ANNUAL REPORT 2016
“Between now and 2030, we resolve to end poverty and hunger everywhere; to combat inequalities within and among countries ...”

From the preamble of the Agenda 2030 for Sustainable Development, which was adopted unanimously on 25.9.2015 by the 193 member states of the United Nations.

“The right to food is a human right.”

“Of course, population pressure cannot be denied. And yet there is an abundance of food. It is the structures, the structural violence, that deny the poor access. And the institutions of rich countries continue to make it worse.”

Jean Ziegler, Switzerland, author and UN special rapporteur for the Right to Food from 2000 to 2008

“Massive poverty and obscene inequality are such terrible scourges of our times - times in which the world boasts breathtaking advances in science, technology, industry and wealth accumulation - that they have to rank alongside slavery and apartheid as social evils.”

Nelson Mandela, South Africa, 2005

“40 years ago, barely anyone was talking about environmental protection, nowadays every provincial governor has to have a conservation plan. The same thing needs to happen with the hunger issue.”

Martin Caparrós, Argentina, author of the 2014 book ‘El Hambre’ (‘Hunger’)

“40 years ago, barely anyone was talking about environmental protection, nowadays every provincial governor has to have a conservation plan. The same thing needs to happen with the hunger issue.”

From the preamble of the Agenda 2030 for Sustainable Development, which was adopted unanimously on 25.9.2015 by the 193 member states of the United Nations.

2,523 EMPLOYEES

407 INTERNATIONAL PROJECTS

39 COUNTRIES

239.8 MIO. EURO PROJECT VOLUME

8.4 MIO. PERSONS SUPPORTED

1 GOAL
In conversation with the Supervisory and Executive Boards
Zero Hunger requires political steps

Project map
Hunger as a weapon of war
Accountability - Is something wrong?
Emergency aid fund - because every hour counts
Aid after trauma, flight, destruction
Zero Hunger needs partners
When the rains stay away
Vegetable seed against hunger
Impact on trial
Job opportunities for 45,000 young people in five countries
Raising the voice of the poor
Political calls to action for Zero Hunger
Quality, transparency, values
Commitment to a fairer world
Thank you!
Outlook - Consolidating strengths, new ventures

Structure of Welthungerhilfe
Foundation - Long-term support

Balance sheet Foundation
Balance sheet
Income and expenditure account
Welthungerhilfe in numbers
Income and expenditure account according to DZI
How we collect donations
All overseas projects 2016

Conception and design
muehlhausmoers corporate communications gmbh, Cologne

In order to ensure better legibility of the texts, only the male pronoun is used in this annual report. This naturally also includes the female form.
Hunger abolished in all project countries – that would be fantastic news. Is it realistic?

Bärbel Dieckmann: A world without hunger is neither wishful thinking nor a mere vision. It is a human right that we can actually realise. In recent years many developing countries have been able to achieve considerable successes: According to the Global Hunger Index, hunger has reduced by 29 percent since the year 2000, and the fight against hunger is making progress in every region. Some countries, such as Rwanda, Ghana and Senegal, where there is strong economic growth and progress in health services, have been able to lower their values by up to 50 percent in the last six years. So we are heading in the right direction, but we need to increase our efforts.

But the current drought and impending famines in Africa must be a step backwards?

Dieckmann: The food situation in countries such as South Sudan, Somalia, Ethiopia and Kenya is indeed very alarming. Without humanitarian assistance, many families would not be able to survive, as long as the structural challenges continue to exist. But, at the same time, catastrophic famines with more than a million dead are a thing of the past. Early warning systems and better coordination are taking effect and saving human lives.

Dr. Till Wahnbaeck: And the countries affected have also learnt. In Ethiopia, the government introduced a permanent social safety net for the poorest of the poor, which helps to alleviate the disastrous consequences of crises, such as droughts. But many areas are in a permanent state of emergency, where one crisis follows another. People have no chance to recover and no resources to fall back on.

