

Hand Guide
Start Your Own
**SELF-SUSTAINABLE
SCHOOL**

ABOUT THIS SERIES

The SCHOOL IN A BOX Hand-Guide is designed as a 'one-stop shop' for anyone interested in establishing his or her own financially self-sufficient school.

The hand-guide is made up of nine chapters covering all of the key areas which will need to be considered in detail in the creation of a Self-Sufficient School.

Each chapter offers a step-by-step guide to building your understanding of key concepts and mastering a range of planning and management tools, and provides a wealth of case studies and real-life examples to illustrate both best practice and challenges.

CREDITS

The SCHOOL IN A BOX Hand-Guide represents the knowledge, experience and hard work of a dedicated team of authors and editors at Teach A Man To Fish and the Fundación Paraguaya.



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Visit www.teachamantofish.org.uk and www.fundacionparaguaya.org.py for more information.

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INTRODUCTION



The objective of this chapter is to explain the history of the financially self-sufficient school model and its key objectives.

a. The School of Your Dreams

Imagine a school for low-income youth in a developing country...

- Where students from very poor farming families get a high-quality rural education
- Which has its campus on a diversified, well-managed farm
- Which has sports fields, a library, full internet and after-school activities
- Where students have five meals a day made from farm-fresh products grown at the school

Imagine a school for low-income youth in a developing country...

- Which has all of the facilities, equipment, tools and supplies needed to teach students practical agricultural skills
- Which also teaches students the business skills they need to get good jobs or start their own enterprises
- Where students also receive an official high school diploma so they can go on to university

Imagine a school for low-income youth in a developing country...

- Where girls get the same opportunities as boys;
- Where school fees are non-existent or so low even the poorest can afford them
- Where no student is excluded for lack of funds

Above all, imagine a school in a developing country where low-income students graduate with the knowledge and skills they need to overcome poverty.

The Self-Sufficient School model you are about to read about was pioneered at the San Francisco Agricultural High School, a rural secondary school in Paraguay close to the capital city of Asunción.

Its example has inspired many other schools around the world to take a new approach to education so that low-income students in their countries can get an affordable, high-quality education that enables them to overcome poverty.

b. A little history

At the end of 2002, the San Francisco Agricultural School—like so many other schools in developing countries—was a school in crisis:

- It depended heavily on government subsidies which had been cut back sharply during the previous years.
- Most of the school's funds were used to pay teachers' salaries, and those were often paid late.
- There was little money left over to buy the tools, equipment and supplies needed to keep the school farm in operation.
- School facilities fell into disrepair, and without basic farm implements and supplies, students had little opportunity to practice basic agricultural skills.

After completing the three-year high school program and obtaining their high school diplomas, most students found that their economic prospects were not much better than before they had started. Enrollment dwindled.

With fewer students, the school received even less government support. The school's deficit soared. The religious order which owned and managed the San Francisco Agricultural School and could no longer afford this drain on its resources considered closing down the school.

Instead, it decided to transfer the school to the Fundación Paraguaya.

c. Surmounted Challenges

The Fundación Paraguaya is a non-profit social enterprise, which develops innovative solutions to poverty and unemployment in Paraguay and pro-actively disseminates them worldwide.

When approached about taking over this bankrupt agricultural school, the Fundación Paraguaya saw a great opportunity: the chance to develop a new kind of school-- one which would give poor rural youth the kind of education they needed to find good jobs, or be able to create their own jobs, and thereby overcome poverty.

When the Fundación Paraguaya took over the school at the end of 2002, its then nearly 20 years of experience in microfinance and nearly 10 years of providing business and financial education to children and youth led it to several conclusions:

1. In order to serve its students, the school would have to offer a much more relevant education, one that would enable students to acquire the skills that employers were seeking in their employees.
2. The school needs to initially count on having a certain minimum level of funding, in order to be able offer the high-quality educational program it intended to provide.
3. High-quality education had to be affordable for low-income farming families.

4. In order to offer both quality and affordability, the San Francisco Agricultural School would need to generate its own income. Dependability on external financing or high schooling fees would no longer work.

The big question was how could a school with existent running costs; infrastructure and students generate enough income to cover the full cost of its operations?

d. A new approach is born

With much dedication to finding a solution, the devisers had a revolutionary idea to set up a number of small-scale on-campus enterprises, which would serve a dual purpose.

On one hand, the on-campus enterprises would sell products and services in the local market, generating income to pay the school's expenses and ensuring the school's long-term financial sustainability.

