



**Menschen  
für  
Menschen**

Karlheinz Böhm's Äthiopienhilfe

'14

ANNUAL REPORT

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“It’s not a matter of submitting finished development concepts, but rather of getting together with the local population to find out what they need, so that they can advance themselves by using their own resources.”

*Karlheinz Böhm*

## OUR VISION

Our vision is a world in which there is no longer a division into poor and rich. People in rural Ethiopia would then live under humane conditions. Poverty and uncertainty would be a thing of the past. Help from the outside would no longer be needed.

People could live off the fruits of the earth and by their own hands. They would have enough to eat and clean water to drink. Their children would go to school and learn a profession. Families would gain knowledge of the laws of nature and community life. The sick would receive medical help, and everyone would have access to health care and education.

Everyone – children, women and men – would contribute their skills in a common effort to further improve the living conditions of their community and region. With confidence they would explore new ways of securing their future – and promoting growth in their country, Ethiopia.

## OUR MISSION

*Menschen für Menschen* strives to improve the quality of life of Ethiopia’s rural population in the long term. In doing so, we follow the impulse of our founder Karlheinz Böhm. With his commitment in Ethiopia he wanted to set an example for overcoming injustice in the world.

The gap between rich and poor cannot be bridged by charity. Instead, the people need our partnership. Our guiding principle is therefore the provision of aid for self-development. We want to enable the population in rural Ethiopia to improve their living conditions by their own efforts – to the extent that they will no longer need our support in the foreseeable future.

The challenges to be met by the people of Ethiopia concern all aspects of their daily life, and they are closely intertwined. That is why we address the fields of education, agroecology, water, health, promotion of women, infrastructure and social issues within the framework of integrated rural development projects. The population and responsible local authorities are actively involved at all times.

“There is no first, second or third world. We all live on one and the same planet, for which we jointly bear the responsibility.”

*Karlheinz Böhm*

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**TITLE PAGE**

Toebea Seid, 16-year-old daughter of model farmer Seid Yimam and his wife Kedidja Adem, helps with the daily chores on the farm (read more on page 24 ff).

**REAR PAGE**

Desta (12) and Marta (8), are the daughters of farmer Tashome Dribi from the village of Gida in the Dano project area. Desta attends the first class, but because they are poor, her sister Marta cannot go to school. With our projects we want to change that.



## Ladies and Gentlemen, Dear Friends of our Foundation,

2014 was a year of radical changes. My dear husband Karl died on 29 May last year. It was a painful loss for me, for our employees and many people in Ethiopia. It comforts us to remember his energy, his unshakeable belief in a more just world without poverty. As patron of *Menschen für Menschen* I will remain committed to our aid organization in striving for a better life for people in Ethiopia. There are plenty of new projects and challenges – and many children and adults in Ethiopia are in need of our help and support. They placed their trust in Karl, and therefore in us. Let us continue in his successful life's work.

Please give the new Executive Board of the Foundation your support, like you supported Karl and me. I am confident that the new management team will successfully guide the Foundation into the future – together with our employees in Germany and in Ethiopia.

Sincerely  
yours,

Almaz Böhm, Patron of the Foundation

# International performance record

*Menschen für Menschen* has continuously expanded its project work in Ethiopia since 1981 and enabled more people to lead a better life. The progress achieved is reflected in the following key performance indicators from our integrated rural development projects.



**SEEDLINGS**  
for afforestation and  
fruit growing



**WATER POINTS**  
Hand dug wells and  
spring developments  
with troughs and  
washing places



**SMALL CREDITS**  
Individual loans granted  
to women



**SCHOOLS\***  
Primary and secondary  
schools



**EYE SURGERY**  
In particular trachoma  
and cataract treatment  
to maintain sight

Until 2009	100,946,000	1,443	14,952	242	43,183
2010	+9,457,000	+77	+2,001	+33	+1,075
2011	+6,088,000	+105	+667	+22	+2,347
2012	+10,755,300	+108	+700	+29	+2,704
2013	+22,507,000	+129	+2,031	+37	+3,538
2014	+25,000,000	+147	+1,903	+33	+3,495
<b>Total****</b>	<b>174,753,300</b>	<b>2,009</b>	<b>22,254</b>	<b>396</b>	<b>56,342</b>

**ABOUT 174 MILLION SEEDLINGS:**  
As mature trees they compensate for about 2 million tonnes of CO<sub>2</sub>.

**2,009 WATER POINTS:**  
With an average of 250 users per water point they provide drinking water for over half a million people.

**22,254 SMALL LOANS:** With their help, thousands of women started a small business, and the income situation has improved for more than 22,000 families.

**396 SCHOOLS:** Alone the 33 school buildings completed in 2014 give over 32,000 children an opportunity to learn.

**56,342 EYE SURGERY:** Surgery has saved tens of thousands of people from blindness.

\* The steadily rising number of participants in literacy programmes – to a total of 300,259 in the reporting year – is typical of progress made in the field of education.

\*\* Until 4 July 2014 with the participation of Switzerland



## Dear Readers,

First of all we would like to take this opportunity to thank you for your interest in the Menschen für Menschen Foundation – Karlheinz Böhm's Ethiopia Aid – and our Annual Report 2014. A big 'thank you' also goes to our donors, active volunteers, ambassadors, friends, partners and helpers, as well as all our employees in Germany and Ethiopia. Without this support we would not have been able to help the people in Ethiopia this past year; without you *Menschen für Menschen* would not exist. We are proud to be part of this wonderful aid organization.

The year 2014 has brought far-reaching changes, both for the Foundation and for us personally. Sadly, Karlheinz Böhm, founder of *Menschen für Menschen*, passed away on 29 May 2014. After establishing the aid organization, he successfully built it up and profoundly shaped it over many years. His life's work is an obligation to us. His philosophy to "meet people on an equal footing" and "help them in self-development" will be an inspiration to us.

The challenges on the donor and recipient sides, however, also require changes from us. Ethiopia has undergone fundamental changes, and the Foundation – which has grown considerably in the past few years and is now under new management – must adapt accordingly. We will need to align ourselves in a more modern and transparent framework.

Last year we were again able to implement numerous plans in our programme of integrated rural projects. And the numbers speak for themselves: in 2014 these included, for example, 33 new or extended schools, 147 water points and 3,495 eye operations. 1,903 small credits were granted, 25 million seedlings planted and 7,039 farmers trained in new agricultural methods. The complete performance record can be found on page 5.

In our project areas we place great emphasis on tightly interlocking the various projects in the fields of education, agroecology, water, health, promotion of women, infrastructure and social issues. And we consistently involve the population in these activities. We do not merely distribute handouts, we work together with the people of Ethiopia on creating a sustainable future for their country.

On the following pages we render account of the use of donations and the progress they have enabled in the project areas. On page 24 we explain how model farmer Seid Yimam has become a pioneer of food security in his village. On pages 18 and 19 we describe the path taken by your donations until they are used to help the local population. The full Annual Financial Statements 2014 are to be found from page 40 onwards.

Our work – both in Germany and Ethiopia – is subject to regular audits. We are therefore all the more delighted to have received a number of awards last year: not only did the Foundation receive the seal of approval of the German Central Institute for Social Affairs (DZI), it was also rated "particularly good" by the Warentest Foundation in a survey of fundraising organizations (issue 11/2014 of *Finanztest* magazine). We received the rating "very good" in a transparency check conducted by the non-profit PHINEO AG 2014 on behalf of SPIEGEL ONLINE. These external audits demonstrate that we are on the right path. Our aim is to make our organization even more transparent. Your donations are allocated responsibly.

But it is not the numbers and awards that are in the foreground for us. It is the children, women and men who receive an opportunity to lead a better life in future through our work. That is the driving force behind us and our daily challenge. Not only we here in Germany are working passionately towards this goal, but especially the more than 700 employees in Ethiopia.

Peter Renner

Dr. Martin Hintermayer

Dr. Peter Schaumberger

Directors and Executive Board of Menschen für Menschen Foundation

# Who we are and what we do

## OUR FOUNDER

*Menschen für Menschen* was brought into being by Karlheinz Böhm. The actor, who became famous in the 1950s through his role as Emperor Franz Joseph in the film trilogy "Sissi", later turned in brilliant performances in the films of renowned directors such as Rainer Werner Fassbinder and as an actor on major stages in the German-speaking world. Devastated by reports on the hunger disaster in the Sahel Zone, in 1981 Karlheinz Böhm used his popularity to help: his legendary bet in the TV show "Wetten, dass...?" yielded 1.2 million DM for the people of Africa.

Böhm flew to Ethiopia for the first time in October 1981. On 13 November 1981 he founded the organization *Menschen für Menschen*, which he managed until 2011. Karlheinz Böhm died on 29 May 2014 at the age of 86.

## THE GOALS

The goal of the Foundation *Menschen für Menschen* is to enable the people it supports to improve their living conditions by their own efforts within the foreseeable future – until one day, he envisaged, Ethiopia will no longer need help from the outside.

In order to realize this goal according to our byelaws, we implement activities and provide funds for the improvement of water and food supplies, school education, general and vocational training, disease prevention and medical care, infrastructure, agriculture and husbandry. We also support the preservation of natural resources and educate the population on the health consequences of damaging traditions.

Beyond this, *Menschen für Menschen* organizes campaigns to create awareness, to sensitize the population of industrial countries to the humanitarian crisis in poor countries and inform them about the work of the Foundation in Ethiopia. Media work, events and high profile campaigns are the main instruments.

## THE STRATEGY

*Menschen für Menschen* wants to instigate long-term, sustainable changes. To this end we pursue the principle of integrated rural development projects. In



a joint effort with the local population, who contribute a great deal of commitment and physical effort, we approach the activities needed for sustainable development, as detailed on page 8, and intermesh them with one another.

## THE IMPLEMENTATION

Over 700 well-trained Ethiopian employees are in action for us in the project areas. Mobilizing our own

forces and resources is for us more effective, cost-efficient and sustainable than involving outside regional organizations whose work we are unable to monitor effectively and whose standards usually do not achieve the level we expect. In the project areas we implement projects in the fields of education, agroecology, water, health, promotion of women, infrastructure and social issues. They all interlock with and supplement each other.

## EXCERPT FROM PROJECT PLANNING 2015–2019

- 842 spring developments and hand dug wells to be constructed
- 94,463 children under the age of five to be immunized against deadly diseases
- 155,325 farmers to participate in agricultural training
- 72 secondary schools to be built and equipped
- 88,514 women to participate in domestic and craft courses
- 1,229 kilometres of roads to be built and maintained
- 205 children to be accommodated in the Abdii Borii children's home

604,210 people will benefit directly, 1,615,909 indirectly from the above and other projects.

## ABOUT MENSCHEN FÜR MENSCHEN

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### THE PROJECTS

-  Construction of schools, training centres as well as literacy courses to alleviate the education crisis
-  Securing the food supply by improved cultivation and livestock rearing methods, as well as terracing and afforestation to combat soil erosion
-  Construction of waterpoints and water reservoirs to supply the population with clean drinking water
-  Construction and equipment of health centres to counter the inadequate provision of medical care resources
-  Training programmes, small credits and education for improving the situation of women
-  Construction of roads and bridges to connect with remote areas
-  Social support for people in particularly difficult situations

In addition to these activities within the context of our integrated rural development projects, we also offer short-term emergency aid, for instance in the event of famine.

### STRATEGIC PRIORITIES 2015–2020

In the next few years *Menschen für Menschen* will be setting the following strategic priorities:

- Improvement of the quality of our integrated rural development projects
- Boosting public awareness for the need for sustainable development cooperation
- Development of efficient and effective project partnerships
- Increased transparency and efficient use of donations
- Increased efficiency in project work
- Increased donation income to intensify project work



Fascinating outlook: an integrated rural development project has been running in Wogdi since early 2013.

### SUSTAINABILITY AS A GUIDING PRINCIPLE

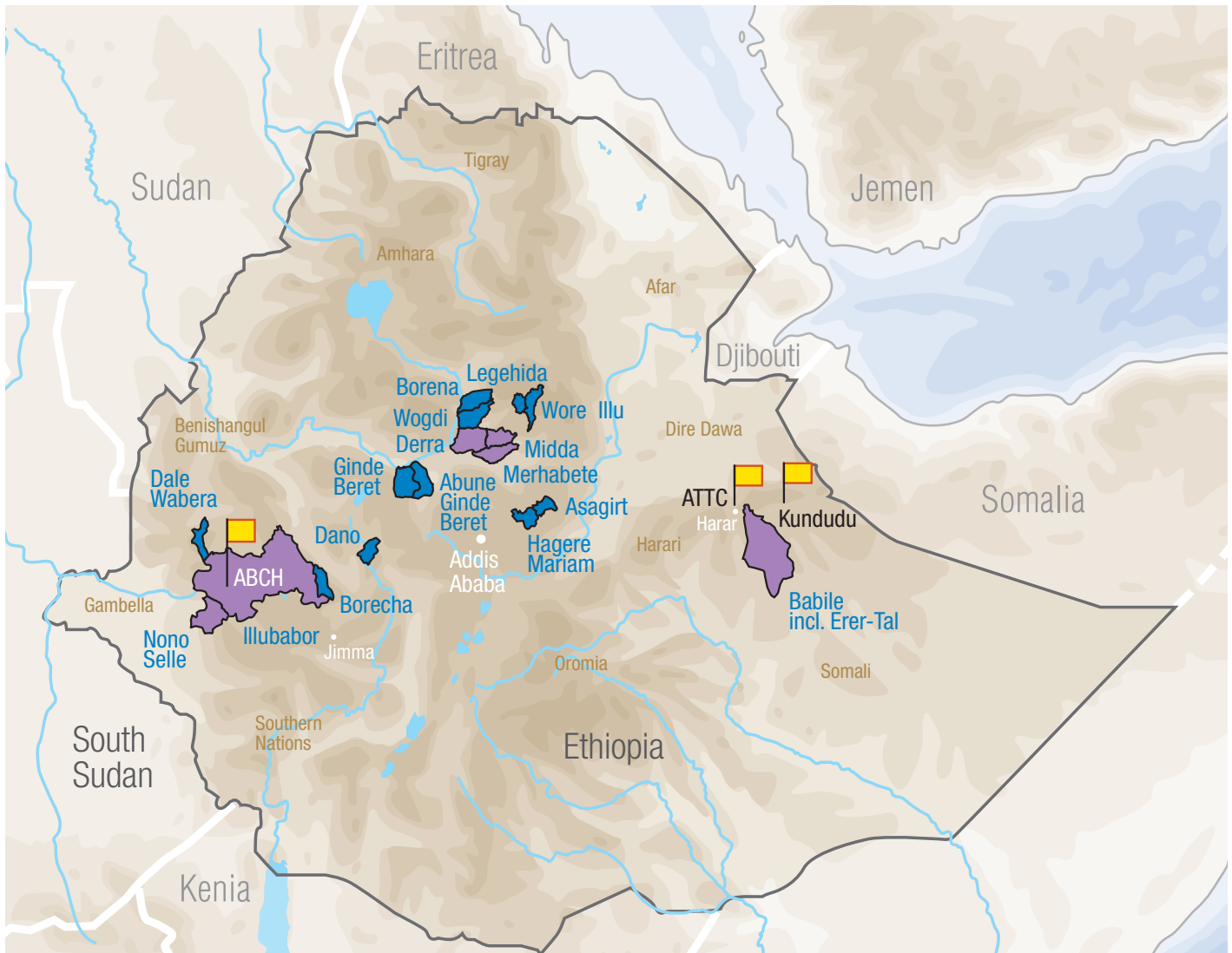
All our projects are geared to the goal of providing aid for self-development and contribute to the sustained development of the respective region. This means that all projects and progress achieved must be economically sound and oriented to the long term. This will ensure that they continue to function after our withdrawal from the area and can be operated by the population and authorities without ongoing support from the programme.

