



ART.NR.: 2016-08-0254AL



Menschen für Menschen
Karlheinz Böhms Äthiopienhilfe

Menschen für Menschen
Karlheinz Böhms Äthiopienhilfe

PUBLICATION DETAILS
Publisher: Foundation Menschen für Menschen, Briener Straße 46, 80333 München
Responsible: Dr Martin Hintermayer, Peter Renner, Dr Peter Schaumberger
Editorial and text: Mathias Becker, Gesine Bonnet, Astrid Merkl, Nina Roggenbuck-Bauer, Elyane Schwarz-Lankes
Design: Ute Vogt Kommunikationsdesign **Photos:** Andreas Friese, Rainer Kwirotek, Menschen für Menschen Foundation, Sigi Müller
Icons: by Freepik/www.flaticon.com, **Printed by:** OMB2 Print GmbH



'15
ANNUAL REPORT

EVALUATION Merhabete has changed sustainably > Page 14
INTEGRATED APPROACH Why Demitu's family now enjoys a better life > Page 18
VOCATIONAL TRAINING perspectives for the younger generation > Page 22



Donation account:
Stadtsparkasse München
IBAN: DE64 7015 0000 0018 1800 18
BIC: SSKMDEMM

Menschen für Menschen Foundation
 Briener Straße 46
 80333 München
 Tel.: +49 (0)89 383979-0
 Fax: +49 (0)89 383979-70
 E-mail: info@menschenfuermenschen.org
www.menschenfuermenschen.de



TITLE
 Budding carpenter at the handicrafts and technical vocational school in Adi Gudom.

REAR COVER
 Sweet treat: after the mango kernel harvest the children enjoy eating the fruit pulp.

Printed on unbleached
 eco-friendly paper



| | |
|---|----|
| OUR VISION OUR MISSION OUR FOUNDER | 4 |
| EDITORIAL | 5 |
| INTERNATIONAL PERFORMANCE REVIEW | 6 |
| HOW WE WORK | |
| STRATEGY AND GOALS | 8 |
| HOW WE IMPLEMENT DEVELOPMENT PROJECTS | 9 |
| PROJECT MAP | 12 |
| EVALUATION MERHABETE "You must take the people on board" | 14 |
| WHAT WE DO | |
| MEASURES AND RESULTS 2015 | 16 |
| INTEGRATED RURAL DEVELOPMENT | 18 |
| ABC – 2015 EDUCATIONAL PROGRAMME, A BALANCE SHEET | 20 |
| REPORT ON VOCATIONAL TRAINING "Workshops of the future" | 22 |
| PROJECT WORK IN ETHIOPIA | |
| Sustainable land management | 26 |
| WaSH | 28 |
| Education | 30 |
| Health | 32 |
| Human development | 34 |
| Emergency aid | 37 |
| EDUCATION & PUBLIC RELATIONS WORK | 38 |
| OUR ORGANISATION IN 2015 | |
| THE FOUNDATION IN 2015 | 40 |
| TRANSPARENCY AND COMPLIANCE | 42 |
| FINANCIAL REPORT | |
| RESTRUCTURING OF THE FINANCIAL ACCOUNTING SYSTEM | 43 |
| ANNUAL FINANCIAL STATEMENTS 2015 | 44 |
| PLANNING 2016 | 50 |



“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 (1928–2014)

OUR VISION

Our vision is a world in which there is no more poverty. In Ethiopia the rural population is able to live under humane conditions. The people live from the yield of their land and their own handiwork, and are no longer reliant on outside help. They have enough to eat and clean water to drink. Their children go to school and learn a trade. Families learn about the inter-relationship of nature and community life. The sick receive medical care, and everyone has access to preventative healthcare and education.

Everyone – men, women and children – contributes their skills to improving the living conditions in their community and region. Self-confidently, they tread new paths to secure their future – and bring economic progress to their country, Ethiopia.

OUR MISSION

Menschen für Menschen strives to contribute to a sustainable improvement in living conditions for the population of rural Ethiopia. We are following 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 gulf between rich and poor cannot be eliminated with hand-outs. Instead, the people need our partnership. Our principle is thus: aid for self-development. We want to enable the population in rural Ethiopia to improve their living conditions by their own efforts – with the aim that they will no longer need our support in the foreseeable future. The challenges to be met by the people in Ethiopia concern all aspects of life. And they are closely interlinked. That is why we coordinate the areas of sustainable land management, WaSH, education, health and human development in the form of integrated rural development projects. The population and responsible local authorities are always actively involved.

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 ‘Sissi’ film trilogy, later turned in brilliant performances in the films of well-known 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 deutschmarks for the people in Africa.

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



Dear Readers,

With all its crises, the year 2015 has shown us that the world must cooperate closely if we are to find sustainable solutions to the key problems of the future. This has been made all too clear by the refugees who are flooding into Europe from war and crisis zones, as well as the serious drought in Africa, on account of which 15 million people in Ethiopia alone are dependent on emergency aid. The ‘Agenda 2030 for Sustainable Development’ was a plan of action adopted by the United Nations in September 2015 calling for a revitalised global partnership. Among the 17 goals which build on the former Millennium Development Goals are the elimination of poverty, the achievement of food security, promotion of sustainable agriculture, adequate healthcare and high-quality education.

The idea of transnational partnership is already expressed in the name of our Foundation. The work performed by *Menschen für Menschen* in Ethiopia can be seen as a contribution to sustainable development, as programmatically outlined in the Agenda 2030. We take a strategic approach that was considered revolutionary when Karlheinz Böhm founded our organisation, and still today is setting a benchmark in project partnership. We involve the people concerned in our projects from the outset and in this way strengthen identification and develop a sense of responsibility. Projects in the fields of sustainable land management, water, sanitation and hygiene, education, health and human development are closely interlinked, thus creating in the broadest sense the prerequisites for the people in rural Ethiopia to improve their lives from their own endeavours. In this we support them over many years.

The result is a sustained improvement in living conditions, as recently demonstrated by the ex-post evaluation in our Merhabete project region (see interview on pages 14–15). At the end of 2015


we completed our work in two other project areas – Asagirt and Hagera Mariam – and here again we anticipate sustained improvements.

The following pages provide a detailed account of the use of donations to the German Foundation and their application in the project areas. On pages 18–19 we take a typical example of a family to explain how our integrated approach works. In our report starting on page 22 you will learn more about how we promote vocational training in Ethiopia – an area to which we want to devote even more attention in future. In addition, we report on our emergency aid programme, by which at the end of 2015 we supplied emergency relief supply to about 28,000 people threatened by hunger due to the serious drought in the Agarfa area. Our Annual Financial Statements are to be found on page 43.

The wide range of projects for integrated rural development can be seen in our balance sheet for the year 2015. Among other things, with the support of other country organisations 13 schools have been newly built or extended, 139 water points created, over 23 million seedlings planted and 2,341 microcredits granted. Furthermore, we have concluded our seven-year ABC–2015 programme, in the context of which 218 schools were built and 181,330 men and women participated in literacy courses (see pages 20–21).

All this was made possible because of you, our donors and the many voluntary helpers, ambassadors, friends and partners of *Menschen für Menschen*. We extend our heartfelt thanks for your sustained commitment and interest in our Foundation. We would also like to thank our employees in Germany and Ethiopia who have worked with great passion to create a better life for men, women and children.

We wish you an interesting reading experience.


Dr. Martin Hintermayer


Peter Renner


Dr. Peter Schaumberger

Executive Directors of the Menschen für Menschen Foundation, Germany

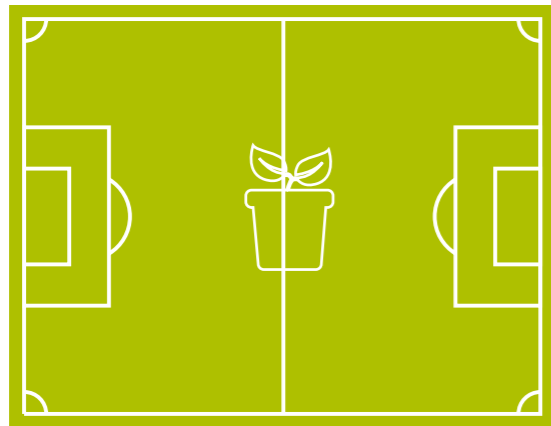
Achievements of country organisations

SINCE 1981 *Menschen für Menschen* has continuously expanded its project work in Ethiopia and enabled more and more people to enjoy a better life. The German Foundation has taken responsibility for implementation for the Belgian and Austrian *Menschen für Menschen* organisations. This summary shows what has been achieved so far with the funds from all three countries.

SINCE 1981

SUSTAINABLE LAND MANAGEMENT AND NUTRITION

Over 198 million seedlings



x 6,932

planted on about **4,950 hectares**, equivalent to 6,932 football fields.

WATER POINTS

2,148 water points



each providing drinking water for an average of **250 users** – in total **over a half million people**.

SCHOOLS



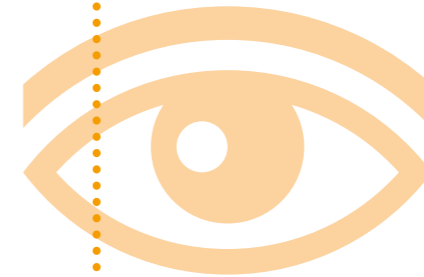
400th school opened!

Literacy courses for **319,309 men and women**

HEALTH

59,668 eye operations

Surgery has saved **tens of thousands of people** from blindness.



HUMAN DEVELOPMENT

24,595 microcredits

Women have used microcredits to establish **a small business**. The income situation of almost 25,000 families has thus been improved.



ALONE IN 2015



- 23.5 million seedlings
- 1,979 km **stone and soil bund** for erosion protection
- 1,805 households developed **vegetable gardens**



- 139 **hand-dug wells and spring developments** for almost 35,000 people
- 953 water committee members trained on **handling courses**



- The 13 **school buildings** completed in 2015 have provided an opportunity for over 13,300 children to learn in improved conditions.



- 3,325 **eye operations**
- a **health centre** was built
- 32,994 children have been **inoculated**



- 2,341 women received **microcredits**
- 6,670 women attended **training in home economics**
- 266 women completed a **handicraft training course**

Strategy and goals

OUR AIM

Our Foundation wants to enable the people of rural Ethiopia to improve their living conditions by their own efforts within a foreseeable time-frame. Until one day – according to the vision – Ethiopia no longer needs outside assistance.

Furthermore, we want to sensitise Europeans for the critical situation of people in poor countries. We use examples of our Foundation's work in Ethiopia to create awareness for the requirements of sustainable project partnerships and illustrate how people can

help. Informational events, high-profile campaigns and media work are some of the key instruments.

OUR STRATEGY

Because the problems in the isolated parts of Ethiopia are closely interwoven, it is rarely meaningful to address shortcomings in isolation from one another. For this reason we work according to the principle of 'integrated rural development'. Together with the local population we tackle the necessary projects in selected project regions for sustainable development in five key areas and dovetail them with one another.



Borecha project region: there is no lack of help for installing the last well ring.

OUR FOCUS

- 
SUSTAINABLE LAND MANAGEMENT: Food security by means of improved agricultural and husbandry methods, together with terracing and reforestation to combat soil erosion.
- 
WATER AND SANITATION AND HYGIENE: Hand-dug wells and spring developments for the provision of clean drinking water, awareness-raising for better sanitation and hygiene.
- 
EDUCATION: Construction of schools, technical and vocational training centres and literacy courses to improve the quality of education.
- 
HEALTH: Equipment of health centres to combat inadequate medical care, training of nursing staff and educational campaigns to expand basic health services.
- 
HUMAN DEVELOPMENT: promotion of small businesses in the fight against poverty, microcredits and education for the betterment of women; development of infrastructure for improved access to markets.

In addition to these projects within the framework of integrated rural development projects, we provide short-term emergency aid, e.g. in the event of famine.

SUSTAINABILITY AS A GUIDING PRINCIPLE

All our projects must be well-founded and oriented to the long-term. The results must also continue to exist after our withdrawal. For this reason we partner with the local population in our projects right from the outset, placing an emphasis on participation and dialogue at eye level. Upon completion, we hand over infrastructure facilities to the local authorities and the communities, and avoid external dependencies.

How we implement development projects



Deputy project manager Tesfalidet Gebrekidan talking to a beneficiary in the Dano project region.

APPROACH

Over 700 well-trained Ethiopian employees are engaged for us in the project areas. The latter are familiar with local conditions and speak the local language. That creates trust and promotes direct communication with the people who benefit from our projects. We prefer our own staff, because they are more effective, cheaper and more sustainable in the long term than recruiting someone outside the area.

LOCAL NEEDS AS AN INITIAL SITUATION. In order to achieve the maximum impact with limited funds, *Menschen für Menschen* plans each project with maximum care. Baseline studies are always

conducted for the specific local needs through communication with the population. Due to our integrated approach in project work, collaboration with the local population and our long-term commitment, we achieve lasting improvements in the living standards of the community.

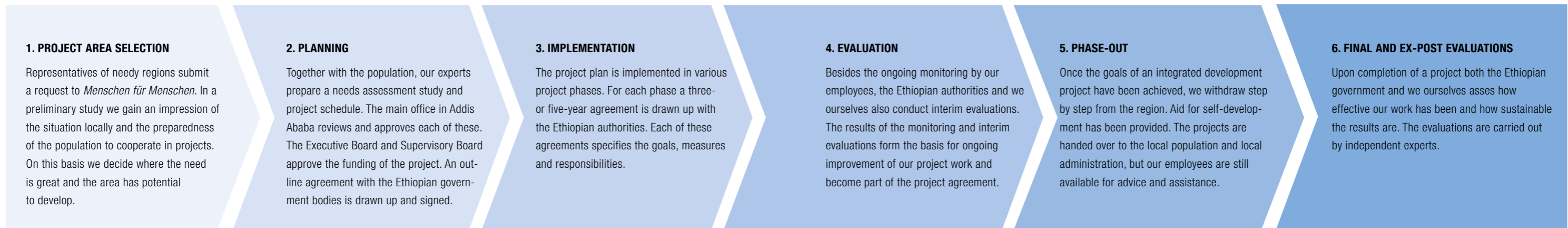
LONG-TERM SUPPORT. Even after handing over a project to the local population and authorities, we maintain contact with the people. Employees of *Menschen für Menschen* pay regular visits to the project regions. We regularly review our activities in the form of systematic monitoring and evaluation

(see following page). In this way we can constantly improve our procedures and secure the long-term success of our projects.

MINIMUM STANDARDS FOR CONTRACT PARTNERS. A partnership calls for fairness. That also applies to the pay rate of daily labourers. Since 2014 we oblige all building contractors who build schools for us in Ethiopia under contract to pay these temporary workers a fair minimum wage, independently of whether male or female. In addition, protective clothing such as helmets and gloves must be provided for work involving special risks.

PROJECT FLOW

Each of our integrated development projects runs in six stages extending over a total of nine to 15 years:



PROJECT MANAGEMENT AND QUALITY ASSURANCE

In its project work *Menschen für Menschen* places great emphasis on transparency and efficiency. For each of the implementation phases we specify the precise scope of the project, goals, projects and responsibilities. At the same time we regularly examine our approaches and processes within the framework of our project management and further develop them.

To ensure that donations generate the greatest possible benefits, project progress is systematically documented and the deployment of personnel and project funds is continuously monitored. The responsibility lies on the one hand with the project management together with the monitoring supervisors in the projects, who plan all projects in detail and appoint experts to check and supervise them. On the other hand the responsibility lies with specialists 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.

IMPACT MONITORING. In 2012 we established intensive impact monitoring of project planning and implementation. A permanent monitoring and evaluation coordinator at the PCO in Addis Ababa and seven monitoring and evaluation supervisors in the project regions were appointed for the purpose.



Stocktaking: Social worker Sabelework Nagash together with beneficiaries in the Dano project region.

Impact monitoring includes a systematic review of the impact of our activities. This allows key conclusions to be drawn on the project work and enables ongoing adjustment and improvement of projects. The monitoring system itself is also continuously evolving.

EVALUATION. Evaluations at the end of a project phase or overall project serve to review the relevance, efficiency, effectiveness and sustainability of the projects undertaken. For this purpose resources and activities (input), achievements (output) as well as

direct and indirect effects (outcome and impact) are analysed. The impact assessment considers changes in the living conditions of people and the environment. The impact is not only attributable to the projects of a single organisation, but also changes in the environment and projects of other agencies such as the government or other organisations. The evaluations of *Menschen für Menschen* are prepared by external appraisers and always include an evaluation of the project work. The results are integrated into the programme planning, thus ensuring the continuous development of the aid programmes.