At the same time, these small enterprises would offer students the opportunity to learn technical and business skills in a hands-on way. This *"learn by doing and earning"* approach to education meant that students would graduate with both the technical skills and the business experience they would need in order to succeed in the formal agricultural sector or as self-employed entrepreneurs.

Thanks to these innovations, since 2003 low-income youth have received affordable, high-quality secondary education at the San Francisco Agricultural School. To date, within four months of graduation 100% of each graduating class has either found a good job, created their own small enterprise, or continued on with their studies at university.

Keeping school fees low has been integral to the success of the school. Students are charged the equivalent of around \$10 per month, and are offered avenues on campus to pay off this fee. For example 50% of the fee can be settled by doing farm chores one weekend per month. This makes the school affordable for impoverished youths who can then attend the school at virtually no cost to themselves or their families.

In 2007, five years after the Fundación Paraguaya assumed responsibility, the San Francisco Agricultural School generated \$300,000 in income, enough to cover all of its operating costs, including depreciation.

* * * * *

The achievements at the San Francisco Agricultural School are remarkable, but not unique. An increasing number of schools - from Paraguay to South Africa - are establishing financially self-sufficient schools in order to provide low-income youth with an affordable, high-quality education that enables them to overcome poverty.

TEACH A MAN TO FISH WHAT IT CAN DO FOR YOU?



NETWORK FOR CHANGE

The Teach A Man To Fish network, as of the beginning of 2009, numbers almost 1000 individuals and organizations from more than 100 countries around the world. From grass roots NGOs to World Bank experts, what unites network members is a shared interest in innovative and financially sustainable approaches for increasing access to high-quality education across the developing world.

The sheer range of experience of members provides unrivaled opportunities to share ideas with your peers, learn from those further advanced with their plans, and lend a hand to those just starting out. For those new to fundraising, the monthly Members' Newsletter "The Line" offers regular advice on improving your chances of success, as well as highlighting the work of individual members, and providing up-to-date information on developments in sustainable agriculture.

Our annual conference, the first of which took place in 2007, provides a forum for meeting fellow members face-to-face, building new relationships, learning from the leading institutions in this rapidly developing field and, of course, making contacts with potential donors! The pioneers of Financially Self-Sufficient Schools (FSS Schools) had to face the many challenges of making their institutions work alone. No matter how much advice you receive, the journey along this road will never be easy – but at least with the Teach A Man To Fish network you won't have to face it alone!

PLATFORM FOR PUBLICITY

Time and time again we see that successful organizations, which in the domain of FSS Schools are those who can first of all secure the initial finance, are the ones with the most connections. Networking is one way to build these connections. Another is through publicizing your successes.

With a mailing list running into the thousands, Teach A Man To Fish offers an ideal platform for your work to reach a wider audience. From policy makers to private sector leaders and funders, this outreach can provide a powerful opportunity to build support for your work amongst the people who can play an important part in helping you achieve your goals. We're always on the lookout for stories of success in combining skills and entrepreneurship education with income generation. If you can provide this kind of inspirational example for others to follow, we'll happily offer our platform to publicize your work.

PROJECT PLANNING SUPPORT

Part of success in attracting finance depends on your ability to create the viable business plan that will form the heart of any proposal. We hope that the information contained in this hand guide has given you the best possible start to create this plan on your own. Sometimes however it's nice to receive a helping hand – particularly for large-scale initiatives, where donors' requirements are far more demanding. Teach A Man To Fish's team of technical advisors specialize in providing this kind of assistance. Though we can't yet offer this as a free service, by investing in your project in the planning stages you can be confident that your success in attracting larger-scale funding will improve dramatically.

MAKING MARKET LINKAGES

One way of financing your plans is to search for outside assistance, scouring the funding market for leads and writing up those killer proposals. An alternative approach is to focus on how you can use the resources you already have to start generating income to fund your future growth. Income-generating activities will be educational for students and donors are more likely to be attracted to schools that are already doing what they can to generate their own resources. Furthermore, the TAM2F website is a good source of ideas for small projects.

In keeping with the principles of self-reliance, Teach A Man To Fish aims to support member institutions in making market linkages whose higher profits can fund new educational work. For example, If you have a non-perishable product which could be marketed overseas to support your school's development, this could represent a real and sustainable source of finance for your work. We welcome your suggestions in this new area for us.

FINANCE ASSISTANCE

Although Teach A Man To Fish is not a traditional grant-making organization, we do assist a limited number of school initiatives each year to seek funding from donor institutions in the North. If you have the local support and commitment to convert an existing school into one that is financially self-sufficient, we may be in a position to help.

