resourcefulness

Generally, leaders do not always get what they want easily. But since effective ones are creative, they think of ways to get what they want. Besides, they collaborate with the employees to fully utilize the available resources in achieving the organizational objectives.

d. Creativity

He/she is characterized by critical thinking coming up with effective ways of doing things right that do not require a lot of time, effort or money but ending up successfully.

e. Self-confidence

People will follow a leader who believes in him or herself. This does not mean being arrogant; rather, it means trusting in yourself and your abilities.

f. Positive Attitude / Optimism

A great leader has a positive outlook and tries to make the best out of everything.

g. Responsible

A great leader understands that whatever happens in his/her team (whether good or bad) is his responsibility. He/she does not take all the credit for work well done and does not blame others when there is failure.

h. Consistency / Reliability / Accountability

A great leader is dependable, always does his/her best, takes action and delivers good results.

i. Planning ahead

A good leader knows what is up ahead. He has good judgment in predicting what may happen in the future and can make work decisions based on that.

j. Patience

A great leader is able to wait, to continue doing something despite difficulties, or to suffer without complaining or becoming annoyed. Patience is enduring under difficult circumstances, exhibiting endurance when under strain, especially when

faced with longer-term difficulties.

k. Being objective

A good leader does not take sides but is open to different opinions. Personal feeling or opinions do not influence him/her in considering and representing facts.

l. Perceptive

A good leader has an awareness of the people s/he is leading. He/she has intuitive, understands people he/she is leading or situations and shows sensitivity

Briefly, what makes a great leader is a mix of these qualities and many more others. A person does not necessarily need to possess all the qualities but one should at least strive to develop many of them.

m. Intelligent

An effective leader should have the ability to think and come out with original/ personal ideas and ability to make proper decision which may help in solving business problems. An effective leader is also good communicator, honesty, disciplined, exemplary as well as inspiring.



Application activity 5.1

Read the following extract from “Rwanda. A remarkable turnaround of a nation, 2014, page 9) and answer questions that follow:

To produce the desired outcomes, structural advantages have to interact with the agency – social organization and leadership. Fortunately for GS RUGWIRO, at the heart of its success has been focused on good leadership to guide the institution through various reforms. The head teacher and his colleagues have exhibited extraordinary leadership values and skills aimed at navigating local difficulties and external pressures to steer the institution to success. Yet, its achievements are not singularly because of the intrinsic values of its internal organization, the institution – however, important these may be. Rather, they have largely been because of institution’s ability to build a broad-based collaborative relationship with other schools and social wellbeing of staff in the school to sustain the momentum for progressive change.

- a. Do you describe GS RUGWIRO as a team? Give reasons to support your response
- b. From the extract, why do you think GS RUGWIRO has a good leadership
- c. Do you describe the head teacher of the above school as an effective leader? Support your response with four qualities from the extract

5.2 Leadership styles



Activity 5.2

Analyze the Leadership styles below and answer questions that follow:

- The “Authoritarian” Leader/ Autocratic style/Authoritarian
- The “Persuading” leader:
- The “Consulting” Leader:
- The “Joining” Leader:
- The transformative leader:

Required:

- Explain the meaning of each leadership styles above
- Think and give examples of people you know who tend to lead or have led in each of the leadership style explained above.
- Describe when each leadership style would be appropriate to use

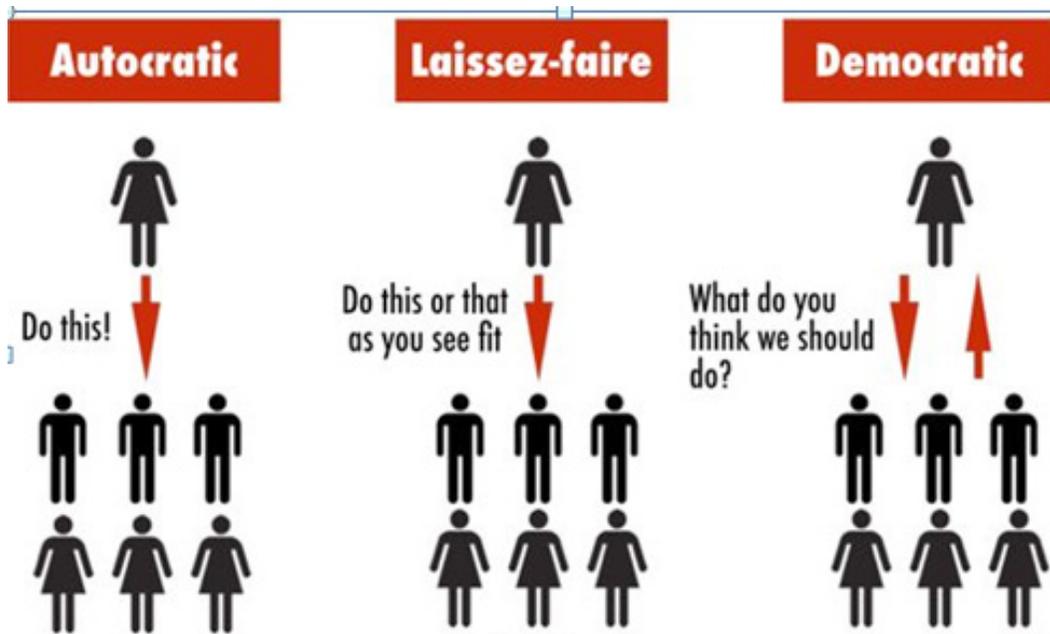


Figure 5.2: Sample leadership styles

As a leader, it is important to understand the different styles of leading. The style you choose will depend on the context in which you are working in, the people you are working with, their needs and expectations, whether or not you have a deadline, the task, etc. The following are the most typical leadership styles:

a. The “Autocratic/Task-oriented/Authoritarian” style

- Identifies a problem, considers alternative solutions, chooses one of them, and then tells followers what they are to do.
- May or may not consider what the group will think or feel about the decision, but they clearly do not participate in the decision-making.
- Assigns roles.
- Relies primarily on his or her own judgment.

b. The “Persuading” style

- Like the “Authoritarian” leader, he/she makes the decisions without consulting the group. Instead of simply announcing the decision he or she attempts to persuade the group members to accept the decision.
- Describes how the decision fits everyone’s interests.

c. The “Consulting/ Democratic” style

- Gives the group a chance to influence the decision from the beginning.
- Presents the problem and relevant background information, and then asks the members for their ideas on how to solve the problem.
- May offer a possible solution for the group members’ reaction.
- Selects the solution the members regard as most promising.

d. The “Joining” style:

- Participates in the discussions as “just another” member agreeing in advance to carry out whatever decision the group makes.
- Encourages group decisions.
- Allows for individual recognition.
- Tends to guide, not rule.

e. The transformative style

- Leader identifies the needed change.
- Creates a vision to guide the change through inspiration.
- Executes the change with the commitment of the members.

f. Laissez-faire leadership

- The leader makes the subordinates aware of the broad goals and objectives of the business.
- The subordinates are left free to organize themselves and make their own decisions.
- The leader totally trusts their employees/team to perform the job themselves.

- The leader just concentrates on the intellectual/rational aspect of his work and does not focus on the management aspect of his work.
- This leadership style works only when the employees are skilled, loyal, experienced and intellectual.

