

Project plan ‘Youth Entrepreneurship Program Arusha’

1th of January 2019 – 31th of December 2021



***Education - Access to Capital – Coaching – Cooperation- Capacity
Development- Sustainability and Financial independence***

Youth Entrepreneurship Program Arusha is a cooperation between the NGO's TRIAS Belgium, TRIAS Tanzania, Sengerema Foundation from the Netherlands, YEP Tanzania and the Tanzania Chamber of Commerce Industry and Agriculture, TCCIA Arusha.

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1 Introduction

A brief history

In December 2006, a group of young people from the Netherlands visited Sengerema, Tanzania, as volunteers, in order to help young entrepreneurs to write a business plan. They believed that supplying people with knowledge and insights on how to run a business would help them to improve their lives by creating a sustainable income with their own business. Every year they came back and trained new youth.

In 2008 we established a foundation in the Netherlands called “Sengerema Foundation” and we started supplying small loans in addition to business plan support. This because we believed that small financial support would allow these young entrepreneurs to realise their plans. Besides, the first graduate students were involved in a training program to teach a new group of entrepreneurs. As a result of this, the Tanzanian NGO - (Youth Entrepreneurship Program) Tanzania - was founded. This NGO was started by students who called themselves the education committee from the Sengerema Young Entrepreneurs, an organisation established in Sengerema. This committee is a fully Community Based Organisation (CBO). From that moment, YEP Tanzania became the local implementing partner of the Sengerema Foundation. We aimed at supporting youth in Tanzania to become successful businessmen and businesswomen. In order to reach this goal, YEP Tanzania creates sustainable youth entrepreneurship systems in Tanzania. YEP Tanzania focuses mainly on the youth of Tanzania which is not able to develop themselves due to lack of (financial) support from family and friends.

Over the years our training program has developed and has been adapted to the needs of the youth who received a training. This resulted in the implementation of computer classes as well as special skill classes like bakery or negotiation skills, in addition to the original basic training. We believe that we are entrepreneurs ourselves as well, because we adapt our service offering year by year to the needs of our students and the new insights we gain through evaluation visits from our board members and students from the Netherlands. Now, in 2018 we have a strong team of role model YEP trainers, who are graduate students from the program and who have (had) their own business.

We managed to partner with several organisations in Tanzania. In Arusha, YEP Tanzania works with the local chamber of commerce (TCCIA Arusha). YEP and TRIAS (a Belgian NGO) started a five years program in Arusha to empower the TCCIA by teaching their members (young entrepreneurs) the basic skills of entrepreneurship. The aim is that TCCIA will be able to provide such training by themselves after 5 years. Till then, YEP Tanzania shares its knowledge of the training programs and the monitoring processes with the TCCIA.

Our education model (consisting of 4 important elements)

- 1 Knowledge Based on theory and practice, (50% - 50% in time)
 - Basic theoretical training elements such as how to use a computer and how to financial keep records followed by an internship and practical assignments;

- 2 General knowledge and specific skills (70% - 30% in time)
 - The general knowledge is applicable to most businesses. Examples of topics are marketing & promotion, using modern media, saving classes, bookkeeping & financial management classes, and cost price calculation. The more specific skills are depending on the type of business the students have. This could be specific bakery classes for cakes, learning more about how to feed cows/pigs/chicken, or building and maintaining a greenhouse for example.

- 3 Individual-based and group-based (60% - 40% in time)
 - Most of the time the students follow classes with 8- 25 people at the same time. This is when they learn about general skills and knowledge. However, market research, practical assignments and action plans are discussed individually, to make sure the support is applicable to the specific type of business of the student.

- 4 Training is done by Role Model trainers
 - The majority of the training is fulfilled by teachers who followed the YEP program before. They are willing to share their knowledge and experiences with the new students now.

Funding for microloans

In order to be able to supply the microloans for the students, we established a revolving credit fund. This means that the local SACCOS (Saving and Credit Cooperative Organisation) starts with a credit fund designated for loans to YEP graduates. The repayment of the loans plus interest will be paid to SACCOS and in this way, the credit fund will grow in order to reach a larger number of young entrepreneurs who want to obtain a loan.

2 Our Co-developed approach for Arusha

1. Promotion and selection done in close cooperation with TCCIA Arusha.

- We start by sending an mail to selected members of the TCCIA Arusha, we do an exclusive interview on the local radio, we distribute flyers and application forms at churches, markets, hotels, restaurants, streets and shops, we use modern media such as Facebook to share
- After receiving the application forms we select around 80 entrepreneurs to visit their shops/homes to see if they have an existing business. We have an interview with questionnaire to get to know them better.
- Selection criteria are e.g.: (i) seriousness about business, (ii) readiness to attend class, (ii) in Arusha entrepreneurs should be in business for at least 1 year
- In 2019 we want to start with around 75 participants and expect that due to selecting we finish with 35 - 40 who will receive individual coaching for the next 2 years and if needed receive loans to improve current business.

2. Implementation of the program delegated to YEP Tanzania Team in Arusha.

- YEP Team Arusha consist out of two fulltime members, and 1 par-time program manager form Sengerema Foundation.
- For the different classes we hire qualified trainers and YEP trainers depending on the topics.
- YEP Tanzania, reports every 3 month in detail to the TCCIA Arusha and to TRIAS Tanzania, Sengerema Foundation receives copies of those reports.

