Our vision: All the people of this world lead an independent life in dignity and justice – free from hunger and poverty.

Welthungerhilfe was founded in 1962 as the national committee of the “Freedom from Hunger Campaign” set up by the United Nations’ Food and Agricultural Organisation (FAO). Today, it is one of Germany’s biggest non-governmental relief organisations. Non-profit-making, non-denominational and politically independent, the organisation is run by a board of honorary members under the patronage of the President of the Federal Republic of Germany. Its work is funded by private donations and public grants.

What we want:
- Welthungerhilfe campaigns worldwide for human rights, sustainable development, a guaranteed food supply and conservation of the environment. We regard our work to be successful if people improve their quality of life to such an extent that they can enjoy a secure livelihood without outside aid.
- As citizens of a wealthy country, we bear a responsibility for ensuring that we do not merely pay lip-service to the idea of solidarity with the poorest members of the human race. For this reason, together with partners from the world of politics, media and schools, we campaign for fairer cooperation with countries in the developing world.
- We use the funds entrusted to us sparingly and effectively. The work of our staff is characterised by commitment, experience and competence.

How we work:
- We provide help from one set of hands: by means of rapid humanitarian aid in acute crisis regions. Where hunger and poverty are chronic problems, we cooperate closely with local partners on long-term projects.
- As part of this process we provide support for the landless, for small-scale farmers, for women, children and young people; for people who need start-up aid in order to lead their lives in justice and dignity.
- We fund our work from private donations and public grants. We have received the “seal of approval” from Germany’s Central Institute for Social Issues (DZI) for the cost-effective and transparent way we use our funds.
- Levels of control such as internal auditing, evaluation or periodic project reports ensure that funds are used correctly.

Everything at a glance under www.welthungerhilfe.de

ANNUAL REPORT 2007
Dear Readers,

2007 was a dramatic year for Welthungerhilfe. For the first time since our foundation, we mourned the violent deaths of two of our members of staff: a German export and an Afghan driver were murdered in spring 2007 in northern Afghanistan. These crimes shook our organisation profoundly. And they prompted us to take a closer, self-critical look at our work in Afghanistan. Because of the chronic deprivation and vulnerability of the Afghan people, we are continuing our efforts in Afghanistan. In future, however, we will address the needs of the local population more intensively and emphasise our independent status so that we can continue to work effectively and with maximum safety for our staff.

The GR Summit in Heiligendamm last year attracted unprecedented public attention in Germany to development work issues, such as poverty reduction and aid for Africa. From years, the GR did not receive the attention it deserves. As a result, our annual campaign to raise public awareness of the plight of those living in poverty was particularly successful. For our part, we were able to count on the support of the German population once again: German donors gave over €31.7 million to support our work. In 2007, however, received relatively little publicity. But despite the lack of sensational news, we were able to count on the support of the German population once again: German donors gave over €31.7 million to support our work.

By the end of 2007, around €1.9 billion helped finance the organisation’s work. Of this amount, almost three-quarters went to our partners in the affected countries. Welthungerhilfe’s Project Committee is made up of 19 honorary members: one chairperson and 18 members, four of whom are appointed by the regional Project Committees for Asia, Africa, and Latin America. The chairperson is appointed by the Board of Directors on the recommendation of the Project Advisory Committee and approved by the General Assembly. The chairperson is elected by the General Assembly for a period of four years. The chairperson of the Project Committee acts as employer. He is bound by the Charter, the Statutes of Welthungerhilfe, and acts as a spokesperson. He is also responsible for advising the members of the Board of Directors on the organisation’s work. Welthungerhilfe’s Project Committee is made up of 19 honorary members: one chairperson and 18 members, four of whom are appointed by the regional Project Committees for Asia, Africa, and Latin America. The chairperson is appointed by the Board of Directors on the recommendation of the Project Advisory Committee and approved by the General Assembly. The chairperson is elected by the General Assembly for a period of four years. The chairperson of the Project Committee acts as employer. He is bound by the Charter, the Statutes of Welthungerhilfe, and acts as a spokesperson. He is also responsible for advising the members of the Board of Directors on the organisation’s work.

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The funding of Welthungerhilfe programmes with over € 93.6 million in public grants exceeded all expectations last year. Institutional donors not only increased our efficiency, they also supported the professional implementation of our project activities. Once again in the past year, Welthungerhilfe succeeded in “helping people help themselves” in the wake of “silent tsunamis”. Our focus here is counteracting the structural causes of hunger and poverty with long-term solutions.

A look back at the past year would not be complete without a word about the current debate on the transparency of the use of resources by non-profit-making organisations. Donors and the general public are calling for greater transparency and control. This is a challenge that Welthungerhilfe faces. In previous years, Welthungerhilfe has regularly received awards for its transparency. Our financial statements are published and our use of funds is certified annually by independent, external auditors.

In the following pages, we inform you about the most important concerns, the highlights and progress of our work, and we account for Welthungerhilfe’s income and expenditure in the past year. We hope we satisfy your requirements in terms of transparency. And we hope you will continue to support our work so that one day all people can lead an independent life in dignity and justice, free of hunger and poverty.

Ingeborg Schäuble  
Chairperson

Dr. Hans-Joachim Preuß  
Secretary General
THE MILLENNIUM VILLAGES – MAKING PROGRESS VISIBLE

Over 850 million people around the world are hungry, 1.1 billion have no access to clean drinking water. By introducing the eight Millennium Development Goals in 2000, the United Nations pledged its commitment to taking action against these conditions. With the help of affiliate organisations, Welthungerhilfe is also making a contribution towards achieving these goals. It helps people overcome hunger and poverty on their own and enables children to attend school. With its Millennium Villages project, Welthungerhilfe focuses attention on specific project work and the results it achieves. Since the initiative was launched two years ago, visible progress has been made.

For Welthungerhilfe, pursuing the Millennium Goals merely means continuing the work it has always been doing. Welthungerhilfe illustrates this with the measures it implements in 15 Millennium Villages throughout the world and introduces the cornerstones and methods of its work. It operates according to the principle that people should be empowered to help themselves; they should be given the chance to improve their lives on their own and allowed to participate as much as possible in decision-making. For example, villagers decide for themselves which goals should be pursued in their respective village. Activities focus on the elimination of extreme poverty and hunger (Goal 1), elementary school education for all children (Goal 2) and ecological sustainability (Goal 7).

A monitoring system in the form of detailed questionnaires specially developed by Welthungerhilfe and an annual workshop for villagers has made it possible to document the progress of the Millennium Goals for the first time. In the Angolan village of Mangue, for example, the population rated conditions much more positively than in the previous year: more fields are irrigated, draught animals have been purchased, better quality produce is harvested and higher revenue from agriculture achieved. These developments confirm that the applied measures to reduce hunger and poverty were the right ones. But deficits also became apparent. Several oxen died because of the lack of veterinary care. A treatment centre with medical equipment will hopefully prevent such incidents from occurring in future.

Combating hunger and poverty presents Welthungerhilfe with a challenge which – depending on the political, climatic or cultural conditions in the Millennium village – requires very different and above all complex courses of action. For example, distributing

The people in Mangue (Angola) have already achieved a great deal: by farming the fields more efficiently, they now have more to eat.
seed to the population is not enough to guarantee the next harvest. In the Indian village of Gandhiji Songha, farmers were shown more intensive ways of growing rice and taught about the necessity of crop rotation on their fields. Up to 50 percent more crops were harvested last year, and harvests are also more reliable now that small dams have been built to protect the erosion-prone soil. To create additional income-earning opportunities outside farming, Welthungerhilfe offered the men and women of the Indian village courses in tailoring and setting up small businesses so that they can overcome extreme poverty themselves on a long-term basis.

**Education is the key**

Education is vital if people are to improve their personal living conditions themselves. Like in many other Millennium Villages, the inhabitants of Mabote in Mozambique, have set themselves the goal of enabling all village children to attend elementary school. In the past year, with the support of Welthungerhilfe and its partner organisation KULIMA, the villagers built and furnished four school halls and planned a neighbouring vegetable garden. But building a school here or elsewhere does not guarantee that the Millennium Goal will be achieved. Many parents, for example, get their children to help them on the fields rather than send them to school. Only when the family secures its income with higher crop yields will this situation improve. Another problem is the lack of teachers. Responsibility for this lies with the state: Welthungerhilfe is therefore appealing to local authorities to appoint and pay teachers.

Ensuring ecological sustainability, protecting resources and offering more people access to clean drinking water – Welthungerhilfe also makes this possible within the framework of its work. For the people of the mountain village Veshab in Tajikistan, this Millennium Goal is the most urgent. Since a new drinking water system was installed three years ago, the number of cases of diarrhoea-related illnesses, such as typhoid fever, has decreased significantly. Last year, Welthungerhilfe extended the system so that more people in the isolated village with its rapidly growing population can benefit from it. An appointed group of villagers is responsible for the upkeep of the system. They ensure it is treated properly and that minor damage is repaired. In regular training courses, villagers learn about the importance of clean drinking water and hygiene for the health of their families.

**Coping with disasters together**

Hurricane “Felix” in September 2007 was a major setback for the work in the Millennium Villages. It swept across Nicaragua and razed the village of Auhya Pihn to the ground. Crops and supplies were destroyed, and for several months, local people were dependent on food aid. The hurricane seriously set back progress in Auhya Pihn, but villagers did not have to start completely from scratch. They have learnt a lot about improved methods of cultivation and harvesting, and farmers have benefited from this knowledge when they farmed their destroyed fields. Thanks to the village committee and farmers’ cooperatives, which were set up before the hurricane, villagers were prepared to deal with the aftermath of the disaster together. Sustainability has borne fruit and is gradually enabling people in other Millennium Villages to become less reliant on external aid.

www.welthungerhilfe.de/millenniumsdoerfer.html

![Image](image.png)

The Millennium Goals

1. To eradicate extreme poverty and hunger
2. To achieve universal primary education for all children
3. To promote gender equality and empower women
4. To reduce child mortality
5. To improve maternal health
6. To combat HIV/AIDS, malaria and other serious diseases
7. To ensure environmental sustainability
8. To develop a global partnership for development

The locations of all Welthungerhilfe Millennium Villages are indicated on the world map on pages 16 and 17.
The Congo is one of 21 African countries in which Welthungerhilfe supported projects in 2007 (Photo: a Congolese boy carrying banana plants to a market).

