

# Annual Report 2008



## Masthead

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Page 3

## Foreword

Page 4-5

## Introducing action medeor

Page 6-7

## Medical Aid

Page 8

## Emergency Relief

Page 9

## Donations in Kind

Page 10-11

## Development Cooperation

Page 12-13

## Pharmaceutical Expertise

Page 14

## Projects

Page 15

## medeor in Tanzania

Page 16-18

## Public Relations

Page 19

## Thank you!

Page 20

## Endowments and Foundations

Page 21-23

## Inside action medeor

Page 24-31

## Facts and Figures

Page 32

## Contact us

## AID IN A BOX.



The cover photo shows a  
mother and child at a healthcare  
centre in Zimbabwe.  
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# Dear friends and supporters of action medeor,



*medeor President **Heinz Gommans** and medeor Executive Director **Bernd Pastors** (r.)*

Floods, hurricanes and epidemics – while the industrial countries are equipped to help themselves quickly and effectively in a crisis, people in developing countries are often helpless in the face of a catastrophe and its aftermath. And effective help is then usually required for thousands of people. In 2008 action medeor provided emergency and disaster relief for the people of Burma and Haiti, who were suffering from the effects of several severe hurricanes, as well as for the victims of the cholera epidemic in Zimbabwe. Last year medeor workers dispatched medicines worth over 1.3 million Euros for the people of Zimbabwe alone.

As a recognised partner of the Ministry for Economic Cooperation and Development (BMZ), the German Association for Technical Cooperation (GTZ) and the state government of North Rhine-Westphalia, medeor again implemented important development cooperation and pharmaceutical expertise projects in 2008. These included the equipping of a pharmaceutical research and development laboratory in Dar es Salaam in Tanzania, the training of African pharmacists in Ghana and Tanzania and the implementation of a project for improving health care provision in Ghana. Last year medeor implemented a total of 25 development aid projects, 13 humanitarian aid projects and four pharmaceutical expertise projects. Project work in the coming year will concentrate particularly on expansion in the areas of pharmaceutical expertise and transfer of technology.

In addition to this, in 2008 medeor provided medical aid to the value of 10.3 million Euros in 115 countries. This is almost 50 per cent more than in the previous year.

Our public relations activities in 2008 focussed on the fight against malaria. Last year, together with nine international non-governmental organisations, medeor started the two-year European-African initiative "Stop Malaria Now!". The enormous feedback during the first year shows how important it is to raise awareness in Germany of the causes and world-wide consequences of malaria. One child still dies every 30 seconds from this infectious disease. The fact that effective malaria therapy for one child costs only one Euro shows that even the smallest donation can make a big difference. With this in mind, medeor is conducting a city campaign in Cologne in 2009 in order to concentrate efforts in communicating our fight against malaria.

Over 8.5 million Euros in donations (a plus of 55 per cent compared with 2007) and the great increase in the deliveries of medicines and medical equipment in the past year show that public interest in medeor is continuing to grow. We are grateful for this generous support and see it as encouragement to continue and to further expand our work.

It is to be feared that medeor's help will be even more in demand in future since the effects of the world-wide economic and financial crisis will hit our partners in the south harder than the countries in the north. This is particularly bitter

because those who will suffer most are not responsible for the crisis. Thus we can expect a further spread of poverty related diseases and an even greater expansion of malaria as a result of climate change.

medeor feels a special responsibility to face these challenges together with our local partners and to improve the chances for better healthcare provision in the poorest regions of the earth.

We cannot accomplish these important tasks without the help of our friends, sponsors and partners. We hope you will to continue to support our work in the coming year, and we thank you sincerely for your trust in us in 2008!

*Heinz Gommans*  
Heinz Gommans (President)

*Bernd Pastors*  
Bernd Pastors (Executive Director)

Tönisvorst, June 2009



## Introducing action medeor

**In Latin medeor means “I heal”; the aid organisation based in Tönisvorst in the Lower Rhine has dedicated itself to this goal for the past 45 years. medeor was the first organisation in Germany to have generic drugs produced for the common good. Today action medeor is the largest medical aid organisation in Europe.**

### Pioneers in medical aid

action medeor started with the collection of medicine samples in 1963. Under the direction of Dr. Ernst Boekels, inhabitants of Vorst sent the donated medicines to mission stations in Africa. News of this initiative spread quickly and soon drugs were being sent to Vorst from all over Germany. The organisation was then established in 1964. However, it soon became clear that many of the drugs did not meet the needs of the healthcare centres. At the same time action medeor was not able to supply the variety of pharmaceuticals required by the missions. It was necessary to rethink.

medeor took a brave and decisive step: The organisation initiated the production of generic drugs for the healthcare centres according to demand – at a fraction of pharmacy prices. Generics are high quality products with licence-free active ingredients that are no longer protected by a patent. These form the foundation of the medical aid organisation.

Today medeor stocks around 300.000 containers of medicines plus medical equipment in its 4.000 sq m warehouse. Every year around 23.000 parcels leave the medical store in Vorst, mainly for Africa, Latin America

*Around 10.000 healthcare stations in 140 countries receive supplies from Tönisvorst.*

### Current activities:

- Providing access to essential drugs
- Fighting HIV/Aids, malaria and tuberculosis
- Set up and maintenance of basic healthcare services
- Implementation of healthcare projects
- Pharmaceutical-medical expertise
- Emergency and disaster relief

**medeor's statutes can be obtained from action medeor or downloaded at <http://www.medeor.org/Service/Info-Material>.**



and Asia. The recipients are small dispensaries in remote areas, as well as large hospitals which see hundreds of patients a day. However, medical aid is only part of the extensive aid provided by medeor.

### Always one step ahead

Early on, the organisation realized that access to improved medical care is not achieved through the provision of high-quality drugs and medical equipment alone. Sustainable reinforcement of the healthcare structures in the particular country is vital; in accordance with its statutes medeor provides development aid in all areas of healthcare. This includes the training of local healthcare personnel, the setting up of production facilities for drugs that fight malaria and Aids and the establishment of distribution centres for pharmaceuticals in the different countries.

### Support for even the smallest healthcare stations

action medeor is exclusively a charitable organisation. Independent auditors, the German Central Institute for Social Affairs (DZI) and revenue authorities ensure that resources are applied in accordance with the statutes. The organisation provides aid as a donation or at cost to recipients outside the European Union only. The selling price for medicines in our standard range is about one-tenth of the usual German pharmacy prices. About 40 per cent of medicines dispatched in 2008 were sent free of charge and financed through donations. Low minimum purchase quantities benefit many small health facilities. In 2008 they made up about 45 percent of our total orders (orders worth less than 1.000 Euros).

### Why help is needed

Why do almost ten million children die of curable diseases every year in the developing countries? The most frequent causes of death in children under the age of five are diarrhoea, respiratory tract infections, measles



*medeor works with local partners on the qualification and further training of healthcare personnel.*

and malaria. About two-thirds of cases of infant mortality could be avoided with adequate health care.

There are several reasons for this tragic fact: The lack of social security systems in developing countries means that the people often have to pay for medical treatment. There is also a wide-spread lack of healthcare provision: facilities in rural areas are particularly difficult or impossible to reach. And finally there is a lack of skilled staff to cover the areas of quality control and research+development, and to ensure the correct application of the drugs.

### Our goal: better healthcare for people living in poverty

Currently over a billion people worldwide are living in absolute poverty, with less than 1 US dollar a day at their disposal. In 2000 the international community of states pledged itself to reduce the number of people living in absolute poverty by half by the year 2015. Enormous efforts will have to be made to get anywhere near to achieving this goal. However, for the first time this declaration has resulted in agreement on common, verifiable criteria for international development cooperation. medeor's orientation and work have been reinforced by the fact that three of the eight Millennium Development Goals (MDGs) directly pertain to the field of health: the reduction

of child mortality, the improvement of maternal health and the battle against HIV/Aids, malaria and other infectious diseases.

For many years now medeor has made a direct contribution to improving the living conditions of children, mothers and the chronically ill in many projects in the poorest regions of the earth. About 50 medeor staff are currently working for this goal with strong motivation and great conviction.

*One development goal is to reduce the mortality rate in children under five by two-thirds by the year 2015.*







© medeor/Jens Grassmann

## Support for the people in Zimbabwe

**In less than a decade, the life expectancy of the people in Zimbabwe has fallen from 55 to 35 years. The healthcare system no longer functions and hardly any drugs are available. The country is in a catastrophic situation economically, politically and from a humanitarian point of view. The cholera epidemic worsened the situation dramatically.**

The recent years of President Robert Mugabe's government have left their mark on the former bread basket of Africa: The consequences are poverty and the collapse of public facilities and utilities, resulting in the serious cholera epidemic in November 2008. Thus the

people of Zimbabwe are living through the severest crisis in the history of their country.

action medeor has been supporting healthcare centres in Zimbabwe with medicines and medical equipment for

many years, but the cries for help from our partners have markedly increased since the outbreak of the cholera epidemic: "Every day we hear about enormous suffering. About people who could survive if drugs were available, and we try to help as much as we possibly can", states Inge Ricken from medeor. She organises relief supplies for Zimbabwe.

