

# EVERYTHING YOU WANTED TO KNOW ABOUT



ETHIOPIAN DIASPORA TRUST FUND

# BUT WERE AFRAID TO ASK!

## PART 1

Over the past several weeks, as I and some of my colleagues on the Ethiopian Diaspora Trust Fund (EDTF) Advisory Council (AC) visited various cities organizing EDTF chapters, we have been asked questions which require further clarification.

The questions run the gamut. Some are concerned EDTF donations could go into the government treasury and be used for purposes outside the scope of the declared mission of EDTF. Others have sought clarification about how donations will be used to support projects, how projects will be selected and when project implementation will begin. Still others have raised questions about accountability and transparency in the administration of the donated money.

This is the first in an ongoing series in which EDTF shall address questions and issues important to our donors and potential donors. Consistent with our irrevocable commitment to accountability and transparency, we shall always strive and provide factual responses to help our donors and others get a comprehensive understanding of EDTF mission and objectives, organization, and operations and processes.

### **What is the relationship between EDTF and the Government of Ethiopia?**

In July 2018, H.E. Prime Minister Dr. Abiy Ahmed issued a call to the global Ethiopian Diaspora to take USD\$1 from their daily coffee budget and donate it to the EDTF. The aim of the call was to create a focal point of collaboration in the global Ethiopian Diaspora and harness the vast resources of Diaspora Ethiopians for a common purpose. In August, he appointed an Advisory Council (AC) to coordinate a public awareness and fund raising campaign. PM Abiy has publicly stated on a number of occasions that the Ethiopian Government will have no role in the financial or administrative aspects of EDTF and that EDTF will operate as an independent entity. Since

October 2018, he has made various comments encouraging Diasporans to donate while re-emphasizing the total independence of the EDTF from the Government.

The EDTF Advisory Council is appointed by the Prime Minister. (See discussion below.) Under the [Terms of Reference](#) (TOR) [the governing bylaws of EDTF], the Prime Minister has reserved authority to appoint AC members (with the five Diaspora Representatives to be recommended by the Advisory Council) and the Chair and Deputy Chair of the Board of Directors.

**It must be made crystal clear that neither the Ethiopian Government in general nor the Office of the Prime Minister in particular have any role in EDTF administrative decision making, management or operations.** EDTF is a completely independent non-governmental non-profit entity operating under its own Terms of Reference, independent Board of Directors, independent Secretariat (administration) and independent Advisory Council. (See facts below for each independent body.)

### **Is EDTF “political” with a partisan agenda?**

EDTF is based on three key guiding principles of EDTF: inclusivity, accountability and transparency.

The EDTF supports the goal of achieving a durable solution to Ethiopia’ socio-political and economic challenges that meets the legitimate aspirations of all of Ethiopians, irrespective of ethnicity, language, religion, and gender. EDTF supports all efforts aimed at promoting dignity, freedom, equality, justice and economic opportunity and development and national unity based on peaceful cooperation among Ethiopia’s diverse communities. See our [policy](#) on inclusivity and branding.

EDTF embraces Ethiopia’s diversity in all of its forms. Anyone willing to donate USD\$1 per day or make additional contributions according to their ability can join the global EDTF family. All aspects of EDTF operations and activities are open to public scrutiny, including the United States Internal Revenue Service (IRS) that is expected to provide it with 501(c)(3) non-profit tax status.

EDTF is open to all regardless of their political views or opinions.

### **How is EDTF organized?**

EDTF has three components.

The **EDTF Advisory Council (AC)** in the Diaspora has two primary responsibilities:

- 1) Creating public awareness of EDTF among the global Ethiopian Diaspora communities, and

- 2) Mobilizing these communities to donate to the Fund.

To date, the AC has sought to accomplish these two objectives by:

- 1) Creating a website ([ethiopiatrustfund.org](http://ethiopiatrustfund.org)) which enables donors to make donations through Credit Cards, PayPal, GoFundMe and direct wire transfer to the EDTF Citibank account (all displayed on the EDTF website) as well as a trust account at the Commercial Bank of Ethiopia (CBE);
- 2) Establishing EDTF chapters globally to continue the effort at the local community level, and
- 3) Engaging donors and potential donors on social and conventional media. The specific responsibilities, functions and activities of the AC are set forth in detail in the Terms of Reference. Click [HERE](#).

