

Atsikana Pa Ulendo Education Community

Second Phase Program Definition

September 2015

Note: This Program Definition is our point of reference for contractual reasons.

The Program definition will be revised from time-to-time. After each revision, the version number will be increased. The Version number is part of the file name, which is shown in the footers of the pages.

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A. Introduction

From a bold vision first articulated in 2005, APU has emerged as one of the most successful secondary schools for girls in all of Malawi.

The First Phase of development saw the creation of a secondary school, which includes three class blocks, a science lab block, 4 hostels for students, three duplex residences for teachers, a large cafeteria with kitchen, and an infrastructure of facilities for water, sewer, electricity, roads, and pathways.

The land secured for the First Phase also includes several hectares of farm land. Its functions are: to support education in farming; to support education in nutrition; and to provide economical, nutritious food for the School. The farm is also a focal point for agricultural outreach to neighbouring villages.

The secondary school is outstandingly successful. At the ends of Forms 2 and 4, students must write a comprehensive set of national exams. APU students routinely produce astonishingly good results on these exams.

The secret to APU's success lies in a partnership of two determined teachers: Memory Mdyetseni in Malawi and Christie Johnson in Canada. Memory and Christie have received strong support from Memory's husband, Henry, from a board of Trustees in Lilongwe (APU Trust), and from a Canadian charity called APU Malawi Education Foundation (APU MEF).

APU is now beginning a Second Phase of development that will:

- gradually expand each Form of the secondary school from 80 students to 120 students;
- create a primary school to educate the children of APU staff, which will provide a necessary component of a Teacher Training College (TTC);
- improve security; and
- create a Teacher Training College.

The TTC will begin operating after APU Trust And APU MEF have jointly determined that the secondary school is capable of becoming self-sustaining through income-generating projects such as:

- excess fees from private student;
- renting the cafeteria and auditorium for government exams; and
- fees from providing adult education and Internet access.

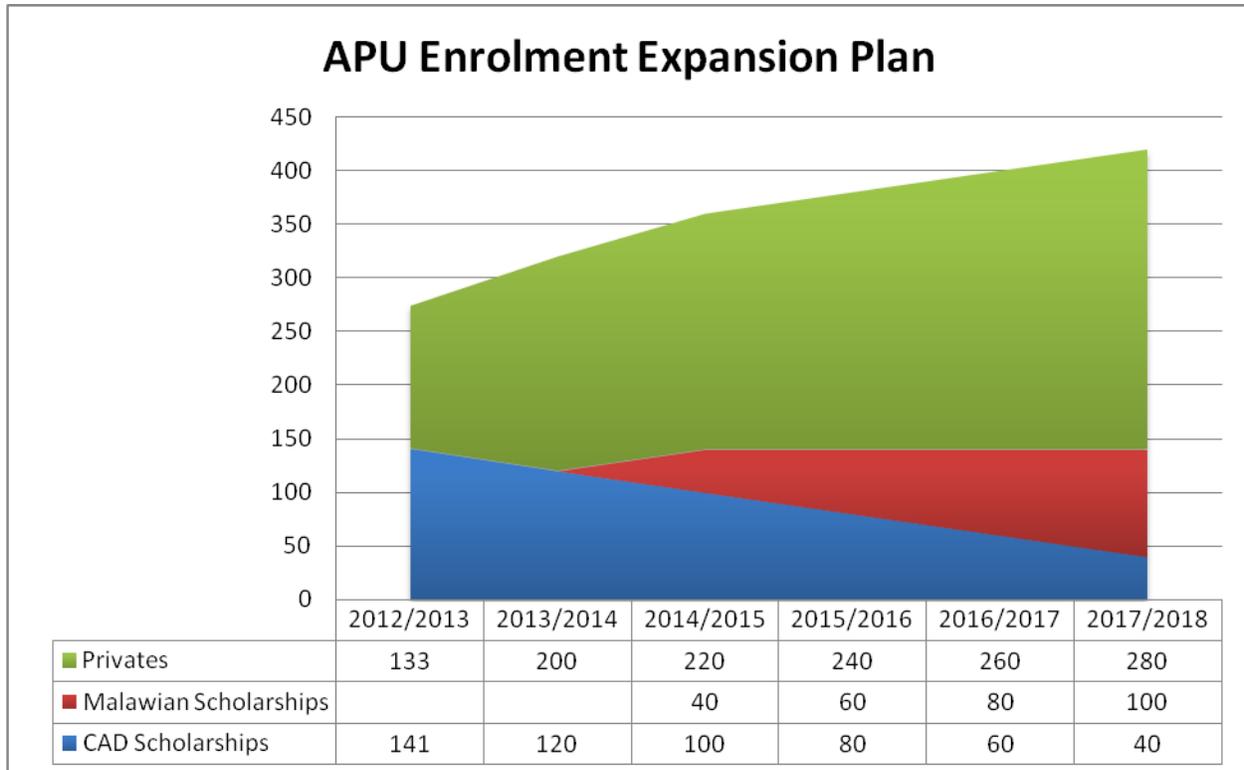
APU is now able to charge fees in excess of need because its good facilities and excellent academic performance have made it a school of choice for Malawian families who are seeking a private school for their daughters. Such families want APU facilities expanded to include a completed science lab, a sports field, and a library. APU's intention is that the excess fees from each paying student eventually will support two scholarship students.