*Sister Christel has been working in Zimbabwe as a partner of medeor for many years.*



© medeor

Cholera leads to death in up to 70 per cent of cases, if it is not treated. Dehydration and salt loss are a great problem. The victim has diarrhoea, then starts to vomit, and can thus lose up to 20 litres of fluid a day. This is why it is important to treat patients with salt-sugar solutions and to give an antibiotic to fight the cause of the infection.

Local partners are working under the most difficult conditions. According to Sister Christel, who writes from Zimbabwe: "our patients are dying like flies. We are working day and night,

but we cannot manage without the necessary drugs". A humanitarian disaster has developed in recent years to which action medeor has reacted by increasing medical aid: In the last seven years medeor's relief supplies for Zimbabwe have increased more than ten-fold. In 2008 alone, drugs and equipment worth 1.3 million Euros were delivered. Goods worth around half a million Euros were sent as donations.

### Transparency and surveillance

medeor staff ensures that medical aid reaches millions of people every year, and every year 700 – 800 million tablets and a wide variety of medical products are dispatched. This involves many hands working together: experienced staff regularly observe price trends on the European market and put all product requirements out to tender internationally in accordance with the strict guidelines of the European Commission for Humanitarian Aid (ECHO), so that the transparency of the contract award process is guaranteed.

Shatter-proof, space-saving and light-weight bulk containers are mainly used in order to ensure that the valuable cargo reaches its destination intact. medeor pharmacists ensure high safety standards and quality control with regard to the drugs. A modern merchandise planning and control system guarantees effective surveillance of the goods, even after they have left the warehouse. medeor staff qualified in the fields of wholesale and foreign trade know the different import and customs regulations in the different countries and choose the appropriate form of dispatch.

Shipments for charitable use can be quickly and easily assembled using medeor's online product information portal and queries to medeor can be sent directly. Further information can be found at <http://gb.medeor.org/Professionals/Products>.

### Medical aid in 2008

- Total output of drugs & equipment: **10.31 million Euros** (2007: 6.94 m Euros)
- Thereof at cost price: **6.09 million Euros** (2007: 497 m Euros)
- Thereof donated: **4.22 million Euros** (2007: 1.97 m Euros)
- Number of orders: **1.697** (2007: 1.926)
- Number of boxes: **23.252** (2007: 18.863)
- Total weight of all goods dispatched incl. packaging: **434 tonnes** (2007: 360 tonnes)
- Supplies were sent to a total of **115 countries**.



*Medical supplies have arrived safely in a children's project in Guatemala.*

### medeor is a central procurement centre for humanitarian aid by the European Union

In 2006 the European Commission for Humanitarian Aid (ECHO) certified medeor as one of nine central procurement centres world-wide. As a Humanitarian Procurement Centre (HPC) medeor is specialised in the shipment of goods for EU project partners. HPCs are subject to European Union guidelines and conform to strict criteria regarding transparency, pricing, performance and quality.



### Outlook for 2009: Medical aid and humanitarian aid

A number of disasters in 2008 meant that an unusually large amount of emergency medical aid was required. It remains to be seen, whether this will also be the case in 2009. The trend in medical aid financed by other aid agencies will probably remain stable. It remains to be seen how the economic crises will affect developments, and a slight decline compared with 2008 is expected for 2009.



# Humanitarian Aid: Relief for the victims of the hurricanes in Haiti

**Haiti is one of the least developed countries in the world. It ranks as 146th out of a total of 177 states in the United Nations Human Development Index. In addition, hurricanes “Gustav”, “Hanna” and “Ike” hit the country with terrific force in 2008. medeor supplied life-saving drugs at very short notice.**

The people in the poorest country on the American continent are in dire need: the average daily income per person is less than two US dollars. Three to five thousand children live on the streets in the capital Port-au-Prince alone. More and more small farmers are unable to feed their children.

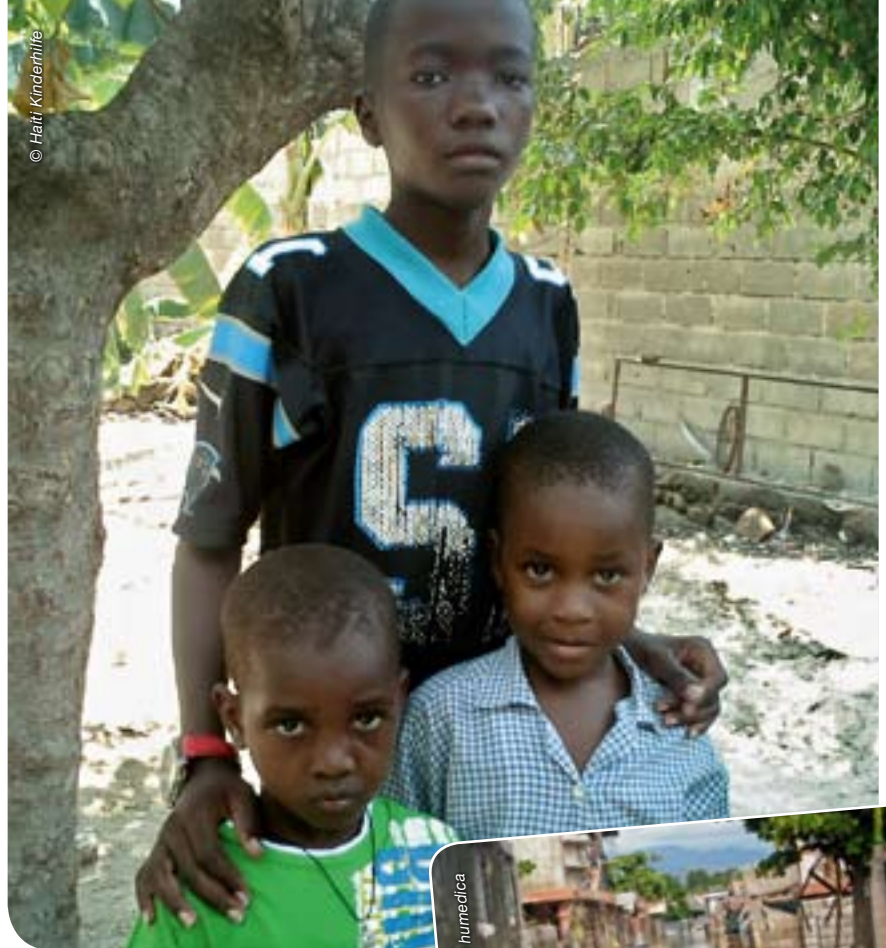
Many children who fight to survive find a safe refuge with medeor partner Marie-Josée Laguerre at the Haiti Children's Centre. The level of malnourishment from which the children



## Humanitarian Aid 2008

Altogether medeor provided humanitarian aid in 61 countries, including donations to the value of 3.8 million Euros.

action medeor is a member of the alliance Aktion Deutschland Hilft (ADH). By cooperating with competent partners, relief can be supplied particularly quickly and efficiently in an emergency.



are suffering when they arrive is often life-threatening. Lack of food is not the only problem; medical provision is also inadequate.

The already catastrophic situation was dramatically exacerbated by the three hurricanes which followed each other in quick succession in September 2008. Landslides in the mountains and floods along the rivers resulted in many people being completely cut off from outside help. Four medeor partners, including Marie-Josée Laguerre, contacted Tönisvorst and asked for speedy relief assistance.

Within one day medeor co-workers dispatched so-called Emergency Health Kits. These 900 kilo kits contain emergency medical relief for up to 10.000 people for three months. Among other things they contain bandages, infusion solutions and antibiotics. The organisation humedica, a long-term partner of medeor, immediately sent a medical team to Haiti, with extra medicines and medical equipment from medeor in their baggage. “Excellent co-operation with our partners means that we can help quickly and directly in an emer-



*Complete villages were flooded.*

gency – and above all, according to the specific demands”, says Dirk Angemeer, action medeor emergency relief coordinator.

The children in Marie-Josée Laguerre's care also received desperately needed medical supplies: “We have received all the shipments and have used them well. We have supplied our three infirmaries in Port-au-Prince, Pierre-Payen and Marouge with medeor medicines”, writes Mrs. Laguerre.



*Marie-Josée Laguerre (centre back) and Sister Godelieve and the children are happy about the help they received.*



# Donations in kind from companies

**Drugs for treating gastro-intestinal illnesses are particularly important for children. But tablets for infectious diseases, pain killers, medical equipment and bandages are also needed in many places. This is why action medeor asks pharmaceutical companies for donations in kind for project partners in African, Asia and Latin America.**



medeor checks that the products are in excellent condition and ensures that every donation is deployed where it is most needed. A receipt of donation is issued on request and the donor is informed about how the donation has been used.

