



**Menschen
für
Menschen**

Karlheinz Böhm's Äthiopienhilfe

'17

ANNUAL REPORT

PIONEERING SPIRIT
Escape from unemployment
> Page 16

APPLE GROWERS Healthy diversity
in the field > Page 22

DRINKING WATER Supply system
for two small towns > Page 24



MENSCHEN FÜR MENSCHEN

Menschen für Menschen was brought into being by the famous actor Karlheinz Böhm in 1981. Devastated by reports on the catastrophic famine in the Sahel Zone, he used his popularity in an effort to help. His legendary bet on the ZDF TV show "Wetten, dass..?" yielded 1.2 million German marks for the people in Africa. Since this time our organisation has been committed to achieving a sustained improvement of the living conditions in rural Ethiopia, and campaigns for a spirit of partnership in a united world. We attach a high level of importance to political and denominational neutrality. Today *Menschen für Menschen* is represented by independent organisations in Germany, Austria and Belgium. Our office in Addis Ababa, operated by *Menschen für Menschen* Germany, coordinates the project work on site and implements it on behalf of all country organisations. The projects are financed with the funds of all European organisations.

OUR VISION

In a time in which injustice and conflicts result in growing insecurity, we believe that each of us is able to make a contribution to changing the world for the better. We envision a world in which poverty has been eradicated and everyone has a fair opportunity for self-development.

OUR MISSION

Menschen für Menschen offers everyone who strives for a better world an opportunity to help the men, women and children in Ethiopia to shape their present and future living conditions through their own efforts. In our project regions we have shown that joint efforts together with the population of Ethiopia lead to better living conditions in the long term. We will not give up until the people no longer need us.

In this report we present the work of the German Foundation and projects commissioned by the country organisations in 2017, and document the allocation of funds entrusted to us.

Title: When a firm grip is needed: one of the workers who are laying the foundation of the Green Innovation Centre in Dano, tames the water flow.

"Development aid never functions from above or outside, but from inside, together, in a joint process."

Karlheinz Böhm (1928–2014)



Dear Readers,

Again in the past year the news from Ethiopia has conveyed an uneven picture. On the one hand, the country appears to be looking self-assuredly into the future with a booming economy and is committed to modernisation with major infrastructure projects. On the other hand, Ethiopia is still one of the world's least developed countries. Political unrest and conflict between ethnic groups are repeatedly rocking the country and adversely affecting our work (see page 14).

About 30% of the population still live below the absolute poverty level. In particular the people in remote rural regions have hitherto been largely cut off from the positive dynamism that is gripping Ethiopia. Parallel to this, the available arable land is dwindling due to the strong population growth. Evidence of this is to be seen in the dramatically high youth unemployment. The lack of perspective results in considerable frustration, and this atmosphere of despair encourages rural-urban migration. The turmoil that has swept the country is fuelled by profound social conflicts.

As a development organisation that has always seen its work as need-oriented, we align our focal points as necessary in an effort to resolve this situation. We must strive to develop measures that enable even the poorest to participate in the modernisation of the country. One example of this is our new project, the "Green Innovation Centre", that we established in our Dano project region in cooperation with GIZ. By founding of a number of agricultural production and marketing organisations we have succeeded in creating jobs for more than 400 young men and women – and kept the added value at a local level. We have been pursuing a similar goal

with our microcredit programmes, with the help of which more than 27,000 women have achieved financial independence since 1997.

In an effort to make all this possible and foster self-development, the grassroots work in our five priority sectors is as important as ever. That is why we teach smallholders how to diversify and cultivate their fields more sustainably, for example by growing apples (pages 22–23). That is why we secure local supplies of clean drinking water through the construction of water supply systems (pages 24–25) and build bridges over rivers that become deadly obstacles in the rainy season (page 30). Because we acknowledge the importance of education for a self-assured life, for over 20 years we have been training the skilled workers of tomorrow at the ATTC technical college founded by *Menschen für Menschen* (pages 26–27). In remote villages we build schools – no less than 433 of them since 1981 – and support the population with mobile health teams who explain to the children what hygiene has to do with health care (pages 28–29). Grassroots work also means providing support to the orphans who grow up in our Abdii Borii children's home, even after they have left the home, and providing financial support for their education or studies (pages 30–31). And last but not least, it means helping in emergency situations – promptly and unbureaucratically – as during the serious drought that started in 2015 (page 33).

With this kind of approach to development that takes into account the relationships between different problem areas, we obviate the need for rural-urban migration, help to conserve natural ecosystems and, most importantly: we foster hope and strengthen social cohesion, a crucial factor for this potentially rich country at the Horn of Africa.

Without you and your generous support this would not have been possible. Sincere thanks are due for your trust, as reflected in the once again increased donations and new cooperations (page 38).

We hope you enjoy reading this report.

 
Dr Sebastian Brandis Dr Martin Hintermayer


Peter Renner
Directors of the Menschen für Menschen Foundation Germany

KULBIT RIVER, BORENA PROJECT REGION

When a river becomes a deadly obstacle in the rainy season, a bridge can save lives. Our project example demonstrates the benefits it brings: **PAGE 32.**



JELESSA, BORENA PROJECT REGION

Yimam Adem previously had no knowledge of apples. Today he earns well by growing fruit and vegetables, and can offer his family a healthy diet: **PAGES 22–23.**



HARAR

Our ATTC technical college enjoys an excellent reputation nationwide. Those who complete their studies are almost assured of a job: **PAGES 26–27.**



LEMI AND ROBITE, WOGDI PROJECT REGION

No more endless walking: We explain how a water supply system changed life in two small towns: **PAGES 24–25.**



ADDIS ABABA

Abraham Itefa wants to be a camera man. As an orphan, that is not an easy path for him to take. **SEE PAGES 30–31.**



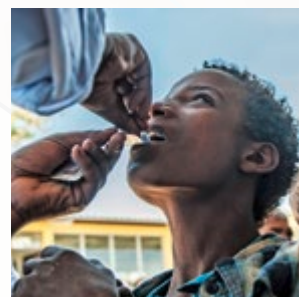
METTU, FORMER ILLUBABOR PROJECT REGION

Independent experts evaluate our projects to verify their sustainability. The Abdii Borii children's home is an example: **PAGE 11.**



DANO PROJECT REGION

In our report we explain how business start-ups help young people to find work, so that profits stay in the region: **PAGES 16–19.**



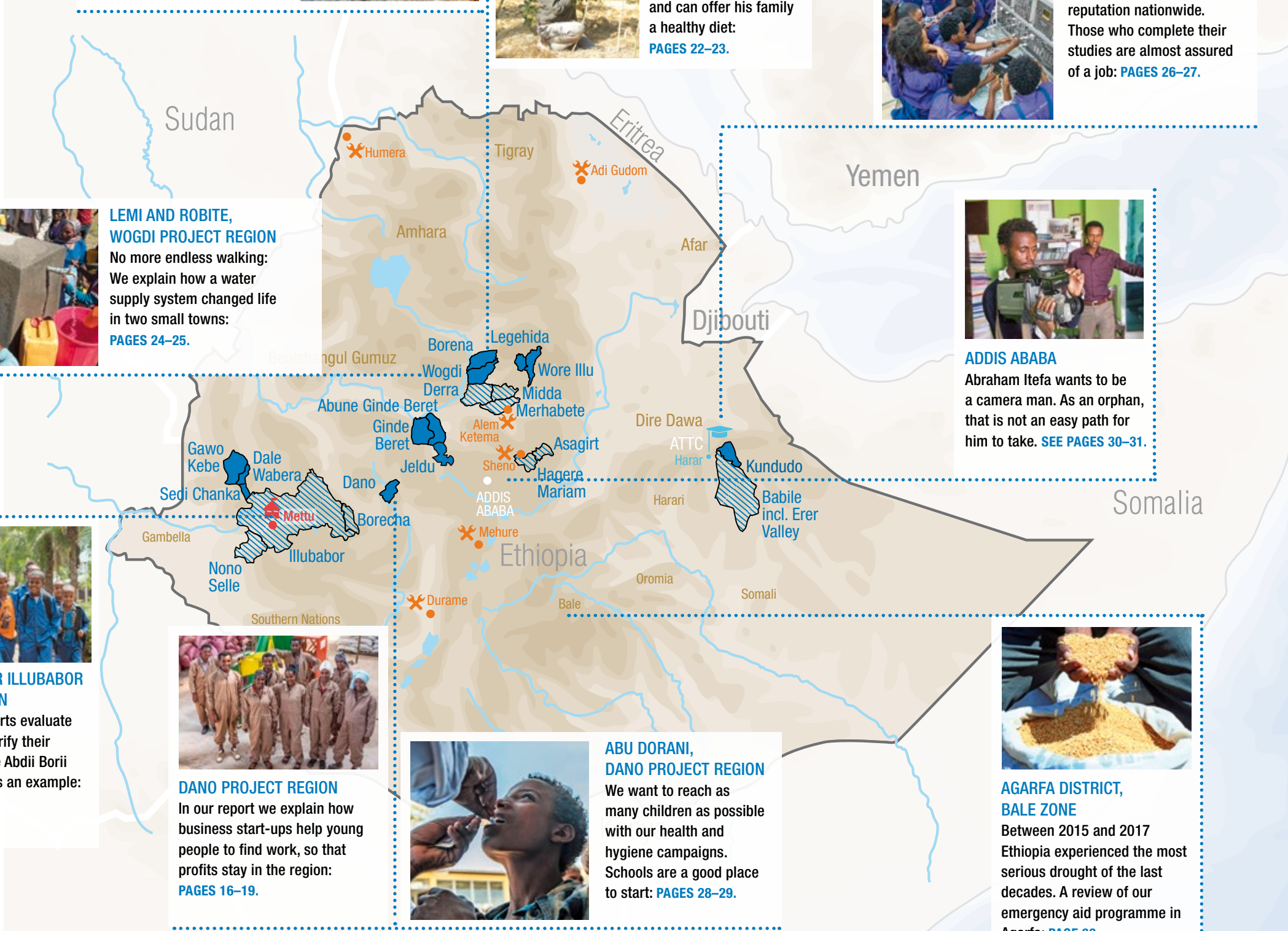
ABU DORANI, DANO PROJECT REGION

We want to reach as many children as possible with our health and hygiene campaigns. Schools are a good place to start: **PAGES 28–29.**



AGARFA DISTRICT, BALE ZONE

Between 2015 and 2017 Ethiopia experienced the most serious drought of the last decades. A review of our emergency aid programme in Agarfa: **PAGE 33.**



- Integrated rural development projects
- Development projects handed over to the population
- ABCH Abdii Borii children's home (Mettu)
- TVET vocational training centre (Technical and Vocational Education and Training)
- ATTC Agro Technical and Technology College (Harar)

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We strive to preserve the world's forests. The FSC®-certified paper used satisfies the environmental and socially relevant criteria of the FSC.

2017 Performance Review

The following provides an overview of what we have achieved during the reporting year in the five focal areas of our work. Further key figures and the stories behind them can be found starting on page 14.

AGRICULTURE

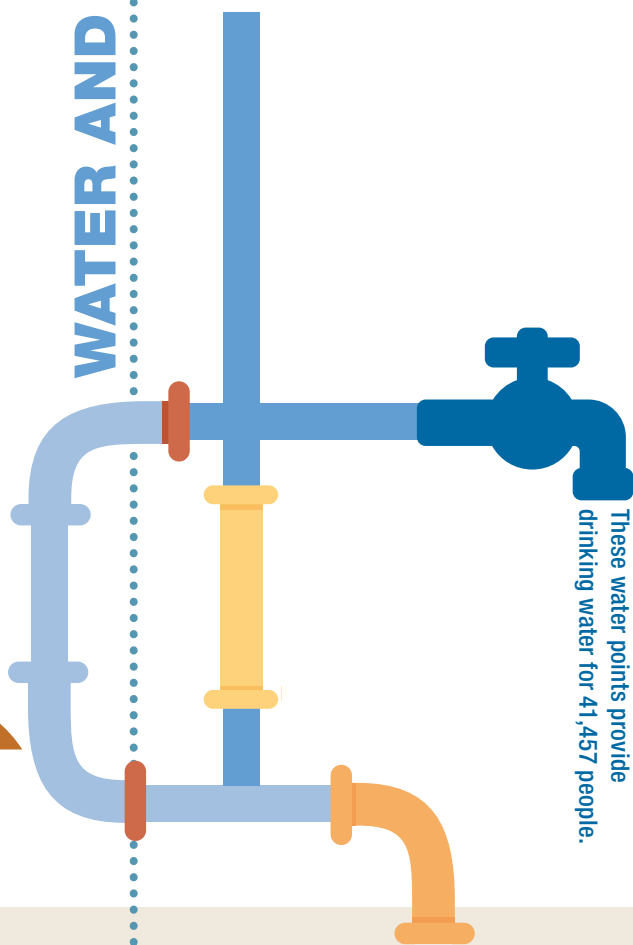
Agricultural training courses held for **7,931** participants



Vegetables are essential for well-balanced nutrition - but their cultivation is unknown to many Ethiopian smallholders.

WATER AND HYGIENE

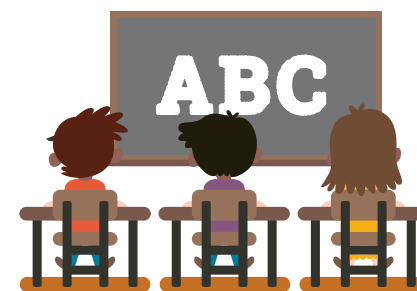
132 handdug wells and spring developments constructed



These water points provide drinking water for 41,457 people.

EDUCATION

15 new schools constructed for 16,062 children



HEALTH

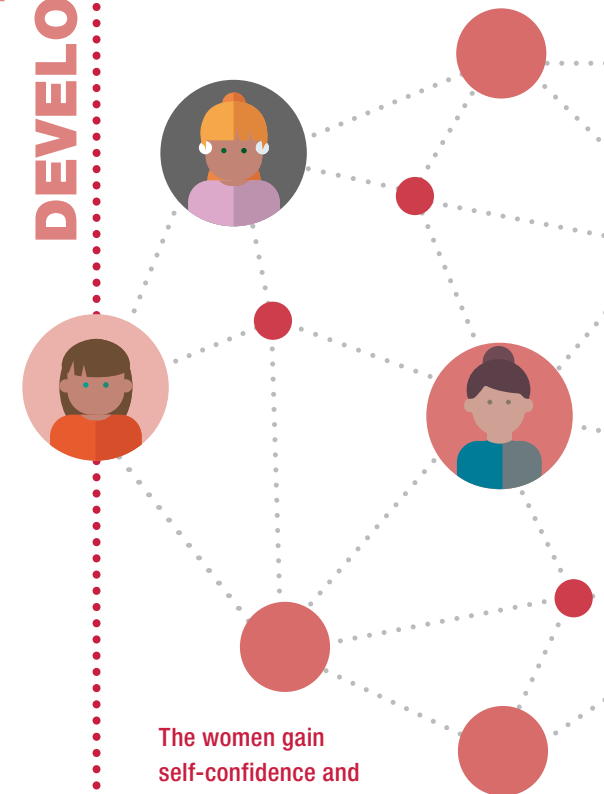
2,443 eye operations performed



Every operation saves eyesight

HUMAN DEVELOPMENT

915 women admitted to new microcredit associations



The women gain self-confidence and reduce their dependence on their husbands.

Further milestones:

- 1,653 kilometres of soil bunds constructed for protecting against erosion
- 2,001 modern beehives distributed
- 6,621 hectares of land reforested

- Water supply system for two small towns completed
- 940 members of WaSH committees* trained

* Local committees who are responsible for the maintenance of wells and sanitary provision.

- Literacy courses held for 19,398 adults
- 178 graduates leave the ATTC technical college with a bachelor's degree

- 39 information sessions on HIV/AIDS held
- Voluntary HIV/AIDS tests and advice for 27,231 people
- 29,838 children immunised

- 100 women admitted to craft training courses
- 4,858 women trained in home economics (incl. sewing, hygiene, health, vegetable growing)

Strategy and goals

OUR COMMITMENT

Our Foundation strives to enable the people of rural Ethiopia to improve their living conditions by their own efforts within a foreseeable time-frame. Our vision is that one day Ethiopia will no longer need outside assistance. At the same time, we want to sensitise Europeans to the critical situation of the 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 to 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.

OUR FOCAL AREAS



SUSTAINABLE LAND MANAGEMENT

Food security by means of improved agricultural and husbandry methods, in combination with terracing and reforestation to combat soil erosion.



WATER, SANITATION AND HYGIENE

Construction of Hand dug wells and spring developments to supply the population with clean drinking water; awareness-raising for better hygiene.



EDUCATION

Construction and equipment of schools and training centres; literacy courses to alleviate the educational crisis; operation of a college.



HEALTH

Construction and equipment of health centres to alleviate the problem of inadequate medical care; training of nursing staff and educational campaigns to promote health.



HUMAN DEVELOPMENT

Support for women, youth and young adults in the establishment of small businesses; micro-credit programmes for women; Home economics courses and 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 relief, e.g. in times of famine.

SUSTAINABILITY AS A GUIDING PRINCIPLE

All our projects must be well-founded and oriented to the long-term. They must also continue to exist after our withdrawal. For this reason, we involve 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 in order to avoid external dependencies.