Climate change contributes to hunger in the world, doesn’t it?

Dieckmann: Climate change, which is caused by the industrial nations, also has a big impact on the food situation. In future, we have to invest even more in prevention and resilience, so that people are prepared and can cope with heavy flooding or a lack of rainfall. This also includes new mechanisms, like climate risk insurance. And ultimately we have to stop climate change itself.

What are the biggest obstacles in the fight against hunger?

Wahnbaeck: Wars and armed conflicts are the biggest driving forces of hunger. For example, South Sudan is fertile, has vast natural resources and could feed its population very well. Due to the civil war, millions of people have been displaced from their villages and live as refugees in camps or in neighbouring countries like Uganda. But we also need a change in the political framework conditions, in order to defeat hunger and poverty. This includes, for example, land rights for 2.5 billion smallholders and members of indigenous populations, as only ten percent of all farmers possess a formal tenure. At the same time, we need to strengthen local and regional economic cycles, so that raw materials can be processed locally and jobs created.

Does it not also need new concepts and initiatives?

Dieckmann: The Agenda 2030 includes a ‘future contract’, an agreement of the international community on ambitious goals such as the eradication of hunger and poverty. Now we ensure countries do their homework and keep to the commitments they have made. For the first time in history, the eradication of hunger is within reach. But it is a huge task, and everyone needs to make the effort.

Wahnbaeck: Innovation plays an important role in our projects. Together with our local partners we work to keep improving our local solutions. It’s not about the perfect idea, but about the best possible approach for the immediate problem. In Sierra Leone, for example, after the outbreak of the Ebola epidemic, we had to move out previous training measures for smallholders onto a digital platform, as meetings of larger groups of people were prohibited. The training module we developed at the time has now been successfully transferred to other countries.

There are conflicts, however, such as the war in Syria, where aid organisations are often helpless.

Dieckmann: We carry out our work as best we can there, but without a viable political solution that also includes neighbouring states, there will be no lasting peace. It is a scandal that we often cannot even reach people in need, because it is too dangerous for the aid workers or because there are conflicts, however, such as the war in Syria, where aid organisations are often helpless.

Wahnbaeck: We see great progress in Latin America. We have substantially changed our work in the countries there, because the food situation has significantly improved. Acute hunger has largely been eradicated. It is only in Haiti that we are working on projects for nutritional improvement and, if necessary, on emergency aid projects.

“A world without hunger is neither wishful thinking nor a mere vision. It is a human right that we can actually realise.”

Bärbel Dieckmann, Welthungerhilfe President

“The more we focus on our goal, the better our work will be.”

Dr. Till Wahnbaeck, CEO of Welthungerhilfe
Of course governments locally bear a high degree of responsibility, and they must be held to account. For many years, investment in agriculture has been neglected, and fertile soils in many countries are being used for agricultural exports, rather than to secure nutrition within the country itself. And the rights of smallholders must be protected with regard to the issue of land grabbing, too. We support our local partners in all of these areas to remind governments of their obligations and ensure they act. In India, the government has adopted a new community-based training approach from us into some of its current programmes. The approach connects agricultural production with income-generating measures and the protection of resources. That is a success.

Don’t governments in the Global South also need to make more effort to improve the situation of their populations? Beckmann: Of course governments locally bear a high degree of responsibility, and they must be held to account. For many years, investment in agriculture has been neglected, and fertile soils in many countries are being used for agricultural exports, rather than to secure nutrition within the country itself. And the rights of smallholders must be protected with regard to the issue of land grabbing, too. We support our local partners in all of these areas to remind governments of their obligations and ensure they act. In India, the government has adopted a new community-based training approach from us into some of its current programmes. The approach connects agricultural production with income-generating measures and the protection of resources. That is a success.

