

Faraja Trust

Annual Report 2013



Dear Reader,

We proudly present to you our annual report for the year 2013. And as we do so, we would like to take this opportunity to thank you and all of our supporters and well-wishers for their trust in our work and their valuable contributions towards our different activities. If it were not for their generosity, we could not be reporting back to you what we have done and how this is changing the lives of the many people we are working with.

Let us begin with the Latia Resource Center, which is probably our most thriving project. There we were able to expand our activities both in terms of the numbers of trainees that went through our practical training programmes as well as in regard to our outreach activities that benefitted more than 400 farmers, most of which have been recruited through women self-help groups.

When it comes to our prison programmes, we are happy to report that we have spread our geographical scope and that we have intensified our counselling programmes. Today, virtually everything we do in prisons is done with a counselling-based approach.

This is so that our work truly reflects the name Faraja, which means consolation and encouragement.

Looking at our properties, we were able to maintain our good results. Together with the income from interest-bearing investments, we were able to generate almost half of our total income through our economic activities. What could reflect the sustainability of our work better than this fact?

For the future, this will give us the flexibility to react quickly to arising needs and to co-invest with donors on specific projects. And, most importantly, it enables us to continue guaranteeing that we are using 100 % of our donations income for direct project expenses as we are able to cater for our administrative costs through our own resources.

In that sense, we are hoping that you will continue to support our work, which we are carrying out with the highest levels of integrity, professionalism and passion.



Fr. Peter Meienberg
Founder of Faraja Trust



Peter Muthee
Chairman of Faraja Trust



Group counselling session at a women's prison



Training workshop for prison officers

SOCIAL AND HUMANITARIAN PROGRAMMES

In 2013, the focus of Faraja's social and humanitarian programmes shifted to counselling-based programmes in several prisons in Nairobi and elsewhere. This re-orientation had been informed by a high-level consultative meeting with the prison authorities in 2012. During this forum, the prison authorities requested Faraja to support them more on capacity building and psychosocial interventions as a means to reducing tension and stress among inmates and officers as well as between them. As a reaction to this request, Faraja has initiated several workshops and day programmes that targeted over 2,500 inmates. On the side of prison officers, more than 750 officers underwent trainings on rehabilitation of prisoners but also on self-awareness, change management, violence and drug and substance abuse among other topics.

Another shift resulting from the consultative meeting with the prison authorities was in regard to the geographical scope of Faraja's prison programme. So far, Faraja has implemented projects mainly in the Langata Women's prison and other prisons of Nairobi. This was partly due to the nature of these projects – many of which included an infrastructural component – that called for close supervision and hence limited the geographical radius in which Faraja could operate. With a clearer focus on capacity building and counselling-based programmes, however, Faraja could spread its activities in 2013. This enabled Faraja to include some of the much more neglected prisons outside the capital, among them several women prisons that hardly ever get any attention from NGOs.

In addition to this, ongoing programmes in Faraja's focus prisons in Nairobi were continued in 2013. Skills trainings in several fields like knitting, sewing, art, drawing, weaving and soap making benefitted over 600

inmates. Life skills and business start up trainings were provided to almost 500 young men in various youth correction centers in the country. Another major project in 2013 was the renovation of the Kitchen at Langata Womens Prison that had been last renovated in 2008 and was in dire need of repair. The Kitchen caters for the over 600 female inmates in the maximum women prison.

Towards the end of the year, Faraja supported a stakeholders consultative forum with the Probation & Aftercare Department which is a sister department to the Prisons Department. The main aim of this forum was to discuss strategies to address the high levels of re-offending and recidivism due to challenges in re-integration of ex-prisoners. As a concrete outcome, it was agreed that in 2014, Faraja will work more closely with the aftercare department so that those we support while in prison are helped to get back into the community after serving their sentences in prison.