**AFRICA**

**Information on Africa 2007**
- Total number of project countries: 21
- Number of projects: 106
- Project volume: €71.6 million

**Crises and conflicts in 2007**

According to the Global Hunger Index, the world’s poorest countries are in Sub-Saharan Africa – Welthungerhilfe is active in 21 of these. Africa is therefore the continent in which Welthungerhilfe is most strongly represented. The political situation in many countries is extremely unstable. The volatile security situation in Darfur (Sudan), for example, was an issue again in 2007. Certain areas were sometimes impossible to reach because the risk of armed attack was too great. In 2007, Welthungerhilfe delivered essentials such as cereals, lentils, high-protein food supplements, blankets and mosquito nets every month to 500,000 people in Darfur. Bloody clashes between various rebel groups occurred in the Congo again last year. Welthungerhilfe had particular difficulty carrying out planned projects in North Kivu at its location in Goma in 2007 because of armed conflict in the region. Towards the end of the year, the situation in Kenya also became increasingly problematic because of irregularities that occurred during the elections. At the beginning of 2008, Welthungerhilfe had to help people with food aid.

Apart from political problems, Africa will be increasingly affected by the climate change in the coming decades. Droughts and flooding are becoming more and more frequent, the rising sea level will threaten the homes of millions of coastal dwellers. In February 2007, Mozambique was hit by two climate-related disasters: first, there was severe flooding in the Sambesi delta, then hurricane “Favio” ravaged large parts of the province of Inhambane on the south coast. Reaching wind speeds of up to 240 kilometres an hour, the hurricane swept away the homes of thousands of people. Welthungerhilfe provided €50,000 in immediate relief for blankets, household articles and food. In the summer, prolonged and severe rainfall also caused extensive flooding in northern Uganda. Blankets, plastic sheeting and mosquito nets were distributed among the 40,000 flood victims.

www.welthungerhilfe.de/katastrophen-weltweit.html
NEW FIELDS IN THE BASE-KIRYANGO VALLEY RAISE HOPES

General conditions
The small state of Rwanda is one of the most densely populated countries in Africa. Most people make a living from farming. This is causing major problems because there is not enough cultivable land for the steadily growing population. The fertility of the farmed soil is also deteriorating as a result of erosion. The project region is located in southern Rwanda, some 50 kilometres southwest of the capital of Kigali between Muhanga (formerly Gitarama) and Butare. Altogether 140,000 inhabitants in around 25,800 households are benefiting from Welthungerhilfe’s work in the province.

Our work
The aim of our project is to increase agricultural production in order to improve food security and the incomes of the people on a sustainable basis. Welthungerhilfe is focusing, above all, on the development of marshland in the valley for rice growing, the terracing of neighbouring hills to prevent erosion and grow useful plants, and the infrastructural development of the valley to stimulate trade.

Our success
Thanks to the additional use of the marshland in the valley and the new terracing, the livelihoods of over 4,000 small-scale farmers have been significantly improved. Many of these families were once unable to feed themselves – today, they harvest an average of 1.1 tons of rice additionally every year. On the 72.2 kilometres of newly developed and repaired roads, seed, fertilizer and produce can now be transported. On the construction sites, between 8,000 and 14,000 workers were employed every month and a total of 2.2 million work days were completed. The wages that were paid boosted the local economy, households are now better equipped, membership of health insurance has risen from 30 to 80 percent, and the number of families able to send all their children to school increased from 72 to 89 percent. Hunger is no longer an issue in the valley: private enterprises are beginning to invest in the region. Three new rice mills have been built, and a new bus service now links a revived market town to the centres of the country.

LIVING IN PEACE WITH NEIGHBOURS

General conditions
Burundi is a bitterly poor country. For years it has topped the Global Hunger Index. The plight of North Burundi is attributable not only to an extremely high population density, declining agricultural yields and the negative effects of climate change, but also to the aftermath of the civil war that ended in 2000 and ravaged the country for 17 long years. Since 2004, Welthungerhilfe has been implementing a food security and peace development project in the northern provinces of Kirundo and Muyinga.

Our work
The approach developed by Welthungerhilfe over the last three years combines measures to improve the population’s food security and to develop local counselling and reconciliation centres which are supported by the population. Among other things, this involves reintegrating civil war refugees and carrying out reconciliation work with ethnic groups. The following selection of measures implemented in the past three years illustrates the complexity of peace and conflict work: reconciliation committees were set up and reconciliation centres built in four villages. 320 women received training in family and conflict counselling skills, and 160 health visitors are available to help with such issues as family planning, health and HIV / AIDS. Welthungerhilfe supported 60 literacy centres where over 3,000 adults were educated. Several thousand local officials were trained in legal issues, corruption prevention and methods of mediating conflicts. A practical guide to conflict arbitration was also produced in the language of Kirundi.

Our success
The population makes good use of the counselling and mediation services. Around 75 percent of conflicts are resolved by the appointed committees and spokespersons by mutual agreement. An increasing number of women are involved in conflict mediation – this has not traditionally been the case. In a study, 70 percent of the interviewed persons stated that dialogue initiated on a municipal level about development measures and the greater participation of the population were instrumental for the reconciliation of the ethnic groups. The re-establishment of organisations and groups promoted more dialogue and exchange between the social groups. Over 90 percent of the interviewees confirmed that conditions have become more peaceful and ethnic tensions have decreased.
For Welthungerhilfe, the year 2007 was marked by a deterioration in the political situation in parts of Asia. The tragic climax were two assassinations in Afghanistan. For the first time since its foundation, Welthungerhilfe suffered the loss of two members of staff as a result of violence. Since the beginning of the past year, the situation has also worsened in parts of Pakistan. There have been a number of attacks on other relief organisations. As a result of this, Welthungerhilfe initially suspended activities in Manshera, a region in northwestern Pakistan hit by the earthquake in 2005, but work has since been resumed. The office in Besham, however, remains closed. In southern Asia, the security situation in Sri Lanka became particularly acute. In spite of risks, Welthungerhilfe continued work there, but a number of measures had to be put on hold because of their proximity to the troubled areas.

Political problems were exacerbated by climate problems: Asia was plagued last year by flood disasters and hurricanes. In northern India, Nepal and Bangladesh over 30 million people were left homeless after exceptionally severe rainfall. Together with the New Apostolic Church, its Dutch alliance partner Hivos and the German Ministry of Economic Cooperation and Development, Welthungerhilfe raised € 500,000 to help around 50,000 people. Heavy flooding also occurred in North Korea. Here, Welthungerhilfe’s first task involved distributing food, water purification tablets and kitchen utensils.

In November, hurricane “Sidr” then swept across extensive parts of southern Bangladesh claiming almost 3,000 lives and injuring thousands. Around three million houses were completely destroyed. Hundreds of thousands of people were forced to camp out in temporary shelter or in the ruins of their homes. Extensive areas of arable land – an estimated 2.6 million hectare – were completely destroyed by water. Here too, Welthungerhilfe provided immediate relief and supported victims with € 50,000. In the two districts of Barguna and Patuakhali, 26,000 families received food, blankets, mosquito nets and soap. Children were also provided with medication for diarrhoea. Some 130,000 people in the disaster areas were provided with urgently needed relief supplies.
After the downfall of the Taliban, Afghanistan appeared to be on its way to achieving peace. But for the past year, all national and international endeavours to rebuild the country seem doomed to failure. The political situation is becoming increasingly difficult: suicide attacks and abductions are an everyday occurrence. For the first time since its foundation, Welthungerhilfe was confronted last year with the violent deaths of two of its members of staff. The assassination of Dieter Rübling in March and Abdul Hadi in April caused the organisation profound grief. At this time, Welthungerhilfe had to decide whether and in what form work could continue in Afghanistan. During a six-month transitional phase, ongoing programmes were concluded or transferred to other helpers, new projects were put on hold and the number of field workers was reduced. A concept for the strategic reorientation of work was also prepared.

Our work
Given the enormous need for humanitarian aid and development work, it was decided that work should be continued in Afghanistan, however under new conditions. Staff immediately started implementing the core points of the strategy paper. One measure was to pool resources: in future, Welthungerhilfe will work at fewer locations. For example, work in the province of Saripul, where Dieter Rübling was murdered, was handed over to an affiliate Dutch relief organisation. Studies were carried out to analyse social, economic and political conditions in the project regions. Security measures were re-examined and intensive training courses offered to national and international staff.

Our success
In the next few years, Welthungerhilfe’s work in Afghanistan will target two areas of rural development: improving basic infrastructure (drinking water, irrigation, road construction, communal facilities) and achieving food security. Wherever possible, projects will build upon existing structures and be supported by local people. Welthungerhilfe will also encourage Afghan colleagues to plan and implement projects themselves. To do this, more systematic investment in their qualification and training has to occur. In rural regions, in particular, more intensive dialogue with the population will be promoted. This dialogue takes two directions: on the one hand, projects should focus more intensively on the needs of the people and involve them more actively in the planning and realisation of measures. On the other, Welthungerhilfe’s independent status has to be emphasised and the fact that its work is not dictated by political or military players.

www.welthungerhilfe.de/afghanistan-strategiewechsel.html
LATIN AMERICA

Information on Latin America 2007
- Total number of project countries: 9
- Number of projects: 57
- Project volume: € 14.5 million

Crises and conflicts 2007

Several countries in Latin America also felt the effects of climate change last year: Peru was gripped by a cold spell in the summer, in September Nicaragua was hit by hurricane “Felix”, and the Caribbean suffered a spate of tropical storms in October.

Disaster struck twice in Peru last year: after the cold spell, the Andean state was also hit by a severe earthquake in August.

Welthungerhilfe and the Ministry of Foreign Affairs provided victims with € 100,000 as emergency aid for tools, building supplies as well as blankets and sleeping bags. Relief efforts initially concentrated on the worst hit province of Pisco, where an estimated 70 percent of infrastructure and 30,000 houses were destroyed.