LEISTUNGS- UND WIRKUNGSMESSUNG

OUTPUT OUTCOME

MONITORING

- **Weekly or fortnightly:** Auditing and adjustment of work schedules by local project offices All current projects
- **Quarterly:** Review of project employees and managers; report goes to PCO and Ethiopian authorities All current projects
- **Semi-annual:** Review meeting of project managers and programme manager in the PCO; with recommendations for changes to annual plan All current projects
- **Semi-annual or annual:** Review meeting of monitoring and evaluation supervisor with the monitoring and evaluation coordinator of the PCO, project and programme coordinators All current projects
- **Several times a year:** Performance review by project coordinators from the PCO in the project areas All current projects
- **Several times a year:** Site visits by employees of the Development Cooperation of Menschen für Menschen Germany All current projects
- **Regular:** Site visits by auditors of the PCO (finance controlling) All projects
- **Occasional:** Inspection visits by representatives of the authorities (zonal offices) All current projects
- **Regular:** Documentation of the personal experience of beneficiaries to verify changes All current projects
- **Ongoing:** Impact monitoring by the monitoring and evaluation supervisors in the projects; reports go to the PCO and Department of Project Partnership of *Menschen für Menschen* Germany All current projects
- **Annual:** Case studies, recurrent documentation of changes to beneficiaries All current projects

EVALUATION

- Interim and final evaluation by Ethiopian government authorities (basis for the extension of project agreements) All current projects
- Upon completion of a project phase or completion of a project: interim and final evaluation by independent experts appointed by *Menschen für Menschen* Selected projects
- Ex-post evaluation: About five years after completion of a project Selected completed projects

IMPACT



MAHIDERE SELAM VILLAGE, WOGDI PROJECT REGION
 Fatuma Wale makes earthenware like this and sells it on the market. Previously she took part in our pottery classes.
 CONTINUED ON PAGES 34-35



ABA GRIGIA VILLAGE, WORE ILLU PROJECT REGION
 Gully control work (gabions) protect farmer Abol Ali's fields against erosion. What we did to preserve the fertile soil:
 PAGES 26-27



ADI GUDOM
 Yordanos and her friend Awet complete a course of training as a metalworker in the vocational school built by us. In future 500 apprentices per year are to be trained here.
 More in our report on PAGES 22-25



MERHABETE PROJECT REGION
 In an ex-post evaluation an external specialist investigated the extent to which there has been a sustained improvement in living conditions for the population
 CONTINUED ON PAGES 14-15



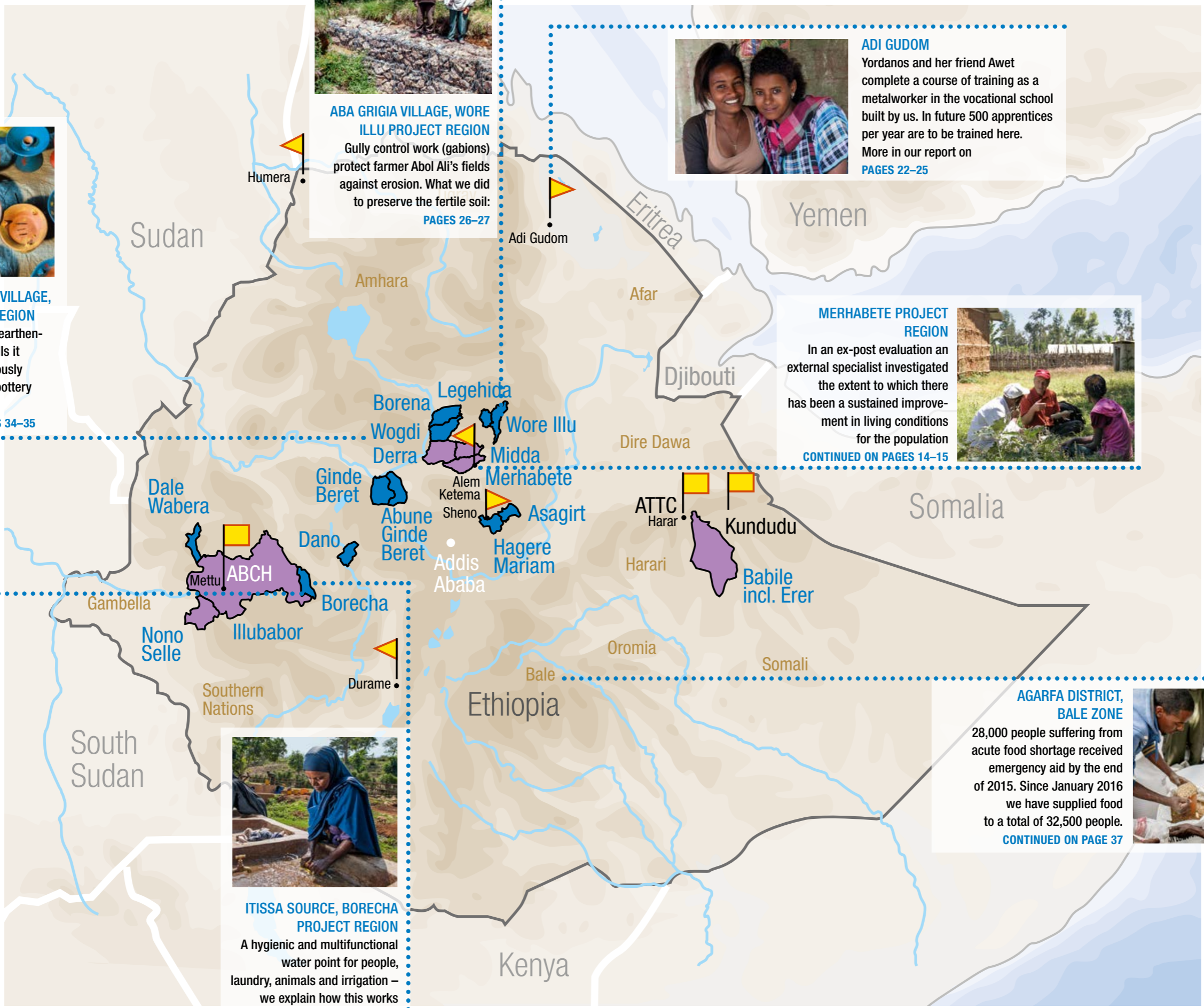
BIDO VILLAGE, BORECHA PROJECT REGION
 Besides reading and writing, in our functional literacy course Fayo Muhamed, 26, also learned a lot about family planning.
 CONTINUED ON PAGES 30-31



ITISSA SOURCE, BORECHA PROJECT REGION
 A hygienic and multifunctional water point for people, laundry, animals and irrigation – we explain how this works on PAGES 28-29



AGARFA DISTRICT, BALE ZONE
 28,000 people suffering from acute food shortage received emergency aid by the end of 2015. Since January 2016 we have supplied food to a total of 32,500 people.
 CONTINUED ON PAGE 37



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

- TVET vocational training centres (Technical and vocational education/training)**
- TVET Adi Gudom
 - TVET Alem Ketema
 - TVET Durame
 - TVET Humera
 - TVET Sheno

Integrated rural development projects

| | |
|-------------------|-----------------------|
| Abune Ginde Beret | 1,360 km ² |
| Asagirt | 437 km ² |
| Borecha | 960 km ² |
| Borena | 980 km ² |
| Dano | 659 km ² |
| Dale Wabera | 1,132 km ² |
| Ginde Beret | 1,200 km ² |
| Hagere Mariam | 752 km ² |
| Legehida | 429 km ² |
| Wogdi | 1,122 km ² |
| Wore Illu | 683 km ² |

Development projects handed over to the local inhabitants

| | |
|------------|------------------------|
| Babile | 3,502 km ² |
| Derra | 1,500 km ² |
| Illubabor | 32,000 km ² |
| Merhabete | 1,210 km ² |
| Midda | 900 km ² |
| Nono Selle | 2,000 km ² |



Dr Jochen Currle talks to Astrid Merkl, *Menschen für Menschen* employee.

“You must take the people on board.”

The *Menschen für Menschen* Foundation strives to sustainably improve the living conditions in its project regions. Is it achieving this goal? Dr Jochen Currle, rural development expert, pursued this question in 2015 in Merhabete. Until 2009 this central Ethiopian region was one of the project areas of *Menschen für Menschen*. Six years later Currle has drawn a positive conclusion from the ex-post evaluation: there have been fundamental changes in Merhabete.

Dr. Currle, about 133,000 people live in Merhabete on 1,210 square kilometres, an area significantly larger than Berlin. How do you go about assessing changes in such a large area?

Of course, I can't evaluate every household. So first of all I study reports and statistics from the years before the start of the project. Then I consider which goals *Menschen für Menschen* has pursued in its project work and which projects have been implemented. In third place are current statistics illustrating the status quo. In this way I prepare a cause-and-effect model. This desk work forms the basis, although that's not all. If I want to get a clear picture of why certain things have changed, I have to make site visits.

In March 2015 you were in Merhabete. What does this on-site research look like?

My colleague Tsegazeab Kidanemariam and I travelled together with Tewelde Gebrekidan, an employee of *Menschen für Menschen*, through the project region for about two weeks and systematically collected information. During this time we visited small farmers, talked to women's groups and interviewed employees of local authorities. These different perspectives are important for forming a complete picture. In these talks I was particularly struck by the openness of the people. We spoke to farmers about farming methods or new fruit and vegetable varieties. Young women explained to us why they consider family planning to be important and why they today prefer a medically assisted birth over a home based delivery. Many

referred directly to the project work of *Menschen für Menschen*. We gained the impression that the people are really well informed about the Foundation's projects and the advantages they bring.

What advantages are those?

One of the distinguishing features of the work of *Menschen für Menschen* is that it provides an impetus for change in various areas. The central pillars are sustainable land management, health, WaSH, education and human development. I must admit that I was a bit sceptical at first whether it would be possible to be simultaneously active on so many fronts. However, the results show that it is possible. The successes in the individual areas are mutually dependent and reinforce each other.

Can you name any examples?

In Ethiopia most children are required to help in the household and farming. Frequently they have little time to go to school. In Merhabete the cereal yield was increased by 150% between 2004 and 2014, and many water points were constructed. This meant not only food security and clean drinking water within reach of people's homes. It was also the prerequisite for relieving the children from household chores, so that they suddenly had more time to concentrate on education.

At this point the schools built by *Menschen für Menschen* come into play. They are modern and intact, which in turn makes them attractive for competent teaching staff. The number of pupils and quality of teaching is rising; the number of school dropouts is falling. More young people, in particular young women, are graduating from school, learning a trade or even continuing their studies. The number of early marriages is decreasing as a result. Women are giving birth to fewer children and later, resulting in a radical change in the role of women. In our numerous discussions it was evident that the early marriage has become less socially acceptable. An entire value system has changed. Many indicators suggest that *Menschen für Menschen* has triggered a complex development process in Merhabete.

Better farming methods, hand-dug wells, better schools – and a region starts to develop. Is it really so easy?

No, the planning is also crucial. A detailed requirement analysis is needed at the outset of a project. Where exactly are the problems? Is a health centre needed? Which vegetable or fruit varieties can be planted? Not until it is clear what the inhabitants need and want, and where a region's potential lies, can a project be put together for a sustainable impact. In Merhabete it was the mango, among other things, that changed the life of many farmers. Before *Menschen für Menschen* brought the fruit to the region, it was completely unknown. Now it is a top seller at the local and regional markets. Once an impetus has been given, the changes happen automatically.

In your report you say that many developments really got underway after the end of the project work 2009. How does one achieve this sustainability?

Of course, you can't just walk into a region, hand-dig

a well, construct terraced fields, reforest a tract of land and leave again. If this success is to be secured for the long-term, someone must take responsibility for the maintenance of these communal facilities. You have to take the local population on board, so to speak – the future beneficiaries as well the local authorities. Take the reforestation zones as an example, areas where cattle should not be allowed to graze, so that grass, bushes and trees can grow again. As long as these areas are barren and without vegetation, they are of no consequence. But as soon as the vegetation returns, we have a parcel of land with valuable resources that did not previously exist. How should we deal with them? Who should be allowed to use them? Only when there are recognised committees that establish and enforce fair rules, can conflict be avoided. In Merhabete that has evidently happened in various places. In 2004 there were about 12,000 hectares of reforestation; by 2014 this figure had grown to more than 24,000 hectares.

What kind of committees need to be created?

In the first instance these are the groups of villagers who participated in a project, e.g. farmers who helped to plant trees in a reforestation zone, or villagers who look after a hand-dug well. They not only have to know

how to order spare parts and repair a pump. They have to prepare proper management plans in order to secure sound management of the well in the long term. And they must find solutions when newly founded families or newcomers to the village wish to use the well although they had not previously contributed to the work. In essence, it's a matter of solving distribution conflicts in a democratic and fair manner. That's not easy.

And do you think that has been successful in Merhabete?

Yes, in many cases. A further example is the extensive terracing of the slopes in the region. In earlier reports there is no mention of this; we only read about rapid erosion of the soil. Today, in contrast, the landscape in Merhabete is shaped by terracing. The people have obviously recognised that these structures are necessary. They have drawn up plans for improving the existing terraces and building new ones. A point has been reached at which the support of *Menschen für Menschen* is no longer needed. That is quite impressive.

More on quality assurance in our projects and our evaluation concept: pages 9 – 11.



Dr Jochen Currle (57) is an agronomist at FAKT consultants in Stuttgart. Its services include advice to public bodies, in particular international development aid organisations in agricultural development issues. For *Menschen für Menschen* FAKT prepared the ex-post evaluation in Merhabete and other project regions.

Activities and results 2015

In 2015 *Menschen für Menschen* was engaged in eleven integrated rural development projects. We have helped to secure food supplies in the Dano project area through the introduction of value-added chains. Up until now the farmers of *Menschen für Menschen* received input for the increase and diversification of their income. Now they are learning to process and market the products themselves. Value-added chains are being established in five areas in a cooperative project with the German Society for International Co-operation (GIZ). These include honey and wax production; animal feed; fruit and vegetables; oilseed and improved seed.

At the end of 2015 the ABC – 2015 educational initiative, launched in 2008, expired as scheduled. In these seven years 218 schools were constructed to

accommodate 257,725 children. The drought last year resulted in massive crop failures in large parts of the country, affecting millions of farmers. In an emergency aid programme, since November 2015 *Menschen für Menschen* has delivered supplies to 28,000 people in the remote region of Agarfa, 460 kilometres south-east of Addis Ababa. Rations of wheat, pulses and cooking oil were distributed, as well as legumes supplements for pregnant women, breastfeeding mothers and infants.

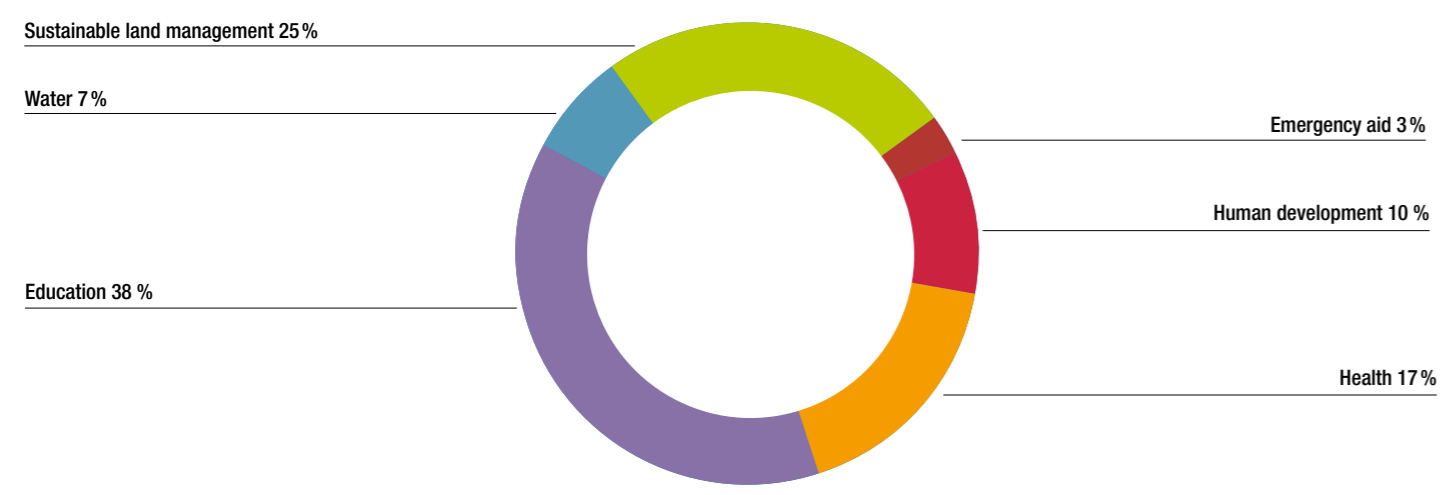
In 2015 *Menschen für Menschen* allocated a total of about 14.4 million euros (prev. year 15.7 million euros) to project work in Ethiopia. The German Foundation contributed 11.4 million euros (prev. year: 10.7 million euros), this being the majority of the total funds.