Apart from these activities centred around Faraja's prison work, some 150 secondary school students benefitted from Faraja's scholarships programme. For students who had done final secondary school exams in the previous year, a mentoring session was held in an attempt to prepare them for university education. While new intakes to the secondary scholarships programme were limited, more people have been supported on vocational training so as to provide relevant practical skills for young people who do not have the perspectives to follow an academic career. This focus on such technical trainings will be increased further in 2014. Finally, an average of 50 persons per month received various forms of humanitarian aid and 25 people were supported to boost their small enterprises.



Market women harvesting crops at Latia Farm



Participant of the outreach programme at his farm

LATIA RESOURCE CENTER

The goal of the Latia Resource Center is to empower farmers and pastoralists by providing hands-on training, on-the-ground demonstration, outreach and technical assistance to stimulate Entrepreneurship and sustainable economic growth. In 2013 the center expanded its apprenticeship program for young farmers to 80 beneficiaries. These young farmers were trained practically at the center's college and farm for a period of 6 months and thereafter assisted to seek employment opportunities or to start their own farming enterprises. Since its inception in 2008, the apprenticeship program has benefited 200 young farmers who have either gone on to work in commercial agricultural businesses or set up their own income generating programmes.

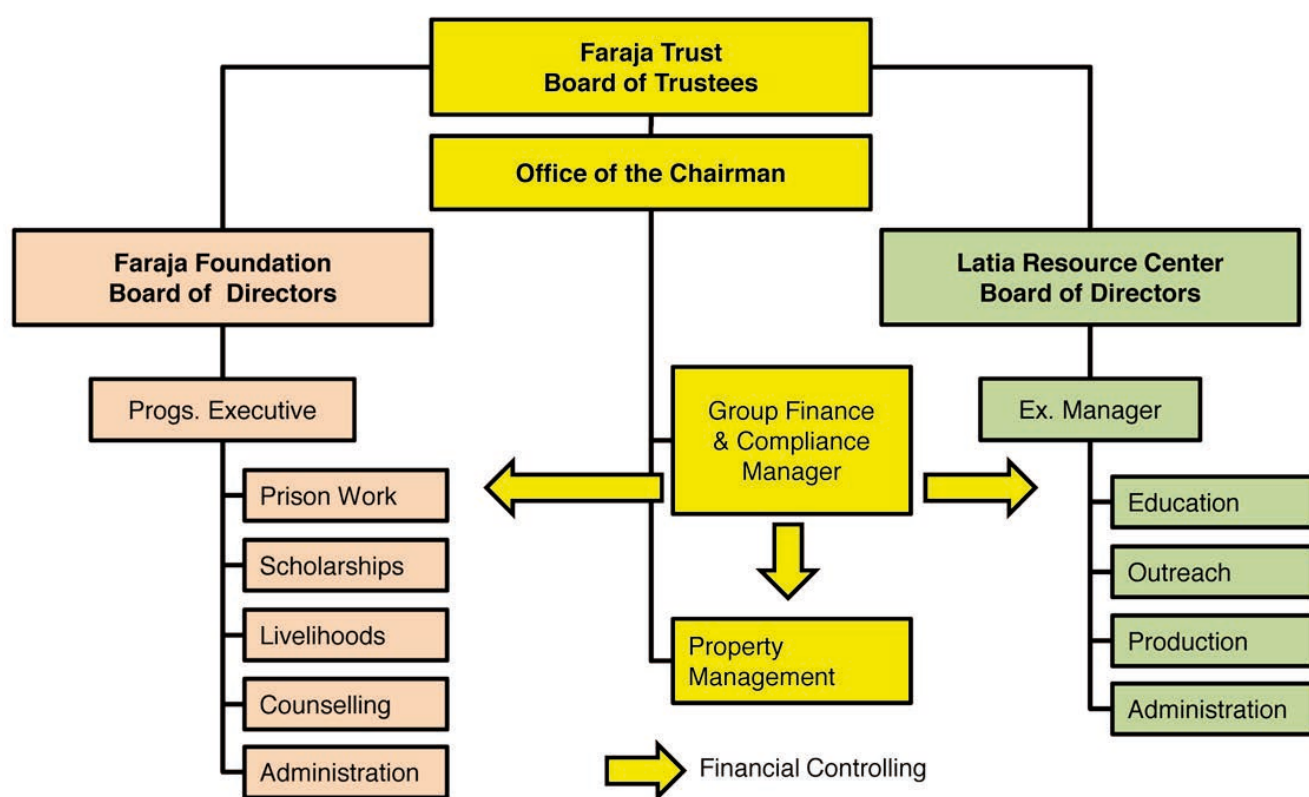
In its outreach activities the center trained over 400 farmers in piggery, poultry and rabbit enterprise set up and management. These farmers who were mainly drawn for women self help groups were given three days training at the center and then given breeding stock to start their enterprises. The center staff then provided and continues to provide extension services to the farmers to ensure that the new enterprises were able to overcome challenges experienced. Since its inception in 2011 the outreach program has trained and supported over 700 farmers in the various enterprises suitable for small scale income generation in the rural areas.