Appropriateness of each leadership style



Secondary source: Figure 5.3: Application of leadership style

a. The Authoritarian and persuading styles of leadership are most prevalent:

- In large groups.
- In passive groups.
- In groups, which seldom meet.
- At times when a quick decision or deadline must be met.

b. The Consulting style of leadership is most effective and/or prevalent:

- In large groups.
- In motivated groups.
- In organized groups.

c. The Joining style of leadership is most prevalent and /or effective:

- In small groups.
- In highly motivated groups.
- In groups that can deal with a less structured environment. There might be a lot of brainstorming, trying things out but switching direction as needed, etc.,
- In groups, which have a relatively high need for independence.
- In groups where the members have the necessary knowledge and experience to deal with the problem.
- In groups where the members expect to share in decision-making.

d. The Transformative style of leadership is most effective and/ or prevalent:

- In teams with different strengths and weaknesses.
- When you want team members to work through a problem and arrive at a solution themselves (rather than giving them the answer or direction straight away).
- When you want to get your team to engage through providing direction and motivation.
- When you want to get your teams' respect by being honest, trustworthy, and driven.



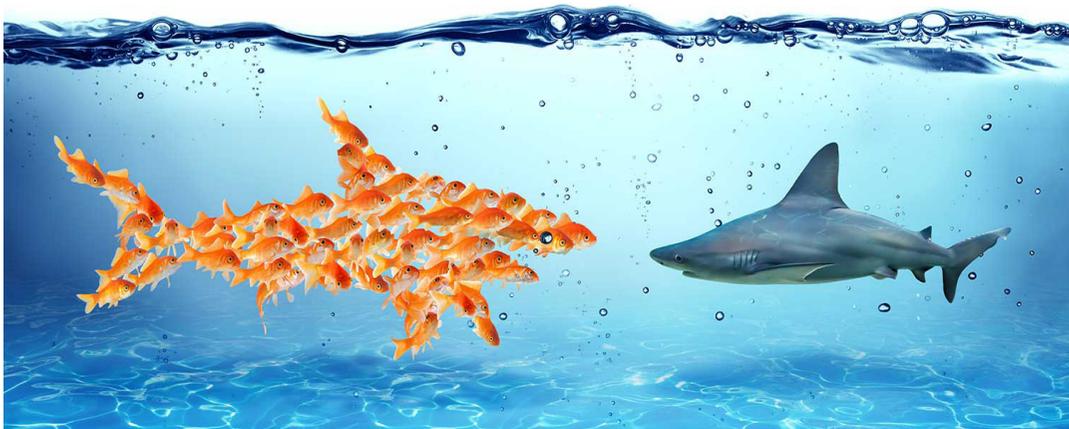
Application activity 5.2

Analyze the scenarios below, and determine which leadership style is more appropriate for the scenario and give reasons to support your choice.

- a. You are at the workplace and suddenly the building where the finished products are stored catches fire.
- b. In the finance department, workers are complaining that the rules and regulations in their department are not favorable to all and therefore, need to be changed.
- c. In your department, as a leader you want to introduce computers because you believe they will improve on the efficiency of the workers but they feel computers are not necessary, as it is a wastage of the company's money.

- d. Recently, there have been changes in government policies that automatically affect the performance of the business. You as the managing director are to lead senior management to come up with strategies to counter the effects of the new policies.
- e. At school, all the classrooms are dirty and need to be cleaned.
- f. Implementing government programs such as “Umuganda”

5.3 Team building



Secondary source: Figure 5.4: Team and Teamwork



Activity 5.3

1. Explain the meaning of team building
2. Describe the characteristics of a good team

5.3.1 Meaning

A team is a group of people working towards a common goal. Team Building involves the process of enabling the group of people to reach their goals. It consists of steps like clarification of team goals; identification of hindrances to goal achievements; facing the identified challenges and enabling the achievement of the goals.

Team building is the action or process of causing a group of people to work together effectively as a team, especially by means of activities and events designed to increase motivation and promote cooperation. This is a collective term for various types of activities used to enhance social relations and define roles within teams, often involving collaborative tasks.

The formal definition of team-building includes:

- Aligning around goals
- Building effective working relationships
- Reducing team members' role ambiguity
- Finding solutions to team problems

The effectiveness of team building differs substantially from one organization to another. The most effective efforts occur when team members are interdependent, knowledgeable and experienced and when organizational leadership actively establishes and supports the team.

Effective team building incorporates an awareness of team objectives. Teams must work to develop goals, roles and procedures. As a result, team building is usually associated with increasing task accomplishment, goal meeting, and achievement of results within teams.

Note: The ability to work as part of a team is one of the most important skills in today's job market. Employers are looking for workers who can contribute their own ideas, but also want people who can work with others to create and develop projects and plans.

Katzenbach and Smith (1993) list the following requirements for building effective teams:

- i) It should be small enough in the number of members.
- ii) Adequate levels of complementary skills.
- iii) Truly meaningful purpose
- iv) Specific goal or goals.
- v) Established clear approach to the team's work.
- vi) A sense of mutual accountability.
- vii) Defined appropriate leadership structure.

5.3.2 Characteristics of a good team



Figure 5.5: A good team celebrates the success together.

- **Clear goals:** Clear goals are necessary so that all team members understand the purpose and vision of the team.
- **Defined goals:** Goals should be defined so as team members understand their job function for leaders to tap into the skills and talents of group members.
- **Open and clear communication:** Effective communication will keep a team informed and focused. It is important to focus on hearing message before forming our own conclusions.
- **Effective decision making:** Awareness of various decision-making methods can help a team member make efficient decisions. Team members should select a method that works best them.
- **Balanced participation:** Full involvement of team members is valued and sought. It is important that leaders define what type of participation they expect from members.
- **Valued diversity:** Diversity of thinking, idea generating, problem solving and experiences help to create an effective team.
- **Cooperative relationship:** Team members need to work together for the good of the team, and understand that combining the skills of numerous people will produce something that could not be created alone.

- **Participative leadership:** A good team is characterized by shared leadership among team members at various times.



Application activity 5.3

Read the following activity and answer questions that follow.

You are the president of your school business club. The District Youth leader has advised you that for your club to win the upcoming competitions, the club should have an overall impact on the school and community. Club membership should comprise students from S1 to S6, but S4&5 members are not willing to accept students from other classes. They claim that the new members will simply enjoy current club achievements, and they will not bring much since most of the work has been done, and projects are already running; the club is not united as well.

As the president:

- a. What should you do to ensure the club is united?
- b. What characteristics are required for the club to be successful?

5.4 Steps for building productive and effective teams



Activity 5.4

Using your own knowledge on team building, explain team building steps/ techniques.

Without team building skills, the manager risks limiting the productivity of his/her employees to what each member can do on their own, whereas if he/she fosters team building, he/she can unite teams around a common goal, which will raise productivity as a result.

The following are five steps to build a productive and effective team:

Step 1: Establish leadership.

If your employees trust your judgment, they will work effectively even when you are not around. Before you start team building, you need to develop the right kind of leadership skills. This doesn't mean asserting authority, instead try to foster trust through honesty and transparency.

Step 2: Establish relationships with each of your employees.

A manager tries to learn more about each member of his/her team, their skillsets, how they are motivated and their likes and dislikes. This knowledge is invaluable to managers as it allows them to match each employee's expertise and competencies to specific problems, which will help increase their productivity and job satisfaction.

Step 3: Build relationships between your employees.

As a team starts to cooperate more, examine the way they work together and take steps to improve communication, cooperation and trust amongst the team. If there are any conflicts, try to resolve them amicably. Listen to both sides of the argument and act as a mediator. One way to do this is to brainstorm solutions, which helps to empower your employees and may lead to new solutions to the problem.

Step 4: Foster teamwork.

Once relations with and between employees have been established, it is time to help them work together effectively. Encourage the team to share information, both amongst them and within the wider organization. Also, try to communicate more with the team. This goes beyond simply holding meetings, and includes things like being open to suggestions and concerns, asking about each team member's work and offering assistance where necessary, and doing everything to communicate clearly and honestly with the team.