In September, hurricane “Felix” then devastated large parts of Nicaragua’s northeast Atlantic coast. 70,000 people suffered from the disaster. Welthungerhilfe is carrying out three development projects in the affected region. One of the damaged communities is the Millennium Village of Auhya Pihni, which was completely destroyed. Welthungerhilfe provided € 50,000 for immediate measures.

Project example Nicaragua

PRECAUTIONARY MEASURES
SAVE LIVES

General conditions
Nicaragua is repeatedly plagued by hurricanes and tropical rainstorms. But the massive hurricane “Mitch” in 1998 represented a turning point. In the wake of “Mitch”, structures were established throughout Central America to prevent disasters – for the entire region, for every state and, most importantly, in rural districts and communities. Welthungerhilfe’s project region is located in San Juan de Limay, part of the Department Estelí in northwestern Nicaragua.

Our work
The most important thing about early warning systems is that information reaches people in affected areas and that they know what to do. They have to be in a position to help themselves. In northwestern Nicaragua, Welthungerhilfe launched a local disaster prevention programme back in 2000. Since then, measures have been taken to prevent flooding, and bridges have been built to make evacuation possible. A total of 49 rescue teams have been equipped and trained in villages at particular risk. 59 village committees (each with 10 members) and seven rural district committees (each with 18 members) have developed risk maps and emergency plans. Early warning flood systems with 61 radio stations and rainfall and water level gauges have been set up along two rivers. It is usually the women who are responsible for transmitting data via this equipment to the national disaster prevention system and who call for help in the event of an emergency.

Our success
The success of prevention measures became apparent in 2007: extreme rainfall in October – 2,000 mm fell in only twelve days (the annual average in Germany is 750 mm) – caused severe flooding that was even worse than during hurricane “Mitch”. The rescue teams trained by Welthungerhilfe were alarmed via the radio stations. 1,720 persons were evacuated on time and put up in temporary shelter. Thanks to the efficiency of the committees and rescue teams, there were no casualties in the region.

www.welthungerhilfe.de/nicaragua-hilfsprojekt-fruehwarnsystem.html
Severe rainfall in the Dominican Republic cut off 41 districts from the outside world at the end of October and beginning of November 2007. Around 80 percent of the country was affected. 75,000 people had to be brought to safety, 24,500 houses were destroyed or seriously damaged. Here too, Welthungerhilfe provided € 50,000 in emergency aid and as an initial measure distributed food and drinking water to around 4,000 people. Mosquito nets and sprays were also issued to prevent a mosquito plague at the end of the rainy season from causing further problems.
DEVELOPMENT POLICY – GIVING THE SOUTH A VOICE

Knowledge promotes understanding – this is why Welthungerhilfe attaches such importance to development policy-related education, public relations and lobby work in Germany. We see this as the only way to familiarise people with the complex causes of hunger and poverty, integrated solutions and the need for political action.

Advocate of the poor
Helping people help themselves is a central element of our work in developing countries. Only when the poor and hungry are empowered with more rights and have access to important resources can they lead a life in dignity. Welthungerhilfe sees itself as an advocate of the poor and the hungry. In this role, it lobbies politicians, carries out campaigns and raises public awareness by publishing information.

Conferences and congresses
Experts from science, economics, politics and the media came together at numerous conferences in 2007 to discuss development policy issues. What opportunities and risks does biofuel production offer developing countries? This was the question experts discussed at a conference last October in Magdeburg entitled “Are biofuels the cause of global hunger?” Another political event took place in October, the Welthungerhilfe conference entitled “Requirements of a new Afghanistan strategy in development cooperation”. This gave experts a platform to discuss constructive approaches to the reconstruction of Afghanistan.

Campaigns and networks
Since 2003, Welthungerhilfe has supported the campaign “Stop Child Labour! School is the best place to work” which is organised by six international Alliance2015 partners. At the invitation of the CDU/CSU and SPD and with the collaboration of the campaign, a discussion was held on the subject of “Education in development work”. The aim was to develop an effective and sustainable national strategy to eliminate educational deprivation in developing countries. Welthungerhilfe also participated in the campaign “Virus Free Generation” and since March 2007, it has taken part in the new European Network “Action for Global Health”.

Development education
Welthungerhilfe has been successfully involved in development education for many years, teaching children and young adults about global relationships. Within the framework of the WorldBreakfast project, for example, two training courses on global learning were offered to teachers. 60 editors of student magazines also had the opportunity to examine such issues as fair trade and child labour.

Prospects 2008
Welthungerhilfe will publish various reports again in 2008. The World Hunger Index focuses on rising food prices and the “16th Report on the Reality of Development Aid” will ask whether German development policy is doing enough to eradicate hunger and poverty in developing countries. Several political panel discussions and conferences on the subjects of hunger and human safety are also being prepared.

www.welthungerhilfe.de/themen.html

Working together for one world: With the campaign “Your Voice Against Poverty”, Welthungerhilfe took part in the “White Band Night”.

12
MOBILISING AID FOR A FUTURE WITHOUT HUNGER AND POVERTY

Welthungerhilfe’s marketing activities have two main tasks, notably, to raise funds and to arouse interest among the German public in our work. Donations can be exactly measured, campaigns can improve our understanding of the complex relationships in development cooperation, and activities in which people can participate mobilise numerous supporters.

Transparency

2007 ended with intense public discussions about the methods of charity organisations following the debate about UNICEF. In December, Welthungerhilfe informed central donor and supporter groups about the many different control mechanisms in operation in our organisation in a leaflet entitled “How does Welthungerhilfe guarantee that donations are spent correctly?” In the following spring, the Chairperson and Secretary General appealed to all active supporters with a letter “One word”. Welthungerhilfe and Kindernothilfe then joined forces to organise the “Transparency Initiative for Development Cooperation”, the aim of which was to use this crisis to find more opportunities for greater transparency, comparability, control, efficiency, quality, impact and honesty in the communication of relief organisations. The status of the German Central Institute for Social Issues (Deutsche Zentralinstitut für soziale Fragen/DZI), which awards the donors’ seal of approval, should also be reinforced.

Public relations

Public relations in 2007 focused on the partnership year with the city of Magdeburg. 28 special events and campaigns were organised under the motto “Eliminating hunger – Securing the future. Magdeburg joins in!” The local newspaper “Magdeburger Volksstimme” featured almost 100 articles and 38 radio and 18 TV features were dedicated to the partnership. The grand sum of € 70,000 was raised for the people in the Millennium Village of Mangue in Angola. The World Hunger Index was published on World Food Day. The findings on global famines are alarming but they also emphasise opportunities and hopes. 2007 was also a year of natural disasters: floods in Asia, earthquakes in Peru and finally the flood crisis in Africa. Disasters require swift action, especially when it comes to communication – but this was difficult in 2007 because the media did not widely publicise any of these incidences. Response to Welthungerhilfe’s appeals remained modest – only around two million Euro were raised for disaster aid.

New mission statement

The strategic guidelines for communication and marketing were revised with the implementation of a new mission statement – approved in March – with the core message “helping people help themselves”. A corporate claim (“Welthungerhilfe – Der Anfang einer guten Entwicklung” [Welthungerhilfe – The beginning of sustainable development]), the new brand campaign “Powered by You” and the development of a revised corporate design were also adopted.

Campaigns

Many of our campaigns are supported by prominent persons such as the German President Horst Köhler, who officially opened the annual Welthungerhilfe campaign “Welthungerhilfe Week” in a television address again in 2007, and showmaster Dieter Thomas Heck, who presented his last ZDF television gala in aid of Welthungerhilfe. Many of our famous supporters visited projects in Africa, Asia and Latin America. There, they saw for themselves how important it is to provide immediate relief in the event of a disaster, to support reconstruction work and to enable people to lead an independent life free of hunger.

www.welthungerhilfe.de/spenden.html
THE YEAR 2007 AT A GLANCE

January
In Berlin, in the presence of Ingeborg Schäuble (centre), Minister of Agriculture Horst Seehofer (left) and Jürgen Abraham (right), President of the Association of the German Food Industry (BVE) took to their bikes during the agricultural fair in Berlin “Green Week” to raise money for Welthungerhilfe. In cooperation with the BVE, Welthungerhilfe introduced the Millennium Village in Benin. A heated debate took place at the experts’ meeting “Fair trade against hunger” where representatives of various governmental institutions, associations and Welthungerhilfe discussed Europe’s role in international trade with agricultural products and food.

February
At “didacta – the Trade Fair for Education and Training 2007” Welthungerhilfe presented its educational and information services to a wide gathering of specialists from the field of education. Some 100,000 visitors attended the event in Cologne. The cultural ambassador of the “Virus Free Generation” campaign, Anthony Thompson (see photo), drew numerous visitors with his African drum rhythms and an interesting talk on HIV / AIDS. Pupils from a “Run for Life” school also attended the fair to demonstrate how they participate in the campaign.

March
On 16th March, Welthungerhilfe turned the Palais am Funkturm in Berlin into a catwalk: the creations of young fashion designers produced for the WorldRobes event were presented to an enthusiastic audience. Collections were inspired by the traditions of foreign clothing cultures, fashionably interpreted and innovatively produced. Students from nine prestigious fashion schools took part in the “WorldRobes 2007” competition. The campaign’s international partner was the designer Mimi Konaté from Mali. An international jury awarded prizes to the best outfits.

April
Aid for Angola: with a ceremonial act and an entry in the city’s Golden Book, the partnership year with Magdeburg was officially opened. Under the motto “Eliminating hunger – Securing the future. Magdeburg joins in!” the joint efforts benefited above all the Millennium Village in Angola. In their opening speeches, both Ingeborg Schäuble (left) and Magdeburg’s Lord Mayor Dr. Lutz Trümper (right) praised the willingness of the people of Magdeburg to support the partnership.

May
The G8 Summit in Heiligendamm was one of the key topics in Welthungerhilfe’s political work. As part of the “Your Voice Against Poverty” campaign, organised by VENRO and singer Herbert Grönemeyer, Welthungerhilfe participated in a number of activities and was one of the most active and visible organisations. In a discussion paper, Welthungerhilfe pointed out weaknesses and loopholes in the G8 agenda. 12,000 signatures were collected in a nationwide petition, and a week before the Summit, young people from four European countries came to Berlin for the youth conference which was part of the campaign “Virus Free Generation” (see photo) to listen and speak to high-profile experts. The campaign is supported by Welthungerhilfe and three more members of Alliance2015.

