

Hi guys,

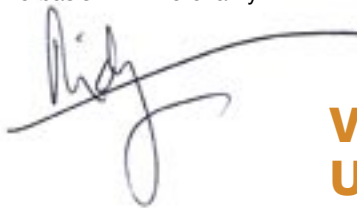
I hope you are all in good form! A lot has happened since I was last in contact – we've been making good progress with our programmes, two new part-time staff have come on board and we're in the middle of a rebranding process. Disappointingly, Irish Aid will not be providing us with any funds this year due to budget cuts, so this means we now need to raise all our funds privately.



Baby Donagh & Mummy

My main news, on a personal note, is that I gave birth to a bouncing baby boy on 4th June and we're both doing well. Here's a photo of Donagh Patrick Deasy!

Motherhood is going to be a huge change, but I'm looking forward to it! I plan to take three months off, and then start back on a part-time basis with the charity in September, focusing on PR and fundraising/pitching.



News

Rebranding – A New Image For Growth

We're undergoing a complete rebranding process to more accurately reflect the work that we're doing. This will help us build our brand and make a stronger impact via PR.

As you may have noticed, I have changed the name of the charity to Foundation Nepal, and our new tag line is 'giving a hand up, not a hand out'. We are going through a full rebranding, with new logos, brochures, and a new website, www.foundation-nepal.org, which is going to be excellent once it is finished, with video footage from the people we work with, online donations and a blog.

The main reason for the name change is that our work is no longer solely focused on children. The work we do today covers primary healthcare and maternity services, child and adult education, and income generation projects with women's groups. If you want to help children, you need to help the parents, who care for the children. So it makes sense to change the name now, before we invest into PR and building our brand.



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Visit to Áras An Uachtaráin

As part of the Ireland InVOLved awards, where I won an award in the International Development category last November, all the finalists went to meet President of Ireland Mary McAleese at her official residence, Áras an Uachtaráin, in January 2009. She came around to everyone individually for a few words and we also got a tour of the Áras, which was very interesting.



Ireland InVOLved Award in the International Development Category

New Staff

We have a new part-time team, which will enable us to do more work and raise more funds.

I have recruited two new, part-time paid staff, to cover for me on maternity leave, and I'm planning to keep them on board after I come back, so I can change my own role in the organisation to focus on fundraising and PR.

Here's the new team:



Amber Walsh Olesen & Amanda Milne

- **Amanda Milne – Office Manager** will be responsible for the day-to-day operations, administration, book-keeping, and running the office. She will work 2-3 days per week.
- **Amber Walsh Olesen – Head of Marketing** will finish off the new website and create our new brochures, along with any other marketing materials, and will help with events management and fundraising.

We are also currently seeking a part-time accountant to work 1-2 days a month. To get in touch with the team, ring the office on 091 446864 or send an email to amber.walsh@foundation-nepal.org or amanda.milne@foundation-nepal.org and they will be delighted to help.

Having a team in place will allow us to grow - I am the slowest cog in the machine these days, because I always have such a backlog of work. The new team will give us a lot more capacity to do more work and raise more funds. The downside is that we will have higher administrative costs than up to now, but I have no choice for my maternity leave. They are working at very competitive rates, and I will continue to be fairly Scrooge-like when it comes to spending money on your behalf, particularly on overheads!

Fundraising Appeal – Zero Government Funding For 2009

We had expected to be eligible for substantial funding from Irish Aid this year, but funding has not been forthcoming due to budget cuts. This is going to be a tough year for us and we need all the help we can get.

Based on my meeting with Minister Power last year, we expected to be eligible for about €200,000 of our €300,000 planned 2009 budget from Irish Aid (the government's funding agency for overseas charities). However, we recently heard that Irish Aid will be giving us zero funding for 2009, so we will have to raise every cent privately.

Irish Aid budget takes four hits in the past year

The Irish Aid fund that we need to apply to is called the Civil Society Fund (CSF), which provides funding of between €20,000 and €600,000 to organisations like ours. Until March 2008, the CSF took in new applications every quarter. We couldn't apply in March 2008 as we were awaiting our Revenue tax status (CHY number), which came through in April.

The CSF was to open again for applications in June, but this was postponed until September because of the first round of government cut backs. The same thing happened in September when more cut backs were announced – and in December 2008, and again in March 2009.