Step 5: Set ground rules for the team.

Finally, begin officially establishing the team through creating team values and goals, as well as evaluating team performance alongside individual performance. Be sure to include the team in this process so that they know what is required and agree with it.

Team building is one of the most important responsibilities a manager has. It isn't something that can be achieved in a short time and then forgotten. It is an ongoing organic process that you will have to facilitate and guide.



Application activity 5.4

As a student representative, you have been challenged to ensure that all students in your class participate in a community day. However, most students are saying it their only time to do private activities and thus have no time. As a leader, how would you apply the steps for building productive and effective teams to manage the above challenge?

5.5 Strategies for managing a team



Activity 5.5

Think of a situation at work, school or home where there is a new/unfamiliar task for everyone to accomplish. People are required to get themselves organized to accomplish it. This particular task will need leaders to emerge and assume responsibilities, manage people and the communication process for the success of the given activity.

Assume you are selected as the leader; describe some strategies you will use to have the people accomplish the task.

Leaders can employ different strategies while bringing people to work together and developing teamwork:

- Work with the team to develop a common goal.
- Nurture sense of belonging; focus on what team members have in common.
- Help team members' work together to efficiently solve problems.
- Encourage members to set aside personal goals and desires for the benefit of the team.
- Treat team members fairly and equally.
- Structure the work of the team in a simple & logical fashion; distribute work fairly.
- Manage team efficiently so that work proceeds in a timely manner.
- Create an environment that supports and rewards openness, creativity, trust, mutual respect and a commitment to provide high quality services.
- Value everyone's contribution.
- Encourage discussion.
- Ensure all team members understand that their ideas and opinions are equally important and relevant.
- Encourage people with different abilities and personalities to work together.
- **Value everyone's contribution.** Team members have different skills and experience and so each team member must be given an opportunity and feel that their contributions are valued.
- **Empower team members.** Delegating authority and empowering the team to make decisions is more likely to pull together members together and work collaboratively to achieve business goals.

- **Resolve conflict within the team.** Constructive conflict among team members is a sign of a healthy team. However, unhelpful arguments and conflict should be tackled for the team to stay focused.
- **Celebrate team successes.** When the team achieves a milestone or target, you should encourage team members to celebrate their success together act as an incentive to reach the next milestone or target.



Application activity 5.5

Mutoni has been voted as a youth representative in one of the sectors in Ngoma district. In this sector, there are over 100 youths who have been asked by the executive to find a viable project they can start that can solve the problem of unemployment. This project will be financed by the sector. The biggest issue they have however is they don't agree with each other on which project they would select. Assuming that you are Mutoni, as their representative, what team management strategies can you apply to solve the above given issue?

5.6 Importance of teams in business



Activity 5.6

Referring to your class group activities, explain the importance of teams in business.

There are numerous advantages of teamwork in business. Some of the genuine advantages are discussed below:

- **Division of work and achieving set goals:** Teamwork ensures that there is an equal and fair distribution of work within the organization. A fair work distribution ensures that every person or every working unit executes any task at hand, with the best possible efficiency. The division of work also ensures that the work is done on time and deadlines are not extended hence achievement of set goals.
- **Reduction of risk:** When the task at hand is executed with the maximum possible efficiency, there is a reduction in risk. The best advantage of teamwork in business is that the burden of failure is borne by all the members of the team and it does not fall on the shoulders of just one person.
- **Subordination of personal interest to organizational interest:** One of the biggest advantages of teamwork is that personal interest is subordinate to organizational interest. This ensures that all the team members put in the maximum possible efforts into their work, thereby ensuring a high quality and timely output.

- **Eases work:**

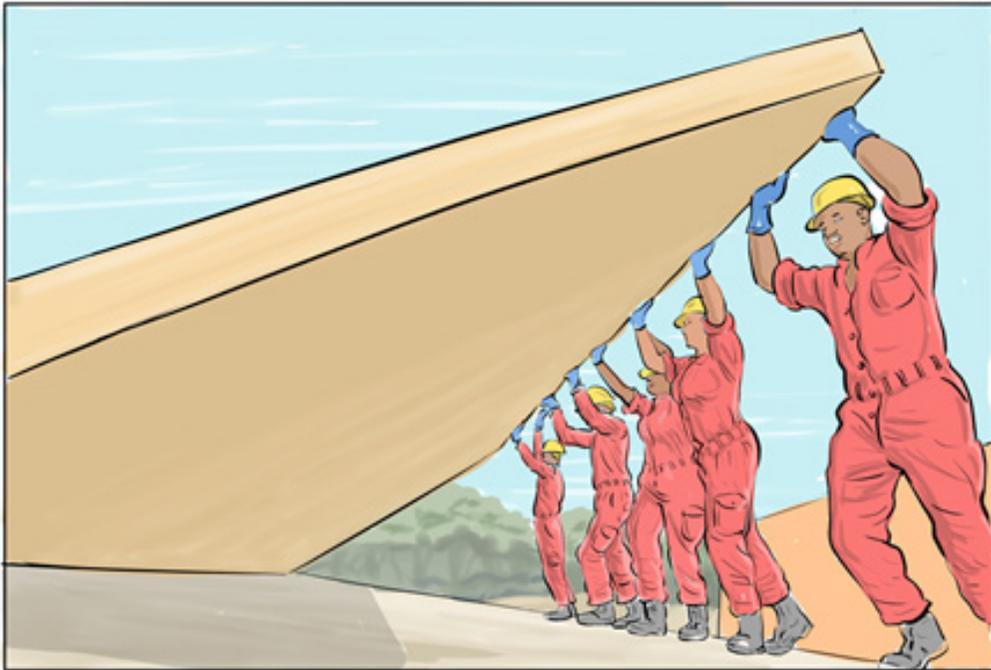


Fig. 5.6: Working as a team reduces stress

Sharing the workload eases burnout. Team members can provide emotional support to each other because they often understand the demands and stress of completing the work even better than managers. This also helps workers to share the tasks according to their ability differences.

- **Easy management of workers:** when workers are assigned tasks in groups, it is easy to delegate some of the managerial powers to team leader hence easy management of employees.
- **Increases team work spirit:** Most modern businesses are structured around teams. Even those with highly individualized jobs like graphic design and publishing need active cooperation among various members of the organization for a final product to emerge. It is critical then for every member of the organization to understand the concept of teamwork and to consider his or her job as part of a team effort.

Ways to encourage team spirit in the workplace:

1. Employ the right people
2. Eating lunch together
3. Organize social events
4. Workshops can also be useful

5. Sharing praise and feedback
6. Being inclusive
 - **Quick business growth:** Teamwork can be the smartest strategy for growth as it influences performance results and organizational objectives. Teamwork makes people share the same goals and responsibilities for outcomes, namely the common objective of an organization. It also enhances effectiveness and productivity of a company which would gain an organization more profit (Beal, 2003), etc.



Application activity 5.6

Using your college based club example, analyze the advantages of the club working as a team.



Skills Lab Activity -5-

Read and analyse the scenarios below and answer the questions that follow:

Scenario 1

Mushimiyimana is the leader of an organization that provides computer services. She has realized that there is a problem with the way they advertise their business. Sitting at her desk, she lists some approaches they can take to improve their communications. She then tells the other employees what they need to do without asking for anyone else's ideas.

Scenario 2

Abatoni is the manager of a catering service called Best Bakery. They have been asked to prepare cakes for an upcoming wedding of the daughter of a political leader. She decides that coconut cakes will be the best and calls the staff together to discuss the order. She informs them of the order and then launches into a speech about all the advantages of making coconut cake. Others express an interest in making vanilla cakes but in the end Abatoni convinces them coconut is best.

