



## THE MALAWI PROJECT

Malawi is David Livingstone country. It is a small but stable country lying in the 'Y' of Mozambique – see map. It has good government and its people work hard. Malawi's problem is that it must import all of its manufactured goods and fuel and this leaves it with a negative trade balance of around \$280 million per annum. The Paraclete Institute is currently working in ten African countries but its work in Malawi is its longest and most advanced operation in Africa.

### HISTORY OF MISSION TO MALAWI

**Stage 1:** In 1976, John and Judy Potter experienced a sovereign call from the Lord to work in Malawi. They spent an initial time there in 1977-1979. John worked in the Ministry of Agriculture by day and in his spare time, he and Judy, along with John's Mother Audrey, set up a Christian literature program, distributing Bible tracts and enrolling people in a correspondence Bible Course. In the first two years of operation 117 000 decision slips were returned and some 205 000 Bible Courses distributed. By the time the Potters left the country 8553 students had completed the 5 part Bible Course. A surprising result was that 2 723 village congregations sprang up as a direct result of the literature program. In 1983, the University of Malawi Religious Studies Department undertook a study of village churches; one of their main conclusions was that the Potter's Emmanuel Tract Fellowship (ETF) literature was "the main reason that Central African churches held to a genuine Christology" (Christianity Today 1983). This confirmed the Lord's Word to John as the family entered Malawi in July 1977: Acts 19:10!



*Handing a Tract to a Hungry Soul*



*Tract Store*



*Marking Bible Courses*



*A Village Congregation*

**Stage 2:** While in Malawi John and Judy had trained up a team of young Malawians to continue the ETF work after they left the country. They continued to support the ongoing ETF work from Australia and were supported in this by the members of the People of the Way Christian Community that grew up around the Potters in Blackwood in South Australia from 1981 to 1987. An important part of the continuing program was to assist young Malawians continue their education. Several young men achieved outstanding results: the Potter's 'garden-boy', Gladstone Mchoma now holds a Masters Degree in Town Planning from Leicester UK and was recently appointed Deputy Director of Lands in Malawi; ex-ETF worker Partick M'Banga has a Masters Degree in Theology from Toronto, Canada, and is currently the Minister of St Michael and All Angels Church in the City of Blantyre; Macford Chipuliko, John's first Malawi contact holds a BTh from Tennessee, USA, and is General Overseer of the Providence Industrial Mission, a church denomination with 900 congregations in four countries; Rabson Kaombe, also an ETF worker, has an M.Th and is Senior Pastor of the two thousand strong Living Waters congregation in Blantyre; Bester Kwalala, John's interpreter in many village church services over the years, has a Dip. Theol. from the Likhubula Bible Institute and is General Secretary of the Free Churches of Christ. Last but not least, ex-ETF worker Byson W Mpinganjira is a qualified school headmaster and holds Diplomas in Education, Business Communication and Business Management and a Certificate IV in Workplace Assessment & Training; he has been the Potter's and, more lately, the Paraclete Institute's Representative in Malawi for the past 14 years – see below.



*Bester*



*Patrick*

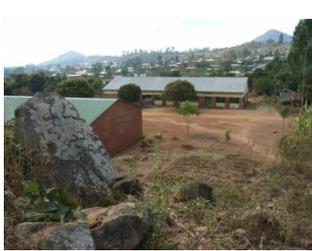


*Gladstone*



*Byson and Edna*

**Stage 3:** In 1996 Byron Mpinganjira advised that there was an opportunity and need to set up an education and training facility in Malawi. The Institute assisted Mr Mpinganjira obtain AusAID funding for the development of an Education & Training Centre at Sadzi just south of Zomba. This facility has been developed under the auspices and oversight of the Emmanuel Tract Fellowship Trustees - all Malawians since 1989. Over the past ten years the centre has run a Secondary School and graduated a considerable number of people in Basic Computing, Office Practice and Tailoring. Paraclete (Australia) has provided certification for these training initiatives. Significantly, 95% of graduates have found employment after training – quite an achievement in a country with 87% unemployment!