## Useful donations in kind

- Drugs or equipment, left over from over-production
- Drugs which still have a minimum life of one year
- Discontinued brands
- Surplus goods
- Nutritional supplements

## Advantages for the donating companies

- Reduction of storage costs
- Increasing storage capacity
- Corporate Social Responsibility

Analyticon Biotechnologies was one of the companies which made an effective donation in kind. Andreas Busching, marketing manager at Analyticon, is as pleased as medeor: "One can see the benefits of making a donation in kind straight away! We know that our products are in good hands and will be put to good use. We will certainly contact you if we have similar goods available in the future. This project has given us much pleasure". A total of 160.000 urine test strips which medeor sent to partners

in Lebamba (Gabon) have helped many pregnant mothers and diabetics; these useful test strips are very expensive in Gabon.



*Andreas Busching, marketing manager at Analyticon*

## Donations in kind in 2008

In 2008 medeor received donations in kind to the value of 3.12 million Euros (in 2007: 0.79 million Euros): donations in kind worth 370.000 Euros were supplied to eight healthcare centres in Zimbabwe alone for the victims of the cholera epidemic. Donations included bandages, antibiotics, sticking plasters and solutions for treating diarrhoea in children.

## Aids: United against Discrimination

**Chantal is 17 years old. She lives in Karengye, a town in eastern Rwanda. Rwanda is one of the smallest and most heavily populated countries in Africa. Genocide, civil war and mass forced displacement have set Rwanda back years in its development. Today it is one of the poorest countries in the world. Chantal knows that she carries the HI-Virus. Luckily her immune system has withstood the infection up till now.**



Chantal speaks openly about her infection. This is unusual in a country where Aids is still a taboo, even though about 6.7 per cent of the population in Rwamagana, the eastern district of Rwanda, are infected with the virus. People who are HIV-positive or who have AIDS suffer serious discrimination in Rwanda. Many affected people have lost their jobs and live below the poverty line. Chantal, too, feels the effects of her openness: her mother is unsure as to how to deal with the disease. She knows hardly anything about its causes or conta-

The youths work in theatre projects in six secondary schools, campaign for more tolerance towards people with HIV and at the same time convey important information about HIV/Aids. Most young people are frighteningly ignorant about how they can protect themselves, where they can get tested and what counselling facilities are available.

The youths visit people affected by HIV/Aids and also met with Chantal and her mother. They talk about the experiences of others and about how they cope with discrimination. Chantal's mother asked questions and the students were happy to take this opportunity to pass on their knowledge. They were able to convince Chantal's

organisation RAPP, with whom medeor has been working since 2004. RAPP is above all dedicated to fighting poverty and increasing international awareness for the consequences of the genocide in Rwanda. In 2008, around 7.200



*The trainers Rose Tuyishine and Suleiman Muhirwa with medeor co-worker Birte Thomsen (l).*

people were sensitized to the subject of HIV/Aids through 24 different plays. Roughly 240 young people at six schools were trained as multipliers on the subject of HIV/Aids prevention.



*The students work to educate and break down prejudices by staging plays.*

giousness. So she avoids contact with her daughter and insists that she use her own eating utensils. The situation changed for Chantal only when she met young people involved in a theatre project.

mother that she can love Chantal just as much as she did before she was infected. This story of the mother and daughter touched the group deeply and they worked it into their next play.

This theatre project is an initiative of the Rwandan non-governmental or-

Pharmaceuticals alone cannot successfully combat HIV/Aids. This is why medeor is working on the Five Point Programme. This includes education and prevention, diagnosis, treatment, home-based-care of patients and the care of HIV/Aids orphans.



## Successful development cooperation projects 2008

### Primary healthcare provision –

**Ecuador, Columbia and Mexico:**

Treatment of 4.917 patients through health campaigns. Information for roughly 13.800 people about the prevention of basic illnesses. Training of 129 health workers who treat patients and organise educational events. **Togo and DR Congo:** Treatment of 4.800 patients; in Togo educational events for over 4.500 people.

### Sexual and reproductive health –

**Colombia:** Awareness raising for 200 people in seminars, and training of 30 people as multipliers. **Ghana and Malawi:** Training of 62 traditional midwives who attend around 5.000 births a year. Ghana: Awareness raising events for around 5.000 people.

**Tuberculosis – Bolivia:** Avoidance of up to 600 new infections through the detection and treatment of 45 new TB cases. Education of about 10.000 people about TB.

**Malaria – Togo:** Education of about 25.000 people in 50 villages about malaria, important prevention methods and correct behaviour in the case of illness. Supply of impregnated mosquito nets at heavily subsidised prices to 5.000 pregnant women and mothers with small children. Free treatment for over 15.000 children with malaria, financed through the revenue generated through the sale of nets.

**HIV/Aids – Tanzania, DR Congo, South Africa and Rwanda:** Education on HIV/Aids for 56.800 people and training of 360 people as counsellors and multipliers. **Tanzania:** Free HIV tests for 3.460 people at counselling and test centres. Medical and psycho-social treatment for 507 patients. Home-based care for 3.400 chronically ill people and Aids patients, provided by volunteers. Support for 725 people living with HIV/Aids, through micro credit and stipend programmes.



medeor co-worker Barbara Kühlen with the project partners in Guatemala.

### How medeor ensures that projects are properly run

- Through detailed reviews of project applications in accordance with specified criteria (e.g. financial feasibility and appropriateness of the requested funds)
- By screening references of the organisation making the application
- Through written contracts specifying the rights and responsibilities of all contractual partners
- Through continuous monitoring through regular and intense contact with the partners and visits to the projects
- Through detailed documentation of all project activities by the partner (protocols, photos, building plans, copies of explanatory material, patient files etc.)
- Through bookkeeping carried out through local accountants and, where applicable, through external auditors and counter-checks by action medeor
- By transferring project funds in several instalments, in order to be able to control use of funds in regular intervals
- If problems occur, solutions are sought jointly
- If improper use of project funds is suspected, local consultants are employed at short notice
- Where fraud is proven, cooperation is discontinued, funds are reclaimed and the organisation in question is added to a "black list".

### Outlook for 2009: New projects

In 2009 we will be expanding our HIV/Aids work in South Africa and Rwanda with new projects. Medical care will be improved for around 30.000 people, particularly children. In an anti-malaria project in Tanzania over 50.000 people will be informed about how to prevent malaria and how to act in case of illness. In Guatemala we are starting a three-year project in which 300 midwives will receive three years' further training. Over 25.000 people will be reached through information campaigns.





© medeor

## malaria: Knowledge saves lives

**Little Amina from Tanzania has malaria. Her mother fears the worst, because this infectious disease is the most frequent cause of infant mortality in Africa. Amina is lucky because the doctor at the infirmary at Lake Nyassa has effective drugs for treating malaria, which can successfully combat this life-threatening illness.**

Children's immature immune systems are easily out-witted by the malaria pathogen, which first affects the liver and then the red blood cells. The result is a high temperature, anaemia, organ failure, and frequently death. As yet there is no universally effective vaccine against the parasite, but a whole chain of effective protective and treatment measures can help to avoid sickness and death. Above all, nets coated with insecticide can substantially prevent bites from the nocturnal mosquito. If an infec-

tion does occur, modern drugs are used which are based on artemisinin, an ingredient of *artemisia annua*. With this therapy malaria is healed quickly and completely over a period of three days. Therapy for a child with malaria costs less than one Euro, medication for an adult only marginally more. In spite of this, these drugs are either unavailable for many Africans, or are generally unaffordable.

This is why action medeor has been working since 2005 to facilitate access to inexpensive, well tolerated and effective malaria therapies. For medeor it is also important to be involved in the entire process of drug production. This should occur on a local level and must work to strengthen the infrastructure sustainably. The job of the medeor pharmacists is to provide the local experts with know-how in all relevant areas: in the cultivation of *artemisia an-*

*nua*, in the extraction of the active ingredient, in the production of the drug and in the further development of active ingredients and forms of administration. medeor is supported in this by highly qualified voluntary experts from the European pharmaceutical industry.

### medeor facilitates access to life-saving malaria drugs:

**Step 1 – Cultivation:** Smallholder cultivation of the medicinal plant *artemisia annua* is being promoted in Uganda, Kenya and Tanzania in co-operation with the Kenyan company Advanced Bio-Extracts Limited, the German Society for Technical Co-operation (GTZ) and action medeor. The formerly nomadic Massai are learning basic skills such as irrigation techniques, crop rotation and mineral and organic fertilisation. Guaranteed purchase quantities and reasonable minimum prices ensure a predictable income for the smallholders.

*Amina is cured thanks to effective malaria drugs.*



© medeor

## Step 2 – Extraction and derivatisation:

Large amounts of dried leaves are already being extracted by the company Advanced Bio Extracts near Nairobi. The artemisinin thus derived, a yellowish-white powder, is not yet suitable for use as an active pharmaceutical ingredient. The high-quality active ingredient, Artesunate, is derived from the basic material in two successive chemical reactions (part of the medeor research project).

**Step 3 – Production:** medeor obtains the Artemisinin-based drugs from the East African manufacturers and distributes them through the medeor branch office in Dar es Salaam, mostly to church-based healthcare centres.

