Dear Reader,

"Are all people in Bangladesh poor?"
I have been asked this question once again lately. It shows interest and empathy, but it also reflects the thinking of a good number of people abroad about Bangladesh. No, not everybody in Bangladesh is poor. In the cities you will see ever increasing numbers of skyscrapers, cars, televisions and mobile phones. Definitely, there are many highly educated persons around; some private hospitals come close to western standards. Parts of the country’s economy are getting connected to the global markets successfully. The annual economic growth amounts to 5%, currently it is at 7%. A growing number of people manage with greatest efforts working their way out of poverty.

Nevertheless, not all succeed in freeing themselves from poverty. Many people never even get the opportunity to do so. They hardly have anything to eat and they are chronically malnourished. They are denied access to health services. Often they are exposed to violence. Their children are not able to go to school.

Extreme poverty is brutal. It is a harsh reality for more than 32 million people in this country. What the government is trying is not enough to change this. Global situations such as rising food prices or climate change worsen the scenario.

In order to overcome poverty, the poorest families need a livelihood as well as education and access to legal services. NETZ enables this in a pragmatic way:
- 105,322 of the poorest people achieved better nutrition in 2010 through effective and sustainable solutions, which are initiated by themselves.
- In cooperation with 1,450 self-help organisations, 5,473 human rights activists and many partners in Bangladesh and Europe, we contributed to changes at local, national and international level.

We can only achieve this together: With the people in Bangladesh, with our partner organisations, with many active volunteers and employees, with people willing to share and with the institutions that provide grants all together we can make a human network ("NETZ" means “network” in German) to struggle against hunger and we may live with dignity!

For all this, I thank you very much.

Ingo Ritz, Executive Director

"For more than 30 years a countless number of dedicated people have been working with NETZ as employees, supporters and volunteers for the extreme poor in Bangladesh especially in areas where cooperation between the governments of Bangladesh and Germany cannot reach these people directly. Since then NETZ has provided perspectives to hundreds of thousands of families through projects that include sustainable income-generating activities, access to health services and human rights issues with special focus on rights of women and marginalised communities.

The improvement of the educational situation for children from poor families is outstanding – as an indispensable requirement for an independent life in dignity.

There is no alternative to this for the development of the whole country. During my visits at the NETZ Country Office in Dhaka and to the NETZ supported projects with extreme poor people, as the German Ambassador in Bangladesh, I have witnessed the deep solidarity of the people at NETZ with the hardship of the marginalised. I admire your great commitment to alleviate the people’s hardship a bit on a daily basis. I wish NETZ and all its supporters continuous success with this important task.

Holger Michael, Ambassador of the Federal Republic of Germany in Bangladesh since August 2009."
32 million people in Bangladesh suffer from hunger. People supporting and working with NETZ do not take it as an unchangeable destiny. Together with partner organisations and women from affected families, NETZ has developed a concept for self-help. It enables the poorest families to sustainably free themselves from this misery.

NETZ supported 28,782 families through the livelihood programme enabling them to generate a sustainable income for them and by themselves. Now they are able to provide food, clothing, healthcare and education for their children. NETZ included additional 10,972 families in the programme in 2010.

**Jhaina Begum: An Example:**

Hunger almost doomed her life. For eight months a year Jhaina Begum could not provide sufficient food to her children. Her husband Ramiz, a worker in the agricultural field, could not earn enough to support his family of five. The couple had no possessions. On average, the family had 15 Euro cents on their disposal per day. Through the initiative of the livelihood programme, Jhaina Begum formed a group with other women from her village. She participated in training sessions and she was given a cow. After six months, she was able to generate her first profit. With that she took lease of a piece of land. Within three years, the family, living on a river island in the Teesta river in the district of Rangpur, tripled its income.

**Overlap of the livelihood programme**

<table>
<thead>
<tr>
<th>Who has received support?</th>
<th>Overview of the livelihood programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>28,782 mothers of the poorest families organised themselves in 1,478 village groups.</td>
<td>Development of self-help for the poorest.</td>
</tr>
<tr>
<td>13,534 women participated in training sessions.</td>
<td>Training courses in agriculture, management of a small business, women’s rights, healthcare and disaster preparedness.</td>
</tr>
<tr>
<td>10,972 families were newly included in the programme and received assets.</td>
<td>Assets were given: cows, goats, chicken, a rickshaw, equipment for a small business or seeds and the rent for a piece of land for cultivating rice and vegetables.</td>
</tr>
<tr>
<td>This income results in improved nutrition for 105,322 family members.</td>
<td>28,782 families sustainably generate their own income.</td>
</tr>
<tr>
<td>With the support of the village groups, e.g. 5,650 families receive support from official social safety net programmes.</td>
<td>The women have become focal persons of development and claim their rights.</td>
</tr>
</tbody>
</table>