Scenario 3

Karamuzi is the owner of a successful auto mechanic workshop. A customer has brought a vehicle in that has multiple problems.

He asks his team to assess the problems and get back to him with possible solutions. A few hours later they have a meeting to discuss what they have found and what they propose. They have a discussion, Karamuzi gives some advice and the team begins the repairs.

Scenario 4

Habimana runs a tailoring business in town. He has 5 employees. With an upcoming holiday, they have many orders to fulfill. Habimana gathers all the employees to get their opinions on how to best manage the process so they can meet the deadlines. In the end, they decide together to divide tasks amongst themselves. Habimana and two others were tasked with cutting and shaping the cloth while the other tailors would do the sewing. In the end they managed to keep all of their customers satisfied.

1. Describe the leadership styles applied in each of the scenarios above and give reasons to support your answers.
2. Role-play, justifying how this was the most appropriate style to apply.
3. In your school business club practices, imagine the situation where your club president has inappropriately dictated the club members to do something and come up with best advises on how better he / she could influence the team members to accomplish the tasks.



End of unit assessment

1. Read and analyze the following scenarios and decide which leadership style is depicted:
 - a. Juliet is the leader of an organization that provides computer services. She has realized that there is a problem with the way they advertise their business. Sitting at her desk, she lists some approaches they can take to improve their communications. She then tells the other employees what they need to do without asking for anyone else's ideas.
 - b. Jean de Dieu is the owner of a successful auto mechanic workshop. A customer has brought a vehicle in that has multiple problems. He asks his team to assess the problems and get back to him with possible solutions. A few hours later they have a meeting to discuss what they have found and what they propose. They have a discussion, Jean de Dieu gives some advice and the team begins to repair.
 - c. Peter runs a tailoring business in town. He has 5 employees. With an upcoming holiday, they have many orders to fulfill. Peter gathers all the employees to get their opinions on how to best manage the process so they can meet the deadlines.

In the end, they decide together to divide tasks amongst themselves. Kwesi and two others were tasked with cutting and shaping the cloth while the other tailors would do the sewing. In the end they managed to keep all of their customers satisfied.

- d. Keza is one of the leading members of the community youth association in a rural area. Following the illness of several community members, she decided it was necessary for community members to have better access to potable water. During weekly youth association meetings, she shared her vision and got others interested in resolving the problem. Together they researched different possibilities such as working with local government offices to mobilize resources to install a borehole (pipe drilled down to access clean water). During their association meetings, Keza always recognized the effort individuals were making. Eventually the youth were able to mobilize the resources necessary to access clean water. The youth and the community members were all inspired by her commitment and hard work to make it happen.
2. Sheja is the manager of a catering service called Best Bakery. They have been asked to prepare cakes for an upcoming wedding of the daughter of a political leader. Advise Sheja on how she would motivate her employees to successfully complete the order in time and reveal which leadership style is suitable for this scenario.

UNIT

6

BUSINESS PLAN FOR AN ENTERPRISE



Key Unit Competence:

To be able to prepare a business plan for the business they are running or intend to start.



Introductory activity

Mangada and Manuela are twin brothers and TTC graduates they have always had a dream of being self-employed. Mangada sought of starting a restaurant and Manuela sought of starting a piggery project having both knowledge of entrepreneurship from school, they both secured financing from their parent as well as personal savings accumulated while at school.

Mangada starts immediately and after a few months the business started doing well but later before the year ended, she was in a great loss and decided to close down.

Manuela took her time to discover and learn about the business she intended to start and devised/developed a plan as laying strategies on how to put the plan in action, she starts later after five months a few challenges came her way but she never gave up. She now has over 100 pigs and has recently secured a sausage making machine and obtained enough market in Kigali to supply her products as well as secured external market in Congo.

Questions

- a. According to the case study what do you think is the secret of Manuela's success?
- b. Why do you think it is important for a person to plan before undertaking any action?
- c. Suggest the elements that you would put into consideration while preparing a business plan?

6.1 Definition and Importance of the business plan



Activity 6.1

1. Using your previous knowledge obtained in O'level about business plan, explain the meaning of a business plan.

Case study

Mugabo had a business idea of buying and selling boiled eggs in his village where all people in this village were doing poultry farming. Mugabo has got a loan of 30,000Frw from Umurenge Sacco Gatumba and bought eggs, boiled them and started selling them but unfortunately, he didn't find any consumers to buy eggs. After two days, all eggs were damaged and lost his capital.

Through this case study answer the following questions:

- a. What do you think is the source of the loss of Mugabo's capital?
- b. Advise Mugabo on the challenges faced by his business.
- c. Show Mugabo the importance of writing a business plan for his business



Figure 6.1: A business plan on a colourful map with main factors on branches: Mind Concept

6.1.1 Definition of a business plan

A plan is a proposed or tentative course of action worked out beforehand for the purposes of accomplishing a goal. It can also be described as a thought-out journey that would take you to your desired destination.

Ideally, planning is looking into the future and putting in place the means to reach that future. It is setting goals and how to achieve them, deciding on the end and the means to the end. We should all be concerned about the future because we will have to spend the rest of our lives there. Future outcomes are a function of today's decisions. For anyone starting a business, a business plan is a vital first step and every business requires a well-developed business plan.

The business plan is a planning tool that details the goals of the business and gives the owner a path to follow. It is a written summary of an entrepreneur's proposed business venture highlighting its goals and objectives, and his skills, abilities and requirements to implement it.

It helps the owner to make judgments and decisions on opportunities and threats by providing a framework to assess the options. A business plan describes how the business operates, how it is managed, how it interacts in the marketplace, how it functions financially and what its strengths and weaknesses are.

The business plan should be an integral part of the management and oversight of a financial institution/organization. It should therefore establish the institution's goals and objectives.

6.1.2 Importance of the business plan

Business plan serves in the following ways:

- **To attract investors.** Whether you want to shop your business to venture capitalists, or attract angel investors, you need to have a solid business plan. A poor presentation may anger their interest, but they will need a well-written document they can take away and study before they will be prepared to make any investment commitment. Be prepared for your business plan to be scrutinized; both venture capitalists and angel investors will want to conduct extensive background checks and competitive analysis to be certain that what is written in your business plan is indeed the case.
- **To test the feasibility of a business idea:** Writing a business plan is the best way to test whether or not an idea for starting a business is feasible, other than going out and doing it without having a plan. In this sense, the business plan is your safety net. Writing a business plan can save you a great deal of time and money if working through the business plan reveals that your business idea is unsustainable.
- **To give your new business the best possible chance of success:** Writing a business plan will ensure that you pay attention to both the broad operational and financial objectives of your new business and the details, such as budgeting and market planning.
- **To secure funding, such as bank loans:** Having a business plan gives you a much better chance of getting the money you need to keep operating or to expand. You're going to need both operating and start-up capital to start a new business and you have no hope of getting any money from established financial institutions such as banks without a well-developed business plan.
- **To make business planning manageable and effective:** A business plan is essential if you're thinking of starting a business, but it is also an important tool for established businesses. Viable businesses are dynamic; they change and grow. The company's original business plan needs to be revised as new goals are set. etc.

➤ **When to write a business plan**

A business is not something static. The business can change over time as the business develops, and any particular business may have multiple business plans as its objectives change. Sometimes people often make the mistake of thinking of a business plan as a single document that is just put together when someone is first starting out and then set it aside.

A business plan should be written when thinking of going into business, that is;

- Before starting a business
- When updating the business is required. For example, from plastic to metal products.
- When new information is obtained. For example, changing colours and size of the products as a result of consumer's complaints.
- When new experiences are gained. Probably regarding new methods of production.

