



FEC ANNUAL REOPRT
(2007-2008)

Background

The problems of orphans in Ethiopia in general, and those who lost their parents to HIV/AIDS in particular has continued unabated. Millions of orphaned children still suffer from want of basic necessities (such as food, clothing and shelter), from lack of education and health care, and last but not least from discrimination and isolation. The sheer magnitude of the problem means that even under optimum conditions for tackling the problems it would take decades of sustained comprehensive support to overcome the crisis. AIDS awareness campaigns and the increasing availability of Retroviral drugs to AIDS patients may have eased some aspects of the problems which HIV/AIDS orphans experience routinely. But such improvements are by and large superficial and the social and institutional neglect of AIDS orphans remain prevalent.

FFC's sponsorship programme is confined to Addis Ababa though the problem is prevalent throughout Ethiopia. Needless to say it is the paucity of the charity's financial and human resources which imposed the limitation of FFC operation to the capital city, and to few areas of the city at that. However, the capital is where the highest prevalence of PLWHA (people living with HIV/AIDS) and where the highest concentration of AIDS orphans occur (see Table 1).

Table 1
Orphans in Addis Ababa (with estimations for 2009 and 2010)

	Orphans (0-17 yrs)				Addis Ababa		Urban
	2004	2005	2006	2007	2008	2009	2010
Maternal orphans							
AIDS	97,773	95,274	91,262	83,820	74,979	67,584	59,548
Non-AIDS	29,273	29,117	28,866	28,551	28,200	27,830	27,446
Total	116,581	118,283	117,640	113,916	107,956	102,306	96,734
Paternal orphans							
AIDS	79,412	79,258	78,297	74,288	68,008	62,667	56,711
Non-AIDS	50,490	51,189	51,828	52,236	52,488	52,579	52,654
Total	125,156	128,272	131,441	131,656	128,567	124,625	120,751
Dual orphans							
AIDS	50,313	49,704	48,712	45,776	41,325	37,304	32,966
Non-AIDS	4,274	4,270	4,254	4,211	4,145	4,056	3,955
Total	50,950	52,247	53,055	51,772	48,410	44,695	40,876
Total orphans	192,309	195,534	196,877	194,244	188,225	182,217	176,435
Total AIDS orphans	127,064	125,062	121,111	112,647	101,995	93,289	83,633

Note: Total orphans = Maternal orphans plus Paternal orphans less Dual orphans.

Source: Single Point HIV Prevalence Estimate, MoH, Ethiopia, June 2007

Summary

Our charity FFC, founded with the expressed aim of supporting HIV/AIDS orphans, has been sponsoring such vulnerable children in Addis Ababa since 2004. Members of the charity has increased slowly, while the number of sponsored children has shown marked increase: from 16 (2006), 29 (2007) and 40 (as of Jan. 2009). The rise in the number of sponsored children is due to some fund-raising activities and a substantial monthly contribution by few members. The charity still remains very small, and as it is entirely run by volunteers, all its income is used to sponsor children. A six-months fund is also kept in reserve in accordance to the charity's rules and ongoing commitments.

So far the financial situation of FFC has been good. There are worrying signs though. The combined effects of the current recession and the fall in the exchange rate of the pound could seriously deplete the charity's financial resources.

Sponsored Children

As of January 2009 FFC sponsor 40 double orphans who lost their parents to AIDS. The most recent intake was 11 children in collaboration with two of the three partner charities administering and monitoring the majority of the sponsorship programme.

The beneficiaries of the sponsorship programme come mainly from three of the ten sub-cities of Addis Ababa, namely Lideta, Yekka and Gullelie. Our current partners operate in some areas of the sub-cities, a factor which limits their effective capacity to these localities. Previous attempt to select candidates from all the sub-cities of the capital has hindered close monitoring of the sponsorship programme, as regular visits to the carers' families in far away sub-cities proved time consuming and burdensome to the local partners.

