



*Making a
Difference in the
Lives of Others!*

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Courage Community Partnership Program

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Introduction

It has been said that it is better to teach a man to fish, rather than give him a fish, as in this way he will be able to provide food for his family not just for a day, but for many days to come. The above saying makes good practical sense, however in most cases, programs aimed at achieving the above end up in failure, with a great deal of effort and good money wasted, or ending up in the hands of a few.

WHY SOME PROGRAMS HAVE FAILED

Unfortunately many of the government initiated programs that have tried to improve the living standards of a group of communities, or communities on a national basis have failed. Part of the reason is due to poor money management and corruption, a grant mentality where people become dependant on grants or social services and a focus on educational programs that teach people what to do but don't provide the infrastructure to apply their learning, i.e. teach a person to fish, but don't supply them with a rod.

The other part of the reason is that governments are restricted in the way they target specific groups, or communities due to political pressures and the need to be seen to treat all groups, or communities equitably. For example, if the Australian Federal Government targeted an individual Aboriginal community with a program that improved their living standards, they would come under enormous pressure to implement the same program for all communities. In Papua New Guinea the one talk system (those people who speak the same language *1) applies where politicians and administrators have an obligation to help their people, family and themselves ahead of others. This often results in conflict between different communities, a misuse of funds and the eventual disintegration of the program.

Other failed programs have been the result of the misuse of monies intended for altruistic purposes being wasted on unnecessary travel and administration costs, unauthorised payments to individuals, or perhaps ending up in apartment buildings on Australia's Gold Coast. More money has been wasted on poorly designed projects, or duplication of services, i.e. the establishment of health centres by different church groups in the same area.

WHY SOME PROGRAMS HAVE SUCCEEDED

However there are also some good success stories. These have primarily arisen from individuals, or organisations that have targeted specific problems in specific areas and are free from many of the political pressures faced by government organisations. Some of these programs have targeted specific issues, such as health and education, whilst others have focused on improving the economic outcomes. These programs have primarily concentrated on assisting individuals to exercise their entrepreneurial skills and to create successful cottage industries. In these cases individual families have been able to shake of their poverty and improve their personal situation, but other members of the community have been left behind.

THE COURAGE APPROACH

Courage International has approached the problem of assisting impoverished people at the community level, with the aim of assisting the whole community, not just a few individuals. As a Non Government Organisation (NGO) we are able to target individual communities with a specific program, which although generic in its structure, is tailored to the individual community needs. Our program, called the Courage Community Partnership Program (CCPP) is primarily focused on improving the economic outcomes of a community by forming a

partnership with the community to develop its resources, or undertake business activities that generate income.

Under the CCPP, Courage International provides business and management expertise, funding, training and marketing activities, whilst the Community predominantly provides its resources and labour. Income generated by the partnership is firstly used to pay for resources, labour and other direct costs, with the surplus being directed back proportionally to the repayment of the funding loans (these are non interest bearing) and the partnership. The Community's share from the partnership can then be channelled, under guidance from Courage International, back into Community projects aimed at improving education, health and facilities. This income is then topped up from funds obtained through grants, donors or government programs.

Under the CCPP, the funds lent to the partnership are not a gift, but must be repaid through surpluses generated out of earnings, with the Community taking joint responsibility with CI for the loan. So, where there is a loss, this will be shared by the partnership and where there are profits, these will be distributed according to the rules of the CCPP. Also under the CCPP, Community projects are initiated from the remaining surpluses. Note, that it is not expected that impoverished Communities will suddenly have the funds available to undertake the projects required, so top ups will be needed via grants, donations or government programs. These conditions are aimed at teaching the Community to take responsibility for the funds provided to them and to use them wisely.

The aim of the CCPP is to progressively improve the Community's economic and living standards and to, over time, develop the skills of the people to a point where they can take their future prosperity into their own hands.

Courage International

Courage International (CI) was founded by Frank Whittaker as the end result of 8 years of prayer and searching after the word courage was placed in his heart. With extensive experience in international business and finance, Frank struggled with the question that many of us have. “What is my purpose and how can I use my skills and experience to achieve something that is greater than myself?”

“For I know the plans I have for you,” declares the Lord, “plans to prosper you and not to harm you, plans to give you a hope and a future.” Jeremiah 29:11

Frank has come to understand, that although we are pre-destined, we have also been given a free spirit to make our own choices. Will we obey and seek the Lord with all of our heart, or will we continue to live according to our own purpose?



Frank Whittaker (Right) with Ps. Lawrence, a leading Pastor and visionary from PNG who sees a GOD led revival of his Nation.

Following a pre-destined meeting with Ps. Lawrence, Frank was called to PNG where he met with leaders from the Afore district, who 6 years earlier had received a vision that a man of courage would come to help them. Frank’s purpose become clear, CI was established and an incredible journey

had begun.