➤ **Users of a business plan and how they use it**

Users of a business plan include but not limited to the following;

a. Business owners

As the owner, you already know the obvious reasons, but there are so many other good reasons to create a business plan that many business owners don't know about.

Such important reasons include;;

- To create a new business. This helps the entrepreneur to mobilize and coordinate resources.
- To better understand your competition.
- To better understand your customer.
- To assess the feasibility of your venture. How good is this opportunity?
- To document your revenue model. Documenting the revenue model helps to address challenges and assumptions associated with the model.
- To determine your financial needs. This process is essential for raising capital for business and for effectively employing the capital.
- To reduce the risk of pursuing the wrong opportunity. Writing the business plan helps you assess the attractiveness of this particular opportunity, versus other opportunities.
- To help you research and really know your market.
- To plot your course and focus your efforts. The business plan provides a roadmap from which to operate, and to look for direction in times of doubt.
- To position your brand. Creating the business plan helps to define your company's role in the marketplace.
- To judge the success of your business. A formal business plan allows you to compare actual operational results versus the business plan itself.

b. The Government agents

- The business plan made by entrepreneur helps the government to assess the viability of a business to determinate specific incentives like tax exemptions, credit guarantees and subsidies that the government may give to the entrepreneur.
- The business plan helps the government to plan for infrastructures and other services that it may want to put up.
- With business plan, the government ensures which tax a business should be taxed.
- In some cases, the entrepreneur may want to borrow money from financial institutions like, banks; such loans require the government to guarantee basing on how good a business plan is.

c. The Managers

The importance of business plan to managers is as follows:

- Business planning is important to managers because the whole point of management is to allow a business to operate more efficiently and to be able to achieve its goals.
- Business plan helps managers allocate scarce resources appropriately.
- It enables managers to control the different aspects of their projects and processes to ensure each task stays on course.
- Business plan also provides the framework for measuring the progress of the different processes and tasks.

If there is no business plan, decisions will be taken each day based simply on immediate needs. This will not allow the business to move forward in an organized and purposeful way towards its future goals. Such a business is unlikely to succeed because it would have long range plan.

d. Employees

The business plan is important to the employees of the business in the following ways:

- The business plan helps the workers to determine production targets that they have to achieve within set periods.
- The business plan gives the employees assurance about the duration of their employment. It gives them job security because they know the expected life cycle of the business.
- The organizational plan helps define tasks and responsibilities of each of the workers and so helps reduce conflict.

- The business plan helps employees to know the mission and vision of the enterprise.

e. Financial institutions

A well-prepared business plan is vital when approaching any financial institution for finance. It helps them to assess whether it is appropriate to lend money to the business based on revenue projections and other information included in the business plan. Almost all the banks expect you to submit a business plan along with your loan application.

The following are what most financial institutions look for:

- Most financiers will closely look and verify the following parts of your business plan: The balance sheet is probably the first thing your loan officer will turn to. The balance sheet records your assets, liabilities and capital.
- Along with the balance sheet, they will look very carefully at the profit or loss and the cash flow, which should be very closely related to the balance sheet and to each other.
- Bankers will also look for hard evidence of founders and managers who know their business.

f. Investors

- A business plan attracts investors. The business plan answers investors' questions such as: Is there a need for this product/service (is there a target market)? What are the financial projections? What is the company's growth or exit strategy?



Application activity 6.2

1. As a student teacher who has completed secondary studies :
 - a. Develop your personal plan for daily, weekly, monthly and yearly activities.
 - b. What business do you plan to do after your studies and in your life?
 - c. How and when do you plan to achieve your goal?
2. Think of a feasible business of your interest and identify who will be the users of your business plan and explain how it will be used.

6.2 Elements of a business plan



Activity 6.2

Assume that you are selected by an NGO in Rwanda specializing in entrepreneurship called Educate! to train youths on business planning.

Explain what will be entailed in your training presentation as the main elements of a business plan.

Business plans vary in content according to their intended purposes, but the basic format remains the same. It consists of three elements: First, discuss the business model and describe your products and services. Then place the business in its industry and discuss your intended marketplace, including your target customers and how you will reach them, beating your competition. Last, relate these plans to the real world, discussing your contingency plans and finishing off with spreadsheets detailing your anticipated sales, costs of doing business and resulting profits. Though, formats may vary, clarity is the most important quality of any business plan.

A successful business plan should have the following components:

a. Executive summary

The executive summary should be the first section of a business plan after the table of contents, though it is typically written last after all the other sections.

Basically, an executive summary discusses the following items:

- Business name, address and contact person.
- Business idea and goals: This section provides an overview of the business project, what product or service is being sold and what the entrepreneur's goals are. It also indicates where the business expects to be in a year's time and later.
- Legal form: e.g. sole proprietorship, partnership, company.
- Marketing: This part looks at how the products or services of business will be sold. Who will be the main target markets (customer groups)? And what are the main elements of the proposed advertising and promotion strategy for the firm?
- Operations: This is concerned with where the business will be located. How many staff will be needed and how they will be managed.
- Finances: How much money is required to finance the plan, where will such capital be obtained from and how it will be repaid. How much profit the firm is expected to make by the end of the business plan time period?

b. Business description

The business description section of a business plan is another section, coming after the executive summary. The business description outlines vital details about your company, such as:

- i) **The name of a business:** This is the official name of your business as registered in the country where you do business.
- ii) **Contact address:** This is the contact anyone can use to ask some information about your business. It may be a phone number, email, website, fax and the location address of the business, etc.
- iii) **Legal form:** A legal form of business refers to businesses allowed by the government to be run by business entrepreneurs. The business owner must choose the legal structure of his business. e. g. sole proprietorship, partnership, company, cooperative, etc.
- iv) **Types of business:** The type of business refers to the nature of business-like agribusiness, manufacturing; trading, service, etc.
- v) **Description of the business idea and market:**

This section includes the following;

- **Information about the owner:** The first item in a plan should be written in the description of business owner background, including name, address, email, phone number, education, family status, sex etc.
- **Mission statement:** A clear mission statement that represent the purpose of your business. Eg: To provide uncompromised quality product to our customers
- **Objectives:** An outline of what you want to accomplish in the mediate future based on the data in the rest of the business plan as well as future growth goals. Eg: To increase the market share by 13% by the end of 2021
- **Vision statement :** About how you envision the future of the company, eg: Transforming the livelihood of the population.
- **Business location:** Where is the business / company and its headquarters?
- **Business history:** When did the business start or when do you plan to start if it is a new business. What inspires you to start the business?
- **Products or services and target market:** A brief overview of what you plan to sell and to whom.
- **Description of market:** Which include geographical area, type of customers, size of total market, description of the competitors, market share for the new business, etc.

- **SWOT analysis:** The analysis of strengths, weaknesses, opportunities and threats (SWOT analysis).

- **-S- STRENGTH OF THE BUSINESS:** These are aspects within the business that give it advantage over other businesses. These can include:

- Skilled and motivated staff.,
- Modern equipment.
- Strong research team.
- Sufficient working capital.
- Excess capacity.
- Wide distribution network.

- **-W- WEAKNESS OF THE BUSINESS:** These are aspects within the business that limit its capacity and its competitiveness.

E.g.: Small market share.

- Inexperienced staff.
- Insufficient capital.
- Poor product image.
- Outdated production equipment.
- Poor financial management.
- Inappropriate distribution network.

- **-O- OPPORTUNITIES OF THE BUSINESS:** Aspects outside the business that are likely to be of benefit to the business:

e.g.: Favorable government policy.