Meeting with Minister Power

When the June and September 2008 funding rounds were cancelled, I became concerned and went to meet Minister Power, who is the junior minister at the Department of Foreign Affairs, and in charge of Irish Aid. He was very supportive of our work in Nepal, but said that we could not apply to CSF in 2008 as the fund would remain closed. However, he said that he would try to look after us properly for 2009. In the meantime, he suggested that we apply to the Micro Projects Fund. We applied to this and received €20,000, which was the maximum amount of funding provided under this scheme last year.

The Minister announced at the end of April 2009 that there will be no cut backs at all for organisations who already have funding from the CSF (i.e. who were in the pot by March 2008), but that the CSF will remain closed and not take in any new applications for 2009. So, because we didn't get in by March 2008, we cannot apply. The Micro Projects Fund will also remain closed this year, so we cannot even get the €20,000 this year from Irish Aid that we got last year.

Challenging Times

So, we have a rather massive hole in our finances, particularly in an environment where the corporate funding that we have received to date is going to be under pressure in the current recessionary times. I have tried to set up a meeting with Minister Power, but I am told that there is no point in meeting him as there is nothing he can do. I am hoping that the Gods will provide, but we will have to defer certain programmes until 2010. Luckily, we started the year with a strong bank balance. But this is going to be a difficult year for us, and we are going to have to find a way to plug the deficit with private sector funding

How Can You Help?

We need your help. Here are a few ideas:

- **Staff charity fund** – many large companies have a staff charity fund, where staff make a small contribution to charity each month, and the committee allocates the funds to selected charities. To apply, a member of staff must submit the application. If your company has such a fund, can you make an application for us? We can help you complete the application form.

• **How about organising an event for us or doing a sports event?** Ideas include marathons, triathlons, cycling, climbing mountains and other sports events, or organising events like a pub quiz, a coffee morning in work, a bridge morning, a cake sale or bring and buy sale, a golf outing, or whatever takes your fancy.

• **Donations** – donations such as once-off donations or monthly direct debits are far more profitable for us than arranging big fundraising events. If we organise an event 50%-70% of the money you give goes on the costs of the function itself. *If you'd like to donate, please use the enclosed donation form.*

• **Volunteering** – the other way you can help is to volunteer and give us some of your time and skills here in Ireland. We also need volunteers in Nepal to work at our volunteer centre once it is constructed. If you have skills you think we could use, please email us at info@foundation-nepal.org

Fundraising 2009

€30,000 has been raised so far this year and we're expecting to ramp up our fundraising efforts after the summer. A big thank you to Shiva Gautam and the Irish Restaurant Association for raising approximately €8,000 for us in May.

We have raised about €30,000 this year so far, which is a reasonable start considering that I have not been doing any PR, marketing or pitching due to our ongoing rebranding. But I will be back on the road by September I hope, so we should see a stronger second half to our funding.

A big thanks to Shiva Gautam, who owns Monty's of Kathmandu and Monty's of Rathgar. He is Captain this year of the Irish Restaurant Association Golf Society, and their annual charity golf outing took place on 18 May at Edmondstown Golf Club in Rathfarnham, Dublin. A total of approximately €8,000 was raised for us, which will fund the extension of a primary school in Maila. A big thanks to the sponsors, Gallo Wines, to Doireann Carney, Ken Robertson of Paddy Power plc and Maria Roberts of RTE, who provided some of the lovely prizes. Also a big thanks to Stephen Alkin of RTE, who stood at the 17th hole in the pouring rain for 5 hours, and raised €1,400 from this, the charity hole! And, not forgetting Alan Shortt who provided the after-dinner entertainment. The weather was terrible, but it didn't seem to dampen everyone's spirits, and a great night was had by all!

Thanks also to the following people and organisations who have given us donations of €500 or more: Our Lady of the Wayside Trust, Paddy Barry, Alan Hynes and friends of Donagh Lynch, Dermot Nolan, Pat Deasy, Galway County Council staff charity fund, and Ulster Bank staff charity fund.

Shiva Gautam and Nicky



Funding Our Overheads

We are seeking funding to cover our Irish overheads so we can tell the general public that 100% of their donations are channelled directly into on-the-ground programmes in Nepal.

I am looking for corporate / philanthropic sponsors to fund a combination of our Irish overheads and our work programmes in Nepal. Sponsoring our Irish overheads may not initially sound very appealing, but it will allow us to tell the general public that 100% of their donations go directly into our work programmes in Nepal and not into Irish overheads. This is a very powerful marketing message, which will allow us to leverage more funding from the general public. It is also an approach that is in marked contrast to many other charities and is very much in line with our policy of being highly transparent about how we spend our funding. Our Irish overheads this year are budgeted to be around €60,000, including staff salaries. If you wish to support us in this way, we would suggest splitting the donation between Irish overheads and direct programme support in Nepal. Please contact us at info@foundation-nepal.org if you would like to discuss this.