The demonstration and training farm continued to mature. The center believes in practical training and has put in a lot of effort in establishing farm units where trainees can work and gain experience in management

as well as in real problem solving. The farm units need also to be commercially viable to demonstrate to the trainees that there can be income opportunities in agriculture. The demonstration hosted several field days where farmers, government and nongovernmental organizations and private sector converged to view and discuss various innovations in agriculture and community development.

In order to expand the scope of demonstrations and trainings, The Latia Resource Center will upgrade its value addition and processing facilities in future. Together with new kitchen and dining facilities, this value addition and processing center will also host a bakery that can be used to teach both students and community members on how to make bread, cakes or cookies. In addition to this, the value addition and processing unit will focus on courses like milk processing, juice making or drying and sauce making. This will complement the existing training programme of the Latia Resource Center with a field of high potentials for employment and self-employment generation.

On the side of our outreach activities, we will mainly focus on the areas we have already ventured into, which is dryland farming and small livestock keeping. However, we are planning to add an energy and carbon footprint component by introducing improved technologies such as solar lamps, energy saving cooking stoves, sustainable tree farming and other aspects into our outreach programme. These new projects are planned to take off in the year 2014 and we hope that we will already be reporting some initial impacts in our next annual report.



Faraja Trust Organization Chart

STRUCTURE AND MANAGEMENT

Faraja is organized in three different legal entities: Faraja Trust, Faraja Foundation and Latia Resource Center. Although legally independent, both entities Faraja Foundation and the Latia Resource Center are controlled by Faraja Trust. Faraja Trust in turn is governed by a Board of Trustees consisting of the following members:

- Mr. Peter Muthee
- Mr. Fabian Waldmeier
- Mr. Urs Bohlen
- Mr. Christoph Meienberg
- Fr. Peter Meienberg

Until the end of 2013, the Board was chaired by Peter Muthee who had been serving as the Trust's Chairman for the last three years. After his term has come to an end, he handed over the Chairmanship to Fabian Waldmeier, the former Coordinator of Faraja Trust, while he retained the position of the Vice-Chairman.

Faraja Trust as the umbrella entity is responsible for the overall financial management and the supervision of all activities and is also legally holding all properties. Thereby, the Board of Trustees is supported by Highway Registrars, who act as the Trust's company secretaries as well as Kimutai Bett & Company CPA, who act as the Trust's finance and compliance managers. The management of Faraja's properties is carried out by a team of locally employed staff.

The Latia Resource Center, which is a registered non-profit organization incorporated as a company limited by guarantee, runs the Latia farm as well as all agricultural and entrepreneurial training activities of the Latia project. Members and directors of this company are Urs Boehlen, Peter Muthee and Faraja Trust, represented by Fabian Waldmeier. With effect from 1st January 2014, Peter Muthee has taken over the role of the company's managing director.