As a project partner, we can identify and liaise with potential donors, assist in proposal writing, provide technical assistance on the ground, and help with monitoring and evaluation activities. Acting to do more than just bridge the geographic gap between funders and local education initiatives, we focus on long-term relationship building between similar projects in different implementation phases, alongside financial support. Through this we aim to promote genuine self-sufficiency, assisting you to develop your capacity to attract and manage future finance independently.

If your school is ready to make the change to financial self-sufficiency and can demonstrate an existing capacity for income-generation, we'd like to hear from you!

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CHAPTER 1

Start Your Own

FINANCIALLY SELF-SUFFICIENT SCHOOL



1. THE FINANCIALLY SELF-SUFFICIENT SCHOOL



The objective of this module is to provide you with an overview of what it means to be a financially self-sufficient school.

For the purposes of this document, we will refer to the Financially Self-Sufficient schools, whether Agricultural, Rural or even Urban, as FSS Schools.

a. Introduction

Now that you know a bit about how the Financially Self-Sufficient School model came into being, let's look a little more carefully at the concepts and rationale behind the model.

When we speak of "agricultural schools" and "agricultural education," we are referring to schools that equip students to make a living in rural areas or in activities related to rural areas.

Such opportunities might include running a small rural hotel catering to eco-tourists, marketing the agricultural production of rural cooperatives, working as an agricultural extension agent to help small farmers increase yields, teaching at other agricultural schools or monitoring quality control for an agro-exporter.

b. Traditional agricultural / rural schools in developing countries: common problems

#1: Not enough money

The first problem facing most schools in developing countries is money, typically because:

- Government funding is usually inadequate or unavailable
- Government payments to schools are frequently late
- School tuition fees, though often expensive, are insufficient to cover school costs
- Subsidies are insufficient to cover costs
- Sufficient long-term support from non-government sources is difficult to find

#2: School is too expensive for poor children

#3: Traditional agricultural education is more theory than practice

Traditional agricultural education tends to be delivered in class, without opportunity for students to get the hands-on farm practice. For example students might study the common diseases that attack farm animals but never learn how to vaccinate the animal.

Resources limit underfunded schools from keeping livestock or buying the supplies students need to practice vaccination. In many cases, teachers may not have had much practical agricultural experience themselves. The result is that students leave school without the practical experience they need to succeed.

Problem #4: Traditional schools do not teach practical business skills

While most agricultural schools teach students something about raising crops and animals, they generally do not teach what poor students most need to know: *how to make money raising crops and animals*.

In order to turn out graduates who are equipped to earn a decent living, schools need to provide students with more than just technical skills. Schools also need to teach students practical business skills, such as how to analyze market demand, how to use credit effectively and responsibly, and the practical ins and outs of running a small business.

c. Why Financially Self-Sufficient Agricultural (FSS) Schools are different

FSS schools are designed to overcome the problems of under-funding, economic exclusion, and low-quality irrelevant education which afflict so many traditional agricultural schools. So how to achieve this?

1. FSS Schools generate their own resources from a diversified group of small-scale, on-campus enterprises.

Because FSS schools have their own sources of income, they are not dependent on unpredictable government subsidies, charitable donations or school fees. On the contrary, because they produce their own income, they are better able to predict and control the amount of resources available for their educational programs. With more stable and even increasing revenues, FSS Schools can afford better facilities, attract better teachers and provide students with a better education.

2. The FSS School approaches rural education from a different view – ‘solutions to problems facing the small farmer’

At many traditional agricultural schools, the curriculum seems to be based on the view that teaching a young people to drive tractors or run other modern equipment will somehow make them more successful farmers than their parents.

FSS schools believe that the inefficiency and low level of productivity evident in so many small-scale farms in developing countries is not due to a lack of physical inputs (e.g. equipment, seeds and fertilizer) or financial capital (e.g. subsidies or loans). Rather, it is due to the farming family’s difficulty in correctly administering the resources it already has at its disposal and its difficulty in accessing markets.

The focus at FSS Schools is on teaching students to diversify their production, apply appropriate low-cost technology and make efficient use of the resources already available. At the same time, FSS Schools teach students to analyze market demand, base production decisions on consumer demands, look for attractive market niches where their products can fetch higher prices, and to produce goods and services with as much “value-added” as possible.

3. FSS schools use a more effective educational methodology.

Educators have long recognized that students learn best through experience, not by passively receiving information. Thus, good schools should provide much more than just a traditional classroom experience; they should provide a stimulating environment for living, working and gaining experience.