OUR PURPOSE

CI is a Christian Business Ministry based in Australia whose purpose is to make a difference in the lives of others, by:

1. Encouraging, facilitating and supporting poverty stricken communities through their local churches and organisations to implement a community economic development model, that in turn leads to:
 - 1.1 Increased business and employment opportunities;
 - 1.2 Improvements in education, health and housing;
 - 1.3 Self reliance and financial prosperity for all peoples living in the communities; and
 - 1.4 A strengthening of community churches.
2. Encouraging, teaching and assisting entrepreneurs, managers and administrators to apply GOD’s principles to their organisations and in doing so discover their true purpose.

COURAGE INTERNATIONAL STRUCTURE

CI has established an organisational structure and framework that enables both its ministry and business activities to be carried out separately in Australia and other countries. This structure enables CI to comply with local legislation (the need for majority national ownership) and ensure that transparency is maintained at all times between the raising and application of funds for social and economic purposes. At the time of writing this document, CI has established offices in Australia and only one other country, being PNG.

Each entity is explained below:

COURAGE BOARD

The Courage Board comprises of men and women who are committed to the success of CI and its programs. The Courage Board is responsible for:

- overseeing all of the activities undertaken by the CI;
- promoting CI and its programs to church organisations, government representatives and other NGO's;
- raising investment capital, grant monies and donor funding

COURAGE INTERNATIONAL INC.

Courage International Inc. is an Australian based Not for Profit NGO, whose role is to:

- co-ordinate CI activities both in Australia and other countries;
- plant and sponsor CI organisations in other countries;
- undertake missionary activities;
- conduct promotional and social activities;
- raise investment capital, grant monies and donor funding;
- develop and foster relationships with church organisations, government representatives and other NGO's;
- set policy, procedures and protocols;
- provide administration support to CI offices.

COURAGE INTERNATIONAL DEVELOPMENT TRUST

CI Development Trust (CI Trust) is a unit trust that has been established for the purpose of providing investment capital for the Courage Community Partnership Programs and other activities undertaken by CI as agreed with the board. Funds are sought from individuals and organisations that have a heart to assist people in real need.

COURAGE INTERNATIONAL (PNG) LIMITED

Courage International (PNG) Limited (CI PNG) is a PNG nationally owned 'Not for Profit' NGO, whose role is to:

- form and manage partnerships with PNG Communities, including:
 - Liaising with and assessing communities that wish to undertake the CCPP;
 - establishing Community organisations;
 - implementing and managing CCPPs;
 - providing project funding and other resources;
- undertake missionary activities;
- conduct promotional and social activities;
- seek grant monies and donor funding;
- liaise with church and community leaders, government representatives and other NGO's.

CI PNG is sponsored by CI Inc.

COURAGE INTERNATIONAL TRADING LIMITED

Courage International Trading Limited (CI Trading), a division of CI (PNG) Limited, is a national company (Majority PNG owned) that has been established for the purpose of:

- providing a central trading organisation to facilitate the marketing of resources on behalf of the Community Organisations established through the CI Community Partnership Program (CPP) and;
- to generate additional revenues for CI (PNG) Limited.

NOTE: That the creation of this company is essential to preserve the Not for Profit status of CI (PNG) Limited.

COMMUNITY CORPORATIONS AND COMMUNITY BOARD

Community Corporations are set up for each community undertaking the CCPP. These corporations are owned by the Community and managed by the CI organisation established for that country. Within each community, individuals are encouraged to participate in the CCPP by becoming members of the corporation. Under the guidelines of the CCPP, each individual within the Community is entitled to become a member by purchasing one share in the Community Corporation.

Within each Community, leaders are selected to form a Community Board to firstly provide a sounding board to the community and secondly to assume, over time, responsibility for the operations of the Community Corporation.

OTHER COUNTRIES

As CI reaches out to other countries, similar structures as set up for PNG will be duplicated in those countries.

Courage Community Partnership Program

“It is our hope that the Courage Community Partnership Program (CCPP), in conjunction with the efforts of community leaders and other humanitarian projects will lead to a revival of impoverished communities throughout the world.”

ONE + ONE = THREE

It has been said that “It is too hard doing it by yourself”, however if two people come together then the sum of the relationship can add up to three, or perhaps even more. This is the philosophy adopted by CI and the aim of the Courage Community Partnership Program (CCPP). Through this program we form a partnership with a Community, which in the case of the Afore district, located in Papua New Guinea, includes more than 12,000 people and together we work towards developing its resources, or undertaking business activities that generate income. CI provides business and management expertise, funding, training and marketing activities, whilst the Community predominantly provides its resources and labour. Income generated by the partnership is firstly used to pay for resources, labour and other direct costs, with the surplus being directed back proportionally to the repayment of the funding loans (these are non interest bearing) and the partnership. The Community’s share from the partnership can then be channelled, under guidance from Courage, back into Community projects aimed at improving education, health and facilities. This income is then topped up from funds obtained through grants, donors or government programs.

NOT A GIFT

Under the CCPP, the funds lent to the partnership are not a gift, but must be repaid through surpluses generated out of earnings, with the Community taking joint responsibility with CI for the loan. From the business activities undertaken, where there are losses, these are shared by the partners and where there are surpluses, these are equitably distributed to the partners.