The AC is supported by teams of volunteers organized in several areas:

- Donor Support,
- Website Management;
- Communications (Social Media and Public Relation);
- Chapter Support;
- Graphic & Design and
- Volunteer Team Management (See below.)

The **EDTF Board of Directors** in Ethiopia is the apex governing body of the Fund with ultimate responsibility and decision-making authority on project approval, strategic direction, fund policy, management, accountability and transparency. Specifically, the Board, among other things sets the direction and goals of EDTF, approves and monitors the strategic plan for EDTF, approves organizational policies, establishes code of ethics, monitors financial and operational performance, evaluates the Executive Director and staff based on achievement of Fund objectives, represent EDTF to the broader Ethiopian community, and insures accountability, efficiency and transparency in all aspects of EDTF operations. The Board shall follow international and industry-wide best practices for non-profit Boards. It is anticipated that the Board will begin operations very soon. The role of the Board is set forth in detail in the Terms of Reference. Click [HERE](#).

The **EDTF Secretariat** is funded through the generous and substantial two-years grant support of the United Nations Development Programme (UNDP). The Secretariat is responsible for the daily administration and management of EDTF, implementation of policies of the Board, development of criteria and standards for project selection and funding, reviewing and vetting

projects and EDTF Implementing Organizations that will be submitted to the Board for approval, monitor and report on the implementation of approved projects, public engagement and media relations on behalf of EDTF and identifying potential funding sources, among others. The Secretariat initially consists of the Executive Director, Planning and Program Specialist and Communication Specialist. The Secretariat will begin operations on 1 April 2019. The role of the Secretariat is set forth in detail in the Terms of Reference. Click [HERE](#).

### **What is EDTF anyway?**

EDTF a unique effort and chapter in global immigrant history. While diasporans from different countries have banded to help their native countries, no national diaspora group has ever attempted to involve and engage all of its compatriots by contributing a dollar a day for critically needed projects in their countries of origin. This is why EDTF is aptly referred to as an “Ethiopians helping Ethiopians” global initiative.

There is confusion among some people about the nature and aims of EDTF.

There are those who think EDTF is merely a supplemental budget for the Ethiopian Government to do development work. Others think EDTF is just another type of foreign non-governmental organization like World Vision or Doctors Without Borders. Still others think EDTF aims to replace support by institutions such as USAID and funds provided by multilateral organizations such as the United Nations. There are even some who think EDTF is a humanitarian emergency fund that could be used to assist victims of famine, natural disasters, armed conflicts and population displacements.

EDTF is none of the above.

Indeed, EDTF funds are designed to serve needs areas that are not covered or supported by any of the above. Simply stated, if an existing need is being met by government budget, foreign aid, international development aid or loans, or NGOs, EDTF will not be involved.

The Fund operates in the United States of America as a non-profit using the name Friends of Ethiopian Diaspora Trust Fund, Inc, incorporated in Delaware State.

As a trust fund, EDTF’s primary objective is to finance people-focused social and economic development projects to benefit disadvantaged groups and communities. Donations are collected for specific purposes specifies in the EDTF TOR only and cannot be diverted to other activities or objectives.

In other words, the donations are held in trust by the AC to meet critical needs of communities in such areas as health, education, water and sanitation facilities, habilitation and rehabilitation of persons with disability, agricultural development, technology, small scale entrepreneurship and other income and employment generating projects. The EDTF will give priority attention to projects focusing on youth, women, small holder farmers, small enterprises and entrepreneurs, who can be agents of inclusive social and economic development. Projects are selected based on their potential to make the highest positive impact on groups and communities in Ethiopia. EDTF follows best practices of trust funds for accountability, governance and transparency.

The objectives and scope of EDTF activities are set forth in detail in the Terms of Reference. Click [HERE](#).

