THE JTI FOUNDATION

Biennial report 2016 / 2017

SUPPORTING DISASTER MANAGEMENT PROGRAMS AROUND THE WORLD



COVER - FRONT & BACK BUILD CHANGE, INDONESIA PHOTO BY LOLA GOMEZ



Eddy Pirard, PRESIDENT, THE JTI FOUNDATION

I am delighted to introduce our first biennial report on the work undertaken by The JTI Foundation to support disaster management programs around the world. There is still much work to do to proactively tackle, not only the effects, but also the causes of manmade and natural disasters. However, it is also important to take a step back to look at the difference that we are able to make as a charitable foundation.

A sense of responsibility and a desire to make a positive difference in all that we do lies behind The JTI Foundation's efforts to reduce the risk of disaster and offer swift, lasting relief in the aftermath. Over the years, we have moved from simply supporting reactive emergency relief programs towards building strategic long-term solutions together with partners. In particular, we have chosen to focus on helping to prevent and mitigate the impact of potential disasters, as a more effective and efficient means to support local communities, and to help make them more inclusive, safe, and sustainable.

The JTI Foundation operates with a clear, coherent focus. We work with a multitude of partners with diverse programs to address disaster challenges, including climate change, in powerful, innovative and effective ways. Through close collaboration, funding and training support, we help these partners make a real difference. You can see examples of some of our work in the pages that follow.

I take this opportunity to thank all our partners and employees who are helping us make a difference, day-in day-out. Their commitment, drive and dedication are a great motivator to all of us.

Introduction

MESSAGE FROM OUR PRESIDENT

Our work is aligned with the United Nations' Sustainable Development Goal 11: to make cities and human settlements inclusive, safe, resilient and sustainable. The Development Goals call upon businesses to contribute to reducing disaster risk, and to help communities affected by natural and manmade disasters. I'm proud to say that The JTI Foundation has responded to this call.



Stefan Rissi, MANAGING DIRECTOR, THE JTI FOUNDATION

As with many charitable organizations, The JTI Foundation began by supporting relief efforts and reconstruction programs. However, the 2011 tsunami in Japan heralded a turning point in our approach. We realized that effective disaster risk reduction required investment before disaster strikes, not only after. We also recognized the need for a holistic approach that addressed disasters from beginning to end, namely: disaster preparedness, risk reduction, relief and reconstruction.

Strategy and Approach

SUPPORTING DISASTER MANAGEMENT AROUND THE WORLD

FOSTERING COOPERATION

A key element of our strategy is to bring our partners together. Many NGOs in this sector still work in isolation, and The JTI Foundation has worked to build connections between:

- > organizations that are similar, around the globe;
- relief and reconstruction organizations;
- and between very different types of organizations, whether volunteer-driven, small or large organizations.

We believe that cooperation and partnership are key to success in challenging sectors such as disaster management. We do this by encouraging and supporting joint programs, and by organizing and financing conferences to share best practice, support collaboration, find common ground, and to jointly address common challenges.

SUPPORT WHERE COMMUNITIES NEED IT MOST

Our goal at The JTI Foundation is to ensure that communities at risk of natural and manmade disasters are more resilient in the future. Our work helps to make cities and human settlements more safe, resilient, and sustainable.

Our approach ensures we are able to support all aspects of disaster management – from emergency relief to rebuilding communities, and to effective risk reduction.