Also under the CCPP, Community projects are initiated by the Community Board from the Community’s share of surpluses. Note, that it is not expected that impoverished Communities will suddenly have the funds available to undertake the projects required, so top ups will be needed via grants, donations or government programs. CI will work collectively with the Community to obtain these funds and also provide the management expertise to ensure that these funds are applied appropriately to each project.

The CCPP is not intended as a quick fix program, with our initiatives are aimed at teaching the Community to accept responsibility for the funds provided to them and to use those funds wisely.

PROGRESSIVE IMPROVEMENT

The aim of the CCPP is to progressively and sustainably improve the Community’s economic and living standards and to, over time, develop the skills of the Community’s leaders to a point where they can take the future prosperity of their Community into their own hands.

The CCPP is intended to remain in place for up to 25 years, as agreed with the Community and depending on the level of skills developed by the leaders of the Community.

PROGRAM COPYRIGHT

Although we are pleased to provide you with this document, it is important for the reader to realise that extensive experience, many hours of hard work and a great deal of prayer have gone into developing this program. As such, we ask that you respect our rights and seek our permission to use the concepts and information contained within this document.

Proverbs: 23:23 Buy the truth and do not sell it; get wisdom discipline and understanding.

CCPP Pilot

The Courage Community Partnership Program (CCPP) has been developed and implemented on a pilot basis for the Afore district, which is located in the Oro Province of Papua New Guinea. Located near the northern end of the Kokoda trail in Papua New Guinea, the Afore district has a population of approx 12,000 people living in 100 villages and produces:

- Coffee (Organic Arabica)
- Cocoa (Organically grown)
- Spices (Inc. Vanilla)
- Timber (Inc. Kwila and Teak)
- Gold and other resources

For many years they have had great difficulty in getting their produce to markets because of their lack of resources and road transport. As a result of this they have been commercially exploited by overseas companies and local traders who have made fortunes from this resource rich, cash poor community. This is now changing, with the Afore district's people being given a chance to shake off their poverty and take their future prosperity into their own hands.

CI (PNG), in partnership with local Pastors and Leaders, implemented the Courage Community Partnership Program (CCPP) for the Afore district in 2003. Our program aims to give new hope to all people living in the district and progressively improve their economic and living standards whilst retaining their cultural heritage.