The school’s methodology is Learning by Doing and Earning! The curriculum is based on six educational pillars:

- Learning to Be
- Learning to Live Together
- Learning to Know
- Learning to Do
- Learning to Undertake
- Learning to Earn Money

FSS schools focus on helping students develop the technical, analytical and personal competencies they will need in the workplace. The schools achieve this by integrating the teaching of traditional high school subjects with the running of their small-scale, on-campus enterprises and using the Learning by Doing and Earning methodology.

For example, students at the San Francisco Agricultural School spend half their time in the classroom and half their time helping run the school’s 16 on-campus enterprises. In math class, they learn practical business skills, calculating a business’s break-even point and its financial rate of return. In language class, they learn how to write a résumé. And in the field, they put their math skills into practice as they calculate the amount of materials needed to build a new chicken coop and they apply biology and chemistry concepts as they prepare the organic vegetable garden.

4. The FSS School’s curriculum includes local curriculum, business training and a hands-on teaching approach

Schools should comply with the officially recognized curriculum of the country where they are located, in order for the students to graduate with an officially recognized diploma. However, FSS schools do much more than just mainstream curriculum. The subjects taught are designed to ensure that students acquire the specific competencies that it takes to run profitable small enterprises in their community and the specific skills demanded by employers in the local market. As a result, the graduates are not only sought after by local employers, but are also prepared to create their own jobs by forming their small enterprises.

5. FSS schools have a different school culture and learning environment

FSS Schools must be on a permanent quest for economic self-sufficiency. This means that schools have to control costs carefully. It also means that they have to be attentive to local market conditions, developing new products for new market niches, and switching out of other products when they become less profitable. The quest for self-sufficiency obliges teachers and administrators to maintain a practical, entrepreneurial and innovative approach to their work. It also ensures constant innovation.

Similarly, this is the business-oriented environment in which students live and learn on a daily basis. For example, while learning in class about how to raise chicken, students will also have to know how many eggs the school chicken coop has to produce daily in order to break even. In a business-oriented environment they also learn how to calculate how many eggs the chicken coop must produce per day in order for it to break even and on top of that how much profit it must make in order to pay the teacher's salary. As students progress through their high school years, they gradually assume greater responsibility for the school enterprises and for supervising younger and less experienced students.

As a result, when students graduate, they already have a considerable amount of experience in running small businesses, practical, analytical and computer skills, an entrepreneurial outlook on life and its opportunities and the self-confidence they need to get ahead and lead very productive lives.

6. The FSS School model allows schools to offer quality and affordability

The differential is that our model not only recognizes the need to teach a holistic curriculum, but also affords students the opportunity to within the structure pay their fees through work offered and needed on campus.

d. The “value proposition” of FSS Schools

In order to stay in business, any commercial enterprise has to create “value” – that is, they have to offer goods and services that are worth more to their clients and customers than other things that these clients and customers might spend their time and money on.

FSS Schools are not commercial enterprises, but rather *social enterprises* - income-earning enterprises, which instead of distributing profits to owners or shareholders, use their “profits” for a social purpose. Nevertheless, they also have clients and like commercial enterprises, they need to satisfy their clients and beneficiaries in order to stay in business.

Financially Self-Sufficient Agricultural Schools create “value” by:

- Taking in students from poor, rural backgrounds with very limited job opportunities;
- Providing them with agricultural and business skills; and
- Producing graduates who are qualified for higher education, careers in the modern agricultural sector, or for economic success as “rural entrepreneurs.”

In the process, they also:

- Convert deficit-ridden schools into financially sustainable institutions
- Offer a quality education that allows students from poor rural backgrounds to overcome poverty.

The Value Proposition of Financially Self-Sufficient Agricultural Schools

Financially Self-Sufficient Agricultural Schools offer high-quality agricultural/business training to poor, unemployed rural youth. Unlike traditional agricultural schools, which do not instill practical skills, Financially Self-Sufficient Agricultural Schools equip students for immediate entry to higher education, employment in agro-businesses and/or success on their family farms, thereby allowing them to overcome poverty.

e. How do FSS Schools measure success?

All institutions should have clear and unmistakable guidelines with which to measure their performance. This allows them to check at regular intervals whether they are making sufficient progress toward their goals or to reassess target areas where they are falling short. These measures of performance are vital in helping institutions demonstrate to supporters that they are transparent and accountable.

Schools can measure their “success” in providing affordable, relevant education on a sustainable basis with two very simple indicators:

- Their students’ success in finding a productive activity to engage in upon graduation;
- The school’s progress toward financial self-sufficiency.