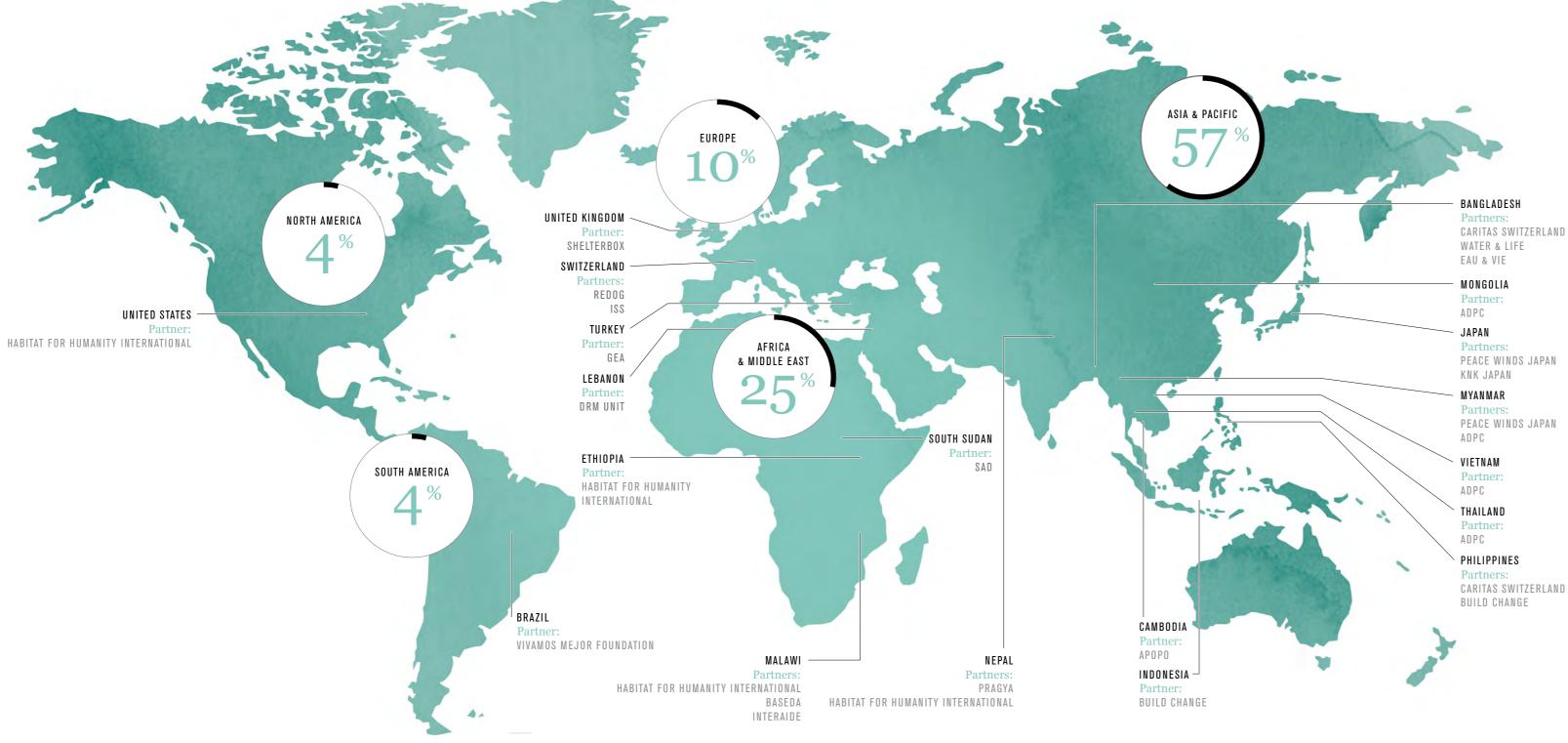
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Facts and figures

2016 / 2017

The JTI Foundation is a charitable organization registered under Swiss law and financially endowed by JT International SA. It was set up in 2001, and is a member of SwissFoundations – the Association of Swiss Grant-making Foundations – and the European Foundation Centre.



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Worldwide action^{*}

The JTI Foundation supports partners and programs that deliver on specific disaster risk reduction, relief and recovery goals. By investing in partnerships, we are able to help communities affected by natural and manmade disasters, wherever they are in the world.

