

## **Opening Address**

*Nebiu Elias, President ESME*

Guest of Honor

H.E Ato Alemayehu Tegenu, Minister of Mines and Energy

Invited Guests

Dear Institute and Fellow Members

Your Excellency Ato Alemayehu Tegenu, Minister of Mines & Energy, Honorable Directors of the Board, Distinguished Guests, Dear Members, Ladies & Gentlemen; on behalf of the Ethiopian Society of Mechanical Engineers and myself, I welcome you with great pleasure and honor to this 13<sup>th</sup> Annual Conference of the Ethiopian Society of Mechanical Engineers.

The Ethiopian Society of Mechanical Engineers was established 13 years ago with the aim to advancing Mechanical Engineering knowledge and practice in Ethiopia. Very small may have been achieved by the Society so far in this regard, yet noticeable growth has been witnessed in the number of mechanical engineers and on the roles they play in various industries in the country. The importance of the mechanical engineering profession has increased with the increase on investments and projects requiring its applications. Much more needs to be done to enhance professional capabilities as well as benefits obtained from its greater and perhaps better application. The Society may have to find more and better ways of contributing towards the development of the profession if it is to succeed in meaningfully achieving its goals.

Provision of trainings, organizing workshops, publications of journals and newsletters are among the main activities ESME currently involves itself in promoting its cause. These need to be improved and strengthened; we may also need to add other areas of involvement. Participation in promoting research activities and certification of professionals are areas the Society has plans to get

involved on in the short term. Institutional capacity in preparing useful programs and executing them well need to be strengthened continuously. Work needs to be done to increase members' involvement in the Society's activities. The task is hugely challenging, it must be faced with equal vigor.

Last year's overall performance have been below expected. Inadequate organization and leadership, very low level of involvement and participation by members, absence of sufficiently inspiring programs and activities, lack of suitable medium of communication are considered among the main areas requiring focus and attention. The Executive Committee, recognizing the vital role Councils play as ESME's functional organs, has put considerable effort from the outset to organize and strengthen them; but, much more needs to be done to create inspired and well functioning councils. The importance of active interest and involvement by ESME members all Society matters is perhaps self evident. Thus, I would like to take the opportunity to urge all ESME members to be inspired with the vast potential the Society offers to advancing Mechanical Engineering.

Notable effort was made to conduct a study aimed at preparing ESME's strategic plan; however this very important assignment had to be postponed for this year with sufficient budget allotted this time. Another quite important assignment was the development of a dynamic website which had almost been an elusive one despite being crucially essential. Different approaches were tried to put this to reality, notable among which had been the training held on the subject intent at enabling as many ESME members acquire the skill to develop the website collaboratively with IT professionals and to cultivate the culture of utilizing the potential available in the internet. This has offered an invaluable opportunity to explore the vast IT resource available in the Free and Open Source Software environment. Despite passionate efforts made, the project was not realized in the previous fiscal year. Nonetheless, it is my privilege to announce to this Assembly the news that now ESME's dynamic website, or what may also be referred to as Content Management System, has essentially been designed and that we uploading contents on the website.

Esme.org.et is our domain name and the trial launching has already begun; the system will be demonstrated briefly during this Conference.

This is a major milestone for ESME, and therefore allow me to thank on your behalf all those who put special effort to make this happen; this include the Executive Committee, Ato Alemahehu Negash, EFOSSNET, and finally ERUFLUX PLC for their flexible and professional execution of the development project.

ESME is also working towards expanding its contacts and promoting cooperative relationships with engineering as well as other professional societies, business associations, NGOs, etc. that operate in the Country and similar associations and institutions across the world. ESME participates on JEAPAS meetings; although meaningful results have yet to be achieved. Most member societies recognizing the benefits of closer cooperation have been calling for increased collaboration. We also have begun engaging on cooperative association with a German Institution through the coordination of the Ethiopian Electrical Engineering Contractors Association. Our standing relationship with the American Society of Mechanical Engineers is still on; ESME aspires to continue enjoying the benefits of being a member of the International Committee of Mechanical Engineers (ICOMES). We also have established contact with the Chinese Mechanical Engineering Association. These are all encouraging facts; our efforts to expanding and strengthening our external ties will continue with more vigor.