**Helping where the need is greatest!**

This is what we decided for at the High School at St. Michael in Schwäbisch Hall and made a donation to the livelihood programme of NETZ. The NETZ approach of providing sustainable support to the poorest with the goal of enabling self-help has led us to this decision. With the collective effort of 1,300 students, we succeeded to generate a handsome amount of money at our Christmas bazar to give 85 of the poorest families in Bangladesh the opportunity of a better future – without hunger! We are very proud that we jointly achieved so much, thus making a small contribution to a fairer world!

**Livelihood programme: Challenges**

NETZ works together with the poorest families. The livelihood programme also includes women who are not fully able to work due to their age or a physical handicap. Until now they mainly made their living through begging. Especially for them it is difficult to sustainably generate income on their own. This is the initial situation for 15% of the families in the programme. An objective of NETZ is to sustainably improve the living conditions of these households. To overcome this, they now receive a more intensive support and training within the programme. At the same time, the solidarity of the village groups for the less successful neighbours is increasing. They support the particularly disadvantaged in their agricultural work. At the same time the village groups advocate for the people with special needs and female headed households so that they might receive the support from the official social safety net programmes which they are entitled to.
Together for Bangladesh

More than 100,000 people in Bangladesh

were able to overcome hunger with the support from Germany through the livelihood programme of NETZ. With the support of our partner organisations, women from the poorest families now design family development plans. They receive training as small-scale entrepreneurs and an initial capital, for instance, for cows, goats or seeds and leasing land for the cultivation of rice, fruits and vegetables. With the sales profit they can again buy livestock or take lease of new land. In this way, their standard of living changes fundamentally and definitely in a sustainable way. However, the programme changes much more than just enabling people to feed themselves and their families.

Ossified power structures and conflicting political conditions as well as economical disadvantages create poverty and preserve it. If a tragedy occurs, poverty becomes life-threatening. Only when many affected people combine their efforts, change will be possible and the struggle against poverty will succeed sustainably. These changes are often invisible in the beginning as they progress in small steps. But little by little they change a society so that the poorest can get justice. That is why we initiate self help that sustains after the period of a project. Women organise themselves in the livelihood programme of NETZ independently and stand up for each other.

“We can make it too” – that is the translated name of the federation of women’s groups in Darshana, in the western part of the country, where we have been cooperating with our partner Jagorani Chakra Foundation since 2002. Meanwhile, the federation consists of 5,670 members and more than 65 employees, who are financed from their own resources. The federation manages the savings of the members and is responsible for the awarding of small loans. They also look after 35 preschools, which were built up and maintained by the women. Three women already got elected into the local Union Parishad, i.e. Union Council, and advocate the rights of the poor.

The children of these women will grow up in a changed situation as their mothers were fighting for their survival and rights.

NETZ additionally supports 66 formal primary schools already existing in the project region:

- NETZ involves education support organisers in formal schools to reach out to especially disadvantaged children.
- NETZ strengthens and trains teachers so that they can design and carry out their lessons more efficiently.
- Parents’ and school committees are established and strengthened to voice a claim for an improvement in the quality of teaching lessons with the relevant authorities.

Programme 2: Primary education

NETZ supports the poorest children

In Bangladesh, about four million children between the age of six and ten are not in a position to go to school. More than half of all girls and boys do not complete their primary education. One can find manifold reasons why children from poor families do not continue or do not even enrol at school. Additionally, the quality of education in many formal primary schools is so poor that the children hardly learn anything.

NETZ was active in 346 primary schools in 2010: 19,435 students learned how to read, write and do arithmetic in these schools. They were given the basic skills for a better future.

Children in remote areas, such as the river islands in the major rivers in the north of the country and indigenous children, whose mother tongue is not spoken in primary schools, have less educational opportunities. NETZ ensures their fundamental right to education through the construction of 270 basic non-formal primary schools.

Photo: Peter Dietzel

Manfred Krueger, Chairperson of NETZ Bangladesh, here together with Anzira Khartun, Chairperson of the women’s federation in Darshana.