Development consultant Mulu Mergia (left) shows a smallholder how to build a modern beehive.

How we implement development projects

PROJECT MANAGEMENT AND QUALITY ASSURANCE

We set great store by efficient and transparent use of the funds entrusted to us, and want to achieve our development goals through the optimum use of funds. To this end, we have established a project management system that enables precise planning, control and targeted advancement of our projects. The responsibility lies with the specialists at our coordination office (PCO) in Addis Ababa, supported by the regional employees in the project areas.

Each of our integrated rural development projects is broken down into six stages (see next page) to ensure a steady workflow. In addition, we define project-specific performance standards and suitable indicators, which we use to gauge progress during the project. This confirms that we are on course and that our quality standards are being upheld. To give this systematic success monitoring more weight, in 2012 we enlarged our impact monitoring to form a separate field of activity. Besides monitoring and evaluation coordinators, the responsibility in the project regions lies with full-time monitoring and evaluation experts in Munich and Addis Ababa.

Above and beyond internal impact monitoring, we also have the individual project phases and completed projects evaluated. For this purpose, we commission independent external experts, and the Ethiopian authorities regularly perform additional evaluations. The results of these analyses are also an appraisal of our work. Together with the monitoring reports, they are integrated into the programme planning and serve to ensure the continuous development of our projects.



Tsion Yohannes (front) and Petra Pfendtner preparing their evaluation of the Abdii Borii children's home.

IMPACT ANALYSIS

- Determines and evaluates the changes in the people and their environment as a result of our activities (quality, efficiency, sustainability)
- Attention focused on the result chains (see chart next page) with differing emphases

	METHODS	
	MONITORING	EVALUATION
RESPONSIBILITY	internal	external
FOCUS	Inputs, outputs, in part outcomes. What is the state of implementation; what is the ratio of funds used and results, what progress can be determined?	Outcomes, impact, also inputs, outputs. What long-term effects has the project triggered; to what extent were the activities successful (or why not); What can be done better?
GOAL	Determination of changes; project management	Comprehensive inventory at a specific point in time
PROCEDURE	Regular data acquisition (project indicators) and evaluation	Evaluation of monitoring data; additional qualitative and quantitative surveys, e.g. talks with beneficiaries and other stakeholders
TIME	Parallel to the project	On completion of project, phase-out

FUNDAMENTALS

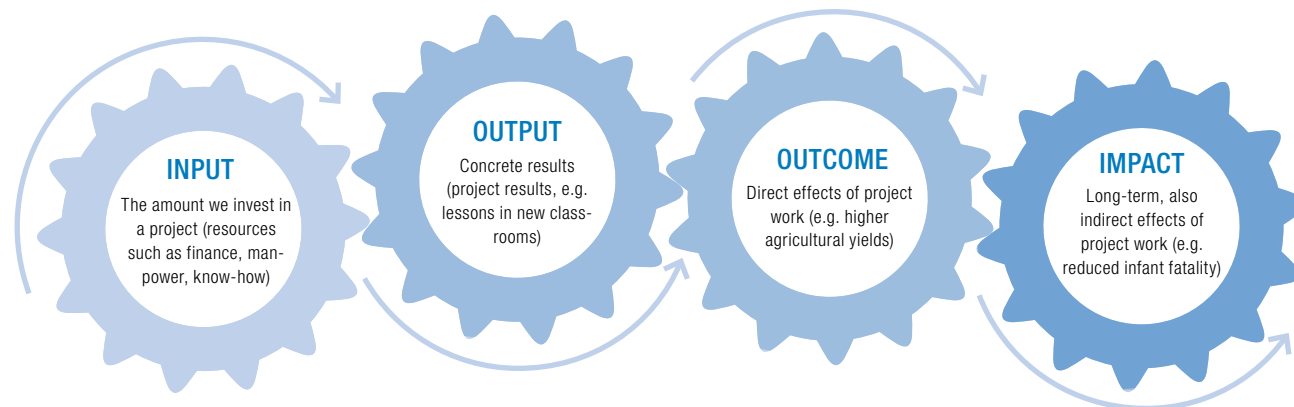
EMPLOYEES IN THE FIELD. About 700 well-trained Ethiopian employees are engaged for us in the project areas. They are familiar with the local conditions and speak the regional dialect. That creates trust and promotes direct exchange with the people who benefit from our projects. As the need arises, we cooperate with other Ethiopian partners (e.g. in construction projects).

LOCAL NEEDS AS A BASELINE. In order to achieve the maximum impact with limited funds, *Menschen für Menschen* plans each project with the greatest of care. The baseline is always the specific local needs that we identify in a process of consultation with the population. By virtue of our integrated approach to project work, involvement of the local population and our long-term commitment, we achieve lasting improvements in their living conditions.

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 visits to the former project areas. We review our activities regularly by systematic monitoring and evaluation (see following pages). This enables us to constantly improve our procedures and secure the long-term success of our projects.

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

RESULT CHAINS



EXEMPLARY INDICATORS

- Courses of training offered
- Quantity of seed distributed
- Number of waterschemes constructed
- Number of farmers who know/use new cultivation methods
- Proportion of the population with access to clean water
- Yield per farmer (before/after)
- Small business income
- Occurrence of infectious diseases
- Average educational or income level
- Health status of the population
- Proportion of malnourished children

PROCEDURE FOR INTEGRATED RURAL DEVELOPMENT PROJECTS

1. PROJECT AREA SELECTION

- Representatives of needy regions enquire
- Preliminary study to determine needs and willingness of the population
- Criteria for entering into the project: urgent needs and high potential

2. PLANNING

- Requirement analysis together with the population (needs assessment study)
- Development of a project schedule
- Approval of the project schedule and requirement analysis by the *Menschen für Menschen* Executive Board
- Outline contract with the Ethiopian government

3. IMPLEMENTATION

- Breakdown of the project schedule into individual phases
- A contract is drawn up with the Ethiopian government for each phase (defines goals, measures, responsibilities)
- Establishment of offices, storage facilities and workshops in the project area as needed
- Supervising project employees live in the project area

4. INTERIM EVALUATION

- by the Ethiopian authorities and independent experts commissioned by us
- Results serve to improve project work and are adopted in the project contracts

5. PHASE-OUT

- Gradual withdrawal from the project area, once the project goals have been achieved
- Handover of the project to the local residents and district administration
- Project employees remain available for support and advice

6. FINAL AND EX-POST EVALUATIONS

- by the Ethiopian government
- Independent experts commissioned by us
- Directly after completion of the project and at least five years thereafter (ex post)

PROJECT EXAMPLE: EVALUATION OF THE ABDII BORII CHILDREN'S HOME



Assessor Tsion Yohannes talks to the little residents of the children's home.

How successful is the children's home Abdii Borii, and are we achieving the respective goals? What can be done better in future? These questions were posed at the outset of a comprehensive evaluation undertaken by an Ethiopian and a German social scientists in August 2017. For this purpose, they analysed data, project schedules and reports, took part as observers in the daily routine of the children's home and interviewed numerous individuals: the children and youths themselves, employees of the Foundation and children's home, the director of the home and former occupants. Representatives of the local government and cooperation partners were also interviewed. The experts evaluated the results of these talks and

discussed them with the Abdii Borii team. By this process they acquired a comprehensive picture of the facility, and presented it in the form of a final report to the management and responsible employees of our Foundation.

The results showed that Abdii Borii enjoys an excellent reputation in the region. Its holistic approach, with an eye on the mental and health needs of the children in addition to their scholastic development, makes the facility unique. The authors were confident that the children feel very much at home in the familial organisation. This was also evidenced by the close ties still maintained by ex-home residents. The support has a long-term effect, in that the young people can also

seek advice and financial assistance after moving out and during their education/studies, until such a time as they are able to stand on their own two feet. The experts see a challenge in the biographical burden that the orphaned children bring with them. In their responsibility for several children, the housemothers are unable to provide the full psychological and social-educational support as necessary. Almost simultaneously with the evaluation, the ABCH reacted to this with the appointment of a psychologist, who will perform these and other duties. From the point of view of the experts, more individual counselling of the children and more preventive measures would be desirable, insofar as available funds allow.

Ethiopia – economic boom with a dark side

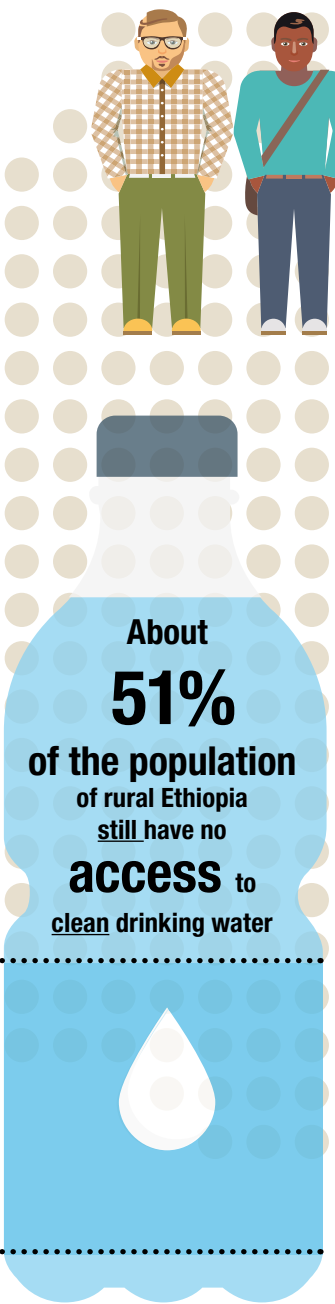
Today Ethiopia is known as the “African Tiger”. The gross domestic product is growing rapidly. Large concerns, particularly from China and India, are establishing production facilities in the country. This is being accompanied by extensions to the rail and road network, and construction by the Ethiopian government of one of Africa’s largest hydraulic power stations in the form of the Grand Renaissance Dam in the upper reaches of the Nile. The latter is expected to supply the majority of Ethiopia’s energy requirements. Ethiopia is in a process of upheaval. It needs highly skilled workers such as engineers and mechanics. However, to date little evidence of this boom is to be seen in the rural regions of Ethiopia, where most people still live as subsistence farmers on the land, reliant on the next harvest and constantly threatened by droughts and acute hardship. *Menschen für Menschen* is committed to helping these people and improving their living conditions.

Only about **12%** of the Ethiopian surface area is afforested. In Germany the figure is about **31%.**

Only 100 years ago about 40% of Ethiopia was covered with forest. Extensive agriculture and the increasing demand for firewood have caused a drastic reduction in this coverage. *Menschen für Menschen* is committed to restoring the forest in order to protect the soil and groundwater.

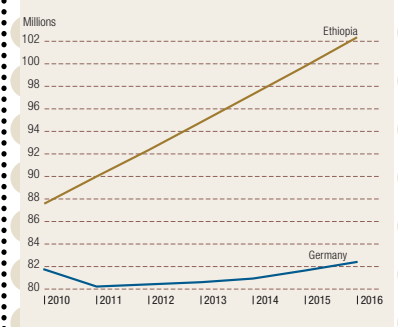
CLEAN WATER

Since the beginning of its development work in Ethiopia in 1981 *Menschen für Menschen* has constructed more than 2,400 water schemes with drinking water quality. In addition, it has completed five water supply systems for six rural towns. The local population takes responsibility for the careful treatment and maintenance of the systems. For this purpose we train the members of so-called WaSH Committees.

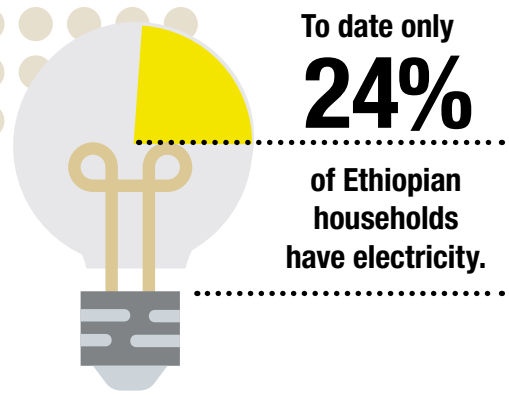
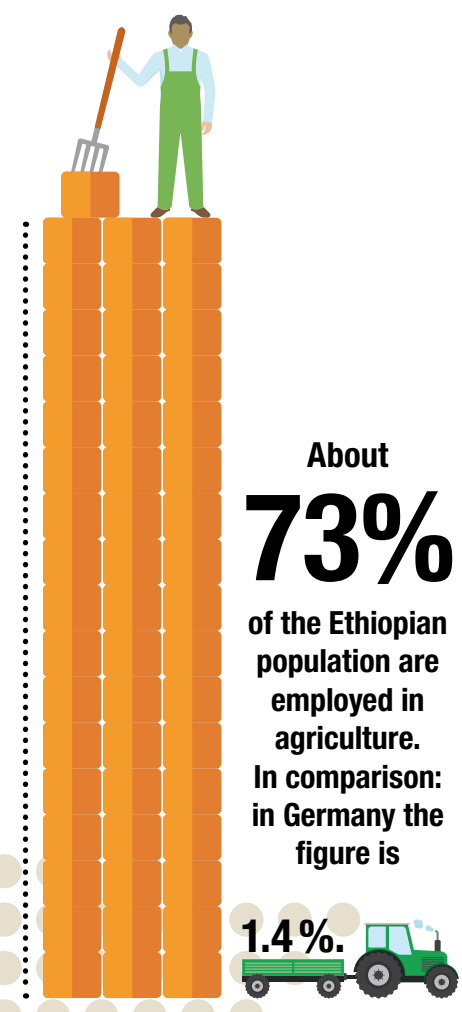


YOUNG POPULATION

In terms of population, Ethiopia is a young country – that is clearly evidenced by a comparison with Germany, where the median age (i.e. half the people are younger than this age, half are older) is almost 46 years. In Ethiopia the median age is under 19 years. The substantially higher fertility rate in Ethiopia (almost 5 children per woman versus 1.45 in Germany) and a lower average life expectancy (62.6 versus 80.9 years) are essential factors.

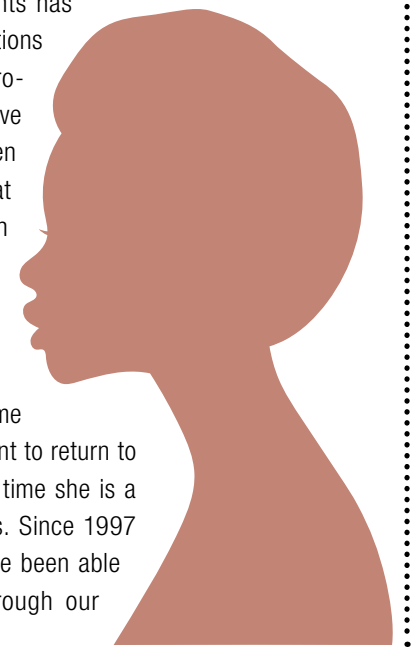


Population growth (see chart) in Germany between 2010 and 2015 was 0.2%. Without immigration the population would have declined. In the same period Ethiopia’s population grew by an annual average of 2.6%.



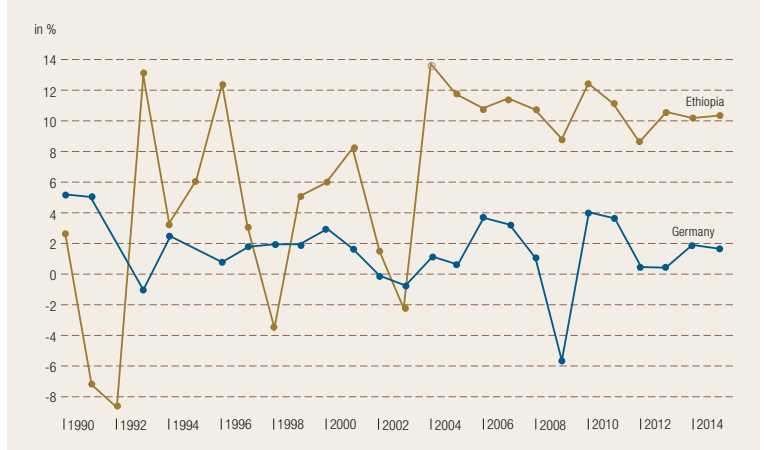
WOMEN TO THE FORE

Gender equality continues to be an issue around the world. For this reason the strengthening of women’s rights has become one of the United Nations development goals. Our micro-credit programmes are illustrative of the changes that occur when women take their future and that of their families into their own hands. They are directed at the women of rural Ethiopia, where the dependence on men is often particularly prevalent. Once a woman has ventured to become an entrepreneur, she is reluctant to return to her previous life. At the same time she is a role model for adolescent girls. Since 1997 more than 27,000 women have been able to access micro credits through our programmes.



RAPID ECONOMIC GROWTH

Annual growth of the gross domestic product in %.



Source: World Bank, UN Population Division, WHO (Global Health Observatory), World Factbook.