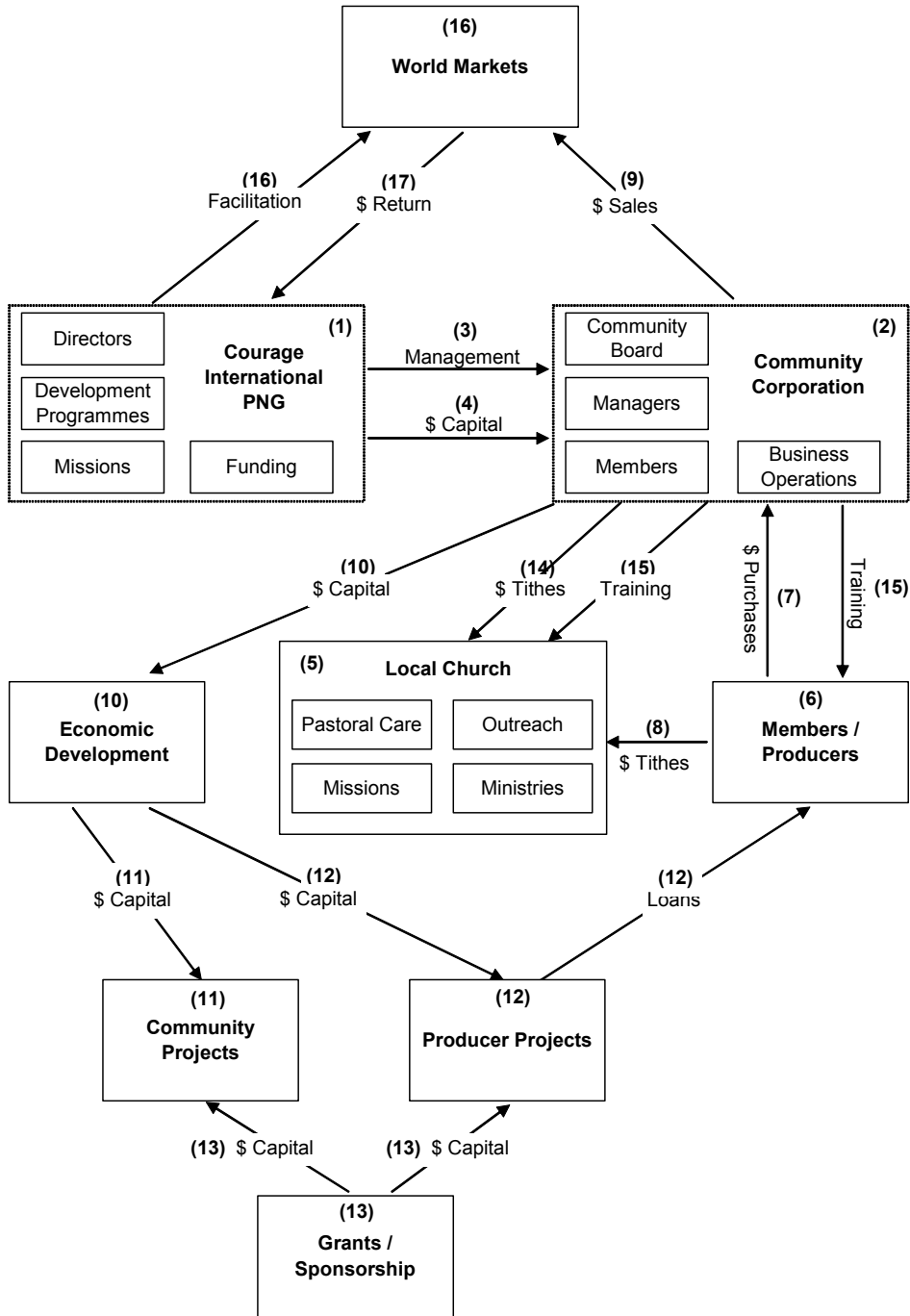
CCPP Model

At the heart of the CCPP is a model / framework (called the CCPP Model) that describes both the financial and non financial flows that result from the implementation of the program for a community. A diagram of the CCPP Model is shown on the following page, which is followed by a series of summaries (extracts from the full model document) that relate to the numbers displayed next to each box, or line. Money flows are indicated by a \$.

In addition to the CCPP Model, the CI Funding Model describes how funds are provided to the partnership and how revenues, resulting from commercial activities undertaken by the partnership, are returned to CI and its investors. (See CI Funding Model section)

Please note, that the complete model document contains extensive details, including policies, procedures, standard forms and examples relating to each of the summaries. If you have any questions relating to this document, or suggestions to improve the model, please contact our office.

Courage Community Partnership Program



The Courage Community Partnership Program (CCPP) combines commerce with Christian principles to assist whole communities to shake off their impoverishment and to promote the kingdom.

(1) COURAGE INTERNATIONAL

The box termed Courage International incorporates all CI entities and operations, including management, programs, mission work, funding and marketing. For details on the structure of CI refer to the section Courage International.

Management

The CI board and management have many years of experience in managing a diverse range of business projects. Within each country, CI will seek out local business people and spiritual leaders to compliment the existing skills of CI and ensure that local issues are appropriately addressed. The combination of these skills will be provided to the CCPP.

Programs

The locally based CI organisation is responsible for the development, implementation and overseeing of all CCPP's for communities within and near the country of operation. Although the basic structure of the CCPP does not change, it is tailored to meet the local needs of each community and the country in which it operates.

Missions

The locally based CI organisation will undertake missions work with communities that undertake the CCPP, providing mentoring to community leaders on business and economic development according to biblical principles and encouraging all peoples within the communities.

Funding

Funding for the CCPP comes from CI Inc., CI Trust, returns received from partnering with Communities, partnerships with other NGO's, donations, grants and government programs.

Marketing

CI through its trading arm will develop national and international markets for the Community's products and services, with the aim of increasing the returns to communities through value adding and improved market prices.

(2) COMMUNITY CORPORATION

Once it has been agreed to implement the CCPP for a community, the next step is to establish a Community Corporation with which CI can form a partnership. The Community Corporation is a locally registered company that is set up as a co-operative for the people living within the Community. The Corporation is owned by its member shareholders, (1 share per person) with CI being responsible for the overall management of the Corporation and the Members sharing in the gains of the Corporation.

The rules of the Corporation are governed by a set of strict guidelines developed by CI, that are based on Christian principals, to ensure that the operations of the Corporation are for the good of all people, not just a few.

Community Board

To oversee the day to day operations of the Corporation and to ensure that the decisions made by the appointed managers meet the needs of the people, a Community Board is appointed, consisting of selected Leaders and Pastors within the Community. Initially, the Community Board is elected by the directors of CI, however as the Corporation matures the Board will be

elected by the Member shareholders. The Corporation Board members will be provided with structured training and their performance assessed during visits by CI managers.

The Community Board is responsible for:

- Overseeing the day-to-day operations of the Corporation;
- Advising and sponsoring Membership applicants;
- Educating and encouraging member applicants to understand what the Corporation is, how it operates and the biblical principles applied;
- Review and recommend applications for development loans;
- Recommend Community development projects;
- Oversee development projects;
- Act as a sounding board to CI, to bring forward issues and concerns of the Community;
- Attend training and communication meetings to be held approximately three monthly;
- Advise members of their parish / local church on how to budget their monies;
- Ministry activities;
- Reporting back to CI.

Three monthly, Community Board members are required to submit a report on their areas of responsibility. At each Board meeting, a full set of accounts setting out the financial position of the Corporation will be provided to the Community with a summary of those areas of the Corporation's activities that need review and possible correction.

Managers

Managers are appointed by CI in consultation with the Board, and are paid for their services by the Corporation. In most cases the initial managers will also be the Board Members. Their responsibilities include:

- Purchasing produce;
- Storing and transporting products;
- Maintaining vehicles and equipment under their care;
- Employing, training and paying employees;
- Maintaining proper records and accounts;
- Reporting back to CI.

Managers are directly accountable to the Community Board on a day-to-day basis and their performance is assessed during visits by CI representatives.

