

Sustainable Villages Foundation - Stiftung nachhaltige Dorfentwicklung

Activity Report 2020 - 2021

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0. Foreword

The "Sustainable Villages Foundation - Stiftung nachhaltige Dorfentwicklung" - hereinafter referred to as "the Foundation", has been recognised by the Foundation Supervisory Authority of the State of Brandenburg as a foundation with legal capacity under civil law with its registered office in Potsdam since 11 November 2020. The non-profit status was officially confirmed by the responsible tax office on 3 December 2020. The founder Joachim Hauschopp is the sole chairman of the foundation.

Parallel to the foundation process, the pilot villages Bisagara and Rugarama with a total of 2,600 inhabitants were selected together with the mayor of the district "Bugesera" in Rwanda. The villages are neither connected to the national electricity grid nor to the water network. The Foundation's work in the short year 2020 and 2021 focussed on these two villages.

The time of the Corona pandemic in winter 2020/2021 was well used for the creation of the website and the Foundation logo with external support. A friendly yet professional external image is important for attracting financial support from professional donors in development cooperation.

The needs assessment in the villages was conducted in April 2021 after the first attempt in January 2021 failed due to a total lockdown caused by the Corona pandemic. We were supported by the University of Rwanda and the project "Impact R" at IASS Potsdam, among others.

In the early summer of 2021, the underground 90-cubic-metre rainwater cistern at the primary school, which is the main source of drinking water supply, was repaired. In autumn, most households without electricity were equipped with a small solar system. Many households have received optimised stainless steel cooking stoves, which save 80% of wood compared to the common open fireplaces.

In addition, a large school project was prepared with electrification, the purchase of laptops and support for the training of teachers. The same applies to the construction of a drinking water supply, agricultural training and the construction of a model house for a family without shelter. These projects are to be implemented in 2022.

This activity report covers the short year 2020 as well as the year 2021. It is addressed to the Foundation Supervisory Authority of the State of Brandenburg, to the responsible tax office and, in the interest of transparency, to all interested parties.

The statement of assets and liabilities, the income-expenditure statement and the evaluation of expenditure for projects and administration were prepared by Karola Pilz, Dipl.-Kffr. and tax consultant, who specialises in non-profit organisations, in close cooperation with the foundation's board of directors.

1. Projects in the two pilot villages

Household survey and needs analysis

Without a clear picture of what is needed, measures cannot be implemented in a targeted manner. Therefore, a needs analysis including a household survey was indispensable. It also helped to lay the foundation for joint projects between the villages and the foundation. It is important to us that the villagers take responsibility for the projects. Only in this way can we achieve sustainability.

Together with the Berlin-based company HEDERA and the IMPACT-R project, based at the Institute for Advanced Sustainability Studies in Potsdam (IASS), the University of Rwanda and two local experts, we conducted the household survey and needs assessment in April 2021:



245 out of 600 households in Bisagara and Rugarama villages were surveyed on electricity, cooking energy, water, hygiene and nutrition by students/graduates of the University of Rwanda with the support of an Android app provided and maintained by Hedera and Impact R.

In "Focus Group Discussions" we talked in homogeneous groups about the current situation and about wishes and visions for the future. The groups were: Shopkeepers, primary school teachers, secondary school students, members of the sector's savings cooperative, and three different farmer groups. We also interviewed important individuals in the village, e.g. the local nurse, the representative of the Catholic Church, school headmasters, mayors.



The following needs emerge, listed by priority:

- Availability of clean drinking water in sufficient quantity
- Electrification
- Availability of optimised cooking appliances with minimal wood consumption
- Training in the agricultural sector
- Deficits in the primary school with 910 pupils (grades 1-6): it has electricity in only three rooms, the teachers' English skills are poor, there is no computer training at all.

- The government wants to develop Rwanda into an IT and business process services hub for East Africa and at the same time attract more conference and leisure tourists to the country. This can only be done if children learn how to use computers and English at school.



Here are a few facts & figures from the needs assessment:

- The villages are neither connected to the electricity grid nor to the water network
- 40% of the villagers are under 16 years old
- 89% are engaged in agriculture, 2% in trade and services, 1.6% in teaching, 0.8% in tailoring, 0.4% in construction, 5% are day labourers, 1.2% are pensioners.
- 66.1% of households (with an average of 5 persons) spend a maximum of USD 45 for the entire household per month, and another 28.2% spend between USD 45 and USD 100.
- 31.7% of the interviewees (all adults) can neither read nor write. 74.1% have not completed primary school.