Activities and results in 2017

In 2017 *Menschen für Menschen* carried out rural development projects in twelve areas. In addition, we continued to maintain the Abdii Borii children's home (ABCH) in Mettu and the Agro Technical and Technology College (ATTC) in Harar, which celebrated its 25th anniversary in 2017. Since its founding, 1,970 students have acquired their bachelor's degree in any one of four branches of training. In the reporting year, our project work was adversely affected by the political unrest in Ethiopia. We were repeatedly obliged to interrupt our activities due to ongoing protests against the government, associated road blocks and the state of emergency declared in October. Material for school

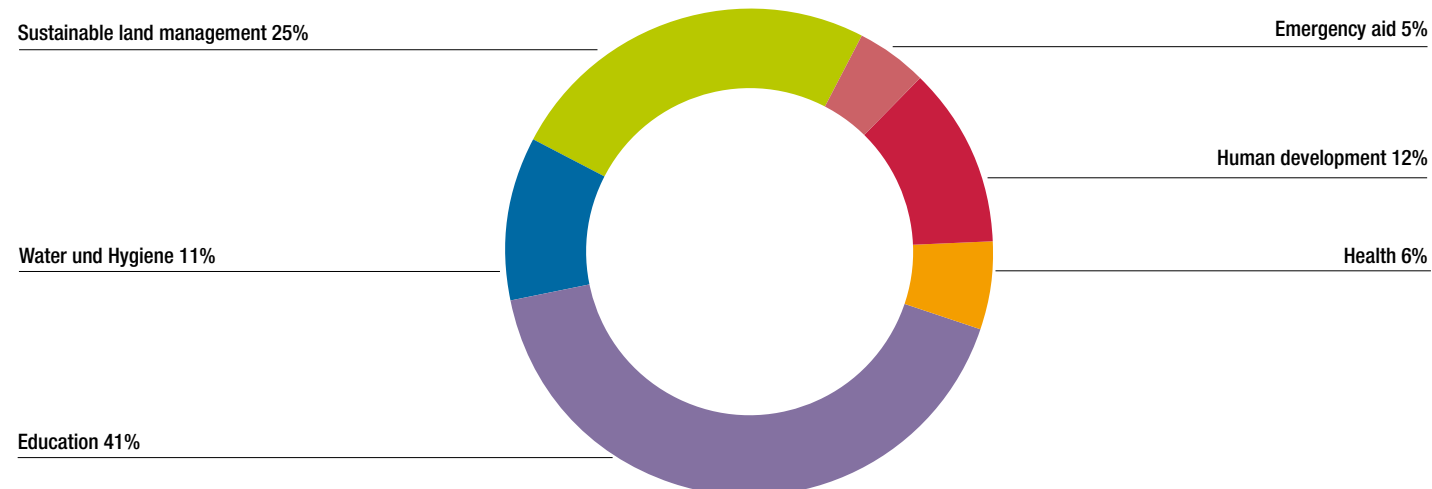
buildings arrived at the building sites with serious delays, training had to be postponed due to the ban on meetings. All this was exacerbated by the often extended interruptions to the Internet in the two regional states of Amhara and Oromia. In October, due to local conflicts we had to suspend our work for several months, in particular in the Mount Kundudo project area. However, since the election of the new Prime Minister Dr. Ahmed Abiy at the beginning of April, the situation has eased somewhat.

Our project work in the Borecha district in the south-west of the country was concluded after 10 years. Several projects, such as the construction

of a bridge and a school, will be completed in 2018. In 2017, after two years of drought, rich harvests were again reaped in large parts of the country. The lack of rain persisted only in the east (Afar) and south-east (Somali region). In August *Menschen für Menschen* terminated its emergency aid programme in the Agarfa region.

Menschen für Menschen allocated funds totalling about 13.8 million euros (previous year 15.1 million euros) to project work in Ethiopia in 2017. The majority of the funds – 9.8 million euros (previous year: 11.6 million euros) – were contributed by the German Foundation.

Project expenditure in Ethiopia by focal area



NOTES ON TABLE ON PAGE 15

Integrated rural development projects

- Abune Ginde Beret, Ginde Beret, Derra and Jeldu: the projects are funded and commissioned by *Menschen für Menschen* Austria.

Infrastructure projects

- In these regions *Menschen für Menschen* has implemented individual or multiple infrastructure measures. These include the construction of roads, health centres, water schemes and schools. The work was organised from the adjoining project areas.

Individual projects

- Construction of educational facilities outside the project regions: organized by the employees of adjoining projects and PCO in Addis Ababa.

Project support

- The Project Coordination Office in Addis Ababa, as well as the development cooperation and purchasing staff in Munich are primarily responsible for project support.

Project regions	Size in km ²	Project term	Employees	Population supported	Expenditure 2017 in euros
PROJECT FUNDING					
<i>Integrated rural development projects</i>					
Borecha	960	2007	28	85,019	378,163
Borena	980	2011	53	180,000	860,256
Ginde Beret	1,200	2011	47	130,917	1,031,262
Abune Ginde Beret	1,360	2012	30	126,377	880,425
Wogdi	1,122	2013	42	147,056	875,158
Dano	659	2013	84	114,629	1,726,468
Dale Wabera	1,132	2013	51	121,951	532,403
Legehida (2011–2013 Infrastructure project, managed from Wore Illu)	429	2014	0	82,834	212,994
Wore Illu (2011–2013 Infrastructure project)	683	2014	39	118,851	317,770
Gawo Kebe	975	2016	14	31,000	234,867
Kundudo (2012–2015 Reforestation project)	144	2016	9	54,821	231,434
Jeldu	1,394	2017	23	51,846	431,195
<i>Integrated rural development projects (completed)</i>					
Illubabor	32,000	1985–2013	6	1,363,150	28,207
Merhabete	1,210	1992–2009	0	137,570	0
Derra	1,500	1997–2010	0	209,649	6,449
Midda	900	2000–2013	9	101,233	16,125
Babile (Erer Valley 1981–2002)	3,502	2002–2013	0	108,068	0
Nono Selle	2,000	2007–2012	0	26,416	0
Asagirt	437	2007–2015	0	53,845	12,074
Hagere Mariam	752	2008–2015	3	60,055	561
<i>Integrated rural development projects (completed)</i>					
Jamma		2005–2012	0	138,676	0
Jimma		2004–2008	0	139,131	0
Tigray		1992–1996	0	905,127	0
<i>Individual projects</i>					
Abdii Borii Children's Home (ABCH) (125 children in home, 31 in education, 208 independent)		1996	58	369	377,099
Agro Technical and Technology College (ATTC)		1992	146	713	1,005,670
Emergency aid				32,500	586,235
Construction of educational facilities outside the project areas and miscellaneous projects		2007	0	825,999	1,645,014
Project Coordination Office (PCO) Addis Ababa and Central stock movement			63		2,435,959
TOTAL PROJECT FUNDING					13,825,797
THEREOF PROJECT FUNDING BY THE AUSTRIAN ASSOCIATION					3,976,000

REPORT

Green is for hope

In the Dano project area *Menschen für Menschen* initiated the founding of agricultural production and marketing organisations in cooperation with German Society for International Cooperation (GIZ). Whether it is honey, cooking oil or animal feed: the “Green Innovation Centre” programme helps to boost productivity in agriculture and creates jobs and income in the local area. New local value-added chains ensure that the people benefit from the treasures of their region.

Cooking oil from Niger seed is very popular in Ethiopia.



The location of this start-up is a dusty back yard of about 20 m², carefully laid out with red plastic sheets. Their purpose is to prevent loss of the precious commodity to be processed by the young entrepreneurs – six women and four men – in the next few hours. “The Niger seeds are very light. The slightest gust of wind is enough to scatter it in all directions,” explains Sheleme Jonfe.

Eight-month-old son Adonech is sleeping on the 25-year-old’s arm. Her shift is due to begin soon, and then she will lay the toddler on a blanket in the shade. If he wakes up and cries, she will have to take him on her arm again and breastfeed him. But in this business it is no problem to interrupt her work. Who is to stop her? Sheleme Jonfe, a shy woman who wears the small wooden cross of the country folk around her neck, is not an employee who has to follow orders from a boss. She is one of the founders and proprietors of the business start-up. The village of Ayeru is located a few kilometres from the town of Seyo in the Dano project region, about 230 kilometres west of Addis Ababa. In early 2017 Sheleme Jonfe and nine fellow youngsters came together at the initiative of the *Menschen für Menschen* Foundation to form a cooperative. Their business model is remarkably simple: they buy sacks of Niger seed – the oily seed of the guizotia plant that is used for many purposes in Ethiopia – from farmers in the surrounding area. Then they free the seeds from impurities and sell them to an oil mill.

They called their cooperative “Spring Culture”, perhaps because this founding was the start of a new life for them all. Prior to becoming young entrepreneurs, the women and men

were unemployed – and there were no signs that this situation would soon change. “My husband, our son and I used to subsist on what our small piece of land yielded. But it was never enough,” says Sheleme. “Since we started the cooperative, I can contribute something to the household expenses.”

In the meanwhile the work has started behind her: two men are dragging one of the waist-high 100 kilo sacks from the store room in the yard, opening the stitching and carefully tipping it to one side. The shiny, dark brown Niger seeds pour onto the red foil with a slight hiss. Foreign bodies such as twigs or leaves are then removed from the seeds with a wood framed screen. The second step is more complex. Gradually, Sheleme and the other women shake the seeds in round, woven baskets to separate the chaff. What remains is pure oil seed.

The “Spring Culture” cooperative is part of an initiative that *Menschen für Menschen* has been implementing in the Dano project region together with the GIZ, the German Society for International Cooperation, since the end of 2015. The project has been named the “Green Innovation Centre”, and its purpose is to create agricultural value-added chains, and thus jobs and income in rural areas. In the case of the unprocessed Niger seeds, instead of being transported by truck to the nearest large oil mill, as was earlier the case, today the oilseed stays in Dano, where the oil is extracted in a number of steps. Various fledgling businesses work together closely: besides the “Spring Culture” cooperative there is a further start-up that operates the oil mill.

BENEFITING FROM THE REGION'S POTENTIAL

“Cooking oil made from Niger seed is used in Ethiopia for frying vegetables or meat. It is not exactly cheap – and because of its nutty taste it is often regarded as a delicacy,” says Peter Renner, Executive Director of the Foundation. “The goal of the Green Innovation Centre is that the local people should benefit from this and other treasures of their region.”

Another example is the honey produced by a beekeepers’ cooperative. It is passed on to a cooperative that specializes in freeing it from beeswax. Then other young entrepreneurs package the honey and pass it on to a fourth cooperative that is responsible for marketing. From vegetables and seeds to animal feed: two-and-a-half years after the founding of the Green Innovation Centre in Dano, more than 400 young women and men are organized in different businesses that process agricultural products locally.

“Our task as a Foundation is to support the cooperatives in the start-up phase,” says Peter Renner. We provide them





The oil extraction cooperative has a lot to do: below: Sophia Lachisa (22) at work; left: Executive Director Peter Renner lends a hand.



with start capital and offer them training courses. In addition, we place the necessary infrastructure at their disposal – from the site for their domicile to the motor-powered oil mill." In line with the Foundation's motto "Help for self-development", the goal of the business start-ups is that after the start-up phase they should work autonomously and independently. "They must start to think like entrepreneurs," says Renner. "That means, for example: sustainable management, building up reserves and independently implementing the necessary changes."

The profits of the "Spring Culture" cooperative are easily calculated: they pay the farmers about 54 euros for 100 kilos of uncleaned Niger seeds. They then sell the cleaned seeds for approx. 62 euros per 100 kilo to the cooperative that extracts the oil from the seeds. The profits of 8 euros per 100 kilo remain with Sheleme Jonfe and the others. "Of course, my family needs the money I earn," says Sheleme. But the work means more to her. "Having a job gives me self-confidence." A colleague who was listening added: "Besides which, we women are more independent from our husbands when we earn our own money."



"For me a dream has come true."

Jamal Awol, 25, Cooperative spokesman

themselves. Secondly, they are giving the young generation a perspective. Since the formation of the Menschen für Menschen Foundation the population of Ethiopia has almost tripled from 36 million to 105 million. Today, half of the population is younger than 19 years. This large number of young people represents both a risk and an opportunity. If they are not offered a perspective, it could jeopardize the stability of the country in the medium term. Conversely, the many young Ethiopians represent a great potential for the country and will promote its economic development.

The thirst for action ensuing from such a perspective can be observed on a mound on the fringe of the small town of Seyo. In direct proximity to its local branch office the Menschen für Menschen Foundation established a small business park that effectively became the machine room of the Green Innovation Centre. Sparkling corrugated iron buildings house first and foremost the cooperatives that need large spaces for their production – or who work with expensive machines that must be protected from theft. Some of them separate the honey from beeswax and other impurities, and fill it into jars. Others manufacture animal feed from crop by-products and additives that are rich in nutrients.

In another hall the machines are pounding, and a nutty aroma permeates the air. The Niger seeds that Sheleme Jonfe and the others cleaned in the back yard in Ayeru are being processed to oil by about ten young men and women. Thanks to well-coordinated teamwork it runs like clockwork. While some of them are pouring buckets of Niger seeds into the oil mill, others are filtering the oil that flows out from the other end of the machine. A third group is disposing of the crushed seeds, which are being

FUTURE PERSPECTIVE FOR YOUNG PEOPLE

Boosting agricultural productivity – and at the same time creating jobs in rural areas: the Green Innovation Centre is pursuing a dual goal that may be decisive for Ethiopia's future. Firstly, because smallholders are the key to food security: According to estimates by the Food and Agricultural Organisation of the United Nations (FAO) in Africa and Asia they produce about 70% of local food, in Ethiopia even 90%. By supporting them they are ensuring that in future the people will be able to provide for



Proud of their own business: the team of the animal feed production cooperative (below); left: a colleague on the mixing machine.



mixed into the animal feed in the next building. A fourth uses a funnel to fill the oil into litre bottles, and then it is ready for dispatch.

"For me a dream has come true," says Jamal Awol, his sporting stature clothed in a beige-coloured overall. Like many young adults, the 25-year-old spokesman of the cooperative looks back on the years in which he lacked any form of career perspective. He succumbed to the temptation of the leaves of the khat shrub, an intoxicant that is widespread in some Ethiopian regions. In Seyo he used to sit at the side of the road, chewing khat and simply letting the day pass by. To support himself he sold the leaves. "My parents suffered greatly during this time," he says. "They were afraid I would become a criminal."

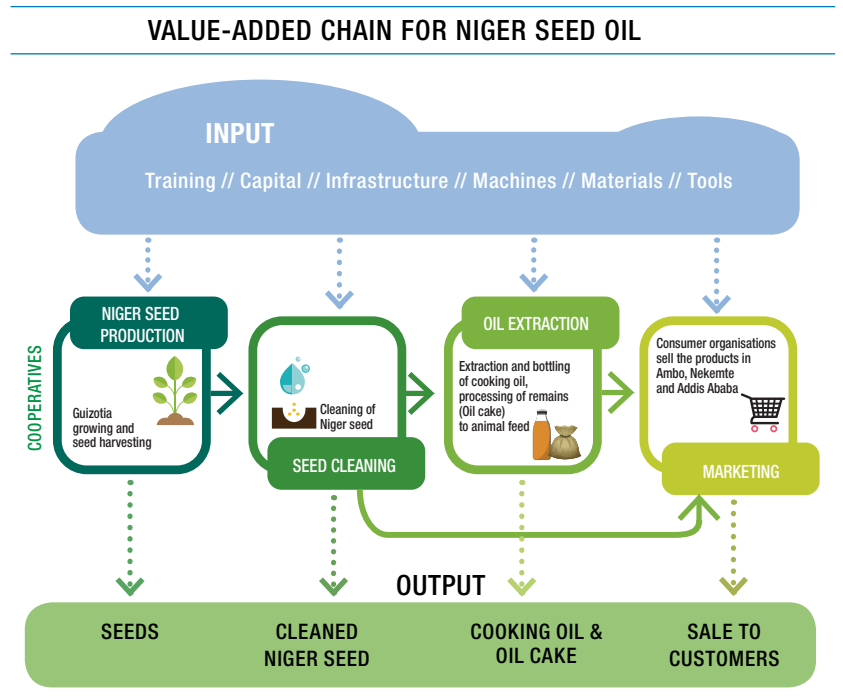
"One day we were approached by men from the mayor's office," says Jamal. "They told us about the plans to establish agricultural cooperatives here." They invited him and the others to a two-day seminar. Retrospectively, Jamal thinks that purpose of the long seminar was to test their will. "Many disappeared after a short while and went back to the khat leaves."

Jamal persisted. He took a series of training courses – ranging from machine operation to accounting. And when the founding of the cooperative was being discussed and they asked him if he wanted to be their spokesman, he did not hesitate for a second. "I used to doze during the day and was unable to sleep at night, because I was worried about my future," he says. "Today it's exactly the opposite: I get up early, work the whole day and have sweet dreams at night. At last I have a goal in life: to make a success of this oil mill."

More about the Green Innovation centre from Menschen für Menschen: https://www.weltohnehung.org/projekte_details/gruen-is-die-hoffnung.html



Last step before it goes to the retailers: filling the honey into labelled jars.



“If we succeed in tapping this potential, we can create prosperity”

The Green Innovation Centre in Dano develops value-added chains in rural areas, thus creating jobs for young men and women. In an interview, Director of Project Implementation, Yilma Taye, and his deputy Bahritu Seyoum talk about the opportunities and challenges of this new initiative.

The Menschen für Menschen Foundation has been engaged in Ethiopia since 1981. How does the new initiative differ from your previous work?