The following chart shows the enrollment expansion plan and the sources of student fees for the period 2013-2018. The sections are:

- The lowest wedge (blue) represents scholarships from Canada, which are gradually declining in number.

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- The middle wedge (red) represents Malawian scholarships funded by paying students and other local income.
- The top area (green) represents private, paying students.



The Teacher Training College will accept graduates from APU and from other secondary schools. The TTC curriculum will provide a mixture of academic and practical experience over two years to produce qualified elementary school teachers. These teachers will then spend 6 months learning practical leadership skills such as community health, birthing assistance, and productive farming techniques.

Graduates from the TTC will be prepared to assume leadership roles at any village in Malawi. APU-trained teachers will be able to create and operate elementary schools. Further, they will be able to improve community health, reduce maternal and child mortality, and improve farming practices to the effect that Malawi will suffer fewer food shortages.

The work of raising funds for the Second Phase is referred to as the Program. The Program will operate from January 2013 through June 2020.

This Program Definition describes how the Second Phase of development will be managed. The Program Definition will address three major questions:

- What is the Program trying to accomplish?
- How will the Program be carried out?
- How will Malawians be prepared to use the results?

B. What Is The Program Trying To Accomplish?

B.1 Program Purpose and Expected Outcomes

The Program purpose is to provide financial support and advice as required for the Second Phase of development. The expected outcome is that APU MEF will deliver funds to APU Trust to execute this Program.

APU MEF has identified these Critical Success Factors:

- **Sufficiency:** The funds must be sufficient to allow the Second Phase to be successful.
- **Accountability:** Financial supporters must receive satisfactory communication about the use of their donations.
- **Security:** Funds must be transmitted securely to APU Trustees who will manage the development of the Second Phase.
- **Timeliness:** Funds must be available in Malawi in time to pay for development costs in accordance with the agreed pace of construction subject to cash resources of APU MEF from time to time.
- **Confirmed need:** Development of the TTC will be contingent on the continuing existence of the need for a TTC and on Malawian government licensing.
- **Appropriate design:** Memory and Henry have studied successful TTCs in rural Malawi to learn about model practices for the designs of the facilities and the curriculum.

B.2 Program Scope

The scope includes:

