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The cover page shows a mother
and her child in Tanzania.
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MEDEOR. AID IN A BOX.

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Dear friends and supporters of action medeor



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

Two particularly poignant disasters shaped 2010 for action medeor: In January, Haiti experienced the most severe earthquake of the 21st century which saw more than 220,000 people lose their lives. The already poor infrastructure of the island state was almost completely destroyed by the natural catastrophe in the Port-au-Prince region. This considerably hampered rescue efforts and the provision of medical supplies to over 300,000 injured people. Aid packages were being sent to the region from Vorst within just a few hours. More than 100 tonnes of medication and medical supplies have since been sent to the disaster zone.

The second largest natural catastrophe occurred in July and August in Pakistan. More than 14 million people were affected by the extremely heavy monsoon rain and the ensuing floods. Medical facilities were destroyed by the floods and had to be replaced by mobile health stations. medeor sent medical aid weighing a total of 50 tonnes to medical centres, hospitals and local aid organisations.

The generous donations from friends and supporters of action medeor supported the work of the association in both catastrophes. This allowed for a rapid and vital response. For this we would like to sincerely thank you on behalf of those affected and all of our employees. In both Haiti and Pakistan, the effects of the natural disasters are still very much visible and it will take some time until the devastating consequences are diminished or even reduced.

However, aid from Tönisvorst was also urgently required beyond these huge natural disasters. Poverty is steadily increasing in developing countries worldwide despite the economic recovery and overcoming the financial crisis. At the same time, the state of human health is noticeably deteriorating. The increasing cost of food and resulting malnourishment and poor access to clean drinking water and sanitary facilities, mean that disease and poverty are continuing to rise worldwide. The millennium goals set by the global community for 2015, will largely not be achieved.

In light of this, action medeor therefore plays a particularly important role in its endeavour to promote health for all. The association will therefore continue taking great efforts to ensure the sustainable improvement of health care structures in countries in need. In order to achieve this, medeor works closely with its partners on the ground and supports local infrastructures and economies

through the transfer of knowledge and technology. This can be seen with the example of Arusha in Tanzania: Here medeor is currently supporting the construction and provisioning of a production plant for HIV/AIDS medication. On the long-term, the new plant should provide 100,000 people with vital medical supplies. The start of production is planned for the end of 2011.

We will continue to demonstrate the uniqueness of action medeor as a medical aid organisation to even more people in future. We would be extremely grateful if you were to continue to guide and support us on this path.

Heinz Gommans (President)

Bernd Pastors (Executive Director)

Tönisvorst, June 2011



Health care is a basic human right

The right to standards of living which guarantee the health of an individual and their family, is embedded in the UN's Universal Declaration of Human Rights. Yet for many people, particularly in developing countries, this is far from reality.

According to the World Health Organisation (WHO), a third of the world's population have no access to vital medication. In parts of Africa and Asia, this figure rises to almost half of the people. As a result, roughly nine million children under five years of age die from treatable diseases every year. These primarily include respiratory infections, diarrhoea and malaria. Approximately seven million of these children live in the poorest countries in Sub-Saharan Africa and South Asia.

The poverty-related diseases HIV/AIDS, tuberculosis and malaria, pose a significant health risk for people in developing countries. Out of approximately 33 million people worldwide who are infected with HIV, roughly 68% of these live in

Sub-Saharan Africa. Alongside HIV/AIDS, tuberculosis is the most common cause of death in Africa.

This is because the probability of contracting tuberculosis significantly increases as a result of a HIV infection. According to WHO estimates, approximately 9 million people worldwide become newly infected with tuberculosis every year and roughly 1.6 million of these die from the disease. The majority of deaths occur in Africa, followed by South-East Asia.

The incidence and death rate from malaria is also disproportionately high in the least developed countries. According to WHO, almost 800,000 people die from malaria every year. 95% of these live in Sub-Saharan Africa. The majority of victims are children under five years of age.

Development requires health care

Behind poverty-related diseases such as HIV/AIDS, malaria and tuberculosis, are consistently tragic living conditions. At the same time, poverty-related diseases have extremely negative economic and social consequences, which hinder the sustainable development of a society.

The health sector is a key area in which to allow the development of these societies and the economy as a whole.

Development aid can help: This has been seen for example in the level of supplies for HIV/AIDS therapies which has increased tenfold in the past ten years. The number of deaths from malaria has noticeably reduced in the past decade through the use of impregnated mosquito nets. However, these efforts alone are not enough. Roughly five million people still die from HIV/AIDS, tuberculosis and malaria every year. 70% of those infected with HIV in developing countries still have no access to treatment. The urgent need for action can also be seen in the eight millennium goals which were set in the year 2000 by the international community. Three of the eight goals are directly related to the health sector. These include a reduction of the child mortality rate, an improvement of mother health and an active fight against poverty-related diseases.

action medeor's vision: Health for all people

In Latin, medeor means "I heal."

The name says it all: As the largest medical aid association in Europe, action medeor has been committed to a sustainable and improved provision of health care since 1964, particularly in developing countries. In accordance with its statutes, action medeor seeks to provide development aid to all areas of health care.



The headquarters of this non-profit organisation are in the Lower Rhine town of Tönisvorst, Germany. From here, approximately 10,000 health stations in 140 countries worldwide are supplied with medical aid. Regional areas of focus primarily include Africa, Latin America and Asia. In addition to providing health care facilities with high-quality medication and medical supplies, action medeor also implements measures to sustainably im-

prove the health care structures in the regions affected. This is because countries with the lowest per-capita income lack comprehensive health care structures and a functioning health care system. Particularly in rural areas, health care facilities are frequently unavailable or are difficult to access. In many places there is a lack of well-trained medical personnel and adequate or affordable medicinal products. This has widespread consequences: As poverty has been proven to be the main cause of disease, a lack of health care provisions therefore leads to even greater poverty.

Against this backdrop, all of action medeor's activities are focused on the vision of improving health care provisions in the poorest countries in order to offer all people access to health care. An overview of action medeor's tasks:

- **medeor combats HIV/AIDS, malaria and tuberculosis:** Together with local partners, action medeor carries out health projects in the areas of prevention, diagnostics and therapy. These projects primarily benefit disadvantaged groups of the population such as pregnant women, mothers, children and social minorities.
- **medeor offers expert pharmaceutical advice:** action medeor offers health establishments independent measures on the ground to ensure a sustainable improvement of the medical infrastructure. This includes the training of medical personnel, the establishment and provisioning of research laboratories and the support of local production facilities for medication. This aid is focused in East Africa, and particularly Tanzania.
- **medeor offers aid in emergency and disaster situations:** With a constant stock of approximately 300,000 containers and emergency health kits, action medeor is in a position to send medicine and medical supplies to a disaster zone as rapidly as possible.



The improvement of health care provisions for children is an important step in the fight against poverty.



Medical Aid Worldwide

Public and private health facilities in developing countries often have insufficient access to indispensable medication. This includes medicine, which, according to WHO, is fundamental for basic health care. In a health care system, these medical supplies should therefore be: available in a sufficient quantity and in the correct dosage, of a good quality and at an affordable price for the patient. Increasing access to these medical supplies is a primary objective of action medeor.

Since 1964, action medeor's goal for medical aid has been striving to offer the poorest people worldwide a better supply of indispensable medicine. According to its statute, medeor therefore does not offer medical aid for commercial purposes: The medicine and medical supplies are sent as donations or a reimbursement of the association's primary costs to cover for example personnel and material costs to countries outside the EU. For this purpose, break-proof, space-saving and lightweight large containers ensure that the supplies arrive safely at their destination.

In 2010, more than 17,000 packages left the 4000 square metre medication warehouse in Tönisvorst. A large part of this aid was sent to Pakistan, Zimbabwe, Haiti and Benin. In total, supplies were sent to 104 different countries.

The medical supplies are subject to high quality standards

Recipients of the medical aid included small and large health care establishments, Christian and non-Christian organisations as well as national and international aid organisations. action medeor hereby commissions pharmaceutical manufacturers with the pro-

duction of generic prescription medication. This high-quality medication is no longer patent-protected and is therefore less expensive.

The selling price is considerably lower than the normal pharmacy prices. In order that many small health stations are also able to obtain medication, the minimum order quantity is very low. As a result, the proportion of shipments with a value less than €1000 in 2010 was roughly 44 %.

The quality standards for the medical supplies are very high. Two medeor pharmacists



A modern ERP system ensures a monitoring of the dispatched delivery – even after leaving our premises.

certify the medication manufacturers through audits and check the incoming goods. As action medeor has wholesale and manufacturing authorisation, the district government of Düsseldorf regularly checks our compliance with international standards of "Good Manufacturing Practice" (Gute Herstellungspraxis) and the German Medical Preparations Act. Their high quality standards also mean that in 2010, action medeor was certified for a further two years as a central purchasing body of the European Commission for Humanitarian Aid (ECHO).

Medical aid in 2010 in figures

- Total output of medication and equipment:
€11.88 million
(2009: €8.71 million)
- Thereof at cost price:
€4.69 million
(2009: €5.31 million)
- Thereof donated:
€7.19 million
(2009: €3.4 million)
- Number of orders:
1835 (2009: 1769)
- Total weight of all sent goods incl. packaging: **487 tonnes**
(2009: 411 tonnes)

Outlook for 2011

The strong increase of medical aid in 2010 was due to the vast quantity of medical aid sent to people in the disaster areas of Haiti and Pakistan as well as aid sent to Benin. It is expected that the output in 2011 will therefore be slightly lower. The construction of a goods customs warehouse within the medication warehouse in Tönisvorst is planned for 2011. This should also allow the cost-effective procurement of high-quality medication from non EU-states.

Aid for the flood victims in Benin

Benin is amongst the poorest countries in the world and roughly a third of the population live in extreme poverty. Largely unnoticed by the wider public, the worst floods in over 50 years hit the south of the country in autumn 2010. Exceptionally heavy rainfall flooded the banks of the rivers Mono and Queme with devastating consequences for the population.

Heavy and persistent rainfall caused roughly two-thirds of the total area of Benin to flood. Hundreds of thousands of people fled from the devastating floods and left their belongings behind. According to the UN, more than half a million people were affected in the immediate aftermath of the floods. As a result of wells and sewers flooding, the already scarce drinking water supply became contaminated with disease. A lack of sanitary facilities and a shortage of food led to a strong increase of disease within just a few days. Severe cases of malaria and cholera spread particularly rapidly as did diarrhoea and worm-related diseases. Without the necessary medication, these diseases are particularly life-threatening for small children and pregnant women.

Easily treatable diseases become life-threatening

For many years, action medeor has supported its experienced partners in Benin with medicine and medical supplies. In Benin, health care provisions for the population are already inadequate: On average, there are just four doctors per 100,000 inhabitants. The devastating effects of the floods on the health care provisions for the population led to a further substantial increase of medeor aid. action medeor therefore provided the rescue team of their long-term partner "humedica" with medicine and medical equipment. The doctors primarily offered supplies to patients in rural areas in the south of the country. "Diseases such as malaria, polio and diphtheria can be prevented in Germany through the



necessary vaccination or prophylaxis. In countries such as Benin, these vaccinations are not readily available for small children and therefore represent a true health risk. Using the support from action medeor, we can also effectively help these people," says humedica employee Sven Ramones.

Further partners such as the local organisation "Association des Amis de Présence Africaine" (AAPA) received support from action medeor, primarily for flood victims in the regions of Abomey and Soava. Medical workers on the ground treated infected wounds with the necessary dressing materials, treated patients suffering from cholera and malaria and distributed mosquito nets to pregnant women and mothers.