**Sadzi Centre**



**Computer Trainee**



**Graduating Class – Tailoring**



**Secondary Schooling for Teen-Orphans**

**Stage 4:** For some time, the Institute has been looking for a way to render its Malawi initiatives self-funding. In August 2010, John Potter and John Coverdale (Portland Vic.) visited Malawi to plan a way forward. They found that there was a significant opportunity to develop food production in flat irrigable land around Lake Malawi\*, but start-up costs would be high at around \$5 million. They also found that Malawi had 75 000 ha of mature pine plantations that could be harvested and sold into international markets at a good profit. Start-up costs for setting up a milling operation were relatively low at **\$250 000** and returns high. The Institute’s Executive Committee decided to investigate this opportunity further. Subsequent visits were made to Malawi in October 2010 and February 2011. In April 2011 a Memorandum of Understanding was signed with the Malawi Government for the setting up of a training program in timber milling in the Zomba Mountain Timber Plantation. It was agreed that the Institute could sell the timber produced in the training program **provided that** the Institute registered as a Non-Government Agency in Malawi. (It is against Government policy to allow an off shore entity to sell national assets). This registration was achieved in March 2013 and everything is now in place to proceed with the training exercise. Paraclete (Australia) has undertaken to provide start-up services in course development and accreditation and in training of trainers in timber milling, kiln drying and packaging for international markets. It remains only to raise the necessary start-up capital for the basic equipment required for the project.



*With Dr Kayambazinthu (left) Director Forestry, Lilongwe*



*With Dr Chilma and Dr Chanyenga, Forestry Research Institute, Zomba*



*John Coverdale in Zomba Forest*

The Trustees of the Paraclete Institute in Malawi are Andrew Kacheyo, (Chairman), Byron Mpinganjira (Secretary and Executive Director), Dr Tembo Chanyenga, (see photo below), John Potter (Australia) and Tim Potter (RSA).



**Andrew**



**Tembo**



**Byson**



**Tim**



*\*Lake Malawi is 500km long, up to 80km wide and has a mean depth of 600m. It holds 15 million giga-litres of fresh water you can drink; this is equivalent to 625 Murray Darling Basins!*

## MALAWI TIMBER PROCESSING TRAINING PROGRAM BUSINESS PLAN

The Malawi Timber Processing Training Program will produce 5 000 cubic metres (m<sup>3</sup>) of milled timber per annum.

- **The Paraclete Institute Malawi Office** will sell 5000m<sup>3</sup> of timber at \$65/m<sup>3</sup>; 60% of this will be exported to Australia (see below). In a full year the return to the Institute in Malawi will be \$325 000 with a **net return of \$252 000/annum**. This income will render the Malawi Institute self-funding and permit it to provide other important training programs in Malawi – including disability care training.
- **The Paraclete Institute Australian Office** will sell 3000m<sup>3</sup> of milled timber into the Australian market at \$300/m<sup>3</sup>; markets are secured. Income in a full year of trading will be \$900 000/annum. After paying for the timber, freight costs, distribution costs non-taxable profit will be **\$225 000**. These funds will be provide start-up funding for a **commercial forestry operation** in the Viphya Forest in Malawi.

The Malawi Timber Processing Training Project will have far reaching results:

1. Each year ten forest workers will be helped to achieve competence in milling and drying timber to international standards. They will provide the staff needed for a commercial operation in the Viphya Timber Plantation (50 000 ha of mature pine trees). Each forest worker will be assisted to develop a **family business** in timber milling contracted to the commercial company. Paraclete Malawi will provide free Business Management training and mentoring to ensure success.
2. Each year four families will be helped to develop small businesses in forest hygiene (cleaning up after tree felling) and the sale of much needed fire-wood into the local community. (Malawians use 1 tonne of timber/per person for cooking purposes each year).
3. The Paraclete Institute in Malawi will have net annual income of \$252 000 for its on-going training operations. This will allow it to develop other programs, **independent of aid funding**.
4. The commercial operation will produce 60 000m<sup>3</sup> of timber in the sixth year of operation. Most of this timber will be readily sold into international markets with a net annual return of around **\$3.9 million**. These funds will not only provide income for the commercial company's staff and some 60 associated small businesses operations but will provide start-up capital for a **food production** enterprises adjacent to Lake Malawi.
5. The Institute in Australia will on-sell timber for a **net return of around \$5 million**. These funds will be re-invested in further projects in Malawi and other African countries.

### Summary

Malawi has the assets it needs to become financially independent of Aid. Paraclete Australia has the expertise to help them achieve this over time. A Business Plan for the Malawi operation has been developed by the Paraclete Institute in Malawi and the Forestry Research Institute of Malawi jointly. It is agreed that the timber produced in the training exercise may be sold to cover costs; 40% to be sold on local markets and 60% exported to Australia. Export permits will be provided.

The Paraclete institute in Australia has made arrangements with timber merchants in Australia for the sale of imported timber.

The urgent need is to raise the **\$250 000 capital** needed to purchase start-up machinery for the project. Project income will provide the funds necessary to fully fund a commercial timber operation.

Investors may participate either on a loan with interest basis or as joint venture partners.

**WE NEED TO DO THIS!**