- The villagers feel safe and at home in the village.
- Over 90% of the villagers have to carry surface water over 6 km, either all year round as a primary water supply or only in the dry season if rainwater reservoirs are available.
- Almost all say that neither surface water nor rainwater is of acceptable quality. Despite this, 33.9% say they do not boil or otherwise treat the water before drinking it.
- 45.3% of households have no electricity, the rest have small island solar systems. One third of solar power users complain about battery problems.
- 80% use traditional three-stone fireplaces, most of them indoors with no or inadequate smoke exhaust. 82% have to collect firewood outside their property.

The household survey cost a total of 3,254.12 EUR. The expenses were mainly for the remuneration of the five interviewers as well as for accommodation, food and transport for the whole team and last but not least for the research permit.

Repair of the drinking water cistern

The primary school in Bisagara has 910 pupils. The only source of drinking water is rainwater, which is stored in a few smaller plastic tanks and a 90,000 litre underground cistern. During the three-month dry season, the school is fully dependent on well-filled water tanks.

The underground cistern was leaking and had no water at the end of the rainy season. On the initiative of the foundation, we pushed ahead and financed the repair of the cistern together with the primary school and the NGO Water Aid Rwanda.



The repair was carried out by the organisation COFORWA and was ready for operation again in the middle of the dry season. To bridge the last weeks of the dry season, 28,000 litres of water were filled into the cistern by a tank truck.

The foundation contributed 2,540.71 EUR to the repair of the cistern (paid directly to COFORWA) and the water supply. The foundation was also the driving force behind the project. Beneficiaries are all students, teachers and staff of the school.

The foundation is preparing another water project to establish a reliable drinking water supply for households as well. This seems to us to be the most important project, but also by far the most difficult. We plan to implement it in 2022.

Household electrification

In the villages of Rugarama and Bisagara, the Foundation, in cooperation with ENGIE Energy Access (formerly Mobisol), facilitated the installation of 177 small solar off-grid systems (three lamps, radio, mobile phone charging). According to the household survey, the (off-grid) electrification rate was 54.7% in April 2020. We were able to increase this to almost 90% by the end of 2021.

Depending on the income situation of the households, the foundation grants subsidies to make the products affordable. The subsidy for the three lower income groups is between 50 and 100 USD. Almost all households belong to the three lower income groups. The rest is paid by the households themselves through microfinance provided by ENGIE Energy Access. For example, households in the lowest income group pay about 3 USD down payment and then 24 monthly instalments of 1.20 USD each. At the end of the 24 months, the systems are owned by the respective household.



To our delight, the foundation has managed to organise the handling of the down payment and the 24 monthly instalments through local savings groups. This reduces the expected loan default rate, which makes the products more affordable for the households. If a household has payment difficulties, the savings group steps in. We see this as an important and innovative approach to solving the typical challenges of microfinance. The loan default rate is 0% so far, which we consider a great success of the model.

The foundation is working in cooperation with the savings groups and the secretary of the local administrative unit to electrify the remaining households without electricity. For these, too, it is planned to organise payment through savings groups. The goal is to achieve 100% household electrification.

For household electrification, the foundation spent a total of EUR 11,417.47 in 2021. The beneficiaries are the households that would not have been able to afford the small solar system without the grant. The lighting benefits school children in particular, who can now do homework after dark (around 6 pm all year round).

Optimised cooking appliances

Through the local partner SaferRwanda, which is supported by Atmosfair in Berlin, approximately 80 optimised cooking devices called "Save80" were distributed to households. These are stainless steel cookers with two pots and a so-called "Wonderbox" made of Styrofoam, in which the heated pots are placed so that the food can continue to simmer without further energy supply.

Firewood consumption can thus be reduced by 80% compared to conventional open fireplaces. This saves time in collecting wood, protects the forests and reduces the smoke during cooking enormously. The cookers can be used outside and easily moved indoors when it rains.



The households usually pay the Save80 in two instalments. A resident of Rugarama village has taken over the sale and supplements her income with it. The Save80s are subsidised by Atmosfair in Germany. So far, the foundation has only paid for the demo systems, the expenditure in 2021 for this was only 96.73 EUR. Since the Save80s are very expensive, especially for the lowest income bracket, the foundation plans to provide a subsidy for the purchase here.

2. Administration

The total general/admin costs were EUR 5,293.35 in 2020 and EUR 1,457.33 in 2021.

Analysis general / admin and project cost					
	General/Admin	Survey	Water	Electrification	Cook Stoves
Expenditures 2020	5.293,35 €				
Expenditures 2021	1.457,33 €	3.254,12 €	2.540,71 €	11.417,47 €	96,73 €

Figure 1: Cost analysis

The majority of the costs are one-off costs for the creation of the website, the logo, the letter forms and the template for the business cards totalling EUR 5,480.00 (of which EUR 5,240.00 in 2020 and EUR 240.00 in 2021). The creation of the website, logo, letter forms and business cards on a purely voluntary basis was not possible. We were supported by the companies Studio Eden for the design and Pixelprogramm for the implementation in the editorial system Joomla. The content of the website can be maintained as far as possible by the foundation itself. We spent a total of 597.93 EUR for hosting and maintenance of the website in 2021. We expect hosting and maintenance costs of about 850 EUR per year in the coming years.