June
Telekom boss René Obermann was a guest at the second Godesberg Dialogue on Globalisation and Poverty. Addressing 250 listeners from the Bonn area, he discussed the role of “global players” such as Telekom, clearly acknowledging the social responsibility of his internationally active corporation in those countries in which it operates.
ACHIEVING GOALS TOGETHER

Alliances an important support

Since its foundation, Welthungerhilfe has cooperated with other relief organisations to achieve goals it would not be able to achieve on its own. The competition amongst organisations for donations, public grants and good ideas is growing constantly and has long since transcended national boundaries. But an increase in this kind of cooperation in the form of alliances or networks is also in evidence in Germany, Europe and beyond. Relief organisations no longer ask themselves whether or not they wish to cooperate but which goals to pursue and with whom – and what kind of resources they are prepared to invest.

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– competition for income and influence, especially on politics
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– public donors which call for cooperations.

Alliances and Networks

The “Development Works – Together for People in Need!” alliance is another important part of Welthungerhilfe in Germany. Last year, it organised a conference on disaster prevention entitled “If nothing happens, a lot has been achieved”. Alliance2015 One especially important strategic partnership Welthungerhilfe entered into is with Alliance2015. It unites affiliated partners from six European countries (Netherlands, Ireland, Denmark, Italy, the Czech Republic and Germany) which jointly carry out projects both overseas (currently almost 60) and in Europe (e.g. the “Stop Child Labour” campaign). Alliance2015 respects and benefits from the autonomy and diversity of its members. Its presidency rotates between members. With a series of publications on EU development policy and two ongoing campaigns “Stop Child Labour” and “Virus Free Generation”, the partnership has succeeded in making a name for itself in Brussels.

Eurostep

Eurostep is a network of secular relief agencies from 14 European countries. Eurostep has participated both in the debate about the European constitution and in numerous discussions about development policy in the Commission and Parliament, therefore acting as the Brussels office of Welthungerhilfe and its European partners.

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October

With a varied programme of sporting events, cultural activities and critical dialogue, the “Welthungerhilfe Week” represented the highlight of the partnership year in Magdeburg. But it also had an impact elsewhere in Germany. In its opening speech on German television, the German President Horst Köhler showed that concerted efforts still had to be made to address the problems in Africa, Asia and Latin America. The world food conference in Brussels, which was presented as a “global hunger summit”, showed that the Welthungerhilfe Week also took a critical look at development work. Welthungerhilfe invited experts to Berlin to discuss alternative fuels and their possible benefits for development cooperation. Finally, the exhibition “15 villages, 8 goals, 1 world”, celebrated its premiere in the Justice Centre in Magdeburg. The touring exhibition provided lively insights of the Initiative Millennium Villages and the Millennium Development Goals.

November

3,700 school children, 120 school teachers and 20 nursery teachers joined in the project week as part of Welthungerhilfe’s town partnership with Magdeburg in November. Head of Project Manuel Henriques travelled especially from Angola to attend the event. Together with other speakers from the WorldStories campaign, he organised a very entertaining and informative week. Pupils talked to him and other experts about the subject of child labour in agriculture. The week culminated with a big “fundraising festival”.

December

The international conference “Politics against Hunger! It focused on this topic in a highly topical subject of “Bioenergy and Food Security”. The conference was hosted by the German Ministry of Food, Agriculture and Consumer Protection. Welthungerhilfe was involved in choosing the context of the event. Welthungerhilfe partners from India and Bolivia were also able to present and discuss their regenerative energy projects at the meeting.

September

Aiming high for Kenya: the International Stadium Festival in Berlin has been a partner of Welthungerhilfe for the past two years. This year, it was the turn of pole-vaulters to raise money for charity; every centimetre they vaulted raised money for the “Walter Aipsein Diapers Centre” in Kenya. Spectators could join in by submitting predictions about the progress of the charity competition by text message. The results of the event were impressive: the grand total of € 20,000 was raised for the orphanage in Kenya.

August

In August, Welthungerhilfe and the UN Millennium Campaign organised a panel discussion entitled “Privilege entails responsibilities? And so does poverty!” Should developing countries do more to help achieve the Millennium Development Goals? Or is this the responsibility of industrial countries? These questions were discussed by Eastline Harkess (Executive Coordinator of the UN Millennium Campaign), Prof. Peter Eigen (founder and chairman of the advisory board of Transparency International) and the Secretary General of Welthungerhilfe in Berlin.

July

Pupils of the Kaiser-Friedrich-Ulrich Grammar School in Hamburg took part in a record-breaking sponsored walk in aid of Ethopia in July (Photo: Initiator Berry Abidin with Lisa, the most successful walker). In just one day, enough money was raised to build four wells in Africa. The walk was initiated by Welthungerhilfe’s partner “Viva con Aqua”, which supports a relief project in Ethiopia, among other things.
Prospects & Finances

Transparency

Alliances/Foundation

Work in Germany

Work Abroad

Editorial

Africa

Angola (6 projects)
- Food security programmes
- Rehabilitation and reconstruction of social infrastructure
- Control of Newcastle disease

Burundi (3 projects)
- Peace development
- Support of agricultural self-help groups
- Measures to eliminate child labour

Bolivia (2 projects)
- Support of children affected by HIV/AIDS
- School programmes for nomadic children

Democratic Republic of the Congo (10 projects)
- Immediate relief and survival aid for war victims
- Rural development
- Rehabilitation of public infrastructures, especially road construction
- Peacekeeping measures, reintegration of former soldiers

Ethiopia (12 projects)
- Food security
- Support of AIDS orphans
- Support of rice cultivation

Madagascar (9 projects)
- Reconstruction of roads and drinking water supply
- Support of rice cultivation
- Support of decentralisation

Lesotho (1 project)
- Support of children affected by HIV/AIDS

Liberia (3 projects)
- Reconstruction programme rural development
- Reconstruction of roads and drinking water supply
- Rural development

Mozambique (7 projects)
- Reduction of risks of disasters
- Emergency food aid
- Rehabilitation of schools, bridges and wells

Namibia (8 projects)
- Improvement of drinking water supplies
- Rehabilitation of social basic infrastructure

Somalia (7 projects)
- Support of street children
- HIV/AIDS counselling and prevention and minimising effects of the disease

South Africa (4 projects)
- Development of irrigation areas for rice growing
- Construction of primary schools

Sierra Leone (3 projects)
- Food security and rural development
- Support of small-scale coffee and cocoa farmers

Somalia (3 projects)
- Resource management
- Integrated food security

Uganda (5 projects)
- Support and reintegration of refugees
- Support of agricultural self-help groups

Zimbabwe (7 projects)
- Food security
- Irrigation

Asia

Afghanistan (14 projects)
- Community development
- Promotion of democracy

Bangladesh (5 projects)
- Building of homes and schools in Aceh
- Support of agriculture and other sources of income in the coastal area of Aceh

Cambodia (6 projects)
- Drinking water supplies and support of food production
- Support and training of street children

Cambodia (6 projects)
- Promotion of self-help groups and networks
- Support of children and young people

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India (52 projects)
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- Support of children affected by HIV/AIDS

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Myanmar (8 projects)
- Improvement of food production and support of self-help capacities
- Promotion of self-help projects in villages

Pakistan (17 projects)
- Promotion of self-help structures and food security

Philippines (7 projects)
- Disaster relief and prevention
- Rehabilitation of basic infrastructure

Somalia (7 projects)
- Support of street children
- Reintegration of children into families

Tajikistan (2 projects)
- Promotion of self-help groups and networks
- measures to eliminate child labour

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World Map

Africa

Angola (6 projects)
- Food security programmes
- Rehabilitation and reconstruction of social infrastructure
- Control of Newcastle disease

Burundi (3 projects)
- Peace development
- Primary school needs

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A scenario for a world of peace and development

Healing the wounds of ethnic conflict

An extensive list of projects and representation of funds is available under www.welthungerhilfe.de/hilfsprojekte.html

The map can be downloaded under www.welthungerhilfe.de
Brasil (1 project) – Food security, urban agriculture
Cuba (7 projects) – Conflict management
Haiti (7 projects) – Local business development, food security
Colombia (1 project) – Promotion of children’s rights
Ecuador (5 projects) – Buffer area management, irrigation, drinking water supplies
Nicaragua (7 projects) – Drinking water supply and irrigation for village communities
Bolivia (9 projects) – Rural development, food security, disaster prevention and emergency aid after earthquake, promotion of children’s rights, local business development, support of sustainable land use to secure food supplies, seed distribution for food security, health promoting measures, flood aid, protection of resources, help children cope with trauma
Philippines (1 project) – Support of children and young people
Sri Lanka (8 projects) – Reconstruction of homes and schools in the tsunami region, emergency aid for refugees, integrated food security
Tajikistan (4 projects) – Rural development
Uzbekistan (1 project) – Promotion of small trade
Venet (1 project) – Agricultural development

CENTRAL AND SOUTHERN SOUTH AMERICA
Belina (5 projects) – Integrated rural development
Peru (3 projects) – Agricultural support
Education and occasional training
Brazil (1 project) – Promotion of children’s rights
Colombia (1 project) – Rural development
Cuba (7 projects) – Food security, urban agriculture
Buffer area management, resource security
Local business development
Dominican Republic (3 projects) – Buffer area management
Ecuador (5 projects) – Drinking water supply and irrigation for village communities
Local business development
Eritrea (7 projects) – Agriculture, irrigation and drinking water supplies, food security
Disaster prevention and rehabilitation of infrastructure
Micronesia (9 projects) – Disaster prevention
Emergency aid after hurricane “Ike”
Rural development
Pare (18 projects) – Coffee cultivation and distribution
Disaster preparedness and emergency aid after earthquakes
Local business development
Promotion of children’s rights

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Brasil (1 project)  
- Local business development  
- Food security, urban agriculture  
- Buffer area management, resource security  
- Local business development

Colombia (1 project)  
- Promotion of children’s rights

Ecuador (5 projects)  
- Drinking water supply and irrigation for village communities  
- Education and vocational training  
- Rural development  
- Support of sustainable land use to secure food supplies  
- Seed distribution for food security  
- Helping children cope with trauma

North Korea (5 projects)  
- Flood aid  
- Drinking water  
- Support of sustainable land use to secure food supplies  
- Seed distribution for food security  
- Helping children cope with trauma

Philippines (1 project)  
- Support of children and young people

Peru (18 projects)  
- Disaster prevention and emergency aid after earthquake  
- Local business development  
- Rural development  
- Ecotourism  
- Disaster prevention  
- Provision of training and services for refugees

Pakistan (6 projects)  
- Flood aid  
- Drinking water  
- Provision of training and services for refugees

Philippines (1 project)  
- Support of children and young people  
- Emergency aid for refugees

Uzbekistan (1 project)  
- Food security

Vietnam (1 project)  
- Agricultural development

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Welt Hunger Hilfe (Welt Hunger Hilfe)  
Alliances and important support

ACHEIVING GOALS TOGETHER

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Alliances and important support
A NEW FACE FOR THE FOUNDATION

Albert Otten is appointed new honorary president

In 1998, Welthungerhilfe’s Board of Directors set up a foundation to find new ways to finance its work on a long-term basis. The Foundation guarantees sustainable and planable aid because its capital remains untouched and only interest may be spent. With its income from investments, the Foundation supports first and foremost training, school and vocational projects for women, children and young people in developing countries. In 2007, the Foundation appointed a new honorary president.

