



**Chipunga Development Committee**

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

October 22, 2011

**Announcement of the budget 2012 and reply to your report dated 20<sup>th</sup> of October, 2011**

Dear Mr. Chairman (Dear Daniel)  
Dear CDC Members

Hope all of you are doing fine. Thanks for your update about the projects at Chipunga. In my writing I firstly explain the rationale regarding the budget 2012, and then I comment on things mentioned in your report.

Before explaining the 2012 budget I want to remind in a quick glance the budget of last year. Initially you got the amount of MK 420.000. On top CDC got extra MK 50.000 for the chicken revolving-fund and MK 50.000 to buy school materials. So the disposable amount was summing-up to a total of MK 520.000.

Bearing 2011 in mind our calculation of the budget of 2012 reflects: size of the workforce, inflation, the raise of cost on the whole (where a particular driver is the fertilizer), and two 100% scholarships for a high-quality secondary school. That's why a deposit of MK 580.253 has been transferred to Malawi (the uneven number of MK 253 is because of exchanging an even € amount into MK). The 2012 budget offers a 44% increase compared to the initial 2011 budget and is about 11% higher than our total spending in the year 2011.

**The Budget 2012 should be split according to the following scheme:**

**Total budget:** **MK 580.253**

**Fertilizer:** which has been bought (56 bags: 28 NPK, 15 UREA, 13 CAN) = - **MK 356.800**  
→ 50 % self-contribution = MK 178.400 comes back approx. over 8-9 months

**Cash in hand:** Calculated by the total of MK 580.253 - fertilizer costs = **MK 223.453**

**Fertilizer self-contribution long-term pay back** = + **MK 178.400**

**Freely disposable:** Cash in hand + fertilizer self-contribution payback = **MK 401.853**

**The available cash of MK 401.853** should be used to pay the 2 winner scholarships for secondary school (full 100% coverage of school fee), your 1-3 secondary school learners (usual 75% coverage of school fee), the fee of the pre-school teachers, and any ongoing health and anticipated livelihood projects (each with a usual maximum coverage of 75% through GRACE).

**Scholarship:** I know there are 3 school terms per year. However, I do not understand your calculation of fees in the report. First you are writing about an amount of MK 7.285 / term for Likoma secondary school and in the next sentence it is MK 27.285 / term. Deduce we are talking about a total of 3 times MK 27.285 for the two winners per year? Right or wrong? Please clarify, thanks!

What about to distinguish the candidates with a certificate at your announced December meeting with the scholarship winners and the community? A public awarding could push again the will of other parents to send their kids regularly and to encourage them to learn to become better. Maybe Dagmar, Lynn, or David can help to prepare a certificate for the winners. Alternatively, let me know and I will create a certification template for the GRACE scholarship. Have you put a poster announcement to prominent place? I would do.



**Pre-schools:** Good to hear about the sustained success of the kid-project. Sorry, I do not understand the request from the pre-school committees asking GRACE “to arrange” for a teacher? Please explain what is meant by this. So far the deal with the community is: GRACE is paying for the teachers in the pilot phase of the project and the community is contributing to the project by providing food, sugar, tea, and maintenance of the pre-school houses.

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**Dagmar Leboch:** Dagmar probably could increase the training status of the current teaching staff and as a consequence their basic motivation as well. However I really want to stress that Dagmar is **NOT** in Malawi to teach! Her part is to listen, to show, to discuss, to explain, to give advice and/or to supervise.

She has the free to help individually! We guess everybody either at Chipunga pre-schools or at primary school can benefit from her experience by intensively exchanging intercultural knowledge and skills. Her doings should be fully supported by CDC against the school, the community, and any of the various committees involved. Thanks for your kind understanding and smart supporting of this unique opportunity!

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**Volunteers Weltwärts:** Good to hear about that the team No. 4 is in place. Lynn and David will continue to closely work with Daniel (as their supervisor) and the people in the region. Please greet and give or kindest regards to both of them.

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**Waterhole:** Your quotation from the water and sanitation sector at Nkhata Bay district council on drilling a borehole with a total of MKW 1.345.975 has been forwarded to the chairperson of the involved society in Vienna, Austria (<http://www.wasser-fuer-die-welt.at>).

I will remind again about the possibility of getting support. So far I didn't receive a response. As soon as we get an answer we'll let you know.

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**Oven Project:** We would be very interested about the ongoing of this bakery experiment. So far nobody has come up with an estimate how the project is doing or should/must be supported. Probably it is running itself – but nevertheless we would be happy to know about the status.

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May I conclude that you always should take into account that our comments and views are the standpoint from an outside observer and only you as CDC have the domestic view which might differ from our opinion.

So, if you have reason that things should be looked at differently and you have good and understandable counterarguments about a project, please do never hesitate to share and discuss your point of view with us.

With best and warm regards to the Chipunga Development Committee and the people in the region.  
Written on behalf of the German GRACE Managing Committee,



Dr. Jens Diedrich  
President GRACE charity