In order to realise this goal, we have brought together our principles and prerequisites for sustainability in the form of a guideline. The “General Guiding Principles for Sustainability” contains guidelines on 13 fields of action. They align with the three key principles that have always applied to the work of *Menschen für Menschen*:

- **PARTICIPATION: INVOLVE THE LOCAL POPULATION, ENGENDER A SENSE OF RESPONSIBILITY.** The following applies to each of our projects: They must bring clear benefits to both individuals and their community in accordance with the given purpose. Only in this way will the people develop a feeling of responsibility for the joint project.

To achieve this, we aim to involve all interest groups (stakeholders) at all stages. Besides the members of the community, these include the local and regional authorities, religious leaders or the council of elders. They all contribute their knowledge and skills to the planning and implementation of our projects. Their participation may take a variety of forms – from voting at a community meeting to practical labour input or even financial participation.
- **INDEPENDENCE: TRANSFER THE INFRASTRUCTURE TO LOCAL RESPONSIBILITY.** Facilities such as schools, health centres or water points are the keys to development in the rural Ethiopia. They should therefore be operated and controlled by the communities who use them. Otherwise the people are dependent in the long-term on the external owners and operators of these infrastructure facilities. We have therefore always handed over completed waterpoints, schools and health centres to the local authorities, who assume the responsibility for their continued operation and maintenance.
- **DIALOGUE ON AN EQUAL FOOTING: PROVIDE OPEN INFORMATION, LISTEN TO THE PEOPLE, REMAIN IN REGULAR CONTACT.** Sustainable changes need time and the full commitment of all involved. *Menschen für Menschen* provides support to the population and local officials over a period of several years. From the outset we make it clear to the people that after phase-out it will be their responsibility to continue the work started. During the project work we engage in constant exchange with those involved and address their questions and needs.





#### Individual projects

Locations at which *Menschen für Menschen* implements individual long-term projects:  
 Abdii Borii Children's Home (Mettu),  
 ATTC Agro Technical and Technology College (Harar),  
 Kundudu Afforestation Project

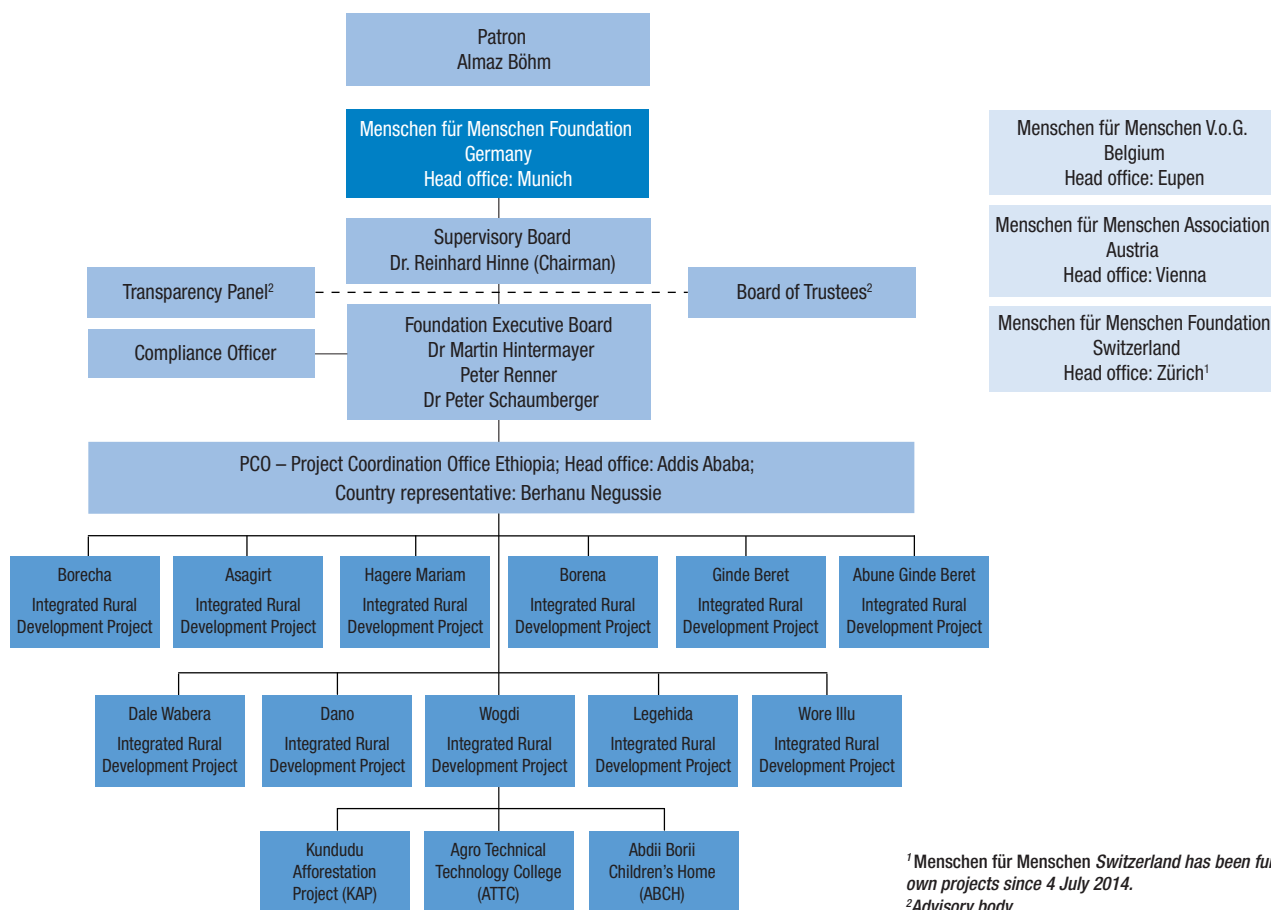
#### Integrated rural development projects

Abune Gindeberet	1,360 km <sup>2</sup>
Asagirt	437 km <sup>2</sup>
Borena	961 km <sup>2</sup>
Borecha	980 km <sup>2</sup>
Dano	659 km <sup>2</sup>
Dale Wabera	1,132 km <sup>2</sup>
Gindeberet	1,200 km <sup>2</sup>
Hagerie Mariam	752 km <sup>2</sup>
Legehida	429 km <sup>2</sup>
Wogdi	1,122 km <sup>2</sup>
Wore Illu	683 km <sup>2</sup>

#### Development projects handed over to the local population

Babile	3,500 km <sup>2</sup>
Derra	1,500 km <sup>2</sup>
Illubabor	32,000 km <sup>2</sup>
Merhabete	1,210 km <sup>2</sup>
Midda	900 km <sup>2</sup>
Nono Selle	2,000 km <sup>2</sup>

# Our organization in 2014



<sup>1</sup>Menschen für Menschen Switzerland has been funding its own projects since 4 July 2014.

<sup>2</sup>Advisory body

*Menschen für Menschen* is politically and denominationally neutral and economically independent. Founded in Germany, the aid organization has constantly expanded and internationalized its administrative basis. We have independent subsidiaries in Germany, Austria, Switzerland<sup>3</sup> and Belgium. The country organizations raise funds independently of one another and carry out information and public relations work in their own country. Funds from all four<sup>3</sup> countries flow into the project work in Ethiopia, which is conducted under the sole auspices of the German Foundation. The central Project Coordination office (PCO) in Addis Ababa is responsible for the implementation and supervision of all projects in the project regions. In formal terms the Ethiopian organization is a permanent business establishment of the German Foundation.

The head office of the German *Menschen für Menschen* Foundation is located in Munich. A total of 26 employees work here in the Board and Executive offices, Fundraising and Communications, Development Cooperation, Purchasing and Logistics, Donor Support, Finances and IT. In Ethiopia we have a workforce of 713, of which only four are not Ethiopians.

In Germany about 500 voluntary workers additionally support our activities in various cities. This has proved to be the most effective way of achieving maximum aid for the people of Ethiopia with the lowest possible costs for administration and fund-raising.

## ORGANIZATIONAL STRUCTURES

The organs of the *Menschen für Menschen* Foundation Germany are the Foundation Executive Board and Board of Trustees.

**THE EXECUTIVE BOARD** conducts business, manages the Foundation's assets and ensures that the latter's tasks are performed as efficiently as possible. The Executive Board consists of three members appointed by the Supervisory Board. New members are elected by the Executive Board (co-optation). Their appointment requires the consent of the Supervisory Board.

Members of the Executive Board as of 31 December 2014: Dr. Martin Hintermayer, Peter Renner<sup>4</sup>, Dr. Peter Schaumberger.<sup>4</sup>

Dr. Schaumberger and Mr. Renner are full-time executives. Dr. Hintermayer is part-time.

<sup>3</sup> Switzerland also participated until 4 July 2014.

**THE SUPERVISORY BOARD** monitors the Foundation's operations to ensure that they are in accordance with the will of its founder, and advises the Executive Board in all fundamental matters. It is composed of seven members. New members are appointed by co-optation. The board members elect the chairman and his deputy. The members of the Supervisory Board act in an honorary capacity.

Members of the Board of Trustees as of 31 December 2014: Dr. Reinhard Hinne (Chairman), Joachim Gröger (Deputy Chairman), Heide Dorf Müller, Dr. Peter Hanser-Strecker<sup>5</sup>, Dietmar Krieger, Harald Spiegel, Christian Ude<sup>5</sup>.

**THE PATRON** promotes the interests of the Foundation and represents the organization in public. She has no operative responsibility and acts in an honorary capacity.

Patron as of 31 December 2014: Almaz Böhm<sup>6</sup> (widow of founder Karlheinz Böhm and long-time Member of the Board).

**THE BOARD OF TRUSTEES** is set up by the Supervisory Board. It advises the Executive Board and Supervisory Board in fundamental matters concerning the purpose of the Foundation. It also establishes contacts and solicits donations and endowments. The Board of Trustees consists of eight members, each of them appointed for a five-year term by the Supervisory Board. Members may be reappointed. The members of the Board of Trustees act in an honorary capacity.

Members of the Board of Trustees as of 31 December 2014 were: Ralf Bos, Prof. Dr. Geza Cosmos, Dr. Roland Folz, Erich Jeske, Sara Nuru, Isolde Reiher, Vera Reuter<sup>7</sup>, Helga Weygandt.

**THE COMPLIANCE OFFICER** ensures that the Foundation always performs its activities in Germany and in Ethiopia in conformance with legislation, that high ethical standards are maintained in all areas and unlawful behaviour – within the Foundation as in relationships to third parties – is prevented. The Compliance Officer reports regularly to the Executive Board. He acts in an honorary capacity and receives only compensation for his expenses.

Compliance Officer as of 31 December 2014: Karl Peter Puskajler, former presiding judge at the Higher Regional Court in Munich.

## EXTERNAL AUDITS CONFIRM QUALITY AND TRANSPARENCY

**DZI AWARDS SEAL OF APPROVAL.** Each year *Menschen für Menschen* undergoes an audit by the German Central Institute for Social Affairs (DZI). The DZI has awarded *Menschen für Menschen* its seal of approval again in 2015, thus certifying the careful and responsible manner with which the Foundation handles the funds entrusted to it. *Menschen für Menschen* has received the DZI seal every year since 1993.



**TOP SCORE IN TRANSPARENCY TEST.** In the transparency test conducted by the non-profit analysis and consultancy firm PHINEO in November 2014 *Menschen für Menschen* received the grade "very good". The purpose of the test commissioned by SPIEGEL ONLINE was to determine how diligently, systematically and transparently fundraising organizations report on their work online. Among the 50 organizations examined, *Menschen für Menschen* achieved 10th place. The study of the Foundation certified an above-average high level of transparency in the categories "Vision and strategy", "Activities" and "Effect".

**GOOD MARKS FROM FINANZTEST.** In the autumn of 2014 Finanztest magazine, a publication of the Warentest Foundation, tested ten fundraising organizations set up by celebrities. *Menschen für Menschen* was rated "particularly good". Finanztest attested the Foundation very low administration and advertising expenses, a high level of transparency and high quality management and control. Special mention was made of the informative Annual Report, and praise was expressed for the clear procedures in the selection and funding of projects in Ethiopia.

**TÜV RATES SCHOOLS "GOOD".** In 2013 TÜV Rheinland assessed the structural quality of the schools constructed in Ethiopia and carried out a comparative cost analysis. The result: on a scale ranging from "good" to "unsatisfactory" the schools were rated "good".

**BMZ CERTIFIES SUCCESSFUL PROJECT WORK.** In 2013 the Federal Ministry for Economic Cooperation and Development (BMZ) analysed the use of funds in three of the project areas grant-aided by the BMZ. The BMZ auditing department determined that "the Menschen für Menschen Foundation competently and realistically develops project concepts for fighting poverty in Ethiopia and implements them successfully".

**FAKT CERTIFIES THE ACHIEVEMENT OF PROJECT GOALS.** The independent consulting agency FAKT evaluated an ongoing integrated rural development project and concluded in November 2013 that the targeted goals and impact had been achieved.

**KPMG CONFIRMS COMPLIANCE WITH THE PRINCIPLES OF PROPER ACCOUNTING.** In early 2013 the Foundation instructed the auditing company KPMG to inspect the correctness of their accounting procedures. The auditors confirmed that the Foundation accurately represented its assets and financial status.

<sup>4</sup> Dr. Peter Schaumberger and Peter Renner were appointed to the Executive Board with effect from 1 May 2014.

<sup>5</sup> Dr. Peter Hanser-Strecker and Christian Ude were appointed to the Board of Trustees with effect from 8 July 2014.

<sup>6</sup> Almaz Böhm was elected Patron by the German Executive Board on 28 May 2014.

<sup>7</sup> Vera Reuter was appointed to the Board of Trustees with effect from 8 May 2014.

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**THE DATA PROTECTION SUPERVISOR** advises the Foundation and its employees and honorary workers on data protection issues. A focus is placed on the manner in which personal data is handled. The Data Protection Supervisor receives a modest monthly remuneration for his work. Data Protection Supervisor as of 31 December 2014: Erich Bayerl.

**THE TRANSPARENCY PANEL** cooperates closely with the Compliance Officer and advises the Executive Board and the Supervisory Board on questions of transparency and control. Many of the members are external. Members of the Transparency Panel as of 31 December 2014: Dr. Roland Folz, Wolfgang Bosbach, Dr. Claas Dieter Knoop, Markus Schächter.

### CLEAR PRINCIPLES, BINDING RULES

Binding principles and rules apply to the activities of all employees of *Menschen für Menschen*. These are set forth in a series of guidelines. For more information visit [www.menschenfuer-menschen.de/Transparency](http://www.menschenfuer-menschen.de/Transparency).

- Our Code of Conduct on dealing with corruption requires that employees fulfil their duties diligently and in conformance with the law, points out typical conflict situations and explains the consequences of corrupt behaviour.
- Our Procurement Guidelines specify principles, procedures and prerequisites for the award of all contracts.
- Our Travel Expense Regulations set forth the rules according to which travel expenses are reimbursed to the employees and members of the Executive Board, Supervisory Board and Board of Trustees.
- Our Investment Guideline specifies the principles by which *Menschen für Menschen* invests in the financial market.
- Our Guideline to Raising Awareness and Public Relations defines the content and instruments of public relations work as well as the rules of cooperation with outside companies, service providers, agencies and embassies.

### TRANSPARENCY AND COMPLIANCE

In Ethiopia and Germany *Menschen für Menschen* is continuously striving to further improve and professionalize its own structures and processes. We aim to ensure that the funds entrusted to us are always optimally used to benefit the people in Ethiopia. That is why we monitor our practices again and again, to determine what we can do better. And we make transparent what we do and how we do it.

### COOPERATION WITH OTHER ORGANIZATIONS

*Menschen für Menschen* has always preserved a high level of autonomy, to enable it to work efficiently and effectively. We collaborate with other organizations whenever such cooperations produce a net added value for the population of the project regions. Such cooperations relate mainly to the exchange of know-how and financial support.