The 13<sup>th</sup> annual conference of our esteemed Society may be considered distinct from previous ones due to at least two of its features. Firstly, organization of this year's event as well as the publication of the Society's Journal has been contracted out and is being done by Weave Marketing and Promotion Company. Secondly, we have selected Alternative Energy as the theme of the year, a subject that critically concerns humanity and touches the well being of the world at large. The term Alternative Energy may refer to all those energy sources other than fossil fuel oils or may farther exclude those dominant sources. Whichever definition is taken, the subject could not have been more appropriate than now when frequent power shortages and widely fluctuating fuel prices

are being experienced. It appears proper for the issue to be at the forefront of public agenda, it has been selected as our main topic of concern for the year. After the business session in the morning, a panel discussion will be held on Alternative Energy with knowledgeable and experienced professionals in the field. The day's event will be concluded with a cocktail reception to be held after the afternoon session where all of you have been cordially invited.

Before concluding, please allow me to thank, on your behalf, all those who has supported our Society and in the organization of this conference.

**Diamond Sponsor:** Nile Petroleum

**Honorary Sponsors:** National Oil Corporation and Total Ethiopia Ltd.

**First Class Sponsors:**

**Second Class Sponsors:**

Weave Marketing & Promotion Company for their impressive effort in organizing this event.

Last but not least, I would like to express my appreciation to ESME office, especially to W/o Christine Seyfou, for the dedication in managing the Society's affairs.

Finally, inviting all participants of this conference to participate in its proceeding and wishing for a memorable event, I respectfully call upon His Excellency, Ato Alemayehu Tegenu, and our Guest of Honor, to deliver his opening speech on the 13<sup>th</sup> annual conference of the Ethiopian Society of Mechanical Engineers.

Thank You!

## **Key Note Address**

*By H.E. Ato Alemayehu Tegenu*

*Minister of Mines and Energy, Ethiopia*

*Dear Invited Guests,  
Members of the Ethiopian Society of Mechanical Engineers  
Dear Participants,  
Ladies and Gentlemen:*

On behalf of the Ministry of Mines and Energy of the Federal Democratic Republic of Ethiopia, I would like to extend my sincere appreciation for the Ethiopian Society of Mechanical Engineers (ESME) for organizing this very important panel discussion, where energy is now becoming a priority concern and agenda in our world despite the economic slowdown and financial crisis. Although the recent oil price fall gave some relief for oil importing countries like Ethiopia, this trend will not be a guarantee either in the medium or long term. To tackle this challenge, many countries are now looking for alternative or renewable energy resources.

*Dear Participants*

Historically alternative energy was considered as an umbrella term that refers to any sources of usable energy intended to supplement or replace fuel sources without the undesired consequence of the replaced fuel. To mention some, coal was considered as an alternative fuel in the late medieval period to save society from overuse of the dominant fuel wood, ethanol alcohol was considered as an alternative to fossil fuels, and coal gasification as an alternative to expensive petroleum. Over the years the nature of what were regarded as alternative energy sources has changed considerably and today alternative energy refers mostly to renewable energies such as wind, solar, hydro, geothermal, biomass (bio-fuels), etc., and the world is now focusing towards these alternative energy sources to reduce pollutants and greenhouse gases.

As you all know, Ethiopia has substantial renewable energy resources potential consisting mainly of hydropower, geothermal, wind, solar and biomass. We have also non renewable energy resources like coal and natural gas. Of all these potentials the amount developed to date is very small.

The development of hydropower resource is given top priority in our National Energy Policy and Strategy. The country has a potential of 45,000MW

hydropower potential. Such huge potential invites the construction of small, medium and large scale hydro-power plants to serve the current and future increasing power demand in the country.

The program widely involves local engineering service providers, input manufacturers such as steel product producers, ceramic insulator producers, electric cables producers, steel and concrete pole producers, transport service providers etc.... Therefore, this program, beyond providing employment opportunity, is increasing the linkage effect of the power sector with other players like Ethiopian Society of Mechanical Engineers.