Members

Each person living in the Community has the right to purchase one Member share at the price set down in the CCP agreement. In the case of PNG Corporations, the Membership fee has been set at K50, or approx \$25 AUD. They can do this by making application and paying a fee of the set amount, or the equivalent in produce. The Community Board is responsible for reviewing applications and issuing members with their share certificates. Membership is reserved for people living in the district and selected others outside the district who are sponsored by the Community Board. Membership applicants:

- Need to be sponsored by their local Pastor, or Leader.
- Must agree to abide by the principles and guidelines set down by the Corporation, including:
 - Making a pledge of 10% of their earnings to their local church;
 - Undertaking education by their local Pastors;
 - Living by the word of GOD.

Upon becoming a member, the Member has the right to:

- Sell their produce to the Corporation in preference to and at a higher market value than non members;
- Open up a bank account under the name of the Corporation to deposit excess funds and accumulate savings;
- Seek development loans;
- Participate in any distributions of profits generated by the Corporation. These distributions are based on the Member's average account balance held with the Corporation.

Business Operations

The Corporation will undertake a wide range of business activities with the purpose of increasing the overall economic and spiritual wealth of the Community. To achieve this, the Corporation must operate on a commercial basis with the view to making a profit, however that profit must be balanced with the needs of the Community as a whole.

Under the CCPP agreement, the Corporation is obliged to provide CI with the first option of purchasing product for sale to local and international markets.

(3) MANAGEMENT

The CCPP includes an agreement for CI to provide management expertise and spiritual guidance to the Corporation and oversee its operations to ensure that it is successful in the long term. Under the terms of this agreement, CI has the authority to appoint the Community Board and to ensure that the objectives of the CCPP are met. As a precautionary measure, CI holds ordinary voting shares in the Corporation that enable it to legally avert any attempt by the Corporation's members to misuse the Corporation's funds or divert the activities of the Corporation for their own benefit.

CI will work closely with the Community Board and Managers to:

- Establish, develop and promote business opportunities;
- Train and encourage Community leaders and entrepreneurs;
- Develop new markets and opportunities;
- Identify, plan for and implement Community development projects;
- Assess Member application loans;
- Assess Community development projects;
- Negotiate land purchases and leases;
- Purchase new vehicles and equipment;

- Apply for grants and other funding;
- Overcome Corporation and Community issues.

(4) CAPITAL LOANS AND COMMUNITY FUNDING

In order for the Corporation to commence business activities in partnership with CI, it is necessary to provide an initial injection of capital, plus ongoing loans for specific projects. These loans are primarily provided by the CI Trust to the partnership formed between CI and the Community Corporation. The loans are provided interest free by the CI Trust, but must be repaid out of surpluses generated through business projects and associated activities undertaken by the partnership.

In addition to capital loans, CI will also, through its fund raising activities, provide donation and aid funding to the Corporation specifically for non commercial activities, including Community Projects and Training Programs.

(5) LOCAL CHURCH

It is our belief that the local church is the hope of the Community and that if the local church is strong the Community will also be strong.

Pastoral Care

- Sponsor and give guidance to membership applicants;

Missions

- Give a tithe of tithes to World Mission.

Outreach

Ministries

(6) MEMBERS / PRODUCERS

Producers who wish to become a member of the Corporation will make an application and pay a fee of 50 Kina, or produce. At the three monthly Board meeting, all applications will be reviewed and members will be issued with their certificates. Membership is reserved for people living in the district and selected others outside the district who apply. Membership applicants:

- Need to be sponsored by their local Pastor, or Leader.
- Must agree to abide by the principles and guidelines set down by the Corporation, including:
 - Making a pledge of 10% of their earnings to their local church;
 - Undertaking education by their local Pastors;
 - Living by the word of GOD.

Members Accounts

Members will be provided with an account where they can deposit excess monies and share in the profits of the Corporation. Individual accounts for each member are being negotiated with the Bank of South Pacific to enable individual producers to bank and save monies paid to them by the Corporation.

(7) PURCHASE OF PRODUCE

The Corporation, through its managers will actively pursue the purchasing of produce and other goods from members of the Corporation. Although the Corporation will purchase from non members, members are given first priority for their produce.

Payment Rate

Produce is to be purchased at a commercial rate by the Corporation. At the time of purchase, the agent will issue a purchase document to the producer that shows the full sales value of their produce and payment terms. The producer will also be provided with materials to assist them with providing their produce, for example coffee growers would be supplied with coffee bags for their next harvest.

Payment Terms

Under the purchase agreement, sellers of produce to the Corporation are given the option of being paid the full cash value for their produce at the time of purchase, or the option of receiving a higher price by leaving some of their earnings in the Corporation. The credit balance can then be withdrawn after a period of 12 months. This enables the seller to receive an ongoing cash flow and assists the Corporation's cash flows.

Withdrawal of Funds from Capital Account

Members have the option of withdrawing the balance of their account after a period of 12 months. Members are provided with a Corporation bank account, which they can use to deposit and withdraw funds from. Whilst members retain a balance account they will receive a share of any profits generated by the Corporation.