## Step 4 – Research and development:

A research and development project was initiated under the aegis of action medeor at the University of Graz to develop an environmentally friendly and robust technical process for extracting active ingredients in a large-scale plant in Nairobi.

*The raw material for the malaria drug is extracted from the artemisia annua plant.*



*medeor pharmacist Christoph Bonsmann checks artemisia leaves in Tanzania.*

## Pharmaceutical Expertise

action medeor has been implementing projects of pharmaceutical expertise in Ghana and Tanzania since 2005.

In 2008, together with the Society for Technical Cooperation (GTZ) and the University of Dar es Salaam, medeor equipped a **research and development laboratory** in Tanzania. Total expenditure for this in 2008 was around 500.000 Euros, of which 45 per cent was financed by medeor and the partner university. 50 students and 25 technical assistants have been trained there every semester since autumn 2008, and the training is ongoing.

Supported by InWEnt, action medeor has been running **training courses for pharmacists** in Tanzania and Ghana every year since 2006. In 2008, 21 African pharmacists took part in a workshop in Dar es Salaam. This training was especially valuable in providing the chance to apply the knowledge acquired in the theoretical course also on a practical level. The newly established research laboratory at the School of Pharmacy/University of Dar es Salaam provided a well equipped facility to practice what was learned.

## Focus of overseas pharmaceutical expertise

- Local production of pharmaceuticals
- Setting up of local distribution centers
- Quality control of the production and distribution of drugs
- Transfer of technology
- Training in healthcare-related issues
- Improving access to anti-retroviral Aids medication and therapies

## Outlook for 2009: Manufacturing facility for Aids medication

A facility for producing high-quality, low cost Aids medication will be built together with our partner, Tanzania Pharmaceuticals Industries Ltd. (TPI), and with the support of the European Commission in Arusha in Tanzania. The aim is to produce 100 million tablets a year. Details of the facility are being specified in different planning stages, and building will start in 2009.

# Projects world-wide

Project location	Project focus	Project volume	medeor share
expenditure in Euros			
<b>Development collaboration projects: Basic healthcare provision, combating HIV/Aids, malaria and tuberculosis</b>			
Benin/Gohomé	HIV/Aids education, prevention, treatment and care	1.518,00	1.518,00
Bolivia/El Alto	Programme for prevention, control and treatment of tuberculosis	33.678,00	21.678,00
Cuamm	Global Health Equity Day	316,86	17,14
Germany	Venro project	55,50	0,00
DR Congo	Establishment of a health centre in Northern Congo	16.613,08	16.613,08
DR Congo/Kalehe	HIV/Aids education and establishment of 5 test and counselling centres	21.335,56	21.335,56
Ecuador/Chinborazo II	Improvement of healthcare provision in indigenous communities	77.853,82	17.280,82
Ghana/Accra	GMP-Training for local pharmacists	17.926,60	1.672,79
Ghana/Hohoe	Training and equipping of 40 traditional midwives	8.082,11	1.437,11
India/Orissa	Support for leprosy self help groups in Orissa	3.330,00	3.330,00
Columbia/Cauca	Laying out of a garden for medicinal plants	2.705,00	2.705,00
Columbia/Toribio	Prevention of sexually transmitted diseases	14.163,39	14.163,39
Columbia/Buenaventura	Improvement of sexual and reproductive health	12.801,86	12.801,86
Columbia/Santander	Primary healthcare provision and education	695,06	695,06
Congo/Bukavu	HIV/Aids treatment and access to ARV therapy	38.547,25	38.547,25
Malawi/Mzuzu	Further training for midwives	3.405,10	3.405,10
Mexico/Chiapas	Establishment of a community health centre with pharmacy	13.309,94	13.309,94
Rwanda/Kigali	HIV/Aids education through interactive theatre work	10.014,95	10.014,95
South Africa/Diepdale	Further training of home carers for AIDS patients and the chronically ill	6.651,68	9,68
South Africa/Masiphumelele	Social and medical care of children affected by HIV/Aids	6.030,36	6.030,36
South Africa/Tumahole	Establishment of an HIV/Aids advice and therapy centre	3.201,83	3.201,83
Tanzania/Lituhi	Prevention, control and treatment of malaria at Lake Nyassa	62.865,63	0,00
Tanzania/Moshi	HIV/Aids education, prevention and training	117.495,09	22.495,09
Togo/Lomé	Renovation and equipping of a school healthcare centre	14.766,80	14.766,80
Togo/Four Regions project	Malaria and Aids education and prevention	46.894,75	46.894,75
<b>Humanitarian aid projects: Acute disaster relief and long-term reconstruction aid after conflicts and disasters</b>			
India/Nagapattinam Tranquebar	Health rehabilitation of tsunami victims	53.682,80	53.682,80
India/Andhra Pradesh	Long-term healthcare provision for the casteless Yanadi women	77.976,40	77.976,40
India/Chidambaram	Establishment of long-term healthcare provision (Tsunami)	31.750,	16 0,00
India/District Prakasam	Construction of 91 rain water filter tanks in two project villages	14.033,68	14.033,68
India/District Prakasam	Follow-up of communal basic and mother-child health	18.988,39	18.988,39
India/Kerala	Improvement of healthcare provision for villages affected by the Tsunami	22.213,91	22.213,91
India/Tamil Nadu	Rain water filter tanks to improve health	15.836,00	15.836,00
Indonesia/Aceh Barat	Basic healthcare provision for villages and camps (Tsunami)	77.503,67	77.503,67
Indonesia/District Alasa	Improvement of basic healthcare provision	88.583,84	88.583,84
Myanmar	Medical care for victims of cyclone Nargis	52.280,44	52.280,44
Sri Lanka	Maintenance of water supply and sewage facilities	163.044,00	163.044,00
Tanzania/Mbinga	Improving the efficiency of the health centre	2.625,00	2.625,00
Thailand	Establishment of a coordination office for medical relief supplies	4.904,74	4.904,74
Germany/Cologne	Supervision of the Afro-European Initiative "Stop Malaria Now!"	201.233,93	69.916,12
<b>Pharmaceutical projects: Local development of drugs, production and distribution, training of personnel</b>			
Kenya/Athi River	Artemisia annua PPP (cultivation, extraction, derivatisation)	3.325,89	3.325,89
Tanzania/Moshi	TRIPS Workshop	221,05	221,05
Tanzania/Dar es Salaam	GMP training validation/-qualification for industrial pharmacists	11.573,89	11.573,89
Tanzania/Arusha	Technology transfer and local ARV production	278.969,26	0,00
<b>Total</b>		<b>1.653.005,27</b>	<b>950.633,38</b>
<b>action medeor Healthcare GmbH projects</b>			
Tanzania/Dar es Salaam	Pharmaceutical development laboratory at the University of Dar es Salaam	468.665,71	210.899,57



# medeor in Tanzania

**medeor pharmacist, Dr. Hellmuth Rößler is an “old hand”. This is not an allusion to his age, but rather to his many years of experience and the excellent results of his work in a specific field.**



In Hellmuth Rößler's case this is sourcing and storage management of drugs in developing countries. For over 20 years he has worked in different functions in the field of pharmaceuticals in Africa. He and the pharmacist Gerald Masuki are the human heart of the medeor distribution centre in Tanzania, the non-profit action medeor International Healthcare GmbH. Gerald Masuki grew up in the north of the country and studied pharmacy in Dar es Salaam. He was active in distributing donations in kind on behalf of action medeor even before the organisation was officially registered in Tanzania. He is very familiar with the problems and needs of the healthcare centres and he and Hellmuth Rößler together make a perfect team.

2008 is already the fourth year in which medeor has supplied health centres throughout Tanzania with drugs and medical products from Dar es Salaam. The aim of the distribution post is to improve access for the needy to high-quality and low-cost basic drugs in Tanzania. The local medeor distribution center ensures the quality assurance of the drugs and supervises the entire distribution chain and storage – and also provides advice on the correct choice of drugs. Pharmaceuticals are mainly purchased from East African manufacturers who have undergone strict controls. Regular inspection of suppliers and additional laboratory tests guarantee high quality for the recipients.

The work of the team, which now consists of 8 persons, is showing results. In 2008 drugs worth roughly one million Euros were supplied to healthcare centres. Of these almost 200.000 Euros were financed entirely from donations. Demand has increased by over 20 per cent compared with the previous year. More and more hospitals and health centres appreciate the availability and reliable service, including delivery even to remote areas. An otherwise successful year was overshadowed by losses caused by the weak Tanzanian Shilling and a case where drugs were obtained by fraud under a false user name. Although some of the goods were recovered, the material loss remains high.

## Advanced pharmaceutical training: “practical experience for use in practice”

Also in Tanzania medeor promotes further education for local health workers. In the Diocese of Mbinga, which orders medicines from medeor, our co-worker Dr. Gerhard Kunath ran a three-day training course for 14 participants under the heading “Book keeping and Warehousing”. Topics included the storage life of drugs in heat, stock-keeping with and without a computer, book keeping, ordering, budgeting and inventory. The volunteer lecturers Claudia Bachmann (pharmacist) and Gabi Sabisch (BMA) assisted at the Workshop.