Photo: Lukas Jednicki
Students and parents sell home-made sandwiches

NETZ supports 10 new primary schools run by the community with an improved teaching and learning concept for the classes 1 to 5. These have been built and equipped with NETZ funds since 2008. After the end of the support of NETZ, the schools will continue running their education by the people from the village. In 2010, total 1,247 students were enrolled in these schools where half of them were from the poorest families. Each year, 300 children are newly admitted. Doctors are visiting each school twice a year for health check-up. The quality of the lessons is improved through intensive training and pedagogical guidance for the teachers and further development of the learning materials. From 2012 onwards, the construction of new schools is planned.

### Overview of the education projects in 2010

<table>
<thead>
<tr>
<th>Who has received support?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>346 schools provided improved quality education</td>
<td>19,435 students</td>
</tr>
<tr>
<td>Learning materials and two health camps per year were financed at 270 basic non-formal schools built by NETZ</td>
<td>7,365 girls and boys</td>
</tr>
<tr>
<td>Learning materials and two health camps per year as well as intensive training for teachers were financed for 10 community-run primary schools built by NETZ</td>
<td>1,247 students</td>
</tr>
<tr>
<td>Improved quality of teaching and special support for the poorest children in 66 formal primary schools</td>
<td>10,823 girls and boys</td>
</tr>
<tr>
<td>35 pre-schools, which are independently organised by women’s self-help institutions</td>
<td>949 pre-school age children</td>
</tr>
<tr>
<td>Training of teachers</td>
<td>457 teachers</td>
</tr>
</tbody>
</table>

### New community-run primary schools in Bangladesh

NETZ and its partner organisations are cooperating to further strengthen political dialogue at local and national level in order to hold the state accountable.

### Primary education: Challenges

The quality of teaching has to be further improved, because especially in remote areas the educational level of the available teachers is comparatively low. Therefore, the training of teachers is very important.

Children with special needs are already targeted by the schools and being supported. However, their integration into the lessons and raising awareness for their situation, e.g. with the teachers, remains a challenge.

NETZ and its partner organisations are cooperating to further strengthen political dialogue at local and national level in order to hold the state accountable.

In 2010, 101 schools in Bangladesh found a partner in Germany and Austria: parishes, schools, associations, enterprises and individuals. The NETZ programme “WeltKlasse!” facilitates this partnership with schools in Bangladesh. Letters and photographs are exchanged. Young people doing voluntary services with NETZ in Bangladesh report from these schools – also at events.

Students and parents sell home-made sandwiches to the students and teachers every day during school break. With the sales profit, we support non-formal schools in the Northwest of Bangladesh. We are glad that we found a partner in NETZ that transparently and comprehensively shows how support works. “WeltKlasse!” is a coherent concept that enables active exchange with schools in Bangladesh as well as with NETZ itself. Personal reports and visits by NETZ members enrich the every-day school life for our adolescents. During their lessons and in the “one world” working group they are dealing with global issues and receive feedback on how they can contribute to a fairer balance between the North and South.

Boris Couchoud, teacher and head of the “one world” working group at the Otto Hahn High School in Bergisch Gladbach.
Together for Bangladesh

Programme 3: Human rights
NETZ stands up for the rights of the poorest in the villages

The protection of fundamental human rights is an integral part of the constitution of Bangladesh. In reality, however, there are large groups of people whose rights are systematically violated. These include landless people, women and minorities. The existing laws are not properly enforced and applied. The legal framework needs improvement in many aspects as well.

NETZ extends its support to leading human rights organisations in Bangladesh to strengthen these people to become aware of their rights and to strive for their compliance. At the same time, NETZ is part of a network working towards improving the legal framework and ensuring legal prosecution whenever rights are grossly violated.

- As members of human rights committees and human rights theatre groups, 5,473 women and men in 10 districts participated in training sessions in order to follow-up violations of human rights in their villages and to assist the victims.
- In more than 100 legal camps, 209 women and 123 men, who otherwise would have had no access to legal advice, received support; they were supported in applying for funding by the public legal aid fund.
- In 220 mediations conflicts other than criminal offences were solved outside of courts and in compliance with the law.

- 36 victims of violence were treated in hospitals.
- In 881 public performances, voluntary theatre groups informed a total of 580,000 persons about right violations like domestic violence and child marriages as well as about rights violations exercised by officials.

Defenders of human rights, who were exposed to repression, are supported through international solidarity as well as by concrete medical or legal aid on the spot.