The San Francisco Agricultural School is successful in that 100% of the graduates of the school are productively engaged within four months of graduation. “Productively-engaged” means that graduates have either:

- Started their own small enterprises
- Found responsible jobs in the modern agricultural sector
- Are teaching at other agricultural schools
- Working as extension agents
- Been accepted at university

Resources permitting, FSS Schools can and should develop more sophisticated monitoring and evaluation programs. For example, the San Francisco Agricultural School also tracks a broad range of social and economic indicators to measure students’ economic empowerment.



NOTE: CHAPTER 2 WILL TAKE A LOOK AT THESE CONCEPTS IN MORE DETAIL.

2. CLIENTS & BENEFICIARIES



The objective of this section is to identify the various types of clients and beneficiaries that a financially self-sufficient school can serve.

FSS Schools need to identify who their clients and beneficiaries are, in order to assist in:

- Identifying the target group you want to serve;
- Maximizing your future impact;
- Serving clients better and generating more income; and
- Attracting additional partners and supporters.

These following groups are natural clients and beneficiaries – or potential clients and beneficiaries—of FSS Schools.

a. Students

Third world school drop out rate is alarming. There is an underlying belief that no education will help the family or child in getting the right job. This may be true of a traditional school route, but with FSS schools, the education they receive **will** make a difference. Hence, as more students graduate and succeed, more interest is shown from the community in educating further children. They can see and understand that the different approach to schooling is creating the right opportunities for the students to leave school and succeed, regardless of whether they get a job, become entrepreneurs or continue with their studies.

Jorge Guerrero graduated in 2005. He is the 10th child out of a family of 19. They are poor farmers, and before attending the San Francisco Agricultural School, Jorge had lived in the small rural community of San Joaquín in the Region of Caaguazú, Paraguay. When he first arrived at school, he knew little Spanish and spoke mainly Guaraní, an indigenous Paraguayan language. At school his Spanish improved quickly, and three years later he graduated first in his class. After school, he entered the Faculty of Agronomy in the National University in the capital city, Asunción. To cover his university and living expenses, he started a small business growing organic vegetables in a plot of land belonging to an old-age home. In return for room and board, he supplied the old-age home with fresh vegetables and sold his surplus production for cash using it for books and other expenses. When Jorge goes home to San Joaquín, he provides agricultural extension services to his family and neighbors.

b. The family farm

The graduate of the FSS school returns home as an entrepreneur! The family and community receive a credible professional with tangible and much-needed resources: a realistic business plan, which he or she developed under the school's supervision and a small line of credit to finance its implementation. Even graduates who do not spend all their time working on the family farm have a significant impact on their families and community. The family needs advice and training on how to make better use of the land and labor they have, using the simple technologies available for little or no additional cost. Graduates often provide this kind of assistance to their families while engaged in their own businesses, jobs or university studies. Graduates can also provide their families with working capital, either from their own earnings, or from the lines of credit they obtain at graduation.

Ever Morínigo, Class of 2004 at the San Francisco Agricultural School, is one of twin brothers from Horqueta in the Department of Concepción, Paraguay. Born in 1986, Ever comes from a farming family with seven children. As a student he had the opportunity to monitor the national vaccination campaign against hoof and mouth disease. Thanks to that experience, Ever got a job with SENACA, the government agency in charge of Animal Health and Quality as soon as he graduated. Once he began working, Ever began investing a lot of his salary in the family farm. He has bought milk cows, hogs, and even a computer to keep track of how his business is doing. He is also thinking of starting a university program in rural business administration in Concepción.

c. Employers

Employers are important clients (and beneficiaries) for the FSS Schools. As they are offering employment to school graduates, it is vital for FSS Schools to know who they are and what their needs are! The school has to ensure that the skills employers require are included in the school curriculum (being the client) so when they hire the students (as the beneficiary), they are sufficiently educated in the areas the employers require.

FSS Schools aim to train rural entrepreneurs who are not only capable of successfully managing a small agricultural enterprise, but also fulfill the needs of employers in the agricultural sector. Students become employees that can execute the following requisites:

- Ranchers or farmers for agro-processing businesses.
- Employees who have analytical and computer skills.
- Workers capable of making business projections, diagnosis and solution-driven decisions.
- Employees who have clear oral and writing skills.
- A clear understanding of environmental challenges.
- Individuals that can work in a team.
- Have solid ethical values.
- Entrepreneurial spirit and a pro-active, "can-do" attitude.