HUMANITARIAN ASSISTANCE: INCREASED AND PREVENTIVE MEASURES AND NO EXPLOITATION

Despite record expenditure by the United Nations (UN), the 2015 and 2016 crisis appeals for humanitarian assistance remain unfunded. This year, international assistance for the crises in the Lake Chad region and East Africa will be underfinanced and will arrive too late. Governments prefer to use instrumentalisation development assistance and emergency aid for their migration management. The scenario, however, is not that people are fleeing to Europe, but that they are starving in their own countries.

One child in 4 suffers developmental delays caused by malnutrition.

ERADICATING MALNUTRITION WITH LOCAL PULSES, FRUIT AND VEGETABLES

In developing countries, one in four children are stunted in their physical and mental development as a result of vitamin and mineral deficiencies. Welthungerhilfe is campaigning for the governments of these countries and international donors to promote the cultivation of micronutrient-rich fruit, vegetable and pulse varieties.

For Farmers and Indigenous Peoples

For many years, investment in agriculture has been neglected, and fertile soils in many countries are being used for agricultural exports, rather than to secure nutrition within the country itself. And the rights of smallholders must be protected with regard to the issue of land grabbing, too. We support our local partners in all of these areas to remind governments of their obligations and ensure they act. In India, the government has adopted a new community-based training approach from us into some of its current programmes. The approach connects agricultural production with income-generating measures and the protection of resources. That is a success.

Creating Market Opportunities for Smallholders and Local Economy

Smallholder structures in developing countries do not stand a chance against the highly-subsidised agro-industries. Trade and agricultural policy instruments that developing countries are suppliers of cheap raw materials and markets for surplus goods. Welthungerhilfe promotes the establishment of local and regional economic cycles, the processing of raw materials locally and the creation of better market opportunities for smallholders.

Supporting Smallholders and Aligning Agricultural Imports to Standards

For decades, the promotion of smallholders and rural development has been progressing at a snail’s pace. Welthungerhilfe is calling for its acceleration and to link agricultural exports from famine countries to the human right to food. Together with the Center for Development Research (ZEF) Welthungerhilfe has produced a Food Security Standard.

Increasing Government Development Cooperation to a Genuine 0.7 Percent

In 2016, German government development assistance rose to 0.7 percent of the gross national income. However, one-quarter of this was spent on supporting refugees in Germany. Welthungerhilfe welcomes the increase and the commitment to refugees, but criticises the “false labelling” and is calling for an increase to a genuine 0.7 percent - without deduction of the expenditures for refugees in Germany.

Securing Land Rights for Farmers and Indigenous Peoples

The land rights of 2.5 billion farmers and indigenous peoples are threatened. Millions of people have lost their land due to foreign investors and influential ruling powers. Welthungerhilfe supports victims of land grabbing and organisations that campaign within their countries for the protection of land rights. It is calling for clarification and recognition of the rights of land owners before the start of any investment projects.
WHAT WE ARE ACHIEVING

Since its establishment in 1962, Welthungerhilfe has funded 8,517 international projects to the tune of around 3.27 billion euros, including 6,120 self-help projects.

Through its 407 overseas projects in 39 countries, Welthungerhilfe supported 8.4 million people – men, women and children – in 2016 alone. In real terms that means: People could survive, many are harvesting more crops, they can better feed themselves, now have clean drinking water and toilets where they live, are less ill, can generate an income or surpluses or can start a training course. For children, the support of Welthungerhilfe means a chance of healthy physical and mental development.

**GLOBAL SUPPORT**
- 39 countries
- 8.37 million persons supported
- 407 projects
  - 152 projects: Rural and regional development
  - 33 projects: Emergency aid
  - 26 projects: Basic infrastructure
  - 31 projects: Social integration and education
  - 36 projects: Support of civil society structures
  - 1 project: Health and HIV/AIDS
  - 58 projects: Other

**LATIN AMERICA AND THE CARIBBEAN**
- 4 countries
- 0.34 million persons supported
- 44 projects
  - EUR 8.71 m project volume

24 of the 407 overseas projects are pan-regional projects with a project volume of EUR 1.26 m. They are not shown in the overview.

