

20. Methodist Relief and Development Fund - Summary of Annual Report 2006/07

HIGHLIGHTS OF THE YEAR 2006-7

- The most disadvantaged communities in 26 of the world's poorest countries prioritised
- Essential services provided for the first time in 191 resource-poor communities
- Income generation opportunities increased for 53,750 subsistence farmers and slum dwellers
- Effectiveness of 76 small organisations and local churches increased through capacity building and training by MRDF staff and local experts
- Collaboration between 40 MRDF partner organisations and local government and civil society structures to ensure sustainability
- Funds targeted at forgotten emergencies in 11 countries
- Rehabilitation work in India, Sri Lanka, Pakistan and Sudan following past large-scale disasters
- £250,000 raised from MRDF's Harvest pack

DEVELOPMENT

Eradicating poverty and building capacity

The challenge

In the world's poorest countries, families surviving at subsistence level are forced to make complex and difficult decisions on a daily basis in order to survive. The continuing challenge of unequal trade rules, the spread of HIV and the growing impact of climate change means that individuals still lack the financial base essential to take the first step towards economic independence, and their governments are not yet in a position to provide the support required to assist them.

Our response

Faced with overwhelming need in so many areas, long-term development work was focused in 26 countries in some of the poorest parts of the developing world, prioritising those disadvantaged due to location, gender, age, caste or status, and especially where a combination of these factors made individuals "doubly disadvantaged". During the past year, MRDF had partners working in: **Sub-Saharan Africa** - Burkina Faso, Cameroon, Gambia, Ghana, Liberia, Mali, Niger, Sierra Leone, Togo, Ethiopia, Kenya, Sudan, Tanzania, Uganda, Malawi, Mozambique and Zambia; in **Asia** - Bangladesh, Cambodia, India and Nepal; and in **Latin America** - Bolivia, El Salvador, Guatemala, Honduras and Nicaragua. MRDF worked in partnership with 76 small-scale, locally based organisations and Methodist Churches. Because the effectiveness of these partners is critical to our successful contribution towards poverty eradication, MRDF focused energy on helping them to become more effective and self-sufficient. To make a meaningful impact extending beyond the duration of any single project, MRDF built the capacity of partner organisations by:

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- a) providing or funding training, networking and learning opportunities
- b) supporting partners to put in place stringent systems of financial and organisational management for continuous monitoring and assessment of operational effectiveness, including regular in-country visits
- c) developing the confidence and the skills required to access alternative funding.

Targeted countries

Greater targeting of countries to work in including a reduction in the number of target countries in West Africa from 9 to 6; prioritisation of post-conflict countries, including scoping missions to **Sierra Leone** and **Liberia** and prioritisation of partners meeting needs identified in Poverty Reduction Strategy Papers in **Malawi**.

Meeting urgent needs

Where the need was extreme, MRDF responded by directly providing services.

- In one of the poorest and least accessible communities of southern **Togo**, MRDF worked with the Methodist Church to improve the health and sanitation of 5,400 people through building a well and a health clinic.
- In **Guatemala** City, Asociación de Mujeres en Solidaridad (AMES) reaches out to over a thousand women in poor slum communities, where machismo culture and low incomes perpetuate inequality and domestic violence. MRDF supported AMES to provide gynaecological, family planning and pre- and post-natal services, where there is severely limited state provision and no affordable private healthcare.

Increasing opportunity and income

Because of increased unrestricted funding, MRDF was able to focus support on more long-term projects which pass on skills and raise self-confidence, enabling individuals to increase their income generating opportunities.

- In **Cameroon**, MRDF partner CDTVA worked with nearly 2,000 elderly people in inaccessible areas. This area is badly affected by HIV/AIDS and urban migration, and the elderly are often left to care for grandchildren. Through self-help groups, micro-credit and training, old people's standard of living has improved and they benefit from the solidarity between group members.
- In twelve remote villages in western **Nepal**, levels of income and of family health have been raised after MRDF funded the Himalayan Permaculture Group to introduce a low-cost sustainable approach to agriculture. The setting up of 96 community nurseries has increased the range of food available for home consumption and for market. Training in beekeeping, blacksmithing and animal husbandry, and the introduction of organic latrines and fuel-intensive smoke-free stoves have led to alternative income-generation opportunities and improved health of group members.

Sustainable impact by strengthening the community

MRDF partners worked to enhance essential skills where community members had been unable to access them elsewhere.