YILMA TAYE: Our priority goal was and is integrated rural development. For this purpose, for the past decades we have been promoting various parallel development initiatives in rural areas. We developed water supplies and improved healthcare provision, provided educational opportunities and promoted sources of income for women. But that only made sense when we succeeded in increasing productivity in agriculture. People must have enough to eat; otherwise all other measures will be ineffective. That still applies today, and at the same time we have to face new challenges as a consequence of the high population growth. Many young men and women remain unemployed after leaving school or university. They return home, but no-one can support them. Most smallholders farm a maximum of two hectares of land. That is enough to feed one family, but what happens when suddenly three or four families have to live off it? That was the situation in the Dano project region, particularly in the fast-growing rural town of Seyo. We told ourselves: We must change that!

How do you approach that challenge?

BAHRITU SEYOUM: We started this initiative by assessing the potential of the area. It is certainly true that poverty is widespread in Dano. But if one takes a closer look, the region is actually rich. Maize, soya beans and oilseed thrive here. Vegetation coverage and biodiversity is rich, and as a result the bees are productive. Livestock breeding is widespread. If we succeed in exploiting this potential, we can create prosperity. Two things are needed for this: increase production and – that is the approach of the Green Innovation Centre – add value to create opportunity at a local level. Up until now the harvests have been simply transported elsewhere and the profits pocketed by the large processing plants. In contrast, we



“People must have enough to eat, otherwise all the other measures will be ineffective.”
Yilma Taye

intend to create jobs for the people who live here and make them entrepreneurs, so that they will benefit from the abundant resources on their doorstep.

What does this added value look like?

YILMA TAYE: Oilseed, for example, used to be collected by middlemen and processed in a big oil mill. We have now established a number of cooperatives consisting of young men and women who clean the seeds, extract the oil and organise the sale.

BAHRITU SEYOUM: Another example is the production of animal feed. We have a group that buys crop by-products and various other components, chops them up and mixes them into a nutritious feed. A further group sells it to farmers and youth groups who

are working on bull fattening. Everyone benefits from such projects: the farmers who sell their crop, the cooperatives that process and sell it – and of course, the livestock, because their animals, which often graze on the barren land, gain weight quickly due to the improved feed. As I already said: the wealth is there, we just need to exploit it.

The newly founded cooperatives bear responsibility. Do the young businesses work reliably?

BAHRITU SEYOUM: The young people we recruited for the cooperatives are incredibly motivated. You only need to put yourself in their position. After school and studies they were unemployed, without a perspective. If we offer them the opportunity to become, for ex-



They brought the Green Innovation Centre in Dano into being: Yilma Taye, Head of Project Implementation (left) and his deputy Bahritu Seyoum (above).

ample, a beekeeper, that is their salvation. Of course, we must provide plenty of support in the starting phase, until they have developed experience. We organise courses of training and monitor them closely in their daily chores. We provide the space and machines, and support them to ensure legality. However, our aim is to eventually make the cooperatives independent, so that they can solve their own problems.

“The young people we recruited for the cooperatives are incredibly motivated.”

What are the challenges to be faced by these start-ups in rural areas?

YILMA TAYE: The power supply is always a problem. For example, a group of young men operates a mobile threshing machine. They take it to the farmers and, for a small fee, assist them in threshing their maize. The machine needs only a few minutes to do the work that previously took hours using wooden rods. However, in the villages there is rarely an electricity supply, so the men must always carry a generator with them, and they must be able to repair the equipment if needed. The aim is for the people to grow with their tasks.

BAHRITU SEYOUM: Another problem is the fluctuating market prices. To give you an example, a cooperative

bought beekeeper’s honey and purified it before passing it on to the next cooperative. But suddenly one day, no-one wanted to sell them honey. The price had risen; traders from another town paid more, so they had to bring their own prices into line. Those who wish to survive on the free market must learn all these unprecedented challenges. In many respects it is a learning process, since it is a pilot project.

What are the next steps for the Green Innovation Centre?

YILMA TAYE: We can now look back on two-and-a-half years in which we achieved a lot. In Seyo we established a small business park on a site placed at our disposal by the government. The second project

“We want to create jobs for the people who live here and make them entrepreneurs, so that they will benefit from the abundant resources on their doorstep.”

Bahritu Seyoum

phase is now due to begin. In the next four years we want to further extend the Green Innovation Centre with the support of the GIZ, and scale up the initiatives we started in animal feed processing and honey production and processing. Our goal is to achieve sustainable growth.

BAHRITU SEYOUM: The opening up of new markets is still a major challenge. At the moment the young people only sell the products in the villages and small towns of the region. However, our long-term goal is to supply supermarkets, e.g. in the capital Addis Ababa, about 230 kilometres east of Dano. We can only do that if we continue to modernise and professionalise the business. The products are already of outstanding quality. But foods that are sold in supermarkets must be regularly tested in laboratories. Added to this, there are exacting regulatory requirements applicable to production, processing and packaging. We are simply not that far advanced, but we are working on it. Once the customers in Addis Ababa have tasted honey from Dano they won’t be satisfied with anything else!



DANO GREEN INNOVATION CENTRE IN FIGURES

- 31 cooperatives
- Value-added chains in five agricultural areas (honey and wax, animal feed, seed propagation, Niger seed oil, fruit and vegetables)
- Jobs created for 423 young adults
- Four times as many people benefit indirectly

Sustainable land management

Smallholders play a key role in Ethiopia's food security: they produce 90% of the agricultural products. But they often reap poor harvests and generate only a meagre income. The consequence: the agrarian country is still reliant on food imports and emergency aid, and the soil is exhausted due to monoculture. In order to change all that, we are encouraging farmers to introduce more productive methods and restructure their smallholdings to yield more nourishing food and enable them to fetch a good price for their products at the market.



Bountiful harvest in the highlands: apples fetch a good price on the market.

PROJECT EXAMPLE

Fruit and vegetable growing in Borena

When Yimam Adem decided to become an apple grower, he had never seen an apple before. "An employee of *Menschen für Menschen* told me about this fruit: that it is delicious and healthy, and I would achieve a high price on the market. I said I would try it," the 45-year-old remembers. He received 20 seedlings from the Foundation and planted them on a piece of land behind his house. That was in 2011. They told him to take care of them and wait. Yimam erected a fence around the field to protect the young apple trees from animals. To prevent the soil from drying out in the dry season he covered the ground with straw and watered the trees.

Yimam Adem lives with his wife Sirka and their seven children in the village of Jelessa in the Borena project area, about 600 kilometres north-east of Addis Ababa. Besides grain, numerous varieties of

fruit and vegetables as well as coffee also flourish here in the Ethiopian highlands. Up until now the farmers lacked the means and know-how to convert from grain farming to other products.

HOW YIMAM WORKS TODAY

The *Menschen für Menschen* project employees showed him that after the rainy period he can plant potatoes, carrots or other vegetables between the trees, in order to use the soil more efficiently. They supplied him with improved wheat seed¹ and showed him how to make compost. "If a farmer decides to cooperate with us, we provide support and advice over a longer period of time," explains Adane Nigus, project manager in the Borena region. The concept of integrated rural development is being pursued by *Menschen für Menschen* in Ethiopia in

order to help smallholders to diversify and increase their agricultural yields. People should be encouraged to grow nutritious vegetables such as potatoes, carrots and beetroot. Furthermore, farmers must be convinced of the benefits of growing fruit or coffee – items that fetch a good price on the market. "Some of the money the farmers earn with these crops can be invested in their smallholdings. The remainder they save for hard times," Adane reports. In 2015 Yimam Adem was able to pick his first apples. These included the popular varieties "Anna", "Princesa" and "Dorsett Golden" which is his personal favourite, "because it's so sweet." Having increased his stock to 60 apple trees, he can now harvest about 1,500 kilos per year. On the market he is paid 60 Ethiopian birr, about 2 euro, per kilo. Wholesalers pay only 50 birr, about 1.65 euros per kilo. But that means increased earnings for Yimam of at least 2,500 euros per year.

¹ Our improved seeds originate for the main part from local agricultural research institutes. We buy from the state-owned Ethiopian Seed Enterprise. All varieties are produced by conventional crossing methods, and not by genetic manipulation. They can be propagated by the farmers themselves.

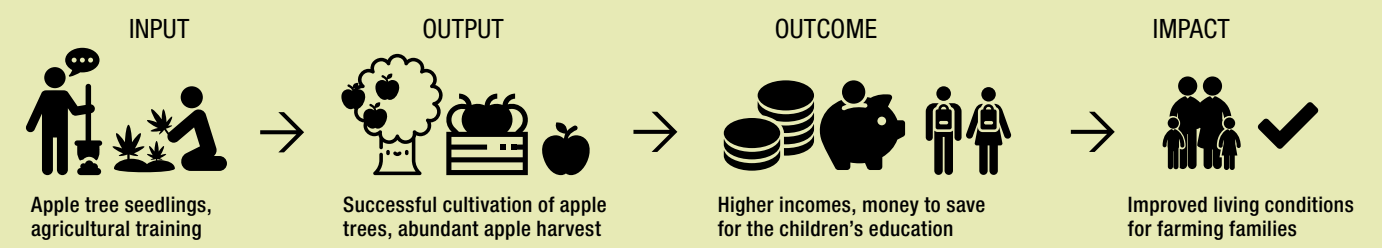


Nutritious vegetables such as beetroot and potatoes are planted between the apple trees.

FUNDS ALLOCATED IN 2017
2,775,426 euros

KEY SUCCESSES:

- 621 hectares of afforestation
- 14.72 million seedlings distributed
- 7,931 farmers received agricultural training
- 501 kilometres of row plantation for soil conservation



"In poor months we used to be reliant on government handouts. Thanks to the apples, that's a thing of the past."

Yimam Adem, apple grower in Borena

RESERVES FOR EDUCATION

"We used to have just enough to feed ourselves and our children," says Yimam. "But every time our harvest was poor or non-existent, we were dependent on government aid." Since the apple trees have been growing in Yimam Adem's garden he is no longer dependent on this state Productive Safety Net Program, by which food is handed out in return for help with infrastructure projects. With the money they earned, he and his wife Sirka Derga have already extended their house and built a separate kitchen hut. But most of that money is being saved to pay for their children's education. The eldest child is 25, and studying to be a teacher; the second-eldest now attends the 11th class.

The eucalyptus trees in front of Yimam Adem are now over 15 metres high. "If I hadn't had the apple trees, I would have had to cut them down to sell the wood," he reflects. Now they are like a

savings book – a reserve for difficult times. But it is not the only source of security, the apple grower proudly adds: "I now also have modest savings at the bank."

WHAT DOES SUPPORT FOR THE SMALLHOLDERS COST?

- Mixed vegetable seeds and training in farming methods, per participant/day: about 17 euros
- 20 mixed fruit tree seedlings: about 20 euros
- Agricultural training for five participants per day: about 35 euros
- Vetiver grass seedlings to counter erosion: about 80 euros

WHAT WE DO

ANNUAL REPORT 2017

Water and hygiene

Access to clean water prevents the spread of dangerous infections – and is at the same time the prerequisite for widespread development in rural Ethiopia. Where the people no longer need to spend many hours each day fetching water from distant sources they can, for example, focus on improving their agricultural yield. Children benefit, in particular, for they have more time and energy for their school education. For this reason, *Menschen für Menschen* provides hand-dug wells, spring developments or entire water supply systems.



Water in abundance! 26 delivery points ensure a reliable supply of drinking water.

PROJECT WORK IN ETHIOPIA

ANNUAL REPORT 2017



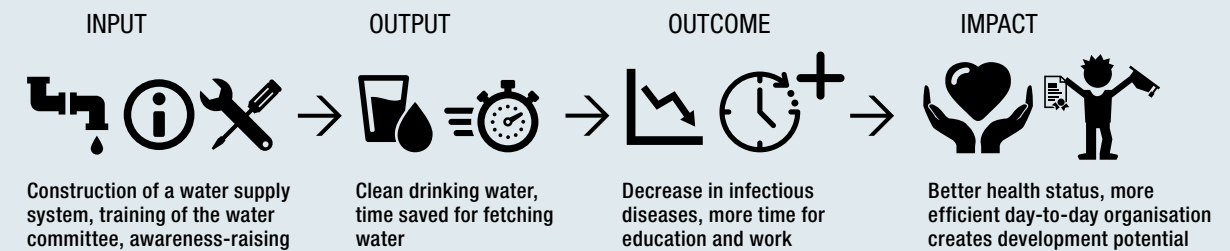
Ayalew Ali (left), treasurer of the water committee and Arega Agegnehu, teacher and chairman of the water committee.

FUNDS ALLOCATED IN 2017
1,217,855 euros

KEY SUCCESSES:

- 56 hand-dug wells constructed
- 76 spring developments constructed
- 1 water supply system completed
- 940 members of WaSH* committees trained

* WaSH stands for water, sanitary supply and hygiene



PROJECT EXAMPLE

Water supply system for the rural towns of Lemi and Robite

Zahara Hassan used to start the day with a long trek. After breakfast the 16-year-old secured two large jerry cans onto the donkey's back with straps and drove it to a spring development that was a reliable source of clean water. It took one hour to get there, then she had to stand in line and spend more than an hour on the return journey. With 40 litres of water on its back, the donkey became slower and slower. "My school lessons started at a quarter past twelve. I always had to hurry, so that I wouldn't come late," Zahara remembers.

She lives with her family in Lemi, a small town in the Wogdi project region. Like the neighbouring Robite, it has grown rapidly in the last decades – and

continues to grow. Today almost 6,000 people live in the two localities; four years ago the figure was around 4,500. As a consequence of the strong population growth, the existing infrastructure is no longer adequate. Particularly the central well, dug about 30 metres deep into the ground in the late 1980s, regularly dries up as a result of intensive use.

"The situation was very tense," says Shimbra Mulugeta, development agent at *Menschen für Menschen*. The inhabitants of Lemi and Robite had to walk for several hours each day to fetch water from spring developments in the neighbouring villages. That naturally led to conflicts. Often they were asked to pay for the water. "In their desperation many of



"We involved the people in the construction of the water supply system, to make it clear to them that it is their system... that they must assume responsibility for it."

Shimbra Mulugeta, development agent at *Menschen für Menschen*

them drew their supplies from rivers or ponds from which the cattle had also been drinking," says Shimbra. There was an acute risk of water borne diseases.

TODAY'S SITUATION

Today, when Zahara Hassan and the other inhabitants of Lemi and Robite need water, they have to walk with their jerry cans no more than a few hundred metres – to one of the 26 new delivery points constructed by *Menschen für Menschen* in the two towns. The system is supplied from a new 72-metre deep drill hole constructed about 200 metres from the old well. From here the water is fed by a huge pump to a large reservoir about three kilometres away. The 200,000-litre concrete tank stands on a nearby hill – enough to supply the people of Lemi and Robite with clean water for more than a day. The reservoir refills overnight. *Menschen für Menschen* constructed the wells, reservoir and machinery with funds from the Federal Ministry for Economic Cooperation and

Development (BMZ). The inhabitants of Lemi and Robite actively helped with the construction of the pipelines from the well to the reservoir and back to the water points. They dug trenches to a total length of 14 kilometres for water pipes. "We involved the people in the construction of the water supply system, to make it clear to them that it is their system, and that they must assume the responsibility for it," explains Shimbra Mulugeta.

LOCAL WATER COMMITTEE

It is a responsibility that also extends to the ongoing operation: upkeep, maintenance and repair of the system are organized by an elected nine-member water committee. "We have recurring expenses for plumbers and mechanics, as well as spare parts and chlorine for mixing into the water," says Arega Agegnehu. The 45-year-old is chairman of the committee, whose duties also include collecting a fee from everyone who uses the water. Following negotiations, a

price of 0.50 Ethiopian birr, less than 1 eurocent, for 20 litres was agreed upon. "The water is still free of charge," Arega Agegnehu emphasizes, "but if we want this technology to still work tomorrow, we must all make a contribution."

WHAT DOES THE SUPPLY OF CLEAN WATER COST?

- Comprehensive water supply systems in Lemi and Robite: about 502,300 euros
- Hand dug well: about 2,500 euros
- Spring development depending on components (showers, washing places, cattle troughs, night reservoirs): 3,000 to 7,500 euros

Education

Particularly in the rural areas of Ethiopia, many individuals have no access to a quality education. 43% of the men and 59% of women cannot read or write. In order to change that, *Menschen für Menschen* takes an overall view of the educational condition. Besides general schools, we build vocational training centres in remote regions and operate a technical college in the form of the ATTC. Functional literacy courses for adults round off the choice.



Circuit diagrams for the future: students of electrical engineering.



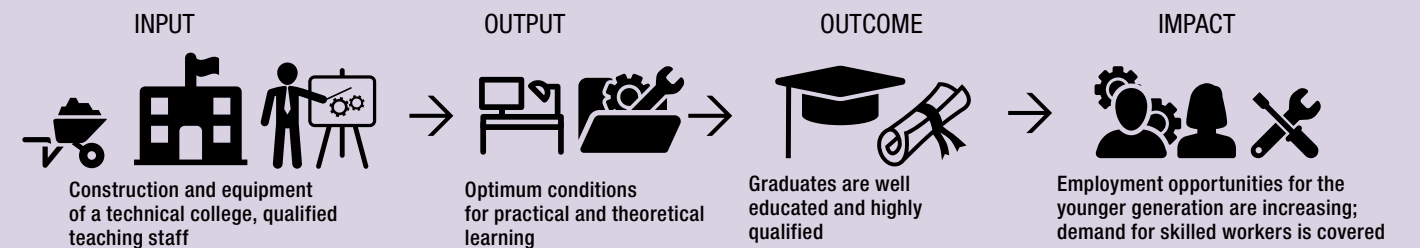
Studying books in the well-equipped library (left), sound preparation for practical application, e.g. in automotive technology (right).