In total, medeor sent three tonnes of vital medication and medical supplies to Benin in 2010. Aid financed through donations with a value of over €232,000 and medication and equipment reimbursed at cost price with a value of €293,000 was sent. The medical aid for Benin will also be continued in 2011. Hundreds of families are still being housed in temporary shelters in the wait to return to their villages.



© Jesuit Mission

medeor coordinates donations in kind for Haiti

After the devastating earthquake in Haiti on 13 January 2010, more than 220,000 people were killed. More than 300,000 people suffered potentially life-threatening injuries. The Federal Ministry of Health asked action medeor to serve as the central coordination body to verify, process and transmit all donations from the pharmaceutical industry.

Outlook for 2011

The donations in kind in 2010 had a total value of €4.7 million (2009: €2.2 million). This strong increase from the previous year can be explained by the high number of donations in kind for Haiti and Pakistan. Through a coordination of donations in kind for Haiti, action medeor was able to develop new and potentially long-term partnerships. The aim is to further increase the proportion of donations in kind from total donations. This would therefore allow action medeor to offer even more aid in future, which can not be financed through donations alone.

In order to provide medical supplies to the seriously injured, action medeor primarily sent pain relief medication and antibiotics as well as dressings, ointments, disinfectants and surgical equipment from Tönisvorst to the crisis-hit areas. The donations in kind, which action medeor received from pharmaceutical companies throughout Germany, had a total value of almost €1 million.

One of our many partners who used the donations in kind within the scope of their acute emergency aid, was the Jesuit Mission. Through the Jesuit mission in Nuremberg, action medeor was able to provide two comprehensive medical supplies from donations in kind, including large quantities of pain relief medication and antibiotics. The supplies were sent via the Dominican Republic to Haiti. The medicine and medical supplies were used in emergency shelters in which many Haitians sought refuge.

Donations in kind ensure long-term provisions

Donations in kind are not only extremely important in acute disaster situations. They can also help to increase provisions of medicine and medical supplies and secure these on a long-term basis. Through a close exchange with the cor-

responding health stations, action medeor ensures that the donations in kind are spent wisely and appropriately. Strict selection criteria are hereby applied: the shelf-life of the medication must be sufficient and the medicinal products must be suitable for use in Africa, Latin America and Asia. Furthermore, they must meet the quality standards of the donor and recipient country and come from a reliable source.

As a result of these criteria, this means that offered donations in kind are also refused. As a rule, donations in kind from private households and pharmaceutical samples can not be accepted. However, high-quality and needs-based donations in kind help all of those involved. Donations in kind therefore make a valuable contribution to ensuring a better supply of medicine to the poorest regions of the world.

High-quality and affordable medication for Tanzania

action medeor International Health-care improves access to medication for medical establishments in Tanzania and the neighbouring countries. Since 2004, the local medicine distribution centre of action medeor has been located in Dar es Salaam.



The many large and small health establishments in Africa form the basis of the health care. These are dependent on a good availability of medication for the care of the extremely poor population. Christian and non-profit organisations are able to obtain sufficient quantities of medication at short notice from medeor in Dar es Salaam. medeor therefore places utmost priority on the high quality of the medication. Therefore, only manufacturers authorised by medeor can deliver medication regionally. On an international basis, only companies which have a good market reputation are commissioned by medeor.



The managers of the health stations receive further training in accounting and pharmaceutical stock-keeping from Sr. Dr. Gabriele Winter and the pharmacist Claudia Bachmann.

Large quantities are exclusively obtained from manufacturers or authorised suppliers. This therefore eliminates the possibility of counterfeit medication coming into circulation.

The non-profit action medeor International Healthcare GmbH is a 100 % subsidiary of the action medeor association. It is financed through donations which it receives from the association as well as cost-covering surcharges for medicinal products, which therefore cover its operational expenses. Every year, the non-profit limited company undergoes an external audit and the annual financial statement is published online.

In spite of the economic crisis, its performance in 2010 was close to that achieved in 2009 with a turnover of almost one million. After Dr. Hellmuth Rößler who had been a leading pharmacist for many years retired, the Tanzanian medeor pharmacist Gerald Masuki and his team successfully took over the tasks of the medicine distribution centre. Even challenges which arose due to the immensely high workload were overcome with great commitment. The new manager of the distribution centre for 2011 is the German pharmacist Karl Friedrich Steinhausen who has already worked in Tanzania for a long time.

Medical aid for the district of Mbinga

The district of Mbinga is in the Ruvuma region, to the extreme south-west of Tanzania. The approximately 400,000 inhabitants of the diocese have, in the past, primarily suffered from a lack of medical supplies due to their remote location. In order to improve the situation for the population, action medeor founded a medication warehouse in Mbinga with the support of Aktion Deutschland Hilft (ADH), the companies Merck, FunkUhr and the diocese. The medication warehouse of the diocese now supplies medication and medicinal products to 18 health stations, a hospital and several other establishments such as a school and two homes for the disabled.

In cooperation with the diocese, delivery rooms in the health care institutions were also equipped with medicine and medical equipment in the past year.

Global Project Work 2010

Expenditures in euros

Country/local partner	Focus	Total duration	Expenditures 2010	Proportion from medeor
Development cooperation projects: Basic health care provisions, the fight against HIV/AIDS, malaria and tuberculosis				
Benin/APH	Construction of a blood bank at the Gohomey health station	2009–2010	0*	0*
Bolivia/ASI	Health care provisions at the Chimoré river	2009–2010	0*	0*
Bolivia/CSRA	Prevention, control and treatment of tuberculosis	2007–2010	0*	0*
DR Congo/ABEDES	New construction of a health centre	2008–2011	0*	0*
DR Congo/APED	HIV/AIDS prevention and construction of test and advice centres	2010–2011	23.316,20	23.316,20
DR Congo/Pharmakina	Treatment and care of patients with HIV/AIDS	2006–2013	74.640,60	74.640,60
Ecuador/Cerro Verde	Primary health care and training of health promoters	2010–2011	23.898,58	23.898,58
Ecuador/Yachachic	Improvement of primary health care in indigenous communities (Ministry for Economic Cooperation and Development)**	2006–2010	1.221,14	1.221,14
Ghana/Twifo Praso	Equipping of the training centre and hospital with medical and technical equipment for the training of care workers (North Rhine-Westphalia)**	2010	15.946,78	4.623,04
Guatemala/MENACHOR	Basic health care in the Chorti region	2009–2011	18.421,55	18.421,55
Guatemala/PIES	Improvement of sexual and reproductive health, training of midwives (Ministry for Economic Cooperation and Development)**	2009–2011	75.932,09	21.148,09
India/Ghandiji Seva Niketan	Treatment of wounds for patients with leprosy	2010	3.470,00	3.470,00
Columbia/Taller Abierto	Prevention of sexually transmitted diseases and domestic violence (Ministry for Economic Cooperation and Development)**	2010–2013	58.799,44	13.854,44
Ruanda/RAPP	HIV/AIDS educational campaign through interactive theatre and support from self-help groups (Ministry for Economic Cooperation and Development)**	2009–2013	95.727,69	21.093,69
South Africa/HOKISA	Social-medical care of orphans suffering from Aids	2010	17.313,42	17.313,42
South Africa/Scouts	Educational campaigns on tuberculosis; Malaria, HIV/AIDS and TB campaigns through theatrical performances	2010	5.840,00	5.840,00
South Africa/Thabang Society 1	ARV for AIDS patients in Tumahole	2010	9.013,50	9.013,50
South Africa/Thabang Society 2	Development of a source of income for the AIDS centre in Tumahole	2010	30.126,28	30.126,28
Tanzania/Diocese of Mbinga	Prevention, control and treatment of malaria at the Lake Nyassa (RTL Foundation)**	2007–2012	77.633,89	2.842,59
Tanzania/Kiwakkuki	HIV/AIDS educational campaign, prevention and treatment (Ministry for Economic Cooperation and Development)**	2007–2011	55.499,97	4.251,97
Togo/2AD	Malaria and HIV/AIDS educational campaign and prevention	2009–2011	56.161,49	56.161,49
Togo/ARBES 1	Psychosocial support of HIV/AIDS patients	2009–2010	275,65	275,65
Togo/ARBES 2	Income-generating measures for those affected by HIV/AIDS	2010–2013	9.909,19	9.909,19
Togo/PSAS	Health education and HIV prevention for minors working as prostitutes	2010–2011	10.671,43	10.671,43

Expenditures in euros

Country/local partner	Focus	Total duration	Expenditures 2010	Proportion from medeor
Uganda/Accod	Prevention and control of the mother-to-child transmission of HIV/AIDS	2010–2011	19.591,65	19.591,65
Uganda/LITSHED	HIV/AIDS education and prevention as well as the care of HIV/AIDS patients	2010–2011	8.708,88	8.708,88
Uganda/Rwanyena Parish	Construction of a HIV/AIDS and malaria laboratory	2010	7.847,21	7.847,21

Humanitarian aid projects: Acute emergency aid and several years of reconstruction aid after conflicts and disasters

Haiti	Determination of emergency assistance requirements after the earthquake	2010	7.977,50	7.977,50
Haiti	Construction of a local medication distribution centre	2010–2013	14.875,50	14.875,50
Haiti	Construction of a medeor national office	2010–2013	99.877,86	99.877,86
Haiti/RTL, HKH	Reconstruction of a children's centre with a health station	2010–2012	24.739,78	24.739,78
Haiti/DESWOS	Training young people on the construction of sustainable sanitary facilities (dry toilets)	2010–2011	52.641,00	52.641,00
India/SJDT Flood Relief	Distress call from Tamil Nadu: Humanitarian aid for 4350 stranded flood victims	2010	4.611,44	4.611,44
India/GARDS/Laila	Short-term medical disaster aid in Prakasam	2010	10.382,23	10.382,23
India/Gards/Yanadi	Improved health care for the ethnic minority "Yanadi" (Oedt Foundation)**	2008–2010	19.418,59	0*
India/Langer	Evaluation of Tsunami projects	2009–2010	7.478,89	7.478,89
India/SJDT	Development of a sustainable health care system (RTL Foundation)**	2007–2011	39.082,46	0*
Indonesia/HELP	Repair of the water supply in Sumatra (HELP)**	2009–2010	73.027,50	73.027,50
Myanmar/arche nova	Medical supplies and prevention after Cyclone Nargis (arche Nova)**	2008–2010	5.808,94	5.808,94
Pakistan	Identification of partners and the assessment of requirements	2010	11.103,15	11.103,15
Pakistan/FLAME	Mobile medical camps in Northern Pakistan	2010–2011	21.294,25	21.294,25
Pakistan/Light of Hope	Mobile medical camps in Central Pakistan	2010–2011	16.719,06	16.719,06
Pakistan/SAWERA	Mobile medical camps in Punjab	2010	15.686,06	15.686,06
Sri Lanka/arche nova	Water and sanitary supply	2009–2010	30.000,00	30.000,00
Tanzania/Funkuhr	Construction of a central medical supply centre in Mbinga (FunkUhr, ADH)**	Since 2008	933,59	933,59

Pharmaceutical projects: Local development, production and distribution of medication, training and further training of personnel