Human rights: Challenges

Traditions and existing power structures in the villages are serious obstacles for the human rights work by the committees and theatre groups. Set ways of thought need to be opened up, even among the activists themselves. Additionally, human rights work always includes questioning of existing power structures and claiming change towards equality and justice. Some of them being afraid of losing their power, obstruct directly or indirectly the work of the committees. Men bar their wives from attending the meetings of the committees. Theatre activists very often receive open threats. This resistance decreases with rising recognition of the work of the committees – but still it is very powerful.

Programme 4: Disaster preparedness and response
NETZ promotes disaster coping capacity and provides sustainable assistance

Bangladesh is among the countries that are most affected by the consequences of climate change.

- In all flood-prone working areas, NETZ promotes prevention. People participate in training sessions and build-up a disaster fund. School buildings are better protected as they are built like that and the accommodation is above the ground level. In 2010, NETZ financed technical security checks of four flood shelters in the coastal area that were constructed by the support of NETZ back in 1991-92.
- NETZ provided blankets and warm clothes to 6,532 families who suffered from the severe cold in the Northwest of Bangladesh in January 2010.
NETZ brought together civil society organisations and human rights defenders from Bangladesh with political stakeholders from German and other European countries in 2010. In this way, the recommendations from the civil society on human rights and development issues were brought into the political dialogue and the related work in Bangladesh was strengthened.

For this purpose, NETZ works together with Amnesty International, Bread for the World, Church Development Service, Miserer, Shanti and many other organisations. The name of this network is Bangladesh Forum Germany where NETZ has been taking the coordination lead.

In 2010, the Bangladesh Forum Germany conducted conferences in Berlin and Brussels with human rights defenders as well as development experts from Bangladesh on "Inclusive Citizenship for Good Governance in Bangladesh". Representatives of EU institutions, the German Federal Foreign Office, the German Federal Ministry for Economic Cooperation and Development and the governmental development cooperation as well as members of the German Parliament and Government officials from Bangladesh participated in these conferences. Furthermore, numerous European NGOs and research institutions working on Bangladesh participated in these conferences. This direct exchange between grass-roots activists from Bangladesh and representatives from the international community led to a better understanding of the needs of the extreme poor and marginalised groups in Bangladesh.

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NETZ Partners and projects in Bangladesh:

- **Gana Unnayan Kendra (GUK)**
  - Sustainable livelihood
  - Primary education
  - Disaster preparedness

- **Jagorani Chakra Foundation (JCF)**
  - Sustainable livelihood
  - Primary education

- **Polli Sree**
  - Sustainable livelihood

- **Ashrai**
  - Sustainable livelihood
  - Primary education

- **Sabalamby Unnayan Samity (SUS)**
  - Sustainable livelihood
  - Primary education
  - Disaster preparedness

- **Mahideb Jubo Somaj Kallyan Somity (MJKS)**
  - Sustainable livelihood

- **Udayan Swabolombee Sangstha (USS)**
  - Sustainable livelihood
  - Primary education
  - Disaster preparedness

- **NETHZ**
  - Quality monitoring and finance management
  - Human rights

- **TARANGO**
  - Empowerment of women through handicrafts

- **Ain o Shalish Kendra (ASK)**
  - Human rights
NETZ connects the lives of people in Bangladesh and Germany. We make the voices of the poorest people from Bangladesh heard in public. Especially the voluntary supporters of NETZ actively assume responsibility and encourage others to do the same.

Voluntary service and dialogue & exchange programme

- 14 young volunteers worked with NETZ partner organisations in Bangladesh in 2010 with the aim to strengthen the partnership between people in Bangladesh and Germany. After their return, the volunteers play an active part in the educational work of NETZ in Germany.
- School exchange project: 5 young voluntary human rights defenders from Ain o Shalish Kendra visited Germany as part of this project.

Development education

NETZ enables understanding for the challenges in Bangladesh, makes changes visible and actions concrete — for solidarity in everyday life that achieves a lot. NETZ members report authentically, competently and tangibly about the country’s opportunities and problems. Understanding, empathy and respect for the people in Bangladesh are in the focus of the events and campaigns. Individuals, groups, parishes, schools and enterprises design and all actively participate in conducting these events and initiate activities. Their interest and commitment combined with the experiences from many active members and supporters enable a differentiated perception of the country.

Felicitas Qualmann, NETZ volunteer in 2010 and member of the NETZ working groups “Development Education” and “Voluntary Service” since her return to Germany.