Frutika, S.R.L. www.frutika.com.py

Ariel Cuevas, from a small village outside of Horqueta in the Region of Concepción, Paraguay, is one of four children from a single mother. After graduating from the San Francisco Agricultural School in 2004, Ariel Cuevas was hired by Frutika, a fruit processor and producer of high-quality natural fruit juices and concentrate. Frutika is a modern agro-business which both produces for the domestic market and exports its products to European Union member countries. As such, it operates under strict quality controls and meets the exacting standards of hygiene required by the European Union. Ariel was hired as a production supervisor, not only because of his agro-technical high school diploma, but also for his leadership skills and experience supervising teams of workers, which he developed as a student.

Louis Dreyfus www.louisdreyfus.com

Louis Dreyfus Commodities is the largest trader and merchandiser of raw cotton in the world, operating in more than 20 producing nations, including Paraguay. They hired five members of the San Francisco Agricultural School's Class of 2006 as soon as they graduated. Rolando Ruiz Díaz was hired as an extension agent and assistant to the Manager of Dreyfus' project in Tacuara. In this position, he supervises two of his former classmates, Gustavo Acuña and Aldo Ponce, who were hired at the same time. Dreyfus also hired two other classmates, Daigo Cuevas and Ignacio Rivas, who work as extension agents on the Campo 9 project in Caaguazú and on a project in Encarnación.

Tati Yupí Reserve www.h2oz.com.br

Bernardo Servín Cuellar, who graduated from San Francisco Agricultural School in 2006, was hired by the Reserva Tati Yupí. This is a nature reserve near the world-famous Iguazu Falls known for its diverse native forest and for attracting many tourists. Bernardo was hired for his experience in hotel and restaurant management, which he acquired at the San Francisco Agricultural School's rural hotel, one of the school's on-campus enterprises.

Granja Ko'eju

Enrique Ariel Roa Augusto, Class of 2007 at the San Francisco Agricultural School, was raised in the region of San Pedro - the poorest region in Paraguay. Upon graduation, Enrique was hired by Granja Ko'eju, an organic vegetable producer with 400 employees that sells organic vegetables to 20 supermarkets and the best restaurants in the capital city. Their accolades include winning the 2008 "Successful Small Enterprise" award from Paraguay's Christian Businessmen's Association (ADEC). During his first two years at the company, Enrique will be working in organic vegetable production with a Japanese expert whom JICA, the Japanese cooperation agency, has sent to work with Granja Ko'eju.

d. Consumers

The San Francisco Agricultural School produces a wide range of goods and services for many different types of customers:

- Organically grown fruits and vegetables, eggs, free-range chicken, honey, cheese and fruit preserves, among other products, for sale to individual consumers at organic and open-air markets in the capital city of Asunción;
- Specialty products, such as rabbit and suckling pig, which are sold to restaurants and hotels;
- Livestock of high genetic quality, which is sold as breeding stock to other agricultural schools;
- Hotel and restaurant services to guests at the school's rural hotel;
- Home-cooked meals to travelers passing by the school's road-side store;

For all of these consumers, the FSS school represents a reliable source of healthy products at competitive prices. For the school, satisfied customers are the key to financial sustainability over the long term.

e. Neighboring Communities

FSS schools can have a major positive impact on nearby communities in many different ways. They can provide employment at the school's enterprises, sell fresh products to local households and businesses, provide technical assistance and marketing services to local farmers and also offer other services such as internet access, library facilities, health services and cultural activities.

San Francisco Agricultural School serves as medical and dental clinic for the poor

The San Francisco Agricultural School has helped provide much-needed medical and dental assistance in the neighboring community of Cerrito by lending its facilities to the medical personnel of the U.S. NGO, **Charity Anywhere**. In September 2007, a group of 30 foreign doctors and dentists, joined by a number of Paraguayan colleagues, attended to the medical and dental needs of some 3,000 patients over a 10-day period. In addition to providing basic medical care, the doctors performed surgeries to correct harelips, sunken palates and congenital problems of the hand and foot. They also provided medicines, vitamins, dental-care and dental hygiene kits - all free of charge at a clinic set up in the school's auditorium!

f. Other Schools

Other schools also become the beneficiaries of FSS Schools by:

- Buying goods and services from the school, for example: animal breeding stock, seeds or seedlings

- They hire graduates of Self-Sufficient Agricultural Schools as teachers and other school personnel
- Asking for technical assistance in adopting the FSS School model.

Educating other schools

The San Francisco Agricultural School provides technical assistance to other schools that would like to adopt the FSSA School Model. Usually the first step is for the interested school to send a small team to visit the San Francisco Agricultural School to see it in action. Then, many schools ask the San Francisco Agricultural School to visit their school to see if their situation lends itself to adopting the model. Sometimes schools also ask for help in preparing a market study and plan, or for longer-term assistance to implement the model.