Tanzania/MUHAS	Pharmaceutical development laboratory at the University (German Agency for Technical Cooperation)**	2007–2010	82.696,66	0*
Tanzania/MUHAS	Establishment and equipping of a pharmaceutical analytical laboratory	2010	8.137,60	8.137,60
Tanzania/TPI	Establishment of a production facility for HIV/AIDS medication, 2 GMP workshops (EU/InWEnt/gGmbH)**	2006–2012	2.104.155,44	210.000,00

Malaria Awareness Initiative

Germany, EU-partner countries	Control of the African-European initiative "Stop Malaria Now" (EU, project partners)**	2010–2011	284.291,47	60.792,97
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* The financing of these projects for 2010 took place in 2009 or earlier. ** Third-party subsidies

Examples of project measures in 2010



Rwanda

Partner organisation:

Rwandans Allied for Peace and Progress (RAPP) **Focus:** HIV/AIDS educational campaign through interactive theatre and support from self-help groups

Measures:

- Setup and training of 4 theatre groups with a total of 24 actors and actresses
- Promotion of 4 business ideas from the theatre groups for the long-term financing of the theatre's activities
- 72 interactive theatrical performances in 12 communities
- Support of 12 self-help groups/cooperatives with a total of 860 members
- Training of 72 domestic carers and distribution of 72 care kits
- At least 3 theatrical performances at 6 leading schools and one theatrical competition between the schools were carried out at 6 leading schools every year



South Africa

Partner organisation:

Thabang Society

Focus: Social-medical care of HIV/AIDS patients

Measures:

- 1400 patients are registered and receive constant medical care as well as advice and psychological support
- 750 patients receive vital HIV/AIDS medication



Tanzania

Partner organisation:

Catholic diocese of Mbinga

Focus: Prevention, control and treatment of malaria on the Lake Malawi

Measures:

- Malaria educational campaign at 12 locations for 50 villages along the shore
- During these campaigns, 6000 mosquito nets were distributed for a small fee
- Start of the youth programme for malaria awareness through songs and dance
- Recognition of the Lithui health centre as a hospital



Togo

Partner organisation: Amitié

et Action pour le Développement (2AD)

Focus: Reduction of the child mortality rate from malaria

Measures:

- 6000 mosquito nets were distributed for a small fee
- Malaria and HIV/AIDS educational and awareness events in 80 villages
- Training of 80 health committees at a village level



Uganda

Partner organisation:

Alpha Childcare and Community Development Organisation (ACCOD)

Focus: Improving the prevention of a mother-to-child transmission of HIV/AIDS

Measures:

- 2732 people were informed about and tested for HIV/AIDS
- Educational campaigns on HIV/AIDS and malaria were carried out in 11 villages

- 110 HIV-positive mothers were offered pre-natal and post-natal examinations
- 830 mothers were trained on the prevention of a mother-to-child transmission of HIV/AIDS



Guatemala

Partner organisation: PIES

Focus: Improvement of sexual and reproductive health (SRGR) in indigenous communities

Measures:

- 365 midwives received further training courses on the diagnosis of warning signals during pregnancy, support throughout pregnancy as well as information on sexually transmitted diseases and HIV/AIDS.
- 350 midwives were provided with basic equipment
- 2119 schoolchildren were informed on SRGR topics through informative SRGR events
- In total, 5168 schoolchildren and teachers were informed on the topics of teenage pregnancy and violence in the home through a theatrical performance
- 31 women's groups with a total of 1300 members received further training at monthly educational events



Colombia

Partner organisation:

Taller Abierto

Focus: Prevention of gender-based violence and sexually transmitted diseases

Measures: Training of 155 disseminators from the indigenous communities to become prevention promoters

Local partners on the same level

action medeor is based on collaborative partnerships with competent partners on the ground. Our local partners are familiar with the requirements and special circumstances in the respective regions. This means that needs can be optimally assessed and planned and also includes the participation of target groups.



The beneficiaries in the projects are themselves disseminators, as they systematically transfer their knowledge. This takes place in the form of educational events, training and consultations. They share their knowledge with the population in the project regions – for example, through discussions with family and friends within their personal living environment. They therefore ensure a continuous and sustainable change and one that has been brought about by the people themselves.

Criteria for the best possible implementation of the projects

An important condition for a good and successful cooperation with local partners is mutual trust and open dialogue between partners. However, this is not yet a guarantee for optimal cooperation



The successful implementation of projects such as those in Ecuador, requires close cooperation with our partners on the ground.

in often highly complex projects. At the beginning of a project partnership, all parties concerned must agree on the requirements, the expectations, the feasibility of the measures and the objectives to be achieved.

In order to guarantee an effective implementation of projects, minimise risks and overcome challenges with solutions, action medeor has defined a range of criteria for the execution of the project:

1. The project proposals are examined according to strict criteria e.g. the appropriateness and financial viability of the requested funds and the feasibility of the measures.
2. The references of the organisation making the application are examined.
3. The project contracts are concluded with a definition of the rights and obligations of all contractual partners.
4. The financial processing is carried out by local accountants or if necessary, external auditors and an in-depth cross-examination is performed by action medeor.
5. A closely-linked monitoring is guaranteed through regular contact with partners, reports (also through monitoring the project partners on the ground) and project trips.
6. Project progress and success are measured on the basis of jointly defined indicators.
7. All project activities are documented by the partners in detail e.g. through records, reports, photos, construction plans, patient files.
8. The project funds are transferred in several instalments in order to ensure that they are used promptly.
9. If problems arise, solutions are sought together.
10. In the event of a suspected improper use of project funds, local auditors are employed to carry out inspections at short-notice.
11. If a case of fraud is uncovered, the cooperation is stopped, the funds are reclaimed and the respective organisation is put on a "black list."

action medeor supports organisations in countries in which the conditions for a smooth implementation of the project are not always present. The partner organisations are therefore confronted with significant challenges stemming from political instability and conflicts, a lack of infrastructure as well as insufficient support from state institutions.



Humanitarian aid for people in dire need

The role of humanitarian aid is to save people who are in dire need as a result of natural catastrophes, epidemics, armed conflict or civil unrest. action medeor is therefore committed to the humanitarian principles of humanity, neutrality, impartiality and independence.

In the event of a humanitarian crisis, the most important question for action medeor is the following: What do the people in the emergency situation need? This therefore involves relieving human suffering and preserving the dignity of those affected. The sole purpose of humanitarian aid must constantly be to reduce or prevent this suffering regardless of background, gender, language, religion or political affiliation. The principle of independence therefore applies: Humanitarian objectives must not be secondary to political, economic, military or other objectives. The emergency situation of the people alone is reason enough for aid. Humanitarian aid therefore primarily serves as survival aid for those people affected. Once the emergency has been relieved, humanitarian aid also contributes to the reconstruction of people's livelihoods. The reconstruction aid can

take several years depending on the extent of the humanitarian crisis. By this stage the catastrophe has often vanished from media and public perception.

In catastrophes, aid must also be provided in a transparent manner

The humanitarian aid of action medeor is completely financed through donations. action medeor hereby takes great efforts to ensure that the aid is distributed in a transparent, traceable and appropriate manner. Furthermore, in complex or chaotic situations, aid for those affected and the donors must be traceable. The tasks of the medeor employees therefore include carrying out a review of the local project partner accounts and examining invoices for locally-purchased relief supplies. In both emergency and reconstruction aid, action medeor aligns itself with the standards of humanitarian aid in the so-called "sphere project." These standards were developed over many years by experienced practitioners around the world and contain proven guidelines as to the best-possible implementation of humanitarian aid.

In 2010 there was a huge demand for humanitarian aid in two disaster zones.

Humanitarian aid in 2010

action medeor is a member of the Aktion Deutschland Hilft (ADH) alliance, a federation of ten renowned German aid organisations which combine their efforts to collectively provide fast and effective relief in the event of an emergency. In cases of need, they make joint appeals for donations. In 2010, action medeor received a donation share amounting to €556,000 from the alliance (2009: €155,000) for emergency aid.



The devastating earthquake in Haiti in January and the deadly floods in Pakistan in autumn presented action medeor with immense challenges. In all, medeor provided emergency and disaster relief to 58 countries with a value of €9.25 million (in 2009 this figure was €2.4 million). Reconstruction aid was provided to India, Indonesia, Haiti and Pakistan.

Reconstruction aid for the people in Haiti

The United Nations estimate that more than 222,000 people fell victim to the devastating earthquake in Haiti with a magnitude of 7.0 on the Richter scale on 12 January 2010. More than 300,000 people were injured and more than 2 million citizens lost their home.



Even before the earthquake, more than 50 % of Haitians were living on less than one euro per day. More than half of all children were already malnourished before the catastrophe and almost 60 % of all inhabitants had no access to clean drinking water. The earthquake also affected a region that had already been badly crippled by a series of hurricanes in 2008 and one that has had an insufficient medical infrastructure for many years. Within the scope of the emergency and disaster relief in the immediate aftermath of the earthquake as well as the fight against the cholera epidemic in autumn 2010, action medeor sent medical aid with a value of almost €2 million to Haiti.

The vital medicine and medical supplies had a total weight of approximately 120 tonnes. The recipients of these aid pack-

ages included more than forty different local health stations as well as internationally operative aid organisations. The shipments included 18 comprehensive emergency aid units, so-called emergency health kits. The content of one of these kits can provide medical treatment for 10,000 people for three months.

After emergency aid comes the reconstruction

In August 2010, action medeor founded a national office for reconstruction aid which is managed by the medeor employee Janika Simon. However, the work of this office was severely impaired by the outbreak of cholera and the political unrest in the run up to the parliamentary elections. In addition, up to 60 % of the governmental, administrative and economic infrastructure were destroyed in the disaster. The plans had to be constantly adapted to the most urgent requirements of the people.

medeor has set itself the long-term goal of improving care with high-quality medication in Haiti. Therefore, experts commissioned by action medeor are currently training local pharmaceutical manufacturers, decision-makers within the health ministry and students within the pharmaceutical sector in the area of Good Manufacturing Practice (Gute Herstellungspraxis). The hospital pharmacy of the University Clinic

in Port-au-Prince will also be supported with a transfer of knowledge through the organisation of workshops. The establishment of a local medicine distribution centre is also planned. However, before the implementation of projects within the area of general health education in parts of the country which are difficult to access and the construction of basic health stations, outstanding problems must be solved.

Together with other sponsors, action medeor is also committed to the reconstruction of a children's centre, a school, as well as an integrated health station. action medeor expects that the reconstruction phase in Haiti will take approximately five years.

Outlook for 2011

The number of personnel working on the projects was temporarily increased in order to overcome the challenges faced after both natural disasters. Through a number of new tasks, medeor will further ensure that their own quality management will grow accordingly in 2011. Amongst others, this will include the creation of a comprehensive safety concept for the employees on both when on the ground and travelling.



In Haiti, a number of different health facilities and pharmacies were destroyed.



Pakistan flood leaves millions of people homeless

The heavy monsoon rain which started at the end of July devastated an area half the size of Germany wiping out whole villages, houses, roads and bridges. Millions of people fled from the flood waters. After this disaster, many of the few remaining health stations were destroyed and medication stores were flooded.



The people in Pakistan are still dependent on support.

After just a few hours, action medeor received calls for help from our partners in Pakistan. The first shipments of basic supplies and medication were sent a short time later from Tönisvorst to the disaster-stricken area. Water purification tablets for two million litres of water and anti-cholera medicine were sent for epidemic control. Diseases such as influenza, pneumonia and diarrhoea, as well as the effects of malnourishment became a huge risk, particularly for children.