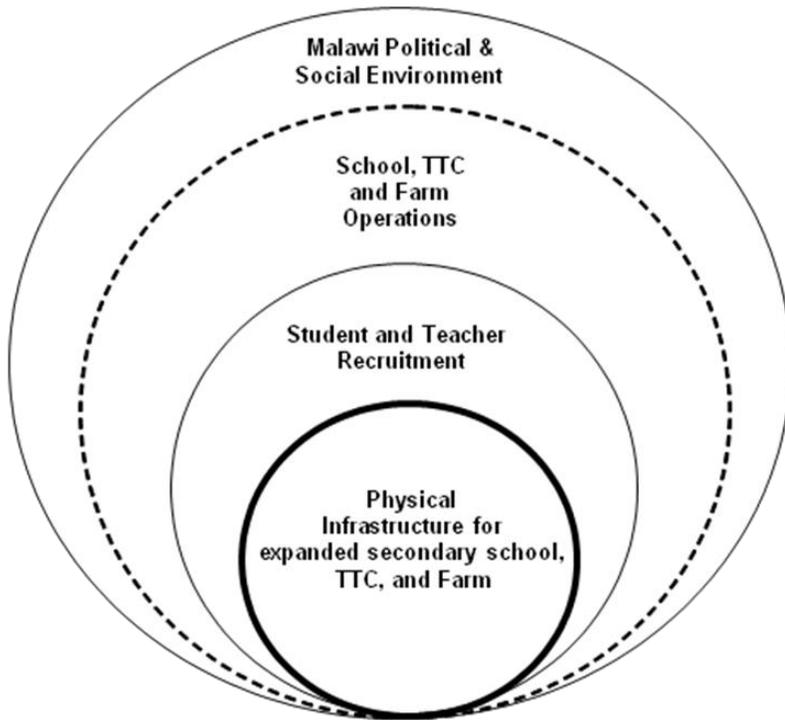
- defining the Second Phase Program in sufficient detail to satisfy the enquiries of potential donors;
- raising funds;
- communicating satisfactorily with donors to the effect that donations continue to be received; and
- ensuring that the Program is being executed satisfactorily through oversight, monitoring, and site visits.

The scope does not include:

- obtaining government approval for the intended TTC;
- defining functional requirements for the Second Phase;
- creating the physical plans;
- supervising construction;
- designing programs to be delivered in the school and TTC; nor
- operating and maintaining the school, the TTC, and farm.

The Program scope is illustrated within the heavy line in the following diagram:

Interpretation of Second Phase Program Scope



B.3 Program Objectives

Objectives are measurable, time-bound targets that the Program is intended to accomplish. The defined Objectives are:

- Stage 1 – Complete a comprehensive Program Definition by 31 March, 2013.
- Stage 2 – Fund incremental construction of the Second Phase as shown in Appendix 3 – Building Schedule.
- Stage 3 – Fund complete construction of the Second Phase by June 30, 2020.

B.4 Program Risks

Risk assessment is not a static exercise but rather one which should become part of ongoing management decisions of both APU MEF and APU Trust. Once defined, risk issues must be considered in every related management decision.

The risks associated with this Program include areas such as Strategy, Operations, Compliance, Internal Audit, Financial Statements, Fraud, Customers, and Information Technology. Although there are other possibilities and all areas can be important, the few areas described below are most critical for the continued success of APU. APU MEF directors will devise mitigations for the most important risks.

B.4.1 APU MEF

- Operations/Management – The Canadian operation is heavily dependent on the knowledge, commitment, and energy of one key leader: Christie Johnson.
- Financial/Customer – The ability to fund the school is heavily dependent on maintaining and cultivating the donor base. This need will increase with an expanded facility and programming.
- Compliance/Financial Statements – Donor development is, in part, dependent on MEF's ability to issue income tax receipts. Compliance and financial accounting will be a growing and important area of responsibility.

B.4.2 APU Trust

- Operations/Management
 - Senior leadership – The school leadership is extremely dependent on two people: Memory and Henry Mdyetseni.
 - Recruiting and retaining teachers – The school must be competitive in salary, benefits, working conditions, and living conditions. Mitigations for this significant risk include:
 - providing appropriate accommodations for teachers and their families;
 - Providing primary education for teacher's children;
 - arranging for professional development of teachers; and
 - providing revolving loan fund for teachers.
 - Maintaining a high standard of education – To maintain a strategy that depends on tuition paying students, academic standards must remain high.
 - Staff and student safety – Development of facilities and programming must consider safety issues (physical, health, economic, and political).
- Financial
 - Canadian funding – An interruption or impairment to the flow of funds from Canada could create survival challenges.
 - Tuition-based students – The current financial strategy is based on tuition-paying students. Instability in this area for any reason will create financial challenges.
 - Loss of use of assets – Loss of a building by fire, weather, or civil disobedience would be a setback to the school.
 - Inflation – a significant escalation in purchased cost of inputs would be a risk. This risk could be related to poor weather, politics or, oddly enough, a successful economy in which competition for excellent teachers intensifies.
- Political – political stability and the palatability of political policy is an ongoing concern in a country that has experienced recent political challenges and change.