Finally, Faraja's social and humanitarian programmes are implemented by Faraja Foundation, which is also incorporated as a non-profit oriented company limited by guarantee. The members of the organization are Fr. Peter Meienberg and Faraja Trust, represented by Fabian Waldmeier. The members also serve as directors – together with Marcellina Obudo, a professional counselor with vast experience in prison work. The management of Faraja Foundation lies in the hand of Jane Kuria who has been coordinating Faraja's social and humanitarian programmes since 2009.

The graph on page 8 shows the organizational structure of Faraja Trust as per 31st December 2013. In total, Faraja employs approximately 50 permanent staff, all of whom are locally employed professionals.

Profit & Loss Statement 2013 (in KSH)

Income	2013	2012
Grants and Donations	26'002'817	34'952'996
Property Income	35'392'750	35'826'541
Other Income	6'244'811	8'100'813
Total Income	67'640'378	78'880'350

Expenses	2013	2012
Direct Project Expenses	44'156'456	44'545'094
Property Expenses	19'789'777	20'537'897
Administrative Expenses	10'289'954	9'308'947
Total Expenses	74'236'187	74'391'937

Profit / Loss for the Year	-6'595'809	4'488'413
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Balance Sheet 2013 (in KSH)

Assets	2013	2012
Current Assets	75'973'916	76'226'766
Non Current Assets	158'070'106	163'938'122
Total Assets	234'044'022	240'164'888

Liabilities	2013	2012
Current Liabilities	6'230'434	5'755'490
Capital Grants	55'000'000	55'000'000
Fund Balance	172'813'588	179'409'398
At the beginning of the year	179'409'398	174'920'985
Profit & Loss for the Year	-6'595'809	4'488'413
Total Liabilities	234'044'022	240'164'888

All assets are recognized at cost less depreciation / amortization.

These accounts have been audited by Erastus & Co., Certified Public Accountants, P.O. Box 55268, Nairobi. A full audit report containing no limitations whatsoever has been issued to the Board of Trustees.

FINANCIAL STATEMENT

The operating result for the year 2013 shows a deficit of approximately KSH 6.6 m. Yet, this deficit needs to be mirrored against the surplus of KSH 4.5 m in 2012, which included interest income that was earned at the very end of the year and could not be expensed in 2012. In consequence of this effect, donations remitted to Faraja Trust in 2013 reduced significantly while property income stayed almost at the same level. Interest income reduced due to lower interest rates in 2013.

Direct project and programme expenses have virtually been at the same level compared to last year with slight variations in the composition of these expenses. More funding has been invested in the agricultural traineeship programme at the Latia Resource Center at the expense of fewer prison projects being implemented. However, it needs to be noted that in 2012, the prison project expenses were extraordinarily high due to the construction of the child care center at the Langata Women's Prison.

Administrative expenses increased but this increase is entirely caused by extraordinary write-offs of certain positions in the balance sheet like a non-recoverable tax asset and other smaller positions. Moreover, the administrative expenses include KSH 2 m depreciation for land and buildings at the Latia resource center. If these two effects are removed, the administrative expenses reduce to less than 10 % of all costs.

Given the complexity and diversity of Faraja's activities, which even include property management, this is considered a very reasonable figure. Yet, there is still an administrative cost element in the programme expenses as both entities Faraja Foundation and Faraja Latia Resource Center have their own administration departments.

As mentioned in earlier reports, the high cash and cash equivalents in the balance sheet (included in the current assets) reflect a special grant of 55 Mio. KSH. The condition of this grant was that the equivalent of the same must be accumulated in a special account to be used for future investments into income generating projects. Currently, these funds are invested in fixed-interest bearing deposits.

The value of the non-current assets is also quite substantial. This reflects the sustainability of Faraja's projects. On one side, there has been considerable spending for the set-up of the agricultural training institute 'Latia Resource Center'. On the other side, there are the investments into income-generating activities. Both elements are meant to ensure the long-term running and financing of the Trust's charitable projects. What is important is the fact that none of these investments were done on externally borrowed funds.

Faraja Trust, Nairobi

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