Together with local partner organisations, medeor set up a number of mobile medical camps in the next few weeks and carried out vaccination campaigns and educational events for the population. Vital medical supplies were therefore secured for more than 21,000 people within the first few months. A further 600 families in a higher village in Punjab were also supported with winter aid packages.

In all, action medeor sent 1467 medical packages weighing a total of 50 tonnes to 21 different recipients in Pakistan in 2010 including health stations, hospitals and local aid organisations. The shipments had a total value of €2.34 million.

Many families are still living in emergency shelters

action medeor employees are currently preparing long-term health projects with local non-governmental organisations in different districts. The aim of the reconstruction is to offer people in Pakistan sustainably improved healthcare and develop their living conditions in such a way as to reduce susceptibility to future natural disasters. In the southern Sindh and northern Punjab, medeor will primarily commit to the development of health care and the prevention of disease.

Half a year on from the largest flood disaster ever to affect Pakistan, millions of people have become dependent on aid. Many families lost their homes and are still living in tents. action medeor expects that the reconstruction will take three years.

medeor ensures sustainable improvement

At the heart of medeor projects are people whose health is particularly at risk due to their economic or social living situation. The development co-operation projects of action medeor are based on long-term cooperation with local partners and usually have a duration of three to five years.

action medeor funds projects with different objectives and a focus on people who live in regions in which malaria, HIV/AIDS, tuberculosis and other poverty-related diseases represent a particular threat. These projects support the development and maintenance of basic health care in rural areas. This includes an improvement of the sanitary facilities and the supply of clean drinking water. This aid is primarily aimed at social minorities. This is because their access to medical supplies is often particularly limited for example the indigenous population of Latin America. However, attention

Outlook for 2011

In 2011, the focus will also be placed on the intensive support of project partners in the areas of monitoring, evaluation and results analysis using previously tested methods. One change will include the expansion of activities in the areas of income-generating measures and microcredit loans. This should therefore particularly improve the economic, social and health situation of people living with HIV/AIDS on a long-term basis. One challenge remains the financing of the project through third parties, both in Germany and in partner countries.



is particularly placed on risk groups of the population such as small children under five years of age, pregnant women and mothers. In order to improve the situation for women, action medeor funds projects for the development of family-planning measures, the prevention of sexually transmitted infectious diseases, the comprehensive support of pregnant women and midwifery support from trained personnel.

In all medeor projects, the aid extends to several levels: This takes place through informative and educational measures for the population as well as training of local personnel. This is further supported through the development of both the medical infrastructure and the access to medical care which also includes the necessary therapies.

Furthermore, action medeor promotes the forming of networks of local partner organisations. Their task is to draw attention to the desperate situation faced by individual groups of the population and to take a greater responsibility for the state health care system in order to make more funds available for health care. In

all of these measures, the consideration of existing local structures and the active integration of the population is an important condition for sustainable success. Furthermore, action medeor believes that it is important to ensure the largest possible integration of projects into the national programmes of partner countries and a coordination with the activities of other non-governmental organisations.

In 2010, the development cooperation department funded 27 projects in Latin America, Africa and Asia worth a total volume of over €700,000. 45% of the total costs were co-financed by the Federal Ministry for Economic Cooperation and Development (BMZ), the state of North Rhine-Westphalia, In-Went (Capacity Building International, Germany) and the RTL Foundation "Wir helfen Kindern e.V." medeor's contribution amounted to approximately €390,000. 12 projects were successfully completed last year, whilst 9 were newly started.

Don Feliciano now provides his own aid

Don Feliciano, a medical worker from San Gerardo Paquibug at the foot of the highest mountain in Ecuador, the Chimborazo, is rushing to see a patient. After the examination, he leaves the patient with a home-made ointment made from local medicinal plants for his sprained foot. He has learnt how to develop this and a number of other natural remedies through continuous further training over the past few years.



The work that Don Feliciano and his colleagues do is extremely important as in many remote mountainous areas the nearest health centre is a very long way away. The climatic conditions at heights of up to 4000 metres are tough and frequently lead to bronchial and lung diseases, particularly amongst children. When accidents occur, medical centres are often too far away to reach. It is therefore crucial that a medical worker is able to provide immediate first aid.

Since 2002, action medeor has supported the Ecuadorian partner organisation Yachachic. A total of 215 medical workers such as Don Feliciano from more than 100 mountainous areas received training and further training and new health stations were established. They all provide comprehensive health education, first aid and basic medical care in these remote areas. All medical workers have a hand-book which contains all of the important medical information for their work and lists the most common diseases, diagnoses and therapies as well as the use of local medicinal plants.

partner organisation. Thanks to this, more than 6000 patients have received health care in the past three and a half years. The population's medical knowledge has also significantly increased: Families are eating more healthily and their level of hygiene has also improved. Precautions are now taken seriously and diseases are recognised and treated at an earlier stage. Furthermore, children have significantly fewer respiratory diseases and suffer less from malnourishment.

Don Feliciano is now working far beyond his own local community after action medeor launched a project in summer 2010 with its partner organisation Cerro Verde for the training of medical workers on the Mangrove coast. He has already travelled to coastal villages a number of times to teach these medical workers how to produce natural remedies and sanitary products.



Children's health has strongly improved since the establishment of the new health stations.

In the past eight years, a large network of basic health care services has been established: A mini health station was constructed in 110 communities with the aim of one station providing health care to at least two communities. In 14 communities, the authorities and inhabitants helped to establish somewhat larger health care and alternative medicine stations.

In the most recent project, which was successfully completed at the start of 2010 after three and a half years of support from action medeor and the German Federal Ministry for Economic Cooperation and Development, the communities were also regularly visited by the medical team of the

Country/region: Ecuador/Chimborazo
Volume of funding: €246.151
Funding partner: Federal Ministry for Economic Cooperation and Development (BMZ)
Duration: 10/2006 until 02/2010
Local partner: Yachachic

Della secures her income – despite HIV-infection

For two years, this widow and mother of three children was extremely ill and confined to bed. When she weighed just 32 kg, her family carried her 20 kilometres to the nearest hospital as they had no money to pay for transport. At the hospital, she was given infusions and tested for HIV – the result was positive.



Della was lucky: In Rwanda, medication to treat HIV/AIDS has become available almost nationwide. Her health steadily improved with therapy, however, it took almost two years for Della to be able to return to work and care for her family. The information provided by a nurse in a self-help group nearby was invaluable. At first, Della received support from carers at the self-help group, who visited her home to help her improve her diet and take greater care of her health. In a



By talking to the partner organisation and people affected such as Della, medeor employee Miriam Speh is able to see the truly positive effects of the project.

second step, Della was invited to take part in the income-generating measures of the self-help group. By growing and selling different agricultural products, Della and the other members are today able to generate an income with which a joint savings-fund has also been es-

tablished. Using a small loan from this fund, Della started to produce a traditional banana soft drink and was able to implement her own business idea by selling her drinks.

Today, Della Mukaugwiza is 52 years old. She is both physically and mentally in good health and works extremely hard with the other members of the self-help group to further develop income-generating measures through further business ideas. Della is very pleased to once again be able to make an important contribution to her family's income. She lives in a house with her children, her mother and her sister. Della also feels reintegrated into the social community of her village and is widely respected as a business woman. She is seen as a role model as she encourages people to get themselves tested and offers support to other HIV sufferers.

The path to independence

The support offered by a total of twelve self-help groups significantly improves the economic, social and health situation of their members affected by HIV/AIDS. Whilst a stigmatisation and social exclusion of those affected previously led to mental distress in many

cases, sufferers are now gaining new recognition for their participation on an economic and social level. The income-generating measures allow them to break free from the poverty spiral and create hope for the future, which also benefits their families. Many members from the self-help groups also use the revenue from their businesses to finance their children's education. The work carried out by the self-help groups is supported by the medeor partner organisation RAPP (Rwandans Allied for Peace and Progress).

Country/region: Ruanda/Kigali and the surrounding districts of Rwamagana, Bugesera, Gasabo
Volume of funding: €442,904.00
Funding partner: Federal Ministry for Economic Cooperation and Development (BMZ)
Duration: 04/2009 until 03/2013
Local partner: RAPP



action medeor provides specialist knowledge

There are insufficient funds available for the areas of research and development in developing countries. At the same time, the need for research into the prevention, diagnosis and treatment of malaria, HIV/AIDS and other poverty-related diseases is particularly high. action medeor therefore strongly supports the training of pharmaceutical experts and supports the development and production of local medication.



The transfer of knowledge is an important step in order to sustainably improve the areas of research and development in poor countries.

One of the main goals of action medeor's expert pharmaceutical advice is to transfer specialist knowledge which allows local partners to work independently. The tasks included under expert pharmaceutical advice, which is regionally focused in East and West Africa are, in particular:

- the training of pharmaceutical experts
- the construction of local medication distribution centres
- the local production of medication
- quality assurance in the production and distribution of medicine
- the increase of access to essential medicine, in particular HIV/AIDS therapies

The support offered by senior experts is particularly valuable in the implementation of these tasks. These include European specialists from the pharmaceutical industry, who voluntarily offer their knowledge e.g. through the organisation of workshops or the testing of production facilities for medicine. They complement the work done by the full-time medeor pharmacists. In 2010, action medeor carried out a total of three projects in expert pharmaceutical advice in East-Af-

rica. The target groups of the projects included pharmaceutical health personnel, authority representatives, drug manufacturers and pharmacy students.

Outlook for 2011

An important goal behind the expert pharmaceutical advice is to further develop action medeor as a non-profit service-provider for the transfer of specialist knowledge and therefore enhance local pharmaceutical structures in future. In addition to the expansion of project activities to East and West Africa, the expert pharmaceutical advice will also be focused on the improvement of medical supplies in Haiti. For this purpose, several workshops on the production of high-quality medication will be carried out. Cooperation with international organisations such as the World Health Organisation (WHO) should also be strengthened.



In June 2010, Managers of the East African pharmaceutical industry gained an insight into the services provided by the specialist laboratory.

Establishment and provisioning of a pharmaceutical laboratory in Tanzania

The pharmaceutical industry in Africa is increasingly producing basic medicine for local and regional markets. In Tanzania this covers 30 % of national demands for essential medicine, in Kenya this figure is already 80 %. However, problems are posed by the often inadequate facilities in the manufacturer's own research and development departments as well as the lack of qualified personnel. A particular challenge therefore lies in improving the quality of the products, so that they meet internationally recognised standards within the pharmaceutical sector.

In 2007, action medeor together with the German Agency for Technical Cooperation (GTZ), began building a research and development laboratory at the pharmaceutical faculty at the Muhimbili University of Health and Allied Sciences (MUHAS) in Dar es Salaam in Tanzania. The laboratory provides training for both students and pharmaceutical industry experts and develops new oral medicines whilst optimising existing formulas. It focuses on the development of medicine for the treatment of HIV/AIDS patients and administration types for children.

The laboratory was equipped with completely new features within the area of pharmaceutical technology including clean room walls, a ventilation system, tablet presses, a fluidised bed device for granulation and a coater for coating the tablet cores. The first production orders from the regional pharmaceutical industry and international organisations have already been received and will now be developed by a trained laboratory team. After the conclusion of the project in the middle of 2010, an urgent need for further funding of the analysis laboratory became clear. This is now being supported in a follow-up project from action medeor and has been co-financed by the German Agency for Technical Cooperation since December 2010.