Our key partners:

- The Federal Ministry for Financial Cooperation and Development (BMZ) funds projects and advises on the content. Between October 2014 and December 2017 the BMZ will have invested a total of 899,590 euros in agriculture/agroecology and public water supplies within the framework of a special initiative "A world without hunger" in the Borena project region.
- The International Trachoma Initiative is our partner in the prevention of the bacterial disease trachoma.
- The Federal Ministry for Food and Agriculture (BMEL) supported the establishment of an Agro-Technical College (ATC) at Kulumsa. Our Agro-Technical and Technology College (ATTC) in Harar now cooperates with this college, and students of the agricultural faculty of the ATTC participate in courses at the ATC.
- The Federal Ministry for Education and Research (BMBF) is sponsoring our youth competition Generation ABC – 2015.
- In addition, we enter into cooperative ventures in public relations with municipalities, media partners and private companies.

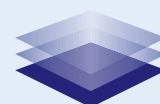
### SYSTEMATIC CONTROL

All expenditure of the Foundation is examined and approved by several bodies before being implemented. Besides the project managers, the project coordinators, country representative and directors are regularly present in the project areas to monitor the proper use of funds. In addition, our controlling staff visits the project areas. In particular, they check the inventories and fuel consumption. Furthermore, they assess progress on the construction sites. The supervisors in the project areas report to the project managers. The project managers submit quarterly reports to the country representative and the Ethiopian authorities. The latter check the reports on a regular basis in the project areas to ensure that they reflect the true state of work completed.

### INDEPENDENT AUDITING

Every year we have our accounting inspected by independent auditors. The audit report is submitted to the Executive Board, Supervisory Board and Board of Trustees. Once again we received an unqualified audit certificate for the Annual Financial Statements 2014. In addition, external auditors carry out monthly checks of expenditure in Ethiopia against the receipts, making random checks compared to the work completed. They report their findings directly to the Executive Board.

In addition, the Government of Upper Bavaria regularly audits our annual financial statements to ensure compliance with the provisions of the Bavarian Foundation Act.



Initiative  
Transparente  
Zivilgesellschaft

### TRANSPARENT CIVIL SOCIETY INITIATIVE

On the initiative of Transparency Germany e.V. representatives from civil society and science have defined ten items that every non-profit organization should make accessible to the public. *Menschen für Menschen* is a signatory of the initiative and publishes all the required information on its website.

# How we implement development projects



On Demonstration Day our department head for agricultural projects in the Borecha project area, Seleke Kassa, explains on the fields of model farmers how fruit and vegetables are grown.

## APPROACH

**HOLISTIC APPROACH.** *Menschen für Menschen* carefully plans each project in order to achieve the maximum impact with limited funds. The baseline situation is always the specific local needs identified in an exchange with the local population. Because the problems are usually interlinked, it is seldom expedient to combat issues in isolation from one another. We therefore pursue a holistic approach and plan our projects for the long term.

**PARTNERSHIP WITH THE LOCAL PEOPLE.** In all project regions we actively involve the local population in the work. Individual projects such as the building of a health centre, small-scale irrigation plants or earth terraces are normally part of a long-term integrated development project. A cooperative

partnership thus ensues over the years. The most important project goal can be achieved on this basis: to teach the population and local authorities to take the development of their region into their own hands, step by step – until we withdraw from the project and leave them to manage it independently.

**FAIR CONDITIONS.** Fairness is a prerequisite of partnership. That also applies to the use of daily labourers. Since 2014 we oblige all construction companies who build schools for us in Ethiopia under contract to pay these temporary workers a fair minimum wage independently of sex. In addition, protective clothing such as helmets and gloves must be provided for work involving special risks.



Berhanu Bedassa, 43, project manager in Gindeberet, talking to farmer Herku Debella.

**LONG-TERM SUPPORT.** Even after the handover of a project to the local people and local authorities, we remain available for the provision of support. Employees of *Menschen für Menschen* pay regular visits to former project areas and offer their advice. In exceptional cases technical investments are also possible. In this way we can guarantee the long-term success of our projects.

## ABOUT MENSCHEN FÜR MENSCHEN

ANNUAL REPORT 2014

### PROJECT PATH

Each of our integrated development projects is divided into six stages, extended over a period of about 15 years:

#### 1. SELECTION OF PROJECT AREAS

Representatives of needy regions enquire about assistance from *Menschen für Menschen*. In a preliminary on-site study we gain an impression of the situation and willingness of the population to participate in the activities. On this basis a decision is taken where the needs are greatest.

#### 2. PLANNING

Together with the population our experts prepare a requirement analysis (need assessment study) and a project plan. The head office in Addis Ababa must inspect and approve both of these. The Executive Board and Supervisory Board approve the funding of the project. An outline agreement is then signed with the Ethiopian government authorities.

#### 3. IMPLEMENTATION

The project plan is implemented in various project phases. A three or five year contract is concluded with the Ethiopian authorities for each phase. Each of these contracts sets forth the goals, projects and responsibilities.

PLAN



DO



### PROJECT MANAGEMENT AND QUALITY ASSURANCE

**TRANSPARENCY AT EVERY STAGE.** In its project work *Menschen für Menschen* places great emphasis on transparency and efficiency. For each of the implementation phases we precisely specify the project scope, goals, projects and responsibilities. We also ensure that every single step is traceable.

**CAREFUL MONITORING.** To ensure that the allocated funds produce the greatest possible benefits, the project path is systematically documented and controlled, the use of personnel and project funds subjected to constant monitoring. The responsibility is borne on the one hand by the project management together with the monitoring officers in the regions, who plan all projects in detail and who have them supported and checked by experts. On the other hand the responsibility lies with the professionals at our coordination office (PCO) in Addis Ababa. The latter regularly submits an Annual Report to the Executive Board of the Foundation which includes a detailed balance sheet for each project.

**ONGOING QUALITY ASSURANCE.** We constantly monitor our approaches and processes in order to further refine them. For this reason the responsible employees of the different project regions regularly exchange their data. In this way we determine what we can do better, test the appropriate solutions in pilot projects, evaluate the results and successfully implement changes in all project regions.

**IMPACT MONITORING.** In 2012 the Foundation began to establish impact-oriented monitoring. In 2013 and 2014 workshops were held by external consultants in Addis Ababa and the project regions. The project managers and employees, an expert from FAKT consultants and an Ethiopian adviser defined standard indicators, laid down a monitoring plan and integrated these instruments into the projects.

To ensure comprehensive impact monitoring in project planning and implementation, we have recruited a monitoring and evaluation coordinator at the PCO in Addis Ababa, as well as eight monitoring and evaluation officers in the project regions. The latter took part in a five-day workshop on impact monitoring organized by *Menschen für Menschen* at the end of 2014.

The workshop was conducted by an external Ethiopian consultant and staff of our organization. The introduction of systematic impact monitoring was supervised by the project leader for impact monitoring and evaluation (*Menschen für Menschen* Germany).

**EVALUATION.** Evaluations at the conclusion of a project phase or a whole project serve to review the relevance, efficiency, effectiveness, impact and sustainability of projects. Resources (input) and achievements (output) as well as direct and indirect effects (outcome, impact) are analysed. The impact assessment considers changes in the life situation of people and the environment. The impact is usually not only attributable to the activities of an individual organization, but also to changes in the environment and the projects of other agencies such as the government or other organizations. Evaluations of *Menschen für Menschen* are carried out by external assessors and always include an assessment of project work. The results are discussed within the Foundation and adopted in the programme planning – thus ensuring the continuous development of the aid programmes.

**4. EVALUATION**

Besides the ongoing monitoring by our employees, the Ethiopian authorities and we ourselves conduct intermediate evaluations. The results of the monitoring and intermediate evaluations form the basis for continuous improvement of our project work and are incorporated in the project contracts.

**5. PHASE-OUT**

Once the goals of an integrated development project have been achieved and the people are in a position to continue the chosen path on their own, we gradually withdraw from the region. The projects are handed over to local residents and district administration, but our employees remain available for advice.

**6. FINAL EVALUATIONS**

Following completion of the project, an evaluation is carried out by independent experts of how effective our work has been and the extent to which the results are sustainable.

CHECK



ACT



## PERFORMANCE AND IMPACT ASSESSMENT

OUTPUT  
OUTCOME**MONITORING**

- **Weekly or fortnightly:** Review and adaptation of work plans by the project offices on site All current projects
- **Quarterly:** Review of project employees and managers; a report is submitted to the PCO and Ethiopian authorities All current projects
- **Half-yearly:** Review meeting of project managers and those responsible for the programmes at the PCO; recommendations for changes to the annual plan All current projects
- **Half-yearly:** Review meeting of monitoring and evaluation supervisors with the monitoring and evaluation coordinator at PCO, project and programme coordinators All current projects
- **Several times a year:** Performance review by project coordinators at PCO in the project areas All current projects
- **Several times a year:** Site visits by employees of the Department of Development Cooperation of *Menschen für Menschen* Germany All current projects
- **Regular:** Site visits of auditors of the PCO (finance controlling) All projects
- **Occasional:** Verification visits by representatives of the authorities (zonal offices) All current projects
- **Regular:** Documentation of the personal experiences of beneficiaries who can verify changes All current projects
- **Regular:** Livelihood asset status tracking (LAST) on the basis of household surveys All current projects
- **Continuous:** Impact monitoring by monitoring and evaluation supervisors in the projects. Reports are submitted to the PCO and Department of Development Cooperation of *Menschen für Menschen* Germany All current projects
- **Planned:** Annual participatory impact assessment, regular surveys of beneficiaries All current projects

**EVALUATION**

- Intermediate and final evaluation by the Ethiopian government authorities (basis for extension of the project contracts as applicable) All current projects
- Upon completion of a project phase or conclusion of a project: intermediate and final evaluation by independent experts on behalf of *Menschen für Menschen* All current projects
- Ex-post-evaluation – about five years after completion of a project Selected completed projects

## IMPACT

# Educational needs and public relations work

Only by taking a look 'outside the box' can we gain a differentiated perspective of our one world, with its difference and injustices – and the diverse opportunities to get involved. Our tasks therefore also include systematic educational and public relations work. We submit regular reports on our work in Germany and projects in Ethiopia, as well as on the country itself and its people. Using Ethiopia as an example, on the one hand we want to raise awareness of the living conditions of the population in countries severely affected by poverty. On the other hand we want to report on the progress made by the people who work there on a daily basis.

Similar to the way we pursue a holistic approach in our integrated rural development projects in Ethiopia, we interlink our communications measures in Germany. We employ different media and formats, ranging from press releases and leaflets for donors, events and campaigns to promotions with partners and volunteers. Up-to-date information can be retrieved from our website [www.menschenfuermenschen.de](http://www.menschenfuermenschen.de) as well as the Foundation's youth portal [www.ichwillgerechtigkeit.de](http://www.ichwillgerechtigkeit.de). The social media are becoming increasingly important. This is why we regularly inform over 3,800 Facebook fans ([www.facebook.com/menschenfuermenschen](http://www.facebook.com/menschenfuermenschen)) about key events and activities in our aid projects, and enter into a dialogue with them.

In 2014 *Menschen für Menschen* issued a total of 48 press releases and news items. To enable the media to gain an impression of the work in the field, we organized two tours for journalists through the project areas in Ethiopia.

In 2014 numerous employees and volunteers in Germany made regular appearances in schools and at events of various types, where they inspired new supporters and friends to join in the work of our Foundation. In all forms of communication and fundraising, *Menschen für Menschen* places great emphasis on transparency, professional appearance, adherence to ethical values and thrifty use of donations.

## EXAMPLES OF OUR ACTIVITIES IN 2014



**HORST KÖHLER CALLS FOR A NEW IMAGE OF AFRICA.** A discussion organized by the Menschen für Menschen Foundation under the motto "Partnership with Africa" took place on 23 October 2014 in the forum of Knorr-Bremse AG in Munich. In front of numerous guests, former German President Professor Dr. Horst Köhler discussed the current problems in Africa and possible solutions together with Foundation Executive Board Peter Renner. Among other things, Köhler called for a new image of Africa as well as understanding, fairness and reliability of the partners from Europe for the people in Africa. Köhler described the Foundation as a "firm anchor in Ethiopia". The event was moderated by former *Weltspiegel* presenter Peter Mezger.



### MUNICH SCHOOLCHILDREN COLLECT 24,500 EUROS FOR ETHIOPIA.

In December the ambassador of the Menschen für Menschen Foundation, top model Sara Nuru, paid a visit to the Wilhelm Hausenstein Gymnasium in Munich to be presented with a cheque for 24,500 euros in donations for educational projects in Ethiopia. In September the committed pupils had organized a major charity run with over 1,000 participants.





### SCHOOL AMBASSADORS VISIT THE ASAGIRT PROJECT REGION.

Pop singer Ivy Quainoo and the Gentleman reggae band are among the prominent ambassadors of the "Schools – together for Africa" campaign who are promoting the debate among schoolchildren on the diversity and opportunities of Africa. In February the two stars flew to Ethiopia together with *Menschen für Menschen* Ambassador Sara Nuru, to gain an impression of the work accomplished by Karlheinz Böhm's Ethiopia Aid. They toured the Asagirt project area and were deeply impressed: "We visited schools and training centres, farmers who were able to improve their quality of life with new farming methods, and villages which now have access to clean drinking water – something that we take for granted here in Germany", says Ivy Quainoo.

The school campaign was launched by the "Together for Africa" alliance, to which more than 20 aid organizations belong, including *Menschen für Menschen*. Its goal is to communicate a new and differentiated image of Africa in the German public. *Menschen für Menschen* has expanded the total capacity of the alliance: in Germany the Foundation strives to raise awareness for the living conditions of the rural population of Ethiopia and encourage people to become personally involved – for Ethiopia and a more just world. Patron of the campaign is German President Joachim Gauck.



Was wäre Ihr  
letztes Geschenk  
an die Welt?



Mein Erbe  
tut Gutes.

*Das Prinzip Apfelbaum*

**MY LEGACY DOES GOOD.** The Foundation Menschen für Menschen is member of the initiative "My legacy does good. The apple tree principle". To support a good cause with a legacy, to pass on our own values beyond death and to create something lasting that will always bear fruits – that is "the apple tree principle". Again in 2014 employees of the Foundation have informed people how they can support the development work in Ethiopia by means of legacies or bequests.

# What path does your donation take?

The judicious and purposeful allocation of donations according to the principles of the Foundation is a pillar of our work. To ensure that the funds entrusted to us are used efficiently and for the purpose prescribed by our patrons, we have specified a clear procedure.

## ANALYSIS – IN THE BEGINNING THERE IS ALWAYS A NEED

- I. After the initial contact and enquiries, the population of a region is invited to specify its needs to *Menschen für Menschen* in Ethiopia. Together with the local authorities and governmental agencies, these are then calculated and quantified.
- II. Now a detailed study of the needs must be carried out together with the population (need assessment). A catalogue of measures is then prepared based on this study.
- III. Our on-site employees prepare project phase plans, including a budget for the individual project segment, e.g. a water supply system. These are then coordinated with the local authorities and governmental bodies.
- IV. In Germany the Executive Board of the Foundation reviews the planning and makes site visits to the potential project area. The feasibility and necessary budget are also examined. Finally, the Executive Board and Supervisory Board grant final approval for the project.
- V. Via its subsidiary in Ethiopia *Menschen für Menschen* Germany signs contracts with the regional authorities and governmental agencies.
- VI. In donation mailings, NAGAYA MAGAZINE and other publications we formulate the needs of people in the project areas and appeal for support.

Donations for which no specific purpose has been stated permit the direct flow of funds to where they are most urgently needed. We are able to allocate the funds according to current needs and in the context of integrated rural development projects in one or several priority areas. Basically: even the smallest of donations mean an enormous help for the people in Ethiopia.

1

## You donate

Donations can be made in different ways: by payment slip from our mailings, via our website [www.menschenfuermenschen.de](http://www.menschenfuermenschen.de) or by online banking. If you do not state a purpose for the donation, you allow *Menschen für Menschen* to allocate the funds according to current needs in the project regions. If you wish to donate for a specific purpose – e.g. for the construction of a waterpoint – please instruct us accordingly.



7

## We keep you informed!

Those who donate want to know how their money is being spent. We report continuously on our progress and document this in pictures and reports – in our Annual Report, NAGAYA MAGAZINE and on our website. As soon as your waterpoint construction project has been successfully completed, we will send you a final report.