“Even as a young student I thought about working in development aid because I wanted to change things”. Since 1st July 2007, Albert Otten (57) has committed himself to this task as honorary president of the Welthungerhilfe Foundation. The social scientist and father of four took over from Volker Hausmann and continues his successful work.

A position of responsibility

Albert Otten spent the last 25 years managing the family business with his brother Heiner Otten. Taking a change of direction, he will now manage the Foundation’s assets with his experienced entrepreneurial eye. He takes on a position of responsibility. Together with the Secretary General of Welthungerhilfe, Hans-Joachim Preuß, he will run the day-to-day business of the Foundation. Apart from administrative duties, his responsibilities also include fundraising and the administration of legacies.

Albert Otten joins the Welthungerhilfe Foundation in its tenth year. He offers supporters of Welthungerhilfe interesting ways to donate money in the form of endowments, endowment funds, foundation loans and dependent foundations. The Foundation’s capital stock increased by € 574,186 to altogether € 20.8 million at the end of the financial year 2007 compared to the previous year.

Project funding

The interest from the Foundation’s capital stock and dependent foundation loans are used exclusively to fund Welthungerhilfe’s projects in conformity with the organisation’s Charter. The honorary bodies of the Foundation are the Board of the Foundation and the Board of Trustees. The Foundation is controlled on three levels: by the regional government of Cologne’s supervisory authority for foundations, the tax authorities responsible for Bonn-Außenstadt and an independent auditing company.

In response to numerous requests from benefactors and donors, an informative meeting was organised for the first time in 2007 entitled “Good reasons for making a will”. In Berlin and Stuttgart, an independent lawyer gave a talk to around 150 participants. Response to the events was very positive and further talks are planned for other cities in Germany in 2008.

There are many ways to help Welthungerhilfe as a benefactor – as a private individual, as a business, association or as a club. Contact us. We would be happy to help you or provide you with further information.

Stiftung Deutsche Welthungerhilfe | Tel.: +49 228 2288 – 600 | info@stiftung-welthungerhilfe.de | www.stiftung-welthungerhilfe.de
HOW WELTHUNGERHILFE GUARANTEES QUALITY AND TRANSPARENCY

The sustainability of our work is a matter of utmost importance to Welthungerhilfe. We are accountable to private donors, providers of public grants, our partners in the South and the people in our project countries. This is why quality and transparency play a vital role. Within our organisation, various levels of control ensure that the money entrusted upon us is spent wisely and effectively.

Board of Directors and Management

Welthungerhilfe has the legal status of a registered association (e.V.). The supreme supervisory body is therefore the General Assembly. At this meeting, in which 26 of Germany’s most renowned institutions are represented, we account for our work every year. The meeting also agrees on budgets and approves the activities of the Board of Directors. Our members include the President of the German Bundestag, the German Women Farmers’ Association, the main churches and the Congress of German Municipalities.

The day-to-day business performed by the Secretary General is controlled by the honorary members of the Board of Directors presided over by Ingeborg Schäuble. There is also a Project Advisory Committee made up of 19 honorary members. Experts from various scientific fields examine project applications in terms of their eligibility for funding (see page 31 for the full list of members and experts and other comments) and submit recommendations to the Board of Directors for final approval.

Internal auditing

Welthungerhilfe has its own internal auditing department which is a separate unit assigned directly to the management, its rights and obligations are laid down in the auditing rules and regulations. It ensures that donated funds are used for their intended purpose and that the various internal and external regulations (e.g. of public grantors) are adhered to. The internal auditing department, however, is also responsible for advising the Secretary General and all organisational units on financial, operational and organisational matters. The auditing unit therefore has both supervisory and advisory functions.

Evaluation

To examine the technical implementation of our projects, Welthungerhilfe relies on evaluations. External evaluators who are recognised experts in their specific fields monitor the quality of our projects. The results are published in summarized form on our homepage (www.welthungerhilfe.de/evaluationen-welthungerhilfe.html). The evaluation unit is also directly as-

The correct use of donations is of utmost importance to Welthungerhilfe.
signed to the management. This is where external evaluation assignments are prepared, performed and approved. The aim of evaluations is to improve the quality of our work. It is therefore important to obtain feedback and provide data so that the organisation can report on its activities. In the past, the focus has been on studies of the quality of project work and achievement of project goals. Today, we are interested more in systematic studies which analyse the impact these projects have. We ask: How do people in the respective countries use the results of our projects, and what is their immediate benefit? In other words: how does our work help the people in the areas in which we work?

**Controlling**

Welthungerhilfe has a long tradition of controlling. In the various divisions, a specific form of controlling serves as a basis for the organisation’s management. The key performance indicators of the individual divisions help the management assess current and future developments. Strategic controlling occurs centrally and covers the organisation as a whole; it focuses on the management of the strategy for 2007–2011 approved last year. The planning and control of the Profit and Loss Accounts, Balance Sheet and the budget is the responsibility of financial controlling. Operative controlling manages and monitors measures on the operative level (projects, marketing and human resources). In the project sector, an internally developed software system can indicate the financial and operative progress of any project at the press of a button. In 2007, the auditing company BDO certified the correctness of the software used in the project sector.

**Quality management**

Quality management is a corporate task which is still at different levels of development in the individual organisational units. In the Programmes and Projects division, quality management makes it possible to plan and carry out projects effectively, efficiently and in an impact-oriented way by applying formal and content-related standards.

The key tasks of quality management in the field of marketing in 2007 included the development of standards, benchmarking, initiation of an improvement management system and, first and foremost, implementation of a “Total Quality Excellence Model”. This is a sector-specific quality management model for fundraising, which analyses the quality and efficiency of work. The aim of its implementation is to optimise all internal and external fundraising processes. In autumn 2007, a team was also set up to develop a proposal for a uniform quality management model for the organisation as a whole within the course of the coming year.

**Internal and external audits**

We have clearly defined regulations about responsibilities and signatory powers. For many years, Welthungerhilfe has implemented internal purchasing regulations stipulating exactly how contracts should be awarded. Competition and the so-called “second set of eyes” principle are key issues. A directive on corruption prevention was also passed at the end of 2007 which is also binding for all our suppliers and project partners. Our accounts and all our projects abroad are audited on a regular basis. Project partners are also required to have all financial statements examined by external auditors. Our public grantors, such as the German government, the European Union or USAID, also ensure that their funds are correctly used both in the assignment country and at our headquarters.

Last year, the tax authorities performed a major tax audit on our organisation. Every year, our annual statement of accounts is also examined by the external auditing company BDO. The General Assembly would not approve the activities of the management and Board of Directors without the auditor’s certificate.

www.welthungerhilfe.de/ueber_uns.html
FINANCES

BALANCE SHEET AT 31ST DECEMBER 2007

<table>
<thead>
<tr>
<th>Assets</th>
<th>31.12.2007</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EURO</td>
<td>EURO</td>
</tr>
<tr>
<td>A. Fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>676,958.74</td>
<td>593,461.07</td>
</tr>
<tr>
<td>II. Tangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixtures, fittings and equipment</td>
<td>592,904.47</td>
<td>599,630.02</td>
</tr>
<tr>
<td>III. Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Participating interests</td>
<td>256,054.97</td>
<td>256,054.97</td>
</tr>
<tr>
<td>2. Securities and loan notes</td>
<td>27,777,608.05</td>
<td>27,383,876.71</td>
</tr>
<tr>
<td></td>
<td>29,303,526.23</td>
<td>28,833,022.77</td>
</tr>
<tr>
<td>B. Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Accounts receivable and other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Grants receivable under approved project allocations</td>
<td>128,263,224.50</td>
<td>122,813,334.25</td>
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<tr>
<td>2. Assets from gifts and legacies</td>
<td>95,889.18</td>
<td>98,507.51</td>
</tr>
<tr>
<td>3. Other assets</td>
<td>1,452,602.03</td>
<td>1,573,281.32</td>
</tr>
<tr>
<td>II. Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>28,173,957.85</td>
<td>36,510,394.52</td>
</tr>
<tr>
<td></td>
<td>157,985,673.56</td>
<td>160,995,517.60</td>
</tr>
<tr>
<td></td>
<td>187,355,760.14</td>
<td>189,850,585.30</td>
</tr>
<tr>
<td>C. Prepayments and accrued income</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>66,560.35</td>
<td>22,044.93</td>
</tr>
<tr>
<td></td>
<td>187,355,760.14</td>
<td>189,850,585.30</td>
</tr>
</tbody>
</table>

GENERAL INFORMATION

The annual financial statements of Welthungerhilfe are prepared in accordance with the German Commercial Code (HGB) with voluntary application of supplementary rules for large corporate entities as set out in sections 264 ff., HGB.

Value-added tax (VAT) is included in the cost of fixed assets and in expenses except where the organisation is able to deduct input VAT.