### **How much money has been collected to date?**

As of March 22, 2019 (EDTF officially began collecting donations on October 22, 2018), we have a total deposit US \$3.659 million with \$3.411 million in CITI Bank and \$0.248 million in Commercial Bank of Ethiopia. The total number of donors is 20,761 from 75 countries. These figures are updated on a weekly basis on the home page of the EDTF website.

### **How are donations made?**

Donations can be made online easily by using credit cards at <https://www.ethiopiustrustfund.org/>. You can also send funds via bank transfer using the following information:

Bank Name: CITIBANK, N.A.

SWIFT Code: CITI US 33

Account Title: Friends of EDTF Inc.

Routing Number: 254070116

Account Number: 9250704811

Address: 1218 Connecticut Ave, NW, Washington DC. 20036

Donation mistakes and errors can be easily corrected by contacting us, without the need for contacting your credit card company or Bank, at: [donations@ethiopiustrustfund.org](mailto:donations@ethiopiustrustfund.org) or by calling 1-888-829-0027. See our [policy](#) on subscriptions, refunds, cancellations and erroneous payments.

The EDTF website is secure and protected and does not hold any financial data of donors and contributors. We will only keep membership information, which includes your name and email.

### **How are donated funds used?**

One hundred percent of all donations will be used to finance projects. No money from donations will be used for administrative, management or related purposes, which is very unusual for operation of any non-profit organization.

EDTF has an operational fund for its activities supported by the generous voluntary contributions of its Advisory Council members. Individual contributions to the operational fund will be most welcome as there are a variety of expenses related to the day today management of EDTF operations including web services, and professional service in fund raising, volunteer management and other activities.

### **Who can support EDTF?**

EDTF is first and foremost a collective global Diaspora Ethiopian enterprise. It is a unique experiment in getting diasporans to contribute USD\$1 for critically needed projects in Ethiopia.

EDTF is not exclusive in seeking support. We accept donations from the following sources:

- 1) All Ethiopians in the Diaspora to the extent they wish to make a donation of any amount;
- 2) Diaspora Ethiopians residing in Ethiopia and all Ethiopian nationals willing to donate;
- 3) Non-Ethiopians and friends of Ethiopia who wish to offer support;
- 4) Private companies;
- 5) International and local non-governmental organizations;
- 6) Charitable foundations; and
- 7) Ethiopia's Development Partners. For detailed list of contributors to EDTF, see the Terms of Reference. Click [HERE](#).

### **Does EDTF have a governance document, bylaws?**

EDTF has its own "Constitution", called the "[Terms of Reference](#)" (TOR). The Ethiopian Diaspora Trust Fund (EDTF) Terms of Reference (TOR) provides the rationale, guiding principles and operating procedures, including the EDTF's governance, project approval, implementation, reporting monitoring and evaluation. EDTF cannot operate outside its TOR. A series of Policies based on the principles contained in the TOR, that are approved by the Advisory Council, further guide and direct the management of EDTF donated resources.

### **When will EDTF begin project implementation?**

EDTF is not a humanitarian call that raises money for an emergency response to natural disasters or other short-term needs. As a global long-term effort, EDTF must ensure its activities and

practices have sound legal footing, its projects meet socio-economic viability and its operations are conducted in a professional and ethical manner.

EDTF does not want to make the same mistakes of the past where funds were contributed by Ethiopians and Ethiopian Diaspora without any reporting of how and where the funds were used and in the case of US Ethiopian Diaspora contributions was raised in violation of U.S. law and the people of Ethiopia were forced to pay USD\$6.5 million in fines to the U.S. Securities and Exchange Commission.

Since August 2018 when the AC was named, we have incorporated EDTF as a non-profit organization, met requirements established by U.S. Homeland Security, completed the exhaustive bank requirements dealing with Know Your Customer (KYC) and Anti-Money Laundering (AML) transparency, arranged with a variety of payment processors in the USA and Europe, built a transparent website, made the required preparation for the launch of the EDTF Secretariat and Board, assembled a team of top notch volunteers, opened some 30 chapters and travelled to various cities to engage Ethiopian communities.