***Ladies and Gentlemen:***

The role of civil society and professional organizations in the development process of the country is well recognized and appreciated by the Government. Our Energy Development Strategy cannot be realized without the active participation of these organs. In this regard, the Ethiopian Society of Mechanical Engineers has to work hard in equipment standardization and technological needs of the country, especially to reduce the country's foreign expenditure burden on electro-mechanical equipments. At this juncture, I would like to appreciate the commendable job done by ESME in organizing this timely forum.

In conclusion, I would like to emphasize the importance of cooperation in the energy development efforts and call upon both ESME and other civil societies to continue working with the various Government organs to bring about a state where poverty is eradicated and the avenue of sustainable development is pursued. I would like to assure you that my Ministry welcomes and encourages constructive dialogues among all civil societies and professionals in such forums and will like to support the activities of the Ethiopian Society of Mechanical Engineers.

Finally, I wish you fruitful deliberations and declare that the panel discussion is open.

***I thank you. God Bless you.***

**Ethiopian Society of Mechanical Engineers  
(ESME)**

**Fiscal Year 2000 Performance Report  
And  
Fiscal Year 2001 Plan and Budget**

**By  
Wudu Yedemie, Vice President-ESME**

ESME Board of Directors,  
Invited Guests and Fellow Mechanical Engineers,  
Ladies and Gentlemen,

It is with pleasure and a great deal of honor that I present to you the performance of the 2000 budget year and the plan for the year 2001 both in the Ethiopian Calendar.

**I) Fiscal Year 2000 Performance**

**1) Society Activities**

**1.1) Policy**

- The council planned to develop 19 regulations,
- Prepared and submitted 12 draft regulations to the EC for review and approval,
- Dropped 2 planned regulations as they were found to have already been covered in the By-Laws and earlier approved regulations
- 5 regulations are postponed to the year 2001
- After giving overall guidance, the board gave delegation to the EC to review and approve the submitted draft regulations.

**1.2) Members' Affairs**

The Members' Affair Council planned and executed the following tasks:

- Planned to register up to 50 new student members and collect fees from them, but managed to register 92 new student members, 41 full members and 1 Institutional member (Techtra Engineering) and collected fees from 114 of them.
- Managed to select and award best student projects from universities where there are chapters
- Collected Birr 10,700 arrears
- Members database partially updated per details collected on the 12<sup>th</sup> annual conference

On the low side:

- Activation of focal persons for information dissemination and collection is not done,
- Establishing relationships with other professional societies and ESME members residing abroad is not done.
- And, Chapters are not made operational

### **1.3) Engineering**

- The Engineering Council planned seven distinct activities for the fiscal year.
- Only one planned activity (i.e. cooperation with the Ethiopian Quality and Standards Authority in two occasions) was done.
- Two activities - Drafting By-law for creation of ESME R&D Fund and Follow-up of professional certification of ESME members through JEAPAS are transferred to the Policy and Members' Affair Councils respectively
- Four planned activities (formation of professional divisions, developing strategy and action plan for them, organizing research competitions and awarding winners) are not done because of inadequate participation from members.

### **1.4) Education, Training and Out-reach**

- Three industrial and two Continuing Professional Development trainings have been delivered

On the low side:

- CPD training needs identification hasn't been carried out
- Planned training on Materials Handling Equipment was cancelled due to insufficient number of participants
- Planned workshops and tours were not conducted

### **1.5) Publications**

- Three of the four planned quarterly news letters were published and distributed; the fourth was printed in September
- Effort is under way to improve the look and content of the news letter by enhancing members participation & by out sourcing the publication
- The annual ESME journal has been published and distributed as planned
- The proceeding of the 12<sup>th</sup> annual conference has been printed and distributed as planned
- The task of upgrading the current static ESME web site to a dynamic one is taken over by the Members' Affair Council for which we will have a separate presentation.