* Regional percentages based on programs

Partnering for success

THE JTI FOUNDATION HAS A DIVERSE PARTNERSHIP PORTFOLIO



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"Building successful partnerships and programs requires active engagement from all stakeholders. As a donor, we have an important role to play throughout this entire process."

Nenad Ljubicic, HEAD OF PROGRAMS, THE JTI FOUNDATION

HOW WE WORK

A focus on prevention

While we strive to address the immediate needs of any community stricken by disaster, our strategic focus is disaster risk reduction (DRR), which represents approximately two-thirds of the funding we allocate. DRR is a cornerstone of community development: without reduced risks and more resilient communities, there is no prospective for development.

Active involvement

We favor long-term partnerships and transparent relationships. We consider ourselves a key partner not just a source of funds. We actively monitor the programs we fund, including regular field trips and allocating additional resources for third-party evaluations. Measuring and understanding the impact of our work is fundamental to our approach, and helps us determine our next course of action.

Continuous support

Our investment is holistic. For example, we allocate seed funding for new project ideas to help partners deploy pilot initiatives; we support operational capacity building and facilitate forums and workshops not only for our partners, but also for our peer organizations and foundations. This approach fosters collaboration and real action.

HOW DO WE ADDRESS DISASTERS?

The JTI Foundation responds to the different needs of affected communities and those under imminent threat from disasters through its partnership with reputable charities specializing in disaster relief, reduction and prevention.

The UNISDR definition of a disaster is:

"A serious disruption of the functioning of a community or a society at any scale due to hazardous events interacting with conditions of exposure, vulnerability and capacity, leading to one or more of the following: human, material, economic and environmental losses and impacts."

2009 UNISDR Terminology on Disaster Risk Reduction, updated 2017

"Better bricks make us stronger"

720 EMPLOYEES Are being up-skiller

180

BRICKMAKERS HAVE IMPROVED THEIR QUALITY DE PRODUCTION

30,000 PEOPLE WILL BENEFIT FROM 'BETTER BRICKS'

LOLA GOMEZ



Better Building Materials

Funding: CHF 543,213

Project duration: 2016 – 2019

Partner: Build Change



www.buildchange.org

Build Change in Indonesia SAFE HOUSING IN WESTERN SUMATRA

The JTI Foundation is continuing its support of the 'Build Change' project in Padang, Indonesia, which is creating permanent and positive change in the local construction industry by ensuring newly built dwellings are more resilient to disasters.

The three-year program follows a one-year pilot in 2015, also supported by The JTI Foundation, which sought to respond to a growing need for higher quality bricks and to address environmental concerns relating to existing brick manufacturing processes. The new program will ensure the future sustainability of the pilot's initiatives by further strengthening the capabilities of local SME bricklayers and increasing the number of bricklayers trained to the new brickmaking standards.

LAYING THE FOUNDATIONS

Houses built of poor quality bricks are especially vulnerable to collapse during earthquakes and storms. Current practices also have a number of environmental disadvantages, as traditional kilns for brick firing use fresh timber for fuel, causing deforestation and increasing the risk of mudslides and flooding. They also incur considerable risks to local brickmakers, as they are forced to buy materials up-front and can only recoup costs once the bricks are dried and cured.

Build Change is a Denver-based NGO that focuses on designing disaster-resistant houses and schools in emerging nations most vulnerable to catastrophes. It works with businesses to make kilns more efficient, to promote the use of less expensive alternative fuels, and to ensure that SME brickmakers have the resources and training to invest in new technologies and production methods. As part of this project, it aims to up-skill 720 employees at 180 SME brickmakers, and to undertake awareness-raising campaigns to promote the importance of higher quality bricks for disaster resilience to 30,000 people in the community.

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APOPO in Cambodia LANDMINE ACTION: RATS TO THE RESCUE

In 2016, The JTI Foundation agreed to donate CHF 719,949 over three years to APOPO, a global non-profit organization with Belgian roots. The funds are being used to extend its 'HeroRATs' mine clearance project in Cambodia, following the success of a one-year pilot program, also part funded by The JTI Foundation.

