PROPOSED INTEGRATED SUSTAINABLE SOLAR COOKING (ISSC) PROJECT, INCL. THE ESTABLISHMENT OF AN ISSC PRODUCTION & PROMOTION CENTRE, IN xxxx

SOCIAL BUSINESS PLAN

1. Current situation

Overview of the community development/environmental activities undertaken by the NGO in the past and how the idea of starting an ISSC project in the region has been developed.

2. The social business

A small enterprise for the production of ISSC appliances will be established in xxxx. The independently operated small enterprise will be part of the ISSC Production and Promotion Centre, owned by xxxx.. The enterprise will produce solar cookers, hay baskets, fuel-saving cooking appliances and water pasteurization indicators (WAPIs), to be disseminated among end-users in the region. The enterprise will work closely together with the Promotion and Training Unit of the ISSC Production and Promotion Centre. In fact this Unit will through their promotional and training activities open up the market for ISSC appliances in the region and will thus during a certain initial period act as the marketing wing of the small enterprise.

The small enterprise will be set up as a so-called social business. The difference with a for-profit business is the respective goals and motivation of the two businesses. The ultimate goal of a for-profit business is to maximize the income of the micro entrepreneur. On the other hand, the ultimate goal of a social business is to solve a specific socio-economic problem of the community in which the social business is located. In this particular case the specific community problem is an excessive use of biomass (wood, crop residues and cow dung, causing accelerated forest depletion and environmental degradation in the region.

3. Background information

Short description of why it is important to establish an ISSC project in the xxxx region

4. The project

Short description of the planned ISSC project in the xxxx region.

5. Objectives

Describe the objectives of the planned ISSC project in the xxxx region. Example:

- To establish an ISSC Production and Promotion Centre in xxxx in the xxxx Region. The Centre will produce solar cookers, hay baskets and other fuel-saving cooking appliances to be disseminated among end-users in the region.
- To raise the awareness of participating female heads of households in using solar energy and other sustainable sources of energy for daily cooking and the pasteurization of drinking water.
- To raise the income of participating families through a reduction of the need to buy firewood or charcoal for daily cooking purposes and through the introduction of ISSC based income-generating activities.
- To reduce the time women and children have to spend on collecting firewood and cow dung for daily cooking.
- To improve the health of participating household members through a reduction of the exposure to toxic smoke causing respiratory and eye diseases.
- To reduce child mortality through the pasteurization of drinking water and a reduction of the risk of getting burns from open cooking fires.
- To contribute towards a reduction of deforestation through the use of solar cookers and other energy saving cooking devices.

6. Market analysis

Indication of the target groups for the various ISSC appliances to be produced and description of the market potential for the identified target groups. Try also to give an indication of the potential ecological effects and the economic benefits for the identified target groups.

7. Strategy & Operating Plan

Strategy of project implementation (see also Annex 1)

Operating plan - Short description of planned project activities

The main elements of the operating plan are:
Planned public promotion, awareness and marketing activities
Planned organisation and management structure
Planned production activities (short description of production process for each ISC/WP appliance and production plant layout: production, storage, office, promotion facilities and utilities)

Operating plan - Production and sales planning first year

Operating plan – Location and facilities

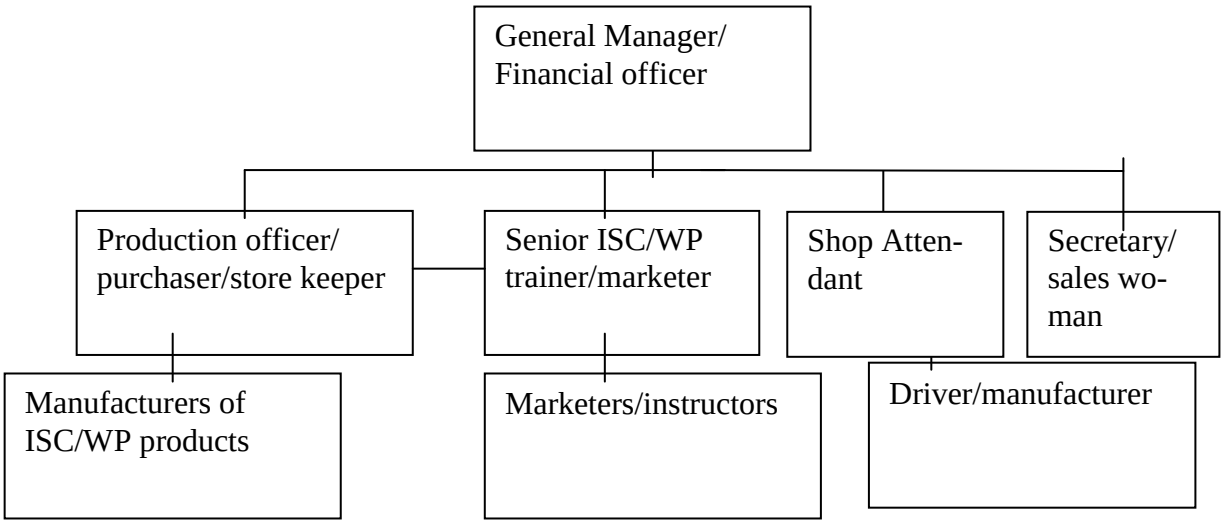
Operating plan – Action plan & Implementation schedule (year 1)