A family in Kharpunath, where we have just set up a health post



A 3-year old girl being treated for burns at Maila health post after she was scalded with boiling water in March when playing in her parents' kitchen. She was treated every second day at the health post. Her parents felt she would not have survived if the health post hadn't been there.

Our projects in Nepal ran successfully in 2008 and we have made good progress on all fronts. This work falls under our CHEWI Programme (community healthcare, education, women's empowerment and income generation).

Nepal is one of the poorest countries in South Asia, with nearly 41% of its 28 million people undernourished. 24% of the population lives on less than US\$1 per day, and more than 3 million of them are children (source: World Food Programme).

We achieved the following in 2008:

Community Healthcare

- We provided staffing and medicines to three health posts in Humla in 2008, two since March (Maila and Melchham), and one since September (Thehe), which treated over 15,000 patients suffering from a range of ailments. This year, based on similar patient numbers, these three health posts will see over 20,000 patients, which is almost half of the population of the district. The average cost per patient visit was €2.70, including medical staff, supplies and medicines.
- The health posts also carried out various health education campaigns, immunisation and child de-worming programmes, and provided maternity services and family planning, which is included in the above cost figure (we don't split staff costs between patient treatment time and other activities).
- About 20% of patients were children under 5 years of age. We also provided family planning assistance to over 1,100 patients, and antenatal / baby delivery / reproductive health services to just under 700 patients.

Education

- We provided educational materials to six primary schools, and started construction of an extension to Thehe primary school in conjunction with the local school management committee, at a cost of €5,000.
- We purchased land in Simikot to build our volunteer centre at a cost of €11,000.

Women's Empowerment and Income Generation

- We built our first permaculture vegetable garden with the Girl's Feeder Hostel in Simikot. This hostel gives girls from other parts of the district, where there are no secondary schools, a chance to go as far as Class 10. Some of the girls have physical disabilities, and others come from very poor and low caste backgrounds. The government contributes around €12 per month per girl, to cover their food and educational materials. This is not enough, so by building a large vegetable garden under plastic, with irrigation, the girls can ensure they eat a balanced diet, and they can sell their surplus fruit and vegetables in the market, using the proceeds to cover the rest of their costs. They will also learn about permaculture and take back valuable skills to their own villages when they finish secondary school in Simikot. We have also built them a poultry shed, and we sent them their first batch of chicks in April 2009. These will produce eggs for sale in the market. The total cost of these income generation programmes in 2008 was just over €1,000.



Building permaculture vegetable garden at the Girls' Feeder Hostel



Permaculture vegetable garden completed at the Girls' Feeder Hostel in Simikot



New poultry house at Girls' Feeder Hostel in Simikot

Operational Review 2009

We have many projects in the pipeline for 2009 as part of our CHEWI Programme. The Millennium Village Programme we had planned to launch this year has had to be postponed due to lack of Irish Aid funding.

When the snows melted in March, our project director, Nirmala, headed up to Humla for most of April to review progress and finalise our plans for the current year.

1. CHEWI (community healthcare, education, women's empowerment and income generation) Programme 2009

Funding permitting, we plan to continue our CHEWI programme, as follows:

Community Healthcare

- We have just started to support our fourth health post, this one in Kharpunath. We will be supporting them with medicines, and have employed a female healthcare worker / midwife to look after women's healthcare needs.

Education

- The construction of the extension to Thehe primary school will finish this year, with two new classrooms for Classes 1 and 2, toilets, and a water supply to the school. This project has been funded by KPMG Corporate Finance in Dublin.
- We plan to start building a much-needed extension to Maila primary school. This project has been funded by

the Irish Restaurant Association/Shiva Gautam.

- We hope to start construction on our volunteer centre in September, assuming that flights resume to the district and we can get in raw materials such as cement and steel.

Women's Empowerment, Income Generation and Micro-Finance

- We have expanded our income generation projects, and form women's co-ops for permaculture vegetable growing in Thehe and Bergaun. Permaculture projects and poultry projects are relatively straightforward to implement as women do not need their husbands' permission to take part because they are already responsible for farming, and they don't need to be literate either.

- We also plan to start working in herbal products, and to start building a small herb processing facility with the co-ops, which would allow the locals to get a much higher price for their herbs than they currently achieve.