Project expenses 2015 by donor country

| | Euros | % |
|--------------|-------------------|-----------------|
| Germany | 11,368,086 | 78.80 % |
| Austria | 2,987,460 | 20.71 % |
| Belgium | 71,725 | 0.50 % |
| Total | 14,427,271 | 100.00 % |

The German *Menschen für Menschen* Foundation 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.

Project expenses in Ethiopia by segment



NOTES ON TABLE ON THE RIGHT (PAGE 17)

Integrated rural development projects

- Abune Ginde Beret, Ginde Beret and Derra: project costs were 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 activities were organized from the adjoining project areas.

Individual projects

- 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.

| Project areas | Term of project | Employees | Population supported | Expenses 2015 in € |
|--|-----------------|-----------|----------------------|--------------------|
| PROJECT FUNDING | | | | |
| <i>Integrated rural development projects</i> | | | | |
| Asagirt | 2007 | 15 | 53,845 | 612,984 |
| Borecha | 2007 | 63 | 85,019 | 824,028 |
| Hagere Mariam | 2008 | 16 | 60,055 | 761,046 |
| Borena | 2011 | 55 | 180,000 | 1,253,191 |
| Ginde Beret | 2011 | 55 | 130,917 | 1,175,223 |
| Abune Ginde Beret | 2012 | 25 | 126,377 | 1,071,036 |
| Wogdi | 2013 | 36 | 147,056 | 919,646 |
| Dano | 2013 | 72 | 114,629 | 1,233,106 |
| Dale Wabera | 2013 | 47 | 121,951 | 952,973 |
| Legehida (2011–2013 infrastructure project), managed from Wore Illu | 2014 | 0 | 82,834 | 285,636 |
| Wore Illu (2011–2013 infrastructure project) | 2014 | 35 | 118,851 | 422,384 |
| <i>Integrated rural development projects (completed)</i> | | | | |
| Illubabor | 1985–2013 | 9 | 1,363,150 | 216,811 |
| Merhabete | 1992–2009 | 0 | 137,570 | |
| Derra | 1997–2010 | 0 | 209,649 | 119,338 |
| Midda | 2000–2013 | 12 | 101,233 | 144,625 |
| Babile (Erer Valley 1981–2002) | 2002–2013 | 0 | 108,068 | 134,001 |
| Nono Selle | 2007–2012 | 0 | 26,416 | |
| <i>Infrastructure projects (completed)</i> | | | | |
| Jamma | 2005–2012 | 0 | 138,676 | |
| Jimma | 2004–2008 | 0 | 139,131 | |
| Tigray | 1992–1996 | 0 | 905,127 | |
| <i>Individual projects</i> | | | | |
| Abdii Borii Children's Home | 1989 | 58 | 136 | 423,453 |
| Agro Technical and Technology College (ATTC) | 1992 | 129 | 660 | 1,154,717 |
| Construction of educational facilities outside the project areas and miscellaneous projects (incl. Moretna Jiru, Gursum, Jarso, Degem, Girar Jarso, Kalela, Kembata) | 2007 | 0 | 825,999 | 1,179,564 |
| Kundudu afforestation project | 2011 | 26 | 33,018 | 451,713 |
| Emergency aid | | | 28,000 | 411,998 |
| | | | 5,238,367 | |
| POPULATION SUPPORTED | | | | |
| PCO Addis Ababa | | 58 | | 679,797 |
| TOTAL PROJECT FUNDING | | | | 14,427,271 |



INTEGRATED RURAL DEVELOPMENT

Why Demitu's family now enjoys a better life

'Integrated rural development' – what does that mean in practical terms? The example of a family in the Dano project region demonstrates the interactive nature of different activities in sustainable land management, water and sanitation and hygiene, health, education and human development. Living standards have visibly improved within the space of a year.

That was Demitu's life at the beginning of 2015: The 10-year-old girl should really be going to school, but she had no time for that. She had to help her mother in the household, fetching water, gathering firewood and cooking. Alone the twice-daily chore of fetching water cost her and her sisters four hours per day. They had to walk six kilometres to a river, carrying 20-litre jerry cans. The water was not clean, but still of better quality than that of the nearby Kemeso water point – a muddy pool in which the cattle were wading.

Demitu lives with her father Lelisa Chemed, 45, mother Ayelech Bekele, 35, and six of her eight

siblings – the oldest have already left home – in a tiny hut in Beke Sirba in the Dano project region. They live under the same roof with lambs, calves and chickens. In the cramped bedroom there is a strong smell of animal excrement. The latrine likewise attests to poor hygienic conditions – a more or less unprotected pit with a slippery rim that is downright dangerous for the children. Diarrhoea and other intestinal diseases are the order of the day. One son contracted a life-threatening illness and could only be saved with expensive medication.

Like Demitu, most of her siblings quit school after a relatively short time. Besides the need to help in the house and on the smallholding, lack of money was one of the main reasons: the family could not afford exercise books, pens and certainly not school uniforms. They lived on the produce of the land. Some weeks, father Lelisa says, they only had tomatoes and maize to eat. On average, each family member has an intake of 1,630 kilocalories per day. According to the World Health Organisation, the minimum requirement is 1,800 kilocalories per day.

VERTICAL HARVEST

Demitu's family owns two hectares of land; they use 1.5 hectares for growing cereals, the remainder is for grazing. The harvest is meagre, due primarily to the one-sided cultivation of only a few cereal and vegetable varieties that depletes the soil of nutrients. The family was hardly able to escape from the poverty cycle by its own efforts. It lacked not only the financial means, but also knowledge of alternative farming methods that promise higher productivity.

In April 2015 *Menschen für Menschen* included Demitu's family in its integrated rural development



Demitu and her sisters no longer need to walk six kilometres to a river twice a day. The new spring development supplies potable water only a kilometre away.



programme – after a number of discussions with father Lelisa, who was initially sceptical. Since then their desperate situation has changed for the better in many ways. Foundation employees have familiarised Lelisa with ecologically oriented farming methods. He has received organic fertiliser and improved seeds, and he has established a diverse vegetable plot and grain field on one hectare of his farm. Among his present crops are millet, maize, beetroot, onions and – hitherto unknown to the family – white beans and soya beans, cabbage, carrots and Swiss chard. On a smaller plot Lelisa is trying out innovative agroforestry that enables a harvest in several 'layers': vegetables on the ground, coffee at bush height, avocados, mangos and papayas on the trees. Other fast-growing deciduous trees serve as fodder and can also be used as construction timber.

Even before the grain harvest Ayelech, who manages the housekeeping money, soon had more income from the sale of vegetables. At last she could afford

more than a puddle of water. The family now has access to potable water only a kilometre away. An hour's hike has been reduced to a ten-minute walk. That's a big time-saver, as is the new 'green' stove introduced by the Foundation. The stove consumes substantially less wood and provides better performance, whilst being less harmful to health than the open, smoky hearth previously found in the primitive kitchen.

BIG TIME SAVINGS IN EVERYDAY ROUTINES

Previously Ayelech and the children had to search for firewood for about four hours, four times a week. Now it takes only a quarter of the time. Today the family invests a total of ten hours a week for cooking, fetching water and gathering firewood – previously it was about 43 hours.

These time savings have also opened up new perspectives for mother Ayelech. As a member of a microcredit association in Beke Sirba she used the loan to buy an ox, which she is now fattening. From the sale she can expect a profit of 1,500 birr (over 65 euros), a sum approximately equal to the monthly wages of a primary school teacher. Previously she only generated three euros additional income through handcraft work.

The health status of the entire family has visibly improved, because the produce of their land and livestock provided them a balanced diet with adequate nutrients. Under the health programme all family members were treated with Zithromax, a drug with an antibiotic effect against the bacteria that leads to eye infection which results in trachoma. One of the children had to be treated for worms. Since then, they have been spared from diarrhoeal diseases and eye infections.



Once combined cattle shed and seed store, today clean and tidy: the family room.

With the support of *Menschen für Menschen* the family has renovated the kitchen and generally tidied up the house. The animals now have a separate stall, there is a waste disposal pit, the latrine was secured with easy-to-clean concrete slabs and completed by a hand-washing facility. Social workers have taught them the importance of hygiene for good health.

Lelisa – pride over his newly-found flourishing agriculture written all over his face – has also taken on responsibility elsewhere. His has become chairman of the water committee that manages the spring developments in Kemeso. Meanwhile, his daughter Demitu is eagerly learning at school. Lessons are still being held in a simple hut made of wood and mud. But *Menschen für Menschen* already has plans for a solid new building.



Cabbages in luscious green: the formerly barren field is hardly recognisable.

to buy a change of clothing and shoes for the children. In addition, she managed to send all seven of them back to school with new pens and exercise books. This decision was easy because many of the family's routines have become simpler. A decisive role was also played by the new spring development at Kemeso, constructed by *Menschen für Menschen* in the spring of 2015, where there was previously no

| INDICATORS FOR AN IMPROVED LIVING STANDARD | BEGINNING OF 2015 | BEGINNING OF 2016 |
|--|--------------------|--------------------|
| Household income (annual) | 7,750 birr | 16,449 birr |
| Additional income of the wife | 60 birr | 1,500 birr |
| Vegetable production (annual) | 0.5 sack | 27 sacks |
| Maize: harvest per hectare (annual) | 26 quintals | 34 quintals |
| Teff: harvest per hectare (annual) | 12.0 quintals | 17.7 quintals |
| Water consumption per person and day | 4.4 litres | 8.8 litres |
| Nutritional value per person and day | 1,632 kilocalories | 1,786 kilocalories |
| Time for fetching water, per week | 28 hours | 2.3 hours |
| Children attending school | 2 | 7 |

ABC – 2015 educational programme: a balance sheet

The UN millennium campaign formulates it thus: "Education is the key to a more just world". *Menschen für Menschen* has always placed an emphasis on the educational sector. In 2008 we intensified our efforts in the 'ABC–2015' programme. Besides the construction and equipment of schools it promotes the capacity building of teachers, functional literacy courses for adults, libraries and the expansion of vocational training. The ABC–2015 programme came to a conclusion at the end of 2015.

INITIAL SITUATION

The Ethiopian government assigns teachers to the remotest corners of the country, but school buildings are expected to be financed by the communities themselves. Unfortunately, the funds are lacking in poorer regions. For this reason there is often no school, or the villagers seize the initiative and build very poor quality schools out of wood and mud. Infested by termites, they hardly ever last more than a decade. The pupils often sit patiently in cramped, dark and dusty classrooms, plagued by sand flies. In view of such disastrous learning conditions, parents often prefer to keep their children at home, where they can help on the smallholding. And the teachers are frustrated.

GOALS

In 2008 *Menschen für Menschen* adopted the United Nations Millennium Goal 'Primary school education for everyone' as the baseline situation, in order to improve the poor educational conditions in Ethiopia. By 2015, we planned to enable hundreds of thousands of children to participate in a school education under this theme. The adult literacy rate is to be substantially increased, in order to improve the

general educational level of the population in the long term. Our special attention was and still is directed to girls and women. They are particularly affected by the lack of or inadequate school education, are often married off by their parents at an early age and are subsequently not able to provide for themselves. A good educational standard of the mothers, however, has a beneficial effect on their families, e.g. the health situation of children.

PROJECTS

Menschen für Menschen constructed 218 solid schools between 2008 and 2015. Besides significantly improved learning conditions for the children, they have also provided the teachers with an attractive working environment. The furnishings and equipment, from benches and desks to large blackboards and libraries, were also donated by us. Today our new schools are often seen as the most beautiful buildings in the village, and are therefore cherished. Advanced learning opportunities and functional literacy courses for adults are also held here (see page 30). Everyone – children and adults – also receives writing materials from us.



Bright rooms with benches and desks for all children: the standard of school built and equipped by *Menschen für Menschen* at Ganda Abdii in the Babile project region is not to be taken for granted in rural Ethiopia.

"The traditional schools are gloomy shacks in which children are unable to learn properly. We have replaced them with attractive buildings which radiate positive energy into the rural communities and advance our development projects as a whole."



Henock Markos, project coordinator for educational projects at the main office in Addis Ababa

RESULTS

The impact of new school buildings is reflected most notably in the decrease in school drop-outs. At the same time, the number of participants in literacy courses has increased from year to year. Parents who themselves experienced which doors education opened to them are more than willing to support the school education of their children.

QUALITY ASSURANCE

Clear quality criteria apply to all our new school buildings: concrete foundations, brick walls and galvanized sheet metal roofs with sanitary facilities are specified. Our construction department employees supervise the construction progress. As usual with all our projects, the school projects are also subject to monitoring and evaluation by our Foundation. In addition, independent experts and the Ethiopian government bodies undertake evaluations.

Prior to every new school building, we draw up an agreement with the Ethiopian authorities that specifies that the running, maintenance and equipment of the school after completion becomes the responsibility of the government. Usually a local committee of community representatives, parents and teachers trained by us assumes responsibility for school operation and maintenance. That avoids dependencies and ensures the sustainability of the projects.

WHAT'S NEXT?

After the conclusion of the ABC–2015 educational programme, *Menschen für Menschen* will continue to be committed to education. 25 school building projects are on our agenda in 2016 alone. Once the primary school provision in Ethiopia has improved, however, we will be gradually shifting our priorities to the construction of more secondary and vocational schools.

OVERALL BALANCE ABC–2015

- 218 schools built and inaugurated (thereof 26 lower primary schools, 127 higher primary schools and 65 preparatory schools)
- In all schools a total of 257,725 children attend lessons daily
- two technical and vocational training centres constructed and equipped
- 181,330 men and women attended literacy courses
- 1,875 teachers trained in the English language.



Once a gloomy wooden shack and now a solid building to protect children from the weather and sand fleas: school at Sephera in the Borecha project region.



Fekadu Seifu, 19, budding cabinetmaker at the TVET in Sheno.

VOCATIONAL TRAINING

Workshops of the future

About 70% of Ethiopians are under 30 years of age. On their shoulders rest many hopes for a better future of the country. Menschen für Menschen is promoting modern training facilities to give the young women and men practical career perspectives. For example in Adi Gudom, northern Ethiopia, or Sheno, not far from Addis Ababa. A year after their completion, the technical and vocational training centres make a first assessment.



“It was not easy to convince my parents that I want to be a metalworker,” says TVET student Yordanos Tirumay about her parents.

When Yordanos Tirumay wakes up in the morning, her eyes wander across the dark room that has been her home for the past year: along the wall, past a faded Beyoncé poster and an icon of Saint Mary, over to the washing bowl standing on a little table next to the rickety wooden door. That’s all she has. Two square metres, a naked light bulb hanging from the ceiling, no windows. And 18-year-old Yordanos must share this shack with 19-year-old Awet Hagezom. At night they both have to sleep together on a narrow cot.

We sympathize with these girls, who have to live in such cramped quarters. But a little later, dressed in blue overalls, they chat and giggle as they open the door, go out into the dusty street and make their way to the school. For the past year Yordanos and Awet have been receiving a training in metalworking at the centre for ‘Technical and Vocational Education and Training’ (TVET), a vocational and technical school in the small northern Ethiopian town of Adi Gudom. After

three years they will have their diplomas in their pockets. For the daughters of poor smallholding farmers that will be a dream come true. “It’s not easy for us to live separated from our families,” says Yordanos. “But we take that into account; this training can change our lives!”