*The participants of the “Book-keeping and Warehousing” training course in the Dioceses of Mbinga.*



## Outlook for 2009: Re-qualification of Suppliers

medeor is expecting a moderate increase in demand for quality-assured drugs in 2009. A primary objective of medeor Tanzania is to re-inspect the main suppliers and to find a suitable successor for Dr. Hellmuth Rößler, who will be going into well-deserved retirement at the end of the year.



*Together with the catwalk trainer Bruce Darnell (l) Anke Engelke (f) won 17.000 Euros for action medeor in Thomas Hackenberg's (m) Quiz-Taxi.*

## Asking for donations

**With great commitment, last year Anke Engelke again helped raise awareness of action medeor among the general public. Intense public relations work and various advertising efforts drew action medeor to many people's attention.**

"I always used to switch off when they started talking about Africa. Africa is so far away and things aren't great for everyone here, either. So why should I donate?", Anke Engelke asks in the new action medeor TV commercial – and answers the question herself: "Now I know that I can save a life with one Euro." Because this is the amount needed to treat a child with malaria.

On visits to projects in Africa, Anke Engelke was able to see for herself how valuable medeor's work at the grass roots level is. action medeor and Anke Engelke launched this 30 second spot on 7th March 2008 at the opening of the new medeor office in Cologne. The message of greeting was held by Elfi Scho-Antwerpes, mayor of the city of Cologne. Furthermore, medeor ambassador Anke Engelke was a guest on the NDR-Talkshow last year and, together with medeor pharmacist Christoph Bonsmann, talked about medeor's fight against malaria.

### Media presence is increasing nation-wide

medeor's disaster relief work was another important subject in our public relations activities during the last year. Many regional and national media outlets reported on emergency relief for the people in Burma, Zimbabwe, on Haiti and in the DR Congo. Other topics of interest, reflected in many articles in the press, were medeor's commitment to

the local production of Aids and malaria drugs in Africa as well as the establishment of a pharmaceutical research laboratory in Tanzania. At a press conference on World Aids Day on December 1st, 2008 in Berlin, Germany's Development Minister, Heidemarie Wiecezorek-Zeul, praised medeor's commitment to the fight against Aids: The minister stressed the importance of easy access to low-cost drugs for poor people.

*Germany's Development Minister Heidemarie Wiecezorek-Zeul and Christoph Benn, Director of External Relations for the Global Fund to Fight AIDS, tuberculosis and malaria are shown a tablet press for Aids drugs by medeor Executive Director Bernd Pastors (l.).*





## Events in 2008

The international conference organised by the campaign alliance STOP MALARIA NOW! took place in Bonn on the 21st and 22nd of April on the occasion of World Malaria Day. action medeor is the responsible organisation for this campaign, which is co-financed by the European Union.

120 participants from 20 countries discussed innovative and sustainable approaches to controlling malaria and eradicating it long-term. At the end of the conference, a petition signed by conference participants was presented to the G8 negotiators and Minister Heidemarie Wieczorek-Zeul.

Other opportunities to present medeor's work to a larger public were the 17th World Aids Conference in Mexico, the Catholic Church Convention in Osnabrück in May, the medeor summer fete in June in Tönisvorst and the traditional medeor Christmas gala in the Seidenweberhaus in Krefeld.

Special thanks for a successful event in Krefeld go to the presenter, Jochen Butz, to all artistes involved, to the main sponsor Autohaus Hülsemann, and to the co-sponsors Sparkasse Krefeld and Volksbank Krefeld and Stünings Medien.



*Conference participants take part in the battle against malaria and challenge politicians in Europe to make malaria a central topic of development cooperation.*

## Educational work at action medeor

Few people in Germany are unaware of the lack of healthcare in the poorest regions of the earth, but many are interested in finding out more about how people live in other countries. Visitors can see for themselves exactly how help is provided.

For many pupils and teachers a visit to medeor is a welcome and interesting diversion from "regular lessons". Teachers of politics, geography, religious instruction and social



studies classes are pleased to take advantage of what medeor has to offer. Lectures, slide shows and films about medeor's work and visits to the warehouse are becoming more and more popular. Clubs and congregations also take the opportunity to find out more about the relief organisation. medeor project partners who visit from Africa, Latin America and Asia, provide fascinating reports on their work in the field. During the previous year 74 lectures were held by medeor staff in the Tönisvorst headquarters or elsewhere and reached an audience of over 3.000 people. medeor also staged art exhibitions of the work of regional and African artists in the foyer of the Tönisvorst headquarters.



*Guests at the Christmas gala donated a total of 19.000 Euros for the battle against malaria.*





### Advertising for a relief organisation? Yes, definitely.

PR work is an important and inexpensive instrument for introducing even more people to action medeor. A high profile and new donors are vital to ensuring that medeor can continue to provide extensive donor-financed aid in the future. medeor also employs classic advertising strategies such as outdoor advertising, print ads and TV spots in order to achieve this goal. Special thanks are due

to the company Ströer/Deutsche Städte Medien GmbH, who have repeatedly provided advertising hoarding space free of charge, and to the many television networks who broadcast the spot with actress Anke Engelke free.

At no cost to medeor, Alexander Gerlings, art director at the advertising agency Aufbruch developed an ad for a lorry with a remarkably realistic-looking 3D animation: medeor boxes packed in jute sacks are stacked on the loading area with only a small space left at the rear, with the information: "There's still room for your help!" This project is supported by the haulage firm Dohrmann.

Through the generous support of several media and PR partners, medeor was able to reach a large number of people.

Money has to be spent to ensure professional as well as qualitatively and ethically sound fundraising. medeor invests mainly in personalised mailings and telephone fundraising. Collaboration with reputable service providers guarantees compliance with data protection regulations. Since 1992, the German Central Institute for Social Affairs (DZI) has attested that medeor adheres to "verifiable and economical application of funds" as well as "honest, clear and objective advertising".



*medeor ambassador Anke Engelke is shown in the current campaign motifs.*



### Outlook for 2009: Cologne City Campaign

The focus of our public relations activities in the coming year will be to further increase awareness of the relief organisation and to reach new donors. In order to make the most of the limited funds available, medeor will be carrying out a malaria campaign in Cologne. The motto is "One Euro against malaria – count Cologne in!"

# Thank you for your support!

Last year many schools, organisations and companies were active in helping people in need. Friends, relations and colleagues were informed about medeor and enthused for the organisation's work. Very many thanks to them all!



*In a sponsored run pupils of the Tönisvorst secondary school collected 1.861,74 Euros for a healthcare station in Gabon.*



**Frank Richter** (l), NRW Chairman of the **Policemen's Union** presented a rescue transport vehicle to Dirk Angemeer from medeor. The vehicle will be deployed in Cochambaba in Bolivia, a city with a population of over a million. "Many patients do not get to hospital in time and die because there is no ambulance", said Dirk Angemeer in his word of thanks.

**Werner Hegele** and **Katrin Langer** from the mobile cocktail bar "**Fahr-Bar**" donated a total of 745 Euros last year for the fight against malaria. They serve ice-cooled drinks in their faithfully restored 1965 VW bus and collect donations for medeor.

The graduating pupils from **Tönisvorst secondary school** made a profit of 872,81 Euros on the sale of food and drinks at their graduation celebration and donated this for medeor's work.

The world-champion heavy weight boxer **Nikolai Valuev** donated 1.200 Euros, the proceeds from auctioning the boxing robe he had worn before his world championship fight in Berlin. He said: "We have to help everywhere where children are in need. I'm glad that this will help to improve healthcare provision for children in poor countries."

The **Krefeld Clinics** donated canules worth 20.000 Euros. The doctor at a hospital in Zimbabwe wrote: "We desperately need these canules and will be able to supply three other hospitals too. We would not be able to continue working without your help!"

By putting aside a small sum for action medeor's malaria work for every new insurance policy bought in December, the **German Internet Insurance** collected a total of 2.500 Euros. This has paid for the effective malaria therapy for 2.500 children.

The **Düsseldorf Symphony Orchestra** helped people in need with money from their savings. The orchestra board handed over the proud sum of 4.000 Euros to relieve the suffering of victims of the cyclone in Burma.





## Health signifies hope for a future: a new guide for endowments and grants

**Seventy percent of all Germans do not prepare a last will and testament. The intestacy succession rules apply if there is no will, but these do not always represent the deceased person's wishes. This is why it makes sense to use the extensive individual freedom afforded in preparing a will.**

### Thinking about one's last will and testament

Many people don't give much thought to writing a will. They assume that everything will be regulated by the rules of statutory succession or they put off thinking about it. In our society we often do not like to contemplate our own death. But it is worth thinking about writing a will because it can be a real comfort to know that one's affairs are in good order.