**2) Budget****2.1) INCOME**

<b>Sl. No.</b>	<b>Description</b>	<b>Budget</b>	<b>Actual Collection</b>	<b>Performance percentage</b>	<b>Remark</b>
1	<b>Membership Fees</b>				
1.1	Individual members	38,000.00	21,231.00	55.87	Very low
1.2	Institutional members	37,000.00	37,050.00	100.13	
	<b>Total</b>	<b>75,000.00</b>	<b>58,281.00</b>	<b>77.71</b>	
2	<b>Advertisement and sponsorship</b>				
2.1	Ad on Journal and news letters	25,800.00	30,200.00	117.05	
2.2	Annual conference sponsorship	120,000.00	91,981.00	76.65	
2.3	SAREC/SIDA through Science & Technology	25,000.00	32,600.00	130.4	
2.4	Sponsorship from Science & Technology	53,000.00	3,500.00	6.6	Very low
	<b>Total</b>	<b>223,800.00</b>	<b>158,281.00</b>	<b>70.72</b>	
3	<b>Training Sponsorship</b>	162,500.00	79,250.00	48.77	
4	<b>Others</b>	-	150.00		
	<b>Grand Total Income</b>	<b>461,300.00</b>	<b>295,962.00</b>	<b>64.16</b>	

**2.2) EXPENSE**

<b>Sl. No.</b>	<b>Description</b>	<b>Budget</b>	<b>Actual Expense</b>	<b>Performance percentage</b>	<b>Remark</b>
1	Office Equipment and furniture				
1.1	HP LaserJet printer	4,000.00	-	0	
1.2	Various office items (waste paper basket, stand,...)	500.00	51.00	10.2	
	<b>Total</b>	<b>4,500.00</b>	<b>51.00</b>	<b>1.13</b>	
2	Grant				
2.1	For R & D	50,000.00	-	0	
2.2	Grant (for 5 universities)	10,000.00	2,000.00	20	
2.3	Awards	5,000.00	4,600.00	92	
	<b>Total</b>	<b>65,000.00</b>	<b>6,600.00</b>		
3	Training, Workshops and Tours				

Ethiopian Society of Mechanical Engineers-Proceedings of the 13<sup>th</sup> Annual Conference

3.1	Industrial Training	130,000.00	65,818.77	50.63	
3.2	CPD	18,000.00	16427.05	91.26	
3.3	Workshop	12,000.00	0	0	
3.4	12 <sup>th</sup> Annual Conference	62,500.00	45,708.14	73.13	
3.5	Educational Tour	5,000.00	-	0	
	<b>Total</b>	<b>227,500.00</b>	<b>127,953.96</b>	<b>56.24</b>	
4	Publications				
4.1	News letters publishing and mailing	6,900.00	4,440.15	64.35	
4.2	Publication of ESME journal and posters	24,200.00	32,156.45	132.87 <sup>a</sup>	
4.3	Publication of the 12 <sup>th</sup> conference proceedings	8,000.00	8,740.00	109.25 <sup>b</sup>	
4.4	Website upgrading	11,000.00	0	0	
	<b>Total</b>	<b>50,100.00</b>	<b>45,336.60</b>	<b>90.49</b>	
5	Office Expense				
5.1	Salary and Allowance for Executive Manager	51,840.00	51,840.00	100	
5.2	Salary and Allowance for Secretary	14,256.00	14,256.00	100	
5.3	Salary and Allowance for Office assistant	9,072.00	9,072.00	100	
5.4	Office Utilities and Miscellaneous Expenses	30,000.00	33,075.26	110.25 <sup>c</sup>	
5.5	Travel and Per-diem	3,000.00	0	0	
	<b>Total Office Expense</b>	<b>108,168.00</b>	<b>108,243.26</b>	<b>100.07</b>	
	<b>TOTAL EXPENSES</b>	<b>455,268.00</b>	<b>288,184.82</b>	<b>63.30</b>	<b>Less by Birr 167,083</b>
	<b>Supplementary Budget</b>	<b>13,000.00</b>	<b>0</b>	<b>0</b>	
	<b>NET</b>	<b>(6,968.00)</b>	<b>7,777.18</b>		<b>111.61</b>

**Note**

4.2. (a) Additional 101 copies were printed for the Ethiopian Science & Technology Agency (financer of the publication)

4.3. (b) The proceedings took more pages than anticipated

5.4. © Utilities & miscellaneous expenses increased due to more efforts to communicate with members. Furthermore, ESME has been represented in several public occasions which include workshops, seminars, conferences, etc.