APOPO was first established in 1997 in response to the global landmine problem and the slow pace and high cost of mine clearance as we know it today. It has pioneered the use of African giant-pouched rats, a species with an exceptionally developed sense of smell, which it trains as Mine Detection Rats (MDRs) or 'HeroRATs'. These HeroRATs have proven to be highly effective in 'sniffing out' buried mines without harm to themselves or their human handlers. They live up to eight years, are easy to train and transport, and are too light to set off landmines. This highly innovative solution to Cambodia's landmine problem is particularly efficient and cost-effective.

A NEW KIND OF HERO

Cambodia is one of the most mine-affected countries in the world, with an estimated four to six million landmines and explosive remnants of war (ERW). This poses major humanitarian and socio-economic challenges to the local population, which is still recovering from the long-running civil conflict that finally drew to a close in the late 1990s. In addition to causing deaths and injuries, mines and ERW also represent a major barrier to progress, investment and development in the affected countryside.

The HeroRats demining solution was trialed in Cambodia between 2015-2016 in association with a local partner and the project co-funder the Cambodian Mine Action Center (CMAC). In total, 85,304 square meters were demined during the pilot project, 32 mines were found and destroyed, and 14 certified HeroRATs and their local handlers were trained for deployment. In 2017, additional HeroRATs were sent to reinforce the teams, providing much needed extra capacity to the project and bringing the number of operational HeroRATs in Cambodia to 25, resulting in the clearance of 1.3 million square meters and a total of 4,723 unexploded devices and mines.

The objective for the next phase of the project is to clear and release around 1.05 million square meters of contaminated land annually to make it available for agricultural use. This will be achieved by integrating the HeroRAT teams into CMAC's technical survey clearance and mechanical brush cutting teams.

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Mine clearance

Funding: CHF 719,949

Project duration: 2016 – 2019

Partner: APOPO



www.apopo.org

1.3 MILLION SQUARE METRES OF LAND DEMINED

536 MINES SNIFFED OUT AND REMOVED

25 Herorats Make up the team of furry heroes in cambodia

"The very essence of APOPO is the dedication to providing a groundbreaking, cost-efficient detection technology, through the training of African rats, using their amazing sense of smell to safely detect landmines, saving lives and limbs. Sending our HeroRATs to Cambodia, a country still paralyzed by decades of civil war, was such an important milestone for us: we are extremely grateful to the JTI Foundation for making this life-changing program possible."

> Christophe Cox, CHIEF EXECUTIVE OFFICER, APOPO

1,200 VOLUNTEERS MAKE UP THE SEARCH AND RESCUE NETWORK

24 YEARS THE LENGTH OF TIME GEA HAS BEEN ACTIVE AROUND THE WORLD

GEA in Turkey SEARCH AND RESCUE: SUPPORTING VOLUNTEERS

The JTI Foundation has supported the work of GEA, a Turkish Search & Rescue team of volunteers, since 2005. We renewed our partnership with the organization in 2014 for another three years. This financing will allow GEA to extend its capabilities and acquire the additional equipment it needs to undertake its life-saving work.

GEA's nationwide network of more than 1,200 volunteers has assembled and dispatched search and rescue (SAR) missions to locations as varied as Japan, Haiti and Pakistan, as well as within Turkey. The organization is particularly praised for its ability to deploy rapidly and stepping in quickly, notably during the June 2014 floods in Bosnia and the April 2015 Nepal earthquakes.

INSPIRING PEOPLE

With our latest round of funding, The JTI Foundation will be able to support GEA's activities to better prepare its volunteers for call-up. GEA will be able to make use of the latest search and rescue technology, as well as implementing national and regional SAR technical training exercises, flood rescue training camps, and humanitarian aid training sessions to improve volunteers' skills. The organization's overall goal is to make the volunteer team even more effective during deployments and capable of dispatching more competent and better-trained volunteer teams in Turkey and internationally.