### A legacy is exempt from estate duty

When there is something to be inherited, the tax authorities always inherit as well. The amount of tax depends on the value of the inheritance or legacy and the degree of relationship of the heirs and legatees to the testator. Charitable organisations such as action medeor are exempt from estate duty.



© medeor/Jens Grossmann

### You can make such a difference!

One example shows how easily a grant can make a significant difference: every 30 seconds a child dies of malaria in Africa. But with just one Euro a child can be cured. Aid in the form of a bequest or a legacy means that hundreds or thousands of lives can be saved.

### Donate health

Would you like to help long-term and ensure that people in the poor regions of the world can obtain urgently needed medicines and medical aid? Then an endowment is probably the right way to settle your estate. In this way, the capital remains intact while the assets go to providing long-term aid for successive generations.

Do you have questions about endowments and grants, or wonder how you can support action medeor? We would be happy to talk to you about how your legacy can give others the gift of good health and a future.

**Our colleague, Linda Drasba, is looking forward to your call at 0049 / (0) 21 56 / 9788-97 or your e-mail ([linda.drasba@medeor.de](mailto:linda.drasba@medeor.de)).**

### action medeor Foundation

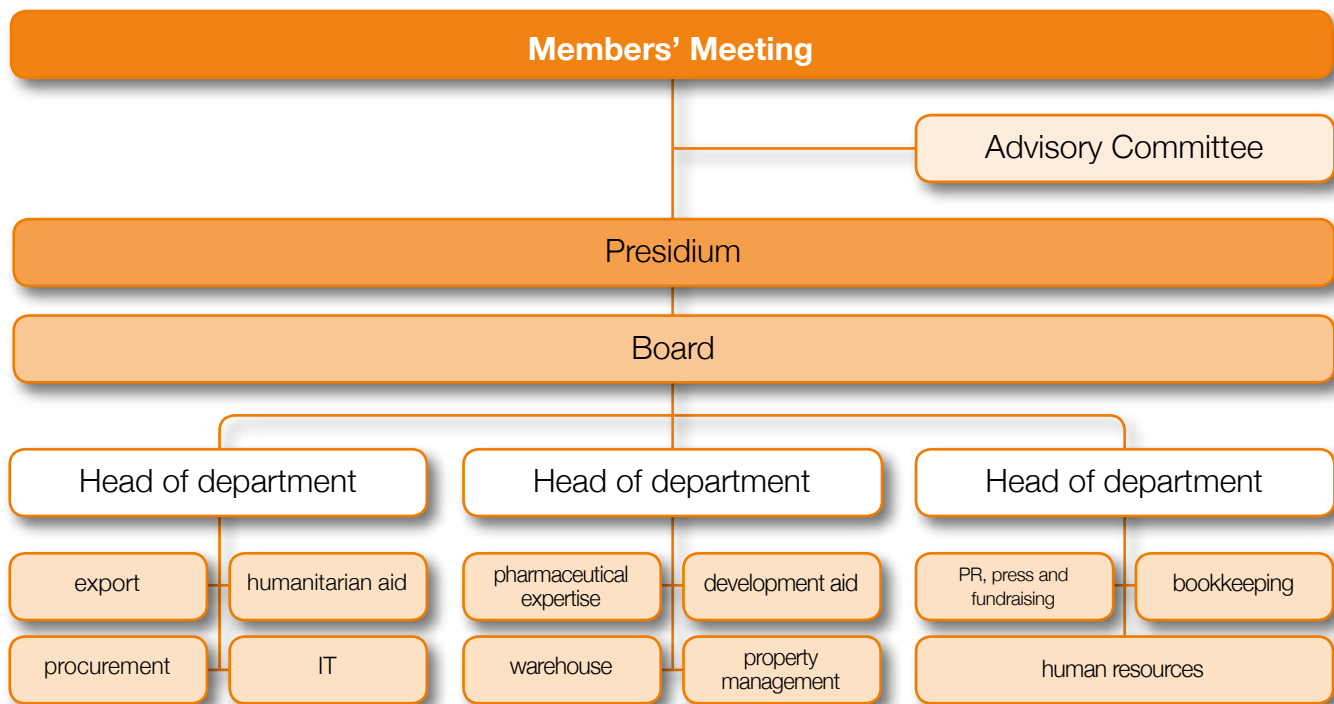
The action medeor foundation was established in 2001. The chairman of the foundation is Heinz Gommans. The original capital assets were around 240.000 Euros, currently they total about one million Euros.



*The cost-free guide for endowments and grants provides information about estate duty and can be ordered with the card on the last page of this annual report.*



# The organisation



The bodies of the Society are the Members' Meeting, the Presidium, the Board and the Advisory Committee. With the exception of the Board all bodies are unsalaried.

## The Members' Meeting

The members' meeting is responsible for approving the annual accounts and the annual report, for supporting the board, the presidium and the advisory board and for electing the presidium and the advisory board. On 31.12.2008 the organisation had 51 members.

## The Presidium

The presidium comprises five unsalaried members who are chosen to represent the fields of medicine, pharmacy and finances. The presidium supervises the management of the board.

Members of the presidium are Heinz Gommans, Krefeld (president), Heinrich Lauf, Viersen (vice president), Siegfried Thomaßen, Tönisvorst (committee member), Prof. Dr. Marlis Hochbruck, Schwalmthal (committee member), Dr. med. Thomas Menn, Frankfurt/Oder (committee member).

## The Advisory Committee

The advisory committee advises the presidium in the execution of its duties. It expresses opinions and advises the presidium with regard to statements prepared for the members.

The committee includes the chairperson Theo Floracks, Heinsberg (retired hospital pastor), the vice chairman Walter Schöler, Tönisvorst, Otto Fricke, Krefeld (MP), Uwe Schummer, Willich (MP), Dr. Gisela Schneider, Tübingen (German Institute for Medical Mission e.V. (DIFÄM)), Sr. Clara Alicia Rozo, Sinpeltveld/NL (Sisters of the Poor Child Jesus).

## The Board

The board comprises one or more salaried members. It is in charge of the running of the organisation and is appointed and dismissed by the presidium. The board runs the business dealings of the organisation in accordance with the statutory regulations, the constitution and the rules of procedure for the presidium and board.

Full-time chairperson is Bernd Pastors, Mönchengladbach.

The statutes can be requested from medeor or viewed online at: **[www.medeor.de/service/Infomaterial](http://www.medeor.de/service/Infomaterial)**

## Report by the Presidium

**The organisation's statutes were changed during the members' meeting on June 13th, 2008. A major change was the establishment of a presidium. The members of the board who had previously been honorary members were elected into the newly created presidium, so that the board now consists of salaried members only. The operational business of action medeor is now controlled and transacted by full-time staff, while the aims and projects are defined jointly by the presidium and the board. The presidium is the supervisory body for the salaried staff.**



*President Heinz Gommans with Prof. Dr. Marlis Hochbruck, Dr. med. Thomas Menn, Siegfried Thomaßen and Heinrich Lauf (from right to the left).*

For decades the board has met six times a year and the presidium is continuing in this tradition. Main points of focus at these meetings are the reports on current financial developments, the procurement, pharmacy, fundraising and PR activities as well as development projects.

There was particular emphasis during this financial year on the implementation of a code of conduct which was drawn up by the Association of German Development Non-governmental Organisations (Venro). The objective of the code is to improve the quality of civic development cooperation and humanitarian aid through the establishment of common principles and standards, and to render the work of the Venro members transparent for the public and for donors.

As co-authors of the code, medeor is already fulfilling the formulated principles to a large part. The organisation has been making a major contribution to sustainable development aid for many years by supplementing medical relief with pharmaceutical expertise and through its development cooperation projects. The example of the Tanzanian branch also shows that medeor promotes effective development aid in its operations together with local partners: This local distribution centre enables direct access to drugs without having to go via Tönisvorst. Important tasks are delegated directly to the partners and are thus more sustainable. Currently the supply of medicines and medical products by medeor in Tanzania is about double that supplied from Tönisvorst in 2005. This indicates the great need for medical provision as well as being

an example of successful development cooperation.

The responsibility associated with office in the presidium also affords great satisfaction in being able to help shape the strategy of an aid organisation with a history that goes back 45 years. The presidium and the board see action medeor's strength in the close cooperation between the committed voluntary workers in the presidium and among the members, friends and sponsors and the full-time staff. Many thanks also to the employees of medeor.

Heinz Gommans, President

### CO<sub>2</sub> balance improved – medeor with a new look

In 2008 medeor invested in insulation in order to ensure the storage of the drugs in accordance with the latest guidelines. The first objective was to see that the maximum storage temperature of 25 degrees was not exceeded – without using air conditioning. This was achieved with modern building insulation, by reducing the window surfaces and by intelligent day/night air exchange. The building's energy balance was improved considerably. According to Joachim Morhenne, manager of the office for environmentally friendly energy systems, Morhenne & Partners: "considerable savings in energy can be expected as a result of this work. In similar reference projects savings of up to 40 percent in energy and CO<sub>2</sub> have been achieved". A total of around 550.000 Euros was invested in this work. In a next step rain water from the roofs of the buildings will be channelled through troughs to the ground water. This is also an active contribution to protecting the environment.