**AFRICA**
- 20 countries
- 5.28 million persons supported
- 177 projects
  - EUR 136.16 m project volume

**ASIA**
- 15 countries
- 2.75 million persons supported
- 162 projects
  - EUR 90.63 m project volume

**EUROPE**
- With these projects on policy and public relations work, Welthungerhilfe increased awareness of hunger and poverty in the German and European public and politics and promoted active engagement.
- 17 projects
  - EUR 2.64 m project volume
HUNGER AS A WEAPON OF WAR

Millions of people are starving in South Sudan as a result of cynical war policy. Welthungerhilfe is saving lives, conscious of the outstanding political solution. In the places where it works, the organisation has been able to avert famine.

HUNGER FACTS | HUNGER CAUSES

South Sudan is fertile, rich in natural resources and could easily feed its population, but the country has become a synonym for violence and hunger. Since the outbreak of the civil war in 2013, 1.8 million people have fled abroad and 1.9 million are displaced within the country - many in camps, where they are dependent on food aid. With the renewed outbreak of fighting in July 2016 the emergency intensified dramatically. Even in regions that were considered stable and part of the bread basket, the displacement of people meant that neither sowing nor harvesting was possible. According to United Nations (UN) data, in February 2017 more than 5.5 million South Sudanese were no longer able to provide food for themselves, and a famine was declared for 100,000 people in two provinces of Unity State.

HOW WE ARE COMBATING HUNGER

In July 2016, Welthungerhilfe temporarily evacuated all employees - only the team in the UN-protected camp for internally displaced persons (IDPs) in Bentiu, Unity State stayed on the ground. As it remained calm in Northern Bahr el Ghazal state, we were able to quickly resume our agricultural support there. In contrast, in Morobo and Magwi in the south, we have had to suspend an agriculture and literacy project for security reasons, a project that was bringing urgently needed prospects. The situation is, and was, worst in Unity State: In Ganyiel and Nyal - marshland areas without infrastructure that only helicopters can reach - we were forced to interrupt the provision of over 142,000 IDPs for approximately one month. For over 190,000 people in Bentiu it was still possible. There, we are providing 60 percent of people’s food needs. They provide the rest themselves, either by trading within the camp, growing their food or by catching fish in the Nile.

We have been able to avert famine in the places where we work. As one of the largest partners of the World Food Programme, we distribute food in the country to around 370,000 people in two states. However, in many areas the government blocks access to people in need. Cynical warlords use hunger as a weapon of war. Welthungerhilfe is urging a political solution and continuing its humanitarian assistance. “We cannot end the war, but we can save lives. The poorest of the poor bear the least responsibility in the battle for power and raw materials but are the ones who suffer the most as a result,” explained Welthungerhilfe CEO, Dr. Till Wahnbaeck during his visit in October.

“The poorest of the poor bear the least responsibility in the battle for power and raw materials but are the ones who suffer the most.”

Dr. Till Wahnbaeck, Welthungerhilfe CEO
The organisation has helped with the building and equipping of classrooms, construction of wells and latrines, small animal husbandry as well as agricultural and vocational training. In July, it immediately expanded its engagement to the district of Yumbe. It was there that the refugee settlement Bidibidi developed - within weeks it would become the second largest refugee camp in the world; it is currently home to 270,000 people. As one of the first relief organisations on the ground, Welthungerhilfe promptly supplied people with drinking water through its own emergency aid fund. At the same time, the organisation successfully appealed to institutional donors and supporters to invest in the construction of 40 wells and thousands of latrines to provide for over 30,000 people.