- In order to start more advanced income generation projects, women need access to savings and credit groups (micro-finance). For micro-finance to work, the women need basic levels of literacy. In Humla, only 11% of the women are literate and most of these are 10-12 year-old school leavers. As a result, we aim to further develop our women's literacy projects this year.

It is a slow process, but it means that projects will be sustainable.

- When we started our women's literacy project in Bergaun we had a high take up with 300 women seeking 20 places.
- We will be forming savings and credit (micro-finance) groups with local women to help kick-start more income generation programmes. We hope to start training two groups later this year in how to keep books and records, how much they need to save each month, and how to manage their savings and credit groups.

Advanced Income Generation

↑
Micro-finance

↑
Literacy

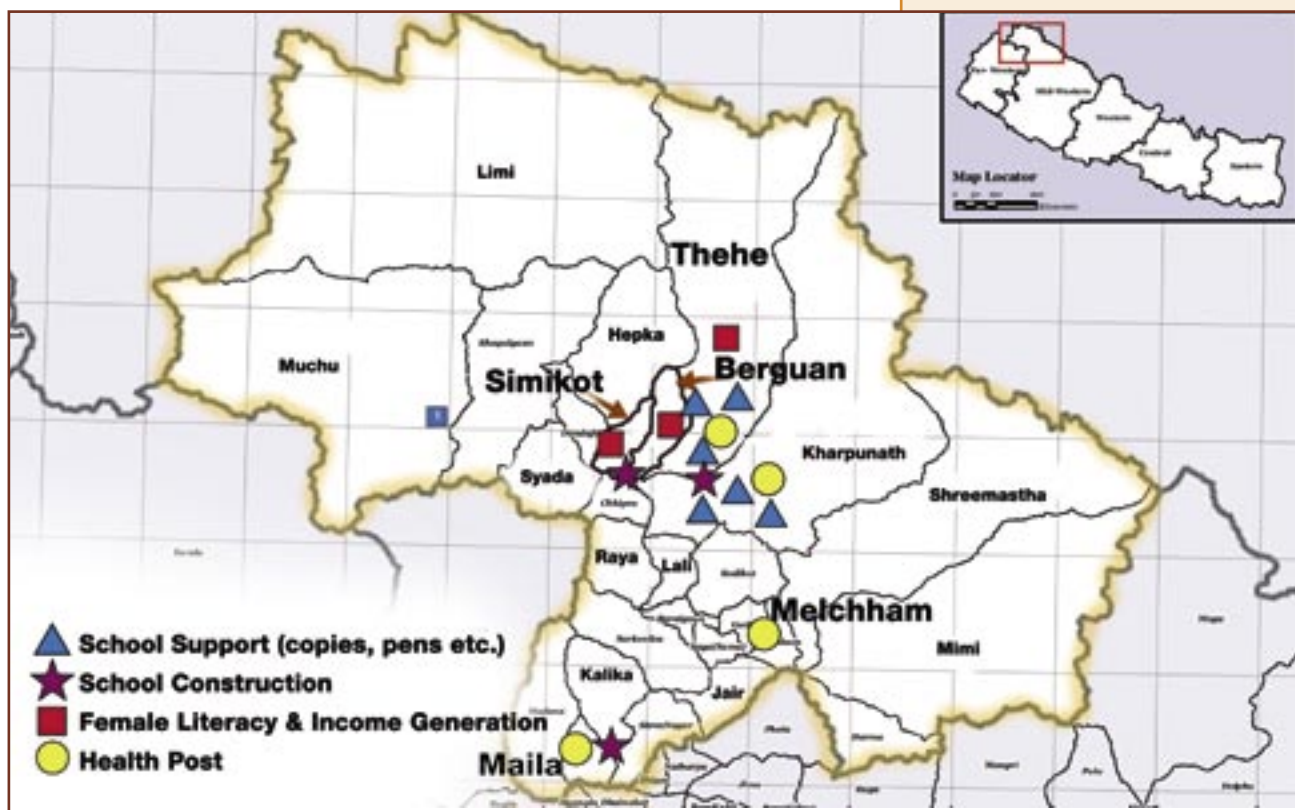
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Basic Permaculture and Poultry Projects

The cost of the entire CHEWI Programme is budgeted at €100,000 for 2009.

2. Millennium Village Programme 2009

We had also planned to launch a Millennium Village project in Thehe. This is an integrated development model which deals with the root causes of poverty, and covers all sectors, but because of the Irish Aid situation, this will have to be put on hold.