*Before I conclude the presentation on the Year 2000 performance, I would like to raise a legal problem that arose in the course of the Year. As the ESME By-Laws stated, the Executive Committee had included the name of Ato Shewaferaw Girma, the departing President, and that of Ato Habte Hadish, the selected Institutional Members'*

*Representative, as per the mandate given by the General Assembly. This was not accepted by the Ministry of Justice as the Statutes, recognized by the Ministry, require all Board members to be elected by the General Assembly. We have been requested, therefore, to have their appointment to the Board endorsed by the General Assembly. Despite this, Ato Shewaferaw and Ato Habte have been actively participating as Board members and we therefore request the Assembly to endorse their appointment.*

## **II) Fiscal Year 2001 Activities Plan and Budget**

The Board of Directors, after having reviewed Year 2000's performance and having deliberated on the activities that the Society should perform to meet its objectives, has submitted the following plan for endorsement by the General Assembly.

### **1. Strategic Plan Development**

The first thing that the Board noted while making the review was, the absence of an expressed and agreed strategy and direction for ESME. The formulation of a strategy was considered as a priority task and included among the year's activities.

The TOR will be developed by the Society's Policy Council (it is actually under process) while the actual study will be out-sourced. Due to lack of comparable data, it has been merely estimated that the preparation will cost up to Birr 90,000.00. The cost is to be covered from own Funds.

### **2. Strengthening Councils**

Year 2000's performance review has revealed that planned activities can only be successfully executed if the Councils are strong. Accordingly, strengthening weak Councils and closely following-up their activities was considered as a must.

Main involvement areas are:

- Replacing and adding Council members as necessary, and getting Executive Committee members directly involved at the initial stage;
- Ensuring that each Council has a detailed break-down of activities and closely following-up their implementation and
- Engaging a part or full time support staff

The other activities planned are the ones that fall under the responsibilities of the five Councils of the Society, as detailed here under.

### **3. Policy Formulation**

The activities can be categorized into two i.e., policy preparation and support.

As regards regulations, 10 regulations are planned for the year among which 5 are the ones transferred from last year.

Support will be in terms of:

- Preparation of new regulations as and when the need arises;
- Ensuring that all councils have an "Operations Guide";
- Creating awareness and clarity regarding approved regulations among Board and Council members;
- Following-up and identifying implementation problem areas of regulations already in use.

#### **4. Engineering Activities**

- The main focus will be in re-establishing and strengthening three of the previously started Professional Divisions; namely Energy, Metal Engineering and Appropriate Technology. The Divisions are expected to prepare their action plan;
- The Council will also organize a Project Competition and solicit funds for two winning projects to the tune of Birr 25, 000.00 for each;
- Attempts will also be made to identify and give recognition for excellence and innovation in the field of Mechanical Engineering. “Mechanical Geek of the Year” and “Star Student of the Year” Award will be prepared;
- And of course, the cooperation with Quality and Standards Authority in the preparation or Standards will continue.
- Establish closer links with Institutional members, other engineering industries and academic institutions

#### **5. Members’ Affairs**

Over the past years, members’ participation in the activities of the Society has been dwindling and because of this yearly performances have suffered. The main reasons for this lack of interest were identified as:

- a) lack of proper communication media and
- b) absence of activities that would draw and involve members.

In view of this, it has been decided to focus on the following four activities: These, however, can only be achieved ***if and only if*** members are willing to participate and contribute.

- The Development of a Dynamic Web-site enabling:
  - ***on line registration;***
  - ***exchange of ideas*** (sharing experiences, etc...);
  - ***on line access to the Society’s publications*** (newsletters, journal) and training information;
  - ***access to educational materials;***
  - ***personalized communications*** (birthdays, greetings, etc...);
  - ***communication with and within the different structures of the Society*** (Councils, Divisions, Chapters..)