FUNDS ALLOCATED IN 2017

4,698,060 euros

KEY SUCCESSES:

- 178 bachelor graduates and ATTC graduates
- 19,398 adults participated in functional literacy courses.
- 15 school buildings completed for a total of 16,062 pupils



PROJECT EXAMPLE

Agro Technical and Technology College (ATTC) in Harar

Fantayitu Baye is closely concentrating on the wiring diagram of a transmitter that she has been asked to reconstruct in this lesson: no problem for the 21-year-old budding electrical engineer. Under the scrutiny of her fellow students at the ATTC she deftly solders wires, resistors, transformer and other components on the PCB. At the conclusion of the test: the circuit works! "I am quite adept," she claims unabashedly. "Maybe that's why I was interested in this subject. The more complicated the circuit, the more pleasure it gives me to construct it." In a few months Fantayitu will have her bachelor's degree in her hands. "My dream is to work at Ethio Telekom," she says.

The prospects are good: graduates of the ATTC in Harar, funded and operated by *Menschen für Menschen*, are in great demand in Ethiopia. "We place great emphasis on a consistently practical approach. That distinguishes us from many state-run

colleges and universities," explains Professor Donnchadh MacCárthaigh, who has directed the ATTC since 2015. Prior to that, the 68-year-old lectured in Forestry at the College of Applied Sciences Weihenstephan-Triesdorf in Freising near Munich. He was also employed at the state technical university in Adama, Ethiopia. "The ATTC is unique among vocational colleges in Ethiopia," of that MacCárthaigh is certain.

NATIONWIDE REPUTATION

Interest is at a correspondingly high level. Each year about 1,500 applications are received for a total of 220 student places. There is a choice of four-year bachelor study courses in electric and electronic technology, manufacturing technology and automotive technology. The fourth degree course, agroecology, is already completed after three years with the

bachelor's degree. The approx. 750 students – almost 26% of them women – not only study at the ATTC: they also live there. In addition to training workshops and seminar rooms, the extensive college campus embraces halls of residence, a canteen, library and a sports ground. "Life on the campus teaches the youngsters to assume responsibility for themselves and others," stresses MacCárthaigh. That is crucial, because in addition to a top professional qualification, employers in search of staff place great value on social competencies.

The priority goal of the *Menschen für Menschen* Foundation when it founded the ATTC in Harar in eastern Ethiopia in 1992 was to pave Ethiopia's path into the future. At that time, progress in the country was tentative. Modernisation and industrialisation were first visible in its capital Addis Ababa. The demand for skilled workers increased. With the ATTC,



"The ATTC in Ethiopia is unique among the vocational colleges."

Prof. Dr. Donnchadh MacCárthaigh

Menschen für Menschen wanted to establish a training centre that was open to young talent regardless of their financial options. As one of the country's best vocational schools, in 1997 it was upgraded to a college by the Ethiopian Ministry of Education. To date the studies are free of charge for all.

SPECIALISED TRAINING – ESCAPE FROM POVERTY

Fantayitu Baye, born as the daughter of a smallholder in a village in the Amhara region in northern Ethiopia, is one of the many young people who may never have studied if it hadn't been for the ATTC. As the eldest of seven siblings, after school she had to look after her brothers and sisters. Despite this, she was a good pupil and after completing her secondary education she asked her parents to give her money for a bus ticket to Harar, more than 1,000 kilometres away. They consented. "The journey took three days," recalls Fantayitu. She arrived just in time, on the

evening before the entrance examinations – and passed. Since she started studying and living at the ATTC she sees her parents and siblings only once a year. "We write letters to each other, but the separation is nevertheless hard for me," says Fantayitu. But she looks to the future with optimism: "I am learning a trade that will give me immense pleasure. And if I can subsequently find a job, I will be able to support my family."

WHAT ARE THE INVESTMENT COSTS IN A SOUND EDUCATION?

- ATTC operating costs (wages, infrastructure) per year: about 1.2 million euros
- Construction of a general school for 1,000 children: about 250,000 euros
- Functional literacy course for 5 adults: about 25 euros

Health

Several days' walk to the doctor: for the population of rural Ethiopia that is nothing unusual. In our striving to improve the standard of medical care we equip health centres in rural areas, train doctors and medical staff and organise immunisation campaigns. Some urgent treatments such as trichiasis operations are performed by our own staff. Prevention and education play a special role – in an effort to improve hygiene.



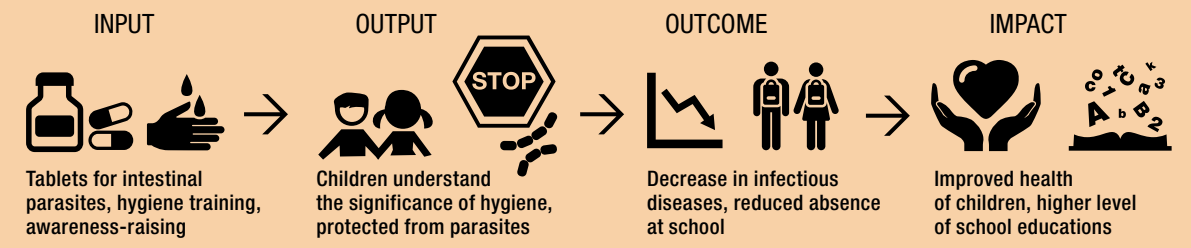
Worm prophylaxis treatment at a school: especially children suffer from intestinal parasites – a result of polluted drinking water.



Trachoma can be effectively treated if recognized at an early stage.

FUNDS ALLOCATED IN 2017
678,628 euros

- KEY SUCCESSES:
- 2,443 trichiasis operations
 - 27,231 voluntary participants in HIV/AIDS tests incl. consultation
 - 35,834 women provided with contraceptives for birth control
 - 29,838 children immunised



PROJECT EXAMPLE

Health care at schools

When Honelet Alemu is asked to tell us about tapeworm, he speaks in a low voice. Maybe that is so that the children playing outside in front of the window will not hear him. The 14-year-old has painful recollections of the time when he suffered from parasites – because of the stomach cramps, but also due to the reactions of his school friends. “They laughed at me and refused to let me join in their game of football,” he says sadly.

Honelet was eight years old when tapeworm was detected. The stomach cramps were followed by diarrhoea; he felt weak and had to stay at home for several weeks. His parents gave him a concoction of garlic, coffee and crushed leaves to drink. “But that hardly helped,” he says.

Up to four years ago many girls and boys at the Abye Gurba village school had a similar story to tell. The drinking water supply in the Wogdi project area was polluted. Many families fetched their water from

streams or springs, from which the cattle had also been drinking. There was an acute danger of acquiring an intestinal parasite.

MOBILE MEDICAL CENTRE TO COMBAT INTESTINAL PARASITES

While Honelet is telling his story, Tegegn Fentaw is assembling his small medical unit in the school yard. Two cardboard boxes with tablets and a can of water – more is not needed to protect the girls and boys from intestinal parasites. One by one, the children come forward with their mouths open. Tegegn drops two tablets inside; then after a gulp of water, the procedure is ended.

Tegegn Fentaw is an employee of the Menschen für Menschen Foundation in the Wogdi project area. Since 2014 he has visited the Abye Gurba village school and other schools in the district twice a year. This time



“In the early stages the disease can be cured with ointment. Later, the only solution is eyelid surgery.”

Belay Chebud, health employee in the Dano project area

about 1,200 girls and boys are on his list. In the next few days they will receive tablets against intestinal parasites.

DAILY WASHING IS VITAL

Prophylaxis is only one of the health care measures that *Menschen für Menschen* implements in its project areas. In addition to awareness-raising campaigns and further education for the staff of state health centres, it also initiates immunisation campaigns for babies, toddlers and pregnant women. One of the focal points is the prevention and treatment of trachoma, an infection of the eyelid that is commonplace in Ethiopia and can result in blindness – in its final stage, trichiasis, the patient’s eyesight can only be saved by means of surgery. The main focus of the campaigns is schools in the project areas.

Like the Abu Dorani village school in the Dano project area. On this Friday morning about 500 girls

and boys have lined up on the school yard. Employees of *Menschen für Menschen*, teachers and representatives of the health authority have placed two powerful agents against infections on the tables: water and soap. One by one, the children approach the tables, lather up their faces and rinse them with water. After almost an hour the last child has completed the procedure.

“Of course, the children are already familiar with water and soap,” says Belay Chebud. He is a health worker at *Menschen für Menschen* in the Dano project area, in which the Foundation has been actively engaged since 2013. “But there is often a lack of clean water in rural areas, and soap is a luxury.” The bacteria that trigger trachoma can spread freely. Washing campaigns as in Abu Dorani are aimed at teaching people that they must take time for daily hygiene. In addition, Belay Chebud examines all boys and girls he suspects of having trachoma. If his suspicion is confirmed, he treats them with an antibiotic ointment and

notes down their names for a follow-up examination. “At an early stage the disease can be treated with ointment. Later, surgery on the eyelid is unavoidable,” says Belay Chebud.

WHAT DOES IMPROVED HEALTH CARE COST?

- Tablets against intestinal parasites for 1,200 pupils per year: about 170 euros
- Hygiene awareness-raising campaign for 1,000 pupils: about 120 euros
- Trichiasis surgery: about 10 euros
- Immunisation against ten often deadly diseases for 10 children: about 5 euros
- Five-day training for medical staff, per participant: about 100 euros

Human development

We have developed special programmes in order to reach the particularly disadvantaged groups in Ethiopian society. We promote and support the professional independence of women, who particularly in rural areas are completely dependent on their husbands. Our Abdii Borii children's home in Mettu offers a new refuge to girls and boys who grow up without parents – either because their father and mother died at an early age, or they are not able to care for their child. In Abdii Borii the children grow up in a family-like environment. With financial support during their education or studies we help to pave their way to independence.



Shortly before her career start: drama student Lense Beri.

PROJECT EXAMPLE Education for orphans

When Lense Beri gets a good grade on a written test, her parents are unable to share in her joy. When she is plagued by problems at the uni, she can't call her mother or father for advice. And when the 23-year-old drama student is standing on stage, her parents will not be in the audience... for they are both dead. Lense can't even remember them anymore. When she was two years old, her parents were involved in a quarrel. Her father became very angry and aggressive, with the result that he killed his wife. He was sent to prison for his crime, where he likewise died. Lense and her little brother – suddenly bereaved of their parents – were brought by members of their village to Abdii Borii children's home and found a new home there.

Karlheinz Böhm, founder of *Menschen für Menschen*, inaugurated the orphanage in the small

town of Mettu, south-western Ethiopia, in 1996. To date 370 girls and boys have been taken in, and are cared for by 58 employees, including social workers, tutors, a nurse and above all the housemothers. Groups of 40 children aged from only a few months to 17 years live together in so-called families; each dormitory accommodates eight of them. The care they receive in the children's home and the closeness in the familial community shape them for life. When Lense moved the 300 kilometres from Mettu to Addis Ababa four years ago, she had no difficulty adjusting to her new life in the student hostel: "Meanwhile, many of my fellow students admire the way I deal with problems in our group, for example that I am quick to forgive others," says Lense, smiling proudly.

She discovered her enthusiasm for theatre and play-acting at an early age. Often she and the other

Abdii Borii children treated visitors to plays and dances. In a few months Lense will complete her bachelor's degree and try to gain a foothold as an actress. "I have been working towards this goal for four years; now it really must work out." Until then her education will be paid for by children's home.

LEARNING TO STAND ON THEIR OWN TWO FEET

All home residents have a right to this support, aimed at facilitating the start into an independent life. Once their schooling has been completed they must leave the Abdii Borii home to free up urgently needed room for new children. Abraham Itefa moved out two years ago. Meanwhile he is studying at the Wollagen College in north-east Addis Ababa and wants to be a cameraman. Now the 19-year-old is holding – still rather

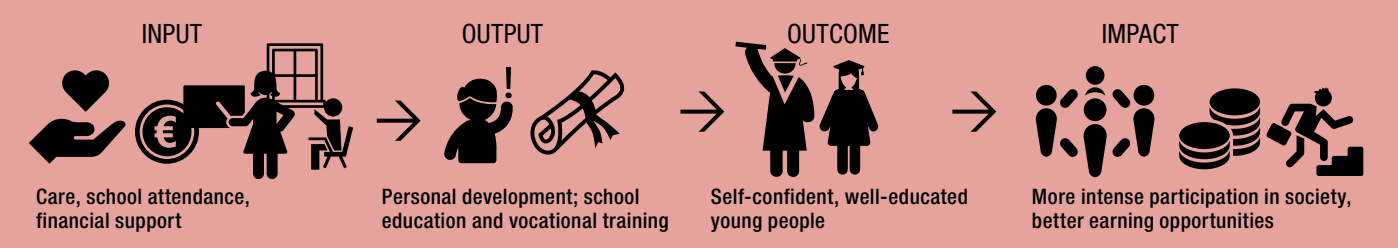


Abraham Itefa is taking a course in camera photography, supported by *Menschen für Menschen*.

FUNDS ALLOCATED IN 2017
1,370,212 euros

KEY SUCCESSES:

- Support for 30 young people in their education or course of studies
- 141 young people from the children's home have completed an education or course of studies



"In Abdii Borii I learnt to appreciate others, to praise and forgive them. Due to this upbringing I am an example for others here at the university."

Lense Beri, student of drama and former child in Abdii Borii.

clumsily – a large video camera in his right hand and looking through the viewfinder. He is standing in the office of his Dekan Mulugeta Muhamed, who explains to him how the camera functions and encourages him to try it for himself. "Each day I learn new things here. I prefer to work under pressure, when I have a deadline," says Abraham, who came to the Abdii Borii home together with his siblings. Their parents had died shortly after one another, and within the space of two years the four children became orphans. At that time Abraham was seven.

In the first few months at Wogagen College he also took obligatory drama courses for camera operators. "It was fun, but I would prefer to make films." Abraham already discovered this fascination as a child. He would roll up paper to form an imaginary lens, and pretended to film his surroundings.

Abraham misses his time at the orphanage, the feeling of security, the many friends. But once a week he talks to his little brothers on the phone. They still live at Abdii Borii, where they attend the fifth and eighth classes. He wishes dearly that they will later be able to join him in Addis Ababa in order to take up a vocational training. *Menschen für Menschen* will also be supporting and accompanying them as they enter into the adult world.

WHAT IS THE COST OF EDUCATION FOR ORPHANS?

- Annual support for accommodation, board, clothing etc.: 500 euros
- Annual pocket money: 200 euros

Infrastructure

In the rainy season unpaved roads in Ethiopia are often transformed into muddy tracks, and rivers become raging torrents. The poor infrastructure cuts people off from medical care, prevents children from going to school and hampers internal trade. To give people a development perspective, *Menschen für Menschen* is actively constructing roads, footpaths and bridges.



In the rainy season the Kulbit River becomes a raging torrent, but the new bridge provides a safe crossing.

PROJECT EXAMPLE

Bridge over the Kulbit

There are days on which, from one moment to the next, whole areas of Ethiopia are submerged under water. That can happen in the "small rainy season", between February and March, or in the "great rainy season" between June and September. The heavens suddenly open and it pours with rain, sometimes for days on end. Unsurfaced roads are quickly transformed into muddy swamp – and peaceful rivers into raging torrents.



Now they have a new bridge, Mahbuba and her friends can reach the school safely in any weather.

Whereas the Kulbit in the Borena project region is more of a rivulet in the dry season, in the rainy season the river may swell to a dangerous level for the farmers who want to sell their grain, vegetables and cattle on the market of the nearest town on the far bank. Or for the sick, who must cross the river on their way to a health centre. In past years many lives have been lost in the Kulbit. One of them was a neighbour to Mahbuba Hussein's family. The 13-year-old remembers the incident well – they and other village children were unable to go to school because of the floods: "That would have been too dangerous."

In the rainy season the lack of bridges in rural Ethiopia is a serious risk to both humans and livestock. In addition, weather-prone roads are a further obstacle to trade, because the population of remote regions is isolated from the markets. *Menschen für Menschen* is therefore developing its project areas with a network of roads and footpaths according to human needs and building bridges over rivers that are difficult to cross.

Days on in which Mahbuba Hussein and the other children from the neighbourhood were prevented from going to school due to the weather are now a thing of



"Since the bridge was built, our way to school is no longer dangerous."

Mahbuba Hussein, 13 years

the past. Since *Menschen für Menschen* constructed with funds from the Federal Ministry for Economic Development and cooperation (BMZ) a sturdy bridge over the Kulbit they can cross the river at all times of the year. To enable the construction to withstand the floods, the banks around the bridge were additionally stabilised with more than 300 wire mesh cages filled with stones, so-called gabions. A new trade route has been created, and intensive use is being made of it.