(8) TITHES FROM PAYMENTS

Because this is a Christian based model, all sellers of produce are encouraged to tithe 10% of their earnings back to their local church, in accordance with biblical principles. At the time of purchase the seller is given the option of tithing to their local church. As such the seller is given two options:

- Option A: I would like the Corporation to Tithe on my behalf
- Option B: I would like to make my own Tithe

If the seller chooses option A, the Corporation withholds an amount equal to 10% of the total payment. This amount is subsequently paid by the Corporation to the seller's local church.

If the seller chooses option B, they become responsible for paying their own tithes to their local church. In this way it is up to the seller's own heart to keep their pledge.

Malachi 3:10 Bring the whole tithe into the storehouse, that there may be food in my house. Test me in this, "says the Lord Almighty," and see if I will not throw open the floodgates of heaven and pour out so much blessing that you will not have room enough for it.

(9) SALES & MARKETING OF PRODUCE

The Corporation, in conjunction with CI, will take a pivotal role in the marketing of produce purchased from producers. Because the Corporation will pool a large number of producers together, it should, over a short period of time, establish itself as a commercially viable trading organisation.

CI as the Buyer

CI, as per its agreement with the Community Corporation has the first option to purchase produce from the Community Corporation. As such, it is expected that all sales of produce by the Corporation to International markets will be conducted through CI Trading who, in the case of PNG, will hold the various export licenses, including Coffee, Cocoa, Spices, timber and precious metals.

Where CI (PNG) is the buyer of produce from the Corporation i.e. becomes the Coffee Exporter, an agreement on price and conditions will be reached with the Board of the Community Corporation to ensure that a fair market price is paid for the produce.

Value Added Projects

One of the aims of CI is to assist the Corporation to increase the value of product sales through value adding. For example, it may be feasible to establish a coffee roasting plant, or develop a furniture manufacturing plant. In these cases, a feasibility study will be conducted and if deemed to be commercially viable, CI would partner with the Community Corporation to undertake the project.

The returns from such a venture would be shared in accordance with the joint venture agreement.

(10) ECONOMIC DEVELOPMENT

A key role of the Corporation is to provide economic assistance to the community and its producers. As such, 45% of the net operating profit, as approved by the board at their three (3) monthly meeting, will be applied to economic development.

The Corporation's key areas of economic development are to:

1. Assist the community to develop, market and add value to their district's produce;
2. Create Employment Opportunities;
3. Facilitate Community Projects;
4. Provide Training Programs.

To achieve the above, under the terms of the CAPP, 45% of the net surplus returned to the Community through business activities must be applied to economic development projects that assist the Community to achieve the above goals. As such, the Corporation's Board will allocate funding on a project-by-project basis, with an emphasis on the overall benefits to the community, rather than the individual. CI in its role as a business manager will further assist recipients of these development funds to maximise their returns.

Loan Repayments

For those investments made to benefit the whole community, the Corporation will not seek any repayment.

For those investments that benefit individuals, or small groups, loans are to be repaid out of the increase in revenues received by the recipient of the loan. At the commencement of the loan, the recipient is asked to provide, with the help of the Board, an estimate of the benefits that will be derived from the loan.

Development Applications

All applications for funding must be endorsed by the Community Board, which is required to review each application and then recommend the applications to CI for final approval. Upon

receiving an application form, CI will decide at its 3 monthly meeting which projects will be funded and to what amount.

Controls to limit risk

To ensure the sustainability of the Corporation, the following measures will be taken to reduce risk.

1. Investments will only be made outside of the community, where it can be shown that such investment will provide an economic benefit to the community;
2. A single project cannot exceed 10% of the Corporation's net reserves.

(11) ECONOMIC DEVELOPMENT – COMMUNITY PROJECTS

Two of the primary goals of the CCPP are to:

1. Facilitate Community Projects that:
 - a. Improve hygiene, diet and clean water supplies;
 - b. Improve health care facilities ;
 - c. Improve educational programs and facilities;
 - d. Link education to employment opportunities;
 - e. Improve communications infrastructure;
 - f. Encourage recreation and sporting activities;
 - g. Promote awareness of cultural significance;
2. Provide Training Programs that:
 - a. Improve Community leadership capabilities;
 - b. Teach principles of business and finance;
 - c. Teach principles of sustainable agriculture and ecology;
 - d. Improve the standing of women in the Community;
 - e. Improve standards of health and hygiene;
 - f. Encourage people to save and invest in their future.

Teaching GOD'S Principles

A primary focus of the Corporation is to teach GOD's principles about business, finance and tithing to the Pastors / Leaders and people of the district. It is envisaged that this will occur through education programs, development projects, local churches and by example.

The Corporation in conjunction will set up educational programs with the local Pastors and overseers. These programs will include:

- Financial management;
- Health;
- Other programs as directed by CI.