Search and rescue

Funding: CHF 600,000

Project duration: 2014 – 2017

Partner: GEA



www.gea.org.tr



Umut Dincsahin, GEA SEARCH AND RESCUE GROUP COORDINATOR "Before, we had difficulties using the toilets as they were not easily accessible because of the mud. There were only 2 toilets available and 30 people were using the same one. Today, with the Biofil latrines, there is no bad smell, there is a water source in the toilet, a separate bathing place and urinals. Today, 12 people share 1 toilet. If it could be extended to all sanitary blocks in Bhashantek, everyone could benefit"

Bhashantek, PROGRAM BENEFICIARY





Disaster risk reduction

Funding: CHF 215,052

Project duration: 2017 – 2020

Partner: Water & Life



www.eauetvie.fr/en/

Water & Life in Bangladesh IMPROVING ACCESS TO WATER AND SANITATION

Millions of city dwellers in Bangladesh's two largest cities of Dhaka and Chittagong are forced to live in unsanitary slums without access to basic utilities such as clean water and effective sanitation. Following a pilot project in 2016, The JTI Foundation has partnered with local organization Water & Life to improve conditions for these struggling communities.

The large number of rural migrants coming to Dhaka and Chittagong has far exceeded the local infrastructure capacity, putting communities at risk. The JTI Foundation has set up a project with Water & Life to help address the lack of water and waste services in Bangladesh's two largest cities, as well as related issues of hygiene and fire safety.

MAKING CHANGE SUSTAINABLE

The project will employ a proven social enterprise model that uses community engagement to deliver on five water-related goals, namely: improving clean water supplies, improving fire-fighting capacity, improving sanitation, developing solid-waste management infrastructure, and promoting hygiene. It will also tackle future sustainability by providing dedicated local teams with the required skills and education.

These teams comprise 83% of local residents, who have a vested interest in the long-term success of the project; overall, an estimated 21,816 inhabitants in Dhaka and Chittagong will benefit from better water and hygiene infrastructure. The program's water provision and waste removal elements will be provided by Shobar Jonno Pani Ltd (SJP) – a social enterprise responsible for water supply, maintenance and bill collection – which provides services on a commercial but socially responsible basis.



83% OF RESIDENTS HAVE A VESTED INTEREST IN THE PROJECT

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5,000 INDIVIDUALS ACROSS 10 VILLAGES BENEFITED FROM IMPROVEMENTS TO THEIR WATER INFRASTRUCTURE

60 villages received disaster risk reduction assistance, helping

45,000

© PEACE WINDS JAPAN

Peace Winds Japan in Myanmar SAFE DRINKING WATER IN RURAL MYANMAR

Some of the residents displaced by Myanmar's post-independence conflicts were finally able to return home. Unfortunately, years of civil war and neglect have left much of the local infrastructure in ruins. The JTI Foundation has partnered with Peace Winds Japan to provide support to communities in Kayin state and Ayeyarwady province, where poor water quality is having a serious impact on health and refugees' ability to return home.

The program builds on the Peace Winds Japan 2013 project that resulted in the building and restoration of wells and water storage facilities in five Kayin villages in Hpa-an district, improving water quality and sanitation for an estimated 2,500 villagers. The JTI Foundation agreed a further three years of funding in early 2014 to enable Peace Winds Japan to widen the scope of its work. This includes further improvements to the water infrastructure for 10 villages across the Kayin and Ayeyarwady region, benefiting some 5,000 people. In addition to addressing critical water needs, the extended project offers general disaster relief for around 60 villages, with 45,000 beneficiaries. These initiatives include disaster risk reduction 'coordination units' to boost communication and cooperation between local communities and state authorities, and addressing families' access to electricity.