Educating new teachers

Three of the graduates of the Class of 2004 became teachers at traditional agricultural schools. Edison Morínigo took a job teaching at the Agricultural School in Arroyito, in the Region of Concepción. Alberto Pimentel was hired as a teacher at the Agricultural School in Arroyito, also in Concepción. And Mario Dima Gaona became an instructor at the Agricultural School in Santa Rosa del Aguaray, San Pedro.

g. Donors

Donors that work in the field of education understand what a large and continuing financial commitment it is to pay for the daily operations of a traditional agricultural school. Donors who have many schools to support especially feel the pinch, particularly when they see that many of these schools do not do an effective job in preparing youth to find jobs that could lead them to a better future.

FSS Schools serve donors by example, showing that there is a way for donors to support education at a lower cost and with much better results. This is also achieved by effectively creating graduates who will serve the market and possibly the donors as future employees.

h. Policymakers

Policymakers will see the benefits of the FSS School model in terms of the quality and affordability affecting national education budgets. This is an opportunity for these budgets to be used more effectively in supporting the local education systems with the funds being able to spread further across the needy areas. With the schools becoming financially independent and self-sustainable, it gives the government and the education system an opportunity to devise better planning and availability to present the funds where crucially needed, and possibly be used as sponsorships for students.

3. STRATEGY FOR SERVING THE MARKET



The objective of this chapter is to explain how and why financially self-sufficient schools must serve the market.

In order for your school to become financially self-sufficient, it will need to develop its own sources of income. To do that, it will need to develop a strategy for serving the market.

Identify which goods and services are in demand in your particular market and at which prices. Then you will need to determine which of these goods and services your school could supply at or below the current market price, and who its customers will be.

You should not lose sight of the fact that the most important “products” of your school are successful, entrepreneurial graduates. Producing successful entrepreneurs and setting up competitive school enterprises are perfectly compatible activities.

So, which enterprises should your school establish?

This is entirely dependent on the conditions of the market your school intends to serve, so your objective should be to determine what is in demand, what enterprise you can create to fulfill this demand, and how to deliver this to the local market. Through this, your students will be able to acquire the entrepreneurial skills they need by helping to manage and operate any well-run, commercially successful business that your school decides to develop.

The first step then will be to conduct a study of your market to find out which products and services consumers want to buy and how much they are willing to pay. For example, do you think your school could set up a chicken coop and sell fresh eggs? Before you buy any lumber and chicken wire and start building the chicken coop, you will need to find out who sells eggs in your community, how many eggs are purchased, and at what prices.

You will then want to determine what your marketing channels will be. Will the corner grocer buy your eggs? Is there some other way for you to get your eggs to consumers like home deliveries or your own roadside store? Would the school cafeteria use the supply of eggs for their students or possible guests?

Once you are fully informed and you have determined that your school can make money-producing eggs, it will make sense to establish a chicken coop at your school.

Initially, you should start with only a few on-campus enterprises, choosing the ones that research shows will generate the most income for your school. Once they are firmly established and profitable, you can start creating and incorporating additional enterprises. Diversity is key in having multiple sources of income for the school and a broad range of training opportunities for your students.

You should also aim to develop more “value-add” to the goods and services you are producing. This means that instead of selling agricultural products in their raw, unfinished state, school businesses can start to transform their output into more finished products that sell for higher prices, for example, milk into cheese.

The range of goods and services your school produces will undoubtedly evolve over time. As the school gains experience, identifies new market opportunities and obtains additional resources, it will develop new businesses. At the same time, it will want to discontinue activities that become less attractive as market conditions change.

NOTE: CHAPTER 5 WILL GIVE YOU AN IN-DEPTH LOOK AT HOW TO SERVE THE MARKET WITH THE BUSINESSES YOU HAVE CHOSEN TO RUN.

4. CHALLENGES & OPPORTUNITIES



The objective of this chapter is to outline the challenges associated with establishing a financially self-sufficient school, as well as factors, which facilitate the task.

a. Challenges

1. Lack of resources

The most valuable resource you have is **YOU** and your ability to inspire your colleagues, associates, friends, neighbors and other members of your community to support your efforts. Many people assume that the main challenge in setting up a FSS School is finding the money. On the contrary!

The main challenge is having sufficient vision and leadership qualities, which are not determined by how much money you have at the beginning of the process. However, they will have a major effect on whether you are able to obtain the necessary resources you will need for your school along the way.

2. Bias against combining education and making money

In some circles there is a bias against combining education and making money. Education is seen as “where you learn” and working as “where you earn”. There have also been concerns aired about getting students working on and for the campus as child labor or exploitation.