# 19 volunteers give their time for medeor

**medeor is unthinkable without the input by voluntary helpers: “44 years ago medeor was founded by volunteers”, says Bernd Pastors, Executive Director of action medeor. Today 19 volunteers are working together with the 50 salaried staff. “Nine of them are working as lecturers, ten as experts in the pharmaceutical field”, Pastors explains. “action medeor’s work would be unthinkable on this scale without the help of voluntary workers such as Karl Mardus and Ursula Kruse”.**



*medeor Executive Director Bernd Pastors with Uschi Kruse, Karl Mardus and Norbert Vloet from medeor.*

The former headmaster Karl Mardus has been with medeor since 2001. “I present our projects to school classes in Tönisvorst and Kempen, and visit medeor with the pupils”, the 67-year-old says. Many classes become so enthusiastic that they regularly collect donations for medeor. The pensioner Ursula Kruse has been working with medeor for a

year and recently hosted her first group at medeor. “I showed the warehouse to the group and they were very impressed.”

Lecturing is part of the public relations work. But pharmaceutical experts such as chemists or lab technicians can also help in the pharmaceutical field. “Without the help

of the volunteers, a project such as the set up of a teaching and development laboratory in Tanzania would have been considerably more expensive”, according to Pastors. Precisely because medeor depends on donations for its work, it is important that people are prepared to invest their time and engage themselves.

## Obituary

The former chief executive, Heinz Josef Vogt, died on 27th April 2009. Heinz Josef Vogt was a member of action medeor starting in 1988, and from 1998 to 2007, with a great deal of compassion and understanding, he was at the helm of the aid organisation as chief executive. The medeor foundation was established under his leadership in 2001, and in 2005 the non-profit action medeor International Healthcare was founded. The future-oriented “Concept medeor 2010” and the amendment to the constitution were prepared under his leadership. Heinz Josef Vogt always sought to work closely with the medeor staff. He worked with emphatic commitment for the concerns of the people in the projects, among others on a visit to projects in Togo. The list of his good deeds is long. In 2007 Heinz Josef Vogt received the Order of Merit of the Federal Republic of Germany for his tireless efforts. He will be remembered by the presidium, the board, the members and staff of action medeor as having been an extraordinarily kind, competent and fair man.



Table 1: Balance sheet of the EBRD as of 31 December 2014 (in million EUR)

Assets			Capital structure of the parent institution		Liabilities	
	EUR	USD	EUR	USD	EUR	USD
<b>A. Fixed assets</b>						
1. Intangible assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
2. Tangible assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
3. Financial assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>B. Prepaid assets</b>						
1. Prepaid assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>C. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>D. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>E. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>F. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>G. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>H. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>I. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>J. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>K. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>L. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>M. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>N. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>O. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>P. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>Q. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>R. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>S. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>T. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>U. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>V. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>W. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>X. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>Y. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<b>Z. Other assets</b>						
1. Other assets	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00

For more information, see the EBRD website: [www.ebrd.org](http://www.ebrd.org)



# Accounting and valuation methods

**The organisation's annual accounts were audited by an independent chartered accountant in accordance with the principles of proper accounting and the principles in §§ 316 ff of the code of commercial law. This is a voluntary audit in accordance with § 12 section 3 No. a.) of the constitution. The audit was carried out under observance of the auditing standard "Auditing Associations" (IDW PS 750) and the IDW Statement on accounting for associations (IDW RS HFA 14).**

The **intangible assets** (software) were activated at initial costs and amortised over their expected 3-year lifespan using the straight-line method.

The **fixed assets** are valued at acquisition cost less normal straight-line depreciation considering the average lifespan. The item "buildings" refers to the insulation work carried out to the premises, particularly to the warehouse. The depreciation rate for the buildings is 2 % or 4 % and for the paving and external works between 5.26 % and 10 % per year. Low value assets are written off in the year of purchase.

Concerning **financial assets**, the organisation holds 100 % interest in action medeor International Healthcare gGmbH with 100.000 Euro as well as shares in the Ecumenical Development Cooperative e.V. amounting to 10.250,25 Euro.

The **stocks** of the working capital consist of medicines, equipment, packaging material and handicrafts. The stocks were carried at cost.

The total of **the accounts receivable from trade** is attested in an itemised list. 154.024,52 Euro of these accounts had not been settled on 2nd April 2009.

The **receivables from companies** in which participating interests are held involve two loans granted to the action medeor International Healthcare gGmbH. The loans bear a rate of interest of 5.5 %. Repayment of the loan is running on schedule. The receivables from companies in which participating interests are held involve two loans granted to the action medeor International Healthcare gGmbH. The loans bear a rate of interest of 5.5 %. Repayment of the loan is running on schedule.

The **receivables from major projects** are broken down as follows:

- a.) Local ARV production  
3.495.106,00 Euro
- b.) Stop Malaria Now (Awareness-project)  
288.410,93 Euro

To a.) In a contract dated November 24th, 2006 the organisation committed itself to the European Community to implement a major project in Tanzania. This started on December 1st, 2006 and is running for 40 months. In 2008, a partnership agreement was concluded with the project partner who has committed to support the project with 727.902,00 Euro.

To b.) In a contract dated December 11th, 2007 the organisation committed itself to the European Community to run an awareness campaign on the subject of malaria. This started on January 1st, 2008 and is running for 24 months.

The **deferred expenses and accrued income** cover expenditure before the reporting day, in so far as they represent expenses for a specific period after the balance sheet date.

The **reserves** are stated amounting to their estimated utilisation and take account of the identifiable credit risks and contingent liabilities.

The **as yet unused donations/ project funds** are free donations, donations in kind and donations for specified recipients. The monetary assets are stated at their nominal value, the donations in kind at their fair value. Donations for specified recipients are booked as credit to the accounts receivable account of the beneficiary in question. If they were not used up by December 31st, 2008 with deliveries of drugs and equipment, they are recorded as customer credit balance under "other liabilities".

German Pharmaceuticals Relief Organisation  
"action medeor" e. V., Tamsdorf

Annex 2

**Profit and Loss Account for the business year  
from January 1 to December 31, 2008**

	2008 EUR	2008 EUR	2007 TEUR
1 Sales proceeds		6.389.866,23	4.068,6
2 Proceeds from the usage of donations		6.711.803,58	4.207,2
3 Proceeds from grants on the part of any third parties		702.371,89	437,9
4 Other operative proceeds		95.191,55	88,3
5 Material expenditures on commodities and services obtained		<u>-7.144.141,60</u>	<u>-4.341,6</u>
6 Gross profit		6.465.091,66	6.460,6
7 Personnel expenditure			
a) Salaries and wages	-1.635.677,99		-1.526,9
b) Social security charges and expenditures on pension and support	-311.809,87		-264,7
c) Voluntary social security charges	<u>-21.271,01</u>	-1.066.758,87	<u>-42,9</u>
- of this amount spent on pension: EUR 10.648,29 (Prev. year: EUR 5,40)			
8 Depreciations on intangible assets of fixed assets and tangible assets		-313.920,74	341,1
9 Other operative expenditures		<u>-3.963.915,23</u>	<u>-3.277,7</u>
10 Operating profit		218.496,71	26,2
11 Other interests and similar proceeds	175.547,01		136,0
12 Interests and similar expenditures	<u>-8.154,35</u>	<u>167.392,65</u>	<u>-11,6</u>
13 Net profit		385.889,37	154,6



# Profit and loss account

**Sales revenue** comprises the supply of drugs and equipment, as well as the provision of pharmaceutical expertise services at cost price.

**Revenue from the use of donations** occurs because expenses which are financed through donations are entered to reduce the item "unspent donations". Expenditures are donations of drugs and equipment, costs for PR and for the processing of projects, pharmaceutical

expert services and administration of donations.

The **other expenditures** are costs for administration and for organising projects for development cooperation, humanitarian aid, pharmaceutical expertise and educational and PR work. Expenditure on flyers and information material for fundraising campaigns totals 622.622,84 Euros. The cost of shipping drugs and equipment to the countries of des-

tinuation amounts to 842.988,79 Euros. Further details can be seen in the financial report 2008 at <http://www.medeor.org/Service/annual-report>.

Interest and similar income result primarily from asset management.