6

## Will my donation have a sustainable effect?

Whether or not a project is successful is demonstrated in its long-term effects. To calculate these and draw conclusions for our future work, we consciously seek critical views from the outside (see pages 12–15).

### CONTROL MECHANISM

- Intermediate and final evaluations by independent experts upon completion of a project phase or whole project.

2

## Your donation is posted

Your donation is paid into the account of *Menschen für Menschen* Germany and quickly posted. As a donation earmarked for a specific purpose, it will be sent directly to the project named.



### CONTROL MECHANISM

- EACH YEAR INDEPENDENT AUDITORS MONITOR THE PROPER ACCOUNTING AND USE OF FUNDS
- ADDITIONAL AUDITING BY THE DZI FOR AWARDING THE SEAL OF APPROVAL

## Pinpointed for Ethiopia

3

Detailed budgets and project plans provide information on which project needs funds (see requirement analysis). The construction of a simple waterpoint, for example, costs about 2,200 euros. Your donation assists in the financing: the money is transferred to our Ethiopian account and posted there.

### CONTROL MECHANISM

- Independent auditors check in- and outgoing funds in Ethiopia.
- The original receipts and transaction lists are submitted to *Menschen für Menschen* Germany, where they are audited.

## Your donation is allocated

4

In every development project there are clear responsibilities and fixed procedures to ensure the proper use of funds. The local population is actively involved right from the beginning. Your donation makes it possible for a waterpoint construction project to be realized as a joint effort.



### CONTROL MECHANISM

- Employees in the project regions report to *Menschen für Menschen* Germany and the Project Coordination Office (PCO) in Addis Ababa.
- Monitoring and evaluation by *Menschen für Menschen* and the Ethiopian authorities
- Finance controlling by the auditors of the PCO

## Is progress monitored?

The Executive Board of *Menschen für Menschen* Germany briefs itself regularly in the project areas. Independent journalists carry out research locally and report in the media.

5

## “We are equally committed to donors and beneficiaries”

Careful accounting and numerous control mechanisms ensure that the Menschen für Menschen Foundation uses the funds entrusted to it effectively and efficiently. Country representative Berhanu Negussie and his deputy Benjamin Freiberg, at the same time head of administration, see themselves in a double responsibility – to the needy in Ethiopia and the donors in Germany.



Benjamin Freiberg, deputy country representative and head of administration

### Mr. Freiberg, do you enjoy living in Ethiopia?

*Benjamin Freiberg:* During my studies in politics and economics I did an internship at the German Embassy – and fell in love with the country and its people. After completing my studies I returned in 2008. First of all I worked for the Deutsche Gesellschaft für Technische Zusammenarbeit (German Association for Technical Cooperation: GTZ), then I joined *Menschen für Menschen*. I married an Ethiopian and we have a three-year-old son. Yes, I enjoy living here.

### Mr. Negussie, Karlheinz Böhm died at the end of May 2014. How close were you to him?

*Berhanu Negussie:* I was Karl's first employee in

Ethiopia. It's not easy to describe this trusting relationship in words. I used to interpret for him. He always said I was his “mouth and ear”. For me he was much more than a boss. He was my best friend, my father figure, and a kind of teacher.

### What did you learn from him?

*Negussie:* Karl was always a role model, particularly when it came to commitment and striving for efficiency. He used to say: “People trust me, so I must ensure that their money is used for the intended purpose.” That's why he always paid attention to a high level of efficiency.

### Does that also apply to the remuneration of our employees?

*Negussie:* Qualified people come to us because they want to make a difference and develop further. It's no secret that we do excellent work – and that other international organizations pay more attractive salaries.

### How do you mean that?

*Negussie:* We work so that the poor population get the maximum benefit from the allocated funds.

### Can you explain it in more detail? Let's say a pump is needed somewhere for a water point.

*Freiberg:* The first question we need to answer is: is the water point really needed? That's why we conduct scientific baseline studies prior to our commitment in the project areas. These studies show us where there is a need.

### How does it continue?

*Freiberg:* From the baseline studies we develop project plans that extend over three, sometimes five years. They specify exactly which sub-projects are to be implemented each year. An annual plan stipulates, for example, that a water point is to be constructed in village X. A budget is also prepared for each annual plan. So it doesn't surprise us when those responsible in the project area order a pump.

### You have your own workshop in each project area. Poor roads take their toll on the vehicles and spare parts are very expensive. How do you prevent them from being diverted for private purposes?

*Negussie:* We have many years of experience concerning the approximate maintenance costs incurred every year. They are included in the budget. The standard spare parts are stored in the project area. If, for example, a car needs a new V-belt, it's taken from the store and entered in the books with a goods issuing slip. In return, the broken V-belt goes back to the store – so we are sure that the new one was installed. By the way, we try to buy large quantities

of material in bulk via the head office in Addis – that ensures us better prices.

**But some things have to be purchased locally.**

*Negussie:* Of course, and for that we have special rules: For all goods costing more than 1,000 birr, about 44 euros, we have to secure three different bids. We normally avoid cash payments. Cheques must always be signed by two managers on site, and all receipts are checked by our two internal auditors. There must be thousands of them!

*Freiberg:* Yes, each month the project areas submit all their receipts to head office in Addis Ababa. They are always filed in thick Leitz ring binders. But mostly they are recurring expenses, so they can be checked by our auditors relatively quickly. In addition, we have external auditors. They check the work of our internal employees every month. In many other organizations this kind of external audit takes place only once a year.

**Isn't that an expensive and unnecessary double structure?**

*Freiberg:* We have a responsibility towards the people of Ethiopia and the donors in Germany. Especially the material for infrastructure such as schools or water points is expensive. The pumps for the wells, for example, must be imported from Germany.

**Are only the Germans capable of building pumps? We're not talking about high-tech, only manual pumps.**

*Freiberg:* Other NGOs and public investors import their pumps from India. Our experience has shown that the slightly higher price of a German manufacturer makes sense, because his device is less prone to failure and has a longer service life – 20 years or more.

**About two-thirds of our funds go to educational projects, mainly school building. How do you ensure quality while keeping the costs low?**

*Freiberg:* We've created a transparent and efficient system for awarding contracts. Since 2015 Ethiopian construction companies must register online with all their particulars. They have to provide details, e.g. of their machinery, specialized personnel and reference projects. On the basis of these criteria we use a points system to enter them in a hierarchy. The top 20 companies then receive the tender documents for our construction projects.



Country representative Berhanu Negussie

**And who gets the contract?**

*Freiberg:* In the invitation to tender our building department not only describes the tasks in detail, it also specifies the prices it has estimated for materials and personnel. We say: That's our calculation, what's your best price? The bids are jointly opened by the management, and the lowest bidder gets the contract – their fundamental eligibility has already been proven in the online procedure.

**How can you be sure that the buildings – be they schools or wells – really function sustainably after they have been handed over to the local inhabitants?**

*Negussie:* In each of our eleven project areas we have an employee who is responsible only for monitoring and evaluation. He has the task of monitoring the effects of sub-projects over the years. Is the school being accepted by the population? Is the well operating reliably? What effect has it had on the life of the local inhabitants – are the children in the village healthier because they now drink clean water?

**So there is not only a financial audit, but also a review of contents?**

*Negussie:* Certainly. The documentation showing how much we have achieved is both an inspiration and a motivation to us. And we learn ways of further improving future projects. Karlheinz Böhm used to be the living guarantor for the mostly private donors. Today we also have many public institutions and companies as donors. They want precise details and data on the impact of their donations. We have a commitment to each and every donor.

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Berhanu Negussie (60), has been working for *Menschen für Menschen* since 1981. As Karlheinz Böhm's former interpreter, confidant and closest colleague, now country representative of the Foundation in Ethiopia since 2002, he has been responsible for the project work and 713 employees.

Benjamin Freiberg (34), was project coordinator for the areas of education, monitoring and evaluation in Ethiopia from 2012 to mid-2014. Today he is deputy country representative and carries sole responsibility for the overall administration of the organization.

# Activities and results 2014

In Ethiopia *Menschen für Menschen* was engaged in eleven integrated rural development projects in 2014. New additions are Legehida and Wore Illu (infrastructure projects since 2011, now upgraded to integrated projects). In addition, the Foundation maintains a college for skilled trades and technical professions (ATTC), as well as a children's home. As in the past few years, one of the priorities of our work was the educational initiative ABC-2015 that ends in the autumn of 2015. A total of 33 new schools were built within and outside the project areas. In 2014 a further vocational school TVET (Technical and Vocational Education and Training) was opened in Adi Gudom in

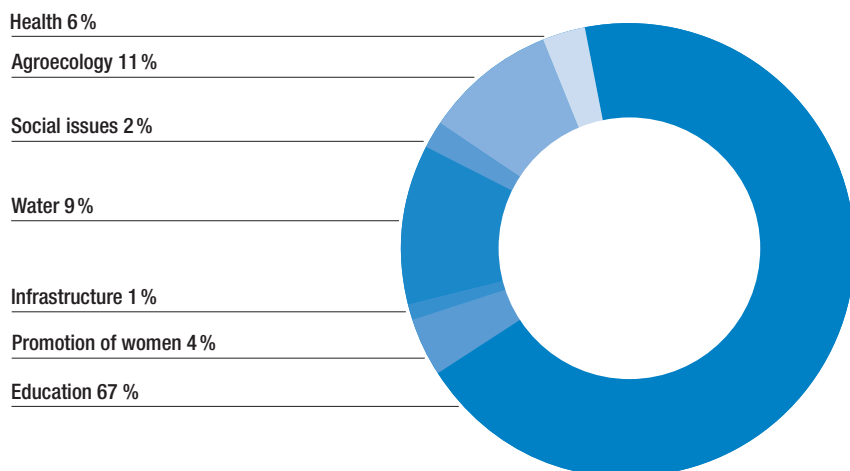
Tigray. Here young people – 53% of them girls – complete a course of training, e.g. as car mechanics, electrical engineers, precision mechanics and carpenters. Since autumn 2014 monitors have been working in each project area. With their help, progress in the project work and improvements in the standard of living of the people can be tracked. In 2014 *Menschen für Menschen* allocated about 15.7 million euros (previous year: 19.2 million euros) to project work in Ethiopia. The German Foundation contributed 10.7 million euros (last year: 11.8 million euros). German-funded project expenses were thus 1.1 million euros less than in the previous year.

## Project expenses 2014 by donor country

	Euros	%
Germany	10,728,964	68.40 %
Austria	3,813,697	24.31 %
Switzerland	988,312	6.30 %
Belgium	154,789	0.99 %
<b>Total</b>	<b>15,685,762</b>	<b>100.00</b>

The German Foundation *Menschen für Menschen* funds not only its "own" project areas. It is responsible for the implementation of all projects in Ethiopia, including those funded by sister organizations in Austria, Belgium and until the summer of 2014 also Switzerland. Both the project central office (PCO) in Addis Ababa and the regional projects in Ethiopia are formal branches of the German Foundation.

## German project expenses in Ethiopia by segment



The expenses summarised under "Education" are not limited to the construction and equipment of schools and vocational training centres, but are used for a wide range of projects. When we educate, for instance, farmers in new farming methods, village people in the maintenance of a waterpoint or prevention of HIV/AIDS, these educational measures support our activities in the areas of agroecology, infrastructure, promotion of women and health care.

### Notes on table on the right

#### Integrated rural development projects

- Asagirt: Project costs were partially borne by *Menschen für Menschen* Switzerland.
- Hagere Mariam: Project costs were partially borne by *Menschen für Menschen* Switzerland.
- Abune Ginde Beret, Ginde Beret and Derra: Project costs are borne by *Menschen für Menschen* Austria.

#### Infrastructure projects

- In each of the named regions *Menschen für Menschen* executed individual or multiple infrastructure measures. This included, for example, the building of roads, health centres and schools. The projects were organized from the adjoining project areas.

#### Individual projects

- Abdii Borii children's home: project costs were borne by *Menschen für Menschen* Switzerland.
- Others: These include individual projects, for which funds of less than 50,000 euros were allocated in the reporting year.

- Construction of educational facilities outside the project regions: organized by employees of neighbouring projects and the central office in Addis Ababa.

#### Project support

- The Project Coordination Office in Addis Ababa, Department of Development Cooperation and the Purchasing Department in Munich are primarily responsible for the project support.

\*) To this must be added purchases for former Swiss projects valued at 429,770.60 euros, distributed as follows:

Dale Wabera 189,471.27 euros  
 Hagere Mariam 42,809.29 euros  
 Asagirt 179,447.09 euros  
 ABCH 18,042.95 euros

## PROJECT WORK IN ETHIOPIA

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Project areas	Project term	Staff employed	Population supported	Total expenses 2014 €	Expenses of the German Foundation 2014 € *
<b>PROJECT FUNDING</b>					
<b>Integrated rural development projects</b>					
Asagirt	2007	53	53,845	629,675	387,598
Borecha	2007	67	85,019	569,103	534,976
Hagere Mariam	2008	42	60,055	859,159	500,603
Borena	2011	48	180,000	1,249,465	1,249,465
Ginde Beret	2011	54	130,917	1,215,069	2,014
Abune Ginde Beret	2012	23	126,377	1,070,911	0
Wogdi	2013	35	147,056	854,917	854,917
Dano	2013	53	114,629	1,162,069	1,162,069
Dale Wabera	2013	40	121,951	634,180	396,268
Legehida (2011 - 2013 infrastructure project), managed of Wore Illu	2014	0	82,834	192,233	192,233
Wore Illu (2011 - 2013 infrastructure project)	2014	32	118,851	333,832	213,170
<b>Integrated rural development projects (completed)</b>					
Illubabor	1985–2013	11	1,363,150	556,564	556,564
Merhabete	1992–2009	0	137,570	0	
Derra	1997–2010	0	209,649	5,218	
Midda	2000–2013	13	101,233	24,620	24,620
Babile	2002–2013	2	108,068	11,517	11,517
Nono Selle	2007–2012	0	26,416	9,497	9,497
<b>Infrastructure projects (completed)</b>					
Jamma	2005–2012	0	138,676	0	0
Jimma	2004–2008	0	139,131	28,018	28,018
<b>Individual projects</b>					
Abdii Borii children's home	1989	44	136	223,272	154,269
Agro Technical and Technology College (ATTC)	1992	124	2,957	819,713	819,713
Tigray, TVET Adi Gudom	1992–1996 + 2014	0	905,127	1,508,891	1,508,891
Construction of educational facilities outside the project areas	2007	0	67,000	1,893,254	621,483
Other projects (incl. Arekit, Abebech Gobena orphanage)		0	825,999	314,464	132,280
Kundudu afforestation project	2011	20	5,400	87,913	87,913
<b>POPULATION SUPPORTED</b>			5,252,046		
PCO Addis Ababa		50		419,653	416,509
<b>TOTAL PROJECT FUNDING</b>				14,673,207	9,864,587
<b>PROJECT SUPPORT</b>				1,012,555	864,377
<b>TOTAL PROJECT FUNDING/SUPPORT</b>				15,685,762	10,728,964

A photograph of a man, Seid Yimam, smiling and holding a large green papaya fruit. He is wearing a red and white striped shirt. The background is a lush green field with trees and foliage.

# Development: exemplary!

Model farmers are pioneers of food security

Model farmer Seid Yimam from the village Finchiso in the Borecha project area delights in the fruits of his papaya trees.



## PROJECT WORK IN ETHIOPIA

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Excursion into success: Together with the model farmers in their show gardens, *Menschen für Menschen's* agricultural experts organize regular 'open days' for copy farmers. Here model farmer Seid Yimam explains to the curious Mogus Gizaw how coffee bushes can be productive.

How can agriculture in a traditional and isolated village community be quickly converted to sustainable practices, so that the people can improve their nutrition practices in future and sell their excess produce on the local market? Karlheinz Böhm's Ethiopia Aid relies on courageous farmers who are open to innovation. These so-called model farmers are being strongly promoted. Their impressive achievements make them role models, soon to be copied by whole villages.