"The partnership with The JTI Foundation makes it possible for us to extend timely, flexible, and, most importantly, significant assistance to those whom we seek to support."

Sakae Saito, PEACE WINDS JAPAN - MYANMAR

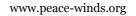
Funding: CHF 546,000

Community resilience

Project duration: 2014 – 2017

Partner: Peace Winds Japan





Partnerships & conferences

COLLABORATING ON PROGRESS

One of the ways in which we support partners is with our two-day JTI Foundation Partnership Conference. It brings our partner organizations together to exchange best practices, identify potential synergies and build crucial skills. The 2017 Conference took place in Geneva and focused on monitoring, evaluation, accountability and learning (MEAL). Previous conferences took place in Istanbul (disaster relief, 2013) and Bangkok (disaster risk reduction, 2015).



THE 2017 CONFERENCE IN NUMBERS

58 16 PARTICIPANTS JT GROUP REPRESENTATIVES

29

ORGANIZATIONS

NGO PARTNERS PRESENTING Adpc (Asian disaster preparedness center), build change, shelterbox, habitat for humanity ____







Stefan Rissi, MANAGING DIRECTOR, THE JTI FOUNDATION





Our partners

JTI Foundation is proud to work with some of the world's leading disaster management charities and NGOs. We enter into long-term partnerships with organizations that support our focus on disaster risk reduction, that apply the highest standards of project management and that place beneficiaries at the center of their work. This ensures that we are able to make a real difference to people and communities affected by disaster.





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PRAGYA UK



ASIAN DISASTER PREPAREDNESS CENTER



FOUNDATION OF THE INTERNATIONAL SOCIAL SERVICE

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DISASTER RISK MANAGEMENT UNIT

OF THE GOVERNMENT OF LEBANON



GEA



APOPO



SWISS ACADEMY FOR DEVELOPMENT



KNK



VIVAMOS MEJOR FOUNDATION



INTERAIDE



BASEDA



PEACE WINDS JAPAN



HABITAT FOR HUMANITY INTERNATIONAL



BUILD CHANGE



EAU ET VIE



WATER & LIFE

BALANCE SHEET AS OF DECEMBER 31, 2017

CURRENT ASSETS

CURRENT LIABILITIES

CAPITAL AND RESERV

* 2016 donation paid at the beginning of 2017

TOTAL	3,648,826	2,977,990
TOTAL CAPITAL AND RESERVES	3,529,534	2,977,990
Accumulated surplus	2,179,534	1,627,990
Foundation capital	1,350,000	1,350,000
CAPITAL AND RESERVES		
TOTAL CURRENT LIABILITIES	119,292*	
Accrued expenses	119,292	-
CURRENT LIABILITIES		
TOTAL	3,648,826	2,977,990
Total current assets	3,648,826	2,977,990
Cash	3,648,826	2,977,990
CURRENT ASSETS		
	2010	
With 2016 comparative figures	2016	Amounts in CHF 2017

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

With 2016 comparative figures	Amounts in CHF		
	2016	2017	
INCOME			
Grant received	2,800,000	2,000,000	
Extraordinary income	13,481	-	
TOTAL INCOME	2,813,481	2,000,000	
EXPENDITURE			
Grant expenditures	2,556,013	2,550,622	
Bank fees	610	887	
Loss change	323	35	
TOTAL EXPENDITURE	2,556,946	2,551,544	
EXCESS OF EXPENDITURE			
SURPLUS OF INCOME BEFORE ALLOCATIONS	256,535	(551,544)	
SURPLUS OF INCOME	256,535	(551,544)	
ACCUMULATED SURPLUS BROUGHT FORWARD	1,922,999	2,179,534	
ACCUMULATED SURPLUS CARRIED FORWARD	2,179,534	1,627,990	



THE JTI **Foundation**

THE JTI FOUNDATION Baselstrasse 65 CH-6252 • Dagmerseller Switzerland

nfo@jtifoundation.org