Map of Project Work in Nepal





Income generation project in Bergaun



Discussing development programmes with the community in Maila, April 2009



Children in Kharpunath

Volunteer Centre Update

With the land bought for our new volunteer centre we're now finalising design plans, so building can hopefully start in the autumn. The centre will contain three classrooms, a Fairtrade café, a children's library, volunteer accommodation and land for farming.

I was out in Nepal in December 2008, and spent some time in Humla. The main task was to purchase the land for our volunteer centre at a cost of about €11,000, and to hold meetings with the various government officials who are part of our programmes, to get their feedback on 2008, and make plans for 2009.

Humla is a very high-risk zone for earthquakes, and a major earthquake (force 8 or more on the Richter scale) is now due. As a result, structural engineer, Dr Jamie Goggins, from NUI Galway is advising on the reinforcement required for the building and working closely with our architect, Shane Byrne, to finalise the designs.

We need to send a civil engineer up to Humla to do various ground tests for the foundations and assess building materials. Unfortunately we can't progress with this because the current political crisis in Nepal has resulted in the cancellation of almost all flights into Humla district. We're hoping a civil engineer can do the testing over the summer, so that we can start building this autumn.

If this goes to plan, we will be taking volunteers in the near future to work at our centre, which will comprise the following:

- Three large classrooms, which will be used for teaching English to children and adults before and after school, and will be used as a community centre during school hours.
- A Fairtrade café for tourists, with information on the district, conservation, wildlife, trekking maps, etc. We will use the café for training local people in how to cater for tourists, so that they can open their own restaurants.
- A children's library and accommodation for up to 10 volunteers.
- A good sized plot of land to trial improved seed varieties, permaculture (growing under plastic), and keep some poultry and a yak for milk.

If you are interested in volunteering in any of the above areas, please email us at info@foundation-nepal.org



Land for new volunteer centre

Financial Review 2008

Our 2008 audit is completed in Nepal, and is underway in Ireland, so we will be producing consolidated audited accounts shortly, which will be available on our website.

The figures below are based on unaudited management accounts, and are a quasi profit & loss and cash flow statement (as it includes fixed asset purchases). Our foreign exchange conversion approach is also simplistic, so the audit will result in some changes to these figures:

FYE December 2008	€	<i>Costs in Ireland:</i>	€
Revenue	130,851	Printing & marketing (incl. website and logo design)	9,108
<i>Costs in Nepal:</i>		Travel & subsistence	6,071
CHEWI Programme costs	54,225	Training	773
Administration	2,050	Wages & salaries	1,300
Land purchase	11,000	Office overheads (rent, phone, internet, stationery etc.)	12,539
Other fixed asset purchases	3,482	Professional fees	3,025
	70,757	Sundry	1,784
		Fixed asset purchases (office equipment)	1,918
			36,518
		Net cash surplus	23,576
		Irish costs as a % of revenue	27.9%

Overheads

Foundation Nepal is very much focused on spending as little as possible on overheads. We aim to be the Ryanair of the charity world, getting as much results on the ground as possible from every euro you give us, and being very frugal on overheads. We had €36,518 of costs in Ireland, which seems like quite a lot considering that we had so little salary costs. There are certain minimum costs involved in running an office, and we had once-off costs to create our initial Nepalese Children's Foundation logos, website, stationery and other marketing materials, such as these newsletters, which we need to raise funding. Likewise, travel and subsistence relates to the two trips I made to Nepal last year, and me driving around the country pitching to people, which is a very important part of our fundraising.

I have tried to keep our financial information as clear and understandable as possible, and I have also attempted to benchmark our Irish overheads against other Irish charities, but it is very difficult to see how their figures are compiled.

Our figures would change greatly if we had Irish Aid funding, as we could fund a lot more programmes in Nepal, without seeing much increase in our Irish costs.

Financial Review 2009

Our healthy bank balance at the start of 2009 has been a blessing. We will manage this year with everyone's support, but we also need to be thinking ahead to 2010.

Our costs for 2009, keeping everything to a bare minimum, look like they will be around €160,000, comprising €100,000 in Nepal and €60,000 in Ireland. Thankfully, we started the year with about €80,000 cash on hand, so we should be able to manage, despite the Irish Aid set back. We have raised about €30,000 so far this year, and once I get back on the road in September, we should be able to pull in a lot more funding. I think with everyone's support, we will manage this year, but I would like to start 2010 with some cushion, given the current uncertainty with Irish Aid.