Five years: that's all it took to create this Garden of Eden. Six-metre high papaya trees prosper, and the broad crowns of the mango trees are heavily laden with fruit. The coffee bushes are already bending under the load of thousands of berries. They thrive in the shade of silk oaks, as well as carrots and cabbages in beds with carefully loosened earth. Wander-

ing through the lush vegetable gardens and orchards, one is fascinated how fertile this soil can be when it is worked with expert knowledge! Seid Yimam, owner of the garden, plucks a papaya with a long pole and presents it to the visitors. In the relaxed manner of an achiever, he says: "My family and I are doing well." It was not always like that. When the *Menschen für*

*Menschen* development experts came to the village of Finchiso in the Borecha project area in 2010, Seid Yimam did not have enough to feed his children. Like all 19 families in the village, he used to grow only grain crops. But he differed from the other farmers in one essential point: he was immediately open to the suggestions of the strangers.

## PROJEKTARBEIT IN ÄTHIOPIEN

ANNUAL REPORT 2014

### SOWING AND REAPING

For farmer Seid the input of *Menschen für Menschen* was the foundation of his success. He received, either free or at a subsidized price:

- 3,400 coffee seedlings
- 75 mango seedlings
- 300 papaya seedlings
- 25 avocado seedlings
- 550 silk oak seedlings
- 3,400 sesbania seedlings
- Large quantities of vegetable seed (carrots, cabbage, cassava, onions, beetroot)

### AT THE BEGINNING THERE IS SCEPTICISM

When the Ethiopia Aid experts enter a remote village for the first time, they are usually confronted with scepticism. Why, the local people ask, do these strangers want to help us? What advantage do they gain for themselves? Do they have secret plans, a hidden agenda? For many generations we have been working our soil by traditional methods – why should we change that now? “What the farmer doesn’t know, he won’t eat,” as an old German saying goes. Teferi Garede, deputy project manager in the Borecha project area, says it in other words: “Farmers tend to reject new ideas. New things always entail a risk.” If the crop fails on the scarce land, the family’s existence is endangered. “The farmers persisted in their old, traditional ways – and thus in their poverty.”

To overcome this stagnation, *Menschen für Menschen* applied a simple but effective concept: “In every village there are a few exceptions,” says Manager Teferi Garede: “Farmers who are more enterprising and innovative. Those are the best pioneers for food security.” The Foundation promotes these so-called model farmers intensively. They receive seed and seedlings from the tree nurseries run by the Foundation – free or at a symbolic price – and they learn from the experts how they can get more from their soil by ecologically oriented farming, like the ‘agroforestry’ method that farmer Seid has adopted. Conventional grain fields are transformed into multi-functional gardens in which produce is harvested in



Farmer Seid Yimam (centre) and his family proudly present the produce of their farm. From left: son Amar, 2, wife Keditsha Adem, 33, daughter Kobra, 7, son Muhamed, 12, and eldest daughter Toeba Seid, 16.

several tiers: vegetables on the ground, coffee in bushes, fruit on trees. The branches of sesbania shrubs serve as fodder, and when the fast-growing silk oaks cast heavy shadows and individual trees are cleared, the farmers gain valuable timber for construction.

### GOOD HARVESTS ARE THE BEST ARGUMENT

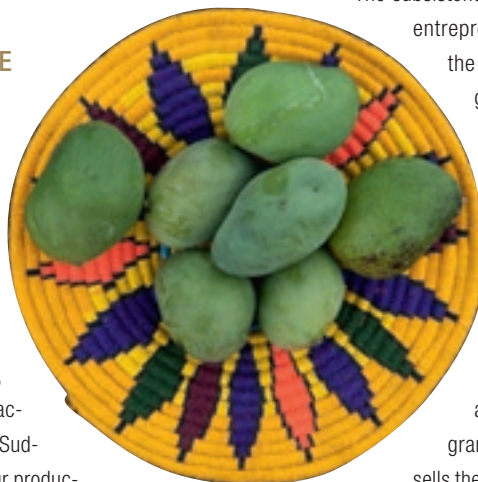
Usually only ten percent of the farmers are open to innovation. The vast majority is hesitant. But as soon as the first harvests and successes of the model farmers are visible, there is no stopping them, according to Teferi Garede: “Suddenly they all clamour for our production methods and training.” In Finchiso, the Foundation began to work with Seid Yimam and two other model farmers in 2010. The next year they were joined by seven more, and a further seven families in

2012. “Only two households in the village are not participating,” regrets Teferi Garede. “The heads of those households are old and not prepared to accept new ideas.”

The harvests that Seid brings in are amazing.

The subsistence farmer has become an entrepreneur who supplements the food supplies in the region. Thanks to improved seeds, in 2014 he produced a tonne of peanuts and ten tonnes of maize on his conventional field. The crop of coffee beans from his agroforestry garden amounted to 500 kilograms. If he stores these and sells them at the right time, he will

earn four euros per kilogram. He now estimates his monthly income at 400 euros. That’s a lot of money in Ethiopia, where a simple employee earns about 80 euros.



“Just look at the children!”  
their father proudly says:  
“How healthy they are!”

Model farmer Seid Yimam

Seid's increasing prosperity is visible everywhere: the farmer no longer wears torn plastic sandals as he used to, but socks and leather shoes. His children now sleep on foam mattresses and no longer on the bare dirt floor. But above all the family's development is to be seen in the four children themselves: they are now alert, and their school performance is much improved. “In the past my children often felt weak, and they were constantly sick. Each week I had to take one of them to the health centre,” the farmer remembers. “I had no idea about proper nutrition at that time, but now I know the reason: We always had the same diet – only maize and sorghum.”

### KNOWLEDGE OF PROPER NUTRITION BENEFITS THE WHOLE FAMILY

The farmers usually hear for the first time from the Ethiopia Aid development experts how important it is to grow vegetables and have a balanced diet. Worldwide about two billion people suffer from so-called “hidden hunger”, the lack of vitamins and minerals. But Seid's family is no longer among them. “Just look at my children!” the father proudly says: “How healthy they are!”

He gladly passes his knowledge on to neighbours and farmers in the adjacent villages. The Foundation requires this trade-off from the model farmers, so that the concept can spread throughout whole regions. Mogus Gizaw, 40, for example, is a farmer in the adjoining village of Sese: “I knew Seid and when I saw his garden, it became clear to me: that is also my future.” He planted his agroforestry field two years ago with the support of *Menschen für Menschen* – now he is harvesting the first papayas. The skills to create the garden were obtained not only from Seid, whom he regularly visited to ask for advice, but also in on-site training by the agricultural experts of *Menschen für Menschen* in the gardens of various model farmers.



### STRONG PLANTS WITHOUT GENETIC ENGINEERING

In Ethiopia the farmers often have access only to grain types that yield poor harvests. *Menschen für Menschen* is therefore providing them with so-called ‘improved seed’ from the state-owned agricultural research institutes in Ethiopia, where classical and conventional cultivation is being tested. The biologists cross various types to make the seed highly resistant, undemanding and productive. The farmers can often double their income. The vegetable seeds are imported from the Netherlands, where according to manufacturer Bakker Brothers no genetic engineering is involved.

“The concept is sound,” says Manager Teferi Garedeew, “but it only functions thanks to the dedication and perseverance of our employees.” In order to convince village communities, it is essential that the model farmers achieve visible successes in the first year. “In the rainy season, when the seed is sown and the seedlings set, we must stay in continuous contact so we can give them advice, e.g. on how deep and how far apart the seedlings have to be planted.” In the rainy season, however, the mud tracks are often impassable: “Our experts have to reach the farmers on foot. The distance to farmer Seid from the office in the main village of Yanfa is 24 kilometres – a six-hour walk.”

But the results have been worth the effort; after an initial phase the initiative is self-perpetuating. In 2010 farmer Seid received improved vegetable seed imported from the Netherlands, initially for 20% of the actual price. Two years later, when the acceptance and demand for vegetables had risen, the Foundation charged 30%; in the following year 50%. Since 2014 the farmers have been paying 100% for the seed. “That's how support for self-development works,” explains Teferi Garedeew: “When we pull out of a project area, the farmers are able to manage without subsidies.”

As a child, farmer Seid attended school for only four years; then he had to earn his living as a shepherd boy. “I wore my first pair of cheap shoes at the age of 20,” says Seid. “Everything I am today, I owe to *Menschen für Menschen*.” He is determined that his four children should have a better future. Ideally, he would like them to study agriculture and return home to professionalize the farmholding in order to make production more efficient for the urban markets. “Just look how far I have come,” he says. “And I'm sure that's just the beginning.”

## PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2014

### Education

ABC

Development can only be achieved by education. But Ethiopia still lacks the necessary infrastructure. That is particularly apparent in rural areas, where the population has no access to a reasonable standard of school education. In order to change this, in 2008 we launched the Initiative ABC–2015. Its aim is to give hundreds of thousands of children access to a school education, so that Ethiopia can achieve its millennium goal “Education for all”. Furthermore, the literacy rate is to be increased and more training opportunities created.



Learning at the desk: classroom of the new school in Sephera.

#### PROJECT EXAMPLE

## ABC–2015: Sturdy school buildings for Sephera

In our educational programme ABC–2015 high priority is accorded to the construction of schools. Alone in 2014 we were able to complete 33 sturdily constructed school complexes. The resulting opportunities for teaching quality are demonstrated by the example of the village school at Sephera in the Borecha project area.

#### BASELINE SITUATION

Six out of ten children in Ethiopia are still unable to attend a school appropriate to their age. This is either because there is no school within reach or because the disastrous state of equipment and facilities at existing schools has made learning so difficult that the parents prefer to keep their children at home, so they can help on the farm. The educational crisis is almost palpable in Borecha, located in the

south-west of Ethiopia. Few facilities are available in which an acceptable standard of learning is possible for the 85,000 inhabitants of this rural region. The rare village schools are mostly too small and in poor condition.

Until autumn 2014 this also applied to the village school in Sephera. Hitherto it was accommodated in a temporary shed whose walls were provisionally held together by millet stalks. The roof, made of plastic sheets, offered only limited protection against downpours and the glaring sun. During lessons over 700 pupils had to sit in the gloomy classrooms on simple wooden benches with their school materials on their laps.

*“If we didn’t build schools the children would have to sit on dusty floors in mud huts infested with sand fleas – and many would abort their school education. Our schools are also attractive to adults, who take afternoon and evening courses here. The schools thus facilitate and promote our development projects overall.”*



Hanock Markos, 34, educational programme coordinator at the PCO in Addis Ababa  
im PCO in Addis Abeba

## PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2014



The old wooden classrooms were destroyed by storms and termites (top). The new school buildings are solidly built (below).

FUNDS OF THE GERMAN FOUNDATION ALLOCATED TO EDUCATION IN 2014:

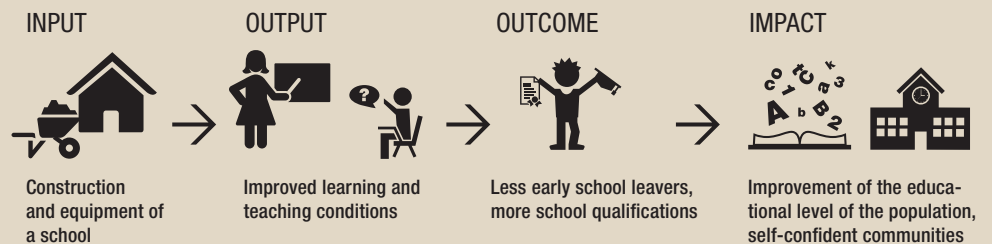
## 6.634.216 Euros

MOST NOTABLE SUCCESSES:

- 23 schools, including 18 grammar schools, three intermediate schools and a vocational school for 21,091 students were completed
- 11,300 adults took part in literacy programmes

ABC–2015 OVERALL RESULTS FROM 2008 TO 2014 (GERMANY):

- 152 schools were constructed for 185,691 pupils
- 15 further schools under construction at the end of 2014
- 136 school libraries were constructed and equipped with books
- 158,033 women and men took part in literacy courses



### GOALS

Following a comprehensive analysis of the situation, *Menschen für Menschen* decided to build a new, well-equipped school in Sephera. The learning conditions for the children were to be improved and teachers would have a more attractive working environment, with the result that more children would obtain a school qualification. There is also room for adult education. In the long term this raises the general educational level in the population and promotes the development of the region.

### ACTIVITIES

Since September 2014 the provisional school has been a thing of the past. With intensive support from the population, *Menschen für Menschen* constructed three new buildings immediately next to it with a total of twelve classrooms, as well as an additional building for teachers' offices and a new school library.

In addition there are two toilets on the site. Concrete foundations, masonry walls and galvanized zinc roofs are standard, as in all schools built by *Menschen für Menschen*. As many as 720 children per shift (mornings and afternoons) can take lessons in the new school. In the classrooms there are sufficient benches and tables, and the large blackboard gives the teachers plenty of room for teaching content.

Even before the start of construction we sign a contract with the Ethiopian authorities – as for every school project – which details the maintenance and the equipment of the school upon completion. A local committee trained by *Menschen für Menschen* and made up of community representatives, parents and teachers subsequently assumes responsibility for operating and maintaining the school. This prevents long-term dependence and ensures the sustainability of the project.

### RESULTS

The impact of the activity is already discernible after only a short time. The teachers say of themselves that they are more motivated and have new opportunities for actively using the teaching structure. The motivation of the schoolchildren has also increased: they come to lessons more regularly and are proud to attend such a beautiful school. Their parents and other adults likewise benefit from the new building. In the evenings and during holidays the village school can also be used for vocational training and literacy courses.

### FUNDS INVESTED

We invested 152,820 euros in the construction of the school at Sephera.

## PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2014

### Agroecology



Agriculture is the only source of income for the vast majority of Ethiopians. However, the meagre harvests brought in by the farmers are often hardly sufficient to feed their own families. We help the farming families by teaching them more effective farming and irrigation methods, as well as livestock farming. For this purpose we provide them with aids such as improved seeds and distribute more productive hens. In addition, together with the farmers we promote projects for the preservation of natural resources. This includes the fight against erosion and leaching of the soil.



Beekeeper Berhanu Fayessa from Gida Abu constructs “transitional bee hives” as he learnt from *Menschen für Menschen*.

PROJECT EXAMPLE

## Vegetables and honey as new sources of income

### BASELINE SITUATION

Ethiopian farmers are confronted with a wide range of challenges: droughts threaten their harvests, and the productivity of their fields is constantly declining because valuable topsoil is being swept away by erosion. Antiquated farming methods and small land parcels are the reasons why the farmers hardly harvest enough to feed their own families. The little land they have is usually used too intensively for monoculture, as well as being badly irrigated. Farmers mainly grow grain, and vegetable growing is hardly known.

Obsolete methods are also normal in beekeeping: the farmers hollow out a tree trunk, close the ends with mud and hang the device in a tree. Once a wild bee population has nested in it, the beekeeper waits until the honey has been produced. To harvest

it, he must destroy the hollowed-out tree trunk, often suffering multiple stings in the process. The honeycombs are then pressed manually, which is why the honey is contaminated with residual wax.

### GOALS

Together with the farmers, we strive to increase agricultural productivity. This ensures a balanced and healthy nutrition of their families, and an added source of income through the sale of surplus produce on the market.

### ACTIVITIES

Those who must fear for their harvest each year are naturally unwilling to take risks. For this reason, most farmers remain rather sceptical towards new farming methods, particularly since they also involve invest-

ments. To confront this scepticism, we work together with local development advisors (development agents). They live in the communities, convince the inhabitants of the advantages of more effective and sustainable agricultural methods, and assist in their application. The aim is to identify motivated farmers who are prepared to convert and set an example to the others.

### RESULTS

We found two such pioneers in the community of Gida Abu in our Dano project area: 50-year-old farmer Gussa Berhatu. In a course of training by *Menschen für Menschen* he had not only been acquainted with farming methods for various types of vegetables – he realized that vegetables were a healthy and tasty source of nourishment. In 2013, together with four

## PROJECT WORK IN ETHIOPIA

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Gussa Berhatu, seen here with his son Tameru Gussa, is now successfully growing vegetables.