- Increasing demand of the product.
- Other industries that complement the business.
- Improved infrastructure.
- Reduced taxes on such product.
- New channels of distribution.
- Invention of better technology.

- **- T- THREATS OF THE BUSINESS:** These are things outside the business that are likely to affect the business negatively.

E.g.: Possibility of entry of new competitors.

- Change in government policy.

- Scarcity of raw materials.
- Declining of population (reduction in demand).
- Negative changes in customers testes and preferences.
- Collapse of infrastructure.
- Raising costs of electricity.
- Economic depression.

Note: You should assess the above factors along comparing with those of the rivals. In case your favoring factors are not as big as those of the competitors, you will need to be very cautious in planning and running for your business.

Moreover, the following can guide your decisions:

1. If your strength is greater than your weaknesses, then advance.
2. If you observe more opportunities coming your way added to your strengths please Invest more.
3. But if you mark weaknesses and you observe more threats ahead of you, please flee.
4. Finally, if your strength and weaknesses are similar to those of the rivals please compete.

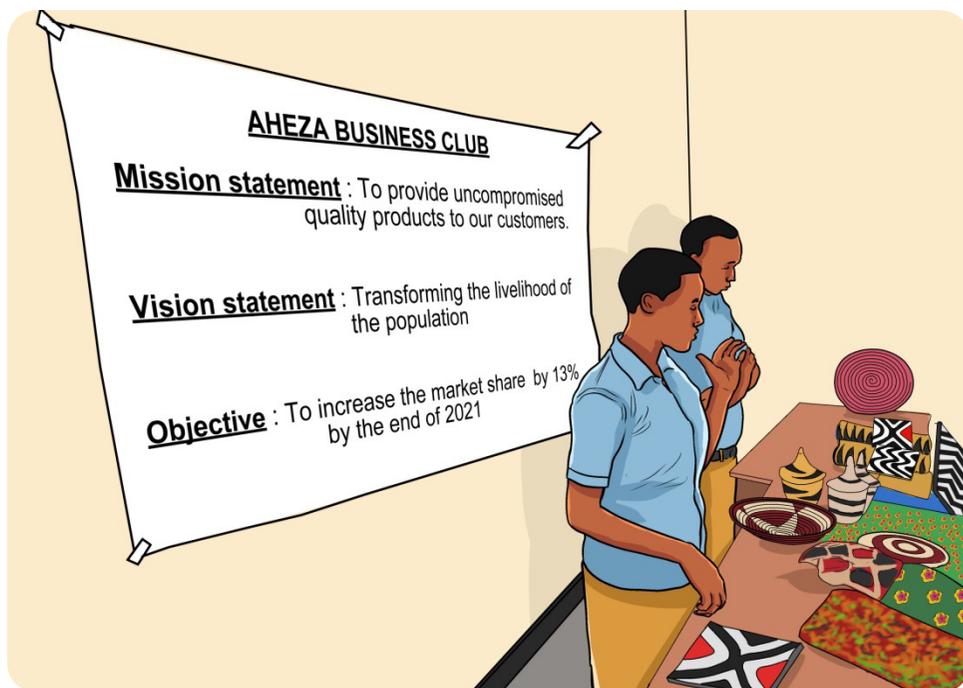


Figure 6.2.2 Students with their products, Mission and Vision statements for their Students Business Club (SBC)

c. Marketing plan

A marketing plan is a business document outlining market strategy and tactics. It is often focused on a specific period of time (12 months) and covers a variety of marketing related details, such as costs, goals and action steps. The marketing plan is built from the results of the marketing research and the specific value proposition of the product or a service.

For a business to grow it also needs a marketing plan, therefore, the right marketing plan should identify the following:

- Who your target customers are.;
- How you will reach them, and finally.;
- How you will retain your customers so that they repeatedly buy from you.
- When done properly, the marketing plan will be the roadmap to follow in order to get unlimited customers and dramatically improve the success of the organization.
- How much are customers willing to pay?
- Product description, current production, distribution channel that will be used.,
- What are competitors' prices? Forms of advertisement and pricing strategies to be used, how the price will be determined?

What is your price? What promotion strategies are you planning to use? Etc.

d. Production plan

This consists of projected needs for manufacturing the proposed product. It is then necessary to assess whether production at this scale is technically feasible.

The production plan mainly focuses on:

- A description of the product and what it does, manufacturing process.,
- Product innovation, suppliers of raw materials, quality control, nature of packaging, production staff,...
- Machinery, equipment and techniques used.
- Product development and substitution.
- Intangible assets and protection.

e. Financial plan

Financial plan is a statement that indicates the balance sheets, income statements and cash flow statements for the previous three years, along with five years' cash flow, income statements and balance sheets forecasts. It indicates costs of your

business: seed capital, sales forecasting along with cost of operations, selling and administrative costs.

Those financial statements found in this plan, can show where your business was at a certain period in the past, where it is right now and provides you with the information you need to make future decisions.

- It is important to keep your statements current and to refer to them on a monthly basis.
- You should include the following financial forms with projections for three to five years:
 - Income statement
 - Cash-flow projections
 - Balance sheet

Other elements of the financial plan include:

- Expected source of finance
- Start-up budget: Capital and Expenditure
- Financial forecast /cash flow plan
- Opening Balance sheet
- A breakeven point analysis
- Payback period.
- Return on Investment.
- When making financial projections, it is important to explain any assumptions – how you determined the figures you used.
- If you are looking for financial assistance, lenders will want to know where you will get financing for your business and how you will spend the money. They will also want to see historical records for the past three to five years.

f. Organizational plan

This part describes the form of business ownership, the lines of authority and accountability for members of the new venture.

It includes items such as:

- Form of ownership.
- Identification of business partners or principal shareholders.
- Authority of principals.
- Management team and background.

- Roles and responsibilities of members of the organization.
- Decisions on the numbers or types of workers that are required to operate the proposed business.
- Compensation i.e. salary, bonuses... that you offer to the key members of the management team.

g. Action plan for implementing the business plan.

An action plan is the careful lay out of the sequenced steps towards achieving the business goals. This is the most crucial aspect for starting any business. The main purpose of the action plan is to guide the entrepreneur as a time table for implementing the business plan and to help him/her become and remain focused in the implementation of his/her business.

The action plan in particular will help the entrepreneur to:

- Find road blocks in advance or expected challenges so as to take appropriate steps to solve them.
- Locate sources of information and resources needed for the business.
- Obtain feedback on the progress towards enterprise established.
- An action plan co-ordinates efficient use of resources for the business.
- An action plan is used in implementation of planned activities.
- An action plan specifies how workers' responsibilities and tasks are traced and allocated.
- An action plan helps to monitor and evaluate work progress.
- It helps to discover business challenges and how to solve them.

Format of an action plan

Activity	Time Frame	Resources Needed	Person Responsible	Indicator of Success.
Preliminary survey of the product/ service				
Market research				
Loan/credit application				

Selection of business site				
Ordering for machinery and equipment				
Construction/renting of buildings				
Installation of machinery and equipment				
Selection for utilities (power, telephone, water)				
Production trial				
Commercial production				
Necessary training				
Publicity				
Inauguration of factory etc.				

Summary on the steps in preparing a business plan

Business plan preparation is a step by step process which requires the entrepreneur to thoroughly follow and check through a number of steps that are critical.

These steps include the following;;

- Select a business opportunity like service, trading or manufacturing business.
- Conduct a market survey to assess the business opportunity in terms of feasibility and viability.

- Gather the necessary relevant data like cost of machinery and equipment, environmental protection regulations and selling requirements, etc.
- Draft a business plan.
- Discuss the draft business plan with knowledgeable or experienced personnel in a similar business.
- Finalize the plan and prepare an action plan for implementation of the business.