... AND ACHIEVING SUCCESS
An online campaign brought 7,000 euros in donations, financing one of the 40 wells. By October, ten wells were already finished, including three for the local population. We also built toilets and held hygiene training courses. In around 90 Farmer Field Schools, each with 30 members, our specialists train refugees who have been assigned land from the host community. They train both refugees and Ugandans in how to cultivate their land as productively as possible, in order to improve nutrition and income. Where necessary, we hand out simple equipment such as foot pumps for irrigation. Savings and credit groups are established in parallel.

Grace Karisa is our officer for nutrition in Kenya and contact person for complaints. She writes:

“Why is the development of the water pipelines in our project delayed?” “Why doesn’t my pump work properly?” “Can we discuss project topics in our traditional community forum?” These are the sort of questions our office in Kenya has received since we introduced a complaints system in 2014. We have to accept that we don’t always get everything right. The people in our projects have the right to raise problems and to complain. It is only in this way that we can react quickly. We regularly explain this to the village residents, just like our other commitment to them according to the Core Humanitarian Standard on Quality and Accountability (CHS). This is a list of rules for

EMERGENCY AID FUND - BECAUSE EVERY HOUR COUNTS
In natural disasters and wars, just a few hours can make a difference to people’s chances of survival. The emergency aid fund allows immediate action.

Precious time can often be lost waiting for donation appeals and public funds. In contrast, the money in the emergency aid fund is accessible immediately. With their donations, individuals, companies and foundations ensure that at the start of every hour the fund holds a minimum of 500,000 euros and is continuously topped up. Thanks to this fund, in 2016 Welthungerhilfe was able to provide emergency aid during the drought in India (two pages 24 - 26) and a famine in Ethiopia (see page 18). At the start of August 2016 you could, from the fund to send tankers to Bidibidi. For 31 days, Welthungerhilfe provided drinking water to over 30,000 people with 75,000 litres per day - until the first well was built.
HUMANITARIAN CRISIS The war in Syria displaced 6.5 million people within their own country and a further five million fled abroad. The majority found refuge in neighbouring countries, 2.8 million in Turkey alone, and more than one million in Lebanon, which itself has only four million inhabitants. Many are lacking even the most basic things to survive. According to United Nations figures, 34 percent of Syrian refugee households in Turkey suffer from food insecurity, 66 percent are at risk of it and 24 percent of children under five are malnourished.

WHAT WE ARE DOING AND ACHIEVING For security reasons we are not working directly in Syria at the moment. Through our Syrian partners we are distributing bread and food vouchers to over 190,000 malnourished local residents and displaced people in the provinces of Aleppo and Idlib. With the restoration of destroyed water networks we are securing the water supply for 39,000 people. After an attack on the Baylun hospital in Idlib province, in September 2016 we had to stop the support of short medical courses, each attended by 125 Syrians.

In Turkey, we are giving electronic Cash-Cards to the neediest people, charged with a monthly amount of 23 euros per family member. Syrian families can then buy food and everyday necessities in selected shops. In winter 2016/2017 the families received an additional amount on their card – for warm clothes, stoves and kerosene. “Aid packages often contain things we don’t need at all. With the Cash-Cards we can buy what we are lacking for our homes,” explains Khaled. The 30-year-old fled Idlib to Kahramanmaras and has to provide for eleven family members. Like most others, his family needs food above all. We made it possible for around 2,000 Syrian children to attend school in 2016, because we financed bus transport and school materials for five schools.

In order to promote a peaceful coexistence between Turks and Syrians, we are supporting social centres in Istanbul, Gaziantep and Mardin province, which are managed by Turkish organisations. Here, both Syrians and locals find a wide range of services - from joint leisure activities to training courses in computing and different trades, enabling people to earn a little money. Among other things, we promote Turkish language courses for Syrians and offer psycho-social, medical and legal consultation for refugees who are traumatised or in need. An expansion of the consultation services is planned. For 32-year-old Asimah the most important thing was to “get an ID card, in order to receive medical care. This is essential (...), because I have cancer.” Our legal advice service was able to help her.

