



# PRESS RELEASE

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## ETHIOPIAN DIASPORA TRUST FUND (EDTF) STRENGTHENS ITS GOVERNANCE AND LEADERSHIP STRUCTURE

05 January 2021

The Ethiopian Diaspora Trust Fund (EDTF) wishes to acknowledge and express its appreciation for the contributions of the inaugural Chairman, Professor Alemayehu Gebre Mariam.

At a time when EDTF is focused on ensuring the success of the approved [development projects](#) while supporting the efforts to [combat the COVID-19 threat](#) in Ethiopia, we remain excited about the revamped EDTF as a result of completing our annual review this past December.

We urge all our donors, volunteers, supporters, the media and the public to check the facts before making conclusions about the state of EDTF. We ask our donors and supporters to understand the reasons behind the actions taken to strengthen the EDTF governance structure in the US by amending the bylaws. Our governing procedures will make EDTF meet the independence requirement and make it even more accountable to its donors and supporters under U.S. law.

EDTF is committed to its mission, which is to finance people-focused social and economic development projects in Ethiopia. Essential to this commitment is an open and transparent communication about EDTF's governance and leadership structure, finances, and the organization's overall long-term sustainability. To this end, the EDTF Leadership in the US would like to refer you to the key points highlighted below.

### 1. EDTF's Mission and Objectives Remain the Same

EDTF's mission is "to finance projects that meet critical needs selected based on their potential to make the highest positive impact on groups and communities in Ethiopia 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." No change has been made nor is there any plan to make changes to the EDTF mission and goals.

### 2. EDTF Funds are Used for Development Projects

To date, EDTF funds have only been used for approved projects and for meeting critical needs and shortages of medical supplies in Ethiopia driven by the unprecedented COVID-19 pandemic and the current situation in Ethiopia. The decision to allocate funds for medical supplies was driven by the expressed wishes of many of our donors. Frequent financial updates have been and will continue to be posted on the EDTF website home page.

### 3. Five projects are Funded and Have Started Work. Additional Projects are in the Pipeline

EDTF approved and released funds to start work on 5 outstanding projects as described in a [press release](#) on August 9, 2020. Detailed information is available about the funded projects on the EDTF website under [Projects/Active Projects](#).

Many factors have contributed to the delay in approving and funding projects including:

- The development and implementation of the project review and selection process which included identifying qualified volunteers to review project proposals and the long timeline to complete the review work.
- Delays in Ethiopia about projects including prioritization, risk assessment management, funding approval, funding release and overall measurement of project results.
- EDTF is committed to improve and accelerate its project selection, approval including decision making with regards to projects that were selected for funding, monitoring and evaluation of funded projects. At no point was there ever a risk of EDTF funds being misappropriated, misused, or compromised. For more detailed information on the approved projects, go to the EDTF website under Projects/Active Projects.

#### **4. The Original Bylaws of EDTF in the US are Amended to Strengthen EDTF's Leadership**

After a careful and thorough review of the EDTF US bylaws by a highly reputable, renowned law firm, the bylaws of the EDTF legal entity (referred to as "Friends of EDTF, Inc.") have been amended and approved by majority vote. The key revisions to the original bylaws include the following:

- Clarification of the EDTF US Board membership to be an independent decision-making body as required by the US law,
- Requirement for each EDTF Board Member to be accountable on an individual basis as required by US law.
- Setting a term limit for the board members and putting in place a process to allow new Board members to join.
- Provision of flexibility to the Board to establish an operating budget. While volunteers will continue to be the backbone of EDTF's existence, a sustainable and growing organization can not FULLY depend on volunteers who could only put in the time whenever they could and who could occasionally leave with no mechanism to retain the institutional experience. The operating budget will support day-to-day operations and fundraising activities in the US, and work with implementing partners in monitoring funded projects in Ethiopia. It will keep its operating budget lower than the federal industry standard rate of 10%, often used as a benchmark for federal contracts and efficient nonprofits. EDTF also wants to reiterate that no funds donated through December 31, 2020 will be used for operating expenses. In fact, we notified all donors that the operating budget changes would only come out of new donations after January 1, 2021.

For additional information or questions, please email us at [info@ethiopiaintrustfund.org](mailto:info@ethiopiaintrustfund.org). For questions about donations please email us at [donations@ethiopiaintrustfund.org](mailto:donations@ethiopiaintrustfund.org) or call us at 1-888-829-0027.

Ethiopian Diaspora Trust Fund