Country/region: Tanzania/Dar es Salaam

Volume of funding: € 1 million

Funding partner: German Agency for Technical Cooperation (GTZ)

Duration: 37 months, beginning 06/2007; Follow-up project analysis laboratory since 12/2010 for 24 months, volume approx. € 100,000

Local partner: Muhimbili University of Health and Allied Sciences (MUHAS), Dar es Salaam

Pharmaceutical training in Africa

In order to ensure access to cost-effective and high-quality medicine, action medeor supports the quality efforts of East-African pharmaceutical manufacturers. Several pharmaceutical manufacturers have already started with the production of medicine against HIV/AIDS and artemisinin-based combination therapies against malaria. In order to gain access to international markets and meet the increasing requirements imposed by local authorities, plants and plants and facilities have been expanded and improved.

In order to meet the international production standards defined by WHO, continuous and further training of the personnel on an international level is essential. Since 2005, ten workshops have been carried out on "Good Manufacturing Practices" in Tanzania ("Gute Herstellungspraxis") for experts from the East African pharmaceutical industry in cooperation with Inwent (Capacity Building International) and local partners. The most recent series of training which took place in the newly built research laboratory in Dar es Salaam in 2009 and 2010, included a practical workshop on "Quality Control" and a workshop on "Development and Production Processes."

The thematic focus of the most recent workshop in November 2010 was the coating process for tablets.

Within the scope of a master's thesis (MSc International Health) in spring 2010, several participants in the past GMP workshop were questioned as to how their acquired knowledge affected their everyday working lives. The positive response from both the participants and the authority representatives showed that the previous training workshops had made a significant contribution to the quality improvement of the locally produced AIDS medication in East Africa. The study also showed that the trained pharmaceutical personnel served as disseminators who transferred this acquired knowledge to their colleagues.



Country/region: Tanzania/East Africa

Volume of funding: approx. € 20,000 per workshop (1 week)

Funding partner: InWent gGmbH

Duration: since 2005

Local partners: Medicine approval authorities, Universities, manufacturers' associations



Haiti will also be a focus of the expert pharmaceutical advice of action medeor in future: Senior expert Daniel De Grande talking to a colleague in the Haitian pharmaceutical industry.

Construction of a production facility for HIV/AIDS medication in Tanzania

Currently, almost 7 % of 15 to 49 year olds in Tanzania have been infected with HIV. This epidemic does not only have serious social and economic effects for those affected and their families, it also has decisive economic consequences for the country. Very few of those affected have so far gained access to vital anti-retroviral medication (ARVs).

With financial support from the European Union, action medeor along with its local partner Tanzania Pharmaceutical Industries Ltd., a Tanzanian pharmaceutical manufacturer, has been planning the construction and operation of a production facility for high-quality yet affordable AIDS medication in the town of Arusha in North Tanzania since 2006. Their ambitious goal once the factory has been completed is to produce 100 million tablets per year in order to ensure supplies to 100,000 patients with AIDS within the scope of private and public therapy programmes.

Important milestones on the path to the production of this AIDS medication have already been achieved. The construction of the production hall was successfully completed in summer 2010 and an

agreement has been made with an Indian industrial specialist on the further expansion of the production plant. The co-operation also includes the delivery and installation of all necessary machines and the training of personnel. After a comprehensive planning phase, the necessary material will be shipped from India in the first few months of 2011. The Indian experts will begin work in spring 2011. The production of the first trial batches is planned for autumn 2011.

Country/region: Tanzania/Arusha

Volume of funding: €5.7 million

Funding partner: European Union

Duration: 12/2006 until 11/2012

Local Partner: Tanzania Pharmaceutical Industries (TPI Ltd.)



Your legacy to the world of tomorrow!

For people who, during their lifetime, are particularly committed to the health of others, the question arises as to whether and how one can continue to do this beyond their own lifetime. With a bequest or an endowment to action medeor, it is possible to offer long-term support and valuable aid.

As a means of helping interested donors, medeor has been offering free informative talks on "inheritance and wills" since the end of 2009. At the three events so far, the audience have been widely informed on the possibilities of personal wills as well as inheritance tax.

In a three-hour talk, an experienced voluntary inheritance lawyer describes the most important principles of inheritance law and answers many participant questions: What should I consider when writing a will? What is intestate succession? What is the obligatory amount and who receives this? What

is an inheritance? The exceptionally positive response from these events is an incentive for action medeor to continue offering events relating to this topic in future.

A further important way in which to leave behind a legacy for the world of tomorrow, is a donation to the action medeor foundation. The medeor foundation, which was founded in 2001, offers vast possibilities for providing long-term aid beyond your lifetime. This is possible through an endowment, an endowment fund or a trust fund. In a foundation, the endowment fund is 100 % preserved. The aid is then acquired from the profit generated through the capital. An enduring and long-term contribution to improving the health of people worldwide is therefore possible – even beyond your own lifetime.

Do you want more information?

With its informative events, action medeor wants to demonstrate the possibilities for writing a will and explain the different types of inheritance. If you are interested in this talk in Tönisvorst on the topic of

"inheritance and wills," please contact our medeor colleague Linda Drasba on +49 (0) 2156 9788-173 or via e-mail on linda.drasba@medeor.de.

Upon request, you can also receive the action medeor will and endowment handbook, free of charge. It summarises the most important rules relating to wills, donations and endowments and can be ordered using the card on the last page of this annual report.





1 Euro against Malaria

This is how little a life-saving therapy costs. You too can help!

Anke Engelke, Actress

www.medeor.de



Why advertising is so important

Donators' trust in the work done by action medeor is the building block upon which all aid offered by the association is based. In order to gain this trust, action medeor applies itself day after day. This is because the more people action medeor supports, the more comprehensive the aid provided from donations to the association can be.

The devastating earthquake in Haiti in January 2010 and the mass floods that swept havoc across Pakistan in August led many people in Germany to make additional donations. This high level of donation generosity for people in need was also reflected in the support for action medeor. Many people trusted action medeor as an association with which to place their first donations.

The number of donators in 2010 compared to the previous year therefore increased by approximately 8000 to almost 32,000. At the same time, the increase of monetary donations during the same period increased from €3.76 million to €6.31 million.

Responsible marketing

In order to inform even more people of the work done by the association and demonstrate our commitment, action medeor provides extensive press work and uses direct advertising, the internet and classic advertising. medeor also uses its informative events to draw attention to the aid from Vorst. Although action medeor receives free services in some areas for example the use of advertisements on television, it remains essential to have a budget for advertising. This is because investments in the areas of marketing and communication are a prereq-

uisite for convincing donators to commit on the long-term and guarantee an adequate number of donators for a responsible implementation of the aid projects. action medeor therefore ensures a cost-effective, transparent and meaningful use of funds. This is also guaranteed by the DZI seal of approval (German Central Institute for Social Issues). This seal was awarded to action medeor to certify its verifiable and statutory use of funds and faithful, clear and factual advertising, both in writing and images.

For the calendar year 2010, the expenditure share for advertising and public relations amounted to 13 % of the monetary donations during preliminary calculations (9.09 % in the previous year). This corresponds to total expenditures of €2.24 million.

National public relations

Fortunately, the scope of public relations also significantly increased in 2010. medeor established numerous contacts with readers, viewers, listeners and internet users. These contacts included renowned key media such as the ARD-Tagesschau news programme, dpa and the Frankfurter Allgemeine Zeitung. The most important topic in action medeor's reports was the aid for Haiti and Pakistan. This primarily showed the packaging of medication in the medication warehouse as well as the arrival of aid on site. Television coverage particularly increased. Last year there were more than one hundred articles on medeor, including in the Tagesschau news programme. In all, the press coverage increased by 56 % in 2010 compared to the previous year.

Communication with donators

In 2010, the donators to action medeor were informed of current projects through letters, including information on extremely urgent incidents such as the aid for earthquake victims in Haiti and the people affected by the severe floods in Pakistan. The donators

Outlook for 2011

Given the huge natural disasters in 2010 and the associated increase of donations and donators, a decrease of donations is expected for 2011. It is a huge challenge gaining the long-term support of first-time donators beyond the disaster cause that they are donating to. Due to the positive response that action medeor had in 2010 by gaining new donators through personal contact with passers-by in different cities throughout Germany, these campaigns will also be carried out in 2011.



The children in Tanzania answered questions from the German journalist curiously and attentively.

promptly received an insight into the current developments in the area, urgent requirements and the forthcoming or already-sent aid packages. However, people who have not yet donated to action medeor are also informed of the work done by the aid association and kindly asked for donations. Supporters of action medeor regularly receive a newsletter and are therefore able to keep up-to-date on current incidents and appeals for donations. In order to encourage more donators to commit to action medeor, so-called "face-to-face" discussions with passers-by were carried out in 2010 by an external organisation in the city centres of Cologne, Hamburg and Freiburg. As the response was extremely positive and young people in particular were inspired by medeor, this will be continued across further cities in 2011.

Media cooperations

Within the scope of the first cooperation with the radio broadcaster "Klassik Radio," reports on the disaster relief work by action medeor for the people in Pakistan as well as other areas of focus for the aid organisation were broadcast and an appeal was also made for donations. This successful cooperation will also continue in 2011. The listeners will therefore be primarily informed of the medical aid offered by the aid association for Tanzania as well as daily events and current emergency aid. The television channel center.tv in Cologne also supported the work of action medeor in a media collaboration in 2010. The channel reported on different campaigns in Cologne which were raising awareness on the effects of malaria in Africa and informed the viewers with background reports.



medeor online

The donations that action medeor receives over the internet have strongly increased in recent years. This also includes the donation portal "better place," through which payback points for medeor projects can also be donated. Compared with 2009 in particular, a remarkable increase of online donations has been noted, which is primarily due to a high generosity of donations to people in Haiti and Pakistan. The presence of action medeor on social networking sites, particularly facebook and twitter, was further developed in 2010. A major project is planned for 2011: The action medeor website will be revised and is likely to go online in the summer.

Advertising in displays, posters and on television

Particularly in the area of advertising, action medeor can save huge costs through a cost-effective or even free use of advertising spots, advertisements and posters. In North Rhine-Westphalia, areas were provided free-of-charge for billboards and city-light posters. action medeor is also able to avoid high television expenses through a free use of advertising spots. Private television broadcasters such as RTL, VOX, n-tv, VIVA and MTV broadcast the medeor advertisement a total of 276 times in 2010. Free advertisements are also sent to publishing houses with the request for free advertising. action medeor would like to thank all service providers for their remarkable support.

Events and educational work

More than 5000 visitors of all ages visited action medeor in Tönisvorst last year to find out how exactly our association works. After a look around the 4000 square metre medication warehouse, the visitor groups can see for themselves how the medication is taken from the high-bay warehouses, packaged and prepared for shipping. Furthermore, the ready-stored emergency packages show how quickly the aid can be shipped from Tönisvorst and what medication is most urgently required. In interesting discussions on different topics,



Young people from Africa and Europe when shooting the project "Insight Malaria"

children, young people and adults can learn what health care in other countries is like and what steps must be taken for example in the event of an emergency. For the audience it is often fascinating to discover how happy the children are in spite of the difficult living conditions in many poor countries.

Many school classes are motivated both by their visits to medeor and talks at their schools, to become personally involved and to help. They carry out sponsored walks, charity sales and information days for example on the topic of malaria or HIV/AIDS and display great commitment. Particularly after the huge disasters last year in Haiti and Pakistan, more school classes became involved than in previous years.