Activity	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12

8. Organization & Management of ISSC Project/Production & Promotion Centre

Provide a short description of how the planned ISSC project will be organized and managed.

Organigram of the ISSC/WP Promotion & Production Centre (example for starting business)



Staff ISSC/WP Promotion & Production Centre (Example for year 1):

Position	Salary/wage per month Local currency	Salary/wage per month Euro	Salary/wage per year Local currency	Salary/wage per year Euro
General Manager (Usually member of management staff NGO)				
Financial officer/ Administrator				
Production officer/ Store keeper				
Secretary/ Sales woman				
Senior ISSC/WP Marketer/ Trainer				
Women marketers/ Instructors (4)				
Driver/ Manufacturer				
Manufacturers (4) (4 months in first year) 1)				
Total				

Remark:

1) Manufacturers to be recruited and subsequently trained on the job during 4 months; during that period they will receive a small monthly allowance, thereafter they will be paid on a piece basis per good quality ISSC/WP product (costs included in cost price ISSC/WP products).

9. Financial Aspects

Investment Plan (example)

No.	Description	Contribution NGO (local currency)	To be purchased (local currency)
1.	Renovation Production Unit		
2.	Production Unit Equipment		
2.1	Furniture Production Unit		
2.2	Table for Cookit production		
2.3	Metal roller for alum. foil rolls		
2.4	Small Production Tools		
2.5	Storage equipment (shelves, etc.)		
2.6	Sewing machine		
3.	Office Equipment		
3.1	Furniture Office		
3.2	Computer		
3.3	Printer		
3.4	Photocopier		
3.5	Beamer		
3.6	Internet connection		
3.7	Display equipment for promotion		
4.	Vehicle (optional)		
5.	Signposts		
	Total		

Add: Depreciation schedule for each group of investment items (purchase value, number of years of depreciation and amounts of annual depreciation).

Sales Forecast Year 1

ISSC Cooking Appliance	Sales price per unit	Number of sales	Total amount of sales
Cookit set (incl. pan and WAPI			
Cookit sheet for replacement			
Insulated hay basket			
Water kettle			
Fuel-saving Stove			
Solar box cooker			
Total			

Sales forecast Year 2 & 3

ISSC Cooking Appliance	Sales price per unit	Number of sales year 2	Number of sales year 3	Total amount of sales year 2	Total amount of sales year 3
Cookit set (incl. pan and WAPI					
Cookit sheet for re-placement					
Insulated hay basket					
Water kettle					
Fuel-saving Stove					
Solar box cooker					
Total					

Note: Explain pricing policy, based on calculated production cost for each ISSC/WP appliance.

Cost of sales Year (specified in Annex 2)

ISSC Cooking Appli-ance	Number of appliances produced	Cost of pro-duction per item	Production cost / direct cost of sales
Cookit set			
Hay basket			
Sauce pan			
Water kettle			
WAPI			
Fuel-saving stove			
Solar box cooker			
Total			

Overhead Expenses (example)

Description	Year 1 (Birr)	Year 2 (Birr)	Year 3 (Birr)
Staff salaries			
Sub-total: see Section Organisation & Management			
Office expenses			
Stationery and printing			
Rent buildings			
Communication expenses			
Transportation expenses			
Energy/water expenses			
Sub-total Office expenses			
Marketing & Promotion expenses			