***I am happy to announce that the long awaited dynamic web-site is almost ready and is going to be demonstrated today. Managing the web-site will be part of the ESME office activity but with additional resource.***

- Organization of four discussion forums (workshops) on topical and social issues; the topics identified as being of national and professional interest are:
  - ***Road Safety and 3<sup>rd</sup> Party Motor Insurance,***
  - ***Environment,***
  - ***Alternative Energy and***
  - ***Open Source Software***

- Recognition of Excellence and Innovation in cooperation with Engineering Council;
- Provision of common services such as group health insurance and others,
- Arrange one local and one international visit for individual members and Institutional Members respectively to enable experience sharing.

## **6. Publications**

The activities can be categorized into two, namely: publication and feature and content improvements. The publications in question are the following:

- Four quarterly newsletters
- 13<sup>th</sup> Annual Journal and
- 13<sup>th</sup> Conference Proceedings

As regards improvement, efforts will be made to *upgrade the technical and editorial standards and quality of all publications* by encouraging members to contribute current and thematic articles, out-sourcing the editorial and design work to professionals as well as self financing publications through the solicitation of advertisements, encouraging members' participation by recognizing and awarding contributors, etc.

## **7. Trainings**

A total of 5 trainings will be delivered in the year. Three of the trainings will be given to industries while the remaining two will be Continuous Professional Development (CPD) trainings for members. The CPD trainings are two days trainings given on week ends to accommodate working members and this year, depending on the availability of trainers, the following topics have been selected and the dates of delivery will be announced on our new web-site.

- *Finance for Non-Finance Managers* or *Total Quality Management*
- *Introduction to Construction Equipments* or *Sales Management for Engineers*

Two other activities have also been planned under the Council;

- A training needs assessment study will be carried in view of adequately responding to industries' and members' needs ;
- Training support and cooperation will be solicited from both international associations and local institutions and companies

*This wraps-up the activities planned for the Year 2001.*

Going to the budget aspect; as it can be seen on the displayed table a total of **Birr 611,650.00 income** is expected to be collected in the year, out of which:

- *Birr 91,450.00* from Membership fees
- *Birr 213,500.00* from Sponsorships

- ***Birr 132,150.00*** from Advertisements
- ***Birr 134,550.00*** from Training Sponsorships and
- ***Birr 40,000.00*** from international meeting sponsorship (ICOMES)

As regards Expenses, the following are expected to be incurred to undertake the activities planned for the year: Expenses are to be disbursed from two sources, namely from Annual Collections/Revenue and from Fund. Breakdowns are:

- ***Birr 75,000.00*** for Grants
- ***Birr 233,500.00*** for Trainings, Annual Conference, Workshops and Tours
- ***Birr 90,750.00*** for Publications and Web-site Development
- ***Birr 195,270.00*** for Office Expenses
- ***Birr 13,000.00*** supplementary budget
- ***Birr 90,000.00*** for the study and development of ESME strategy

**Total Expense = Birr 697,520.00**

The net effect being:

***A deficit of Birr 85,870.00***

This deficit is a reflection of the planned expense for a strategy development the positive effect of which overflows in the years to come.

Finally, on behalf of the Board, I kindly request the General Assembly for the endorsement and approval of:

1. ***The presented Fiscal Year 2000 Performance Report***
2. ***The appointment of Ato Habte Hadish (from Mesfin Industrial Engineering) as Institutional Members' Representative and Ato Shewaferaw Girma, the previous President as per the By-Laws of the Society to the sixth Board, and***
3. ***The presented Fiscal Year 2001 Activities Plan and Budget***

**THANK YOU FOR YOUR KIND ATTENTION**

## **Audit Report**

**By**

*Mesfin Yilma and Bisrat Tirfe, ESME Auditors*

Guest of Honor,  
ESME Board of Directors,  
Honorable Invited Guests, Affiliate Institutes and Fellow  
Mechanical Engineers,  
Ladies and Gentlemen,

We, the internal auditors of ESME, present to you the Audit Report of the Society for the year ended as at 30 Sene, 2000 E.C. The report has three parts:

- 1) Financial report,
- 2) Performance report and
- 3) Subsequent activities in the current year

The financial statements of the Society have been audited by external auditors (Abraham Berhanu and Co. Chartered Certified Accountants) as at 30 Sene, 2000 E.C. in accordance with the Generally Accepted Accounting Standards (GAAS) and summarized its opinion as "... the financial statements give a true and fair view of the state of the society's affair as at 30 Sene 2000 and of its excess of income over expenditures for the year then ended."