Accounting policies

Tangible fixed assets are stated at cost less any depreciation, which is charged in accordance with German tax law, and less any impairment charges recognised under the third sentence of section 253 (2), HGB.

Depreciation is charged on a straight-line basis except where a shorter estimated useful life is considered appropriate in the context of a specific project.

Individual items costing € 1,000 or less are written off in the year of acquisition.

Non-current financial assets are stated at the lower of cost or market value at the balance sheet date.

Accounts receivable and other assets and cash are stated at face value. Identifiable risks are taken into account by recognising impairment charges as appropriate.

Foreign-currency accounts receivable are translated at the bid exchange rate, using the lower of the rate at the inception date of the receivable or the balance sheet date.

Reserves are recognised, used and derecognised in accordance with statutory requirements and the Welthungerhilfe charter.

Welthungerhilfe funds designated for co-financed projects, for improvements to field operations and for non-co-financed projects not subject to contractual agreement are accounted for in the project funding special reserve. The organisation’s own funds account for 42.6 percent of total project funds for co-financed domestic projects and 18 percent for co-financed foreign projects.

Provisions are recognised for uncertain liabilities and identifiable risks. The amount recognised is the estimated amount required to settle the obligation.

Accounts payable are stated at their settlement amount.

Foreign-currency accounts payable are translated at the bid exchange rate, using the lower of the rate at the inception date of the payable or the balance sheet date.

In the notes to the balance sheet and to the income and expenditure account, figures for the previous year are stated in brackets.

NOTES TO THE BALANCE SHEET

Assets

A. Fixed assets

I. Intangible assets

These consist of purchased and depreciated software in the amount of € 677,000 (€593,000).
II. Tangible assets
These consist of €280,000 (€284,000) in depreciated IT hardware, €234,000 (€246,000) in office fixtures, fittings and equipment and €79,000 (€70,000) in other assets. Project-funded tangible fixed assets abroad are accounted for with projects.

III. Financial assets
1. Participating interests
The organisation holds approximately 10 percent of the ordinary share capital of Dritte-Welt-Shop Gesellschaft für Entwicklungsförderung GmbH (‘DW Shop’).

2. Securities and loan notes
In accordance with data from the organisation’s computerised medium-term budgeting system, €25.5 million (€25.1 million) in securities and €2.3 million (€2.3 million) in loan notes are shown under fixed assets. Such instruments are normally held to maturity. Fixed-interest securities and investment funds are invested in with the aim of obtaining a market rate of return with low exposure to risk.

B. Current assets
1. Accounts receivable and other assets
   a. Grants receivable under approved project allocations

   Most of the €128.3 million (€122.8 million) in grants receivable at the balance sheet date relates to co-financed projects as follows: European Union €51.2 million (€48.8 million), United Nations €28.0 million (€30.4 million), German Federal Ministry for Economic Cooperation and Development €14.9 million (€14.7 million), and Kreditanstalt für Wiederaufbau (KfW) €11.8 million (€14.9 million). Non-cash grants are stated at market prices. The €5.5 million increase in total accounts receivable is due to an increase in large projects spanning multiple years.

   b. Assets from gifts and legacies
These primarily relate to two apartments originating from a gift, recognised as assets at appraised market value plus transaction costs and depreciated on a straight-line basis in accordance with section 7 (4) of the German Income Tax Act (EStG). The remaining assets in this item relate to legacies recognised as assets at a nominal amount. Any gain on disposal of such assets is recognised as income from donations and bequests.

   c. Other assets
The €1,453,000 (€1,573,000) figure for other assets mainly consists of €384,000 (€355,000) in interest accruals for securities, time deposits and current accounts, €371,000 (€473,000) in VAT receivable and €212,000 (€255,000) in amounts receivable from Deutsche Welthungerhilfe Foundation.

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>31.12.2007</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Bequeathed funds reserve</td>
<td>13,300,000.00</td>
<td>12,280,000.00</td>
</tr>
<tr>
<td>II. Project funds reserve</td>
<td>2,200,000.00</td>
<td>6,852,000.00</td>
</tr>
<tr>
<td>III. Non-designated funds reserve</td>
<td>10,353,000.00</td>
<td>10,210,000.00</td>
</tr>
<tr>
<td></td>
<td>25,853,000.00</td>
<td>29,342,000.00</td>
</tr>
<tr>
<td>B. Project funding special reserve</td>
<td>25,086,410.79</td>
<td>27,034,785.54</td>
</tr>
<tr>
<td>C. Provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Tax provision</td>
<td>25,000.00</td>
<td></td>
</tr>
<tr>
<td>2. Other provisions</td>
<td>2,785,000.00</td>
<td>2,787,000.00</td>
</tr>
<tr>
<td>D. Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Grants relating to designated co-financing funds not yet drawn upon</td>
<td>133,605,871.54</td>
<td>130,685,989.03</td>
</tr>
<tr>
<td>1. Domestic</td>
<td>411,497.00</td>
<td>17,500.00</td>
</tr>
<tr>
<td>2. Foreign</td>
<td>79,759,015.10</td>
<td>78,960,099.11</td>
</tr>
<tr>
<td>II. Project accounts payable</td>
<td>50,099,838.82</td>
<td>50,063,646.26</td>
</tr>
<tr>
<td>III. Trade accounts payable</td>
<td>2,631,230.07</td>
<td>1,110,489.91</td>
</tr>
<tr>
<td>IV. Other accounts payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Donor loans</td>
<td>70,696.93</td>
<td>121,696.93</td>
</tr>
<tr>
<td>2. Obligations assumed in connection with gifts and legacies</td>
<td>70,988.72</td>
<td>68,560.00</td>
</tr>
<tr>
<td>3. Sundry other accounts payable</td>
<td>562,624.90</td>
<td>343,996.82</td>
</tr>
<tr>
<td>E. Accruals and deferred income</td>
<td>477.81</td>
<td>810.73</td>
</tr>
<tr>
<td></td>
<td>187,355,760.14</td>
<td>189,850,585.30</td>
</tr>
</tbody>
</table>
## Liabilities

### A. Reserves

#### I. Bequeathed funds reserve

The bequeathed funds reserve consists of funds available to the organisation on a long-term basis. The increase of €1,020,000 resulted from cash bequests.

#### II. Project funds reserve

This reserve was recognised for projects started in 2008.

#### III. Non-designated funds reserve

€143,000 was credited to the non-designated funds reserve in 2007 to safeguard Welthungerhilfe’s institutional operating capacity.

### B. Project funding special reserve

The special reserve amounting to €25.1 million (€27.0 million) is made up of Welthungerhilfe funds as follows: €17.8 million (€17.9 million) for projects co-financed by public grantors, €1.8 million (€1.1 million) for improvements to branch offices abroad, and €5.5 million (€8.0 million) for domestic and foreign projects carried out autonomously without outside grants.

### C. Provisions

#### 1. Tax provision

The provision was recognised for back tax following a payroll tax inspection.

#### 2. Other provisions

The other provisions totalling €2,785,000 (€2,787,000) are mostly made up of provisions recognised as follows: €1,278,000 (€1,278,000) for project risks (to offset potential foreign exchange losses), €776,000 (€823,000) for employee severance pay required under foreign law, €380,000 (€356,000) in holiday entitlements, €125,000 (€120,000) for contributions to the VBG employers’ indemnity fund, and €62,000 (€66,000) for costs relating to preparation of the annual financial statements.

### D. Accounts payable

#### I. Grants relating to designated co-financing funds not yet drawn upon

These relate to public funds used for projects carried out autonomously by Welthungerhilfe. Non-cash grants are stated at market prices.

Grants relating to designated co-financing funds not yet drawn upon are subject to bank guarantees totalling €6,367,000.

#### II. Project accounts payable

These relate to obligations for projects carried out by Welthungerhilfe or under contract with other project sponsors. Non-cash grants are stated at market value.

#### III. Trade accounts payable

These mainly consist of accounts payable for supplies to foreign projects, settled within their due dates in the new year. The amount varies according to the size and nature of projects currently in progress.

#### IV. Other accounts payable

Donor loans can be withdrawn at one week’s notice.

An annuity assumed in connection with gifts and legacies is for an indefinite term and is stated at actuarial present value.

The sundry other accounts payable mainly relate to interest payable on grants, travel expenses and fees still to be settled, and VAT.

### Analysis of accounts payable (€ thousand)

<table>
<thead>
<tr>
<th></th>
<th>31.12.2007</th>
<th>&lt;1 year</th>
<th>&gt;1 year</th>
<th>&gt;5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Grants relating to designated co-financing funds not yet drawn upon</td>
<td>80,170</td>
<td>52,693</td>
<td>27,477</td>
<td>0</td>
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<tr>
<td>2. Project accounts payable</td>
<td>50,100</td>
<td>24,648</td>
<td>25,452</td>
<td>0</td>
</tr>
<tr>
<td>3. Trade accounts payable</td>
<td>2,631</td>
<td>2,631</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4. Donor loans</td>
<td>71</td>
<td>71</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5. Obligations assumed in connection with gifts and legacies</td>
<td>71</td>
<td>20</td>
<td>51</td>
<td>0</td>
</tr>
<tr>
<td>6. Sundry other accounts payable</td>
<td>563</td>
<td>563</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>133,606</strong></td>
<td><strong>80,626</strong></td>
<td><strong>52,980</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR TO 31ST DECEMBER 2007