The sponsored children consists of 24 girls and 16 boys. Of these 13 live with grandmothers, 11 with aunts or uncles, and another 11 with elder siblings. With the exception of two children who were looked after by neighbours, all the children are looked after by members of their extended family.

Table 2
Summary of sponsored children

No	No. of children			Partner organisation			Sponsored in year
	Boys	Girls	Total	P-P	HFC	RGE	
1	1	1	2		2		2004
2	3	11	14	9		5	2006
3	8	5	13	13			2007
4	4	7	11	3		8	2009
Total	16	24	40	25	2	13	2009

The children come from all age groups, the youngest being Bethlehem Samuel, age 4 when she was sponsored, and the oldest Selam Kebede, now age 17. All of them go to school with Bethlehem starting from nursery.

The benefits of the monthly allowance, inadequate as it is, extends not only to sponsored children, but also to their carers, siblings and the children of carers. This is particularly true where elder brother or sister is the carer thus keeping the family together in the absence of both parents. Table 3 shows the number of siblings and children of carers who indirectly benefit from the monthly allowances.

Table 3
Direct and indirect beneficiaries of FFC sponsorship

Fund	Administrator	Number of beneficiaries		
		Directly	siblings	Indirectly Other minors Carers
Pro-Poor		25	42	17 25
RGE		13	13	2 13
HFC		2		
Total		40	55	19 40

The impact of sponsorship on beneficiaries and carer's family is apparent. Some of the significant and immediate positive effects include the provision of food, shelter, clothing, going to school, living in dignity in caring and loving home environment. In the long term the programme is bound to help children to grow acquiring education and training to become self-reliant and productive citizens.

For instance a Pro-Poor biannual report (Sept. 2006) states the following:

5. Psychosocial impact of the project
This project has a significant contribution towards promoting the quality of life of the target family in general and the child under support in particular. This is best demonstrated in the following facts and real figures.

5.1 Electric Supply
Abdurazak the guardian of Eman Sani hve installed electric power at a household level after the FFC support started.

5.2 Food
Every child under support have now access to proper meal everyday. Possible to say that food is always available at each home.

5.3 Educational
All children under support has promoted from grade to grade. The following table has details.
...

5.4 Psychosocial empowerment
Nearly all children under support has developed self confidence and moral strength.



Fasika Urgie (05.06.1998 - 13.08.07)

On a sad note, one of our sponsored children, Fasika Urgie, died on 13 August 2007. She was only 9 when she died. She had lost both her parents before she was two, and was raised by her poor old grandmother along with her sister, Zenash Urgie. FFC sent words of condolences to sister and Wro Reshi Bulto, the grandmother. The charity also transferred Fasika's sponsorship to Zinash, so that the family continue to benefit from the monthly allowance.

Members & Supporters

At the end of August 2008 FFC had 26 and two junior members. The membership has hardly increased over the period covered by this report. There is a need to campaign for more members. The charity is also desperate for more participation from existing members. The three officers find it increasingly difficult to cope with running the sponsorship programme as it grows in size, and as more and more of their spare time is taken to attend to their own professional and family needs.

FFC Activities

Over the last couple of years officers of the charity have struggled to manage the affairs of the charity. Much of the officers efforts went to managing the finance of the charity, processing new sponsorship undertaking in collaboration with local partners, producing documents, dealing with enquiries, and trying to network with few Oxfordshire based charities working in Ethiopia.

FFC has now produced a guide for screening candidates for it sponsorship programme. This document is hoped to help avoid problems and misunderstanding frequently encountered by local partners when they screen candidates who qualify according to our selection criteria. Another document is a monthly enquires form to help draw structured and relevant information in monitoring the efficacy of the sponsorship. Both documents are produced in English and Amharic.

Two fund-raising events were also organised, the first in September 2007, and the second in May 2008. The first was organised by the officers with a great deal of input by Sue Moore-Shaw, FFC member, and other supporters of the charity (especially Meskerem Ejigu and her sisters). The event helped to raise over £2,000, and to promote the works of the charity locally.