### **1. Financial Report**

#### **1.1. Summary of Financial Statement**

- a) Opening Balance as at Hamle 1, 1999 E.C 365,896.00  
(Cash at Bank)
- b) Collection during the year 295,967.00
- c) Total expenditure 289,680.00

**Cash at bank as at Sene 30, 2000 E.C 363,218.00\***

*\* See details at Annex 1 on the last page*

#### **1.2. Details of Financial Status**

a. Breakdown of total net income:

<b>Code</b>	<b>Description</b>	<b>Amount</b>
4101	Membership fee	58,267.00
4104	Donation	3,500.00
4105	Sponsorship	203,850.00
4106	Advertisement	30,200.00

4107	Training Fee	0.00
4120	Others	150.00
	<b>Total Income</b>	<b>295,967.00</b>

## b. Breakdown of total expenditure:

<b>Code</b>	<b>Description</b>	<b>Amount</b>
5101	Office staff salary	69,505.00
5103	Publications	10,252.00
5104	Workshop and Conferences	75,865.00
5105	Office Supplies	4,905.00
5106	Equipment Maintenance	2,780.00
5108	Insurance	-
5109	Utilities	8,696.00
5110	Transportation	1,535.00
5112	Advertisement	-
5114	Training	81,340.00
5117	Annual Leave Pay	
5118	Audit fee (External Auditor)	1,495.00
5124	Travel and Per-diem	-
5120	Miscellaneous/Others	16,065.00
5111	Allowance	8,432.00
5125	Bonus	2000.00
5127	Sponsorship	2,000.00
5126	Bank Charge	336.00
	Honorarium	3,600.00
	Depreciation	874.00
	<b>Total</b>	<b>289,680.00</b>

## c. Current Liabilities

Income tax payable	392.00
Withholding tax payable	53.00
Accrued Payable	2,363,00
<b>Grand Total</b>	<b>2,808.00</b>



Ethiopian Society of Mechanical Engineers  
Balance Sheet  
As at Sene 30, 2000

Currency: Birr

**ASSETS EMPLOYED**

		30/10/2000	30/10/1999
Fixed Assets		<b>52,790.00</b>	<b>62,720.00</b>
Current Assets:			
Accounts Receivable	69,123.00		59,640.00
Cash on hand and at bank	<u>363,218.00</u>		<u>365,869.00</u>
	<b>432,341.00</b>		<b>425,509.00</b>
Current Liabilities:			
Income tax payable	392.00		620.00
Withholding tax payable	53.00		72.00
Accrued fee payable	<u>2,363.00</u>		<u>2,445.00</u>
	<b>2,808.00</b>		<b>3,137.00</b>
Net Current Assets		<b>429,533.00</b>	<b>422,372.00</b>
		<b><u>482,323.00</u></b>	<b><u>485,092.00</u></b>
<u>Represented By:</u>			
General Fund Account		<b>482,323.00</b>	<b>476,036.00</b>
Fixed Assets Fund Accounts		-	<b>9,056.00</b>
		<b><u>482,323.00</u></b>	<b><u>485,092.00</u></b>

**2. Performance Report**

As a detailed activity report is presented by the Executive Committee, we will present a high level summary.