THE TVET CLOSSES A GAP, THE DEMAND IS CONSIDERABLE

Ten minutes later, Yordanos and Awet have reached the TVET. A dozen low buildings, distributed over a barren terrain. The façades are painted a bright lemon yellow; the tin roofs sparkle in the sun. Between them a few small trees are growing, still too young to offer any shade. They are, as everything else here, hardly a year old. The TVET was newly built by *Menschen für Menschen* and equipped with the necessary machines and tools in 2014. Since then, young men and women are being trained in various workshops to become carpenters, auto mechanics, electricians,

metalworkers and IT specialists. The training programme takes up to four years.

“At present we have 351 trainees; but in the future we hope to have up to 500,” says Biniam Welegebrial, 34, school director. The demand is considerable. Up until now the only comparable training facility in this area was in Mekele, capital of the Tigray region. “But Mekele is 30 kilometres away. No one can afford the daily bus journey or accommodation there,” says Biniam. And even if they could, the school in Mekele doesn’t have the capacity for all young people in the region who want to undergo technical training. The consequence: many remain without a career perspective. Alone in 2015, according to director Biniam, about 3,000 schoolchildren completed the 10th grade in Hentalo Wajerat, to which Adi Gudom belongs. “But only 20% of them were able to go on to a secondary school. All the others are left to their own means.”

Many seek their fortune in Addis Ababa. In order to survive they must take on any job. A course of

HOW MENSCHEN FÜR MENSCHEN PROMOTES TRAINING IN SKILLED CRAFTS

Menschen für Menschen has built or refurbished and equipped five TVETs in Ethiopia. The vocational and technical schools are then handed over to the local authorities.

- Training sectors: automechanics, electrical, carpentry, textile processing, metalworking and IT.
- 7,742 trainees (3,947 women, 3,795 men) were registered at the five TVETs in the year 2015.
- The TVET in Adi Gudom is one of the largest, offering 351 trainees a position, with a capacity of up to 500 trainees. Two classroom blocks, four workshops, a library and administrative building were built on 5.5 hectares of land.
- Knorr-Bremse Global Care e.V. (Munich) donated the equipment of the auto workshop in Adi Gudom. Envisys GmbH & Co. KG (Weimar) helped to fund the electrical workshop.
- Menschen für Menschen Austria sponsored the TVET in Sheno with the aid of a corporate donation.



Trainer Lemlem Gebre-Tinsa explains a machine in the metal workshop.

training or study is no longer possible. Some even emigrate to Saudi Arabia in the hope that they will obtain a modest living. "Most of them come back some years later, completely frustrated, having realised that they are not being given a chance to develop their skills," says Biniam. The TVET in Adi Gudom has launched a separate training programme for these returnees and other young people who have not received a trainee position. It takes only a few weeks and trains them as labourers.

WOMEN ASSERT THEIR STATUS

Without the newly constructed TVET in Adi Gudom, Yordanos Tirumay, who is working on the tool milling machine this morning, would have had no chance of a training opportunity. She was born in Korkora, a village of 2,000 people, about ten kilometres from Adi Gudom. Her parents grow wheat and teff on a small parcel of land. As the oldest of seven children, it would normally have been Yordano's duty to help in the household and fields. But the girl

had always done well in school, and her parents allowed her to stay until the 10th year, followed by a course of training at the TVET. "It was not easy to convince them that I wanted to be a metalworker", says Yordanos Tirumay. Technical professions in Ethiopia, more so than in the western world, are a male preserve. But the role models are slowly changing.

Yordanos found an example at the TVET in Adi Gudom: Lemlem Gebre-Tinsa, 23 years old, is a trained metalworker. As a female trainer in a 'men's trade' she is a rarity, not only in Adi Gudom. "At first the male pupils were a bit sceptical," Lemlem grins. "But I am used to such doubts. Even my parents thought I would only be wasting my time and their money." It was not easy to assert herself against the opposition of a patriarchal society. "But if we fight for our dreams and do good work, we will be accepted," Lemlem is convinced. In the metal workshop at Adi Gudom no one is now surprised to see the petite teacher at the heavy machines.

Students studying at Adi Gudom and other TVETs equipped by Menschen für Menschen include a high percentage of women.

Creating career perspectives for young people is a critical cornerstone for a sustainable Ethiopia. These days the country is experiencing profound demographic changes, particularly in the cities, where the economic upswing is perceptible. Improved medical care and education have also contributed to a drastic reduction in the birth rate in the country in the past 25 years. In 1990 the average woman gave birth to more than seven children, but in 2014 the figure has been reduced to about four. By 2030 the average could even decline to 2.6 children per woman. The consequence is a society whose age structure poses opportunities as well as risks. A large proportion of the population is of working age that has to provide for fewer children and pensioners can become a driving force for an entire economy. However, if it does not succeed in offering young people a perspective, they will be lured by criminality and drugs, resulting in radicalisation and increased rural-urban migration. The collective failure of such numbers of young people could destabilise the whole country.

ETHIOPIA MUST INVEST IN ITS YOUNGER GENERATION

It is difficult to estimate the current unemployment rate among Ethiopia's youth. In rural areas it is purportedly low, but the large majority here works without pay on their parents' farm. In the cities the proportion of young people without adequate employment is meanwhile estimated at over 45%. This is a crisis situation that can only be resolved when the country's economy is radically modernised. Development experts such as Nigerian economist Professor Samuel Igbayato thus call for more training positions – not only for Ethiopia – in technical and commercial professions, and more support for business start-ups. In short: more should be invested in the youth. Their destiny, Igbayato's analysis can be summarised, decides on the destiny of numerous African countries.

"The path from mixed farming to industry and services is strewn with stones," says Tadele Kebede 45, Director of the TVET in Sheno. Here, 80 kilometres north-east of Addis Ababa, Menschen für Menschen completely rebuilt a dilapidated training facility between 2014 and 2015 and equipped the workshops



and classrooms. As a result, the number of successful graduates increased from 34 to 90%! "The problem is, however, that by no means all those completing the course will subsequently find employment," explains Kebede. So he encourages his pupils to set up their own businesses: "In a growing industrial market small workshops will also find their customers." But a business setup is difficult without support, so a government subsidy programme has been launched that lends the students 80% of the necessary funds. Menschen für Menschen is also currently preparing a programme for start-ups.

Yordanos Tirumay and Awet Hagezom, the two budding metalworkers from Adi Gudom, also want to set up their own businesses. "We want to make doors, gates and window grilles," says Yordanos. The products currently available on the market are often rather uninspiring, she finds. "Ours will be of higher quality and look much better." It will take some years before Yordanos and Awet have their own small businesses, "But we have already started saving every month for our plan."

HOW MENSCHEN FÜR MENSCHEN PROMOTES ACADEMIC TRAINING

Menschen für Menschen has been running the Agro Technical and Technology College (ATTC) in Harar since 1992.

- Four government-recognised streams of study: agroecology, electrics & electrotechnology, production engineering & metal technology and automotive engineering
- 678 students in 2015 (180 women, 498 men)
- 650 students have graduated with a Bachelor degree since 1992. The Hochschule Bonn-Rhein-Sieg is supporting the teaching staff in a partnership with specialist and didactic know-how.



Sustainable land management and nutrition

Over 80% of Ethiopians live from agriculture. But what the fields and livestock yield is often hardly enough to feed their own family. We support the farming families in optimising their mixed farming methods. For this purpose we provide support such as improved seeds, simple irrigation systems and improved chickens that lay more eggs. Together with the farmers, we also promote projects that prevent erosion and leaching of the soils. The natural resources are thus preserved and husbandry can be secured in the long term.



Farmer Abol Ali proudly presents the gabions that stabilise the fertile soil in his field.



The field (left), deeply fissured by soil erosion, has meanwhile been completely rehabilitated and planted by stabilisation measures (right).

FUNDS ALLOCATED IN 2015
3,560,456 euros

KEY SUCCESSES:

- 23.54 million seedlings distributed
- 1,350 hectares of large-scale afforestation
- 1,978 kilometres of stone and soil bund for erosion protection
- 659 kilometres of planting for soil conservation
- 1,805 newly established vegetable plots
- 12 small irrigation systems completed



PROJECT EXAMPLE

Erosion protection for food security in Wore Illu

INITIAL SITUATION

Ethiopian farmers must face numerous challenges. Among other things, their land is traditionally subdivided into small parcels. Frequently, families have less than enough land to enable them to survive. Another problem is the droughts that repeatedly threaten the harvests. But the fields and pastures can also be damaged by heavy rain, particularly when the land has been overgrazed or cleared and there are no trees, bushes or grasses to arrest the surging water masses. The floods wash away valuable topsoil and over time they cut deep channels into the terrain, additionally hampering farming.

An erosion gully like this gapes like a wound in the land owned by Abol Ali. The 46-year-old smallholder grows grain and legumes in the hilly country on the

outskirts of the village of Aba Grigia in the Wore Illu project region. Above his fields there was once a eucalyptus forest, but the trees have long since been cut down for constructing houses in the neighbourhood. The result: in the rainy season the water masses wash valuable soil down into the valley. The gully that was formed on Abol Ali's land starts as a small crack and grows within 100 metres in length to a real ravine – width: 20 metres, depth: seven metres. "The erosion and gully reduce my harvest from year to year," says Abol Ali.

GOALS

Together with the farmers, *Menschen für Menschen* strives to increase agricultural production. Besides the use of effective farming methods, this includes

projects to preserve natural resources, prevent erosion and leaching of the soil. Adequate fertile arable and grazing land also means enough food for the farmers, herdsmen and their families. In this way, many of them can even generate new sources of income through the sale of products on the market.

MEASURES

Prior to launching a project, *Menschen für Menschen* employees prepare a requirement analysis for the region. Our native development advisors explain to the smallholders the advantages of measures in resource protection and select farmers willing to innovate. The success of these 'model farmers', who already bring in an increased harvest after six months due, among other things to soil stabilisation measures

"My fields are on a slope. Valuable soil is washed away into the valley with every rainfall. We have thought about migrating if the land no longer yields enough for us to live on. But now I am certain: these fields will be able to feed my grandchildren."

Abol Ali, 46, farmer in Aba Grigia in the Wore Illu project region

and tree planting, never fail to impress other farmers who were initially sceptical. "Currently we are working on the afforestation of 237 hectares of woodland. We are also stabilising erosion gullies over a total length of 21 kilometres," says Nigistu Eshetu, 30, department head for natural resource management in Wore Illu.

RESULTS

With the support of *Menschen für Menschen*, Abol Ali has started on the reclamation of his arable land. On the crest of a hill above his house he has planted 2,000 eucalyptus seedlings he received from the Foundation. In only a few years they will grow to form a copse that stabilises the soil. Below this, at the edges of his terraced fields, bushes and lush grass

are starting to grow. They stabilise the soil and prevent further erosion. A bigger problem is presented by the gully: it is too big to fill with spades. With the aid of numerous villagers, *Menschen für Menschen* installed stone barrages in the gully. The surface water is retained by these so-called 'gabions'. The soil it carries is suspended like in a gigantic sieve, and the gully slowly fills with each rain shower. Newly planted trees and grasses additionally stabilise the soil. The wound is gradually healing.

FUNDS APPLIED

The cost of 1,000 seedlings is 10 euros. We estimate the cost of a gabion for erosion protection to be 55 euros.

Water and hygiene and sanitation

The lack of safe drinking water is more or less a fact of life for eight out of ten people in rural Ethiopia. Hand-dug wells are rare. Springs and traditional wells are often heavily polluted by pathogens. Many people, mostly girls and women, must walk several hours to the nearest water point – and back with the heavy jerry cans. Together with the local population we construct hand dug wells, spring developments, collecting basins for rainwater or complete water supply systems at centrally accessible places. The systems are kept clean by members of the community. Awareness-raising and training for maintenance and care also help to promote the sustainability of water and hygiene projects.



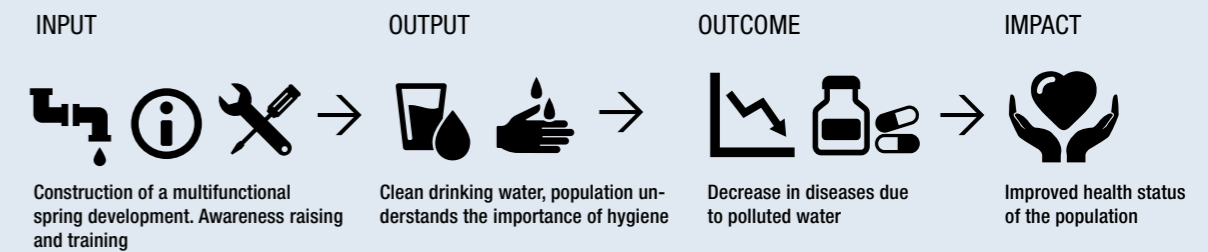
Tajure Fares (behind) fetches her drinking water from the multifunctional Itissa spring development and washes her laundry there.



The new spring development also supplies water for the fields in the direct vicinity.

FUNDS ALLOCATED IN 2015
1,031,892 euros

- KEY SUCCESSES:
- 104 hand dug wells and spring developments constructed for 35,598 people
 - 953 water committees trained



PROJECT EXAMPLE

Multifunctional spring developments for Dibu

INITIAL SITUATION

They are a common sight on roads and footpaths in rural Ethiopia: people with yellow plastic jerry cans on their way to a water point. This chore is usually undertaken by women and girls, who often walk many kilometres to the nearest river or water source. Those who do not have a donkey must carry twenty litres or more – water that is sometimes not even clean. Due to the lack of hand-dug wells and spring developments, many people are obliged to fetch what they need from rivers, streams or rivulets. Because the cattle drinks water from the same source there is a serious risk of contamination. At the same time, a significant volume of the water that could also be used for irrigation of the fields seeps into the ground. Like in Dibu: the village in the Borecha project region

has 57 households, i.e. about 350 inhabitants, who were for a long time dependent on a simple source. "There was never enough water, and the children were always getting sick," says Tajure Fares. Actually, it was even too dirty to use for laundry, says the 45-year-old farmer's wife and mother of four sons. "It was highly polluted. But what could we do? That's all we had."

GOALS

Together with the inhabitants *Menschen für Menschen* gives communities permanent access to clean drinking water and by training and awareness raising it achieves a sustainable improvement of the hygiene and health situation. After the installation of hand-pumped wells or spring developments they are main-

"We used to get water for the laundry here. But the animals drank also here and contaminated the water. Our children were often sick. And after washing, the laundry looked dirtier than before, because the water was muddy brown. The spring developments have put an end to all that."



Faida Abafita, 50, beneficiary of the Itissa source near Dibu

tained and managed by the members of so-called 'WaSH' committees'.

MEASURES

In order to improve the situation in Dibu in the long term, *Menschen für Menschen* has installed a 'multifunctional water point'. The latter provides for this valuable resource to be used in various stages. In the first stage the natural source fills a reservoir, where the inhabitants can fetch water needed for drinking and cooking from taps. Surplus amounts go into an animal drinking trough and washing area, and the overflow therefrom is used for irrigation of the fields. "In this way we ensure the quality of the water the villagers drink," says Gossay Tadesse, 36, department head for water projects in Borecha. "A further

advantage is that we use it very efficiently. That particularly pays off in the months of low precipitation." Alone in the past seven years, Gossay Tadesse supervised the construction of 49 spring developments and 32 hand-dug wells in the region. "We select the locations very carefully, to be sure that they bring the desired success for the population."

RESULTS

The people of Dibu are benefitting in many ways from the water point with many functions: "We are happy that we now have clean water to drink," says Tajure Fares. "The children are less often sick." The newly installed washing area, according to Tajure, is also a great improvement. "Washing and wringing out our laundry is much easier now. And even without soap

it's much cleaner than before." Furthermore, Tajure Fares, her husband and children are among the village families who benefit from the new possibilities for irrigation: They used to grow only sorghum and maize, but in some fields they can now also sow beetroot and carrots. "We used to have an unbalanced diet, but since we produce more, the whole family eats better and more healthily," says Tajure.

FUNDS ALLOCATED

For the water supply at Dibu *Menschen für Menschen* contributed a total of 2,400 euros in 2015.

* WaSH stands for water, sanitation and hygiene

Education

Many young Ethiopians are still barred from access to a good school education. The necessary infrastructure is lacking, particularly in rural areas. In order to change that, we are committed to the development of the educational system, e.g. by replacing decaying school buildings with modern ones. From the primary to the vocational school: in 2015 we completed the construction of the 400th school. Our aim is to provide more conducive learning facilities by building vocational schools (TVETs). Job opportunities for young people are to be increased and the literacy rate improved by courses for adults.