Acting together for Bangladesh: Activities and events in Germany during 2010

- NETZ members organised and conducted 122 event and activities in 2010 with the participation of 5,583. Main topics of these events and activities included: effective development work, combating poverty and hunger, education, consuming patterns, human rights and the Millennium Development Goals.

Bangladesh-related public relations and media work in Germany

- Newspapers, magazines and radio broadcasts published more than 70 reports about the work of NETZ.
- The Bangladesh magazine “NETZ” is an important source of information on Bangladesh in German language. Topics in 2010 were: Dalits, Millennium Development Goals, social security and conflicts over resources.

The hustle and bustle in Dhaka

The hustle and bustle in Dhaka was exotic and at the same time strange to me in the first weeks of my voluntary service in Bangladesh. But in the following months, I became more familiar with this country. The encounters with people moved me deeply; many of them encountered strokes of fate and suffer from hunger and unjust living conditions, but still did welcome me warm-heartedly and with understanding. These encounters developed into friendships and along with them my connection to Bangladesh and to everyone, who has made my voluntary service an unforgettable part of my life. I went to Bangladesh to contribute together with others to a just world. Through my work in Bangladesh and my support for NETZ in Germany, I hope to come closer to this goal. I want to give back a little bit of the warmth of the people in Bangladesh and let people in Germany take part in this as well.

Please tell us about your events.
### Income

**Financial Year 2010**

<table>
<thead>
<tr>
<th>Income to be utilised in Development projects</th>
<th>Global learning</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>in €</td>
<td>in %</td>
<td>in €</td>
<td>in €</td>
</tr>
<tr>
<td>Income to be utilised in Development projects</td>
<td>Global learning</td>
<td>418,165.17</td>
<td>52,681.64</td>
</tr>
<tr>
<td>470,846.81</td>
<td>13.89</td>
<td>481,764.12</td>
<td>51,508.24</td>
</tr>
</tbody>
</table>

#### Private donations (including carol singers campaign)
- Financial donations: 469,673.41
- Donations in kind (postage stamps, copy prints, pencils): 1,173.40
- Donations in form of waiver of the claim for refunding of expenses: 1,173.40
- Membership fees: 15,107.22
- State grants: 2,725,252.29
- Federal Ministry for Economic Cooperation and Development (BMZ), Germany: 592,778.75
- European Union: 1,063,272.82
- Department for International Development (DFID) / shire, UK: 959,822.44
- InWent (BMZ): 21,101.20
- City of Wetzlar: 100.00
- City of Weener: 500.00
- „Weltwaerts“-programme (BMZ): 87,677.08

#### Grants from church bodies
- Action Committee Service for Peace: 5,800.00
- Bread for the World: 20,250.00
- Parish of Braunfels: 500.00
- Misereor: 19,500.00

#### Grants from private organisations
- Antonia Ruut Foundation, Trier: 25,000.00
- Alternaid Foundation, Linden: 18,000.00
- AK 5% Duesseldorf: 6,646.00
- Amnesty international: 3,241.00
- Ensinger Foundation, Nufringen: 1,140.00
- Entwicklungshilfeklub, Vienna: 59,819.83
- Heinrich Boell Foundation: 3,714.05
- Oberle Foundation, Staufen: 5,000.00
- Rotary Club Hochschwarzwald: 200.00
- Foundation for Environment and Development: 600.00

#### Participation fees for conferences, dialogue and exchange programme
- 10,319.49

#### Sales of NETZ magazine and media (financial business operations)
- 5,407.36

#### Fees for media work
- 155.19

#### Interest income
- 482.58

#### Fines donated to NETZ
- 0.00

#### Total income
- 3,396,981.82

### Income

The total income for 2010 amounted to €3.4 million. This represents an increase of 15% since 2009. Grants and donations account for nearly half of the largest part. With €2.9 million the grants reached a new maximum, due to the increase of government grants of more than €480,000 (21%). NETZ received its largest financial contributions from the European Union, the Department for International Development (DFID) of the British Government and the German Federal Ministry for Economic Cooperation and Development.

NETZ receives donations from groups, parishes, schools, individuals and on small scale from enterprises. In case of substantial donations from companies, we check the ethical standards of their activities. NETZ accepts donations from companies only if their policies do not have a negative impact on the situation of the poorest people or are contrary to the values of NETZ in other regards. Donations will be used according to the specified purpose. With €472,000, the amount of donations received in 2010 was nearly similar to that of the last year.