Other Updates

Measuring Success

What impact do development programmes have on the ground? Measuring performance in the NGO sector is no easy task, but it's something we're very committed to. One of the measurement tools we use is our annual Baseline Survey.

I think the charity world has a long way to go in terms of measuring success. Nevertheless, measurement problems do not mean that all attempts at measurement should be abandoned. I am very clearly committed to bringing my financial background to bear on our work and providing all our supporters with transparent and understandable information about the long-term impact of our programmes and their return on investment.

Annual Baseline Survey

One thing that we are doing each year to measure the effectiveness of our programmes is a Baseline Survey. This survey is carried out independently by another NGO. They interview each household in the areas where we work, to find out the household's income level, assets, how many children are in school, access to healthcare, and a whole range of other questions. At the moment, we are collating the information from the survey which was done at the end of 2008. Through the survey, we can track the impact of running our programmes, and try to tie the cost of the programme to the benefit, to see if our programmes stack up in terms of return on investment. Each year the indicators should be improving, so, for example, we should be seeing higher household income levels, better access to healthcare, improved literacy, improved school attendance and lower child mortality rates.

Donagh Lynch R.I.P.

A great friend of the charity, Donagh Lynch, died this Spring and is very sadly missed.

Donagh Lynch, who was one of my classmates in Trinity College (BESS 1991 – 1995), and was a great supporter of the charity, died in an accident unexpectedly this spring. His photo was on our last Christmas newsletter, having run the Dublin City Marathon for us, raising almost €3,000. He had planned to do the Connemara marathon for us in March this year. We all have great memories of Donagh, including his cheeky grin,



Donagh Lynch R.I.P.

and will miss him very much.

Thanks to his friends and former colleagues who have donated to us since his death – so far €835 has been raised. Donagh's wife, Karen, also wants to auction off his trendy Vespa scooter for us, so we may try to do a raffle or something along those lines. We will use the funds to finance our CHEWI programme in Nepal. Our thoughts are very much with Donagh's family at this difficult time. I guess it reminds us that we cannot take tomorrow for granted, and we must see our time as a precious and limited resource, and use it wisely.

Current Political Situation

Nepal continues to struggle politically and economically. Flights to Humla bringing food and medicines have been severely cut back due to acute fuel shortages.

Following elections last year, 65 different political parties are now represented in parliament, with no one party having a majority. The Prime Minister resigned in May, precipitating a political crisis, and Nepal is now at a greater risk than ever of degenerating into civil war again. Fuel shortages are rife, which will impact on our programmes in 2009.

The usual 1-2 flights per day into Simikot bringing passengers and cargo have now been cut to 1-2 per week due to acute fuel shortages. Almost no cargo is getting into the district, resulting in severe shortages of basic commodities. No medicines can be flown in either, and many key government staff including those from the District Health Office cannot get into the district to run the health service. In Kathmandu, there is almost no electricity and no water.

Thank You For Volunteering

I would like to thank some of the people who have been providing their services and expertise for free for quite a long time now. We are almost finished our rebranding, and the team working on this has been Kevin Higgins and Stephen Gibson from Originate. A special thanks to Kevin in particular who has given us a huge amount of his very valuable time. The Marketing for Change programme run by Alternatives (who were finalists in the Ernst & Young Entrepreneur Of The Year Awards 2006) enables skilled marketers to volunteer their marketing skills for the charity sector. Through this programme, we have been lucky to work with Rachel Morrogh from Insight Consultants, who will be kicking in to do a lot more PR with us from September.

A big thanks also to Ciaran Treanor, who has been helping out with our new website, and advising generally on all IT matters, again unpaid. Also, a big thanks to Shane Byrne and Dr James Goggins of NUI Galway, who have been working for free on the designs for our volunteer centre. Thanks also to Beatrice Mbogo and Maria Laura Tofoni for their help on the newsletter. Thanks to Shane MacSweeney who gives us free legal support, and thanks to Bernard McGlinchey, who does our newsletter, graphic design and marketing materials at a much reduced cost. He has also put a lot of time into our new logos, the rebranding and designing our new stationery etc.

Finally, thanks to my two co-directors, Bríd Whelan and Frank Cronin, who also give me their time for free, and help me make decisions at our board meetings! All of these people, combined with me not taking pay from the charity, allow us to do a lot of work on a relatively small budget, and keep Irish overheads to a minimum.

Foundation Nepal is an Irish registered charity with charitable tax status. Tax number: CHY17737

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