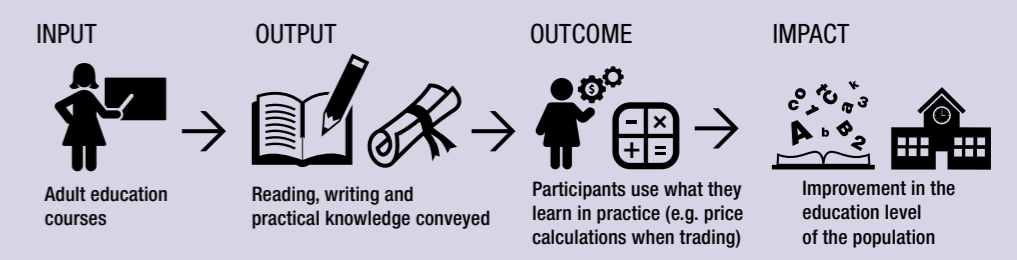
Reading and writing opens up new worlds: participants of the literacy course in the village of Bido.



Mother with child at the literacy course in Bido.

FUNDS ALLOCATED IN 2015
4,909,340 euros

- KEY SUCCESSES:
- 12 higher primary schools and one high school for a total of 13,142 children were completed and equipped
 - 23,297 adults took part in functional literacy courses
 - 146 young men and women gained a Bachelor's degree at the Agro Technical and Technology College (ATTC)



PROJECT EXAMPLE

School for adults in Bido

INITIAL SITUATION

Six out of ten children in Ethiopia still do not receive a school education appropriate to their age. There is often no school building within reach of their home, and if there is, it is no more than a shack built of wood and mud. The depressing situation of many schools makes learning difficult. The children often do not have enough time to go to school because they have to help their parents on the smallholding. Fetching firewood and water is a time-consuming task, particularly for the girls. The lack of schooling is also reflected in the educational level of adults. According to the United Nations Children's Fund, 61% are illiterate. This educational crisis can only be alleviated by a double strategy: schools for children and education for adults. How that is possible can

be demonstrated by a project in the village Bido in the Borecha region, where a large percentage of adults can neither read nor write. From the simple mathematics of the market traders to subjects such as family planning and modern farming methods: those who cannot write are disadvantaged in many areas of life. "I hardly dare to speak to others," says Jebelu Kadir. The 33-year-old farmer and father of five children never attended a school – until a few months ago.

GOALS

Education is an important requisite for development. *Menschen für Menschen* is committed to the construction of schools and expansion of training opportunities. These include functional literacy

"At the beginning lessons were really difficult for us. The teacher had to guide my hand when I wanted to write letters on a piece of paper. Now I can read and write short sentences. And I know much more about subjects such as family planning."



Fayo Muhamed, 26, participant in a literacy course at Bido

courses for adults. *Menschen für Menschen* provides exercise books and pens for the course participants and to supplement reading and writing lessons it offers lectures on everyday issues such as hygiene, family planning and modern agriculture.

MEASURES

About five years ago the authorities organised a literacy course for adults at the Bido primary school. Since then men and women of all ages attend lessons twice a week. "At the beginning only our native language Oromo and mathematics were on the curriculum," says Rais Muhammed. The 20-year-old has only been teaching Bido adults for a year, in a voluntary capacity, after his normal workday as a primary school teacher. He shares the class schedule with

Tigist Berhanu. The 26-year-old social worker, a *Menschen für Menschen* employee, supplements the language course with subjects directly related to the daily lives of the farmers and herdsmen. "People are used to handing down knowledge from one generation to another, says Tigist. "Many must first learn techniques to improve hygiene or harvests."

RESULTS

Initially there were only 33 women and men, but now the number of participants in literacy courses has grown to 215. Jebelu Kadir has also been sitting in classes of Rais Muhammed and Tigist Berhanu for the past few months. From packaging labels to text messages: "Being able to read has made my life much easier," he says. "At last I am on an equal footing with

the others." At the market, he used to be easily deceived, which was why he only did business with people he trusted. "Today I know the current prices and can easily do sums on my calculator." Jebelu is making plans: "Soon we want to start renovating the first houses in my village to improve the hygiene and prevent the children from being so often sick."

FUNDS ALLOCATED

The costs of a ten-month course in functional literacy for adults including teachers and teaching material run to 25 euros for 10 persons. For the construction of a new school with four building blocks with four classrooms each, plus teachers' rooms and sanitary facilities for about 1,600 children we estimate an average of 260,000 euros.

Health

Only a few people in rural Ethiopia have good medical treatment within easy reach. For this reason we are working to improve the supply situation. We provide the medical equipment for rural health centres, enable operations and organise vaccination programmes. An important role is also played by the HIV/AIDS education, as well as advice on the prevention of disease and family planning. Training programmes for the nursing staff and educational campaigns ensure the sustainability of the projects.



Menschen für Menschen organises regular vaccination programmes at the government health centre at Demasiko.



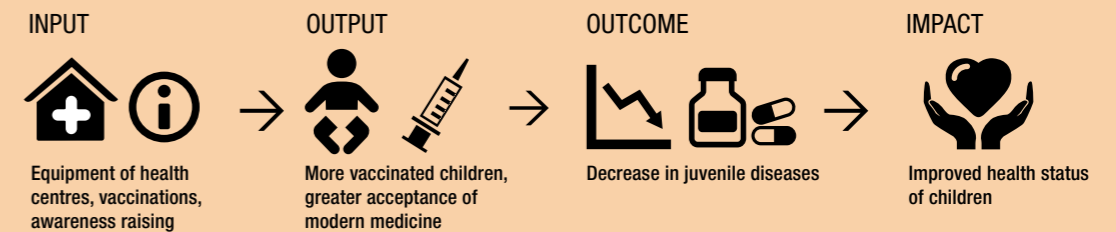
Sister Workwha Kassaw in front of a solar-powered cooling box for vaccines.

FUNDS ALLOCATED IN 2015

2,394,216 euros

KEY SUCCESSES:

- 1 health centre constructed
- 3,326 eye operations (trichiasis and cataract treatment)
- 32,994 children vaccinated



PROJECT EXAMPLE

Infant vaccination in Demasiko

INITIAL SITUATION

Over half the population of Wogdi has no access to clean drinking water. This often leads to serious stomach and intestinal diseases. A further danger is derived from the living conditions in the huts. The people often live here together with their livestock under one roof, promoting the spread of infectious diseases such as trachoma. Goitre, malaria and HIV/AIDS are also common. Although vaccinations help to combat other diseases such as diphtheria, pertussis, polio, measles, rotavirus and tetanus, many people still prefer traditional household remedies over modern medicine. Vaccination campaigns, however, have improved the situation.

"Previously, many diseases were widespread here," Workwha Kassaw tells us. The 29-year-old nurse works at the health centre at Demasiko, a

village in the project region Wogdi. "About ten years ago, when the first government workers knocked at the door, hardly anyone opened." Diseases were widespread, but the people were not familiar with vaccinations and doctors. Instead of taking them for treatment, sick children were often kept at home. "The parents were ashamed, because they thought the disease was the result of a curse."

"I didn't even open the door," says Tirunush Yimer. The 45-year-old farmer's wife trusted – even in the case of serious diseases – in the cures she had learnt from her mother. "When two of my sons contracted measles, I gave them a hot drink of donkey's milk and a healing root," she says. The boys recovered. "But it took a long time and they suffered a lot. It would be better if the children didn't contract such diseases in the first place."

"Today we know that vaccinations help against measles, diphtheria, tetanus and other serious diseases. Almost everyone here in Demasiko has their children vaccinated. Many diseases that used to be common have simply disappeared."

Tirunush Yimer, 45, mother of four children in Demasiko, Wogdi project region



GOALS

Menschen für Menschen has pledged to improve health care. This will include the expansion and improvement of local health centres that can also be reached by the inhabitants of isolated villages. Educational campaigns teach the population to deal with diseases and boost the acceptance of modern medicine.

MEASURES

Menschen für Menschen works closely together with the government health centres. Foundation employees train medical personnel and conduct campaigns on subjects such as prevention, care or family planning. They also offer vaccinations and provide technical equipment such as solar-operated refrigerators for vaccines. The communication of knowledge about a

healthy, balanced diet also contributes to an improvement in health.

RESULTS

When vaccinations are offered in Demasiko, the village women queue with their babies in the courtyard of the health centre. A few injections in the tiny thigh, and the children are immune against diphtheria, pertussis, polio, measles, rotavirus, tetanus and other diseases. "When we saw that the children who had been treated by the doctor were no longer sick, we understood that vaccinations really help," says Tirunush. Her four children have long since been vaccinated. At present she is only looking after her youngest son, four-year-old Fikru. "He is often so weak, I'm afraid he's undernourished," says Tirunush. The frequently unbalanced diet in the country often

results in nutrient deficiency in children. This 'hidden hunger' is very common in Ethiopia. In the health centre he is given food supplements. Tirunush Yimer herself has suffered since her youth from an enlarged thyroid gland as a result of iodine deficiency. The goitre in her neck is growing and is pressing against the windpipe. But she lacks the money to have it removed. "I want to spare my son from such suffering," she says.

FUNDS ALLOCATED

In 2015 5,612 children were vaccinated within the scope of a campaign by Menschen für Menschen in Wogdi. For cooling the vaccines the Foundation equipped nine of 35 health centres with solar-powered cooling boxes. The total costs amounted to 22,727 euros.

Human development

Ethiopian women are disadvantaged in many ways. Particularly in rural areas, they must perform wearisome chores, but only rarely do they have their own income and are thus extremely dependent on their husbands. In order to improve their living conditions and social standing, we offer training in skilled crafts and microcredit programmes especially for women. This promotes their personal initiative, helps them escape from dependency and becomes the key to sustainable development in society overall.



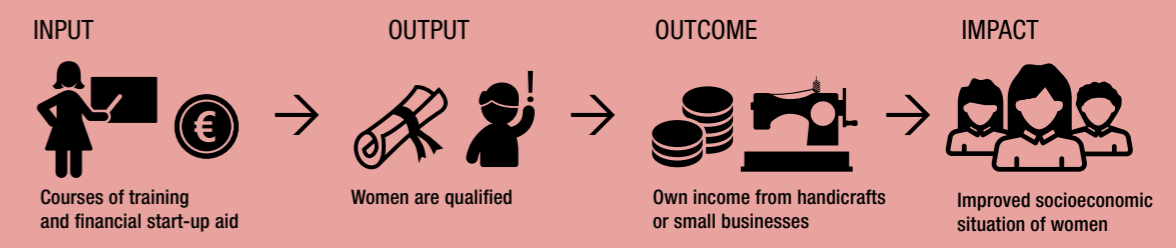
Course participant Fatuma Wale applies what trainer Endadelegn Azene has taught her to the potter's wheel.



Asinaku Ewenetu sieves grain for the restaurant she opened with the aid of a microcredit in Mahidere Selam.

FUNDS ALLOCATED IN 2015
1,457,088 euros

- KEY SUCCESSES:
- 2,341 women availed themselves of microcredits and started an income-generating activity
 - 6,670 women attended advanced domestic training courses
 - 266 women attended in training courses in skilled crafts



PROJECT EXAMPLE

Pottery courses for women in Mahidere Selam

INITIAL SITUATION

Traditionally, women in Ethiopia have always had many duties and few rights. Their job is to bear and bring up children, run the household, prepare meals and work in the fields when needed. In addition, they must endure long treks on foot for water and firewood. These housewives have no independent income – and thus they can easily find themselves in financial difficulties, e.g. when they are obliged to feed themselves and their children alone due to divorce or death of their husband.

This is what happened to Fatuma Wale from the small town of Mahidere Selam in the Wogdi project region. The 35-year-old separated from her husband and now lives alone with her 16-year-old daughter

Marem. "After our divorce we split up our land," says Fatuma. She received a quarter of a hectare of arable land that yielded only about 50 kilos of teff per year. "We never had enough to eat and were constantly begging neighbours and relatives for help." Fatuma started to make earthenware. "At first it was very time-consuming, because I had no potter's wheel. Besides that, my pieces were very fragile, because they were not fired." For a bowl customers paid only 10 birr on the market, about 40 eurocents. A further problem was that Fatuma paid the new sideline with the loss of her reputation. An old superstition still persists in some rural regions of Ethiopia. Tradesmen such as blacksmiths, weavers and potters are said to have an 'evil eye'. They are believed to be cursed and

"As a young woman I attended the pottery courses of Menschen für Menschen. Today I am a potter and train other women for this handicraft. I am aware that in this trade it's hard to get rid of the 'evil eye' gossip. But with the improved quality of our goods we also enjoy a better reputation."



Endadelegn Azene, 40, pottery trainer from Merhabete

are therefore marginalized. "Some people avoid us on the street," says Fatuma. "But what should I do? Recently I even had a failed harvest. Although it did not yield much income, pottery was my last resort."

GOALS

Menschen für Menschen has set itself the goal of improving the life situation of women and create gender equality. Starting aids for the establishment of an economically viable existence are particularly suitable for breaking the poverty cycle.

MEASURES

Fatuma Wale is one of ten women from Mahidere Selam and surroundings to take part in a pottery course offered by Menschen für Menschen especially

for women in need of their own source of income to enable them to feed themselves and their children. For two months the women learn how to manufacture high-quality earthenware. Together they look for the best claystone in the area and carry it to their workshop, where they grind it to a fine powder that they mix with water to form to a soft mass. Then they shape it on a potter's wheel to vases, bowls and jugs. Finally, they fire their work and decorate it with a brush and paint.

RESULTS

Every Saturday, the women now offer their wares at the market of Mahidere Selam. "You can see that our pottery is of high quality," says Fatuma Wale. Customers pay 30 birr, about 1.20 euros, for a jug.

And something else has changed: since the women from the pottery course have appeared on the market to sell their products, the hostility has decreased. Maybe it's the quality of the wares that earns them respect, maybe it's their confident appearance. Fatuma Wale is convinced of one thing: "Our good work and success prove that we are not bad people."

FUNDS ALLOCATED

The cost of an eight-week pottery course in Wogdi is around 217 euros per participant. This includes daily expenses, costs for the teacher, training material and a subsidy of 50% to an individual potter's wheel. Ten women took part in pottery courses in Wogdi in 2015 and the costs amounted to a total of 2,172 euros.

WHAT WE DO

ANNUAL REPORT 2015

Infrastructure

In remote districts of Ethiopia, dirt roads and narrow footpaths are often the only means of communication with the outside world. In the rainy season these roads become impassable. The local inhabitants are cut off from markets, schools and medical facilities for weeks at a time. In order to make these communities safely accessible throughout the year and give their inhabitants development potential, *Menschen für Menschen* builds roads, footpaths, bridges and stairs on mountain slopes. The population assists in construction and learns how to make repairs themselves.

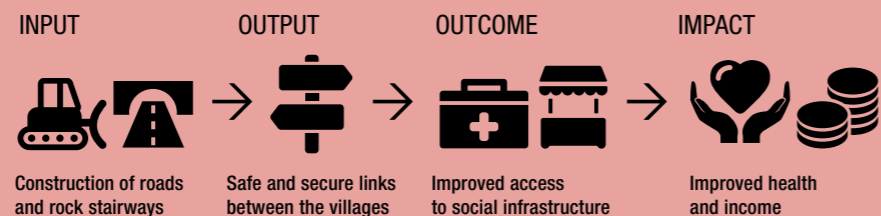


Villagers can now safely reach Lemmi from the valley by the new 'Wusha-Gedel stairway'.

Funds allocated to infrastructure are included in Human development (pages 34/35).

KEY SUCCESSES:

- 1 rock stairway completed
- 233 kilometres of paved roads
- 1 bridge



PROJECT EXAMPLE

Step by step to a better life

INITIAL SITUATION

The small town of Lemmi is a district centre of Ensaro. The region's only major market, secondary schools and comprehensive medical care are to be found here. However, Lemmi is located on a high plateau, surrounded by steep slopes. Previously there were two options for anyone wanting to ascend to Lemmi from the valley: a five-hour trek up a steep path or 45 minutes up a breakneck climbing route. To save

time, people often selected the direct route. They even took their animals with them on this hazardous path. No-one knows exactly how many people have fallen to their death – the number is said to exceed 100 – in the past two decades.