"Stop Malaria Now!" – A landmark in the land of ideas

The campaign "Stop Malaria Now!" launched by action medeor, was, due to its commitment in the fight against malaria and its international film project "Insight Malaria," selected as one of "365 landmarks in the land of ideas." The patron of the national innovation competition is the Federal President. The awards ceremony took place on 7 April 2010 in the Cologne Odysseum. Within the scope of the film project "Insight Malaria," 13 young film-makers from six European and African countries travelled to Kenya in September 2010. Their goal was to make a documentary film about malaria and its effects on daily life in Africa. Together the participants developed a screenplay

that looked at the issue of malaria from different perspectives. This included the accessibility of medical supplies for the treatment of the illness and the role of faith and culture. In the coastal town of Malindi, the participants visited the health centres, talked with village elders and looked at how people coped with the deadly disease.



Kerstin Roskam (Deutsche Bank) awards the prize to Antje Mangelsdorf, Project Coordinator of the campaign, medeor Executive Director Bernd-Pastors and medeor Vice President Heinrich Lauf (from right to left).

In this way, the young film-makers were able to gain some new, surprising and interesting knowledge. The message of the film, which is aimed at an African and European audience as well as European decision-makers is: "Stop Malaria Now!" After the premiere on 15 April 2011 in Cologne it toured 20 European cities. Online visitors can also learn what life with malaria means by taking a virtual journey through Malindi under www.stopmalarianow.org/virtual-village.html.

"Stop Malaria Now!" is an international initiative supported by ten NGOs from the areas of health and development. It is financed by the European Union.

Thank you for your donation campaigns in 2010!



1. On behalf of the "RTL Foundation – Wir helfen Kindern e. V." Wolfram Kons presented medeor Executive Director Bernd Pastors with €30,000 for the treatment of cholera patients in Zimbabwe.

2. Christian Hülsemann, Managing Director of the Hülsemann Autohaus (mi.) has supported action medeor for many years, including as the main sponsor of the medeor Gala. medeor President Heinz Gommans (left) and medeor Executive Director Bernd Pastors would like to thank him for this display of commitment.

3. medeor President Heinz Gommans (left) and medeor Executive Director Bernd Pastors (right) at the Christmas Gala in 2010 along with the Mayor of Krefeld Karin Meincke and the Haitian Ambassador Jean Robert Saget.

4. After their visit to action medeor with Norbert Vloet, the secondary school Arndt-

Gymnasium in Krefeld decided to make their own contribution. They therefore organised a cake sale at the final assembly on the last day of school and were able to raise funds for a medeor project for children in South Africa suffering from HIV/AIDS.

5. For the Christmas period, medeor ambassador Anke Engelke and the Cologne band "Die Höhner" came up with something quite special. They made a handmade Christmas bauble for their respective aid organisation, Anke Engelke for medeor and "Die Höhner" for the integration project "Wir helfen." This campaign was launched by Galeria Kaufhof Hohe Straße in Cologne.

6. The employees of the Arca-Regler company in Tönisvorst raised €1150 for emergency aid in Haiti. medeor employee Linda Drasba thanked them for this spontaneous aid campaign.

7. A donation of €1000 can be used to purchase 200 impregnated mosquito nets. medeor employee Susanne Schmitz was delighted by the remarkable support from Klaus Weichbrodt, Branch Manager of Globetrotter Ausrüstung in Cologne.

8. Achieve more as a team – that is the aim of the "Helpball" partner campaign from the handball department of the St. Tönis student organisation and action medeor. During the handball season, donations were raised for children affected by HIV/AIDS in South Africa.

9. Thanks to the support from the Düsseldorf Symphony Orchestra and the Conductors, visitors to the Düsseldorf Concert Hall and the Deutsche Oper am Rhein donated €5000 for people in Haiti. The Düsseldorf Symphony Orchestra added to the sum to give a total of €7000.

Report of the Presidium

medeor structures prove themselves

The past year presented the association with significant challenges. In order to overcome the disasters in Haiti and Pakistan, action medeor provided a particularly high level of aid from Tönisvorst. The constant stocking of the medication warehouse with emergency health kits puts action medeor in a position to provide medical emergency aid for several thousand people within just a few hours. The aid for Haiti and Pakistan required a smooth logistics process with regards to the purchase and shipment of large quantities of medication and equipment.

Furthermore, the comparatively high increase of donations had to be administratively and promptly registered and processed in a transparent and reliable manner. These requirements were successfully overcome in addition to the existing tasks of the association. In order to guarantee a needs-based use of donations not only within the scope of emergency aid, but also in the next step, namely the reconstruction phase, a project-specific temporary increase of personnel was decided upon.

medeor is distinguished by its carbon neutral business flights

Corporate social responsibility does not only apply to companies but also particularly to non-profit organisations. In the past few years, action medeor has implemented this concept primarily in the area of energy-savings and the environment.

Therefore, extensive insulation measures were carried out on the building and the heating system was modernised to make it more efficient. Furthermore, for journeys undertaken by medeor employees, increased importance was placed on the use of public transport. However, project visits make plane journeys unavoidable. For this reason, the association decided to make its business flights carbon-neutral, which means that all business flights which release greenhouse gas emissions are compensated by a voluntary payment to the Swiss non-profit foundation myclimate. With these compensation donations, myclimate develops and supports climate protection projects worldwide. In the past year, action medeor offered compensation for 80,569 tonnes of CO₂ emissions for 2009. This voluntary contribution to sustainable climate protection will also be extended to further areas in future, for example the production of printed materials.

Commitment against corruption

A further change is the so-called whistle-blowing policy, the public disclosure of maladministrations. Employees are thereby encouraged to promptly disclose information relating to fraud and corruption. For this reason, secure, easy accessible and confidential information channels were established. The first point of



Heinz Gommans (left), President of medeor, welcomes the new ombudsmann, Dr. Ulrich Viefers, to action medeor.

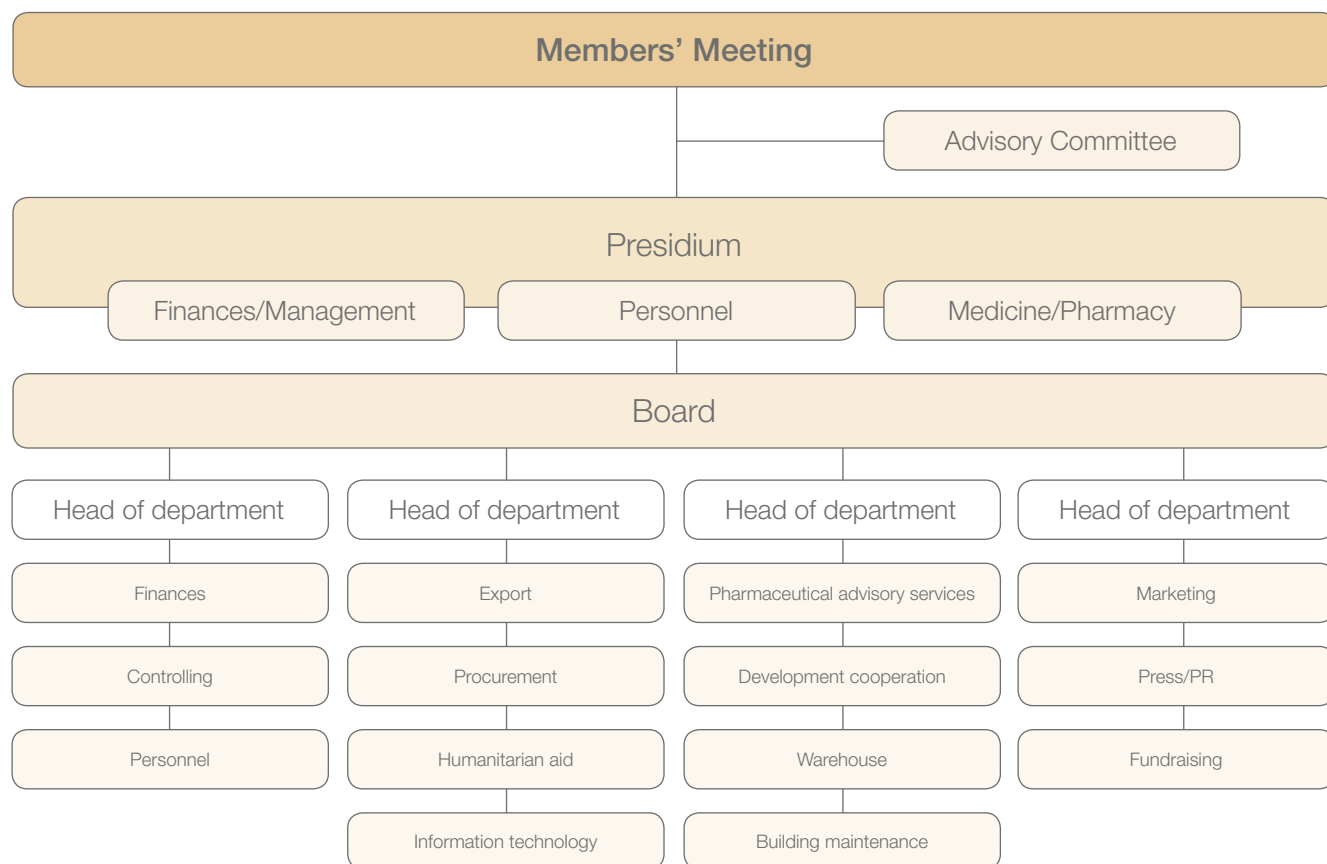
contact is a confidant appointed by the presidium of action medeor and this person serves as someone to whom the respective employees can turn.

The structure of the association, which is distinguished by a strict separation of the operative and control levels, has also proved itself in the past year in light of increased demands. This also applies to the enhanced advisory function of the presidium through the newly formed committees in the past year.

On behalf of the presidium, I would like to sincerely thank the members, the advisory committee, the board and all employees within the association for their excellent and successful work.

Heinz Gommans (President)

The bodies of the association



In 2010, action medeor had 59 salaried staff and 19 volunteers supporting the work of the aid organisation by giving talks and working as pharmaceutical experts. Members of the presidium and the advisory committee work in an honorary capacity and receive no financial compensation.

Members' meeting

The members' meeting is the most superior body in the association and is responsible for the approval of the annual financial statement, the discharging of the presidium, the advisory committee and the board and the election of the presidium and the advisory committee. On 31 December 2010, the body consisted of 52 members.

The Presidium

The tasks of the honorary presidium include preparing and convening the members' meeting, approving the business plan and the establishment of the annual financial statement. The presidium holds meetings twice a month and examines key business data once a month. The presidium consists of three committees with a key focus on personnel, finances and management as well as medicine and pharmacy. The committees serve an

advisory role to the presidium. Members of the presidium include: Heinz Gommans, Krefeld (President), Heinrich Lauf, Viersen (Vice-President), Siegfried Thomaßen, Tönisvorst (Committee Member), Prof. Dr. Marlis Hochbruck, Karlsruhe (Committee Member), Dr. med. Thomas Menn, Potsdam (Committee Member).

The Board

According to the statute, the board consists of one or more salaried members. It is solely responsible for managing the association. The board is appointed and recalled by the presidium. The board must inform the presidium of all important matters. The current full-time Executive Director of action medeor is Bernd Pastors, Mönchengladbach.