C. How Will the Program Be Carried Out?

C.1 Program Governance

This refers to oversight and guidance of the Program.

APU MEF will operate the Program in Canada and USA. APU Trust will oversee the Program outcomes in Malawi.

APU Canada raises funds from organizations such as Rotary Clubs and from individual people. Other donors have included schools, groups of professionals, and groups associated with universities.

Funds are transferred to Malawi for specific construction projects as requested by APU Trust.

C.2 Program Process

The Program is divided into several Stages, as described below. Each Stage will:

- have defined scope;
- build on the results of the previous Stage (e.g., to incorporate lessons learned); and
- provide an increasingly precise estimate of cost and time for the remainder of the Program, especially for the next Stage.

C.2.1 Stage 1 – Complete a comprehensive Program Definition by March 31, 2013

In this completed Stage, the Program defined the physical and financial resources needed to implement the Second Phase. The necessary physical resources, generally, include:

- Land: There is room on the APU land for the school expansion, the Primary School, the TTC, and the farm.
- Buildings: The Second Phase will require construction of buildings as shown in Appendix 1 – Building Needs. Related costs are shown in Appendix 2 – Building Costs.
- Utilities such as water, sanitation, and electricity: The existing APU utilities could accommodate the Second Phase. However, to preserve water, APU intends to install a suite of composting toilets as part of the Primary School.
- Equipment such as furniture, school supplies, and equipment to care for farm animals.

Memory and Henry studied several TTCs in Malawi to gain insights about: a suitable size; the physical resources needed; and appropriate staffing. This research led to the planned physical resources shown herein.

C.2.2 Stage 2 – Fund incremental construction as Shown in Appendix 3.

This Stage is currently underway.

In this Stage, APU MEF will raise construction funds in North America. Some construction funds have already been donated by specific donors.

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Donors must be assured that their money will be used appropriately. All funds are held in trust by APU MEF, which provides tax receipts for donations made in Canada. The Program is seeking a similar tax-efficient repository of funds raised in the USA.

C.2.3 Stage 3 – Fund complete construction of the Second Phase by June 2020.

In this Stage, the physical structures of the entire Education Community will be completed, furnished, and placed into operation. The detailed schedule and costs, as requested by the Trust, are shown in Appendix 3 – Building Schedule. The scholarship plan is described in Item E.2 and shown in Appendix 4 – Second Phase Operating Costs.

C.2.4 Summary

A summary schedule and cost for the entire Second Phase is shown in the following table.

School Year	Construction Funds	MEF Scholarships	Teacher Loan Fund
2012/2013	\$246,600		
2013/2014	\$145,200	\$72,000	
2014/2015	\$235,700	\$80,000	
2015/2016	\$340,300	\$88,000	10,000
2016/2017	\$241,300	\$96,000	10,000
2017/2018	\$131,300	\$96,000	10,000
2018/2019	96,300	\$96,000	
2019/2020	326,300	\$96,000	
TOTALS	\$1,763,000	\$624,000	\$30,000

The above schedule will only be possible if MEF is successful in raising the indicated funds according to the schedule. This fundraising is difficult and uncertain. If fundraising does not keep pace with the schedule, then the Second Phase will take more time than indicated. If fundraising proceeds faster than the schedule, it is not certain that the Trust will have the capacity to proceed faster than the schedule.

C.3 Stakeholder Involvement

This is the need for active involvement of several interest groups as participants, contributors, and validators. Stakeholders must ensure that true needs are addressed and that the TTC will be successful in operation. Stakeholders include donors and female graduate of Malawian secondary schools who are considering careers as teachers. One principal stakeholder is the Malawi Department of Education, which must licence the secondary school and the TTC and must certify the graduates.