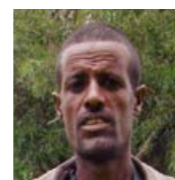
GOALS

The 'Wusha-Gedel Stairway', was built by *Menschen für Menschen* for the purpose of simplifying the ascent and descent between Lemmi and valley communities. People can now bring their harvests and livestock to the market. For young people it serves as a safe way to school. And those who are pregnant or sick can reach the nearest doctor without hazard.

MEASURES

A stairway as a joint effort: *Menschen für Menschen* paid for the concrete and masons. Many people from the surrounding area helped the workers and moved boulders. The stairway was completed in October 2015, after 26 months of construction. It takes villagers in three sections up to the plateau, has 487 steps and a total length of 300 metres.

"I used to be able to go to the market in Lemmi only once a month. Many children were unable to reach the secondary school there. We were often prevented from going to the doctor. Thanks to the stairs, that's all history now."



Geneteh Shiferaw, 35, farmer and herdsman from Gosh Wuha

RESULTS

The stairway has changed everything for the approx. 15,000 inhabitants of the valley community. In the shortest time, they can now walk safely up to the plateau and back. They have access to the local market, can send their children to the 'Lemmi Secondary School' and avail themselves of medical care in the town.

FUNDS ALLOCATED

28,942 euros

MORE ABOUT THE WUSHA-GEDEL STAIRWAY CAN BE FOUND HERE: www.menschenfuermenschen.de
→ How and where we work.



The path used to be highly dangerous.

PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2015

Emergency aid

In the light of the most serious drought in thirty years, the current priority is to prevent a famine of dramatic proportions in Ethiopia. In 2016 about 15 million people are estimated to still be dependent on food aid. *Menschen für Menschen* was one of the first organisations to launch an emergency aid programme in November 2015.



Peter Renner, Executive Director of *Menschen für Menschen*, distributes relief supplies in Agarfa.

FUNDS ALLOCATED IN 2015

411,998 euros

KEY SUCCESSES:

- In November and December 2015 we supplied a total of 28,000 people.
- At the beginning of 2016 we have extended our programme to 32,500 people.

Drought and hunger in Ethiopia

Particularly in the north and east of the country, the people are suffering from the absence of rainfall, for which presumably the El Niño climatic phenomenon must be made responsible. It hardly rains – even in the normal rainy season – or it rains too little, so that the young plants languish in the fields. The rural population, most of whom subsist from mixed farming, is threatened by hunger.

Swift assistance is needed: when the fields are barren, the families sell the animals that have not already died, and in desperation they eat their last seed supplies. This makes the next sowing impossible. The price of food on the markets skyrockets. Captives in the cycle of hunger and poverty, the people have no alternative but to flee.



"The situation of the people gives cause for extreme concern. They are desperately in need of emergency aid. At the same time we must increase our efforts in the project regions to secure the rural population against weather-related crop failure and prevent hunger."

Peter Renner, Executive Director of *Menschen für Menschen* Foundation, Germany

Ethiopia. All foods are transported to the affected regions by our own trucks. Our employees distribute them locally.

The foodstuffs are purchased following a public tender in Ethiopia.

PREVENTION

Periods of drought cannot be prevented. But when families build up stocks, because their fields yield sufficient food and they have alternative sources of income independent of only rainfed agriculture, the impact of such weather extremes can be reduced substantially. That is the goal of our integrated rural development projects which help to create long-term food security. The successes are evident in our project regions: to date, food aid has not been necessary.

STILL NO END TO THE HUNGER CRISIS IN SIGHT

In the past few months the United Nations have made repeated upward corrections in the number of Ethiopians in need of food aid. In September 2015 the figure stood at 4.5 million people, but by December their number had increased to 10 million – half of them children. In 2016 a total of 15 million people is likely to be affected. An improvement will not be in sight until the rains return and the people have adequate seeds.

With the support of numerous donors, *Menschen für Menschen* can help to alleviate the human suffering. Sincere thanks!

PROJECTS

Menschen für Menschen reacted at an early stage and in the November 2015 supplied basic foodstuffs to over 28,000 people, initially in the district of Agarfa in the Bale zone. Thanks to further donations, at the beginning of 2016 we were able to extend the programme to 32,500 people.

We distribute the standard package recommended by the United Nations World Food Programme. Everyone receives 15 kilos of grain, 1.5 kilos of legumes and 0.45 litre of cooking oil per month. Small children, pregnant and breastfeeding women also receive protein-rich supplements (Famix). In the distribution of relief supplies we profit from our infrastructure in

Education and public relations work

An open-minded society needs to look beyond its own backyard. That will show us that our way of life is not the only conceivable one; that all over the world there are people with the same basic needs – peace and a life without poverty and hunger.

From the outset it was important for *Menschen für Menschen* to combine concrete development activities in Ethiopia with systematic educational and public relations work. We provide information about our aid projects in Ethiopia and the life of the population. Using Ethiopia as an example, we want to open the world's eyes to the adverse living conditions in countries that are seriously affected by poverty. At the same time it is important to show that the local people have the resources to improve their lives. Together with you, *Menschen für Menschen* aims to determine what is needed to help them develop by their own efforts.

In our communications we pursue a holistic approach and dovetail our projects so that they reach different target groups. To this end, we employ various different media and formats, from press releases and donor bulletins to promotional events and campaigns in the Internet and social media. Up-to-date information is available not only on our Website www.menschenfuermenschen.de, but also on our Foundation's action portal www.highfive4life.de. Our Facebook page (www.facebook.com/menschenfuermenschen), which invites visitors to take part in a dialogue and reports on important events and activities, has over 4,000 fans.

In 2015 *Menschen für Menschen* published a total of 40 press releases and news. To enable the media to form an impression of our work in Ethiopia, we organised three trips for journalists to the project regions. Our employees and countless voluntary helpers were also regularly invited to schools and events of various types and won new supporters for our work.

ACTIVITIES IN 2015 – A SELECTION



AMBASSADORS INAUGURATE SCHOOL IN GEFRE GUDA

What a reception! "Already twenty minutes before our destination the people stood at the side of the road, clapping and singing," recalls top model Sara Nuru. In April 2015 she travelled together with the rock band 'Killerpilze' – acting as ambassadors of *Menschen für Menschen* – to the isolated Ethiopian village of Gefre Guda in the east of the country for the official opening of the new Higher Primary School. Exactly three years ago the ambassadors had already been here to inspect the school, which at that time was no more than a shack: dark, stuffy and dusty. The children sat squeezed together on provisional mud benches. "At that time the Killerpilze and I promised that we, together with pupils from Germany, would help with fundraising," says Nuru. Throughout Germany, classes and schools followed the call of the *Menschen für Menschen* youth initiative 'Generation ABC–2015'. They organised charity runs, concerts and sales campaigns, and by 2015 they had collected the impressive sum of half a million euros for the construction of schools in Ethiopia. The new Gefre Guda Higher Primary School for more than 1,400 first- to eighth grade pupils is already the second school to be funded through the commitment of our children and young people.



ON THE BALL FOR ETHIOPIA: JULIA SIMIC

Since September 2015 famous Bundesliga football player Julia Simic of VfL Wolfsburg has been supporting *Menschen für Menschen* as an ambassador. "I feel it is my duty to help people who are less fortunate," Simic explains. Her many years of experience in development aid, demonstrable successes and the sustainability of aid projects were pivotal criteria in her search for a suitable organisation. These she found with *Menschen für*

Menschen. In future, Simic will support, in particular, the campaign 'High Five 4 Life'. As a professional footballer she knows how to achieve exceptional results as a team, as well as by one own individual efforts. Julia is looking forward to motivating young volunteers to this end.



MÜNCHNER STIFTUNGSFRÜHLING MENSCHEN FÜR MENSCHEN AT THE 'MÜNCHNER STIFTUNGSFRÜHLING'

Over a period of six days in March 2015 Münchner foundations invited participants to take a closer look at the individual organisations and the projects funded by them, and to familiarise themselves with the foundations. *Menschen für Menschen* was among them and had an info stand at the main kick-off event at BMW World. This was followed by an 'open house' at our Foundation's offices, where Executive Director Peter Renner gave a lecture on the successful cooperation of the Foundation with private companies (photo above). Executive Director Dr Peter Schaumberger also spoke at the main office of the private bank Donner & Reuschel about foundation communication in the crisis.



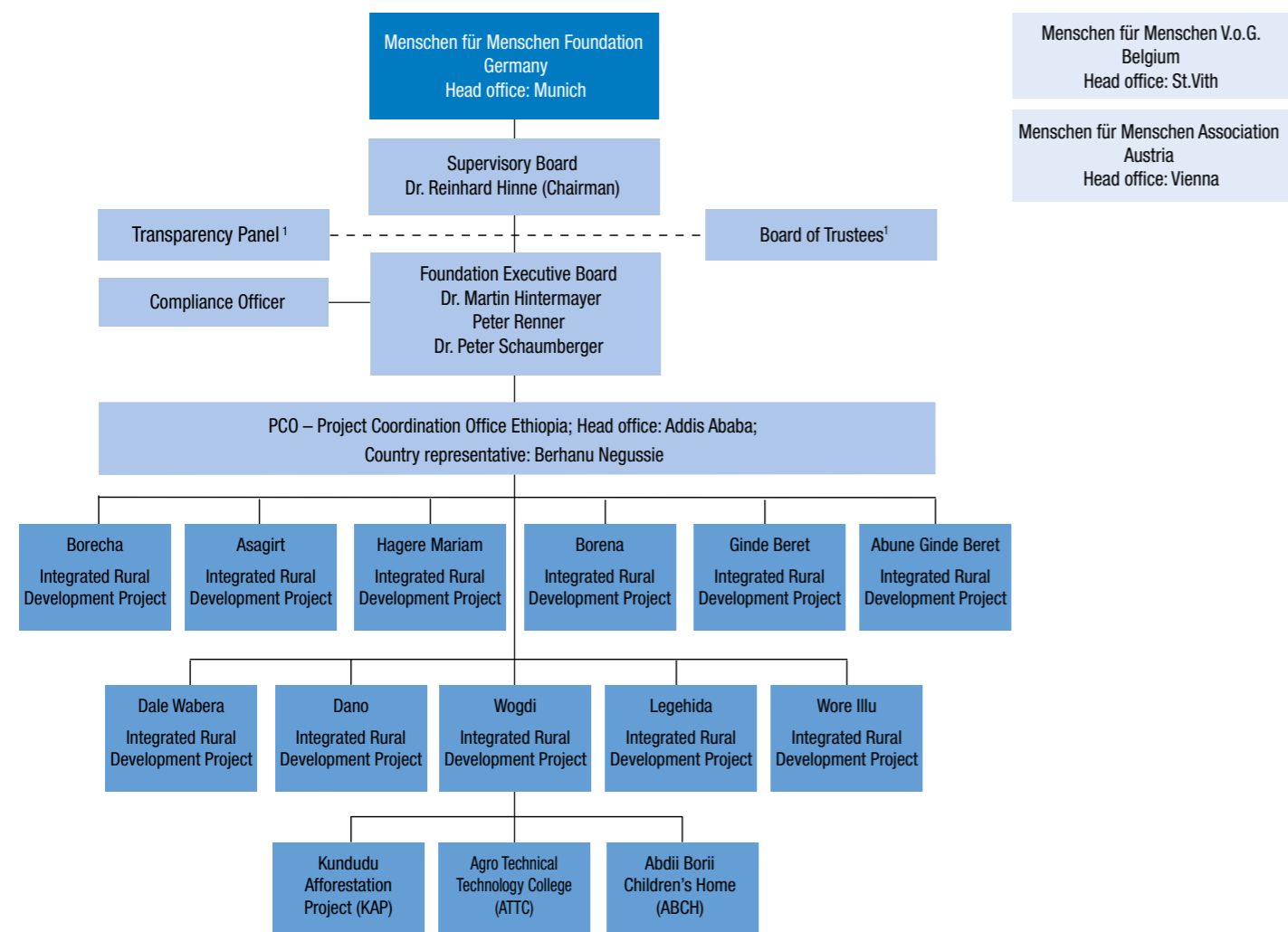
VOLUNTEER CONFERENCE IN FRANKFURT

More than 500 people support *Menschen für Menschen* in a voluntary capacity. They are committed to familiarising the public with the Foundation's work in Ethiopia and solicit donations with the aid of creative campaigns. In April 2015 200 of them met in Frankfurt am Main for a specially organised conference, to learn first-hand about the project work and the Foundation's plans for the future. Almaz Böhm thanked the active members for their commitment: "It is reassuring to know that so many are committed with heart and soul to our Foundation. Thanks to your work we can convince people to donate for our projects."

The memory of *Menschen für Menschen* Founder Karlheinz Böhm, who died in 2014, evoked intense emotions at the conference. Berhanu Negussie (photo below, 2nd from left.), country representative of the Foundation in Ethiopia, recalls: "Karlheinz was my boss, my father, my teacher, my friend. He showed us the way and we will continue our efforts in his name."



The Foundation in 2015



¹ Advisory committee

Menschen für Menschen is politically and denominationally neutral and economically independent. In Germany, Austria and Belgium *Menschen für Menschen* is represented with legally separate organisations. Independently of one another, the country organisations collect donations and provide information and public relations work in their own country. Funds from all three countries flow into the project work in Ethiopia, coordinated exclusively by the

German Foundation. The central Project Coordination Office (PCO) in Addis Ababa organises, implements and supervises all projects in the project regions. In formal terms, the Ethiopian organisation is a branch of the German Foundation.

The main office of the German *Menschen für Menschen* Foundation is located in Munich, where 28 people are employed in the Executive Office, Fundraising & Communication, Press, Development

Cooperation, Purchasing and Logistics, Finance and IT. In Ethiopia we have 711 employees, of which only five are not nationals.

In Germany about 500 voluntary employees support our activities at various locations. Only in this way is it possible to achieve maximum aid for the people in Ethiopia with low costs for administration and fundraising.

BODIES AND PERSONS

The corporate bodies of *Menschen für Menschen* Foundation Germany are the Executive Board and Supervisory Board.

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.

Members of the Executive Board as of 31.12.2015: Dr. Martin Hintermayer, Peter Renner, Dr. Peter Schaumberger.

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

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 affairs. It consists of seven members. New board members are appointed by co-optation. The council members appoint the chairman and his/her deputy. The members of the Supervisory Board act in an honorary capacity.

Members of the Supervisory Board as of 31.12.2015: Dr. Reinhard Hinne (Chairman), Joachim Gröger (Deputy Chairman), Heide Dorfmueller, Dr. Peter Hanser-Strecker, Dietmar Krieger, Harald Spiegel, Christian Ude. In February 2016 Christian Ude was appointed Chairman. He succeeded Dr. Reinhard Hinne, who had chaired the Supervisory Board since 2011 and left the Board after reaching the retirement age.

THE PATRON promotes the interests of the Foundation and represents the organisation in public. She has no operative responsibility and acts in an honorary capacity. Almaz Böhm, wife of founder Karlheinz Böhm and longstanding member of the Executive Board held the patronage until May 2016.

THE BOARD OF TRUSTEES advises the Executive Board and Supervisory Board in fundamental matters of implementation of the Foundation's goals. 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. A renewed appointment is permissible. The members of the Board of Trustees act in an honorary capacity.

Members of the Board of Trustees as of 31.12.2015: Ralf Bos, Prof. Dr. Geza Csomos, Dr. Roland Folz, Erich Jeske, Sara Nuru, Isolde Reiher, Vera Reuter, Helga Weygandt.

THE COMPLIANCE OFFICER ensures that the Foundation always performs its activities in Germany and Ethiopia in accordance with the law, that it observes high ethical standards in all areas and that illegal behaviour – within the Foundation and in its relationships to third parties – is prevented. The Compliance Officer reports regularly to the Executive Board. He acts in an honorary capacity.

Compliance Officer as of 31.12.2015: Karl Peter Puskajler, former Presiding Judge at the Higher Regional Court in Munich.

THE DATA PROTECTION SUPERVISOR advises the Foundation and its full-time employees and volunteers on data protection issues. The main focus lies in the handling of personal data. For his work the data protection supervisor receives a small monthly fee.

Data Protection Supervisor as of 31.12.2015: 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. The majority of members of the panel are external.

Members of the Transparency Panel as of 31.12.2015: Dr. Roland Folz, Wolfgang Bosbach, Dr. Claas Dieter Knoop, Markus Schächter.

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). Again in 2015 the DZI awarded its seal of approval to *Menschen für Menschen*, thus certifying that the Foundation handles the funds entrusted to it in a diligent and responsible manner. *Menschen für Menschen* has received the DZI seal every year since 1993.