The Advisory Committee

The voluntary members of the advisory

committee are elected for a term of three years by the members' meeting on the proposal of the presidium. The advisory committee advises the presidium on the execution of its duties. It particularly expresses its opinions to the members' meeting on the presidium drafts and also makes recommendations. Members of the advisory committee include: The Auxiliary Bishop Karl Borsch, Diocese of Aachen (Chairperson), Walter Schöler, Tönisvorst (Vice Chairperson), Walter Otto Fricke, Krefeld (MP), Uwe Schummer, Willich (MP), Dr. Gisela Schneider, Tübingen (German Institute for Medical Mission) and Christine Busch, Düsseldorf (Church Administrator).

All of medeor's statutes can be found under www.medeor.de and can be requested via post.

Transparency at action medeor

A donator's decision to donate money to an organisation is a significant show of trust. action medeor's goal is to justify this decision. By means of voluntary inspections, action medeor is examined by external organisations and bodies as well as internal supervisory bodies:



External transparency and supervisory bodies:

- **Audit:** Every year, action medeor undergoes an external and independent audit. The accounts of the association, the medeor foundation and the non-profit action medeor International Healthcare GmbH can be viewed under www.medeor.de.
- **The DZI seal of approval:** The seal from the German Central Institute for Social Issues (DZI) stands for the certified transparency and efficiency of donations and, following an in-depth review process, is only awarded to those aid organisations who are able to demonstrate a transparent and proper use of donations within the scope of a rigorous budget.
- **Venro Code of Conduct:** As the founding member of the non-governmental organisation (Venro), action medeor contributes to the creation of the code of conduct which even goes beyond the requirements of the DZI donations seal. The code of conduct concerns issues of organisational management, communication, business management and results-based orientation.

- **Anti-corruption guidelines:** action medeor aligns itself with the goals pursued by Transparency International for the prevention of corrupt behaviour and, with the establishment of their own anti-corruption guidelines, has developed a guideline for work at home and abroad.
- **Code of conduct for disaster relief:** action medeor has committed itself to the disaster relief code of conduct that was developed by the international Red Cross. An important component of this is accountability with regards to aid recipients as well as sponsors.
- **Transparent Civil Society Initiative:** The aim of this initiative is to create the largest possible alliance for action within civil society that is agreed on the most important parameters for effective transparency and makes relevant information on their organisation readily accessible to the general public.

Internal transparency and supervisory bodies:

- **The four-eye principle** e.g. in the counter-signature of contracts, orders and payments.
- **The functional separation** of the operative and control levels within the association.
- **Transparent accounting**, in which all accounts are accessible to the company management and auditors and no subsidiary accounts are managed.
- **Transparency in the placing of orders** in which the purchase of medication is carried out through international calls to tender.
- **Checks on recipient stations:** Using a detailed questionnaire (incl. references) the range of services and the reliability of the local recipients are verified. Project selection procedures are regulated by strict criteria and the corresponding project proposals. Continuous monitoring and corresponding project verification measures (application forms and reporting formats) guarantee a consistent monitoring of project activities.



DR. HEILMAIER & PARTNER GMBH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT
STEUERBERATUNGSGESELLSCHAFT

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

Annex 4

Auditor's Report

According to the result of our audit, we have issued the following unqualified auditor's report for the financial accounting as of December 31, 2010 of the association German Pharmaceuticals Relief Organisation "action medeor" e. V.

We have audited the financial accounting comprising the capital account, the profit and loss account and the cash flow statement together with the bookkeeping system of the association German Pharmaceuticals Relief Organisation "action medeor" e. V. for the business year from January 1 to December 31, 2010. The maintenance of the books and records and the preparation of the financial accounting in accordance with German commercial law and supplementary provisions of the articles of association are the responsibility of the association's executive committee. Our responsibility is to express an opinion on the financial accounting, together with the bookkeeping system, based on our audit.

We conducted our audit of the financial accounting in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial accounting in accordance with German principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the association and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in books and records and the financial accounting are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by executive committee, as well as evaluating the overall presentation of the financial accounting. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the financial accounting comply with the legal requirements and supplementary provisions of the articles of association and give a true and fair view of the net assets, financial position and results of operations of the association in accordance with German principles of proper accounting.

Krefeld, April 11, 2011

Dr. Heilmaier & Partner GmbH
Audit Firm
Tax Consulting Firm



Dipl.-Kfm. Kempkens
Wirtschaftsprüfer
(German Public Auditor)

Capital Account on 31 December 2010

previous year

Assets	euros	euros	thousand euros
A. Capital assets			
I. Intangible assets	92,272.65		62.3
II. Tangible assets	3,614,979.04		3,760.6
III. Financial assets	116,098.27	3,823,349.96	115.9
B. Liquid assets			
I. Inventories			
1. Raw, auxiliary and working materials	2,378,857.12		2,509.1
2. Advance payments	534.07	2,379,391.19	0.0
II. Accounts receivable and other assets			
1. Accounts receivable trade	373,714.92		609.9
2. Receivables from companies in which shares are held	183,025.47		97.2
3. Other assets	88,198.47	644,938.86	88.0
Maturity of more than one year: Item 1: 0.00 euros (previous year: 0.0 k euros), Item 2: 164,953.42 euros (previous year: 87.1 k euros), Item 3: 0.00 euros (previous year: 0.0 k euros)			
III. Accounts receivable from major projects		981,526.53	3,324.6
IV. Securities			
Other securities		58,897.00	58.9
V. Cash assets and credit in banks			
1. Cash assets	12,356.21		8.7
2. Credit in banks	7,753,606.66	7,765,962.87	6,704.8
C. Accruals and deferrals			
		9,300.66	9.6
		15,663,367.07	17,349.6

previous year

Liabilities	euros	euros	thousand euros
A. Net assets			
As of 1.1.2010	10,223,840.27		10,617.0
Changes to reserves	38,828.94		-464.9
Net result 2010	46,882.31		71.7
As of 31.12.2010		10,309,551.52	10,223.8
– from bequests: 142,477.68 euros (previous year: 103,6 k euros)			
B. Reserves			
Other provisions		107,335.85	174.6
C. Donations not yet used / project funds			
		1,160,658.59	254.6
D. Funds not yet used from major projects			
		3,598,381.00	6,246.7
E. Liabilities			
1. Liabilities from goods and services	168,952.77		118.1
2. Other liabilities	318,487.34	487,440.11	331.8
– from taxes: 36,682.23 euros (previous year: 20.4 k euros) – social security liabilities: 7,955.12 euros (previous year: 2.8 k euros)			
Maturity up to one year: Item 1: 168,952.77 euros (previous year: 118.1 k euros) Item 2: 318,487.34 euros (previous year: 331.8 k euros)			
		15,663,367.07	17,349.6

Accounting and Valuation Principles

The annual financial statement (profit and loss statement) of the association was drawn up in accordance with the principles of proper accounting and the valid rules for all traders stipulated in §§ 242 et seq. and §§ 264 et seq. of the German Commercial Code (HGB). The balance sheet was listed in account form and was structured according to § 266 of the German Commercial Code. Under consideration of article § 265 of the German Commercial Code, the characteristics of the association as a charitable organisation were acknowledged. The structuring of the profit and loss statement was carried out according to § 275 para. 1 of the German Commercial Code following the total cost method. The annual financial statement was verified according to the principles of §§ 316 et seq. of the German Commercial Code by an independent auditor. This is a voluntary audit according to § 12 para. 3a of the medeor statutes. This audit was carried out following the auditing standards "Auditing Associations" (IDW PS 750) and the IDW Statement on Accounting for Associations (IDW RS HFA 14) as well as those for charitable organisations (IDW RS HFA 21).

The **intangible assets** were capitalised at their acquisition cost and strictly amortised on the basis of their 3-year useful life in accordance with § 253 para. 3 of the German Commercial Code and § 7 para. 1 p. 1 of the Income Tax Act using the straight-line method.

The **fixed assets** are valued in accordance with § 255 para. 1 of the German Commercial Code at the acquisition cost less the planned straight-line depreciation following the average useful life. The item "buildings" primarily refers to expenditures for insulation works in the warehouses in 2008. The depreciation rate for the buildings is 2% and 4% and between 5.26% and 10% per annum for the paving and outdoor facilities. Low-value assets with acquisition costs of more than €150.00, but no more than €1000.00, were compiled in a compound item in the reporting year according to § 6 para. 2a of the Income Tax Act, which is depreciated by 20% per annum.

As regards **financial assets**, the association essentially holds a 100% share in the non-profit action medeor International Healthcare GmbH equating to €100,000.00 as well as shares in the Ecumenical Development Cooperative e. V. amounting to €10,658.27.

The **inventories** of the working capital were essentially valued at the acquisition cost following the lowest value principle according to § 254 para. 3 of the German Commercial Code and are divided into medication, equipment, packaging material and craftwork.

The **accounts receivable and other assets** have been recognised at their nominal value and ordered in an itemised list. From the accounts receivable trade, €117,335.68 had not yet been paid as of 28 March 2011. The receivables from major projects are comprised as follows:

- 1.) Local ARV production (production of HIV/AIDS medication) €622,222.54
- 2.) Stop Malaria Now! (Awareness Project II) €359,303.99

To 1.) In a contract from 24 November 2006, the association made a commitment to the European community to carry out a major project for the production of HIV/AIDS medication. The first measures were implemented on 1 December 2006 and the duration period of the operative phase was initially 40 months. Through an amendment to the aforementioned contract on 11 February 2010, this duration period was extended to 72 months and will therefore run until 30 November 2012. In 2008, a partnership agreement was concluded with the project partner who committed to supporting the project with €727,902.00. On 31 December 2010, an account receivable (including that of the cooperation partner) arose from the project amounting to €622,222.54.

To 2.) Through a contract from 30 October 2009, the association made a commitment to the European Commission to carry out a second awareness campaign on malaria. The measures were started on 1 January 2010 and the duration of the operative phase was also 24 months. In the reporting year, accounts receivable amounting to €20,552.08 were settled. No subsidies were requested in 2010. An account receivable amounting to €359,303.99 therefore emerged on the balance sheet date.

Marketable assets have been accounted for with the acquisition costs under consideration of the lowest value principle according to § 254 para. 3 of the German Commercial Code.

The **cash assets and credit with banks** were recognised at the respective nominal amount.

According to § 250 para. 1 of the German Commercial Code, the **active accruals and deferrals** comprise expenditures before the reporting date, provided that they represent expenditures for a certain time after the balance sheet date.

The **reserves** were estimated according to § 253 para. 1 p. 1 of the German Commercial Code according to reasonable commercial judgement amounting to the prospective utilisation. They take identifiable risks and contingent liabilities into account.

The **donations / project funds which have not yet been** used are liabilities from not yet incurred free donations as well as donations in kind. The monetary liabilities (free and recipient donations) were recorded on the balance sheet date according to § 253 para. 1 p. 2 of the German Commercial Code with the amount repayable. The not yet incurred donations in kind were recorded at their current value. The free donations and donations in kind are donations made for unspecified recipients. The free donations include donations for the sale of greeting cards amounting to €14,727.95 as well as proceeds from legacies. Donations for specified recipients are recipient-related donations and donations from "sponsorship campaigns." The use of donations for specified recipients are booked as credit to the accounts receivable account of the respective beneficiary. On the balance sheet date, these were accounted for as customer credit balance under "other liabilities," provided that they had not yet been used up on 31 December 2010 through medication and equipment deliveries.