Before projects are selected and funded, the Secretariat and Board of Directors must be made operational. It is the responsibility of the Secretariat and the Board to establish transparent processes for project selection and implementation. We expect the Secretariat and Board to begin operation soon.

### **How are EDTF projects assessed and selected?**

Project proposals submitted for EDTF support are subject to a reviewing and screening process, which will prioritize proposals that fit, among others, the following criteria:

- 1) Project is consistent with the overall purpose of the Trust Fund;
- 2) Project proposal has a significant impact and tangible outcome;
- 3) 3- Project proposal is technically sound in conception and presentation;
- 4) Budget of the project proposal is financially solid and reasonable;
- 5) Project proposal has strong and valid indicators that could be used for monitoring and reporting; and
- 6) Project proposal has strong prospects of sustainability beyond the project duration.

The Secretariat will conduct a review of the project proposals submitted according to the requirement set out in the TOR, provide comments, quality vetting and views on how the proposed project would fit in the overall context of the EDTF objectives.

### **Who decides what projects will be funded?**

Final decisions on funding are taken by the EDTF Board.

### **What are the structures of accountability for EDTF?**

EDTF is committed to maximum accountability and transparency. All donations made are reported on our website. All official EDTF chapters are listed on our website. All aspects of EDTF operations will also be available to the public. These include, among others, all financial expenditures, project selection criteria, projects selected and operational policies and procedures. Financial and operational audits will be made by independent auditors. We will issue periodic and annual audits. There will also be quarterly reports that will be shared with the public on our website.

The Secretariat and Board in consultation with the AC shall have the primary responsibility for the monitoring and evaluation of funded projects in accordance with best practices based on the stated objectives, activities, outputs, outcomes and results indicators.

The Secretariat shall submit progress reports annually as well as a final narrative report on the project including a financial statement on the utilization of funds. The report will be signed by the Executive Director and Board Chair.

### **How can you become an EDTF volunteer?**

EDTF is a 100 percent volunteer effort including members of the Advisory Council and the Board of Directors.

Volunteers are needed in many areas including: coordination of country or state donors, promoting the Ethiopian Diaspora Trust Fund and website, recruiting other volunteers and handling, social media monitoring, event planning, PR marketing and communications, web development and management, text translation and other activities.

To become a volunteer, complete the volunteer form [HERE](#).

### **How can you establish an EDTF Chapter in your community?**

We believe the success of EDTF depends on our ability to engage diaspora communities at the local level. EDTF Chapters serve as points of contact at the community level. Multiple Chapters can co-exist in a given community.

The Chapters have two principal functions:

- 1) Create public awareness and provide information on EDTF, and
- 2) Community mobilization to generate donations.

The chapters operate in a decentralized environment but work closely with the Advisory Council in all of their activities.

Chapters can be formed by completing the application form [HERE](#).

### **Will the EDTF website be available in other languages besides English?**

The Advisory Council presently does not have the capacity or the funds to translate the website content into additional languages. We welcome volunteers with translation skills to help us in this effort. Currently, the webpages are available only in English.

### **Challenges and opportunities**

In starting a project such as EDTF, there are always likely to be challenges. We have had our share of those since our official appointment in August 2018. But we have overcome many of our initial challenges in establishing the fund from scratch. But there are many that lie ahead. Educating and informing the global Ethiopian diaspora on the mission and purposes of EDTF remains a challenge. We need to engage diasporans who are unable to use online services to make donations. We are hopeful our Chapter will play a key role in serving that segment of the diaspora community. Sustained fundraising is another challenge. Some misinformed potential donors are reluctant to make donations. Others seek to withdraw support because of their perceptions of political events in Ethiopia.

The fact of the matter is that EDTF is a long-term project. There will be bumps in the road but ultimately, we believe EDTF will be successful and we will make history.

Alemayehu G. Mariam, Ph.D., J.D. ESQ  
Professor Emeritus and  
Chairman, Ethiopia Diaspora Trust Fund

**TO BE CONTINUED...**