FUNDS OF THE GERMAN FOUNDATION ALLOCATED TO AGROECOLOGY IN 2014:

1.053.894 Euros

MOST NOTABLE SUCCESSES:

- 1,207.29 kilometres of field terraces constructed for soil and water conservation
- 40 new nurseries opened
- 17,38 million seedlings planted
- 4,979 farmers acquainted in training sessions with improved methods, e.g. of erosion protection, cultivation, vegetable growing and livestock farming

## INPUT



Training, tools, seeds, wooden boxes for bees

## OUTPUT



Increased vegetable production, more and better quality honey

## OUTCOME



Higher income, balanced nutrition

## IMPACT



Better living conditions of farming families

*"In the first year I only worked with 20 farmers. Now we are in the second year, and I am working with more than 100. The hurdle to trying out vegetable gardening is also high for the farmers because vegetable seeds are expensive. We initially give them subsidized seed valued at about 500 birr. But the harvest is worth 4,000 birr, sometimes even as much as 7,000 birr."*



Development agent Gezahegn Lemma, 30, responsible for Gida Abu in the Dano project area

other farmers he laid out joint seed beds on the banks of the Dobi River. After a month the seedlings were distributed and planted by the farmers on their own land. In 2014 they were working in the second season and have meanwhile found 38 copy farmers. They successfully grew crops such as onions, tomatoes and beetroot, says farmer Gussa. Now his income has increased, and he is able to buy clothes for his eight children and send the four older ones to school.

Berhanu Fayessa, 38, is a beekeeper in Gida Abu. After training with *Menschen für Menschen* he learned to make wooden boxes for bee hives, from which the honey is easier to extract. Now Berhanu is not so frequently stung while harvesting, and the bees' homes remain intact. The so-called "transitional bee hives" are set up at easily accessi-

ble places. Berhanu now also knows how the wax and honey can be separated more easily by heating. This enables him to harvest purer honey of higher value. Previously he sold a kilo of honey for 30 birr on the market. Now he can expect 70 birr (about 3 euros). Moreover, the improved bee hives yield more than double the harvest of previous years: he extracts 14 kilos of honey per year from one hive.

In 2014 a total of 1,020 farmers in the Dano region participated in agricultural training.

## FUNDS ALLOCATED

The costs for a ten-day beekeeping course including daily expenses, trainers and material for 100 farmers amount to 3,274 euros. We estimate the costs of a "transitional bee hive" at 16 euros.

## PROJEKTARBEIT IN ÄTHIOPIEN

ANNUAL REPORT 2014

### Water



Thirst is a daily experience for eight out of ten people in rural Ethiopia. They lack access to clean water; wells and springs are rare and often contaminated. The local population – as a rule the girls and women – must often walk for many hours to the next water holes. Together with the local inhabitants we constructed hand dug wells, spring developments and collecting basins for rainwater at accessible points, even entire water supply systems. Water committees formed of community members ensure that the systems are kept clean and properly maintained.



Water reservoir in the town of Arekit – pipelines lead from here to the consumption points.

#### PROJECT EXAMPLE

### Town water supply for Arekit

#### BASELINE SITUATION

Small towns in rural Ethiopia often lack funds for any form of public investment. This is also the case in Arekit, a town located outside our project regions about 220 kilometres south-west of Addis Ababa at an altitude of 2,911 metres. Although the local administration constructed a water supply system with three consumption points in the mid-1990s, two of them have long since ceased to function due to the low water pressure in the reservoir. The remaining water point yielded only 29 cubic metres of drinking water per day and was therefore only open for a limited number of hours.

The inhabitants had no choice but to syphon off the small trickle from the rock face on a steep slope

outside the town. There was a great rush, particularly in the dry season: women and girls –traditionally responsible for fetching water – often stood for hours until it was finally their turn. Often they were still there at nightfall and the way back to the town was wrought with danger, for in the darkness hyenas lose their fear of humans – and there were frequent attacks, some of them fatal. Others drew their water from the shallow, muddy Lake Arekit. Its level of contamination was reflected in the statistics of the municipal health centre: diarrhoea, intestinal parasites and typhus were the most common diseases in Arekit in the past few years. Predominantly small children were affected, and many even died.

*“In the past few years I was responsible for the construction of more than a hundred hand dug wells and spring developments. All systems are functioning perfectly; not a single one has broken down, not even the older ones. That’s because we are very careful: in the selection of sites, construction and training of the local water committees.”*



**Gossay Tadesse, 35,**  
department head  
for water projects  
in Borecha



## PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2014

The new consumption points are now easily accessible. Even the children learn how to maintain the water points.



FUNDS OF THE GERMAN FOUNDATION ALLOCATED TO WATER SUPPLIES IN 2014:

## 878.666 Euros

MOST NOTABLE SUCCESSES:

- 97 hand dug wells and spring developments for more than 24,000 people completed
- 514 women and men participated in training on the maintenance of hand dug wells and spring developments and water management

## INPUT



Construction of a water supply system, awareness building and training

## OUTPUT



Clean drinking water, improved hygiene

## OUTCOME



Decline in diseases caused by polluted water

## IMPACT



Improved health status of the population

## GOALS

Several times the people of Arekit sought the assistance of *Menschen für Menschen*. Together we defined what we wanted to achieve: permanent access to clean, healthy water and a sustained improvement in the health and hygiene situation.

## ACTIVITIES

After an engineering office had investigated the technical and geological conditions, a deep well was drilled in a river valley and a generator building constructed in early 2012.

The water supply system was ceremoniously inaugurated at the end of April 2014 in the presence of Dr. Asnake Worku, head of programme coordination

and development at *Menschen für Menschen* in Ethiopia, as well as district government representatives.

The new well supplies at least 1,000 cubic metres of water per day. The latter is pumped over a six kilometre long pipeline to a new reservoir on a hill above the town. From there it flows by the force of gravity into seven new public consumption points.

As with all projects of *Menschen für Menschen*, the cooperation of the population was a prerequisite. All trenches for the water pipelines were dug by the inhabitants themselves with shovels and axes. The pipes, pump and generator were imported from Europe, as products of a comparable quality were not

available in Ethiopia. They ensure the long life of the infrastructure.

## RESULTS

Thanks to the new water supply system the 5,000 inhabitants of Arekit will have clean drinking water for the next decades. Because Arekit is a school and market location, in all about 12,000 people in the whole region will benefit from the new system.

## FUNDS ALLOCATED

*Menschen für Menschen* contributed a total of 132,280 euros for Arekit's municipal water supply in 2014.

## PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2014

## Health



Strenuous journeys on foot, often lasting several days, to the nearest doctor or a clinic: in Ethiopia that is still the normal course of life for most people in the country areas. For many, professional medical help is completely inaccessible. In order to contribute to an improvement in medical care, we build health posts, health centres and polyclinics, purchase ambulances, enable operations and organize immunization programmes. An important role is also played by HIV/AIDS education, as well as advice in matters of health care and family planning.



Midwife Jehune, 23, examines a pregnant woman at the Beleti health centre.

## PROJECT EXAMPLE

## Improved obstetrics in country areas

Within our integrated rural development project in the west-Ethiopian region of Borecha we launched an extensive programme for the improvement of medical care in 2010. One of the focal areas is maternal health.

## BASELINE SITUATION

96% of the 85,000 inhabitants of Borecha live in rural areas, often in isolated villages, to which there is not even a surfaced road. For most people medical care facilities are difficult to reach. A few years ago that was also the case with Beleti, a village in eastern Borecha. The nearest clinic in Bedele was 70 kilometres away – and in an emergency the relatives of the patients had to carry them for almost twenty hours on self-made stretchers.

As in other Ethiopian villages, the women of Beleti have traditionally brought their children into

the world in their own huts. In the event of complications, medical help was almost never there in time. The consequences are reflected in the statistics on maternal mortality. According to the WHO, in Ethiopia for every 100,000 live births there are still 420 deaths (2013). In Germany there are seven deaths for every 100,000 births.

Apart from inadequate obstetric care, the high level of maternal mortality in Ethiopia can be attributed to cultural reasons. Women normally marry at an early age and often become pregnant as teenagers. Their bodies are not yet optimally prepared for birth: fatalities in childbirth among 15-year-old girls occur five times more often than in women aged between 20 and 30. On average a woman gives birth to five children in Ethiopia. The hard reality of everyday life and the many pregnancies wear them down, and this further contributes to maternal mortality.

*"I try to explain to the women that it is better to have fewer children, so that the scarce resources do not need to be distributed over many heads. My work is not easy, because of the conservative moral concepts in this predominantly Islamic area. When I came here six years ago, only 100 women in the community had decided on family planning. Through my work this figure has now increased to 300."*



Tarikua Tessema, 33, social worker in the community of Kersa Yassin in the Borecha project area

## PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2014

Well looked after during delivery: Digise Dejene with her new-born son. She is being supplied with water by drip feed.



FUNDS OF THE GERMAN FOUNDATION ALLOCATED TO HEALTH IN 2014:

638.849 Euros

MOST NOTABLE SUCCESSES:

- 2,338 eye operations performed
- 132,709 people – including 13,758 pregnant women – availed themselves of HIV/AIDS consultations and were tested
- Immunization programmes organized for 9,185 children

## INPUT



Construction of a health centre, ambulance, awareness raising

## OUTPUT



Improved obstetric care, increased acceptance in the population

## OUTCOME



Increase in the number of attended births

## IMPACT



Health status of women improved

## GOALS

Our priority goal in respect of women's health is to further reduce the high rate of maternal mortality. In addition to educational campaigns, we focus on the creation of local medical care facilities.

## ACTIVITIES

Since 2012 there has been a health centre directly in Beleti, staffed by a medical trainee and two midwives. Having participated in training courses at *Menschen für Menschen*, they examine pregnant women and assist them during delivery. One of their tasks is the early recognition of risks: if complications appear likely during the birthing process, the patient can immediately be transferred to the hospital in Bedele. An ambulance donated by *Menschen für Menschen* is available for such emergencies today. It transports patients to the hospital in two-and-a-half hours.

The health centre has been supplied with solar energy since 2014. The local authorities are making an effort to connect the centre to the water supply.

To encourage people to take advantage of the services offered by the centre, our development experts inform the villagers about the dangers of medical unsupervised home deliveries and warn against the consequences of early marriage and early pregnancies. HIV/AIDS education also plays a major role.

## RESULTS

A total of 907 women gave birth at the Beleti health centre between June 2012 and June 2015. One of them is 18-year-old Digise Dejene. Her son was born healthy in the November 2014. The mother felt she was in good hands and wants to recommend other women to go to Beleti to give birth. Indeed, more and

more women are placing trust in our services. Whereas 111 mothers delivered their child at the health centre in 2013, this figure had risen to 474 in 2014. And the upward trend continues.

## FUNDS ALLOCATED

We contributed 129,130 euros to the construction of the health centre in Beleti. The cost of an ambulance is about 34.000 euros.

## PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2014

## Promotion of women



Women are still disadvantaged in many ways in Ethiopian society. In the country areas they are normally the ones who bear the burden of poverty. We have initiated a series of projects to improve their living conditions and strengthen their social position. These include courses of training and small credit programmes, education on family planning and hygiene, as well as the introduction of wood-saving stoves. This not only releases women from dependence, it is also a key to the development of society overall.



New self-confidence and financial stability as a dressmaker: Mestaet Tegegne, 32 with her son.

## PROJECT EXAMPLE

## On the road to independence as a dressmaker

## BASELINE SITUATION

A traditional understanding of roles and lack of education are the reasons why women in rural Ethiopia rarely have an opportunity to improve their life situation from their own resources. When they are forced to raise their children alone, for example after the death of their husband, they are quickly plunged into an existential crisis. One example is Mestaet Tegegne. She is in her mid-thirties, without a school qualification, and lives with her three children in the village of Billy in the Borena region. Her husband died almost nine years ago – of tuberculosis, a frequent concomitant disease of HIV infections – shortly before her youngest son was born. Mestaet is also HIV-positive and often experiences bouts of weakness.

On days when she was not lying sick in their hut, she used to eke out a living as a day labourer on construction sites. Every day she was agonized by the fear of being unable to provide enough food for her children.

## GOALS

One of the main objectives of *Menschen für Menschen* is to improve the life situation of women and strengthen their social status in the long-term. Start-up support for establishing a secure existence helps them to break out of this cycle of poverty and give women a new self-confidence.

*“According to traditional concepts women should be limited to child bearing and menial duties. This has become embedded in the minds of most. It is difficult to escape from poverty when the initiative of the women is suppressed. For this reason it is in equal measure important and effective for us to invest in women and break unjust role patterns.”*



Almaz Böhm, Patron of the Menschen für Menschen Foundation

## PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2014



Leke Demeke, 19, also successfully completed the dressmaking course.

FUNDS OF THE GERMAN FOUNDATION ALLOCATED TO THE PROMOTION OF WOMEN IN 2014:

## 391.356 Euros

MOST NOTABLE SUCCESSES:

- 1,208 women took out a small loan and began a business activity
- 7,276 women took courses on subjects such as home economics, handicrafts, vegetable gardening, health and hygiene
- 10,761 improved stoves were sold to farmers' wives at subsidized prices
- 300 households were provided with solar-powered light

### INPUT



Courses for women, financial start-up aid

### OUTPUT



Qualification as dressmaker

### OUTCOME



Income from dressmaking, women are more self-confident

### IMPACT



Improved socio-economic situation of women

## ACTIVITIES

Had her husband still been at her side, Mestaet may not even have been open to the offer of our Foundation to take a course of training as a dressmaker. But as it is, she accepted and together with two other women in three months learnt the basic skills. The teacher was paid for by *Menschen für Menschen*, and in addition the women received financial support that enabled them to feed their children during the training period and buy a foot-operated sewing machine, for there is no electricity in their village.

## RESULTS

Every Saturday since completing their training, the women have had their own market stand where they

sell their self-tailored skirts, pants and jackets. The customers usually supply their own fabric, the dressmakers take the measurements, and a week later the finished garment can be picked up. The start of the school year boosted their business, for many children needed a new uniform. On average the women now receive three orders per day and achieve a monthly income of 1,500 birr, around 60 euros. For Mestaet that means she has enough to eat for herself and her children. She can finally pay off her debts and even save a modest amount.

That gives her the necessary self-confidence and the power to pursue her voluntary commitment: she is actively involved in our organization's anti-AIDS

programme, talks about infection in groups of women, explains preventive methods and how medication is available.

## FUNDS ALLOCATED

The cost of a dressmaking course for a participating woman is around 564 euros. This sum includes the daily expenses, wages of the trainers, training and sewing materials such as yarn and fabrics, as well as a 50% subsidy for a sewing machine. In 2014 ten women participated in a dressmaking course in Borena; the total costs amounted to 5,643 euros.

## PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2014

### Infrastructure



Many isolated villages in Ethiopia are only accessible via dirt roads and narrow paths. In the rainy season these unsealed tracks are often impassable. The inhabitants are frequently cut off from markets and medical facilities for many weeks. In order to make these villages accessible the whole year round and give the inhabitants a development perspective, *Menschen für Menschen* is constructing roads, paths and bridges.



In mid-2015 this makeshift bridge over the Beleti River will be replaced by a sturdy structure that is passable the year round.

FUNDS OF THE GERMAN FOUNDATION ALLOCATED TO INFRASTRUCTURE IN 2014:

**94.275 Euros**

MOST NOTABLE SUCCESSES:

- 76 kilometres of access roads completed

#### PROJECT EXAMPLE

## Lifelines for the hinterland

### BASELINE SITUATION

In our Borecha project region, located in south-western Ethiopia, the majority of villages are still only accessible by off-road vehicles or on foot. In the rainy season the unsealed tracks are transformed into barely passable and often steeply sloping mud tracks. This was also the case until 2012 with the village of Beleti, located about 22 kilometres from the small town of Yanfa. With huge effort and commitment, a few years ago the people built a simple road between the two towns, so that the farmers could bring their products to town on donkeys. However, even this road was impassable in the rainy season.

### GOALS

Lacking infrastructure is one of the biggest obstacles to the development of the region. Together with the local population we are thus expanding the road network, placing a focus on the villages with a special infrastructural importance.