Home cooking promotion & sales			
Group cooking monthly meetings			
Incentives for hosts of home visits			
ISSC flyers, etc. for promotion			
Public promotion activities			
Sub-total Marketing & Promotion activities			
Total Overhead expenses			

Profit & Loss Account Projections

Description	Year 1 (Birr)	Year 2 (Birr)	Year 3 (Birr)
Income from Sales			
Sales of ISSC Appliances			
Cookit set			
Hay basket			
Sauce pan			
Water kettle			
WAPI			
Fuel-saving stove			
Solar box cooker			
Total Income from Sales			
Direct Cost of Sales			
Cookit set			
Hay basket			
Sauce pan			
Water kettle			
WAPI			
Fuel-saving stove			
Solar box cooker			
Total Cost of Sales			
Gross Profit/Loss			
Overhead Expenditure			
Staff salaries			
Office expenses			
Marketing & Promotion expenses			
Other overhead expenses			
Total Overhead Expenses			
Depreciation			
Depreciation Fixed Assets Production			
Depreciation Fixed Assets Office			
Total Depreciation			
Net Profit/Loss			

Cash flow Projections Year 1

Description	1st quarter (Birr)	2nd quarter (Birr)	3rd quarter (Birr)
Opening cash			
Cash inflow			
Cash in from operations (sales)			
Cash in from financing			
Funding from (Name donor org. 1)			
Funding from (Name donor org. 2)			
Funding from (Name local NGO)			
Total cash in from financing			
Total Cash inflow			
Cash outflow			
Cash out from direct costs			
Purchase raw materials			
Purchase finished products			
Direct labour costs			
Total cash out from direct costs			
Cash out from overhead expenses			
Staff salaries			
Office expenses			
Marketing & Promotion expenses			
Other overhead expenses			
Total cash out from o/h expenses			
Cash out from investments			
Production equipment			
Office equipment			
Vehicle			
Other equipment			
Total cash out from investments			
Total cash outflow			
Ending cash			

Note: The social business is part of the ISSC Pilot Project. (Name donor organization) total contribution to the co-financing of the ISSC Pilot Project amounts to Euro xxxx. An amount of Euro xxxx is set aside to co-finance the planned activities of the Promotion and Training Unit of the ISSC Production & Promotion Centre during the first pilot year.

Balance Sheet Projections Year 1

Assets			**Liabilities**	
Cash & bank			Equity	
			Donations	
Fixed assets			Profit/loss of operations	
Current assets			Loans short term	
Stock of materials			Loans long term	
Stock of ISC/WP appliances			Payables	
Receivables				
Total			Total	

10. SWOT analysis

Strengths	Weaknesses
Opportunities	Threats

11. Sustainability

Give a short description of how the activities undertaken during the project stage will be sustained and become financially independent in the long run (after a period of three years).

12. Monitoring and evaluation

Describe how and when the planned project activities will be monitored and evaluated.

12. Conclusion

Give short conclusion.

Annex 1

Stages in ISSC Pilot Project implementation

Phase 1 Public promotion cooking meetings in rural and urban areas, writing ISSC proposal with related budget, approval and action plan for fundraising.

- Develop easy to read ISSC promotion materials with mainly images and drawings;
- Use public media announcing the public ISSC meetings;
- Invite local authorities and governmental representatives;
- Public Promotion: Cook food in 20 or 30 Cookits and insulated hay baskets to make a variety of food and pasteurize water.

Phase 2 Plan of action, budget, agreement, contract
Organize a micro credit system

Phase 3 Production of ISSC appliances and WAPIs (Water Pasteurization Indicators)

- Set up a small production unit with stores, a demonstration and selling shop.
- Organize materials, components, sometimes to be imported from other countries (aluminium foil);
- Start local production and promotion;
- Organize ISSC public demonstrations and marketing activities
- Set up of small-scale Jatropha nurseries by women for cultivation of Jatropha shrubs and, subsequently, the production of briquettes as fuel for cooking;

Phase 4 Selection of local instructresses and program development

- Select on skills in writing, reading, group leadership
- Fix conditions and remunerations.
- Organize ISSC training programs for instructresses and animators
- Start up educational / training programs for end-users
- Organize sales and distribution ISSC appliances
- Develop ISSC monitoring and acceptance evaluation formats /meetings
- Develop four day ISSC training programs for external applicants
- Develop ISSC consulting activities