TOP MARKS 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 mark 'very good'. The purpose of the test commissioned by SPIEGEL ONLINE was to determine how diligently, systematically and transparently fundraising organisations report on their work online. Among the 50 organisations 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 'Effectiveness'.

GOOD MARKS FROM FINANZTEST

In the autumn of 2014 Finanztest magazine – a publication of the Warentest Foundation – tested ten fundraising organisations set up by celebrities. *Menschen für Menschen* was rated 'particularly good'. Finanztest attested the Foundation very low administration and advertising costs, a high level of transparency and a high quality of 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.

Transparency and compliance

CLEAR PRINCIPLES, BINDING RULES

Binding principles and rules apply to all *Menschen für Menschen* employees. They are set forth in a series of guidelines.

- Our **Code of Conduct** on dealing with corruption requires that employees fulfil their duties of its tasks 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 Supervisory Board, Executive 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 ambassadors.

In Ethiopia, as in Germany, we have created responsibilities and defined organisational procedures to ensure that the funds entrusted to us are always put to optimum use for the benefit of people of Ethiopia. In their controlling or advisory function the Compliance Officer and Transparency Panel appointed by us (see page 41) contribute to the transparent allocation of funds and work of our organisation in strict compliance with the law.

CONTROL OF FUND ALLOCATION

All expenditure of the Foundation is examined by several bodies before being implemented. Besides the project managers, country representatives, administration heads, Director of Program Operations and Director of Program Coordination, Monitoring and Evaluation as well as the Executive Board 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.

For an evaluation of our project work see pages 10-11.

INDEPENDENT AUDIT

Every year we have our accounting inspected by independent auditors. The audit report (page 45) 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 2015. 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.

COOPERATION WITH OTHER ORGANISATIONS

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 with 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 the special initiative 'A world without Hunger' in the Borena project region.
- In cooperation with the German Society for International Cooperation (GIZ) on 1 August 2015 we initiated the 'Green Innovation Centre in the Agri-Food Industry' initiative in the Dano project region, which will run until the end of 2017. The total funding amount is 1,040,860 euros.
- The International Trachoma Initiative is our partner in the prevention of the bacterial disease trachoma.
- The Federal Ministry for Food and Agriculture (BMEL) has 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.
- The Federal Ministry for Education and Research (BMBF) sponsored our youth competition 'Generation ABC – 2015', which was completed in 2015.

In addition, in public relations work and fundraising we cooperate with municipalities, media partners, private companies, foundations and service clubs. We are also involved in the initiatives 'Together for Africa' and 'My legacy does good. The apple tree principle'.

Restructuring of the financial accounting system

GREATER CLARITY AND TRANSPARENCY

At *Menschen für Menschen* strict principles have always applied for handling the funds entrusted to us by our donors. This calls for the economic, efficient use of resources with the aim of ensuring that as much money as possible reaches the needy people in Ethiopia and has a verifiable impact. To enable us to adhere to these principles in a more complex environment, since 2014 we have not only implemented a new computer system (donation management, accounting, resource and project management) that maintains a record of each project area in Ethiopia. Our accounting practice has also been adjusted to the more rigid international requirements. We have revised the charts of accounts and introduced international cost unit accounting. This will enable us to put the outlay and impact in individual project areas and funding areas into perspective. We now have an analysis instrument at our disposal which will help us to continuously improve our work. As a recent study by the Economic University of Vienna demonstrated, every euro donated to *Menschen für Menschen* for use in Ethiopia generates a social return valued at 26.60 euros (e.g. improved health, time and work savings, higher incomes)! This good result is an incentive for us to further improve the effectiveness of the allocation of donations.

AMENDED PRESENTATION

The above-described and further adjustments have resulted in numerous changes in the presentation of the balance sheet and profit and loss account which contribute to the transparency of our work. However, a drawback in this first year of the new presentation is that the figures are only partly comparable with those of the previous year. In the next Annual Report they will once again be fully comparable.

Hitherto the funds of our Austrian and Belgian sister organisation were only shown in the respective annual financial statements. Be-

cause our organisation in Ethiopia is, for legal purposes, a branch of the German Foundation, for the first time this year we have posted the funds of the Austrian and Belgian associations of *Menschen für Menschen* earmarked for Ethiopia on the revenue side, and the expenses for Ethiopia in the profit and loss account of the Annual Financial Statements of the German Foundation. In 2015 this corresponded to a volume of 2.9 million euros.

A further major change results from an amended legal position with regard to the real estate, vehicles and building materials used by *Menschen für Menschen* in Ethiopia. Previous law specified that upon arrival in Ethiopia these items no longer belonged to our Foundation, but to the Ethiopian government, on behalf of Ethiopian people, even though the goods were used and managed by our Foundation. Nor will there be any change in this disclosure requirement. According to a current report on Ethiopian law, however, we are now obliged to list items such as real estate (e.g. project offices used) and vehicles (incl. 80 trucks for transporting relief supplies) under fixed assets (4.9 million euros). But we are not permitted to sell these items. If the Foundation no longer needs them, they are handed over to the Ethiopian authorities.

The situation is similar with many building materials, such as sheet metal roofs for schools that we acquire in large quantities at a lower price and place them in storage until they are needed. These inventories must now be disclosed in the current assets (4.3 million euros). If these stocks are removed from the storage facility and used in construction, they are recognised as project expenditure. On account of these changes, in a year-on-year comparison there has been a significant increase of over 6.6 million euros in the balance sheet total. However, this leads to a clearer presentation of the Foundation's performance.



Initiative
Transparente
Zivilgesellschaft

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

Annual Financial Statements 2015

Donations to the German Foundation in 2015 rose to 12.77 million euros compared to the previous year's figure of 9.75 million euros. This 31% increase is mainly attributable to donations of *Menschen für Menschen* Austria and Belgium (2.9 million euros) which were included for the first time in this total. Earnings from investments fell to 463,000 euros due to the generally low interest level. Expenses increased significantly in 2015 to 18.6 million euros due to the

adoption of project areas funded by Austria and Belgium. The difference of about 4.7 million euros between expenses and revenue has been covered by the reserves. We were thus able to fund all current projects according to schedule. The balance sheet total increased to 38.6 million euros (previous year: 31.9 million euros) due to the new evaluation of current assets (inventory in Ethiopia) and fixed assets (buildings and vehicles in Ethiopia).

BALANCE SHEET AS OF 31 DECEMBER 2015

| ASSETS | | | LIABILITIES | | |
|--|----------------------|---------------|---|----------------------|---------------|
| | Prev. year | | | Prev. year | |
| | € | T€ | | € | T€ |
| A. FIXED ASSETS | | | A. NET EQUITY | | |
| I. Intangible assets | 407,492.33 | 366 | I. Foundation capital | 1,261,382.82 | 1,222 |
| II. Tangible assets | | | II. Revenue reserves | | |
| 1. Land, leasehold rights and buildings including structures on third-party land | 3,726,853.69 | 0 | 1. Capital maintenance reserves | 245,000.00 | 220 |
| 2. Technical equipment & machinery | 38,873.26 | 0 | 2. Other revenue reserves | 35,598,239.51 | 29,588 |
| 3. Other installations, operational and office equipment | 1,218,649.78 | 124 | | | |
| III. Financial assets | 12,129,337.03 | 14,134 | | | |
| | 17,521,206.09 | 14,624 | | 37,104,622.33 | 31,030 |
| B. CURRENT ASSETS | | | B. PROVISIONS | | |
| I. Inventories | | | Other provisions | 103,581.95 | 87 |
| Raw materials and supplies | 4,296,957.83 | 0 | | 103,581.95 | 87 |
| II. Accounts receivable and other assets | 728,439.39 | 793 | | | |
| - thereof with a residual term of more than one year T€ 23 (prev. year € 23,000) - | | | C. LIABILITIES | | |
| III. Cash on hand, Bank deposits | 16,022,423.47 | 16,466 | 1. Trade accounts payable | 1,317,051.70 | 258 |
| | 21,047,820.69 | 17,259 | - thereof with a residual term of (prev. year T€ 158) - | | |
| C. DEFERRED INCOME | 4,017.35 | 11 | 2. Miscellaneous liabilities | 47,788.15 | 519 |
| | | | - thereof with a residual term of up to one year € 475,000 (prev. year T€ 519)- | | |
| | | | - thereof from taxes T€ 27 (prev. year T€ 210) - | | |
| | | | - thereof within the scope of social security T€ 14 (prev. year T€ 0) - | 1,364,839.85 | 777 |
| | 38,573,044.13 | 31,894 | | 38,573,044.13 | 31,894 |

LEGAL BASIS

The Menschen für Menschen Foundation – Karlheinz Böhm's Ethiopia Aid – with registered offices in Munich has been recognised by the Government 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 Menschen für Menschen Foundation prepares its annual financial statements according to the provisions of Section 264 paragraph 2 of the German Commercial Code (HGB). The financial statements conform to the provisions of Article 25 paragraph 1 of the Bavarian Foundation Act (BayStG). The balance sheet and the profit & loss account are based on the provisions of Sections 266 and 275 paragraph 3 of the HGB. The special characteristics of the Foundation are accounted for in further sub-categories.

NOTES ON THE BALANCE SHEET

ASSETS

INTANGIBLE ASSETS. Scheduled depreciation on software and the website is shown under this item. In the 2015 business year the software for accounting and project management was replaced by new programs. Depreciation of 104,000 euros was calculated in this context.

FIXED ASSETS. Due to the amended legal position the re-evaluation includes real estate, vehicles and other technical equipment in Ethiopia in the balance sheet. In Germany this relates mainly to office equipment and two motor cars, less depreciation.

FINANCIAL ASSETS. Financial assets fell by about 2 million euros when fixed-interest securities came to maturity. Shares and investment funds were only adopted in financial assets through legacies.

INVENTORIES. This item did not exist in previous years. Due to the amended legal position inventories in Ethiopia, e.g. building materials for schools, are now also valued.

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* Austria.

CASH ON HAND, BANK DEPOSITS. Under this item the Foundation discloses overnight deposits at special interest terms, bank deposits and cash in hand.

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.

LIABILITIES

NET EQUITY. The basic assets of the Foundation grew slowly in the reporting year due to further endowments. In order to safeguard the basic assets, a capital maintenance reserve was created that was increased by 25,000 euros in 2015. The breakdown of other revenue reserves is as follows: Project funds reserves I as per Section 58 No. 6 AO amounting to T€ 24,884 are earmarked for long-term, contractually committed measures. Project funds reserves II (T€ 10,713) includes the carrying amounts of the fixed and current assets of the Ethiopian branch first capitalized in 2015, as well as the cash on hand and bank deposits assumed by the Austrian and Belgian sister organisations. The former free reserves were released.

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

LIABILITIES. Other liabilities comprise for the main part deposits already received for earmarked donations and liabilities from purchases.

NOTES ON THE PROFIT & LOSS ACCOUNT

DONATIONS. Donations to the Foundation in 2015 showed a considerable increase compared to the previous year due to the inclusion of donations from Austria and Belgium.

OPERATING INCOME. In a year-on-year comparison, operating income was higher. This item primarily comprises income from foreign currency exchange and appreciation due to the increased value of shares.

INTEREST AND INCOME FROM SECURITIES AND FIXED DEPOSITS (INVESTMENT INCOME). There has been a significant change in overall income. Income from both securities and fixed deposits has fallen. The reason for this is the reduction of financial assets and the current phase of low interest rates, which has also caused interest income to decrease.

PROJECT FUNDING. In 2015 *Menschen für Menschen* continued its work in the long-term integrated development projects in eleven project regions. These include activities in the areas of sustainable land management, water and hygiene, education, health and human development. In addition, the Foundation operates a college for handicrafts and technical professions with almost 700 students, a home for children and youths, as well as an extensive reforestation area on Kundudu Mountain in the east of the country. On account of the drought, in 2015 the crops failed in large parts of the country. Since November the Foundation has supplied 28,000 people in the Agarfa region with wheat, pulses and cooking oil. It has also provided pregnant women and breastfeeding mothers and small children with food supplements. In the reporting year a total of 1,287,000 people benefited directly from the development activities of the Foundation. In 2015 *Menschen für Menschen* allocated more than 38% of its budget to the construction of educational facilities such as general schools, as well as handicrafts and technical schools (Technical and Vocational Education and Training = TVET). The second largest budget item is the sustainable land management project sector with 25%.

A total of 13 general schools were completed and the responsibility handed over to the population, including our 400th school in the first half of the year. In addition, 1,108 kilometres of earth walls were constructed for terracing and over 17.2 million mixed trees were planted. Prior to the intervention of *Menschen für Menschen* virtually no woodlands remained in the Asagirt project region. Within eight years we were able to plant 3,000 hectares of trees.

In the past few years the integrated rural development approach has been steadily adapted to new parameters. In the reporting year a start was made in Dano with the introduction of value-added chains in the Agriculture sector. In the project in cooperation with the German Society for International Cooperation (GIZ) the primary focus has not been on increasing income, as was previously the case, but on the processing and marketing of agricultural products (honey and wax production; animal fattening; fruit and vegetables; oilseed and improved seed).

PROJECT SUPPORT. In addition to supervision of the projects, project support also includes the preparatory and follow-up activities of project funding. The latter comprise the selection of suitable projects, preparations for the project work, controlling, monitoring and evaluation of projects, as well as procurement and logistics. These activities are predominantly

PROFIT & LOSS ACCOUNT AS OF 31 DECEMBER 2015

€ Prev. year in T€

| A. FOUNDATION INCOME | | |
|--|-----------------------|----------------|
| I. Contributions | | |
| 1. Cash donations | 9,044,417.76 | 7,091 |
| (thereof from Austria: € 2,809,910.30) | | 0 |
| (thereof from Belgium: € 126,694.89) | | 0 |
| 2. Legacies | 2,708,215.60 | 2,208 |
| 3. Contributions by supporting associations | 221,000.00 | 226 |
| 4. Public donations and grants | 656,526.72 | 51 |
| 5. Proceeds from sponsors 7 % | 136,893.85 | 141 |
| 6. Donations in kind | 396.00 | 10 |
| 7. Fines | 3,250.00 | 20 |
| | <u>12,770,699.93</u> | <u>9,747</u> |
| II. Other operating income | | |
| 1. Income from cost allocation Austria | 231,973.67 | 0 |
| 2. Income from cost allocation Belgium | 637.85 | 0 |
| 3. Income from foreign currency exchange | 421,507.36 | 601 |
| 4. Other income | 76,740.37 | 54 |
| | <u>730,859.25</u> | <u>655</u> |
| B. FOUNDATION EXPENSES | | |
| 1. Material costs | -7,259,743.45 | -9,865 |
| 2. Personnel costs | -4,540,218.41 | -3,494 |
| 3. Depreciation on intangible assets and property, plant and equipment | -618,852.55 | -252 |
| 4. Other operating expenses | -6,085,954.04 | -3,014 |
| | <u>-18,504,768.45</u> | <u>-16,625</u> |
| Income from securities held as financial assets | 361,185.07 | 638 |
| Other interest and similar income | 102,038.05 | 13 |
| Depreciation on financial assets | 137,229.11 | -34 |
| | <u>325,994.01</u> | <u>617</u> |
| Year-end result | <u>-4,677,215.26</u> | <u>-5,606</u> |
| Extraordinary expenses | 0.00 | -373 |
| Extraordinary results | 0.00 | -373 |
| Miscellaneous taxes | -450.60 | -1 |
| (Total expenses Germany and Ethiopia) | <u>-18,642,448.16</u> | <u>-16,660</u> |
| Annual deficit | <u>-4,677,665.86</u> | <u>-5,980</u> |
| Additions to capital maintenance reserve | -25,000.00 | -25 |
| Additions to other revenue reserves | 0.00 | -7,576 |
| Withdrawals from other revenue reserves | 4,702,665.86 | 13,581 |
| YEAR-END RESULT | <u>0.00</u> | <u>0.00</u> |