(12) ECONOMIC DEVELOPMENT – PRODUCER PROJECTS

Two of the primary goals of the CCPP are to:

3. assist the community to develop, market and add value to their district's produce by:
 - a. Providing interest free development loans;
 - b. Facilitating the transportation of produce;
 - c. Creating new market opportunities;
 - d. Undertaking projects that add value to produce;
 - e. Providing business mentoring
 - f. Supplying basic equipment and essential tools; and
4. Create Employment Opportunities by:
 - g. Providing training to increase skills;
 - h. Establishing new business ventures;
 - i. Maintaining local transport infrastructure

To achieve the above, under the terms of the CCPP, 45% of the net surplus returned to the Community through business activities must be applied to economic development projects that assist the Community to achieve the above goals. As such, the Corporation's Board will allocate funding on a project-by-project basis, with an emphasis on the overall benefits to the community, rather than the individual. CI in its role as a business manager will further assist recipients of these development funds to maximise their returns.

Approval

Upon the approval of a producer project, an investment document will be completed for the producer, in conjunction with their local pastor / leader, setting out the conditions of the investment. This is to ensure accountability and transparency in the transaction. Once the investment document is completed the Corporation will purchase the equipment, materials and labour required for the project and supply them to the producer. The producer's local Pastor / leader will be asked to provide guidance to the producer and to bring any issues regarding the project back to the Corporation.

Loan Repayments

For those investments made to farmers, miners, or other producers to develop their resources, the person receiving the assistance will be required to repay the investment out of future years increase in production. At the commencement of the loan, the recipient is asked to provide, with the help of the Board, an estimate of the benefits that will be derived from the loan. The rules of the loan will be clearly explained to the producer at the time of the investment loan and included in the investment document.

Investments for New Guinea are capped at 200 Kina per producer, unless expressly authorised by CI.

Local Employment

The Corporation will employ local villagers, on a casual basis, for the processing and transportation of produce and road maintenance. Emphasis will be placed on employing individuals from the village that the produce is purchased from.

(13) GRANTS / SPONSORSHIP

Wherever possible, the corporation will seek government / sponsor funding on a shared basis, i.e. 1 Kina funding for 1 Kina invested by the Corporation.

(14) TITHES FROM CORPORATION

The second form of tithing is from the Corporation. The Corporation will tithe 10% of its gross earnings into a separate tithing account maintained by the Corporation. Details of tithings are to be included in the reports distributed to Pastors and Leaders each three months. Tithings are then to be distributed over the next three-month period in line with the following:

- One tenth will be allocated to World Mission;
- A portion will be set aside for Ministry purposes;
- A portion will be set aside for the education and personal development of Pastor's children;
- A portion may will be set aside for other churches;
- Of the remaining balance a portion will be distributed to the district churches for the purpose of financing the ministries, as determined by the board.

Unfortunately, because of the pressure exerted on the Corporation to purchase coffee outright from non-members there have been no sales, therefore no income and consequently no tithes can be made.

(15) TRAINING

The Corporation will provide training and guidance to Pastors and Leaders on business management and other subjects according to GOD's teachings. Training will be provided by CI representatives, as well as through agreed training programs in conjunction with other NGO's.

(16) MARKETING AND FACILITATION

CI will assist the Corporation to market its produce to Local, National and World markets. Additionally expertise and assistance will be provided to value add existing products and create new products for the market. An example of how CI can assist is demonstrated by the project Afore, where market prices for coffee have been increased by more than 100% because of the collective bargaining strength of the Corporation. It is envisaged that coffee prices could be increased by a further 100% through the gaining of an exporter's license and value adding. In total this would return an additional K0.5 Million revenue to the community, based on current production.

(17) \$ RETURN TO CI

In return for the capital invested, management guidance and market facilitation, CI receives a 50% share of the gross profit gained from all product sales after loan repayments. Loan repayments are also based on gross profits, to ensure that no hardship is placed on the community to repay the debt as repayments are based purely on the ability of CI and the Community Corporation to market their produce.

The return to CI enables us to assist other communities, undertake mission work, perform general administration and pay professional fees for market assistance.

Product Sales

CI will receive 50% of the gross profit gained from all product sales after loan repayments. The return is based on the following formula:

The following example shows the return to CI on the sale of 100,000kg of Green Beans to an Coffee Exporter based in Lae for the sum of K300,000.

• Sale of 100,000kg of Green Beans	K300,000
• Less Grower Payments	K100,000
• Less Transport Expenses	K100,000
• Gross Profit	K100,000
• Loan Repayment to CI Trust	K 33,333
• Balance	K 66,667
• Return to Community Corporation	K 33,333.50
• Return to CI	K 33,333.50

CI as the Buyer

Where CI (PNG) is the buyer of produce from the Corporation i.e. becomes the Coffee Exporter, CI will derive additional return from the sale of produce to International buyers and be responsible for all costs associated with such exports.

Value Added Projects

One of the aims of CI is to assist the Corporation to increase the value of product sales through value adding. For example, it may be feasible to establish a coffee roasting plant, or develop a furniture manufacturing plant. In these cases, a feasibility study will be conducted and if deemed to be commercially viable, CI would partner with the Community Corporation to undertake the project.

The returns from such a venture would be shared in accordance with the CCPP agreement.