Emergency aid

Between 2015 and 2017 Ethiopia experienced the worst drought of the past thirty years. Entire crops withered, food supplies dwindled. In these times of dearth the people had to sell their livestock or it perished. *Menschen für Menschen* brought emergency aid to the hungry population of the Agarfa region and was able to help up to 32,500 people.

FUNDS ALLOCATED IN 2017
586,235 euros

KEY SUCCESSES:

- Outbreak of drought-related diseases was prevented
- Malnutrition among children under five years fell from 83% to about 2%
- Undernourishment of pregnant women and breastfeeding mothers fell from 49% to about 1.7%

Fighting hunger

Within the scope of the measures initiated by the Ethiopian government to combat hunger, the emergency aid programme launched by us in October 2015 proposed the distribution of food rations to particularly endangered segments of the population. We followed the general recommendations of the World Food Programme of the United Nations (WFP) and made a monthly distribution of 15 kilos of grain per head, 1.5 kilos of pulses and 0.45 litres of cooking oil. Under five-year-olds, pregnant and breastfeeding women also received a protein-rich food supplement (Famix).

We concentrated on the particularly badly affected Agarfa region, 460 kilometres south-east of Addis Ababa. Initially about 28,000 people received aid in the worst period of drought, and we expanded our programme to include 32,500 needy individuals. Because the rainfall in 2017 also fell short of expectations, by August 2017 we had supplied almost 25,000 people with essential foodstuffs. In less than two years we have distributed 5,627 tonnes of wheat

and pulses, 537 tonnes of Famix and 150,446 litres of edible oil. With the distribution of food it was possible to satisfy the nutritional requirements of thousands of people and prevent the outbreak of diseases. Malnutrition among children fell by more than 80%. School absencies were prevented and there was no need for people to flee their homeland due to hunger in search of employment. Instead, most remained with their families and were able to work their fields as soon as the rains resumed.

PREVENTION THROUGH RURAL DEVELOPMENT

Climate-induced drought periods cannot be prevented. But we can prepare the people to cope with such catastrophes: by ensuring that their fields yield enough to enable them to build up stocks, and helping them to find new income-earning opportunities outside agriculture. Our integrated rural development projects serve precisely these purposes.



WHAT DOES EMERGENCY AID COST?

- Emergency aid programme in Agarfa October 2015 to July 2017: about 2.82 million euros (food and project costs, logistics)
- Monthly emergency aid package for one individual: about 12.50 euros

Educational and public relations activities

We combine our specific development work in Ethiopia with systematic education and public relations activities in Germany. We want to open people's eyes to the difficult living conditions in Ethiopia. It is also important to show that the local population in Ethiopia contribute their own resources in an effort to improve their lives. That is why we promote our development work at eye level. A contribution is made by both sides and we all learn from one another.

In our communications we make a determined effort to reach different target groups through the appropriate media and formats. A special role is played by our supporters, donors and fund allocators as stakeholders, who have a right to learn how we distribute the funds entrusted to us. Regular information for donors in the quarterly NAGAYA MAGAZINE and our Annual Report with integrated Financial Report are integral parts of this. To these must be added events such as our Commitment Congress (see adjoining box). Our young "HIGH FIVE 4 LIFE" campaign addresses children, youth and young adults, and calls on them to engage in various activities aimed at improving the living conditions of people in rural Ethiopia. Each year a contest is held to select the most successful and creative fundraising campaign. The jury consists of well-known youth ambassadors: premier league football player Julia Simic, Jo, Fabi and Mäx from the KILLERPILZE rock band and the BITTENBINDER funk and soul band. The action portal www.highfive4life.de supplies age-appropriate information and provides tips on how they can get committed.

We reach out to a broad sector of the public through our website www.menschenfuermenschen.de, where in addition to up-to-date information on our project work we also offer press releases and publications for downloading. This information is also available in the social media channels. Our Facebook page (www.facebook.com/menschenfuermenschen) where we report on major events and activities, as well as inviting readers to enter into a dialogue, meanwhile has over 6,700 fans – about 2,000 more than in the previous year.

To enable the media to form their own picture of our work in the field, in 2017 we also accompanied journalists into the project areas in Ethiopia. The employees and numerous volunteers visited schools and attended a wide variety of events, where they recruited new supporters and companions for our work.



“COMMITMENT FOR ETHIOPIA” CONGRESS IN FRANKFURT AM MAIN

In 2017 the traditional congress for the volunteers of *Menschen für Menschen* opened its doors for the first time to prospective donors – and the event was met with a great response. 150 participants came to Frankfurt on 27 May to gain first-hand information on development projects and current trends in Ethiopia, and to acquaint themselves with the people involved with the aid organisation. Speakers such as the Chairman of the Supervisory Board, former Lord Mayor of Munich Christian Ude, and various experts contributed to the success with their reports. 360-degree films and the photo exhibition “Faces of Ethiopia” by Rainer Kwiotek, who for many years has been a photographer for *Menschen für Menschen*, also provided new insights. And there was no shortage of sensual experiences: at the “Buna-Bet coffee house” visitors experienced the traditional Ethiopian coffee ceremony and sampled typical specialities. In addition, the team and ambassadors of *Menschen für Menschen* and volunteers were available to answer visitors' questions.



Not only at the congress: VR goggles to immerse oneself in the project regions.

DEMONSTRATING A PRESENCE WITH INFO STANDS



Again in 2017 we were present at crowd-drawing events – including the international CHIO equestrian tournament in Aachen – with information stands.



“HIGH FIVE 4 LIFE” AT YOUTH EVENT IN BERLIN

How difficult is it to carry a 20-litre jerry can over long distances? For many girls and young women in Ethiopia that is daily routine, but at the *Menschen für Menschen* information stand at the Berlin Exhibition Centre visitors to the YOU Summer Break in July 2017 were able to try it for themselves. We were represented at what is claimed to be Europe's largest youth event with our youth campaign “HIGH FIVE 4 LIFE” and a wide variety of information and hands-on-activities. Our “Young Volunteers” were also present. Well-known YouTubers guided visitors through the event fair and tried their hand in our “Water Rally” (photo). Overall conclusion: it's quite exhausting, even over the short distance at the exhibition centre ...

SCHOOL VISITS

“What would it be like if I went to school in a rural area of Ethiopia?” These and other questions are asked when Foundation employees or volunteers visit schools each year to talk to the children about the adverse living conditions of the Ethiopian rural population, and how the Foundation helps with targeted programmes. Many schools launch their own fundraising campaigns in conjunction with these events, others have already been active for many years. One of our long-standing contributors is the Justus-Liebig School in Darmstadt that we visited again in 2017 for a lecture.

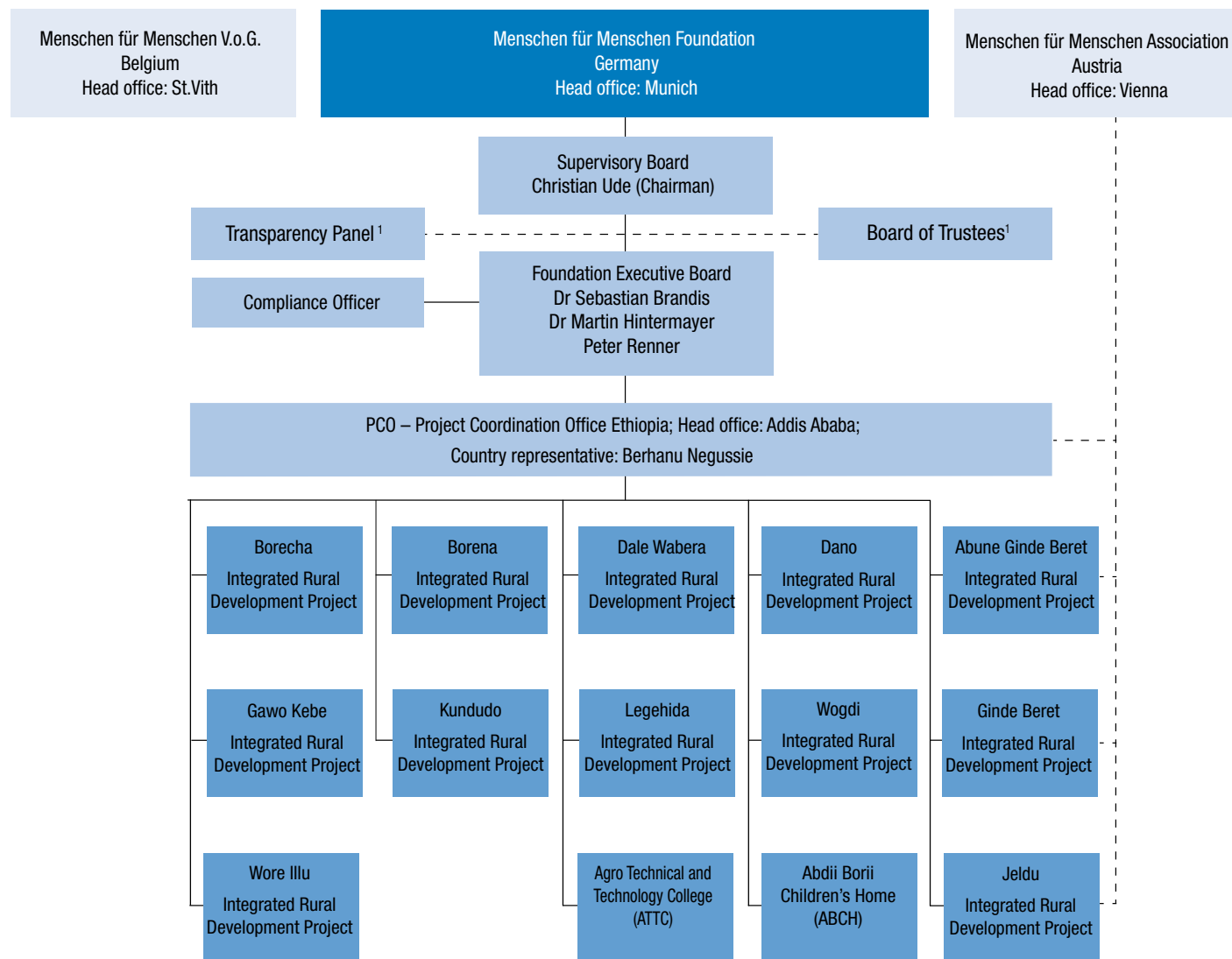


OPEN DOORS AT THE MUNICH “STIFTUNGSFRÜHLING”

The *Menschen für Menschen* team was again present at the third Munich “StiftungsFrühling”, where it provided an insight into its work in Ethiopia. Visitors to the stand in the Foundation forum at BMW World were invited to inform themselves about our approach to integrated rural development and accompany our ambassador Sara Nuru on her visit to the project regions via VR goggles. The lecture by Executive Director Dr Sebastian Brandis on the transparent and targeted allocation of donations met with great interest. During the StiftungsFrühling we also opened our office premises, where Director Peter Renner – using the new Ethiopian Jeldu project area as an example – described the measures necessary to quickly improve the living situation of the people.



The Foundation in 2017



¹ advisory body

LOCATIONS AND STRUCTURE

Menschen für Menschen is politically and denominationally neutral and economically independent. The Menschen für Menschen Foundation Germany cooperates with legally independent country organisations in Austria and Belgium. Funds from all three countries flow into the project work in Ethiopia. The central Project Coordination Office (PCO) in Addis Ababa organizes and implements all activities in the project regions, and monitors them in consultation

with the country organisations. In formal terms, the Ethiopian organisation is a branch of the German Foundation.

The Head Office of the German Foundation is located in Munich, where in 2017 a monthly average of 26 full- and part-time employees* work in the Executive Office, Press, Fundraising and Communication, Donor Support, Development Cooperation, Purchasing and Logistics, Finance and IT. In Ethiopia in 2017 the

Foundation employed a monthly average of 708 people, of which only four were not Ethiopian nationals. In Germany about 400 voluntary employees support our activities at various locations. Only thus is it possible to achieve maximum aid for the people in Ethiopia with low costs for administration and fundraising.

* Including two returnees from parental leave.

CORPORATE BODIES AND PERSONS

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



Executive Director Dr Sebastian Brandis (left) presents a certificate of appointment to Wolfgang Tiefensee as new member of the Board of Trustees.

THE EXECUTIVE BOARD consists of at least three and up to a maximum of seven members. Three members of the Board are Managing Directors within the meaning of Section 26 German Civil Code (BGB) and perform their duties in return for payment on the basis of written employment contracts. As of 31 December 2017 the three Managing Directors were:

- Dr Sebastian Brandis
- Dr Martin Hintermayer
- Peter Renner

THE SUPERVISORY BOARD approves the budget, appoints the Executive Board, advises on fundamental issues and supervises its activities, in particular to ensure that they can be reconciled with the will of the founder. It consists of at least two and a maximum of seven members. Heide Dorfmueller retired from the Supervisory Board on 1.12.2017. As of 31 December 2017 the members of the Supervisory Board are listed as follows:

- Christian Ude, Chairman of the Foundation
- Dr Hans Peter Lankes, Deputy Chairman
- Dr Peter Hanser-Strecker
- Dietmar Krieger
- Dr Annette Bhagwati since 03.02.2017
- Dr Ingrid Sollerer was also appointed to the Supervisory Board on 29.01.2018.

THE BOARD OF TRUSTEES has a purely advisory function for the Executive Board and Supervisory Board. It consists of at least two and up to a maximum 15 members.

As of 31 December 2017 it was composed as follows: Ralf Bos, Prof. Dr Geza Csomos, Dr Roland Folz, Erich Jeske, Dirk Kasten, Sara Nuru, Isolde Reiher, Vera Reuter, Harald Spiegel, Wolfgang Tiefensee, Helga Weygandt, Prof. Dr h. c. Eckart Witzigmann.

THE COMPLIANCE OFFICER ensures that the Foundation always performs its activities in accordance with the law and that it observes high ethical standards in all areas. Karl Peter Puszkajler held the office of Compliance Officer until 30.06.2016. He will continue to support his successor Regina Sieh, Director of the District Court Weilheim i. OB, who took up office on 30.06.2017.

THE DATA PROTECTION SUPERVISOR advises the Foundation and its employees and volunteer workers on data protection issues and ensures that statutory regulations are adhered to. On 13.07.2017 Dr Georg Schröder succeeded Erich Bayerl as Data Protection Supervisor.

THE TRANSPARENCY PANEL advises the Executive Board and Supervisory Board on issues of transparency and control. The majority of members of the body are external.

Members of the Transparency Panel as of 31.12.2017: Dr Roland Folz, Wolfgang Bosbach, Dr Claas Dieter Knoop, Markus Schächter. Wolfgang Bosbach retired from the panel at the beginning of 2018.

The members of the Supervisory Board, Board of Trustees, Transparency Panel and Compliance Officer act in an honorary capacity.

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 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.

EXTERNAL AUDITS CONFIRM QUALITY AND TRANSPARENCY

CONTINUOUS SEAL OF APPROVAL

Each year *Menschen für Menschen* undergoes an audit by the German Central Institute for Social Affairs (DZI). Again in 2017 the DZI awarded its seal of approval to *Menschen für Menschen*, 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.



Transparency and compliance

CONTROL AND AUDIT MECHANISMS

In Ethiopia and in Germany we have defined responsibilities and procedures to ensure that the funds entrusted to us are deployed for the purpose intended, to generate optimum benefit to the people of Ethiopia. All expenditure of our Foundation is examined by several entities before they are approved. Besides the project managers, the country representative, Head of Administration, Director of Coordination and Development, Monitoring and Evaluation, Director of Project Implementation and the Executive Board also make regular visits to the project areas. In addition, our controlling staff visits the project areas to check the cash amounts, inventories and fuel consumption both physically on site with the appropriate IT systems. They also assess progress at the construction sites. The department heads in the project areas report to the project managers and these in turn submit quarterly reports to the country representatives and the Ethiopian authorities. The latter regularly check the contents of the report to ensure that they accurately reflect the state of work completed and evaluate our projects. In addition, evaluations are carried out by independent experts (cf. also page 10f). In their monitoring or advisory capacity the Compliance Officer and Transparency Panel appointed by us (cf. page 37) contribute to transparent use of funds and work of our organisation strictly in conformance with the law.

Every year we have our accounting examined by an independent auditor. The audit report (page 43) is



Initiative
Transparente
Zivilgesellschaft

In the Transparency Germany initiative, representatives from civil society and science 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.

submitted to the Executive Board and Supervisory Board. Once again, we received an unqualified audit certificate for the Annual Financial Statements in 2017. In addition, external Ethiopian auditors reconcile expenditure in Ethiopia with the appropriate receipts on a monthly basis, making random checks against work completed. They report their findings to the Ethiopian management, which in turn informs the Executive Board. Our annual financial statements are also regularly audited by the Government of Upper Bavaria to ensure compliance with the Bavarian Foundation Act.

Menschen für Menschen would like to point out that the law office of one of the board members advises the Foundation on legal issues. This business relationship has been reviewed and expressly approved by the Supervisory Board.

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.