DZI DISTRIBUTION 2015

| EXPENSES | PROJECT COSTS | 1 | 2 | 3 | 4 | 5 |
|---|----------------------|----------------------|-------------------|--|-------------------------------|---------------------|
| | € | Project funding | Project support | Educational and awareness-raising work | General public relations work | Administration |
| Communication work | 913,171.07 | 0.00 | 0.00 | 115,810.16 | 786,700.58 | 10,660.34 |
| Press work | 159,561.88 | 0.00 | 0.00 | 76,671.33 | 76,671.33 | 6,219.23 |
| Donor liaison and financing | 326,042.91 | 0.00 | 0.00 | 0.00 | 7,851.28 | 318,191.63 |
| Panels, IT, purchasing | 359,435.18 | 1,730.13 | 89,789.30 | 11,674.12 | 42,552.55 | 213,689.07 |
| Intermediate total | <u>1,758,211.04</u> | <u>1,730.13</u> | <u>89,789.30</u> | <u>204,155.60</u> | <u>913,775.74</u> | <u>548,760.26</u> |
| Costs of office premises | 112,521.09 | 4,444.58 | 29,874.35 | 16,731.89 | 23,528.16 | 37,942.11 |
| Misc. general costs (e.g. office material) | 221,034.41 | 8,730.86 | 58,684.64 | 32,867.82 | 46,218.30 | 74,532.80 |
| Intermediate total other operating expenses | <u>2,091,766.54</u> | <u>14,905.57</u> | <u>178,348.29</u> | <u>253,755.30</u> | <u>983,522.20</u> | <u>661,235.18</u> |
| Personnel costs in Germany | 1,798,029.59 | 71,022.17 | 477,376.86 | 267,367.00 | 375,967.99 | 606,295.58 |
| Depreciation | 325,380.66 | 12,852.54 | 86,388.57 | 48,384.10 | 68,037.10 | 109,718.36 |
| Total costs Germany | <u>4,215,176.79</u> | <u>98,780.28</u> | <u>742,113.71</u> | <u>569,506.41</u> | <u>1,427,527.28</u> | <u>1,377,249.12</u> |
| Project work Ethiopia | 11,685,082.55 | 11,685,082.55 | | | | |
| Personnel costs Ethiopia | 2,742,188.82 | 2,742,188.82 | | | | |
| Total costs Ethiopia | <u>14,427,271.37</u> | <u>14,427,271.37</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| TOTAL COSTS GERMANY & ETHIOPIA | <u>18,642,448.16</u> | <u>14,526,051.65</u> | <u>742,113.71</u> | <u>569,506.41</u> | <u>1,427,527.28</u> | <u>1,377,249.12</u> |
| Percentage distribution according to DZI criteria | | 77.92 % | 3.98 % | 3.05 % | 7.66 % | 7.39 % |

performed by our project coordination office in Addis Ababa, Development Cooperation Dept. and by the Purchasing Department of the German Foundation. All project work in Ethiopia is the responsibility of the German Foundation.

CAMPAIGNING, EDUCATIONAL AND AWARENESS-RAISING 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 PUBLICITY 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 guidelines of the German Central Institute for Social Affairs (DZI). Administration costs relate to the organisation as a whole. They guarantee the basic functions of the operational process. These include, in particular, the executive management, accounting and personnel management.

PERSONNEL COSTS AND REMUNERATION. In 2015 a distinction was made in the Menschen für Menschen Foundation between five salary groups. The gross annual remuneration of the three-man Executive Board in 2015 totalled 304,260 euros 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.

Wages are paid in 12 or 13 monthly increments. The figures in the table have been uniformly converted to 13 gross monthly wages.

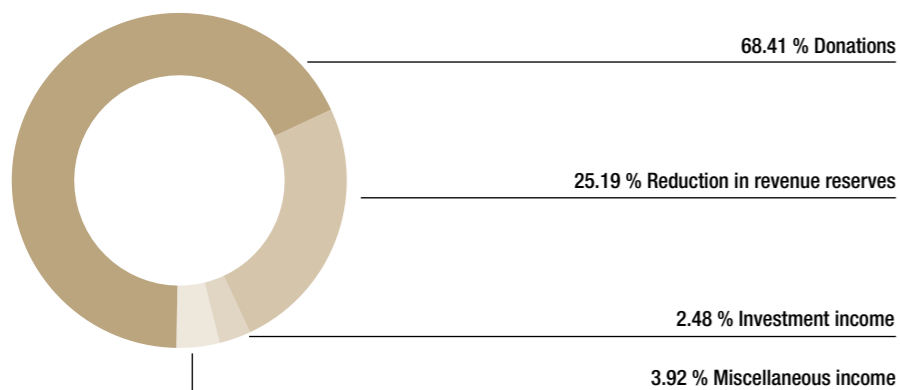
| GROUP | POSITION (EXAMPLE) | FROM € | TO € |
|-------|----------------------|--------|-------|
| 5 | Temporary worker | 1,500 | 2,500 |
| 4 | Administrative clerk | 2,300 | 3,500 |
| 3 | Coordinator | 2,500 | 4,500 |
| 2 | Management level | 2,900 | 5,500 |
| 1 | Executive level | 5,300 | 9,300 |

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

CHANGE IN REVENUE RESERVES. The capital maintenance reserve was increased by 25,000 euros in 2015. Additional expenditure in the business year 2015 was offset by a reduction in reserves of 4,677 T€.

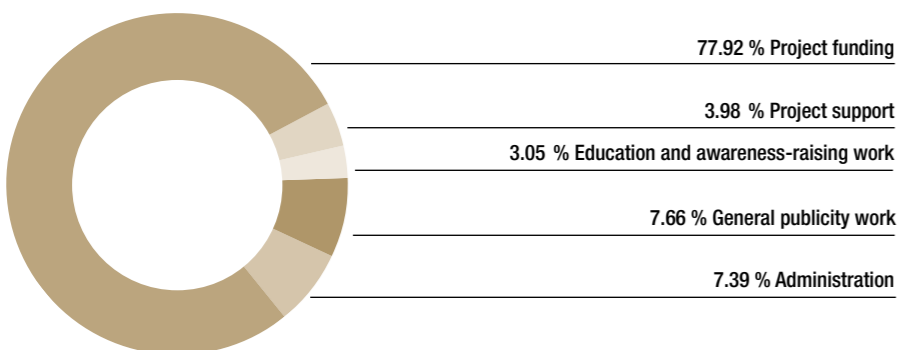
WHERE THE FUNDS CAME FROM

Source of funds 2015

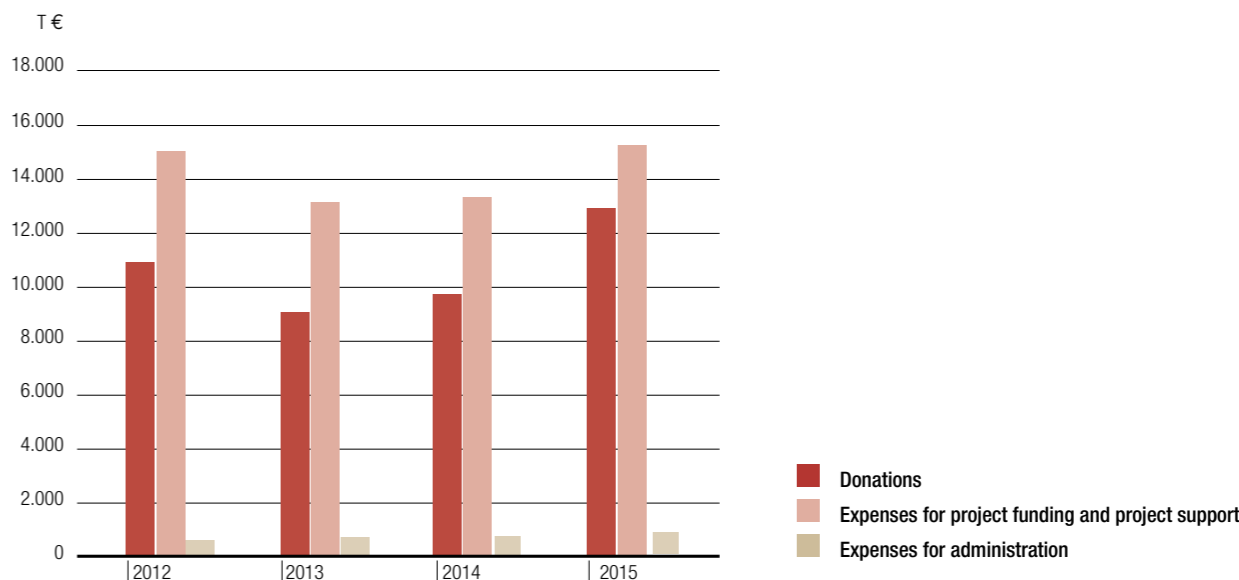


WHERE THE FUNDS WERE USED

Allocation of funds 2015



GROWTH OF DONATIONS AND EXPENSES FROM 2012 TO 2015



All donations and expenses have been re-calculated according to the criteria of the DZI to ensure comparability.

AUDITOR'S REPORT

To the Menschen für Menschen Foundation , Munich:

We have examined the annual financial statements – consisting of the balance sheet, profit & loss account and notes – including the accounts of the Foundation *Menschen für Menschen* for the business year from 1 January to 31 December 2015. 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, 27 July 2016

Ott & Partner

Trust company

Auditors

Tax consultants



PLANNING 2016

PROJECT PLANNING

For 2016 we propose activities in a total of twelve integrated rural development projects. Our plan calls for investments of 9.3 million euros. After the project regions Asagirt and Hagere Mariam were handed back to the local population on 31 December 2015, in 2016 we adopted three new project regions in our programme. Among these is the reforestation project in Kundudu, which has been extended to include activities in the areas of sustainable land management, water and hygiene, thus upgrading it to an integrated development project. At the beginning of 2016 we also initiated a new integrated rural development project in Gawo Kebe, north of Dale Wabera, funded by the Federal Ministry for Economic Cooperation and Development (BMZ). In addition, in the fourth quarter we will be starting work in the Yeldu project region. This integrated rural development project, as well as the projects in Ginde Beret and Abune Ginde Beret, is being 100% funded by the Austrian country organisation.

The Agro Technical and Technology College (ATTC) in Harar and the home for children and young people at Abdii Borii in Mettu are also being funded by the German Foundation in 2016.

The serious drought in 2015 showed that our holistic approach is the right way to greater food security. It extends the income basis of farmers and acquaints them with alternative agricultural methods, reduces dependency on the rainy season. Irrigated vegetable growing and intensification of the honey production will again be the focus of our work in the field of sustainable land management in 2016. In 2016 we intend to repair or reconstruct eight small-scale irrigation systems, and in spring developments we want to install nine night storage tanks for the irrigation of vegetable plots. The 'Green innovation centres in the agri-food sector' programme launched in Dano in 2015 in cooperation with the German Society for International Cooperation (GIZ) will be expanded in 2016. It is aimed at improving demand-orientation in agriculture in order to create more opportunities for earning. Selective training for men, women and young adults in the production, processing and marketing of vegetables, seeds, oil-seed, honey and animal fattening contribute to this end. Some young people who previously had no work



Dale Wabera project area: Dereje, mother of four, expects a good harvest on her smallholding.

have been taken on in a carpentry workshop constructing wooden boxes for beehives. Others took a course in beekeeping and are now starting their own honey production.

Our health sector supports preparations for growing fruit and vegetables in the project areas with informational events on healthy nutrition. Where necessary, we distribute food supplements such as vitamin A, folic acid and iodine.

In our priority sector water, hygiene and sanitation we are pressing ahead with the construction of water points (spring developments or hand-dug wells). Accompanying awareness-raising campaigns bring home to the inhabitants the importance of hygiene for a healthy life. With our programme for dry latrines we support the government's efforts to improve sanitary facilities.

With the financial support of the BMZ at the end of 2015 we started the construction of a water supply system for the small towns of Lemi and Robite in the Wogdi project area. Up until now only 18.5% of the more than 5,800 inhabitants of the two towns had access to clean water. When the system is completed

in 2017, clean drinking water will be available to all inhabitants.

In the field of Education we will continue our school construction programme in 2016: construction work is to be continued or started on 25 schools. Because more and more young people are assailing the job market on account of the population growth and urgently require qualifications, we are pressing ahead with the construction of technical and vocational education and training centres (TVET). A large portion of them are planned outside our regular project areas, and for this reason we are seeking companies from Germany and Europe who will support the work through donations.

Strengthening the social status of women remains a crucial issue in our project work. Courses of training in various different skilled trades and instruction for business founders help them to generate additional income of their own, and preparatory courses prior to taking out micro credits continue.

At the beginning of 2016 we extended the emergency aid being providing in the Agarfa region since November 2015 to include 32,500 people. Continued

emergency aid depends on how the rainy season 2016 turns out.

All our activities are oriented to the long term; we develop whole regions, in all spheres of life. Thus we are engaged in a project area for an average of 15 years. To enable us to achieve the goals we set ourselves and fulfil the agreements made with the Ethiopian authorities in 2016, and thus to operate sustainably, the formation of financial reserves is of critical importance. We therefore prepare a five-year financial plan for each of the projects. The updated forecast indicates funding requirements of 41 million euros (1,232,457,851 Ethiopian Birr). For this purpose, reserves of 24 million euros will be formed. The difference to the calculated funding requirements will be balanced out by further donations and other revenue.

ORGANISATIONAL MEASURES

Since 2014 we have successively implemented new software to simplify donation management and accounting, and make the use of donations more transparent. It enables us to continue Karlheinz Böhm's life work according to his will, at the same time satisfying the constantly increasing requirements for modern, professional development cooperation and end-to-end transparency for donors. Our aim is to further improve the transparency and efficiency of our work in Germany as well as in Ethiopia.

RISKS

PROJECT RISKS

Particularly in Ethiopia, our work may be negatively influenced by various factors. In many activities, for example, we are dependent on the weather. A long rainy season may delay the construction of roads, schools and water points in our project areas, or render planned soil conservation measures partly impossible. Droughts, like the current one, make unscheduled relief efforts necessary. Due to our many years of experience in Ethiopia we are able to respond well to such events.

Bottlenecks will always be experienced in the procurement of concrete or steel on the global market. We attempt to minimize this risk by stockpiling at low prices.

Even though Ethiopia is considered to be a stable country at the Horn of Africa, internal political disputes, as at the end of 2015, cannot be ruled out. They have a direct effect on our work in the project

areas, for instance when major access roads become unsafe for travel. In addition, the fringes of the country, such as the border zone to Somalia, Sudan, Southern Sudan and Eritrea are often exposed to unrest.

Due to the lack of qualified workers we must reckon with employees in our rural project regions leaving us to go to Addis Ababa, among other places, where they can earn more. For this reason we endeavour to bind employees to the Foundation by offering company pension provisions, not usual in Ethiopia, as well as continued training.

PLANNING RISKS

For an organisation with a total workforce of about 750 in Germany and Ethiopia, the estimation of financial risks in planning is of great significance. All planned expenses and activities are regularly reviewed and updated. A constant risk is the strongly fluctuating exchange rate between the Ethiopian Birr and the euro, since project costs are calculated in

birr and the profit & loss account is prepared in euros. Our expenses in Ethiopia are therefore planned conservatively. For 2016 we anticipate a relatively currency stable exchange rate and an inflation rate of 9.6%.

OUTLOOK

Ethiopia is striving to become a 'middle income country' by 2025. Droughts like that of the last months constitute a serious setback on this path. But the country has shown that it has learned from past famines. A portion of the emergency aid was covered by the government from its own reserves. The current Ethiopian Development Plan, oriented to the new sustainability goals of the United Nations, proposes a continued transition from an agricultural economy to a strengthened service sector and manufacturing industry. Well-trained young people will be needed for the purpose. Our focus for the next years will thus lie more on professional training and further education in rural areas.

FINANCIAL PLANNING 2016

| | € '000 |
|---|---------------|
| Donations | |
| from Germany | 10,900 |
| from Austria | 2,900 |
| from Belgium | 188 |
| Interest and income from | |
| Securities and fixed deposits | 300 |
| TOTAL REVENUE | 14,288 |
| Project funding | |
| 1. Sustainable land management | 2,989 |
| 2. Water projects | 1,001 |
| 3. Education | 3,759 |
| 4. Health | 1,170 |
| 5. Human development | 970 |
| TOTAL PROJECT FUNDING | 9,889 |
| TOTAL PROJECT FUNDING PLUS ADMINISTRATION | 12,106 |
| Project support | 900 |
| Campaigning, educational and awareness-raising work | 511 |
| General public relations work | 1,819 |
| Administration | 527 |
| TOTAL EXPENSES | 15,863 |
| ADDITIONAL EXPENDITURE | 1,575 |
| Reduction of reserves | -1,575 |
| YEAR-END RESULT | 0 |