Phase 5 ISSC awareness and marketing activities

- Organize and perform ISSC public promotion programs;
- Organize promotion meetings with local authorities NGO's, cooperatives, etc.
- Perform marketing program locally as well as on district and national.
- Pilot evaluation: ISSC by end users

Phase 6 Establishment of an ISSC Production and Promotion Centre

- *Develop a business plan:* concerning functions, instruction / training space, the need for material storage, administration space, promotion marketing etc etc.
- *Location:* preferably in the heart of the local market with a public shop and showroom so that marketing / promotion of all ISSC appliances may flourish.
- *Products:* the products to be fabricated and marketed are: the Cookit set, including pan and accessories, the insulated hay basket, the solar box, fuel-saving stoves (rocket stove and Awra Amba stove), water kettles and WAPIs (water pasteurization indicators) and, at a later stage, the parabolic cooker.
  Jatropha seeds for growing Jatropha shrubs and setting small nurseries.

- *Management staff, manufacturers, administration:* as the solar cooking project proceeds and fabrication of Cookits, hay baskets, etc starts production spaces and different material stores are required. In coordination and project follow up, then the need for adequate administration and management staff arises.

Phase 7 Organize and perform quality assurance and development program on ISSC /WP acceptance in daily livelihood

- Develop a proposal for an ISSC/WP research project

Specification of Direct Costs ISSC Appliances (year 2 & 3) **Annex 2**

Cookit set

Description	Unit	No. of units	Price per unit (Birr)	Total (Birr)
Cookit sheet				
Card board (good quality)	pcs	400		
Aluminium foil with paper side	roll	6		
Varnish to paint backside of Cookit	gal	20		
Varnish colouring material	can	10		
Ribbon to glue on edges of Cookit	mtr	200		
Thinner to mix varnish and colouring	ltr	45		
Wheat flour for glue making	kg	25		
Sugar for making glue	kg	9		
Sub-total Materials for Cookit sheet				
Direct labour	pcs	400		
Total Direct costs Cookit sheets (400)				
Direct costs per Cookit sheet				
Cooking pan				
Cooking pan 3 ltr volume	pcs	400		
Special dark paint to paint the pans	gal	6		
Sand paper to polish the pans	mtr	25		
Sub-total Materials for Cooking pan				
Direct labour	pcs	400		
Total Direct costs Cooking pans (400)				
Direct costs per Cooking pan				
WAPI				
Bic transparent tube for WAPIs	pcs	400		
String for WAPIs	mtr	150		
Stainless steel washer for WAPIs	pcs	1,200		
Wax powder for WAPI	can	1		
Sub-total Materials for WAPIs				
Direct labour	pcs	400		
Total Direct costs WAPIs (400)				
Direct costs per WAPI				
Miscellaneous materials				
Cotton cloth for 400 Cookit bags	mtr	217		
Special heat-resistant plastic bags	pcs	800		
Heat-resistant fibre string	roll	30		
Instruction manual in local language	psc	400		
Total Miscellaneous materials				
Direct costs Miscellaneous materials per set				
Total Direct costs per Cookit set				
Rounded off incl. administrative expenses				

Insulated hay basket

Description	Unit	No. of units	Price per unit (Birr)	Total (Birr)
Dried grass for hay basket production	bundles	800		
Cotton cloth for inside of hay basket	mtr	600		
Straw/grass for hay basket insulation				
String for sewing cloth inside the hay basket	roll	5		
Sewing needles	pcs	10		
Direct labour (hay basket production)		400		
Direct labour (sewing)		400		
Total Direct costs Insulated hay baskets				
Direct costs per Insulated hay basket				
Rounded off incl. administrative expenses				

Water kettle

Description	Unit	No. of units	Price per unit (Birr)	Total (Birr)
Kettle for water pasteurization	pcs	400		
Special dark paint to paint the kettles	gal	6		
Sand paper to polish the kettles	mtr	25		
Sub-total Materials for water kettles				
Procurement fee ISSC Consultant (15%)				
Direct labour	pcs	400		
Total Direct costs Water kettles (400)				
Direct costs per Water kettle				
Rounded off incl. administrative expenses				

Locally made fuel-saving stove

Description	Unit	No. of units	Price per unit (Birr)	Total (Birr)
Fee for guidance during stove construction		400		
Locally available materials		400		
Total Direct costs AA fuel-saving stove				
Direct costs per AA fuel-saving stove				