Afore CCPP Pilot

The Courage Community Partnership Program (CCPP) has been developed and implemented on a pilot basis for the Afore district, which is located in the Oro Province of Papua New Guinea. Located near the northern end of the Kokoda trail in Papua New Guinea, the Afore district has a population of approx 12,000 people living in 100 villages and produces:

- Coffee (Organic Arabica)
- Cocoa (Organically grown)
- Spices (Inc. Vanilla)
- Timber (Inc. Kwila and Teak)
- Gold and other resources

For many years they have had great difficulty in getting their produce to markets because of their lack of resources and road transport. As a result of this they have been commercially exploited by overseas companies and local traders who have made fortunes from this resource rich, cash poor community. This is now changing, with the Afore district's people being given a chance to shake off their poverty and take their future prosperity into their own hands.

CI (PNG), in partnership with local Pastors and Leaders, implemented the Courage Community Partnership Program (CCPP) for the Afore district in 2003. Our program, which has now been running for a little over a year, aims to give new hope to all people living in the district and progressively improve their economic and living standards whilst retaining their cultural heritage.

DIFFICULTIES EXPERIENCED

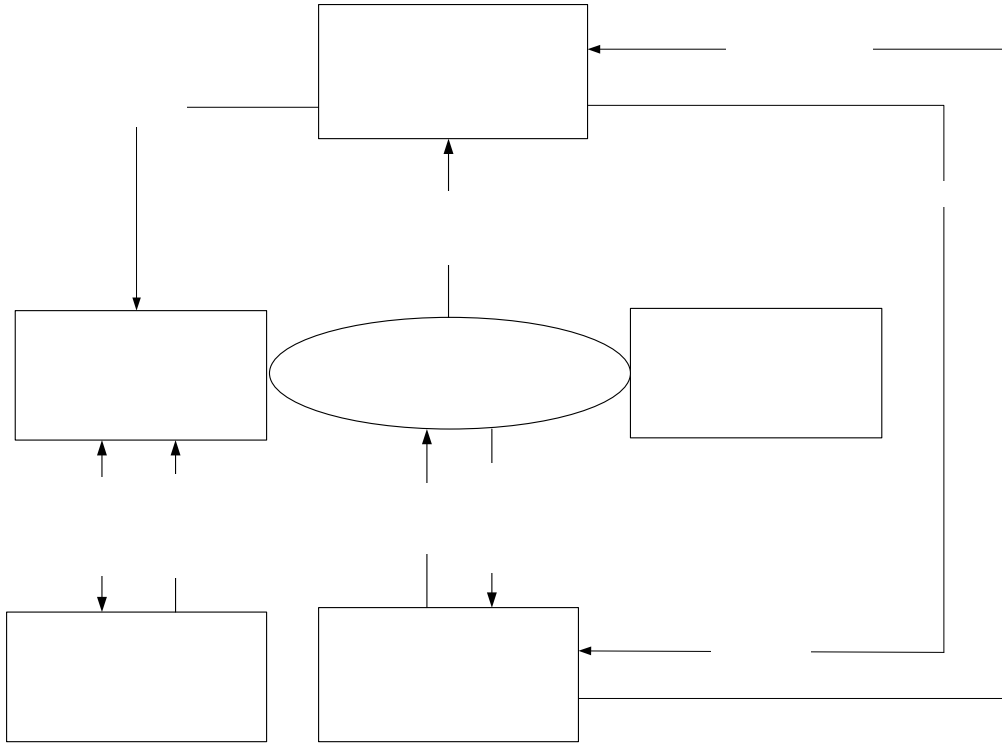
- Culture and historical beliefs
- Road Infrastructure
- Communications
- Roles and Responsibilities
- Finance

LEARNINGS GAINED

- Get the people involved
- Physical hands on work
- Strong Leadership

CCPP Funding Model

The funding model developed for the CCPP is shown below:



JOINT VENTURE PARTNERSHIP

A joint venture partnership agreement is formed between CI (PNG) and the Community Organisation for the purpose of development of the Community's resources and undertaking community development projects.

LOANS TO COMMUNITY ORGANISATION

Capital funds are loaned by CI Trust to the Community organisation for the purchase of equipment, property acquisition, capital works and general operational expenses. Under the terms of the loan agreement, the Community Organisation is obligated to repay these loans out of trading profits.

50% Return

PURCHASE OF PRODUCT FROM COMMUNITY ORGANISATION

The joint venture partnership agreement formed between CI (PNG) and the Community Organisation appoints CI Trading as the preferred purchaser of the Community's resources. CI Trading is obligated to provide a fair market price for the purchase of all resources from the Community.

REVENUE DISTRIBUTIONS

RETURNS FROM PRODUCT SALES

The gross returns received from the purchase and sale of products, where CI (PNG) Limited has purchased products, either from a Community Corporation, or on an individual basis are paid to CI Inc. as agreed at the three (3) monthly board meeting.

RETURNS FROM JOINT VENTURES

Returns arising from value added joint venture projects are paid to CI Inc. as per the joint venture agreement.

DISTRIBUTION TO DEVELOPMENT TRUST

One half of the returns received by CI Trading, less direct expenses, as agreed with the Trust Board are distributed to the Trust as a return to investors. The remaining funds are distributed to CI (PNG) to enable it to manage the projects and further its ministry.