The internal auditors, elected at the Annual General Meeting, Dennis Haensel and Dr. Heiko Herold checked the current financial accounting of NETZ on 09 April 2011. They approved that the expenditure is based on the principle of profitability and fulfill statutory requirements. Their report was presented at the Annual General Meeting on 14 May 2011. The Executive Committee was discharged accordingly.

The chartered accountant Kurt Wenzel attested following his audit on 26 April 2011 that the accounting, income and expenditure reports and balance sheet fulfill the principles of proper financial reporting and statutory requirements. The chartered accountants Zaman Hoque & Co. have audited the financial statement of the Country Office in Dhaka for 2010 and certified proper financial accounting on 19 April 2011.

<table>
<thead>
<tr>
<th>Category</th>
<th>Financial Year 2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in €</td>
<td>in %</td>
</tr>
<tr>
<td><strong>A. Development cooperation with Bangladesh</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial contributions to development projects</td>
<td>2,786,464.88</td>
<td>82.18</td>
</tr>
<tr>
<td>Sustainable livelihood</td>
<td>2,370,440.56</td>
<td>69.91</td>
</tr>
<tr>
<td>Primary education</td>
<td>291,716.63</td>
<td>8.60</td>
</tr>
<tr>
<td>Human rights</td>
<td>123,100.11</td>
<td>3.63</td>
</tr>
<tr>
<td>Disaster preparedness</td>
<td>1,207.58</td>
<td>0.04</td>
</tr>
<tr>
<td>Project steering, quality and finance management</td>
<td>90,938.77</td>
<td>2.68</td>
</tr>
<tr>
<td>Networking and dialogue for combating poverty and protecting human rights, labour and social standards for strengthening the Bangladeshi civil society</td>
<td>120,298.44</td>
<td>3.55</td>
</tr>
<tr>
<td><strong>B. Global learning and international understanding</strong></td>
<td>192,741.78</td>
<td>5.69</td>
</tr>
<tr>
<td>Voluntary service in Bangladesh and dialogue and exchange programme</td>
<td>104,454.82</td>
<td>3.08</td>
</tr>
<tr>
<td>Development education in Germany</td>
<td>42,449.91</td>
<td>1.25</td>
</tr>
<tr>
<td>NETZ magazine</td>
<td>29,246.69</td>
<td>0.87</td>
</tr>
<tr>
<td>Bangladesh-related public relations and media work in Germany</td>
<td>16,590.36</td>
<td>0.49</td>
</tr>
<tr>
<td><strong>C. Donations, administration and governance costs</strong></td>
<td>200,322.98</td>
<td>5.90</td>
</tr>
<tr>
<td>Fundraising</td>
<td>110,555.87</td>
<td>3.26</td>
</tr>
<tr>
<td>Administration and governance</td>
<td>89,767.11</td>
<td>2.64</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>3,390,766.85</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Accumulated net profit / loss</strong></td>
<td>6,214.97</td>
<td></td>
</tr>
<tr>
<td><strong>Combined</strong></td>
<td>3,396,981.82</td>
<td></td>
</tr>
</tbody>
</table>

88% of the expenditures in 2010 was utilised for development cooperation with Bangladesh. €2.78 million (82% of total expenditures) were transferred directly to Bangladesh for projects which is an increase of €385,000 since 2009.

### Financial statement 2010

The annual financial statement of NETZ was prepared in accordance to the regulations of the Commercial Code and the guidelines of the German Central Institute for Social Issues as well as the VENRO Code of Conduct for Transparency, Organisational Governance and Supervision.

#### Positive overall result

In 2010, the expenditures exceeded those of 2009 by €438,000 and the income rose by €463,000. The current income in 2010 was resolved in a surplus of €6,215 as compared with the current expenditures.
Balance sheets

The operating cash reserve financing the current operating expenditure has been adjusted to €30,375 according to the average monthly expenses. At the end of 2010, short-term liabilities amounted to €15,443. Out of this €5,188 were bound to the payment of income tax and insurance in December 2010. Included was as well an appraisal for the acceptance of a donation of €10,000 of a company. The transfer surplus for 2011 amounted €123,356; €96,472 of these were committed to ongoing projects in Bangladesh.