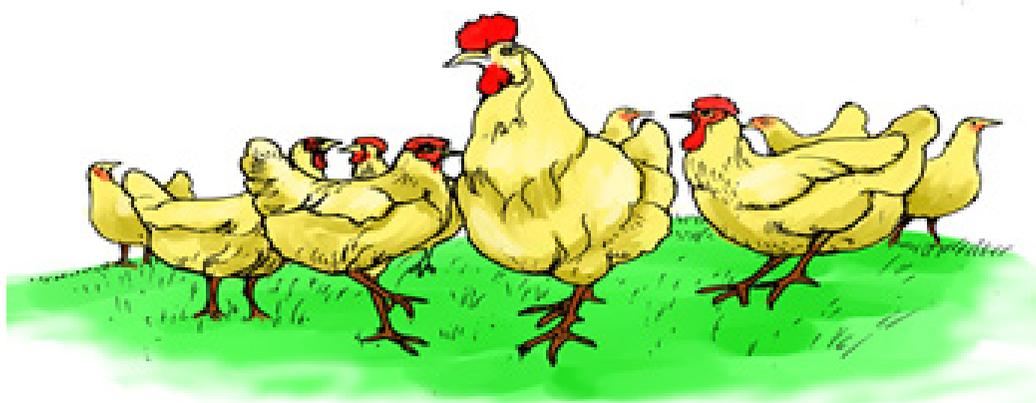


Application activity 6.2

1. Suppose you have a dream to start a small business after your studies. Describe that small business you wish to start.
2. Suppose you want to open a restaurant in your home area:
 - a. Set the mission and vision statement of that restaurant
 - b. Set any three objectives of your business

6.3. Preparation of a business plan

A SAMPLE OF A BUSINESS PLAN



A POUTLY PROJECT PROPOSAL REQUESTING FOR FUND

Sub mitted By:

AKEZA R. Elsie

And

MUNEZERO D. Purity

Presented on: December 5th, 2019

XYZ POULTRY PROJECT



PROPOSAL

ADDRESS:

XYZ POULTRY FARMING

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KIGALI-RWANDA

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To be passionate people extending God's grace and hope in every community.

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1. EXECUTIVE SUMMARY

This is a poultry project specifically designed for eggs production. It is planned to start with 2015 layer birds. The Total project cost for the poultry project alone shall be 1, 456,041 Frw broken down as; 12,600 Frw for construction, 1,400,000 Frw for purchase of the chicks, 43,441 Frw for poultry feeds, vaccines and drugs and other poultry accessories for 18 months. For capacity building, water and electric installation, administrative costs and labor cost for 18 months. It is assumed that only 80% production shall be realized, which means 1,620 trays of eggs shall be realized per month for 12 months on average. The primary customers for the eggs shall be prominent egg traders within and around Kigali City. The minor customers shall be the egg venders who usually boil 10 to 15 trays of eggs and vend it at pubs, market places and streets. The reason for the target market is that egg production in Rubirizi and Nyacyonga cannot meet market demands.

To increase the sustainability of XYZ Poultry enabling it to continuously support its mission, helping to improve the social economic welfare and vulnerability of the Youths in Ndera Sector, Gasabo District. In order to realize the above results, the following main activities must be implemented:

- i) Contract the services of a builder to construct a chicken house
- ii) Select and train youths, especially those out of school, to support the project
- iii) Procure and rear chickens to lay eggs to be sold for consumption
- iv) Continuously monitor and evaluate activities to ensure objectives are met.

If these activities are implemented, it will create a great impact in the lives of the project beneficiaries. In the first place, the project will create employment for at least 30 youngsters currently not employed in any productive venture. This employment will give them an alternative way to generate income and thereby decreasing their risk of transmitting and contracting HIV/STDs especially girls. In the second place, it will provide XYZ Poultry a secure source of funding for its program activities, allowing it to continuously sustain 20% of its current activities

In spite of these goals, XYZ Poultry lacks the financial resources necessary to realize this project. The project seeks 1, 050,000 Frw to aid in the start-up of this income generating project.

2. INTRODUCTION

Project Profile

XYZ Poultry is a project not affiliated/related to any religious, political, or social grouping, but born out of the need to work with teenage youth(s). It seeks to facilitate the youths to initiate and create income generating projects, and as we all as creating development initiatives to employ them. It was started by **AKEZA R. Elsie & MUNEZERO D. Purity** in February 2018 to respond to the needs of Youths who were destitute because of the various socio-economic reasons.

3. PROBLEM STATEMENT / PROJECT LOCATION

The problem at hand is that in many cases the project finds itself in financial needs particularly in addressing the physical, material and educational needs of the youth despite the fact that the project has a land (3 hectares), with water storage facilities. These locally available resources could be turned into a viable income generating project. In addition, some of the youth out of school are unemployed in productive venture so as to support themselves. This has not only put the project at a high risk of relying on donor funds to meet its basic needs, but also it will put some of the youth especially girls at an extremely high risk for contracting HIV and other STDs.

Against this background, we consultatively came up with the poultry project as income generating project as supplementary sources of income to XYZ Poultry. Furthermore, the project seeks to provide income generation projects for the youth, giving them an alternate way to support themselves and their dependents.

4. VISION

To be a passionate people extending God's grace and hope in every community.

The XYZ Poultry aims at becoming a reference of quality in food for future generations, working as a team in a socially responsible manner and using all our resources to respond correctly to the new demands raised by the market. Our work is focused on the constant development of new products and services, including all the processes that lead us to achieve an end product with functional capacity and a high nutritional standard, without incurring any extra expense for consumers.

Our aim is to continue to consolidate our market positioning through the growth of our customer portfolio, offering customized service and anticipating their demands. Continuous research, the development of new lines of work and new product presentations will allow us to improve our competitiveness and continue to be a company of reference in terms of quality and food safety. We intend to optimize our business results by promoting teamwork and professionalism, and upholding our social commitment to the ongoing development of our products

and services in a sustainable manner, and with greater guarantees for the end user.

5. MISSION STATEMENT/GOAL

Its mission is to promote an environment in which the youths are cared for, supported, bodily, mentally, socially, morally, spiritually and with an emphasis on education, nutrition and social support to facilitate a meaningful life.

We will provide quality products for human consumption, certified in accordance with the strictest quality and food safety standards. Our commitment to continual development and innovation has allowed us to maintain a high competitive level and satisfy the needs of our final consumers. We strive to ensure that our customers grow with us in a setting of ongoing improvement, through joint efforts and by establishing bidirectional communications between them and our staff. We exert a proactive attitude, seeking the consolidation and recognition of our business project and maintaining our commitment to the sustainable development of our environment and a respect for nature.

6. VALUES

For sustainability, XYZ Poultry has adopted a series of values and undertakings which are shown in its day-to-day operations, and are defined through the following aspects:

- Customer focus
- Teamwork
- Commitment to achieving results
- Sustainability
- Interest in people
- Corporate Social Responsibility
- Quality and Food Safety
- Uprightness

7. OBJECTIVES

General Objective

To increase the sustainability of XYZ Poultry to continuously support its mission, promoting educational and health programs within the youths.

Specific Objectives

- viii) i) To establish a business, raising and selling chicken and eggs (poultry products) and use its profits to help support the activities of XYZ Poultry
- ii) To improve the economic welfare of the youths employing them to run and support the “poultry farming project”.
- iii) To train the youths who have no opportunities to continue for secondary education in business and management so that they may successfully

support their needs.