### ACTIVITIES

With the aid of bulldozers *Menschen für Menschen* extended the simple track between Yanfa and Beleti to a sealed road. The crushed stone to ensure that the road was useable in the rainy season was supplied by the community. It was opened in 2012. In

the same year another road was opened from Beleti to the village of Sephera only five kilometres away.

### RESULTS

Since the construction of a road to Yanfa, the tiny village of Beleti has grown into a lively rural centre. The population has doubled and is currently about 1,600. Brisk trading has arisen, because now agricultural products can be delivered from the surrounding area much more effectively by trucks and shipped further afield. Small shops have opened, offering everyday consumer goods. In addition, public buses now serve Beleti, bringing additional traders to the town on market days.

By the end of 2014 *Menschen für Menschen* had constructed roads with a total length of 146 kilometres in the Borecha project region. A follow-up project promises even better connections to the hinterland and thus a continued economic upswing. In 2014 *Menschen für Menschen* decided to construct a solid bridge over the Beleti River that was passable year-round. Construction work was due to start in 2015. Until now there has only been a makeshift bridge made of logs that was repeatedly washed away by the swollen river during the rainy period. Humans and animals were frequently drowned.

INPUT



Construction of all-weather roads and bridges

OUTPUT



Villages connected to one another, safe transport routes

OUTCOME



Improved access to health facilities and markets

IMPACT



Improved health status of the population, increased income

*"For the past seven years I have been working as a construction engineer at Menschen für Menschen. Then reason I remain loyal to the Foundation is that I can work here professionally and result-oriented. In 2013 many villages in Dano were accessible only by foot-paths. In the meantime we have built 54 kilometres of roads that have become lifelines for development."*



Antehunegene Dejene, 30, department head for infrastructure projects in the Dano project area

### FUNDS ALLOCATED

The construction of roads in our project areas with aid of a bulldozer costs about 2,400 euros per kilometre.

## Social issues



There is no social security system in Ethiopia. Anyone who falls on hard time is usually supported by relatives. But the families are often overtaxed by the burden involved. In such cases the Menschen für Menschen social fund can help. In particular schoolchildren, students and orphans benefit from it, but also disabled persons and older people without families. In addition to the acquisition of physical resources or assumption of medical expenses, we help, for example, with training grants.



Etaferahu Abera has completed her training as a dressmaker and textile designer.

FUNDS OF THE GERMAN FOUNDATION ALLOCATED TO SOCIAL ISSUES IN 2014:

# 173.332 Euros

THE MOST NOTABLE SUCCESSES:

- 53 students, sick and elderly people received support
- 185 AIDS orphans supported

*“Good grades, great poverty: we select the schoolchildren for our social fund according to these criteria. Without this aid she would probably have had to break off her education. Particularly girls then have no perspective. Many marry at an early age. Others try their luck in the cities and see themselves forced to work as prostitutes.”*



Etenesh Mulatu, 31, department head for women's projects in the Borecha project area

### PROJECT EXAMPLE

## Training grants for orphans

### BASELINE SITUATION

In der Ethiopian society there is traditionally a great willingness to help when relatives are in need. However, the families are often themselves destitute. Due to the absence of a state social security system, many poor people are left to themselves. With the spread of HIV/AIDS this number has grown.

Children who have lost their parents can find a new home at the Abdii Borii orphanage, constructed by *Menschen für Menschen* in the small town of Mettu. Here they live in groups of mixed ages, similar to a family run by house mothers. They learn to process painful memories, while experiencing security and a sense of community. In addition, they acquire a school qualification. They must leave the home by the age of 17 at the latest, to allow new orphans to be accepted.

### GOALS

Young people should be able to stand on their own two feet and earn an independent living. It is therefore important that after their school education they receive a sound professional or academic training according to their skills that offers good job opportunities.

### ACTIVITIES

In 2014 a total of 29 former Abdii Borii children completed a course of training at state and private vocational schools or studied at various universities in Ethiopia. The social fund of *Menschen für Menschen* assumed the monthly maintenance costs and, if necessary, the study fees.

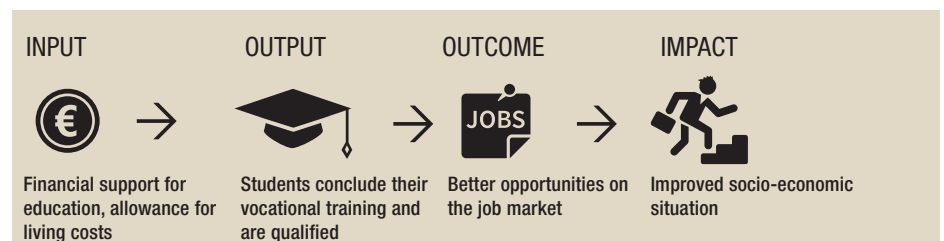
### RESULTS

Particularly for young women, these support measures are an important bridge to independence. For example Ayantu Jemal: the 19-year-old took a one-year training as cook at the “Catholic Archdiocese Women's Promotion Centre” in Addis Ababa. She now works at a restaurant in a suburb of the capital and cooks for about 30 guests every day. It is a job that brings her fulfilment: the praise and tips of her guests serve to reassure her that she is good in what she

does. Etaferahu Abera also came from the Abdii Borii home. Today she is 21 years old and has completed her training as a dressmaker and textile designer at the same vocational school in Addis Ababa. She is highly ambitious and she has experimented in her dress models with a blend of traditional Ethiopian and western design. Sometime she would like to open her own workshop in the capital and create her own jobs and training positions.

### FUNDS ALLOCATED

In 2014 *Menschen für Menschen* supported 29 former Abdii Borii children with a total of 21,528 euros during their professional or university education.



# Annual Financial Statements 2014

In 2014 donations to the German Foundation rose by about 0.4 million euros compared to the previous year to 9.75 million euros. This corresponds to an increase of 4.72%. The total income fell slightly due to lower earnings from investments, by about 100,000 euros to 10.5 million euros. Expenses rose from 16.0 million to 16.9 million euros. The total difference of about 6 million euros between expenses and income was covered by reserves. All ongoing projects were thus funded according to plan. The balance sheet total fell to 31.8 million euros (previous year: 37.3 million euros).

## LEGAL BASIS

The Menschen für Menschen Foundation with headquarters in Munich – Karlheinz Böhm's Ethiopia Aid – has been recognized by the Government of Upper Bavaria pursuant to Sections 80 and 81 of the Civil Code as a legal foundation under civil law. On 19 February 2015 the Munich Tax Office for Corporations confirmed under tax reference number 143/235/72144 that the Foundation serves only and directly tax-privileged, non-profit and charitable purposes within the meaning of Sections 51 ff. of the Fiscal Code (AO).

## FUNDAMENTALS OF ACCOUNTING

The Foundation Menschen für Menschen prepares its annual financial statements according to the provisions of Section 264 paragraph 2 German Commercial Code (HGB). The financial statements conform to the provisions of Section 25 paragraph 1 Bavarian Foundation Act (BayStG). The balance sheet and profit & loss account are based on the provisions of Sections 266 and 275, paragraph 3 HGB. The special characteristics of the Foundation are accounted for in further subcategories.

## ACCOUNTING AND EVALUATION METHODS

The valuation basis for the purposes of Section 321 paragraph 2 (4) HGB includes the accounting and evaluation methods, together with the factors relevant to the evaluation of assets and debts.

The Foundation reports only fixed assets that are available to the Foundation within the scope of project implementation for longer than one year. Capitalized tangible fixed assets are entered at acquisition cost, reduced by scheduled linear depreciation. Low-value fixed assets (acquisition costs up to 410 euros) procured in the previous years were fully depreciated in the year of acquisition. Securities were valued at acquisition costs. However, if the value on the balance sheet day was lower, the latter was entered (lowest value principle).

The Foundation forms reserves in compliance with regulations for statutory tasks. Provisions for contingent liabilities are formed to an amount estimated according to reasonable commercial judgement. They account for all recognizable risks and unforeseeable obligations. The cash and bank balances in Ethiopian currency were converted by the reporting date method on the balance sheet date.

## BALANCE SHEET AS OF 31 DECEMBER 2014

ASSETS		
	€	Previous year T€
<b>A. FIXED ASSETS</b>		
I. Intangible assets	366,446.85	128
II. Tangible assets	124,314.66	154
III. Financial assets	14,133,550.99	20,667
<b>B. CURRENT ASSETS</b>		
I. Accounts receivable and other assets	793,114.89	964
II. Cash on hand, bank deposits	16,465,920.02	15,407
<b>C. DEFERRED ITEMS</b>		
	10,993.44	5
	<u>31,894,340.85</u>	<u>37,325</u>



	LIABILITIES	
	€	Previous year T€
<b>A. EQUITY CAPITAL</b>		
I. Foundation capital	1,222,157.82	1,213
II. Revenue reserves		
1. Capital maintenance reserves	220,000.00	195
2. Other revenue reserves	29,587,595.99	35,592
<b>B. PROVISIONS</b>		
Other provisions	87,015.47	115
<b>C. LIABILITIES</b>		
1. Trade accounts payable	258,223.59	98
thereof with a residual term of up to one year: T€ 158 (previous year T€ 98)		
2. Other liabilities	519,347.98	112
thereof with a residual term of up to one year: T€ 519 (previous year T€ 111)		
thereof from taxes: T€ 210 (previous year T€ 27)		
thereof within the scope of social security: T€ 0 (previous year T€ 1)		
	<u>31,894,340.85</u>	<u>37,325</u>

## NOTES ON THE BALANCE SHEET

## ASSETS

**INTANGIBLE ASSETS.** Scheduled depreciation on software and website is shown under this item. In the 2014 business year we purchased new software for donation management and accounting. Special depreciation of 81,000 euros was calculated.

**FIXED ASSETS.** Fixtures and office furnishings comprise mainly office equipment and two motor cars, reduced by depreciation.

**RECEIVABLES AND OTHER ASSETS.** Other assets include rental deposits, receivables from sponsors arising from agreements, refunds from suppliers and reimbursements by the sister organisation *Menschen für Menschen* Association Austria.

**SECURITIES, CASH ON HAND, BANK DEPOSITS.** The Foundation's assets have been invested on the capital market according to short- and medium-term expenditure planning. Investments were made to equal parts in time deposits and fixed interest-bearing securities with "Investment grade" rating. Shares and investment funds are only transferred to the portfolio through inheritances. The papers are held until a date of disposal that is deemed favourable. The proportion of shares and investment funds is very low (5.75%). An extremely security-oriented investment guideline has been approved by the Foundation's Executive Board. The latter can be found on our website under "Transparency".

## LIABILITIES

**NET EQUITY.** The core assets of the Foundation increased slightly in the reporting year as a result of further endowments. A capital preservation reserve was formed in order to safeguard the core assets, and this was increased by 25,000 euros in 2014. Other revenue reserves include a project reserve fund pursuant to Section 58 (6) Fiscal Code as well as free reserves. The project reserve fund totalling 23.9 million euros is earmarked for long-term, contractually agreed projects. The free reserves are intended for securing the Foundation's work in the long-term and unforeseeable emergency situations in Ethiopia.

**OTHER PROVISIONS.** Other provisions relate to contributions to employer's liability insurance and outstanding vacation entitlement of employees in Germany.

**LIABILITIES.** Other liabilities mainly include deposits received for earmarked donations and liabilities from purchases.

# FINANCIAL REPORT

ANNUAL REPORT 2014

## NOTES ON THE PROFIT & LOSS ACCOUNT

**DONATIONS.** In 2014 donations to the Foundation increased by 4.7% compared to the previous year.

**OPERATING INCOME.** Operating income was higher than in the previous year. It comprised mainly gains from currency conversion and the increase in value of shares.

**INTEREST AND INCOME FROM SECURITIES AND FIXED-TERM DEPOSITS (INVESTMENT INCOME).** There has been a substantial change in total income from securities and fixed-term deposits: the latter fell by 571,000 euros. The reasons for this are the decline of about six million euros in financial assets and the current low interest rates, both resulting in a drop in interest revenue.

### PROJECT FUNDING

In 2014 *Menschen für Menschen* continued the long-term integrated rural development projects in eleven project regions which embrace activities in the areas of education, agroecology, water, health, promotion of women, infrastructure and social issues. In addition, the Foundation operates a college for handicrafts and technical professions with about 750 students and a children's home and orphanage. A total of 1,224,627 people benefited directly from the Foundation's development activities in the reporting year. More than 380,000 people live in the three new project regions added in 2013 (147,056 in Wogdi, 114,629 in Dano and 121,951 in Dale Wabera).

Again in 2014 *Menschen für Menschen* spent the greater part of its budget – two-thirds – on projects pinpointing education. We inaugurated 33 schools and a technical vocational school (TVET) for almost 33,000 schoolchildren and trainees.

The improvements in agricultural production and protection of natural resources are, albeit less cost-intensive, the core element of work in rural areas. For example, 360 kilometres of terraces on the mountain slopes were constructed in the afforestation project on Mount Kundudu in the eastern part of the country and about 1.9 million saplings of various types were planted. In this way soil erosion can be prevented and the soil quality improved. The water reserves are thereby replenished. As a result, not only are the livelihoods of the rural population protected and rehabilitated, the local inhabitants acquired the necessary technical skills and practical experience to ensure the future the protection of existing resources by their own efforts. In 2014 we completed and handed over a total of 147 water supply points.

### PROJECT SUPPORT

Besides the supervision and ongoing monitoring, project support also includes preparatory and follow-up activities. These include, for instance, a requirement analysis and the selection of suitable projects, preparation of specific project work, controlling and evaluation of projects, purchasing and logistics. These activities are performed primarily by our project coordination office in Addis Ababa, the Europe-Ethiopia coordination office and the Purchasing Department of the German Foundation. The German Foundation pays the expenses of the project coordination office in Addis Ababa almost completely and assumes the bulk of personnel costs of the Europe-Ethiopia coordination office.

*Continued in Notes on the Profit & Loss Account on page 44*

## PROFIT & LOSS ACCOUNT AS OF 31 DECEMBER 2014

	€	Previous year T€
<b>A. FOUNDATION INCOME</b>		
I. Contributions		
1. Cash donations	7,090,744.61	7,097
2. Legacies	2,208,463.52	1,553
3. Contributions by supporting associations	226,000.00	209
4. Public donations and grants	50,787.00	307
5. Proceeds from sponsors	140,564.42	143
6. Donations in kind	9,976.65	7
7. Fines	20,100.00	0
	<u>9,746,636.20</u>	<u>9,316</u>
II. Other operating income		
1. Current revenues, miscellaneous income	5,533.09	0
2. Royalties, licence fees	500.00	0
3. Dissolution of provisions	0.00	30
4. Income from currency conversion	61,114.68	0
	<u>67,147.77</u>	<u>30</u>
III. Income from investments		
1. Revenues and miscellaneous income	454,441.13	878
2. Accrued interest	239,391.00	386
	<u>693,832.13</u>	<u>1,264</u>
<b>B. FOUNDATION EXPENSES</b>		
1. Project expenses	-9,864,587.12	-10,974
2. Personnel costs (Germany and Ethiopia)	-3,493,754.78	-3,121
3. Amortization of tangible assets and intangible assets	-252,249.49	-95
4. Other operating expenses	-2,842,181.06	-1,697
5. Amortization of financial assets	-34,418.97	-146
	<u>-16,487,373.42</u>	<u>-16,033</u>
Taxes on income and profits	0.00	-3
Miscellaneous taxes	-382.00	0
Additions to capital maintenance reserves	-25,000.00	-25
Withdrawals from other revenue reserves	6,004,957.32	5,451
<b>ANNUAL RESULTS</b>	<b>0.00</b>	<b>0.00</b>

## DZI DISTRIBUTION 2014

EXPENSES	€	Project funding	Project support	Education and awareness-raising work	General public relations work	Administration
		1	2	3	4	5
<b>PROJECT COSTS</b>						
Communication work	1,067,611.85	0	0	87,613	955,789	24,211
Press work	80,184.30	0	0	36,082	44,102	0
Donor liaison and financing	96,539.36	0	0	0	7,618	88,921
Monitoring and evaluation	81,322.59	0	78,179	0	1,886	1,257
Travel expenses for projects in Ethiopia	43,519.51	0	43,520	0	0	0
Development project work, transparency, compliance, panels, IT, purchasing	531,827.98	892	290,648	3,246	63,956	173,086
	<b>1,901,006</b>	<b>892</b>	<b>412,347</b>	<b>126,940</b>	<b>1,073,352</b>	<b>287,475</b>
Costs of office premises	106,624.94	4,711	25,361	16,881	27,178	32,494
Office materials	107,869.31	4,766	25,657	17,078	27,495	32,873
<b>Intermediate total of other operating costs</b>	<b>2,115,500</b>	<b>10,369</b>	<b>463,365</b>	<b>160,898</b>	<b>1,128,025</b>	<b>352,842</b>
Personnel costs in Germany	1,760,575.78	423,102	332,828	221,533	356,672	426,440
Depreciation	286,665.46	12,666	68,184	45,384	73,069	87,362
<b>Total costs Germany</b>	<b>4,162,741</b>	<b>446,137</b>	<b>864,377</b>	<b>427,816</b>	<b>1,557,766</b>	<b>866,645</b>
Project work in Ethiopia	9,864,587.12	9,864,587	0	0	0	0
Material purchasing for projects formerly funded by <i>Menschen für Menschen</i> Switzerland	431,008.60	431,009	0	0	0	0
Personnel costs* Ethiopia	2,029,036.62	2,029,037	0	0	0	0
*) includes: 1.556 million euros in personnel costs as well as one-time expenses						
<b>Total costs Ethiopia</b>	<b>12,324,632</b>	<b>12,324,632</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COSTS GERMANY AND ETHIOPIA</b>	<b>16,487,373</b>	<b>12,770,770</b>	<b>864,377</b>	<b>427,816</b>	<b>1,557,766</b>	<b>866,645</b>
Percentage distribution according to DZI criteria		77.46 %	5.24 %	2.59 %	9.45 %	5.26 %

# FINANCIAL REPORT

ANNUAL REPORT 2014

**CAMPAIGNING, TRAINING AND EDUCATION WORK.** The creation of public awareness is anchored in the Foundation charter as an independent objective. Expenses include campaign, education and awareness-raising work, e.g. for sensitizing young people to the subject of social responsibility. Already in 2013 we joined the campaign alliance "Together for Africa". The merger of more than 20 aid and development organizations is aimed at promoting sustainable development in Africa, and to eliminate suffering and poverty.