In Lebanon, together with our Alliance2015 partner Concern Worldwide from Ireland, we have been supporting

Syrians and especially the Lebanese host community in the border province Akkar. Since August 2016, we have been providing agricultural assistance and have been helping with the reconstruction of the urgently needed hydro infrastructure. As the Syrian war is leading to an increase in social tensions, violence and child labour here too, we are offering training sessions on trauma and stress management, non-violent communication and on the issue of violence against women.

In order to protect their identities, we refrain from revealing the surnames of the people we report about on pages 15 and 16.
PROSPECTS AFTER LIBERATION FROM IS

Welthungerhilfe has been in Iraq since 2014, a country marked by wars and the terror of so-called Islamic State (IS).

HUMANITARIAN CRISIS

In 2014 IS had conquered wide swathes of the country. Since 2015, Kurdish and Iraqi forces with international support have succeeded in recapturing many areas. This has been accompanied by huge refugee movements, as in Mosul. There are around 3.2 million Iraqis displaced within the country, as well as more than 250,000 Syrian refugees. In 2016 over 3.2 million Iraqis displaced within the country, as well as forces with international support have succeeded in recapturing east of Mosul.

WHAT WE ARE DOING

The military offensive that began in October 2016, to liberate the city of Mosul from IS, forced hundreds of thousands of people to flee. Along with other aid organisations, Welthungerhilfe had made preparations well in advance to provide them with assistance. It is repairing local water networks in the liberated areas and distributing water and aid packages with blankets, mattresses, drinking water containers, cooking and eating utensils, detergent, hygiene articles, a kerosene stove and a lamp. Families with children receive “baby kits”. “Finally, I can take care of my family’s needs. Everything is useful. In the north of Nineveh province, which was liberated from IS at the end of 2015, we are supporting the reconstruction of destroyed water networks and the optimisation of so-called Islamic State (IS).

Humanitarian crisis

Welthungerhilfe has been in Iraq since 2014, providing humanitarian assistance to 10.5 million people in Iraq needed humanitarian assistance more than 250,000 Syrian refugees. In 2016 over 3.2 million Iraqis displaced within the country, as well as forces with international support have succeeded in recapturing east of Mosul.

WHAT WE ARE ACHIEVING

Nisan registered for the paid construction work in her hometown of Sinuni. In the team of 21 men and women, predominantly elderly or sick members, the cultural centre of the town. Her brothers are in the military, her sisters too young to work. The Yazidi family returned because it could not bear life in the refugee camp. You can’t live like that forever,” explains the 20-year-old with determination. Even if her dream of studying lies far out of reach - her family has survived, her house miraculously untouched being captured by IS. Around a third of the once 25,000 residents have returned to Sinuni, the first streets are again starting to bustle and allow hope that the future will be brighter. One challenge is the peaceful coexistence between the different population groups, cultures and religions that traditionally live in Nineveh. After the 2014 conflict, social harmony is constantly under threat. There is, for example, distrust among the Kurdish Yezidis towards their Arab neighbours, because they assume some of them betrayed them to IS. As a consequence, Welthungerhilfe must also bear in mind the promotion of social cohesion in its reconstruction projects. Alongside targeted measures such as workshops in schools, this means that all groups from the returned local population, the internally displaced Iraqis and the Syrian refugees, must be given equal consideration. So we involve representatives of all groups in the planning about which streets, schools, medical facilities and parks should be rebuilt, as well as in the allocation of the paid reconstruction work. 18-year-old Ahmad, who fled from IS to Syria in 2014 and later escaped the fighting there to return to Iraq, reported after a workshop: “I was pleased that we were asked about our ideas. We have waited for a long time for an organisation like Welthungerhilfe to come and to include our needs in its work. We want to live together peacefully in our community and have more rights for women.”