The second event, entirely financed and managed by Lula Kinnaird and Meskerem Ejigu, also helped to raise the profile of the charity with more local people attending the event. The event was attended by the Lord Mayor of Oxford and by Right Honourable Andrew Smith, the MP for Oxford East. (The following link at our website provides a fuller account of the first event: http://www.friendsforchildren.org/report_ecf07.htm)



Notable additional activities by the officers were undertaken when the secretary and treasurer visited Addis Ababa in 2008. The officers took advantage of the opportunity to sign Memorandum of Understanding, meet the sponsored children and their carers, and discuss outstanding issues with partner charities.



Abraham Woldegiyorgis signing MOU along with Ato Gebre-Eyesus Gebre Michael, Executive Director of Pro-Poor in the presence of sponsored children and their guardians

Pro-Poor's office, April 2008

Abraham, FFC secretary, was able to meet most of the sponsored children and their carers when the two charities signed MOU



The officers tentative attempt to form some form association with two Oxfordshire based charities working in Ethiopia have not succeeded partly due to differences in aims and objectives, and partly due to limitations of FFC remits to the charity officers. However, FFC is able to establish links with these charities and hope to collaborate with them when the opportunity occurs to do so.

Partner Charities & events

Following the success of the formal signing of a memorandum of understanding (MOU) with Pro-Poor in Addis Ababa in April 2006, Abraham Woldegiyorgis, FFC secretary, and Solomon Degefa, FFC treasurer, arranged similar events to be held during their subsequent visits to the country (in 2007 and 2008).

Get Together and Local Fundraising Events

In January and September 2008, Solomon Degefa, the FFC treasurer, and his family went on Holiday to Ethiopia. The family used the opportunity to meet and greet the sponsored children along with their guardians and FFC partners. In collaboration with partner organizations, the family organized local fund raising events and managed to raise over ETB 4000 (GBP 250).



The fundraising events took place in the premises of our local partners: the first in the hall of Redeem the Generation Ethiopia (RGE), and the second in the compound of Hope For Children (HFC). In both occasions most of the sponsored children and their guardians from all the three partners were present..



The events were also attended by other FFC contacts including Ms Mihiret Telila, a staff of IMO, who helped as our de facto liaison officer in 2006-7 and Mr Tewodros Belai, Coordinator of the OVC Network, an umbrella organisation coordinating the efforts of local charities working for and with children in need.



The objectives of the events were to:

- bring all stake holders (children, guardians, partners and FFC members) for introduction and informal chats
- share experience and best practices in networking, monitoring and screening
- involve the sponsored children in individual creative works and group activities
- raise fund by auctioning the children's creative works during the events; and last but not least
- have fun

All of the objectives were met. The children's artistic works (paintings, crafts, and poems) raised ETB 4,000 which was distributed among all the beneficiaries, giving each child a tidy sum. The events happened to take place ahead of major holidays (Ethiopian Christmas on 7 January, and Ethiopian New Year on 11 September), just in time for the proceeds of the events to be used for family expenses for the festivities.



The benefits of the events were much more than what was achieved in terms of the set objectives. Beside the financial gain and other benefits the events proved instrumental to boost the morale of the children and guardians. All those who took part experienced a sense of belonging, a shared community spirit. Such experience means a great deal more for the children who suffered from AIDS related stigma, discrimination and other forms of social alienation. Partner charities also appeared to have drawn a useful lesson in organizing such events in the future.