**GENERAL PUBLIC RELATIONS WORK.** This item comprises mainly expenses for fundraising – in particular cash donations and endowments by charitable foundations and companies.

**ADMINISTRATION.** The Foundation calculates its administration and promotional expenses according to the guide-

lines of the German Central Institute for Social Affairs (DZI). Administration costs relate to the organization as a whole. They guarantee the basic functions of the operational process. These include the executive management, accounting and personnel management.

**PERSONNEL COSTS AND REMUNERATION STRUCTURE.** In 2014 there were five salary groups in the Menschen für Menschen Foundation. The annual remuneration of the three-man Executive Board in 2014 amounted to 304,260 euros gross or including VAT. The individual salaries are not disclosed for data protection reasons. The grouping of employees is oriented to responsibility, competence and performance, professional experience and organizational affiliation. Salaries are paid in twelve or 13 monthly instalments. The particulars in the table have been converted uniformly to 13 gross monthly salaries.

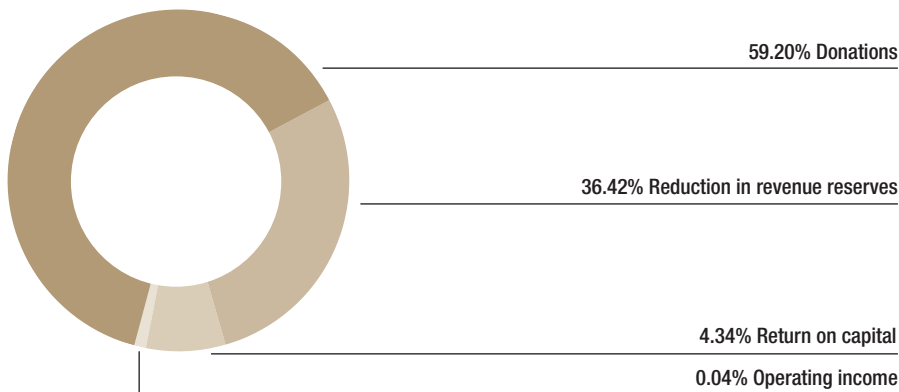
GROUP	POSITION (EXAMPLE)	FROM €	TO €
5	Temporary worker	1.500	2.500
4	Administrative clerk	2.300	3.500
3	Coordinator	2.500	4.500
2	Management level	2.900	5.500
1	Executive level	5.300	9.300

All other members of the Supervisory Board and Board of Trustees act in an honorary capacity.

**CHANGES IN REVENUE RESERVES.** Capital maintenance reserves increased by 25,000 euros in 2013. Additional expenditure in the business year 2014 was offset by a decrease of 5,979,000 euros in reserves.

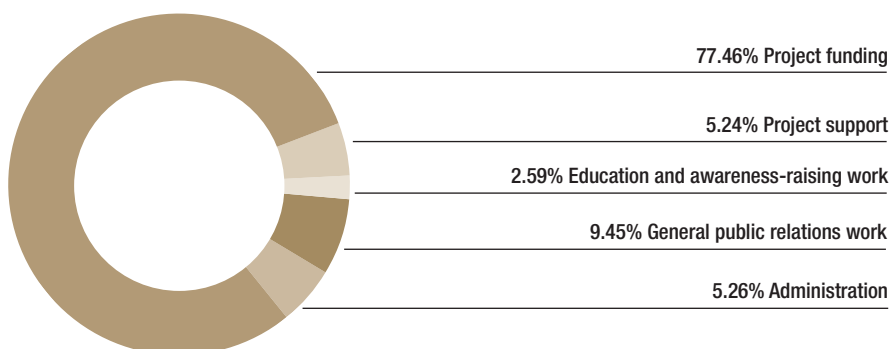
## ORIGIN OF FUNDS

Origin of funds 2014

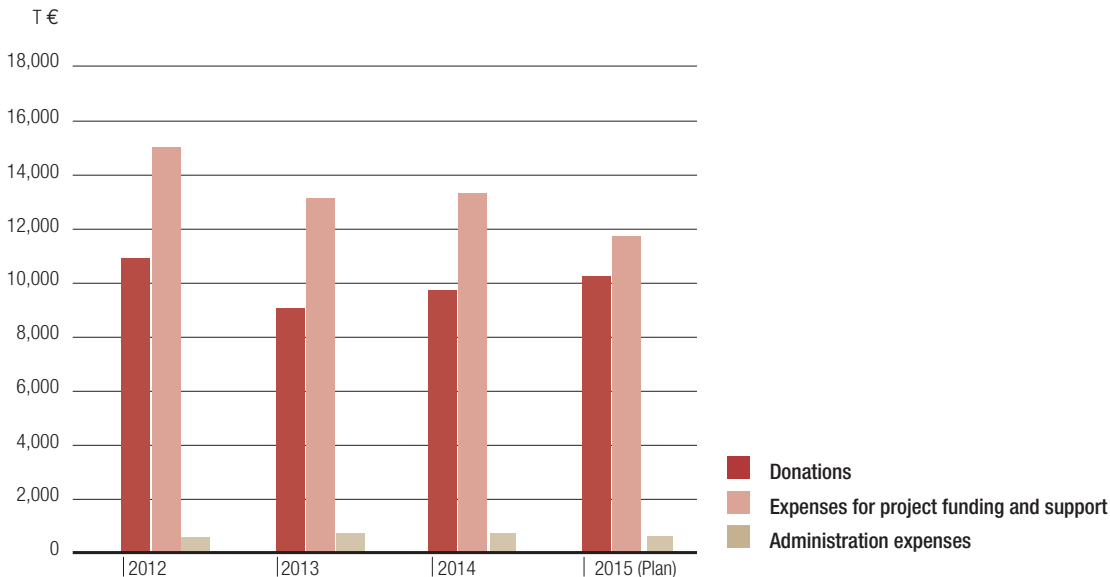


## ALLOCATION OF FUNDS

Use of donations in 2014



## DEVELOPMENT OF CONTRIBUTIONS AND EXPENSES 2012 TO 2015



All contributions and expenses have been recalculated according to the criteria of the DZI to ensure comparability.

## AUDITOR'S REPORT

To the Menschen für Menschen Foundation – Karlheinz Böhm's Ethiopia Aid – Munich

We have examined the annual financial statements – consisting of the balance sheet, profit & loss account and notes – including the accounts of the Menschen für Menschen Foundation (Karlheinz Böhm's Ethiopia Aid) for the business year from 1 January to 31 December 2014. The scope of the audit was extended according to Section 16 paragraph 3 BayStG. The audit thus also covered the preservation of core assets and the use of its income and allocation of earmarked donations in accordance with the statutes. The accounting and preparation of the annual financial statements in accordance with German commercial law are the responsibility of the legal representatives of the Foundation. It is our task to express an opinion on the annual financial statements on the basis of the audit conducted by us, including the bookkeeping system and extended scope of the audit.

We conducted our annual audit pursuant to Section 317 HGB and Section 16 paragraph 3 BayStG in accordance with the principles of proper auditing of the German Institute of Auditors (IDW). These standards require that the audit is planned and performed to enable misstatements and errors materially affecting the presentation of the annual financial statements to be detected with reasonable assurance and that they can be assessed with reasonable certainty whether the requirements resulting from the extension of the scope of audit pursuant to Section 16 paragraph 3 BayStG have been fulfilled. Knowledge of the business activities and the economic and legal environment of the Foundation, as well as an evaluation of possible misstatements were taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records were examined primarily on a test basis within the framework of the

audit. The audit included an assessment of the annual financial statements primarily on the basis of random samples. It also included an assessment of the accounting principles used and significant estimates made by the legal representatives, as well as an evaluation of the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the knowledge gained in the audit, the annual financial statements comply with the legal requirements. The check of safeguarding of the core assets, the use of its revenue and earmarked donations in accordance with the statutes pursuant to Section 16 paragraph 3 BayStG did not lead to any objections.

Munich, 5 June 2015

Ott & Partner

Trust

Auditors

Tax Consultants

  
Christian Klose  
Wirtschaftsprüfer



# PLANNING 2015

With total revenue of 10.5 million euros in 2014, *Menschen für Menschen* has a good financial basis for continuing work on the integrated rural development projects as planned.

## PROJECT PLANNING

In 2015 we will be continuing our activities in eleven integrated rural development projects. We are proposing to invest a total of 11.1 million euros in the implementation of planned projects in the existing project areas. Our priorities are the areas of agroecology, water, education, health and opportunities for income generation. No new regions are to be added, since we have adopted projects (e.g. Abdii Borii children's home in Mettu) which were hitherto funded by Switzerland.

The "ABC-2015" initiative launched in 2008 is due to be phased out in 2015. With it we promoted the millennium goal "Education for all" at numerous locations in Ethiopia. In 2015 the United Nations proposes to adopt a new agenda, to become effective in 2016.

As a result we will be transferring our focus from the promotion of general education to vocational training. We are planning the construction or completion of a further 14 schools (higher primary schools) for 2015. On the other hand we will be investing a million euros in the Agro Technical and Technology College (ATTC) constructed by us at Harar in south-eastern Ethiopia. Every year more than 180 students are trained in agroecology, electrical engineering, production and automotive technology. Qualified personnel is being urgently sought by the country's industry. A high level of qualification guarantees them a secure income. Many of these young men and women will later support their families and advance progress in the rural regions.

In 2015 we are devoting special attention to agriculture. This includes the planning of numerous soil and water conservation, as well as afforestation projects. In addition, we promote improved harvests in our project areas by distributing saplings and coffee seedlings as well as vegetable seed. Our goal is to establish ecologically compatible and profitable agriculture, promote healthier nutrition and, above all, reduce poverty.

Again in 2015 the building of financial reserves is critically important to enable us to achieve self-defined goals and abide by agreements with the Ethiopian local authorities and carry out sustainable work. All our projects are geared to the long term. We develop whole regions, in all spheres of life. On average our engagement in a project area lasts 15 years. Without reserves this would not be possible. That is why we prepare a five-year financing plan for each project. The updated forecast predicts funding needs totalling 41 million euros (1,232,457,851 Ethiopian birr), and reserves of 23.87 million euros will be built for the purpose. The shortfall in calculated funding requirements must be bridged by further donations and other revenue.

## ORGANIZATIONAL MEASURES

The extensive changes in structures and processes within the Foundation in Germany and Ethiopia begun in 2013 are expected to be concluded in 2015. This includes the implementation of new software to facilitate donation management and make the allocation of donations even more transparent. These innovations form the backbone of a targeted transformation from a historically developed, founder-managed institution to a modern, management-guided organization. It will ensure that we continue Karlheinz Böhm's life's work in a professional manner, while complying with the continuously increasing requirements placed on a modern development cooperation and complete transparency vis-à-vis donors. The goal is to further improve the level of transparency and efficiency of our work in Germany and Ethiopia, and ultimately create a "glass organization".

## RISKS

### PROJECT RISKS

Our work can be negatively influenced by various factors, particularly in Ethiopia. For example, in the implementation of many projects we are dependent on the weather. A long rainy season can delay the construction of much-needed roads in our project areas, or render planned terracing almost impossible. Nor can hunger disasters be discounted. By virtue of our many years of experience in Ethiopia we are, however, prepared for this: our planning makes allowances for the risks.

Bottlenecks on the global market frequently hamper the purchase of concrete or steel. We strive to minimize these risks by stockpiling when the prices are low.

Although the domestic political situation in large parts of Ethiopia is relatively stable, political disputes cannot be completely ruled out – with consequences for our work in the project areas. Unrest and tense situations are likely to occur, particularly on the borders to Somalia, Sudan, Southern Sudan and Eritrea.

Due to the rapid growth of the capital city of Addis Ababa, we cannot exclude the possibility of skilled workers leaving our rural project regions to earn more money in the capital. For this reason we strive to bind employees to the Foundation by offering them retirement provisions, a benefit that is unusual in Ethiopia.

### PLANNING RISKS

For an organization that employs a total workforce of about 750 in Germany and Ethiopia, the assessment of financial risks at the planning stage is of great importance. All planned expenses and projects are therefore subjected to frequent reviews and updated. One constant risk is the strongly fluctuating conversion rate between Ethiopian birr and euros, because the project costs are calculated in birr and the profit & loss account is prepared in euros. Our expenses in Ethiopia are therefore estimated conservatively. For 2015 we anticipate a relatively stable exchange rate and an inflation rate below 10% (2014: 7.4%).



Thanks to the vegetable seed handed out by *Menschen für Menschen*, model farmer Boru Gemetschu and his family from the village of Gida in the Dano project area have brought in improved harvests.

## OUTLOOK

Ethiopia has undergone radical changes in the past few years. Despite the persisting structural problems, in particular the mushrooming population and inadequate infrastructure, the country has developed economically. The progress and changing needs also necessitate the alignment of our activities in the integrated rural development projects. For example, besides our projects on food security, in future there will also be more support in the marketing of agricultural products. In the field of education the new focus on vocational training will have an impact on our work in the coming years.

## FINANCIAL PLANNING

	T€
Donations	10.100
Operating revenue	75
Interest and income from securities and time deposits	535
<b>TOTAL REVENUE</b>	<b>10.710</b>
Project funding	
1. Projects in sustainable land management	2.331
2. Water projects	808
3. Educational projects	5.606
4. Health projects	1.487
5. Income-generating projects	939
<b>TOTAL PROJECT FUNDING</b>	<b>11.171</b>
Project support	821
Campaign, education and awareness-raising work	489
General public relations work	1.810
Administration	672
<b>TOTAL EXPENSES</b>	<b>14.963</b>
ADDITIONAL EXPENDITURE	4.253
Reduction in provisions	-4.253
<b>ANNUAL RESULTS</b>	<b>0</b>



**Menschen  
für  
Menschen**

Karlheinz Böhms Äthiopienhilfe

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