## Overview of key data 2004 – 2008

In million Euros

	2004	2005	2006	2007	2008
<b>Sales revenue</b>	5,79	5,83	5,32	4,97	6,09
<b>Proceeds from donations</b>	3,91	5,48	5,04	4,3	6,71
<b>Proceeds from third party grants for projects</b>	0,13	0,1	0,13	0,44	0,7
<b>subtotal</b>	9,83	11,41	10,49	9,71	13,5
<b>Expenditure for raw and auxiliary materials and consumables</b>	-5,45	-6,45	-4,83	-4,34	-7,14
<b>Gross result</b>	4,38	4,96	5,66	5,37	6,36
<b>Net result</b>	0,04	0,31	0,6	0,16	0,37
<b>Donations</b>	5,02	6,43	4,8	5,51	8,54
<b>Net result</b>	9,73 <sup>1</sup>	10,04 <sup>2</sup>	10,64 <sup>3</sup>	10,73 <sup>4</sup>	10,62 <sup>5</sup>

<sup>1</sup> including Euro 1.12 million reserves / <sup>2</sup> including Euro 1.13 million reserves / <sup>3</sup> including Euro 1.13 million reserves / <sup>4</sup> including Euro 1.07 million reserves / <sup>5</sup> including Euro 0.57 million reserves



Deutsches Institut für Wirtschaftsprüfung (IDW) e.V. – The Institute

### **Auditors Report**

"We have audited the accounts of the German medical aid organisation 'action medeor' e.V. – comprising capital account, earnings statement and cash flow statement – for the financial year from 1st January to 31st December 2008.

The book keeping and accounting in accordance with the German commercial regulations and the supplementary statutes of the association are the responsibility of the legal representatives of the organisation. Our task is to assess the accounting and book keeping on the basis of the audit carried out by us.

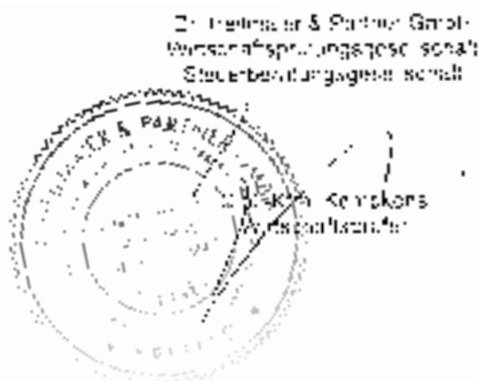
We have performed our audit of the accounts and book keeping in accordance with §317 HGB, with attention to the proper accounting principles laid down by the German Institute of Chartered Accountants on the orderly audit of annual accounts.

The audit must be planned and performed in such a way that inaccuracies and offences which fundamentally affect the presentation of the state of the company's affairs can be adequately identified. When assessing the audit, knowledge of the business activities and the economic and legal environment of the organisation and the expectation of possible errors is allowed for. During the audit the efficacy of the accounts-related internal control systems and verification of the entries in the accounts were mainly assessed by random sampling. The audit encompasses the assessment of the applied accounting policies and the fundamental assessments of the legal representatives as well as an appraisal of the over-all view of the book keeping. We believe that our audit provides an adequately secure basis for our judgement.

Our audit gave rise to no objections.

In our judgement, based on knowledge gained during the auditing process, the annual accounts are in accordance with the legal specifications and the supplementary regulations of the society's constitution and give a true picture of the assets, financial and profits situation of the organisation.

Krefeld, 17th April 2009





# Operating review

**In 2008 action medeor adapted to altered circumstances with a change in the statutes, to ensure that supervision by the newly created presidium and the operating business under the full-time board were kept strictly separate.**

## Review of business and general conditions

In 2008 action medeor was confronted with many major challenges. The organisation continues to work as purchaser of drugs and medical products for many small project partners in Africa, Asia and Latin America. In 2008, as in previous years, about 45 per cent of the relief consignments which left Tönisvorst had an order value of less than 1.000 Euros. The costs for stocking medical products, quality assurance and the processing of orders have continued to increase in the past years as a result of regulatory requirements. In spite of this, in 2008 medeor was able to increase the delivery of medical aid against reimbursement of costs by 20 % compared with the previous year. This was possible thanks to low purchase prices and strict budget management.

The increase in the amount of aid through donations in kind is a valuable additional support for many medeor partners. The increase in public funds for running development cooperation projects and pharmaceutical expert services is an expression of the increasing confidence of public institutions in the professional competence of action medeor.

The increase in financial donations is largely the result of extra funds which medeor received through the disaster relief alliance "Aktion Deutschland Hilft" in 2008. In addition medeor received a contribution from the charity event organised by the RTL TV Foundation "Stiftung RTL – Wir helfen Kindern e.V."

## Economic situation - profit situation

With total proceeds of around 13.6 million Euros, considerably more funds were available than in previous years. The sales revenue from the non-profit enterprise increased by 22 %, the income from use of donations by 58 %, and income from grants from third parties for projects by 60 %. After subtraction of expenditure for raw materials and goods purchased, there was a gross profit of 6.4 million Euros, which is equivalent to an 18% increase compared with the previous year.

Taking staff costs, depreciation and other interest and similar income into account, the net income for the business year 2008 was 385.000 Euros. The net income was added to the capital.

## - Financial situation

The net assets were reduced by about 100.000 Euros by dissolution of reserves from bequests from previous years, which were used, among others, for implementing projects in the field of pharmaceutical expertise.

## - Post balance sheet events

No special events occurred between the end of the business year and the appearance of this report.

## Representation of the opportunities and risks of future development and forecast

Future development of the special-purpose business will continue to depend on the costs for storage, quality assurance, order processing and the provision of locally produced drugs. Since action medeor promotes the local development and production of drugs, e.g. in Tanzania, no further drugs will be sent via the warehouse in Germany to Tanzania. The setting up of local infrastructure through the transfer of technology will mean a reduction in the supply of medeor medical aid from Tönisvorst. At



*Executive Director Bernd Pastors,  
Mönchengladbach*

the same time, the number of projects in the field of pharmaceutical expertise for the medeor partners in Africa will increase. This expertise will be financed by public funds as well as by donations. The acquisition of public funds and private donations for achieving medeor's technology transfer goals will remain a challenge in the coming years.

The implementation of major projects such as the set up of a site for the production of Aids drugs in Arusha/Tanzania demands competence in intercultural communication between the European funders, the Chinese partners who were awarded the building contract in an international tendering procedure, and the African cooperation partners who will be operating the plant.

In order to be able to finance action medeor's manifold tasks long-term, it is necessary to continuously increase the number of regular donors. This means appropriate investment while at the same time giving due consideration to value for money.

It remains to be seen what effect the current financial and economic crisis will have on the public's readiness to donate, and thus on the provision of medical aid in the future.

Aid in 2008		
Sectors	2007	2008
Pharmaceutical expertise	300.000 Euro	555.000 Euro
Development cooperation projects	790.000 Euro	700.000 Euro
Humanitarian aid projects	410.000 Euro	623.000 Euro
Education and training projects	0	201.000 Euro
Emergency and disaster relief	2.440.000 Euro	3.802.000 Euro
Provision of basic medicines	4.500.000 Euro	6.508.000 Euro
<b>Total</b>	<b>8.440.000 Euro</b>	<b>12.389.000 Euro</b>

Medicines and equipment supplied					
	2004	2005	2006	2007	2008
Supplied at cost price	5,79 Mio. Euro	5,83 Mio. Euro	5,32 Mio. Euro	4,97 Mio. Euro	6,09 Mio. Euro
Supplied as donation	2,35 Mio. Euro	3,72 Mio. Euro	2,80 Mio. Euro	1,97 Mio. Euro	4,22 Mio. Euro
<b>Total</b>	<b>8,14 Mio. Euro</b>	<b>9,55 Mio. Euro</b>	<b>8,12 Mio. Euro</b>	<b>6,94 Mio. Euro</b>	<b>10,31 Mio. Euro</b>

Regional distribution of aid 2008		
	Supplied at cost price	Supplied as donation
Africa	4.914.000 Euro	3.785.000 Euro
Asia	567.000 Euro	334.000 Euro
Central America	101.000 Euro	17.000 Euro
South America	242.000 Euro	63.000 Euro
Eastern Europe	189.000 Euro	17.000 Euro
Oceania	77.000 Euro	4.000 Euro
<b>Total</b>	<b>6.090.000 Euro</b>	<b>4.220.000 Euro</b>

Donations received			
Donation	2006	2007	2008
Money	4.220.000 Euro	4.724.000 Euro	5.424.000 Euro
Donations in kind	580.000 Euro	788.000 Euro	3.119.000 Euro
<b>Total</b>	<b>4.800.000 Euro</b>	<b>5.512.000 Euro</b>	<b>8.543.000 Euro</b>

## Share of administrative costs

According to provisional calculations, the proportion of administration expenses will be 7.7 % of total expenditures in the calendar year 2008. The proportion of expenditure for advertising and PR is calculated at 9.37 %. The documents are currently being audited by the German Central Institute for Social Affairs (DZI). We expect to receive the seal of approval in autumn 2009 for the year 2008.

According to the DZI seal of approval, the amounts in 2007 were 10.24 % for administration costs and 11.87 % for advertising and PR.

The DZI seal of approval guarantees transparency and cost-effective use of donations and is awarded after careful scrutiny only to those relief organisations which can demonstrate transparency and cost-effective use of donations.



## Networks and alliances

medeor is a member of many networks and alliances. Involvement in associations, membership in several networks and cooperations with other aid organisations makes it possible to focus common interests and to achieve common goals more efficiently.







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