<table>
<thead>
<tr>
<th>2007</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>euro</td>
<td>euro</td>
</tr>
<tr>
<td>1. Donations and grants</td>
<td></td>
</tr>
<tr>
<td>a) Donations, bequests and allocated fines</td>
<td>31,719,687.80</td>
</tr>
<tr>
<td>b) Net income transferred from Deutsche Welthungerhilfe Foundation</td>
<td>219,746.20</td>
</tr>
<tr>
<td>c) Institutional grants</td>
<td></td>
</tr>
<tr>
<td>- Public grants</td>
<td>93,585,560.60</td>
</tr>
<tr>
<td>- Foundations and private charities</td>
<td>3,675,929.77</td>
</tr>
<tr>
<td>d) Grants from cooperation partners</td>
<td>3,140.38</td>
</tr>
<tr>
<td>129,204,064.75</td>
<td>165,007,978.47</td>
</tr>
<tr>
<td>2. Other Income</td>
<td>552,426.65</td>
</tr>
<tr>
<td>3. Project funding</td>
<td></td>
</tr>
<tr>
<td>a) Foreign</td>
<td>-103,594,674.98</td>
</tr>
<tr>
<td>b) Domestic</td>
<td>-2,594,002.83</td>
</tr>
<tr>
<td>129,204,064.75</td>
<td>165,007,978.47</td>
</tr>
<tr>
<td>4. Staff costs</td>
<td></td>
</tr>
<tr>
<td>a) Wages and salaries</td>
<td></td>
</tr>
<tr>
<td>Domestic staff</td>
<td>-5,853,432.86</td>
</tr>
<tr>
<td>Foreign staff</td>
<td>-11,759,309.01</td>
</tr>
<tr>
<td>b) Social security, pensions and other employee benefits</td>
<td></td>
</tr>
<tr>
<td>Domestic staff</td>
<td>-1,443,356.31</td>
</tr>
<tr>
<td>Foreign staff</td>
<td>-1,797,630.52</td>
</tr>
<tr>
<td>5. Depreciation, amortisation and impairments</td>
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</tr>
<tr>
<td>a) On non-current intangible assets and tangible assets</td>
<td>-543,726.39</td>
</tr>
<tr>
<td>b) On assets from gifts and legacies</td>
<td>-2,618.33</td>
</tr>
<tr>
<td>6. Other expenditure</td>
<td>-7,437,990.92</td>
</tr>
<tr>
<td>7. Income from participating interests and sponsoring</td>
<td>764,251.72</td>
</tr>
<tr>
<td>8. Other interest and similar income</td>
<td>1,485,280.04</td>
</tr>
<tr>
<td>9. Write-downs on securities</td>
<td>-468,182.66</td>
</tr>
<tr>
<td>10. Interest and similar expenditure</td>
<td>-98.35</td>
</tr>
<tr>
<td>11. Net income before changes to reserves</td>
<td>-3,489,000.00</td>
</tr>
<tr>
<td>12. Transfer to bequeathed funds reserve</td>
<td>-1,020,000.00</td>
</tr>
<tr>
<td>13. Transfer to non-designated funds reserve</td>
<td>-143,000.00</td>
</tr>
<tr>
<td>14. Transfer to project funds reserve</td>
<td>-2,200,000.00</td>
</tr>
<tr>
<td>15. Transfer from project funds reserve</td>
<td>6,852,000.00</td>
</tr>
<tr>
<td>16. Net income for the year</td>
<td>0.00</td>
</tr>
</tbody>
</table>

NOTES TO THE INCOME AND EXPENDITURE ACCOUNT

Income
Donations and grants
Project activities are funded entirely from donations, net income transferred from Stiftung Deutsche Welthungerhilfe (the German Agro Action Foundation), public and private institutional grants, and grants from cooperation partners.

Donations decreased by €2.6 million to €31.7 million (€34.3 million), with the December figure in particular falling short of the long-term average. The total is made up of €29.9 million (€32.8 million) in cash donations, €1.6 million (€1.3 million) in income from bequests and €0.2 million (€0.2 million) in fines. The rise in income from bequests is due to a large single bequest of €0.5 million.

Under institutional grants, separate figures are presented from 2007 onwards for grants from public and private sources. The previous year’s figures have been restated accordingly.

Public grants decreased by €33.7 million to €93.6 million (€127.3 million). This primarily reflects a reduction in World Food Programme resources for the Darfur region of Sudan. Project grants from foundations and private charities rose to €3.7 million (€2.9 million).

Other income
The other income of €552,000 (€1,276,000) mostly consists of €272,000 (€1,109,000) in exchange rate gains on foreign grants and projects and €106,000 (€24,000) in income from disposals of securities. Foreign exchange gains have reduced substantially due to the increase in Euro-denominated project contracts.

Income from participating interests and sponsorship
Income from participating interests and sponsorship comprises sponsorship fees and the organisation’s share of net income from the DW Shop for the 2006/2007 financial year. The increase of €136,000 resulted from the fact that DW Shop’s previous financial year spanned less than a twelve-month period.
Other interest and similar income

Other interest and similar income mainly consists of €1,382,000 (€1,265,000) in interest on securities and €140,000 (€578,000) in interest on time deposits, less €39,000 (€57,000) in accrued interest on bonds. The drop in interest on time deposits is due to the closure of savings accounts with preferential rates of interest in December 2006.

Expenditure

Project funding

This item relates to commitments in the form of contractual and non-contractual obligations entered into for approved projects in developing countries and for domestic projects in accordance with the Welthungerhilfe charter. The €40.5 million decrease in foreign projects to €103.6 million (€144.1 million) primarily reflects a reduction in World Food Programme resources for the Darfur region of Sudan.

Staff costs

Staff costs include domestic project and administration activities plus foreign staff employed directly by Welthungerhilfe headquarters. Wages and salaries for expatriate staff increased by €1.1 million to €11.8 million (€10.7 million), largely as a result of taking on the staff-intensive ANSO project in Afghanistan. Local project staff with local employment contracts are accounted for in project funding expenditure. Staff costs include €417,000 for pension provision.

Other expenditure

Other expenditure mainly consists of €4,572,000 (€5,666,000) for public relations, €719,000 (€612,000) for IT, €679,000 (€681,000) for rent and premises, €225,000 (€158,000) for legal services and consultancy, €204,000 (€198,000) for communication and €147,000 (€140,000) for contributions. The lower public relations expenditure reflects lower expenditure on fundraising and donations marketing.

Other mandatory disclosures

Other financial obligations

Based on the remaining terms of the contracts involved, amounts owed under rental contracts and leases for the years to 2017 amount to an annual average of €487,000 (€467,000), of which €379,000 (€372,000) is owed to Deutsche Welthungerhilfe Foundation.

Contracts worth up to €3,350,000 (€4,495,000) are still to be entered into for projects which have already been approved internally but for which only partial contracts have so far been signed with project partners. The figure for contracts still to be entered into was thus reduced by €1,145,000 in 2007.

Software maintenance agreements amount to €110,000 (€101,000) a year.

We have issued the 2007 annual financial statements (balance sheet, income and expenditure account, notes to the financial statements and management report) with an unqualified auditor’s report. Düsseldorf, 29th April 2008.

BDO

Deutsche Warentreuhand Aktiengesellschaft

Wirtschaftsprüfungsgesellschaft

Dr. Rolff

Wirtschaftsprüferin

(German Public Auditor)

ppa. Kemmer

Wirtschaftsprüfer

(German Public Auditor)
**INCOME 2003 TO 2007**

Donations in 2007 came to €31.7 million, having settled back down to their 2004 level after two exceptional intervening years with large inflows of emergency donations. Institutional grants have risen steadily for several years in a row. The 2005 and 2006 figures also included substantial food assistance from the World Food Programme for the crisis region of Darfur in Sudan.

---

**INCOME AND EXPENDITURE ACCOUNT BY TYPE OF EXPENDITURE**

<table>
<thead>
<tr>
<th></th>
<th>2007 total</th>
<th>Project funding abroad</th>
<th>Project monitoring abroad</th>
<th>Campaigns and educational work</th>
<th>Fundraising and general PR</th>
<th>Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Foreign</td>
<td>103,594,674.98 €</td>
<td>103,594,674.98 €</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Domestic</td>
<td>2,594,002.83 €</td>
<td></td>
<td>2,221,002.83 €</td>
<td>373,000.00 €</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>20,853,728.70 €</td>
<td>11,299,478.10 €</td>
<td>4,989,192.54 €</td>
<td>1,706,348.85 €</td>
<td>1,306,363.69 €</td>
<td>1,552,345.52 €</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairments</td>
<td>546,344.72 €</td>
<td>285,299.09 €</td>
<td>97,574.86 €</td>
<td>74,702.34 €</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenditure</td>
<td>7,437,990.92 €</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising and general PR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (rent, IT costs etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and similar expenditure</td>
<td>98.35 €</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2007 total</strong></td>
<td>135,026,840.50 €</td>
<td>114,894,153.08 €</td>
<td>6,435,246.28 €</td>
<td>4,574,142.81 €</td>
<td>6,646,617.97 €</td>
<td>2,476,680.36 €</td>
</tr>
<tr>
<td>%</td>
<td>100.00 %</td>
<td>85.1 %</td>
<td>4.8 %</td>
<td>3.4 %</td>
<td>4.9 %</td>
<td>1.8 %</td>
</tr>
<tr>
<td><strong>Previous year total</strong></td>
<td>175,292,624.38 €</td>
<td>154,176,669.74 €</td>
<td>6,302,325.91 €</td>
<td>4,969,289.22 €</td>
<td>7,543,071.88 €</td>
<td>2,301,267.83 €</td>
</tr>
<tr>
<td>%</td>
<td>100.00 %</td>
<td>88.0 %</td>
<td>3.6 %</td>
<td>2.8 %</td>
<td>4.3 %</td>
<td>1.3 %</td>
</tr>
</tbody>
</table>

The presentation is based on guidance on fundraising and administrative expenditure published by Deutsches Zentralinstitut für Soziale Fragen (DZI), Berlin. In accordance with this guidance, €468,182.66 in write-downs on securities were not included in 2007 because asset management activities generated an overall surplus. The previous year’s figures have been restated accordingly.

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**INCOME AND CHANGES IN RESERVES 2007**

€135.5 million

- Public grants: €93.6 million (69.1%)
- Institutional grants: €3.9 million (2.9%)
- Interest and other income: €2.8 million (2.0%)
- Donations: €31.7 million (23.4%)
- Grants from foundations, private charities and cooperation partners: €2.5 million (1.8%)

**EXPENDITURE 2007**

€135.0 million

- Project funding abroad: €114.9 million (85.1%)
- Campaigns and educational work: €4.6 million (3.4%)
- Donations: €2.8 million (2.0%)
- Project monitoring abroad: €6.4 million (4.8%)
- Fundraising and general PR: €6.6 million (4.9%)
- Administrative costs: €2.5 million (1.8%)

*Excluding write-downs on securities*
To alleviate hunger and poverty on a sustainable basis, Welthungerhilfe concentrates its project funding on a limited number of countries. Project funding is also restricted to measures for which Welthungerhilfe and its partner organisations demonstrably possess a high level of expertise. This approach ensures that donations and public grants are used efficiently and projects are carried out successfully.