Fiscal aspects

Due to the funding of development aid, NETZ is registered according the latest notice from the tax authorities in Wetzlar, tax identification number: 39 250 5182 5 -P/K 1, from 09.09.2008 as a charitable and non-profit organisation. For the years 2005, 2006, 2007, by Art. 5 Sec. 1 Nr. 9 of the Corporate Tax Act, NETZ is exempted from corporation tax.

For more than 30 years personal encounters imparted life to the partnership with Bangladesh. Therefore, NETZ is concentrating on the exchange of information and experiences: at events, on telephone conversations and in reports from Bangladesh. This includes four mailings per year, in which we directly inform everybody interested in our work and ask for support for projects in Bangladesh. Groups supporting specific projects are informed regularly in an adequate manner and are accompanied in their commitment. Therefore costs mainly occur for print, postage, travelling and materials. NETZ avoids expensive advertising campaigns like in mass media publications. We are not cooperating with fundraisers on commission basis. NETZ does not purchase addresses for fundraising purposes.

We give account on our objectives, strategies and the outcome of our work on the website www.bangladesch.org, in the NETZ magazine, in our newsletter and this annual report. Through press releases we inform the public about our activities and provide information how to contribute to our work. NETZ is working with the Association of German Development Non-Governmental Organisations (VENRO) and following the ethical standards stated in the Code of Conduct for Development-Related Public Relations. Furthermore we follow the VENRO Code of Conduct for Transparency, Organisational Governance and Supervision. The German Central Institute for Social Issues (DZI) has approved NETZ in its audit report on 11 May 2011: “According to the criteria of DZI the share of all costs for advertisement and administration as of the total expenditures is low.”

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**Financial Report 2010**

**BALANCE SHEET**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Financial Year 2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible assets</td>
<td>3,097.75</td>
<td>5,633.57</td>
</tr>
<tr>
<td>Office equipment</td>
<td>2,075.17</td>
<td>4,610.99</td>
</tr>
<tr>
<td>Rent deposit</td>
<td>1,022.58</td>
<td>1,022.58</td>
</tr>
<tr>
<td>Current assets</td>
<td>172,291.59</td>
<td>148,063.92</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>172,037.64</td>
<td>142,542.28</td>
</tr>
<tr>
<td>Trade accounts receivable and other assets</td>
<td>253.95</td>
<td>5,521.64</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>175,389.34</strong></td>
<td><strong>153,697.49</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND SHAREHOLDERS’ EQUITY</th>
<th>Financial Year 2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder equity as of 01.01.2010</td>
<td>123,356.34</td>
<td>140,972.49</td>
</tr>
<tr>
<td>Accumulated net win in 2010</td>
<td>6,214.97</td>
<td>-17,626.15</td>
</tr>
<tr>
<td>Shareholder equity as of 31.12.2010</td>
<td>129,571.31</td>
<td>123,356.34</td>
</tr>
<tr>
<td>- Unrestricted fund</td>
<td>30,001.79</td>
<td>16,211.52</td>
</tr>
<tr>
<td>- Designated fund (fixed assets)</td>
<td>3,097.75</td>
<td>5,633.57</td>
</tr>
<tr>
<td>- Designated fund for development projects in Bangladesh</td>
<td>96,471.77</td>
<td>101,491.25</td>
</tr>
<tr>
<td>General reserves</td>
<td>30,375.00</td>
<td>26,455.00</td>
</tr>
<tr>
<td>Other liabilities of taxes and social security</td>
<td>15,443.03</td>
<td>3,886.15</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td><strong>175,389.34</strong></td>
<td><strong>153,697.49</strong></td>
</tr>
</tbody>
</table>

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**Constitution and objectives of NETZ:**

www.bangladesch.org/constitution

**Dialogue with supporters**

"Does my donation really reach the poorest people in Bangladesh?"

People supporting NETZ, with donations or voluntary work, want to achieve an effective contribution to the sustainable eradication of poverty. Therefore, the staff members of NETZ are committed to clear principles. They are responsible in two ways: to individual donors and institutions providing grants as well as to marginalised and poor people in Bangladesh. All financial resources entrusted to NETZ will be utilised cost-effectively. NETZ is reporting truthfully and transparently on its work in Bangladesh and is constantly monitoring the standards set for the work at the Head Office, the Country Office and for the projects.

Adopting the NETZ Strategy for Development Cooperation with Bangladesh 2010-14: Annual General Meeting on 08.05.2010.
Organisational Structure

NETZ is a registered charity (number of registration VR 1790 at the Magistrate Court Wetzlar). The Annual General Meeting is the governing body. It decides the policies of NETZ, amendments, elects and discharges the voluntarily working Executive Committee, elects the voluntary auditors, who do not belong to the Executive Committee, determines the independent auditor and approves the annual financial statement of the Executive Committee.