Profit and Loss Statement from 1 January to 31 December 2010

previous year

	euros	euros	thousand euros
1. Turnover		4,691,238.46	5,313.8
2. Proceeds from the use of donations		9,648,707.21	6,117.5
3. Proceeds from third-party grants for projects		2,785,796.05	1,277.2
4. Other revenues		81,621.30	73.0
5. Expenditures for raw materials and goods purchased		-8,789,460.75	-5,822.0
6. Gross profit		8,417,902.27	6,959.5
7. Personnel expenses			
a) Wages and salaries	-1,726,590.78		-1,616.3
b) Social security contributions and expenditures for pension and support	-352,815.43		-298.6
c) Voluntary social security contributions	-24,910.33	-2,104,316.54	-23.7
- of which for pensions: 8636.05 euros (9.8 k euros)			
8. Depreciation of intangible and tangible assets		-305,712.11	-288.3
9. Other operational expenses		-5,989,492.08	-4,727.5
10. Operating profit		18,381.54	5.1
11. Interest and similar income	51,039.91		78.8
12. Interest and similar expenses	-22,539.14	28,500.77	-12.2
13. Net profit		46,882.31	71.7

Overview of key data and explanation of the profit and loss statement

Overview of key data 2006–2010	2006	2007	2008	2009	2010
Sales revenue	5.32	4.97	6.09	5.31	4.69
Proceeds from the use of donations	5.04	4.30	6.71	6.12	9.65
Proceeds from third-party grants for projects	0.13	0.44	0.70	1.28	2.79
Subtotal	10.49	9.71	13.5	12.71	17.13
Expenditures for raw, auxiliary and working materials	–4.83	–4.34	–7.14	–5.82	–8.79
Gross profit	5.66	5.37	6.36	6.89	8.34
Net profit	0.6	0.16	0.37	0.07	0.05
Donations	4.8	5.51	8.54	5.97	11.09
Net assets	10.64 ¹	10.73 ²	10.62 ³	10.22 ⁴	10.30 ⁵

¹ including 1.13 million euros of reserves / ² including 1.07 million euros of reserves / ³ including 0.57 million euros of reserves /

⁴ including 0.10 million euros of reserves / ⁵ including 0.14 million euros of reserves / **Numbers given in millions and euro**

The profit and loss statement was drawn up in accordance with the valid principles of article §§ 238 et seq. and §§ 264 et seq. of the German Commercial Code (HGB). The structuring was carried out according to § 275 para. 1 of the German Commercial Code as per the total cost method.

The **sales revenue** was comprised of the sale of medication and equipment as well as the provision of expert pharmaceutical advice at a net cost price.

The **revenue gained from the use of donations** arose from expenditures which were not financed with donations and were recorded as “unspent donations.” Expenditures included donations

of medication and equipment, expenditures for marketing, project management, expert pharmaceutical advice and the administration of donations.

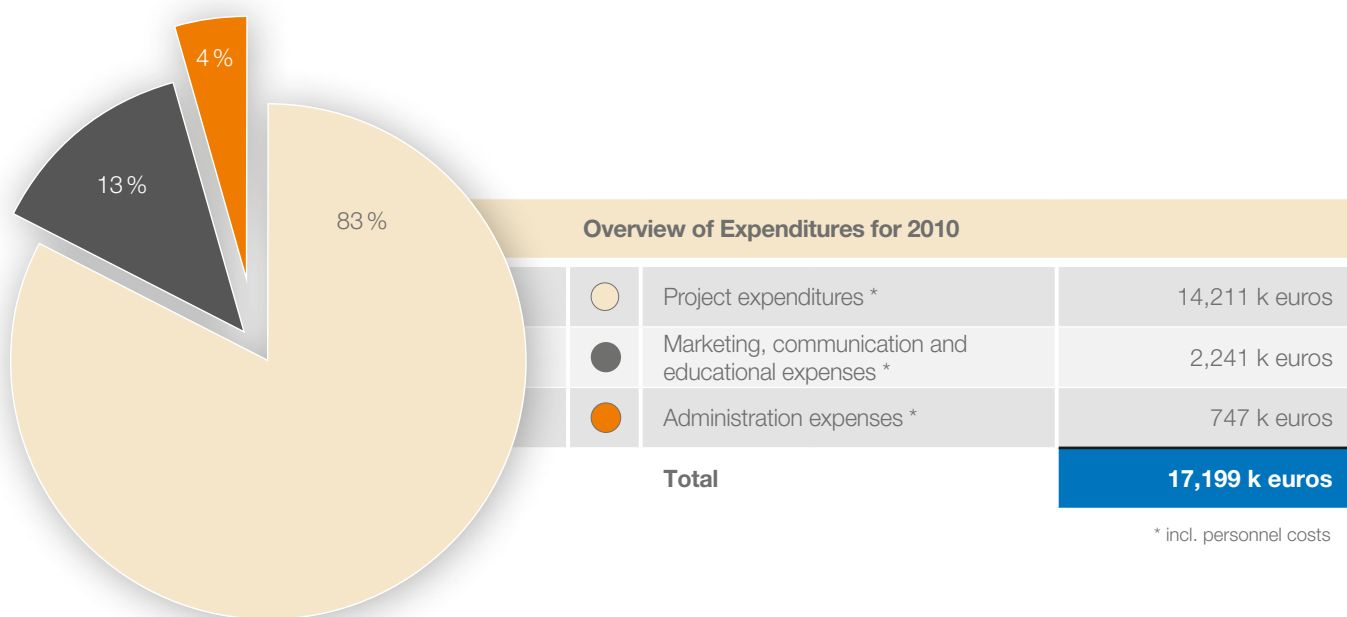
Other expenditures included administration costs and expenditures for the processing of development cooperation projects, humanitarian aid, expert pharmaceutical advice and educational and PR work. The costs for transporting medication and equipment to the recipient countries came to €817,571.52. The expenditures for supplements and information leaflets for fundraising campaigns came to a total of €678,400.59. According to provisional calculations from the calendar year 2010, the proportion of administration and marketing expenditures will be 16.97 % (previous year: 18.24 %).

The **remuneration of employees** takes place according to the tariffs for public sector pay (German: Tarifvertrag für den öffentlichen Dienst) and those for wholesale and foreign trade. The payment of pharmacists is based on the pharmaceutical salary tariffs. Wages and salaries include wages for those at a managerial level amounting to €352,468.45.

Further details can be found in the Financial Report 2010 which is available under www.medeor.de.

Interest and similar income are primarily accumulated through asset management.

Expenditures 2010



Business plan 2011

Business plan 2011	
Monetary donations and donations in kind	7,200 k euros
Donations still to be used in 2010	830 k euros
Total	8,030 k euros
Expenditures for donation broadcasts *	4,030 k euros
Emergency and disaster relief *	400 k euros
Projects for development cooperation *	500 k euros
Pharmaceutical advisory services *	700 k euros
Marketing, communication and education	1,800 k euros
Administration	600 k euros
Total	8,030 k euros

* Listed as "project expenses" in the table above.

Progress report

Presentation of the business and overall context

Due to the devastating natural disasters in Haiti and Pakistan in 2010, action medeor was confronted with a wide range of challenges.

Never before have we had to send so many donated aid shipments to disaster-stricken areas in one year.

However, medeor's work as a non-profit producer of medication and medicinal products was also still required by many small project partners in Africa, Asia and Latin America.

As a result, approximately 68 % of all aid packages sent in 2010 only had a goods value of up to €2000. In all, aid worth a record value of €11.88 million was supplied representing an increase of 26.68 % in comparison to the previous year.

The significant increase of donations in kind was a valuable aid for many medeor partners in the south. Furthermore, the increase of publicly-funded projects in the areas of development cooperation, expert pharmaceutical advice and educational work demonstrates action medeor's growing expertise in these areas.

The disasters in Haiti and Pakistan in 2010 also meant that monetary donations strongly increased by 67.8 % compared to the previous year.

Financial situation

- Profit situation

With total earnings of around €17.2 million, approximately 34.4 % more funds were available compared to the previous year. In all, a net profit of €46,800 was made in 2010 which was apportioned to our net assets.

- Net asset position

Through the provision of legacies, our net assets increased by €38,800.

- Supplementary report

No noteworthy events occurred between the publishing of this report and the end of the business year.

Presentation of risks and opportunities for future development and forecast report

The development of the economic special-purpose enterprise will also decisively depend on general framework conditions for imports to the partner countries in addition to the rising costs for warehousing, quality assurance and the processing of orders.

For the construction of a customs bonded warehouse a greater flexibility should be achieved when purchasing. Through the construction and development of local structures for the production and distribution of medication as required by action medeor, the medical aid will be directly shipped from Europe to Africa. Furthermore, by expanding the product portfolio to include items such as photovoltaic systems and smaller water treatment plants for health stations, the expected decrease for cost-covering medical supplies should be balanced out.



Full-time Executive Director Bernd Pastors, Mönchengladbach

The implementation of a major project for the construction of an AIDS medication production plant in Arusha also required a high level of skill for communication between European funders, African co-operation partners and Asian service providers. The completion of the factory building marked an important milestone. It is planned that the production plant will be installed in 2011 and the first trial batches will then be produced.

In order to finance the various expenditures of action medeor on a long-term basis, an increase of medeor donors is also necessary. Progress was also made in the successful development of long-term donors and the expansion of online-fundraising and partnerships in 2010.

Aid provided

Areas	2008	2009	2010
Pharmaceutical advisory services	555 k euros	766 k euros	120 k euros
Development cooperation projects	700 k euros	1,117 k euros	920 k euros
Humanitarian aid projects	623 k euros	521 k euros	450 k euros
Educational projects	201 k euros	227 k euros	330 k euros
Emergency and disaster relief	3,802 k euros	3,950 k euros	9,250 k euros
Supply of basic medicine	6,508 k euros	4,760 k euros	2,650 k euros
Total	12,389 k euros	11,341 k euros	13,720 k euros

Shipped medication and equipment

	2008	2009	2010
Supplied at cost price	6,090 k euros	5,310 k euros	4,690 k euros
Supplied from donations	4,220 k euros	3,400 k euros	7,190 k euros
Total	10,310 k euros	8,710 k euros	11,880 k euros

Regional distribution of aid

	Output at cost price			Output as a donation		
	2008	2009	2010	2008	2009	2010
Africa	4,914 k euros	3,728 k euros	3,007 k euros	3,785 k euros	2,288 k euros	2,892 k euros
Asia	567 k euros	678 k euros	593 k euros	334 k euros	742 k euros	2,737 k euros
Central America	101 k euros	379 k euros	788 k euros	17 k euros	267 k euros	1,515 k euros
South America	242 k euros	365 k euros	165 k euros	63 k euros	86 k euros	35 k euros
Eastern Europe	189 k euros	115 k euros	68 k euros	17 k euros	10 k euros	7 k euros
Oceania	77 k euros	49 k euros	69 k euros	4 k euros	3 k euros	3 k euros
Total	6,090 k euros	5,314 k euros	4,690 k euros	4,220 k euros	3,396 k euros	7,190 k euros

Donations

Donations	2008	2009	2010
Monetary donations (incl. membership fees, donations from fines and donations from the sale of greeting cards)			
– Donations for free use	4,341 k euros	3,437 k euros	5,982 k euros
– Recipient-specific donations	1,083 k euros	326 k euros	332 k euros
Donations in kind	3,119 k euros	2,209 k euros	4,783 k euros
Total	8,543 k euros	5,972 k euros	11,097 k euros

Networks and alliances

action medeor is a member of a number of different alliances and networks. The association's commitment to its work, its membership in different networks and cooperation with other non-governmental organisations help to further unite and implement common interests more effectively.





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