3. Business / entrepreneurial skills

We start with 3-4 months basic business skills and computer classes. This includes the following:

- The understanding of type of costs, fixed and variable, and cost of making of your product.
- To understand the formulas (Sales – Variable cost = Margin, Margin – Fixed cost = Profit);
- How to organise your record keeping;
- Understand costumer needs and costumer profiles;
- How to use Social media for promotion of your business
- How to evaluate investments;
- About contracts & negotiations and required licenses;
- How can you use record keeping to improve your business;
 - Like forecasting based on records, production planning based on estimated sales, rejecting low margin products;
- How to manage your money IN and how to organise your different savings;

Cash in Biashara		as possible thieves
Matress/house	no cost withdraw chap- chap	big mouse burn thieves
Bank	safe chap- chap (mobile) %	Use on hand with no chap chap cost.
Mpesa	chap- chap safe	cost network problem use out of network not safe
Saving group	% no easy access to	

How to handle your money



Computer classes in Arusha

4. "Special" classes & internships, depending on the types of business.

- Depending on the type of business we will organise custom-made classes for groups of students. The duration of those classes varies from 1 week up to 3 weeks.
- We deliver classes such as bakery classes for cakes and bread, classes on how to maintain chicken, fish or cows and how to avoid diseases, as well as the importance of food safety and regulations, or classes about Greenhouses farming.



Bakery classes



Fish pond classes

5. Supplying loans by using the TCCIA Arusha SACCOS (Savings And Credit Co-Operative Society)

- During training the participants are informed about benefits and conditions for joining the TCCIA and the TCCIA SACCOS;
- Participants are according to the rules and regulations allowed to receive 3 times their savings as a loan. The capital at the SACCOS is supplied by the Credit fund from the program. The SACCOS is responsible for executing the credit approval process and determining the interest rate and repayment period;
- As part of the training, the participants are trained in how to request a loan and making a business plan/ investment plan. They will be supported in the loan preparation process, to make sure they are well prepared during the meeting with the credit committee. They will work out a plan on how the loan can help the business, in which return on investment and growth strategy are important.

6. Coaching/monitoring visits during the first 2 years.

- During the first 2 years after graduation, we visit the graduates who are requested coaching and monitoring support on a regular basis. We help them to implement and develop the skills they received during training and support the business growth.
- We identified the following coaching areas:
 - Record keeping and financial management
 - Promotion of the business by using social media
 - Management of the family budget and separating private and business expenses
 - Special for women, we focus on 'how to handle your husband's' financial demands'
 - Taxes; payments and regulations
 - Electronic Fiscal Device usage and regulations
 - Rules and regulations according to the Authority of Food and Drugs, and support them in obtaining the licenses

7. Develop together with the TCCIA a “member service” program based on our coaching experiences

- Develop and implement regular knowledge based seminars for members of the TCCIA Arusha, based on the identified needs from their members.

8. Cooperation with the City Council

- Based on discussions with the City Council and interaction between TCCIA Arusha and the City Council we focus the training program on sectors mentioned in the City Council plan for Arusha 2020 (such as fishery and tourism).

9. Sustainability of the program goals:

- Capacity development of the TCCIA Arusha (SACOS) staff;
- Develop a member service program, for the TCCIA Arusha members based on identified needs;
- Develop other elements of an exit strategy together with TCCIA Arusha and TRIAS Tanzania.

3 Youth Entrepreneurship Program Arusha project goals

1. Cooperation with the TCCIA Arusha in order to develop youth who are in the starting phase of their business, focus on added value related to business and on sectors mentioned in the City Council plan for Arusha 2020;
2. Empower and train on yearly basis 60 participants, gender balance, on topics related to entrepreneurship and make sure that from the approximately 30 graduates;
 - At least 80% recognises the importance of saving and joins a “savings-group”;

- At least 80% recognises the importance and use of social media as a tool for promotion and is “posting” on a regular basis;
 - At least 80% recognises the importance of record keeping and starts doing this and will be able to develop on monthly basis insight in revenues, cost and profit;
3. Capacity and product development for the TCCIA Arusha SACCOS to make sure that this organisation is strong enough to keep on supplying loans to members of the Arusha TCCIA;
 4. Tested with TCCIA Arusha the implementation of an online monitoring tool which YEP Tanzania uses in other areas;
 5. TCCIA Arusha has developed and has started the implementation of a member service program, for the TCCIA Arusha based on identified needs of their members.

4 Project budget and needed funds

The co-developed program and program goals as described in part 2 and 3 are co funded by TRIAS Belgium and Sengerema Foundation of the Netherlands. Sengerema Foundation is registered at the “KvK” in the Netherlands under number 27.31.89.32 in 2008.

Summary of the allocation of the budget

	Activity	2019	2020	2021
		Euro's	Euro's	Euro's
1	Training , coaching, promotion and selecting part of the program	36.000	36.000	36.000
2	Credit Fund, for supporting capital demand for loans supplied by the Arusha- TCCIA- SACCOS	18.000	16.000	13.000
3	Capacity development Saccos/ TCCIA-Arusha	4.000	5.000	6.000
4	Programma management	2.000	3.000	5.000
	Total <i>50-50 Funded by TRIAS and Sengerema Foundation</i>	60.000	60.000	60.000

- Sengerema Foundation herself is responsible to raise 50% of the required budget during the 5 years project. There are still 3 years remaining and therefore, Sengerema Foundation still has to contribute 3 x 30.000 euro, which in 3 years will be 90.000 euro's, including NL-Organisation cost the total amount will 99.000 euro's which equals to 33,000 euro's per year
- On request, we can deliver an more detailed budget allocation