The Executive Committee is elected for 2 years. At the Annual General Meeting in May 2010, the following Executive Committee members were elected: Manfred Krueger (chairperson), Krefteld; Dr. Kathrin Quellmalz (deputy chairperson), Leipzig; Patrizia Heidegger, Munich; Dr. Dieter Klein, Kirchheim unter Teck; Nicola Loeffler, Cologne; Dr. Michael Nienhaus, Oberursel; Max Stille, Heidelberg. The Executive Committee agrees the strategy of NETZ, decides about the funding of projects and appoints the Board of Directors. The Board of Directors is responsible for the day-to-day running of the organisation in accordance with the constitution and the decisions of the Executive Committee and the Annual General Meeting. Paid employees work at the Head Office in Germany (11 persons; as of May 2011) and in Bangladesh (26 persons).

Quality management

Effective development work means that the aid reaches the extreme poor. Development is only sustainable, if families are able to help themselves. The NETZ team in Bangladesh and Germany ensures that the poorest families,

- receive support,
- participate in training sessions and
- are able to defend their rights.

Salary structure in Germany

The gross monthly salary is orientated on a salary agreement that includes a basic salary of €1,935 (2010). There are different salary levels according to the degree of responsibility of an employee, professional experience, required skills and the period of employment. A contribution of €100 is paid additionally for every dependent child.

<table>
<thead>
<tr>
<th>Group in Germany</th>
<th>from €</th>
<th>to €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>2,201,80 (80%; part time)</td>
<td>2,952,25 (100%)</td>
</tr>
<tr>
<td>Programme Officer</td>
<td>1,678,75 (85%)</td>
<td>2,655,50 (100%)</td>
</tr>
</tbody>
</table>

As of December 2010

NETZ is particularly characterised by high voluntary commitment: that of the volunteers, who do their voluntary service in Bangladesh, the voluntarily working Executive Committee and above all the many voluntary supporters all over Germany. The employees as well are committing additional voluntary time apart from their working hours. They all are contributing to their ability so that NETZ can work economically and efficiently in favour of partnerships with people in Bangladesh. Allowances are solely paid to volunteer referees for the implementation of development education events. In 2010 this summed up to €2,300 for 122 events.

NETZ is a member of:

- Association of German Development Non-Governmental Organisations (VENRO)
- Global Call to Action against Poverty (GCAP)
- Bangladesh Forum Germany
- Action Committee Service for Peace (AGDF)
- Hesse Development Policy Network (EPN Hessen)
Together with you we work for greater justice.

NETZ Bangladesh – Partnership for Development and Justice is a charitable and independent organisation registered in Germany and Bangladesh. Full time employees, non-paid volunteers, individuals, supporter groups and enterprises engage since 1979 in actions to end poverty in Bangladesh. Together with partner organisations in Bangladesh, NETZ supports self-help for nutrition, education and human rights. Self-help is strengthened, income generating activities and schools are supported, nutrition and health systems are improved, women’s rights and access to the legal system demanded. Through all of these actions, long lasting and far reaching structural changes are enabled.

About NETZ Bangladesh

NETZ Bangladesh – Partnership for Development and Justice is a charitable and independent organisation registered in Germany and Bangladesh. Full time employees, non-paid volunteers, individuals, supporter groups and enterprises engage since 1979 in actions to end poverty in Bangladesh. Together with partner organisations in Bangladesh, NETZ supports self-help for nutrition, education and human rights. Self-help is strengthened, income generating activities and schools are supported, nutrition and health systems are improved, women’s rights and access to the legal system demanded. Through all of these actions, long lasting and far reaching structural changes are enabled.

Employees at the NETZ Head Office in Germany – 5 working full time, 6 part time (from left): • Diana Hoffmann, Head of Administration and fundraising • Anna Bucur, development education and fundraising • Peter Dietzel, livelihood programme and public relations • Dirk Saam, advocacy • Ingo Ritz, Executive Director • Agata Gornicki, voluntary service and dialogue and exchange • Philipp Kappestein, livelihood programme • Heike Spohr, human rights and primary education • Heike Proelss, accounting • Niko Richter, voluntary service and NETZ magazine • Baerbel Martin, administration

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