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Memory formed a Parent-Teacher Association for APU and the parents have embraced the idea with enthusiasm. Memory expects some parental involvement in the TTC.

The people of the local villages are delighted that APU has been created in their area. Dozens of local people have been employed in the construction and operation of the school. They have developed important skills in construction and carpentry. They are proud of APU's outstanding academic performance.

Many local people attend APU for adult education opportunities. APU and the TTC expect to continue and enhance such educational outreach to the wider community.

D. How Will Malawians Be Prepared To Use The School and TTC?

D.1 Student Readiness

This refers to activities undertaken by APU Malawi to recruit students for the secondary school and the TTC. Activities include creating appealing messages to define the programs that APU offers and explain why those programs are especially desirable.

D.2 Community Readiness

This refers to activities undertaken by APU Trust to prepare the broader community to use and promote the secondary school and the TTC.

APU Malawi is gradually increasing the geographic scope of its communication program within Malawi. Initial communications concentrated on recruiting secondary students. Future communication will concentrate on inspiring high-school graduates to consider careers in elementary education. Further communications will encourage people and organizations to provide scholarships for the students.

E. Operating Costs

E.1 General

The First Phase Program included responsibility for operating costs from late 2007 through June 2013. Those costs were expressed in terms of scholarships for students at the secondary school. See Appendix F – Scholarship Plan in earlier Program Definitions.

The school operating costs were originally estimated as \$1,000 per year for each student. In fact, like every enterprise, the costs are a mixture of fixed and variable costs. Based on the first 5 years of operations, it appears as if the fixed costs were about \$64,000/year and the variable costs were about \$800/student/year.

As the school expands from 320 students toward the final goal of 480 students, we expect an increase in the per student variable costs to \$850/student/year. The increase covers:

- increases in teacher salaries;
- hiring 2 additional Matrons to supervise the hostels; and
- hiring teachers for the Primary School.

In addition, when the TTC begins operations, we expect an increase of \$1,000/month in fixed costs.

The operating cost calculations for the period of the Second Phase are shown in Appendix 4 – Operating Costs.

E.2 Second Phase Scholarships

The First Phase included a plan to provide 960 scholarships of \$1,000 each to the secondary school students. The last scholarships of the First Phase were given to the students of the third intake, which entered APU in the autumn of 2009. These students graduated in June 2013. Students entering after 2009 were expected to be either paying to attend or supported by locally-generated scholarships.

For the Second Phase, the Trust and MEF have decided that no fewer than 30% of the students in the secondary school will be on scholarships. The scholarships will come from three sources: MEF; excess fees charged to paying students; and funds raised through income generating projects within Malawi. At this stage of planning, MEF has decided to raise enough funds to cover 20% of the students in both the secondary school and the TTC. The MEF plan for scholarship is shown in Appendix 4 - Operating Costs.

F. Next Steps

The next steps in the Program will generate additional support for the Program in Canada, the USA, and Malawi. Specific steps include:

F.1 Contract For Execution of This Program

APU MEF must establish a contract with APU Trust for execution of this Program. APU Trust has indicated that it is willing to accept this responsibility.

F.2 Extend Support in Canada

Several service clubs and individuals in British Columbia, Alberta, Ontario, and other provinces are supporting the school. However, some population centers, such as Vancouver, have produced negligible support. We will extend support into such population centers.

Recent publicity in [The Rotarian](#) and [Rotary Canada](#) has alerted hundreds of Rotarians and dozens of Rotary Clubs to the outstanding success of APU. We should be able to use that publicity to recruit new supporters across Canada.

F.3 Extend Support Internationally

APU has received some support from a few clubs and individuals in the USA. We will expand on this support in the USA, the UK, and other countries.