Financial report

Friends For Children (FFC) Income and Expense Summary For the year ended August 31st 2008

Income	Note	2008	2007	Movement
Member's contribution	1	4,988	2,507	2,481
Donation	2	235	327	-92
Fund raising	3	2,803	170	2,633
Bank Interest				0
Other				0
Total		8,026	3,004	5,022

Expense				
Sponsorship	4	2,634	1,240	1,394
Bank Charge		110	40	70
Other	5	24	266	-242
Total		2,768	1,546	1,222

Excess of Income over Expense 5,258 1,458 3,800

Balance Brought forward 2,970 1,512 1,458

Balance carried forward 8,228 2,970 5,258

Represented by Bank Balance:-

Barclays Current Account	4,228	2,970
CAF - Savings Account	4,000	0
Total bank balance	8,228	2,970

Income from Members Contribution & Donation 2007-2008

Note

		Sep 2007 – Aug 2008	Remark
1	Members' Contribution		
	Sep'07	378	
	Oct	245	
	Nov	235	
	Dec	660	£300.00 - Deutche Bank - Matched Giving
	Jan'08	410	
	Feb	475	
	Mar	340	
	Apr	340	
	May	640	£300.00 - Deutche Bank - Matched Giving
	Jun	440	
	Jul	237	
	Aug	640	£300.00 - Deutche Bank - Matched Giving
	Total	5,040	
2	Donation 2007	Amount	
	Anna Whitacker - coffee morning	100	
	Anna Whitacker - lent lunch	150	
	Fitsum Solomon	12	
	Geoff and Sue	35	
	Joe Human	30	
		327	
	Donation 2008	Amount	
	Chris and Olwyn Mason	50	
	Sue & Geoff	75	
	Sarah	110	
	Total	235	

Income from Fundraising & Sponsorship Expense for 2008

Note

3	Fund Raising	
	September 2007 event	
	Income	
	Ticket Admission	1,550
	Auction	1,225
	Gift-Aid	654
	Sale of cultural items	55
	Total	3,484
	Expense	
	Hall & Table hire	100
	Decoration	23
	Posters	51
	Cultural items bought	0
	Ticket printing	73
	Gift Aid envelope	115
	Music Band	300
	Bouncy Castle hire	45
	Food & Drink	380
	Total	1,087
	Net income	2,397

May 2008 event
organized by Meskerem & Lula

Net income donated by organizers	406
Total	2,803

4	Sponsorship		
	Partner	No of children	Amount
	Hope for children (HFC)	2	197
	Pro-Poor	22	1,747
	Redeem the Generation (RGE)	5	690
	Total	29	2,634

Additional 11 children were sponsored in financial year 2009

Cash Flow Forecast For the year ending August 31st 2009

Receipts:	Monthly GBP	Year Total GBP
Balance as at 31/08/08		8,228.00
Members' contribution (Sep08-Aug09)	355.00	4,970.00
Gift aid Claim tax claim up to 31/08/09	2,300.00	2,300.00
Bank Interest		80.00
Total		15,578.00
Payments		
Commitments:01/09/08 - 31/08/09		
Pro-Poor 22 children for 12 months	264.00	3,168.00
Pro-Poor 3 children for 7 months	84.00	1,008.00
Redeem the Children 5 children for 12 months	60.00	720.00
Redeem the Children 8 children for 8 months	96.00	1,152.00
Hope For Children 2 children for 12 months	24.00	288.00
Bank Charges	120.00	120.00
Total commitments until 31/08/09		6,456.00
Add 6 months reserve for existing commitments		2,880.00
Total commitment & 6 months reserve		9,336.00
Provision for proposed rise in monthly allowance ETB70/child/mth backdated to Mar09	240.00	1,440.00
Bank Charges		360.00
Unforeseen		400.00
Total commitment and reserve		11,536.00
Expected balance - 01/09/09		4,042.00

Treasurers Notes

There were 24 contributing members in 2007 and this number grew to 26 in 2008 which is only an 8% rise in membership. However, members' contribution rose from £2,507 in 2007 to £4,988 in 2008, a 99% growth. This is due to generous contribution of the new members, as well as the matched giving by the employer of one of the members.

