



Chipunga Development Committee

c/o the Chairman Mr. Daniel Mthuti
 P.O. Box 611
 Mzuzu
 Malawi

August 30, 2012

Budget 2013 / result of the annual discussion of the GRACE managing committee

Dear Mr. Chairman (Dear Daniel)
 Dear CDC Members

Thank you very much for your comprehensive answers to our questions. Now things are more understandable to us. Scholarship and wages for pre-school teachers have been taken into account accordingly. The managing committee has considered your proposals to the budget plan 2013. Our detailed calculation and the deliberated cash-flow can be followed in the worksheet embedded underneath.

GRACE Budget overview and flow calculation 2012 / 2013

note: all amounts in Malawi Kwacha

cost center	acquisition	detailed description	amount	quantity	total cost	share user	share GRACE	b) back-flow to GRACE	a) in Malawi	c) to Malawi	
Livelihood	Fertilizer (workers)	2 x 30 bags	21.370	30	641.100	50%	50%	320.550	641.100	0	already paid
	Seed maize	30 sacks	3.000	30	90.000	50%	50%	45.000	0	45.000	budget agreed
	Mattresses	30 parts	9.000	30	270.000	25%	75%	67.500	0	202.500	budget agreed
	Solar-panels	30 parts	10.000	30	300.000	25%	75%	75.000	0	17.500	rest from back-flow
Education	Wages (pre-school)	2012 due			50.000	0%	100%	0	0	50.000	budget agreed
		2012 outstanding			20.000	0%	100%	0	0	20.000	budget agreed
		2013 wages / spending			100.000	0%	100%	0	0	0	from fertilizer teacher
	Scholarship (Secondary)	Average for 15 learners	9000	15	135.000	0%	100%	0	0	135.000	budget agreed
	Fertilizer (Teacher Primary)	2 x 6 bags	21.370	6	128.220	100%	0%	128.220	128.220	0	already paid
Health	Costs for hospital, doctor	Average previous years	500	80	40.000	25%	75%	10.000	0	30.000	budget agreed
	Malaria prophylaxis	Mosquito nets / training									on demand

Budget demand	b) back-flow to GRACE	a) in Malawi	c) to Malawi
1.774.320	646.270	769.320	500.000
=	=	=	=
ForEx assumption: 1 € = MKW 335	1.929 €	2.296 €	1.493 €

Pay-back calculation per worker			
	Kwacha		Kwacha
Fertilizer	10.685	50% of purchase cost	21.370
Seed maize	1.500	50% of purchase cost	3.000
Mattress	2.250	25% of purchase cost	9.000
Solar-panel	2.500	25% of purchase cost	10.000
Total	16.935		
per month	1.411	feasible?? CDC to check and feedback	

Executive Summary	
a) cash in Malawi already (fertilizer)	769.320
b) back-flow expected (self-contribution)	646.270
c) budget agreed (outstanding payment)	500.000
Total loading:	1.915.590
Overload vs budget demand	MKW -141.270
	€ -422 €

Explanation: As usual the budget is driven by the purchase of fertilizer which counts as 1st instalment to the total budget. This money is entered in column "a) in Malawi". The fertilizer acquisition grants a back-flow of monthly self-contribution repayments (50% workers / 100% teachers) at the rate of MKW 448.770.

Column "b) back-flow to GRACE" is calculating the share or self-contribution you are going to earn back by repayments of acquisitions in the next 12 months. The third column "c) to Malawi" is summing-up a 2nd instalment we are going to pay in due time to your account at Malawi savings bank (MKW 500.000).

So supplementary to the 1st instalment (fertilizer to the value of MKW 769.320) you get MKW 500.000 on top. With this and the back-flow of self-contribution CDC should be able to run their projects anticipated.



The box "pay-back calculation per worker" is a calculation of the total sum a worker has to self-contribute if applying for everything: fertilizer, seed maize, mattress, and solar-panel was made. Once more we appeal CDC to consider the high financial burden for workers applying to buy in addition to the two bags of fertilizer both: mattresses and solar-panels. Deliberate: repayment might not be feasible to everyone in 12 months.

Concerning wages for pre-school teachers: In the worksheet you see three rows covering pre-school. The money was agreed, but never payed out to CDC. Therefore, the shortfall of 2012 is included to the 2nd instalment. It refunds due and outstanding wages for this year plus the needed amount requested for 2013.

Good to know: you get a **money overhead** of +8% to cover unforeseeable troubles in the course of next year. As usual we expect a proper and clear tracking of the cash-flow and any self-contribution payback.

Malaria prophylaxis: As kids have a much higher risk to die when got infected with Malaria, CDC may want to run a health project in that field (for instance purchasing of mosquito nets or hiring a trainer to give good education to parents about the right use and the undisputed importance to sleep under such a net). If true, please involve the new weltwärts team and let us know about your proposal.

Situation at Chipunga Primary School:

According to our information Patricia and Elijah are about to leave (she: relocation due to marriage; he extended vocational training). Without replacements we'll run into a situation where the good education level achieved is jeopardized. As a result the managing committee has some discomfort with regards to this.

I've been already in contact with Joachim Kretschman from Emanuel college in Lilongwe to initiate another collaboration. Joachim mentioned a delegation from our school (headmaster and/or a former Emanuel student) should come to the college in February / March 2013 to make publicity on the attractive environment at Chipunga and the support by GRACE. This process did work last time so we hope it will work again. As a consequence of this advertisement interested students shall apply for the Nkahatabay district and underline their will to come to Chipunga. In a second step we recommend Johnnes Nwira to start negotiating his position with the district education officer in Nkahatabay proactively.

Weltwärts could contact Joachim Kretschman to fix the visit via email: [e-mail not shown online](#)

Please keep us informed about the ongoing of this critical staff shortage and the future needs. To achieve the maximum, everybody (CDC, school, we) must commit oneself to the strategy and must know our plan.

May I conclude to ask for your kind support of the **new weltwärts team** (arrival mid September). On top of that please warm welcome and support a **new teacher** (Ms Heidrun Neuffer) who will join you soon. She is planning to stay at Chipunga from October till End of this year.

Without saying: do not hesitate to reply to us in case anything is unclear to you of seen in a different way. The outstanding 2nd budget instalment will arrive in Malawi mid September the latest.

With warm regards,

A handwritten signature in blue ink, appearing to read 'Jens Diedrich', is written over a light blue background.

Dr. Jens Diedrich
President GRACE charity