A friendly yet professional outward appearance is important for attracting financial support from professional German and international donors in development cooperation. Therefore, the website is bilingual German/English, whereby the bilingualism has hardly caused any external costs and has turned out to be surprisingly problem-free in operation.

Association memberships cost EUR 190.00 in 2021. Otherwise, general expenses are minimal.

3. Balance Sheet and Statement of Revenues and Expenditures 2020-2021

The receipts and other financial documents were carefully prepared by the Foundation and handed over to the tax consultant Dipl.-Kffr. Karola Pilz, who specialises in non-profit organisations. She prepared the balance sheets and the statements of revenues and expenditures for the years 2020 and 2021.

The foundation capital paid in at the time of the foundation's establishment amounted to EUR 100,000.00, of which EUR 50,000.00 is fixed foundation capital to be maintained and EUR 50,000.00 is consumption capital.

11.11.2020 until 31.12.2020

The income (donations) was 1,000.00 EUR, the expenses were 5,293.35 EUR. The annual result was - 4,293.35 EUR. The loss was balanced out from the consumption capital.

As at 31.12.2020, the assets/liabilities therefore amounted to EUR 95,706.65.

01.01.2021 until 31.12.2021

In July/August 2021, a sum slightly in excess of the fixed endowment capital to be maintained was invested as follows after detailed consultation with the Bank für Sozialwirtschaft, which is the Foundation's principal bank:

- Habona Nahversorgungsfonds Deutschland (WKN: A2H9B0). Investment amount: EUR 17,937.50
- Swiss Life Living & Working (WKN: A2ATC3). Investment amount: EUR 17,937.50
- Amundi Ethics Fund (WKN: AOERMR). Investment amount: EUR 15,375.01
- EWS Elektrizitätswerke Schönau eG. Cooperative shares: EUR 1,000.00

The total amount invested is EUR 52,250.01.

Income from donations amounted to EUR 27,905.56, profit from asset management EUR 312.00. The expenses amounted to 18,774.61 EUR. The annual result was 9,442.95 EUR. Of this, EUR 2,750.00 was posted to the free reserve and EUR 6,692.95 as profit carried forward.

As at 31.12.2021, the assets/liabilities therefore amounted to EUR 105,149.60.

The official documents "Balance Sheet and Statement of Revenues and Expenditures" for the years 2020 and 2021, prepared by the tax advisor and intended for the tax office, are attached.

4. Outlook 2022

In spring 2022, a Memorandum of Understanding (MoU) was signed with the Ministry for Local Government (MINALOC). On the basis of this MoU, the Rwanda Governance Board (RGB) recognised the organisation as an "International Non-Governmental Organisation".

In accordance with the statutes, the founder has appointed a seven-member board of trustees. The board has elected Francine Munyaneza as chairperson and Olivier Kraft as deputy chairperson. More information can be found at <https://www.s-v-f.org/the-foundation/board-of-trustees.html>. The first two meetings have already taken place.

In the village of Rugarama, an electrification rate of 100% has now been achieved, while the village of Bisagara is currently still at 95%.

Preparations for the electrification of the primary school are well advanced. Laptops are also to be purchased and teacher training supported.

The construction of a model dwelling house, in which a family without shelter is to move in, is being planned.

The start of agricultural training for smallholder farmers is also in preparation.



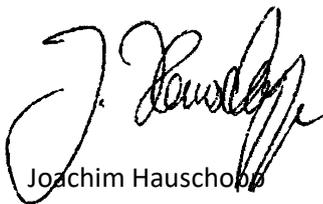
The construction of a drinking water supply for the two villages is on the plan for 2022, as the current water supply is very poor. However, two hydrological surveys have shown no water or water at a very great depth. The solution for this extremely important project has not yet been found.

Fundraising with professional donors in development cooperation has begun. The aim is to find funding for the measures in four neighbouring villages of the pilot area and to build up a team in Rwanda.

Attachments:

- Balance Sheet as at 31.12.2020 and Statement of Revenues and Expenditures from 11 November 2020 to 31 December 2020
- Balance Sheet as at 31.12.2021 and Statement of Revenues and Expenditures from 01 January 2021 to 31 December 2021

Berlin, 15 June 2022



Joachim Hauschopp

Executive Chairman