Appendix 1 - Second Phase Building Needs

Notes: These needs were defined by APU Trust.										
	Hostels Required	Hostels to end 2012	Phase 2 Hostels	Classblocks Required	Classblocks to end 2012	Phase 2 Classblocks	Duplexes Required	Duplexes to end 2012	Phase 2 Duplexes	Phase 2 Other
First Phase School	6	4	2	3	3		4	3	1	
School Expansion	2		2	1		1	4		4	
Water System										1
Legacy Building										1
Primary School										1
Composting Toilets										4
Guest House										1
Security Fencing										1
Road Upgrade										1
Auditorium										1
Totals	8	4	4	4	3	1	8	3	5	

Appendix 2 - Second Phase Building Costs

Notes: These building costs were defined by the Trust.												
Building costs include furnishings and equipment.												
	Phase 2 Hostels	Phase 2 Classblocks	Phase 2 Duplexes					Phase 2 Other				
				Water	Legacy Building	Primary School	Toilets	Guest House	Security Fencing	Road Upgrade	Audit- orium	
Unit Costs >>	\$90,000	\$83,000	\$72,000	\$56,000	\$276,000	\$140,000	\$10,250	\$35,000	\$162,000	\$20,000	\$230,000	
First Phase School	2		1									
School Expansion	2	1	4									
Water System				1								
Legacy Building					1							
Primary School						1						
Composting Toilets							4					
Guest house								1				
Security Fencing									1			
Road Upgrade										1		
Auditorium											1	
Total Units	4	1	5	1	1	1	4	1	1	1	1	
Building Costs	\$360,000	\$83,000	\$360,000	\$56,000	\$276,000	\$140,000	\$41,000	\$35,000	\$162,000	\$20,000	\$230,000	
Total												
\$1,763,000												

Appendix 3 - Second Phase Building Schedule

Note:	This Schedule was requested by the Trust. However, MEF has not committed to provide funds at the indicated rate. Consequently, the actual schedule might be slower than indicated herein.											
	Phase 2 Hostels	Phase 2 Classblocks	Phase 2 Duplexes				Phase 2 Other					Year Building Totals
				Water	Legacy	Primary	Toilets	Guest House	Security Fencing	Road Upgrade	Audit-orium	
Unit Costs >>	\$90,000	\$83,000	\$72,000	\$56,000	\$276,000	\$140,000	\$10,250	\$35,000	\$162,000	\$20,000	\$230,000	
School Year												
2012/2013		1	1	0.65	0.2							\$246,600
2013/2014	1				0.2							\$145,200
2014/2015	1				0.2	0.25	2	1				\$235,700
2015/2016	1			0.35	0.4	0.25	2		0.4			\$340,300
2016/2017	1		1			0.25			0.15	1		\$241,300
2017/2018			1			0.25			0.15			\$131,300
2018/2019			1						0.15			\$96,300
2019/2020			1						0.15		1	\$326,300
Total Units	4	1	5	1	1	1	4	1	1	1	1	
Building Costs	\$360,000	\$83,000	\$360,000	\$56,000	\$276,000	\$140,000	\$41,000	\$35,000	\$162,000	\$20,000	\$230,000	\$1,763,000

Appendix 4 - Second Phase Operating Costs

Notes:						
If either Factor is changed, the related calculations on this sheet will automatically be changed.						
Please see the text of the Program Definition for the assumptions made herein.						
Factors:		Cost per Student-Year >		\$850		
		% students on MEF Scholarship >>>		20%		
School Year	# of School Students	Annual Fixed Costs	Annual Student Costs	Total Annual Costs	# MEF Scholarships in 2nd Phase	
2012/2013	320	\$64,000	\$272,000	\$336,000		
2013/2014	360	\$64,000	\$306,000	\$370,000	72	
2014/2015	400	\$64,000	\$340,000	\$404,000	80	
2015/2016	440	\$64,000	\$374,000	\$438,000	88	
2016/2017	480	\$76,000	\$408,000	\$484,000	96	
2017/2018	480	\$76,000	\$408,000	\$484,000	96	
2018/2019	480	\$76,000	\$408,000	\$484,000	96	
2019/2020	480	\$76,000	\$408,000	\$484,000	96	
				\$3,484,000		
				Total MEF Scholarships >	624	\$624,000