A) Activity Performance Summary

S.N.	Description of Activities	Plan (No.)	Actual (No.)	Actual Vs plan (%)	Remarks
1	Policy/Regulations Preparation	19	14	74.0	Some documents are in draft level, policy issues on Annual publications & manual, Ethical conduct violation procedures, Ethics, Disciplinary measures, Conflicts of interest are postponed to Year 2001

2	Engineering	7	2	28.6	Low members participation
3	Members affair	6	3.5	58.3	Low members participation
4	Training	6	5	83.3	Low participants turn out
5	Workshop	2	0	0.0	Partly Dependency on government issuance of mandate which in turn has a direct relation with low membership participation
6	Tours/Visits	1	0	0.0	Failure
7	Publication	7	6	85.7	Some partially done

### B) Financial Performance Summary

S.N.	Description of Activities	Plan (Birr)	Actual (Birr)	Actual Vs Plan (%)	Remarks
1	Income				
1.1	Total Membership Fees	75,000.00	58,281.00	77.7	
1.2	Total Advert. & Sponsorship	223,800.00	158,281.00	70.7	
1.3	Sponsorship for training	162,500.00	79,250.00	48.8	
	Total income	461,300.00	295,962.00	64.2	
2.	Expense				
2.1	Total office Equipment & Furniture	4,500.00	51.00	1.1	
2.2	Total Grant	65,000.00	6,600.00	10.2	
2.3	Total training & tour	227,500.00	127,953.96	56.2	
2.4	Total publication	50,100.00	45,336.60	90.5	
2.5	Total office expense	108,168.00	108,243.26	100.1	
	Total Expense	455,268.00	288,184.82	63.3	

### 3. Subsequent activities in the current year

•  More collection of 67,338 Birr was made out of which:

- Members fee and registration ..... 3,138 Br
- Institutional membership fee ..... 31,000 Br
- Outstanding training fee ..... 32,600 Br
- Others ..... 600 Br

•  **Activities undertaken**

- **Newsletter Vol. VII No 4 printed and distributed, and**
- **Training on Open Source Web development is given**

**Recommendation and Concluding Remarks**

Concluding Remarks:

- Remarkable job has been done in the area of activities of training, on issuance of policy and regulations and on publication works.
- Low performance is registered in part of engineering, tours/visits, workshops activities and fair performance in the area of member's affairs. Reasons obviously seen as there is
- Low turnout and participation of members. This trend has to be improved.
- Financial performance in terms of collections from members and from advertisement and sponsorship is remarkably good, with the exception of sponsorship fee from Eth. Science & technology commission (6.6% against plan).
- Attention has to be given to timely collection of receivables as the amount has risen to Br 69,123.00 this year comparing to Br 59,640.00 the previous year.
- It is an encouraging out come to have positive excess of income over expenditures (Birr 6,287.00) than what it was in the previous year, i.e. negative outcome (Birr -68,323.00)

Recommendations:

- We recommend to write-off Basic Metal's outstanding payment of Br 10,000.00 for the reason that it is long overdue and the organization has changed its entity and its name and the new entity finds it difficult to effect payment in its former name. The board has accepted the recommendation and this General Assembly is required approving it.
- Approval of budget better to made earlier than used to be in order to avoid financial activities without approved budget. This also requires bringing the annual meeting to some practical time like September.
- The council spirit is seen more in policy council than in all other councils where single or independent efforts are noted instead of a team, lesson to be learned by all councils
- Having more and readily available members in councils especially on engineering and member's affair councils will improve performance

We highly recommend members participation in a larger scale to be a key factor for the growth and good performance of the society. Means for Interaction of members for better participation has to be devised; expediting the availability and fully fledged use of the dynamic web site can be sited as one of the solutions.

Thank you

**Annex 1**

**\* Justification for the Imbalance in Section 1.1.**

B/B/F from 1999		<b>365,869.00</b>
Revenue (Cash) 2000		<b>286,484.00</b>
Add Collection		295,967.00
Add Decrease (increase) in receivables		(9,483.00)
Beg. Balance	59,640.00	
Ending balance	69,123.00	
Expenditure (on Cash) 2000		<b>289,135.00</b>
Add Total Expenditure		289,680.00
Less Adjustment for Depreciation		(874.00)
Add Decrease (increase) in payables		329.00
Beg. Balance	3,137.00	
Ending Balance	2,808.00	
<b>Cash balance as at Sene 30,2000</b>		<b><u>363,218.00</u></b>
<b>Balance as per statement</b>		<b><u>363,218.00</u></b>
<b>Difference</b>		