SELECTED PARTNERS AND FUNDING PROJECTS 2017:

- Federal Ministry for Food and Agriculture (BMEL): establishment of an Agro-Technical College (ATC) in Kulumsa
- Federal Ministry for Economic Cooperation and Development (BMZ): in a special initiative "A World without Hunger" sustainable land management and water resource management, Borena (1/2014 to 12/2017); agro-ecological measures, water supplies and health care, Gawo Kebe (term 12/2015 to 12/2019); construction of water supply systems for the towns of Makafta (9/2016 to 12/2017) Lemi and Robite (10/2015 to 6/2017), Wogdi.
- Christian Bürkert Foundation, Ingelfingen: sponsoring of twelve students of the ATTC (2017–2019)

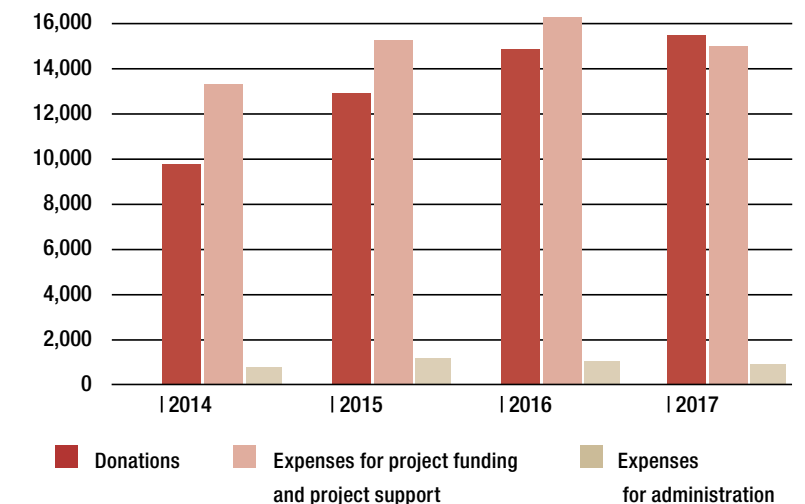
- German Society for International Cooperation (GIZ): "Green Innovation Centre in the Agri-Business Industry" programme, Dano (8/2015 to 12/2017)
- Ein Herz für Kinder/Bild hilft e.V., Hamburg: construction of the Dogano Bururi Higher Primary School, Dale Wabera (2017–2018)
- Menschen für Menschen e.V. (sponsoring society), Offenburg: ongoing support with membership fees and donations (since 1995).
- Heinz Sielmann Foundation, Duderstadt: Sustainable land management with an emphasis on afforestation in two catchment areas in Wogdi (2018–2020)
- Hochschule Bonn-Rhein-Sieg: support of the ATTC with technical and didactical know-how
- International Trachoma Initiative, Georgia, USA: containing the spread of the bacterial eye ailment trachoma
- Klaus and Gertrud Conrad Foundation, Hirschau: sustainable land management, WaSH and human development, Dale Wabera (2017–2018)
- Knodel Foundation, Cologne: Integrated measures in the areas of agriculture, education, health and income, Wogdi (2017)
- Knorr-Bremse Global Care e.V., Munich: water supplies (WaSH), Dale Wabera and Borecha (2015–2017)
- ProEthiopia e.V., Mainz: profits from the sales of online-shop flow directly into our work (since 2008)
- Athletes against Hunger, Vechta: construction of the Dobi Higher Primary School, Dano (2017–2019)
- Foundation for the Needy, Hemmingen: integrated measures, Dano (2015–2022)

In publicity work and fundraising we also cooperate with municipalities, media partners, private enterprises, foundations and service clubs, and have joined the initiatives "Together for Africa" and "My legacy does good. The apple tree principle".

Development of Finances

In 2017 contributions to the Foundation increased by 2% to 15.63 million euros compared to the previous year. In particular, a total increase of 15% in donations and public grants was recorded, but there was a contrasting decline in revenue from legacies. Our expenditure in the project areas fell slightly to 13.83 million euros. This is for the main part due to increased withdrawals from existing inventories and consolidation in project work. In a year-on-year comparison, the deficit fell by almost 1.53 million to 2.12 million euros and was covered by reserves. Due to the reduction in current assets the balance sheet total decreased by 2.34 million to 32.88 million euros.

GROWTH OF DONATIONS AND EXPENSES FROM 2014 TO 2017



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

Annual Financial Statements 2017

GENERAL

Pursuant to Article 16 paragraph 1 of the Bavarian Foundation Act (BayStG) the Foundation is obliged to maintain proper accounting records and must prepare an annual statement of accounts showing assets and liabilities. The Bavarian Foundation Act does not prescribe a specific form of accounting.

The balance sheet and profit and loss account must be structured in accordance with the provisions applicable to stock corporations pursuant to Sections 266 and 275 (3) of the German Commercial Code (HGB). The special characteristics of the Foundation are taken into account in further sub-categories. To the extent that deviations from the German Commercial Code (HGB) occur, this will be specified.

The accounting and valuation principles of the Foundation have remained essentially unchanged compared to the previous year, subject to the following explanations: All contributions of the Austrian sister organisation to the funding of projects in Ethiopia are now shown under donations and other contributions. From this business year onwards, revenues from sponsoring will be disclosed as other income. The previous year's figures for donations and other contributions and other income have been adjusted in order to ensure comparability.

In 2017 the ERP system introduced in 2016 in particular for inventory management in Ethiopia was further stabilised by process improvement and training, and the

data situation was substantially improved. At an individual account level, however, comparisons to 2016 remain difficult due to the cruder classification in 2016. Further improvements to the process and reporting will be undertaken in 2018, making evaluation easier and more transparent, in particular for donors.

ACCOUNTING AND VALUATION METHODS

Since 2015, fixed and current assets in Ethiopia have been capitalised in the balance sheet based on ownership rights to the assets. The ownership rights are subject to a number of restrictions, as specified in particular in the Ethiopian "Charities and Societies Proclamation" and downstream legislation. These restrictions include, for example, conditions pertaining to the exercise of ownership rights or requirements for the consent and approval of Ethiopian authorities for charitable organisations.

Accruals from inheritances are recognised in the balance sheet and income statement as and when their value has been clearly established. This is often only the case when the cash receipt has been made. The potential claim at the time of death of the testator is not entered into the balance sheet at the current value, due to uncertainties and possible changes in the subsequent procedure.

BALANCE SHEET AS OF 31 DECEMBER 2017

ASSETS		
	31.12.2017 in €	31.12.2016 in €
A. FIXED ASSETS		
I. Intangible assets		
Software	279,834.96	452,379.05
II. Tangible assets		
1. Land, leasehold rights and buildings including structures on third party land	3,676,550.59	3,479,218.87
2. Technical equipment and machinery	18,717.00	40,355.63
3. Other installations, operational and office equipment	884,383.94	1,055,382.52
	<u>4,579,651.53</u>	<u>4,574,957.02</u>
III. Financial assets		
Investment securities	8,720,091.04	12,315,939.13
	<u>13,579,577.53</u>	<u>17,343,275.20</u>
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials and supplies	2,073,162.52	3,281,001.62
2. Advance payments	6,033.88	0.00
	<u>2,079,196.40</u>	<u>3,281,001.62</u>
II. Amounts receivable and other assets		
Other assets	2,035,657.54	1,121,643.91
- thereof with a residual term of more than one year: €25,236.36 (previous year: €25,233.97)		
III. Cash on hand, bank deposits	15,180,274.84	13,474,900.03
	<u>19,295,128.78</u>	<u>17,877,545.56</u>
C. DEFERRED INCOME	4,242.00	4,606.31
	<u>32,878,948.31</u>	<u>35,225,427.07</u>

LIABILITIES		
	31.12.2017 in €	31.12.2016 in €
A. NET EQUITY		
I. Foundation capital	1,340,262.82	1,273,982.82
II. Revenue reserves		
1. Capital maintenance reserves	295,000.00	270,000.00
2. Other revenue reserves	29,775,971.17	31,922,572.62
	<u>30,070,971.17</u>	<u>32,192,572.62</u>
	<u>31,411,233.99</u>	<u>33,466,555.44</u>
B. PROVISIONS		
Other provisions	138,332.52	144,219.55
C. LIABILITIES		
1. Trade accounts payable	196,631.71	127,857.73
- thereof with a residual term of up to one year: €196,631.71 (previous year: €127,857.73)		
2. Miscellaneous liabilities	1,132,750.09	1,486,794.35
- thereof with a residual term of up to one year: €700,442.58 (previous year: €1,181,939.35)		
- thereof with a residual term of more than one year: €432,307.51 (previous year: €304,855.00)		
- thereof from taxes: €52,672.95 (previous year: €70,997.03)		
- thereof within the scope of social security: €11,442.05 (previous year: €13,103.39)		
	<u>1,329,381.80</u>	<u>1,614,652.08</u>
	<u>32,878,948.31</u>	<u>35,225,427.07</u>

Intangible and tangible fixed assets were posted at their acquisition costs less depreciation. Gratuitously acquired assets that must be capitalised are entered at deemed costs according to the conservative estimate of fair value.

Expired stock was subject to scheduled depreciation. The intangible assets acquired were depreciated by the straight-line method, as were accruals to tangible fixed assets.

Accruals to movable fixed assets with acquisition costs of up to 410 euros excluding VAT were fully amortised.

Securities recorded under financial assets were recognised at acquisition cost at the time of purchase and gratuitous accruals at deemed cost. Deemed costs are according to the market value on the date of acquisition. If the attributable value on the balance sheet date is permanently lower, this value is used.

A detailed breakdown of the development of fixed assets in the business year 2017 is included as an appendix.

Inventories were valued at the lower of cost or market value.

Receivables and other assets are carried at the nominal value or lower of acquisition cost or fair value.

Cash holdings and bank balances are recognised at their nominal value. Cash holdings and bank balances in Ethiopian currency were converted by the cut-off date method at the bid rate on the balance sheet date.

Deferred items include disbursements representing expenditure for a specific period after the balance sheet date. On the balance sheet date these were for the main part insurance premiums.

Earmarked reserves (Project funding reserves I) were formed pursuant to Art. 62 (1) No. 1 AO for approved projects that had not been completed by the balance sheet date and for special programmes from public funding (BMZ and GIZ). Furthermore, additional earmarked reserves (Project funding reserves II) were formed in 2015. Capital from the revaluation of fixed assets and inventories (warehousing, cash

holdings and bank balances) at the Ethiopian branch office as of 1 January 2015, and cash holdings and bank balances assumed by the sister organisations in Austria and Belgium were transferred to Project funding reserves II. The reserves are earmarked by the Foundation for purposes set out in the charter.

Provisions are carried as liabilities to the amount necessary according to sound business judgement. They take into account all recognisable risks and contingent liabilities.

Accounts payable are carried as liabilities at their settlement amounts.

All assets and debts were converted at the respective mean spot exchange rate on the balance sheet date. Expenses and revenues were converted at the monthly average rates.

NOTES ON THE BALANCE SHEET AS OF 31 DECEMBER 2017

All receivables and other assets are due within one year, with the exception of security deposits totalling 25,000 euros (previous year 25,000).

In accordance with the current articles of association, core assets as of 31 December 2014 amount to 1,222,157.82 euros. Due to endowments, the core assets on the balance sheet date increased to 1,340,262.82 euros. In order to secure the volume of core assets, the sum of 25,000 euros was transferred to the capital maintenance reserve in the reporting period.

Other accruals pertain to leave entitlements, costs of the annual audit and expenses for the safekeeping of records.

Other liabilities to the amount of 1.133 million euros (previous year 1.487 million) include liabilities from earmarked donations totalling 925,000 euros (previous year 794,000) and liabilities from public subsidies totalling 138,000 euros (previous year 608,000).

Liabilities generally have a lifetime of one year. Exceptions are earmarked donations and public subsidies, the residual terms of which may be one to five years.

PROFIT & LOSS ACCOUNT FOR THE BUSINESS YEAR FROM 1.1. TO 31.12.2017

	1.1.-31.12.2017 €	1.1.-31.12.2016 €
1. Donations and other contributions		
a) Donations	7,683,222.56	7,406,828.15
b) Legacies	1,987,079.89	2,782,465.49
c) Fines	2,500.00	3,800.00
d) Public grants	1,521,029.31	629,219.63
e) Contributions from sponsoring associations	191,000.00	204,000.00
f) Contributions from partner organisations	4,247,022.87	4,258,005.18
	15,631,854.63	15,284,318.45
2. Other operating income	561,420.61	192,961.27
- thereof from foreign currency exchange: €61,259.18 (previous year: €8,062.60)		
3. Material costs		
a) Expenses for raw materials and supplies	-4,981,496.78	-5,225,790.19
b) Expenses for other services	-2,902,619.97	-3,746,360.66
	-7,884,116.75	-8,972,150.85
4. Personnel costs		
a) Wages and salaries	-4,793,612.77	-4,456,357.63
b) Social charges, expenses for retirement benefits and support	-676,387.80	-606,803.80
	-5,470,000.57	-5,063,161.43
5. Depreciation on intangible assets and property, plant and equipment	-590,441.46	-633,440.89
6. Other operating expenses	-4,597,641.50	-4,760,999.18
- thereof from currency exchange: €298,456.54 (previous year: €100,861.36)		
7. Income from other securities and loans of financial assets	309,018.08	377,509.96
8. Other interest and similar income	14,373.59	39,076.99
9. Depreciation on financial assets	-95,157.46	-112,333.74
10. Revenue after tax	-2,120,690.83	-3,648,219.42
11. Other taxes	-910.62	-2,447.47
12. Annual deficit	-2,121,601.45	-3,650,666.89
13. Additions to capital maintenance reserve	-25,000.00	-25,000.00
14. Withdrawals from other revenue reserves	2,146,601.45	3,675,666.89
15. Year-end result	0.00	0.00

MOVEMENTS IN FIXED ASSETS IN THE BUSINESS YEAR 2017 in €

	ACQUISITION AND PRODUCTION COSTS				ACCRUED DEPRECIATION					NET CARRYING AMOUNT	
	1 Jan. 2017	ACCRUALS	RETIREMENTS	31 Dec. 2017	1 Jan. 2017	ACCRUALS	WRITE-UPS	RETIREMENTS	31 Dec. 2017	31 Dec. 2017	31 Dec. 2016
INTANGIBLE ASSETS											
Computer software	825,779.44	0	0	825,779.44	373,400.39	172,544.08	0	0	545,944.47	279,834.97	452,379.05
PROPERTY, PLANT AND EQUIPMENT	3,800,915.63	360,128.86	0	4,161,044.49	321,696.76	162,797.12	0	0	484,493.88	3,676,550.61	3,479,218.87
Land, leasehold rights and buildings incl. structures on third-party land	80,329.89	0	0	80,329.89	39,974.26	21,638.63	0	0	61,612.89	18,717.00	40,355.63
Technical equipment and machinery	1,792,039.29	62,463.02	0	1,854,502.31	736,656.77	233,461.63	0	0	970,118.40	884,383.91	1,055,382.52
Other installations, operational and office equipment	5,673,284.81	422,591.88	0	6,095,876.69	1,098,327.79	417,897.38	0	0	1,516,225.17	4,579,651.52	4,574,957.02
FINANCIAL ASSETS											
Investment securities	12,598,945.23	834,288.54	4,537,440.35	8,895,793.42	283,006.10	95,157.46	21,108.83	181,352.35	175,702.38	8,720,091.04	12,315,939.13
	19,098,009.48	1,256,880.42	4,537,440.35	15,817,449.55	1,754,734.28	685,598.92	21,108.83	181,352.35	2,237,872.02	13,579,577.53	17,343,275.20

NOTES ON THE PROFIT AND LOSS ACCOUNT 2017

Legacies received by the Foundation in the course of the business year are donations determined through a disposition of property upon death. This revenue is entered into the accounts after deducting the costs of administering the estate, so it is not recorded separately in the profit and loss account. For reasons of caution, revenue to be anticipated from hitherto unsettled inheritance issues has not yet been taken into account.

With effect from 4 December 2015 the Foundation has entered into a cooperation agreement with its Austrian sister organisation that is underpinned with annual project contracts. Under its provisions the Foundation carries out project work in Ethiopia for its Austrian sister organisation and receives the appropriate remuneration from the latter. This remuneration is shown under donations and other contributions. In 2017 the remuneration from Austria amounted to 4.192 million euros.

Other revenues include, in particular, sponsor revenue (157,000 euros), cash receipts from cost-sharing (198,000 euros), the follow-up of petrol vouchers (73,000 euros), income from foreign currency conversion (61,000 euros), revenues from the addition to financial assets (21,000 euros) and income from the reversal of accrued liabilities (15,000 euros).

The amortisation of financial assets is extraordinary depreciation (Section 277 para. 3 p. 1 HGB).

Expenses for raw materials, supplies and purchased goods included exceptional expenses of 105,000 euros as a follow-up correction of the ERP systems introduced in the previous year.

OTHER INFORMATION

As of 31 December 2017 the Executive Board members consisted of the following:

- Dr Sebastian Brandis
- Klaus Peter Renner
- Dr Martin Hintermayer

In the business year 2017 the remuneration paid to Board members amounted to 296,000 euros.

In the business year 2017 the Supervisory Board comprised the following members:

- Christian Ude (Chairman of the Supervisory Board)
- Dr Hans Peter Lankes (Deputy Chairman of the Supervisory Board)
- Heide Dorf Müller (until 1 December 2017)
- Dr Annette Bhagwati (since 3 February 2017)
- Dr Peter Hanser Strecker
- Dietmar Krieger

Total lease commitments for the office premises in Briener Strasse and warehouse in Reichenhaller Strasse in Munich, based on the currently valid lease contracts, amounted to 375,000 euros. The leases are due to expire on 31 July 2021.