The average exchange rate of the pound against the birr in 2007 was GBP 1 = ETB 19. ETB is pegged to USD and the weakening of GBP against USD resulted in an exchange rate of GBP 1 = ETB15 in 2008. This means the cost of a child's allowance to FFC rose from £9.5 to £12, that is by 26%. Needless to say, without a corresponding rise in FFC income, the weak pound posed serious challenge to meeting sponsorship commitments.

The memorandum of understanding signed with our partners stipulates that a minimum of six months notice has to be given by either party to bring the sponsorship program to an end. In line with this, a previous AGM approved the maintenance cost of six months to be kept as reserve. Accordingly the officers have maintained a reserve at this level. However, assuming the allowance per child will be raised to ETB 250 (as recommended by the report), and assuming the unfavorable exchange rate might continue for some time, the charity's finance will become precarious, even if the current level of income is maintained for the foreseeable future.

Recommendations

1. Increase monthly allowance to beneficiaries

In recent years the cost of living in Ethiopia has shown a sharp rise without a corresponding rise in income for the majority of the people. The impact of inflation has been particularly severe on the urban poor and other low income households. The price of food and other essentials have doubled (or even tripled occasionally) in the last couple of years while the FFC monthly allowance of ETB 180 remain the same since the beginning of the sponsorship programme in 2005. Taking away 10% of the sum as administration fee for partner charity only ETB 162 is handed out to the guardians for spending on food, clothing and educational materials for the beneficiary. This allowance is pitifully small to provide these basic necessities.

In view of this the officers recommend the monthly allowance to be raised to ETB 250 as soon as possible. The officers were aware of the need to raise the allowance for quite some time, but this requires the approval of members at a general meeting, and consequently has to wait until such a meeting could take place.

2. More practical involvement of members

With increase in the number of children sponsored by the FFC the task of managing the charities affairs have become more demanding and complicated. Most of these tasks are carried out by the three officers in their spare time. As a result a number of ideas and

plans remain unfulfilled, while delays have also become unavoidable even to carry out some routine tasks. The officers have been serving since the beginning of FFC, and the charity can do with the input of some fresh blood in its management. Members can also take their own little initiatives to raise fund for the charity, and those with web design/publishing skills can help with the development and maintenance of the FFC website.

3. Campaign to recruit new members

The recession has inevitable negative impact on FFC. Members and supporters may decline as a consequence of unemployment resulting in loss of regular income. Recent decline in the exchange rate of the pound has also been unfavourable to FFC, since more money is now required to provide the same allowance in Ethiopian Birr to the beneficiaries. The combined negative effect could be devastating to the continuity of the sponsorship programme. To avoid such risk and to extend the sponsorship to more orphans all members must actively work to recruit new members.

4. Election of a team of fund-raisers

FFC desperately need a team of members and supporters dedicated to fundraising activities. Membership contribution alone cannot ensure the achievement of our ambition to help hundreds of orphans and vulnerable children in Ethiopia.

Appreciation

Over the years members and supporters have been very kind to provide assistance to the charity in many ways. FFC acknowledges the financial and material, the practical and moral support of all its members and benefactors. Without their support the sponsorship programme could not have continued, let alone make steady growth. The charity likes to express its gratitude to them all while its special thanks go to:

- Abbas Alemneh, a supporter, for helping to set up the FFC website and for covering the expenses of web hosting for two years
- Meskerem Ejigu, a supporter, for invaluable work to cater food the September 2007 fundraising party; and for being one of two organisers of the May 2008 fundraising party
- Sarah House, a supporter, for raising fund by collecting donations
- Lula Kinnaird, a supporter, for being one of two organisers of the May 2008 fundraising party in Oxford
- Tutu Melaku, a supporter, for providing catering equipment free of charge for our fundraising events
- Sue Moore-shaw, a member, for teaming up with the officers to organise the first fundraising event
- Anna Whitacker, a supporter for raising fund by organising coffee party at home