INSTITUTIONAL GRANTS (€97.3 MILLION) 
(income and expenditure statement)

Welthungerhilfe received a total of €97.3 million from several providers of public grant funding and from foundations and private charities in 2007, making for another very strong year. The donors’ confidence in our work is testimony to our long-term project activities and high administrative standards. The largest providers of public grant funding in 2007 were the European Commission followed by the World Food Programme and the German Federal Ministry for Economic Cooperation and Development. While public grants make up a large share of Welthungerhilfe’s income, private donations are what enable the organisation to fulfil its charter mandate.

PROJECT FUNDING 2007: SECTORAL FOCUS (€119.5 MILLION)

Welthungerhilfe aims to help people help themselves by providing a single source of assistance in cooperation with local partners. This aim is reflected in the sectoral portfolio of our foreign programmes. As an aid organisation with many years of experience in emergency assistance, we see it as our duty to deliver humanitarian aid quickly, efficiently and in line with people’s needs. We also aim to give consideration to reconstruction and long-term development cooperation measures from the earliest possible stage, including as part of emergency aid.

Project funding is restructured into six sectors under the organisation’s strategic plan for the years 2007 to 2011: Emergency Aid, Basic Infrastructure, Rural and Regional Development, Social Integration and Education, Civil Society, and Health and HIV/AIDS. The main focus of work in 2007 was on rural and regional development projects, basic infrastructure assistance, and support in crises and disasters (emergency aid).
FOREIGN PROJECTS BY REGION

297 foreign projects were in progress at the 31st December 2007 reporting date. The largest number of projects were implemented in Asia, followed by Africa and Latin America. Looking at the trend in regional project funding relative to the amount of funds, however, shows the main focus to be on Africa followed by Asia and Latin America. This is in line with Welthungerhilfe’s strategic orientation, with 50 percent of donations earmarked for Africa, 30 percent for Asia and 20 percent for Latin America.

REGIONAL FUNDING SINCE 2003

The regional distribution of project funding has shifted since 2003. The share of project funding accounted for by Asia rose sharply in 2005, in particular following the tsunami at the end of 2004. The Asian share declined again in 2006 and 2007 and is now nearly back to its 2003 level. The same effect can be seen in the total figure for project funding, which was significantly higher in 2005 and 2006 than in preceding years. Comparing 2007 with the starting figure for 2004, however, shows that there has been a sharp rise in funding overall.

TOP 10 COUNTRIES

The focus of project funding on Africa is also reflected in the top 10 destination countries for project funding in 2007. Seven of the ten are in Africa, two in Asia and one in Latin America/the Caribbean. The relatively large amount of assistance to these ten countries reflects the high level of need among their populations.
OUTLOOK FOR 2008

Welthungerhilfe constantly strives towards growth and expansion. For 2008 and the coming years, we aim to achieve an increase of around five percent in donations and public grants. The percentage of advertising and administrative expenses of the overall volume is based on today's low rates which are well under ten percent, so that a project funding and monitoring quota of over 90 percent can be achieved.

Focusing on our strengths
Around 300 projects will be supported and supervised again in 2008. The lion’s share of funds available for project funding abroad will be invested in Africa (50 percent), followed by Asia (30 percent) and Latin America (20 percent). In 2008 we will re-examine our regional portfolio, which currently covers almost 50 countries, with the aim of concentrating on our strengths. We will focus our activities and funds on a smaller number of partner countries where we can make a noticeable contribution towards the elimination of poverty and hunger. In the other cooperation countries, Welthungerhilfe itself is not present but will support existing capacities through its alliance partners, such as Alliance2015.

The sectoral focus of our projects will continue to be on rural and agricultural development as well as acute emergency aid. As soaring food prices have shown in the last few months, agriculture offers people in developing countries the best way out of poverty. With advice on suitable cultivation, the installation of irrigation systems or the provision of improved seed, we will help small-scale farmers increase their productivity. We will promote investments in rural infrastructure, for example, in road construction, to offer rural populations access to regional markets.

The head office will continue to delegate tasks and responsibilities to its 18 regional offices according to main points of emphasis in 2008. The advantages are shorter decision-making processes and better use of local competences.

New organisational structure
Increased business volumes necessitate a change in organisational structure. The General Assembly set the course last year by amending the Charter. In November 2008, an honorary steering committee will appoint a full-time Board of Directors. In future, this will guarantee a clear division of supervisory functions and operative tasks and therefore create an important prerequisite for effective and successful activities.

Strategic planning
Welthungerhilfe prepared a strategic plan for the period 2007–2011 on which all its activities are based. The strategic goals reflect a clear commitment to improving the quality of our work – in development programmes in the respective countries, in our work at home, in our marketing activities and in the day-to-day management of a professional operational and organisational structure. The guiding theme of our work, helping people help themselves, also applies to activities hitherto regarded as survival aid. Even in complex emergency situations, for example, in the aftermath of natural disasters or civil wars, affected people can assume responsibility for their own lives. Our own members of staff and partner organisations are trained to put this approach into practice.
Dear Readers,

2007 was a dramatic year for Welthungerhilfe. For the first time since our foundation, we resolved the violent deaths of two of our members of staff: a German expert and an Afghan driver were murdered in spring 2007 in northern Afghanistan. These crimes shock our organisation profoundly. And they prompted us to take a closer, self-critical look at our work in Afghanistan. Because of the chronic deprivation and vulnerability of the Afghan people, we are continuing our efforts in Afghanistan. In future, however, we will address the needs of the local population more intensively and emphasize our independent status so that we can continue to work effectively and with maximum safety for our staff.

The GB Summit in Heiligendamm last year attracted unprecedented public attention in Germany to development work issues, such as poverty reduction and aid for Africa. The many crises and disasters that kept us in a state of suspense last year, however, received relatively little publicity. But despite the lack of sensational news, we were able to count on the support of the German population once again. German donors endowed Welthungerhilfe with around €31.7 million. They demonstrated solidarity with the victims of floods, earthquakes and war – in Sudan, Peru and in southern Asia. This money enabled us to reach even more people with our relief programmes in 46 countries. For their unbroken trust and generosity, commitment to the poor people of this world, I would like to express our most sincere thanks to all our donors!

Dr. Hans-Joachim Preuß
Secretary General

MEMBERS OF WELTHUNGERHILFE

Members

Ludger Hüberlitz, President
Caroline Dorer, Director Development with €17.6 million
Dr. Michael Martin, Director Projects with €17.7 million

Project Committee

Dietmar Gräf, Chairman

Members of the Project Committee

Project Committee of Welthungerhilfe is made up of 18 honorary members, one chairman and 14 members, five each of the regional project committees for Africa, Asia and Latin America. It is appointed by the Board of Directors for the duration of its term of office. The Project Committee exercises every project expenditure geared to the Board of Directors for the duration of its term of office. The Project Committee possesses the powers to approve the Project Committee’s recommendations to the Board of Directors for the duration of its term of office.

WELTHUNGERHILFE 2007 STATISTICS

By the end of 2007, around €1.9 billion helped finance:

• 3,720 relief projects
• 1,000 projects for children and young people
• 910 emergency aid programmes

In Germany, Welthungerhilfe’s work was supported by many people, including:

• 249,614 private donors
• 45,000 children and young people at 233 “Run for Life” events
• 5,300 voluntary workers who organised 490 events for the benefit of the relief organisation
• over 3,000 school children during Welthungerhilfe’s project week

To finance its projects, Welthungerhilfe received:

• €317.1 million in private donations
• €93.6 million in public grants

Administrative costs accounted for 1.8% of total expenditure, costs of advertising and general public relations 4.9%

The most important sources of public funds were:

• the Commission of the European Union with €30.9 million
• the World Food Programme with €25.0 million
• the German Ministry of Economic Cooperation and Development with €17.6 million
• the Dutch Government with €48.9 million.

In 2007, 325 projects were carried out in the following sectors:

• 19 projects for rural development
• 62 projects to restore basic infrastructure (schools, roads, etc.)
• 28 domestic projects
• 27 projects in the field of “social integration and education”
• 27 projects classified as “other measures”
• 19 projects to promote structures in civil society
• 18 emergency aid projects
• 5 projects in healthcare
Our vision:
All the people of this world lead an independent life in dignity and justice – free from hunger and poverty.

Welthungerhilfe was founded in 1962 as the national committee of the “Freedom from Hunger Campaign” set up by the United Nations’ Food and Agricultural Organisation (FAO). Today, it is one of Germany’s biggest non-governmental relief organisations. Non-profit-making, non-denominational and politically independent, the organisation is run by a board of honorary members under the patronage of the President of the Federal Republic of Germany. Its work is funded by private donations and public grants.

What we want
• Welthungerhilfe campaigns worldwide for human rights, sustainable development, a guaranteed food supply and conservation of the environment. We regard our work to be successful if people improve their quality of life to such an extent that they can enjoy a secure livelihood without outside aid.
• As citizens of a wealthy country, we bear a responsibility for ensuring that we do not merely pay lip-service to the idea of solidarity with the poorest members of the human race. For this reason, together with partners from the world of politics, media and schools, we campaign for fairer cooperation with countries in the developing world.
• We use the funds entrusted to us sparingly and effectively. The work of our staff is characterised by commitment, experience and competence.

How we work
• We provide help from one set of hands: by means of rapid humanitarian aid in acute crisis regions. Where hunger and poverty are chronic problems, we cooperate closely with local partners on long-term projects.
• As part of this process we provide support for the landless, for small-scale farmers, for women, children and young people; for people who need start-up aid in order to lead their lives in justice and dignity.
• We fund our work from private donations and public grants. We have received the “seal of approval” from Germany’s Central Institute for Social Issues (DZI) for the cost-effective and transparent way we use our funds.
• Levels of control such as internal auditing, evaluation or periodic project reports ensure that funds are used correctly.

Everything at a glance under www.welthungerhilfe.de

ANNUAL REPORT 2007