- In **Nepal** where only 35% (UNESCO, 2006) of women can read and write, MRDF support enabled ERDC to help 400 internally displaced women realise their right to literacy.
- In **Sierra Leone**, 12 years of civil war disrupted the education of many young adults. As they return to their villages, services available from an overstretched

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government are, for the time being, severely limited. Adult learning groups run by MRDF partner SLYEO provided 125 people in five isolated rural communities with literacy training through discussion groups which focus on the issues affecting their lives, such as nutrition, basic hygiene and HIV/AIDS.

Sustainable impact by working through local structures

In order to decrease the danger of dependency, MRDF prioritised organisations that worked in partnership with government and civil society structures. MRDF also encouraged our partners to work on a policy level, to undertake advocacy work as part of their projects.

- Rates of maternal and infant mortality are among the highest in the world in **Mali**, where Jeunesse et Développement worked with and through government-organised community health associations in two rural districts on a maternal and child health programme. Access to basic health care for 3,000 people increased and over 80% of women interviewed now understand the importance of pre-natal consultations.
- In **Togo**, MRDF renewed its partnership with Espoir-Vie Togo for a further three years. This is an organisation of people living with HIV/AIDS that provides care and support services through treating the first ‘drop-in’ centre in the central region. Through referral links with the state general hospital and the local Red Cross, the programme has expanded to reach out to nearly 1,000 individuals.
- Voluntary Action for Development (VAD) in **Uganda** provided nearly 7,000 people with access to safe water, latrines and training in hygiene. Funded by the Big Lottery Fund through MRDF, the project also trained local leaders on lobbying and advocacy. This built skills and confidence which will empower them to press for more and improved services from the local government and to advocate for the less privileged groups of people in their areas.

Sustainable impact by strengthening partners

This year saw organisational assessments carried out by staff and in-country experts in 14 countries. Networking meetings were also organised to understand national priorities and active networking was taken up to identify new grassroots organisations for partnership. Tightening up of financial requirements has also taken place, and a new emphasis on defining governance responsibilities. For example:

- Chinnamul Shishu Kishore Sangstha (CSKS), **Bangladesh** – training in Project Monitoring and Staff Appraisal
- Rural Development Society, **India** – Audit and project worker employed
- Community Youth Mobilisation, **Zambia** – resource provision and fundraising support
- Katosi Women Development Trust, **Uganda** – capacity building to access alternative funding

Good stewardship of resources

By minimising administration and fundraising costs, and by encouraging partners to do the same, MRDF ensured that as much of our income as possible was used where it was most needed. By working strategically and avoiding duplication, MRDF achieved results that were relevant to the needs of the communities and partners with whom we work. MRDF tightened its own assessment procedures, and helped partners develop more measurable outcomes that result in real and durable change. In addition, MRDF increased its core partnership scheme for

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long-term partners with strong performance records, resulting in key partners in **Bangladesh, Cameroon, El Salvador, India, Mali** and **Uganda** who would be suitable as demonstration sites and resource units for other smaller partners in the region.

Enhancing quality

Grant application formats were revised to help partners quantify and qualify their aims and objectives, and the legal agreements made between MRDF and its partners were reviewed to assess clarity about roles and responsibilities (new contracts will be developed in the year to come). A toolkit of resources continued to be developed to share expertise and build the capacity of partners. Programme staff provided regular support by email and through the capacity building newsletter “Strength to Strength” (issues included gender, and income generation). Questionnaires were developed on project themes (HIV/AIDS, micro-credit, non-formal education) to improve programme assessment during visits. MRDF also drew on regional expertise for in-country financial and organisational audits, and project end-line assessments.

HUMANITARIAN AID

The challenge

This year has not been as badly affected by humanitarian disasters as previous years. However, there continue to be ongoing emergencies that do not make the headlines. The future is set to be filled with more crises – by 2050, an estimated 30 million more people may be hungry due to the increased floods and droughts caused by climate change.

Emergency relief assistance

Generous donations from supporters enabled MRDF to respond with speed and incisiveness to high profile disasters such as the floods which wrought devastation across much of South Asia. MRDF responded rapidly in **Bangladesh** by assisting partner organisation CSKS to provide clothing, medicine and extra food, drinking water and shelter to 1,500 street children. In response to the tsunami that struck the **Solomon Islands** in April 2007, affecting around 37,000 people and causing dire shortages of drinking water in many areas, MRDF provided water tanks to meet the needs of 5,000 affected people. MRDF co-ordinated efforts with the British Methodist Church and the locally based United Church of the Solomon Islands. A more complex response was made in Darfur, **Sudan** where the world’s biggest relief operation continues to support 2.5 million displaced people. MRDF contributed to the work in the refugee camps by the Action by Churches Together (ACT) Alliance which continues to provide long-term relief to over 100,000 people.