In Ethiopia, agreements were drawn up with government bodies that commit *Menschen für Menschen* to the implementation of projects. Obligations arising from these amounted to about 21 million euros as of the balance sheet date.

The total remuneration of 85,000 euros paid to the annual auditor included 74,000 euros for the audit of the financial statements (previous year 34,000) and 11,000 euros for tax advisory services.

On a yearly average the Foundation employs a staff of 26 in Germany. In Ethiopia an average of 708 full-time employees were engaged in performing the tasks assigned by the Foundation, of which only five were not Ethiopian nationals.

INDEPENDENT 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 accounting of the Menschen für Menschen Foundation, Karlheinz Böhm's Ethiopia Aid, for the financial year from 1 January 2017 to 31 December 2017. The scope of the examination was extended under Section 16 (3) of the Bavarian Foundation Act (BayStG). This audit therefore also covers the preservation of core assets and the use of its revenue and earmarked donations as prescribed in the statutes.

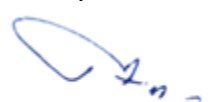
The accounting and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the legal representatives of the foundation. Our task is to express an opinion on the annual financial statements including the accounting, as well as the extended subject of the audit, on the basis of the audit conducted by us.


We conducted our annual audit of the financial statements pursuant to Section 317 HGB and Section 16 (3) BayStG and in accordance with the German principles of proper auditing of the Institute of Auditors (IDW). According to these principles, the audit is to be planned and executed such that incorrectness and violations that have major impact on the representation of the assets as well as the financial situation, generated according to the general principles of good auditing practice, can be detected with sufficient guarantee and that it can be judged with sufficient assurance that the requirements generated from extension of the subject of the audit according to Section 16 (3) BayStG are fulfilled. The plan for the audit process was generated with a knowledge of the scope of business activities, the legal and commercial environment of the Foundation and potential errors. In the course of the audit, the effectiveness of the accounting-based internal control system, proof of accounting records and the year-end closure documentation were assessed, primarily based on random checks. The audit includes an evaluation of the applied accounting principles and the principal estimations of the legal representatives for the presentation of the financial statements. We are convinced that our audit delivers a sufficiently secured basis for our judgement.

Our audit has not revealed any material errors.

In our opinion, based on the knowledge gained in the course of the audit, the annual financial statements comply with existing legal requirements and convey an accurate impression of the assets and financial situation of the Foundation in observance of the principles of good accounting practice. The audit of the preservation of core assets of the Foundation and proper usage of the revenue and other contributions received for immediate usage in accordance with Section 16 (3) BayStG did not lead to any objections.

Munich, 18 July 2018

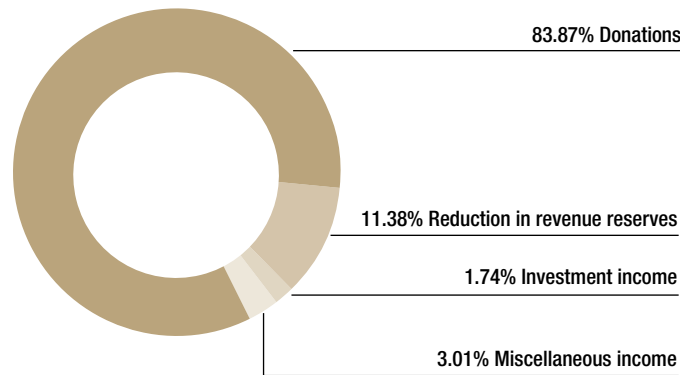

Peterson
Wirtschaftsprüfer


ppa. Reinholdt
Wirtschaftsprüfer

DR. KLEEBERG & PARTNER GMBH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT
STEUERBERATUNGSGESELLSCHAFT

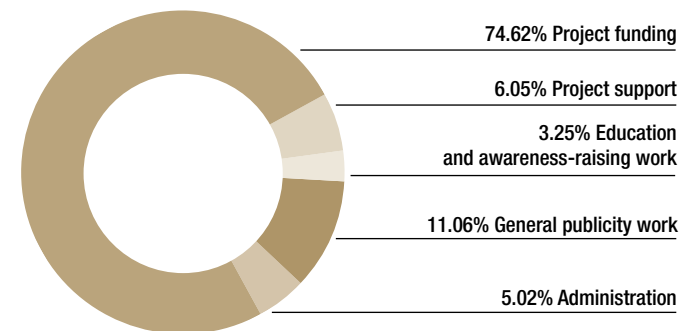
WHERE THE FUNDS CAME FROM

Source of funds 2017



WHERE THE FUNDS WERE USED

Allocation of funds 2017



ADDITIONAL NOTES ON EXPENSES

PROJECT FUNDING. In 2017 *Menschen für Menschen* continued with its long-term integrated development projects in twelve project regions. Project funding encompasses all activities in Ethiopia, including material and personnel costs in the five development areas. Larger expense items relate to the purchase of materials for constructing schools, wells, spring developments and terraces, including the transport of materials and employee travel to/from and within Ethiopia. Further expenses include, in particular, sustainable agriculture costs for plants, livestock and other farming supplies. Current costs and necessary investments in the ATTC in Harar (in particular personnel and maintenance costs) were also posted under project funding.

The largest item within personnel costs is for local labour in the project areas, e.g. when the people help with infrastructure or planting work, to compensate for their loss of earnings. Personnel costs also include expenditure for training and educational measures, depending on the field of specialisation, qualification and project area of Foundation employees, local experts or employees of the local authorities.

PROJECT SUPPORT. In addition to the supervision of projects, project support also includes preparatory and follow-up work for project funding. These relate to the selection of suitable projects, preparations for project work, controlling, monitoring and evaluation of projects, as well as international purchasing and the logistics of certain

DZI DISTRIBUTION 2017

EXPENDITURE	PROJECT COSTS	DZI criteria				
		1	2	3	4	5
Communications work	1,598,541.48	0.00	0.00	144,965.39	1,437,239.63	16,336.46
Press work	117,589.37	0.00	0.00	53,888.12	53,888.12	9,813.14
Donor support and Finances	131,213.19	0.00	0.00	0.00	9.32	131,203.87
Committees, IT, Purchasing	729,286.40	1,260.30	586,587.05	4,744.48	45,487.59	91,206.97
Subtotal	2,576,630.44	1,260.30	586,587.05	203,597.99	1,536,624.65	248,560.45
Costs of office space	122,824.52	4,851.57	32,609.91	18,264.01	25,682.61	41,416.43
Other general expenses (e.g. office material)	322,309.67	4,948.41	33,260.85	116,802.82	125,054.43	42,243.15
Subtotal of other operating expenses	3,021,764.63	11,060.28	652,457.80	338,664.82	1,687,361.69	332,220.03
Personnel costs in Germany	1,790,706.73	70,732.92	475,432.64	266,278.09	374,436.78	603,826.31
Total expenditure Germany	4,812,471.36	81,793.20	1,127,890.44	604,942.91	2,061,798.47	936,046.34
Project work in Ethiopia	10,146,503.16	10,146,503.16				
Personnel costs in Ethiopia	3,679,293.84	3,679,293.84				
Total expenditure Ethiopia	13,825,797.00	13,825,797.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURE GERMANY AND ETHIOPIA	18,638,268.36	13,907,590.20	1,127,890.44	604,942.91	2,061,798.47	936,046.34
Percentage distribution of DZI criteria	100.00%	74.62%	6.05%	3.25%	11.06%	5.02%

goods. These tasks are mainly performed by our Project Coordination Office in Addis Ababa, employees in the direct development cooperation and purchasing staff at the German Foundation.

CAMPAIGN, EDUCATIONAL AND AWARENESS-RAISING WORK. Raising public awareness is anchored in the Foundation charter as a self-contained goal. These tasks include campaign, educational and awareness-raising work, e.g. sensitisation of young people for the subject of social responsibility at school and youth events. In 2013 we joined the campaign alliance "Together for Africa". The merger of over twenty aid and development organisations has set itself the goal of promoting sustainable development in Africa, alleviate hardship and overcome poverty.

GENERAL PUBLIC RELATIONS WORK. This item comprises mainly expenditure for fundraising – in particular cash donations and contributions from charitable foundations, companies and public sponsors.

ADMINISTRATION. The Foundation calculates its administration and advertising costs in accordance with the guidelines of the German Central Institute for Social Affairs (DZI). Administration costs relate to the organisation as a whole. They

guarantee the basic operational processes and include, in particular, executive management, accounting, IT support and personnel management.

PERSONNEL COSTS AND REMUNERATION. In 2017 earnings at the *Menschen für Menschen* Foundation were subdivided into five groups. This year the annual remuneration of the managing body (three-person Executive Board) totalled 296,000 euros. The individual salaries will not be disclosed for reasons of data privacy. The classification of employees is oriented to the responsibilities assumed, competence and performance, professional experience and length of service with the organisation.

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 (EXAMPLES)	FROM (EUROS) TO (EUROS)
5	Unskilled worker	1,500-2,500
4	Administrative assistant	2,300-3,500
3	Coordinator	2,500-4,500
2	Management level	3,500-5,500
1	Executive level	6,000-9,300

PLANNING 2018

In 2018 we will be on schedule with our activities in the integrated rural development projects. The Borecha project area was phased out after we completed our work there at the end of 2017. Because Dale Wabera has since been divided into two administrative units – Dale Wabera and Sedi Chanka – in future we will still be engaged in 12 project areas. We will continue to operate the Agro Technical and Technology College in Harar and the Abdii Borii children's home in Mettu.

In Dano we will be pressing ahead with the "Green Innovation Centre" project, again with funds from the German Society for International Cooperation (GIZ). Value-added chains in the production of honey and animal feed are aimed at giving 800 young men and women the opportunity of an independent means of living.

In the sustainable land management sector, the goals we have set ourselves for 2018 include the construction of over 1,400 kilometres of terracing and the afforestation of more than 300 hectares of designated protection zones by planting over 17 million tree seedlings. With the construction of five small-scale irrigation schemes, each for a small group of farmers, we strive to promote the cultivation of vegetables. This fulfils two goals: the farmers have more food crops that can be sold for a good price on the market, and the vegetables provide a vitamin-rich diet for the families. A similar double benefit is provided by hens that lay more eggs. We want to distribute a total of 4,900 of them to smallholding families in 2018. While the local hens lay only about 60 eggs per year, the hens we distribute manage an amazing 250. In addition, they put on more meat.

In the water and hygiene sector we are planning to construct approx. 130 spring developments and hand-dug wells. In addition, in 2018 we will be starting the construction of a water supply system for the town of Seyo in Dano. Upon completion (estimated 2020) the system will serve the needs of 10,000 inhabitants. The water supply system in Makafta in the Wogdi project area is scheduled to go into operation in 2018. Each time a water point is completed, a WaSH committee elected by the local community undergoes a course of instruction in which the committee members are prepared for their task of maintaining and repairing the water points. This trans-



A forest in only three years: this aerial view shows a high plateau in the Borena project area that has regained its verdant appearance due to our extensive afforestation measures.

fer of knowledge and participation we strive for with the committees ensures the sustainability of the facility in practice. Over 3,600 committee members are scheduled to be trained in 2018.

The construction of 17 new schools is to be continued or completed in 2018, and we are planning to lay the foundations for a further 12 schools. In addition, 9,000 adults will participate in functional literacy courses. After taking these courses, the participants develop a completely renewed self-awareness. For the first time they are able to use arithmetic in transactions and read text without outside help.

In the health sector we are planning to immunise almost 28,000 children against 10 diseases (diphtheria, whooping cough, tetanus, hepatitis B, haemophilus influenza, measles, tuberculosis, polio, rotavirus and pneumococci). Accompanying awareness-raising campaigns will ensure that the parents bring the children to be vaccinated. The vaccines are to be provided by the Ethiopian government and the Foundation will take responsibility for their delivery to the isolated project regions, and supply solar-operated refrigerators to ensure that the cold chain is preserved. We have also scheduled almost 2,000 eye surgeries against trichiasis and cataract. With educational campaigns we also continue to be active in

the field of family planning, and will be supplying contraceptives to medical facilities.

Handicraft courses that we offer in our focal point "Human development" support women in establishing their own source of income. The Foundation also assists them with taking out a microcredit. In preparation, we will be training a total of 750 women in accounting and business planning methods in 2018. Earning their own money changes their status: in the community they gain respect and self-confidence vis-à-vis the men.

DONOR ADDRESS AND ORGANISATION

Having further stabilised our donation revenue in 2017, our focus in 2018 will be to raise the profile of *Menschen für Menschen* among existing as well as new donor groups. In critical categories such as transparency and sustainability our organisation is rated very highly in public donor surveys, so that our focus will be on fundamentally increasing public awareness – particularly among younger target groups. In doing so, we will place a particular emphasis on digital media and expanding our presence in the Internet and social networks.

In addition, we propose to sound out new forms of cooperation and partnership, in particular with major donors and institutions. Private companies are

ideal development partners, particularly in conjunction with the successful "Green Innovation Centres" that help to reduce youth unemployment in Ethiopia. Finally, we will further expand on what has always been a distinguishing feature of *Menschen für Menschen* – the personal approach and proximity to donors through direct contact. A greater emphasis will be placed on more frequent accompaniment of honorary supporters, extension of the network of ambassadors and cooperation with schools.

From an organisational perspective, this also means the reinforcement of employees' tasks in these areas and expansion of the network of partners for the various tasks and donor groups.

RISKS

PROJECT RISKS

In 2017 the unrest in Ethiopia had an even more adverse effect on our project work than in the previous year. In some project regions our work was halted for weeks due to road closures, unavailability of the Internet or lack of supplies, e.g. diesel. In one project area our employees had to be withdrawn for security reasons. However, the situation has significantly improved since the appointment of the new Prime Minister Dr Abiy Ahmed Ali on 2 April 2018. The state of emergency, including restriction of the freedom of

assembly, was lifted and the unrest came to an abrupt end. The population is placing great hopes in the new government, that it will open the country and create new jobs. If the promises made by the politicians are not kept, this positive atmosphere could, of course, turn into disappointment. In this case there is a danger that the tension between the different population groups, in particular at the borders of the Oromo region, will flare up again. In the event that this conflict persists in individual project areas, the Foundation may be obliged to terminate the projects prematurely in the interests of the safety of the employees.

There has been a reduced risk of food shortages as a result of drought, as rainfall has been adequate in most regions. It has thus been possible to discontinue the emergency measures. The drought that persisted over several years, however, has also had an adverse effect on exports and thus the balance of trade, with the result that the Ethiopian currency (birr) was significantly devalued in 2017. Since Ethiopia is strongly dependent on imports, in particular when it comes to key commodities such as medicinal products, fuels and some foodstuffs, this has resulted in substantial price increases in the country. Particularly the poorer sectors of the populations have had to bear the brunt, and this trend could become a further source of unrest. In the last few months the currency has stabilised at a low level.

PLANNING RISKS

For an organisation that employs a total workforce of about 740 in Europe and Ethiopia, the reliable assessment of financial risks in its planning is of crucial importance. All expense-relevant proposals are therefore checked and updated on a monthly and quarterly basis by the newly introduced accounting system, our IT system for resource planning (ERP system) as well as written reports from the project areas. The above-named project risks must be assessed, as well as possible further fluctuations in the exchange rate. In view of the present stable political situation, in 2018 we expect to continue our activities in almost all project areas as planned.

The commitments over several years ensuing from contracts with the local authorities and our more than 700 employees in Ethiopia are financed mainly through donations. The donations market subsists on the Foundation's good reputation and transparently communicated performance. Events that may quickly

lead to in part unfair damage to the Foundation's image in the press and accelerating media environment remain a barely calculable risk. In the last few years sufficient reserves have been put aside to secure against the related inherent risk of fluctuating revenue. In future we want to minimise planning risks with strong growth in revenue, a higher proportion of regular donors, long-term cooperation and conservative planning of our activities in Ethiopia.

OUTLOOK

Political stabilisation in Ethiopia and promising continental development in the project work of *Menschen für Menschen* mean that we can look forward to the future with confidence. The country's current problems such as the high level of youth employment must be tackled at the source, in particular with the creation of local economies. On the basis of our grass roots development work in the five focal areas, we want to create structures that further ensure the sustainability of our work.

FINANCIAL PLANNING 2018

	€ thousand
DONATIONS	
- from Germany	10.919
- from Austria	2.620
- from Belgium	70
- Interest and income from securities and time deposits	650
TOTAL REVENUE	14.259
PROJECT FUNDING	
Sustainable agriculture	-2.272
Water projects	-997
Education	-3.845
Health	-555
Human development	-1.121
TOTAL PROJECT FUNDING	-8.790
TOTAL PROJECT FUNDING PLUS ADMINISTRATION	-10.836
Project support	-855
Campaign, educational and awareness-raising work	-500
General PR work	-1.704
Administration	-774
Depreciation	-750
TOTAL EXPENSES	-15.418
ADDITIONAL EXPENDITURE	-1.159
REDUCTION IN RESERVES	1.159
YEAR-END RESULT	0



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**Menschen
für
Menschen**

Karlheinz Böhms Äthiopienhilfe



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