9. ACTIVITIES

- Procure materials for constructing a permanent poultry house with favorable conditions for raising chickens and eggs
- Contract builders to build a structure (poultry house) for raising chicken and eggs
- Contract the services needed for the installation of electricity
- Contract the services needed to install a water system
- Procure 2,000 chicks and the necessary food and supplies needed to support them
- Recruit and hire the agriculture extension officer to provide veterinary services to layer birds and to support the needs of the project
- Train selected the Youth, with the help of partner projects, in business, management and poultry farming
- Monitor and evaluate the activities of the poultry farm and its overall impact to its target group and XYZ Poultry as a project, reviewing the management of the project and the sale of poultry products

10. JUSTIFICATION OF THE PROJECT:

The project is a three-fold strategy, in that it seeks to create a viable income generation project for XYZ Poultry, giving it an alternate way to support its daily activities and to improve the welfare of the Youth. The project will produce poultry products for sale and the proceeds will not only assist the project to meet the basic necessities of life for the youths such as medical care and scholastic materials, but also reduce the financial costs the project spends on buying these products for daily consumption. And it has been proved that poultry products are a cheap source of the protein which is vital in maintaining the immune system of HIV positive persons for as long as possible. This will be a great help to some of our youths who are living with HIV aids.

Second, the project seeks to create employment opportunities to some of the youth so that they cater for themselves and to some extent their dependents. With respect to multiplier effect, the activities of this project will be scaled up by non-members. Or the project will be a model for future income generation projects within the community and will be replicated by both XYZ Poultry and other indigenous Non-Government Project too in other localities.

11. TIMELINE FOR IMPLEMENTATION OF ACTIVITIES FOR 2014-2015

Core Activities	1st Quarter Apr-Jun 2014			2nd Quarter Jul-Sept 2014			3rd Quarter Oct-Dec 2014			4th Quarter Jan-Mar 2015			Persons Responsible
	1	2	3	1	2	3	1	2	3	1	2	3	
Procure materials to construct poultry house													XYZ Poultry
Contract builders for poultry house,													XYZ Poultry
Contractor for electricity installation													XYZ Poultry
Contractor to construct well and water system													XYZ Poultry
Recruit project staff to manage the poultry project													XYZ Poultry
Training of project staff in poultry farming													XYZ Poultry
Procure chicks													XYZ Poultry
Procure supplies – poultry feed, vitamins, heaters													XYZ Poultry
Vaccinations													Extension officer
Rear chicken (daily monitoring)													XYZ Poultry

large scale. The project has a perennial source of water where it can obtain water during dry spell. It has its pick-up vehicle which will be used to access its products to markets in Ndera Sector, Kigali City, and other busy commercial centers like “Quartier Commercial, Quartier Matheus” and in modern Hotels.

Institutional framework and linkages

In the first place, XYZ Poultry will partner with the Department of Agriculture in Rwanda Agricultural Board (RAB) which has expatriates in agriculture and animal husbandry. The project will partner with poultry projects in Rubirizi in Kanombe Sector, Kicukiro District which are also involved in poultry farming activities. The project will draw on the experiences of these people to help in the training and development of this project as it progresses. These relationships will help to ensure this project is successful.

Implementation

The project will be executed by the AKEZA. R. Elsie & MUNEZERO D. Purity. However, it will set up a separate project committee which will be responsible for the day to day coordination and implementation of the project activities. It will also be responsible for planning, supervising, monitoring and reviewing all project activities.

Implementation of the project activities will call for close collaboration with a wide range of partners such as potential buyers of poultry products, sellers of animal feeds, agricultural District department, Rwanda Agricultural Board (RAB) and the project funders.

This will enhance the opportunities for the realization of the broad goals and objectives of this project.

Monitoring and evaluation

General monitoring and evaluation will be an on-going activity throughout the project life. Monitoring will be routinely done through meetings monthly reports, check lists, surprise visits and support supervision visits. These reports shall indicate the constraints and challenges in the implementations and necessary adjustments that had been taken. Progress evaluation will be done through use of monthly quarterly reports, steering committee meetings, annual report, registry records, work plans indicating planned and accomplished activities, functional accountability for project resources including equipment, facilities, assets and activities.

Progress monitoring and evaluation will help the project team to assess the extent to which implementation is meeting the set objectives. This will enable the project team to revisit the objectives and priorities and to find ways and means of improving the performance and better resource used

Financial Management of the project

Finances accruing to this project will be entered into the proper books of accounts when received. A special account in the name of the project will be opened to cater for only project funds. To ensure effective control, management and monitoring of project funds, no single signatory will be allowed to access project funds, and the signatories of this account will be three. Under the consent of the three and approval of the committee funds will be withdrawn from the bank and utilized for the intended purpose.

Books of accounts will be audited regularly through external auditors. After auditing the project accounts, the auditors will submit an audit report, which will satisfy the donors and the stakeholders that correct and proper books of accounts have been maintained.

There will be the project committee which exercises budgetary control over project finances. This will be exercised through the comparison of expenses estimated in the budget with actual expenses incurred during the period.

Project Profit Projection

It is assumed that only 80% production shall be realized, which means 374 trays of eggs shall be realized per week for 12 months. That is to say $54 \text{ trays} \times 30 \text{ days} \times 12 \text{ Months} = 19,440$ trays of eggs in one year. A tray of eggs goes at 1540 Frw. This means gross revenue of 29,937,600 Frw shall be realized from the sale of eggs.

The off layers at the end of production shall be sold at 2800 Frw each, raising additional revenue 5600 Frw. This implies that total gross revenue of 35537.6 Frw shall be realized at the end of the production cycle in 18 months, and this implies a net profit of 12417.3 Frw shall be made at the end of 18 Months.

Project sustainability

In the initial stage, the project will be sustained by the founder's and a loan funds. However, in the long run the project will finance itself. Part of the funds will be used to execute the project while another percentage will be re-invested in the poultry business to expand the project, hence increasing sales and profits.

Through a capacity building workshops, the project staff will be empowered with skills in treatment of layers and have appropriate knowledge on feeds.

14. THE POULTRY BUDGET

ITEM	QUANTITY	UNIT COST (Frw)	TOTAL COST (Frw)
Chicken	2000	700 per chick	1,400,000
Fowl run (construction)			12,600
Chicken feeds			20,460.3
Chick mash	104x 50 kgs	18,550	1,929.2
Growers mash	640 x 50 kgs	13,090	8,377.6
Layers mash	480 x 50 kgs	13,090	6,283.2
Vaccines			3,590.3
Other expenses			2,800
GRAND TOTAL			1,456,040.6

15. CONCLUSION

Now poultry business is a very popular business in Rwanda and in Gasabo district in particular. This business does not require huge capital and it requires small amount of investment needed to start it. Although the business has many existing competitors in the market, but more still, we have a high chance to succeed because the existing competitors can't fulfill the customers demand. They are also failing to meet the customers need in the perspective of service care. So, we believe that choosing this business is our right decision.



Application activity 6.3

1. Suppose your friend wants to start a business of selling eggs, prepare for him a business plan which he will present to Umurenge Sacco-Kabeza in order to borrow money.



Skills Lab

Prepare the business description and marketing plan sections of a business plan for business activity of your choice.



End of unit assessment

1. In your opinion, explain the meaning of business plan.
2. After your studies you have a dream to start a small business and you have just started writing your business plan. Explain how Rwanda Revenue Authority can use that business plan.
3. You have just established a mushroom growing business in your home area. You intend to launch your business to create community awareness.

Prepare your launch program for the above-mentioned business.

4. Describe three challenges that a new enterprise might face.
5. A business that fails to plan will plan to fail. Discuss.
6. Explain the term “marketing mix” as used in business planning.

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