Long-term rehabilitation for major emergencies

MRDF’s response to humanitarian crises extended beyond relief aid, providing support for long-term recovery and rehabilitation after disasters. **Pakistan**’s North West Frontier Province was devastated by an earthquake in October 2005, and MRDF continued to support the work of local ACT Alliance partners to rebuild the lives of people and communities. Rehabilitation following the 2004 Asian tsunami continued in **India** and **Sri Lanka**. Despite the enormous relief effort focused on this disaster, pockets of affected areas remain unsupported and a needs assessment identified which areas MRDF will target for further intervention.

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Disaster prevention and mitigation

MRDF partners worked with vulnerable communities on initiatives to avoid and minimise their risk to disasters. In the hurricane-prone Central American countries of Honduras and Nicaragua, disaster prevention strategies developed by MRDF partners bore fruit in the wake of Hurricane Felix in 2007, as well-prepared agencies worked collaboratively to lessen the hurricane's impact on vulnerable communities.

Forgotten emergencies

MRDF prioritised humanitarian emergencies because they received little or no media coverage and therefore elicited a limited financial response from the public. In 2006-07, 59% of the funding that MRDF channeled through the ACT Alliance went to these 'forgotten emergencies', compared to 25% last year. These less publicised emergencies included natural disasters, ranging from Serbia's worst floods in 100 years to drought in Kenya and Afghanistan affecting millions.

FINANCIAL REVIEW

Increased income for "small miracles"

Thanks to the continued generosity of supporters and institutional funders, unrestricted donations rose by nearly 20%, enabling MRDF to prioritise support to where it was most needed. The majority of grant expenditure (65%) was spent on "small miracles", the long term community development work which created significant and long-lasting change in marginalised communities. MRDF's Harvest pack secured £250,000 and ensured support for 10 partners over the next four years. Humanitarian aid donations fell dramatically, largely due to the absence of high profile disasters. There was, consequently, a reduced focus on emergency relief activities. Vital and much appreciated continued funding was received from Comic Relief for work with street children in Dhaka and from the Big Lottery Fund for a water project in Uganda. In addition, three successful applications were made to the World Development and Relief Committee in Ireland, and funding from the Isle of Man Overseas Aid Committee enabled MRDF to complete a project for disabled children in Calcutta.

**The full Annual Report can be downloaded at
www.mrdf.org.uk/pages/annual_review.php**

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2007

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2007</u>	<u>2006</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£	£
Incoming resources from generated funds					
<i>Voluntary Income:</i>					
Donations & Grants	935,082	267,645	-	1,202,727	1,570,648
Legacies	377,263	-	-	-377,263	469,261
Investment income & interest	118,670	16,544	-	-135,214	140,917
<i>Other incoming resources:</i>					
Sales	3,480	-	-	-3,480	3,833
Total incoming resources	1,434,495	284,189	-	1,718,684	2,184,659
Resources expended					
<i>Cost of generating funds:</i>					
Fundraising & publicity	102,737	-	-	102,737	59,002
Cost of Sales & Investment Mgt	10,912	-	-	10,912	15,808
<i>Charitable activities:</i>					
Activities in furtherance of objects:					
Development	1,153,454	239,703	-	1,393,157	1,361,346
Development Education	169,641	-	-	169,641	190,287
Humanitarian	46,541	178,040	-	224,581	1,068,511
Advocacy & Education	244,322	23	-	244,345	125,797
Governance costs	52,736	-	-	52,736	46,713
Total resources expended	1,780,343	417,766	-	2,198,109	2,867,464
Net outgoing resources	(345,848)	(133,577)	-	(479,425)	(682,805)
Other recognised gains & losses					
Gains on revaluation	5,075	-	-	5,075	9,869
Net movement in funds	(340,773)	(133,577)	-	(474,350)	(672,936)
Total funds brought forward 1 September 2006	861,681	389,448	5,000	1,256,129	1,929,065
Total funds at 31 August 2007	520,908	255,872	5,000	781,780	1,256,129

There are no recognised gains or losses other than those dealt with above. All operations are continuing during the year.

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*****RESOLUTION**

20/1. The Conference receives the Report.