If the purpose of “education” is to prepare students to lead productive, satisfying lives after they graduate and making a living is an integral part of the rest of their lives, then to achieve this goal, “education” should teach students about making money and give them practical exposure. It should be able to teach them the hands-on approach, affording them the experience necessary so if they decide to start their own business, they are already equipped with the right training.

3. Unfamiliarity with the “learning by doing” approach

Many people are unfamiliar with the “learning by doing” approach to education. Some people think of “learning by doing” as “work/study”, however, the term “work/study” is misleading, suggesting that there is “study” and then there is “work” – as separate entities. Some would even argue that the “work” is a distraction from “study”.

The “learning by doing” approach is a hands-on methodology of “studying while working”, which allows the students to learn through practical experience, not by passively receiving information from others. It also provides a vehicle for students to learn how to work in a team, be open to new ideas and flexible in the face of change, and to respect others.

This approach brings life to the subjects students are learning in the classroom, enabling them to acquire practical skills and become competent professionals. It helps students build self-esteem and the confidence to make concrete plans for the future.

4. Higher salaries in the private sector

Teachers' salaries are predominantly higher in the private sector, which may make for a challenge in recruiting business-oriented individuals. However, this is not insurmountable and just another challenge to making your school market-oriented. Existing teachers with open minds and avidity for education will be happy to learn new skills and be trained to efficiently teach business-orientated subjects.

It is also possible to attract qualified business people in other capacities who can enrich the learning environment at the school. Part-time teachers, mentors, visiting lecturers, volunteers, etc. are all invaluable to the school, the classroom and / or the field.

5. Governments impose their own curricula

In order for students to receive an officially recognized diploma, your curriculum will have to meet official standards and be accredited by the local Education Departments. This does not mean your school can't also provide its students with a relevant entrepreneurial education. Further chapters will detail how to integrate the technical and entrepreneurial aspects of the curriculum with the academic ones required for obtaining a high school diploma.

6. Youth are needed at home on the farm

This is true to some extent, but the main reasons are because children do not have the opportunity to study, they cannot pay the fees, their families don't believe more education will improve their prospects, and hence students stay at home. We have learnt from our experience at the San Francisco Agricultural School that families are eager to send their children to schools that produce successful rural entrepreneurs, **even** if this means having less manpower on the family farm.

b. Opportunities

Just as there will be challenges in establishing a financially self-sufficient school, so too are a number of factors which will work to your advantage.

1. Environmental enablers: "The times they are a changin'"

The world is a rapidly changing place. Years ago, all the opportunities seemed to be in cities, industry and large-scale, mechanized agricultural. Today, that is not necessarily the case:

- Soaring food and oil prices make it more attractive economically for consumers to buy food from nearby, small-scale farms.
- Greater demand for organic agricultural products, an attractive market niche for small farms using labor-intensive techniques, due to health concerns.

- The “fair trade” movement has increased commercial opportunities and prices for small farmers who form cooperatives and market their products directly to “fair trade” distributors in developed country markets.
- City-dwellers want to get a taste of rural life so demand for rural tourism and services has increased, which small-scale rural entrepreneurs can provide.

This “new” market has delivered many new business opportunities, which young people with good technical and entrepreneurial skills will be able to take advantage of.

2. Need for new approaches in education

Education has not yet been a clear-cut method of alleviating poverty. Educators, NGO’s, development experts, international aid organizations and governments all recognize this, and are looking for new, cost-effective ways to use education correctly for this purpose.

The FSS School model has emphatically proven that education can be a way out of poverty, and is now finding increasing support from many quarters.

The ILO estimates that 1 billion young people will enter the job market in developing countries over the next 10 years, but that during that time only 300 million new jobs will be created. This means that 7 out of 10 young people will have to create their own jobs! Are schools preparing young people for that? What will be the cost to society if they cannot?

3. Poor rural-youth are an untapped talented resource

As you tally up the factors that will work in your school’s favor, don’t forget the fact that poor, rural youth are a talented and entrepreneurial group of young people. Many of them have already overcome challenges that young people with more opportunities never had to face.

4. Entrepreneurship can be taught

It is sometimes said that great entrepreneurs are born, not made. However, entrepreneurial skills can be taught, and like everything else they improve with practice. There are millions and millions of successful but unknown entrepreneurs around the world, including the poor rural youth who have not yet received the opportunity to try.

5. Proven methodology

Finally, don’t forget that when you embark on transforming your school into a FSS School (or establishing a new school) that you will be using a proven methodology that has already produced impressive results. It is a successful approach that has been proven to work, and along with the number of sources of advice and support for you, yours will be successful as well.