60,000
Syrian refugees in Turkey receive Cash-Cards to buy necessary items for living.

32,500
people in Iraq are supported by us with Cash for Work measures and cash assistance.

301,280
people are supported by us in Syria and Turkey.

33,725
Lebanese citizens and Syrian refugees benefit from our work in Lebanon.

ZERO HUNGER NEEDS PARTNERS

We are a member of several national and international networks, so that we can achieve more in humanitarian assistance and development work by working together, joining forces and sharing resources. The ambitious goal of Zero Hunger by 2030 requires joint, coordinated action.

HIGH EFFICIENCY

International coordination committees - so-called Clusters - provide for efficient coordination during disasters. Within 72 hours, the participating UN, donor and non-governmental organisations decide with this affected countries whether joint emergency aid will be activated and who will do what, how, where and when. In this way, both funds and the respective strengths of the actors can be better utilised to achieve the greatest and broadest possible support for the affected population. Welthungerhilfe is active at a global level in three of the eleven Clusters: in the Logistics Cluster, in the Water, Sanitation and Hygiene (WASH) Cluster and in the Food Security Cluster (FSC). A Welthungerhilfe expert financed by the Federal Foreign Office is represented in the FSC, which is led jointly by the World Food Programme (WFP) and the Food and Agriculture Organization (FAO) in Rome.

STRONG VOICE

Welthungerhilfe is participating in the global policy development on Zero Hunger within the framework of the Committees on World Food Security in Rome. In Germany, we are introducing our positions through the umbrella organisation of German non-governmental organisations on development policy and humanitarian aid (VVO) Mathias Mogge, our Executive Director Programmes, is a member of the VVO executive committee. We are also active in the European umbrella organisation VOICE. In the European Interagency Security Forum (EISF) we cooperate on risk minimisation approaches for employees in partner countries. In the humanitarian aid coordination committee of the Federal Foreign Office we campaign for constant improvement in German disaster relief.

RELIABLE PARTNERS

In Germany, together with seven partners we form Bündnis Entwicklung Hilft. In the event of disasters, we collect donations jointly, for example, via appeals on ARD (a German public television station), in order to alleviate acute need and to combat the structural causes of poverty, hunger and conflicts. On a European level, we are a member of Alliance2015 with six other organisations from France, Ireland, Italy, the Netherlands, Czech Republic and Switzerland. We cooperate with them in risk projects and launch joint campaigns to increase awareness in Europe of development policy themes. Internationally, we have been active since 2015 as the first German non-governmental organisation in the Start Network. It aims to quickly mobilise resources for acute emergency situations and to connect actors working on the ground.

6,500
people in Iraq are supported by us with Cash for Work measures and cash assistance.

1716
HUNGER FACTS | HUNGER CAUSES

Despite the economic growth of recent years, the Global Hunger Index 2016 classifies the food insecurity in Ethiopia as ‘serious’. The low-yield agriculture cannot feed the country’s 100-million population. In Afar and Amhara, people and animals were already weakened by two failed rains when months of severe El Niño drought dried up water sources and caused grazing lands and harvests to wither. Tens of thousands of goats - the life source of the pastoralists - perished, and at the same time the grain and food prices rose dramatically. In addition to the food programme that the government provided for millions of needy Ethiopians, it had learnt from the past and also made 340 million euros available. As the resources were not sufficient to deal with the emergency, the government asked for help.

HOW WE ARE COMBATING HUNGER …

From March onwards, Welthungerhilfe supported 80,000 people in Afar and Amhara with additional emergency aid, such as food supplements for children and pregnant women, water supplies, fodder and health checks for the animals. In Afar, health workers and hundreds of female volunteers were trained in courses on health, nutrition and hygiene. Well-prepared, they went from house to house checking the nutritional situation, particularly of children, pregnant women and breastfeeding mothers. In the event of acute malnutrition, they gave ready-to-use therapeutic food, milk powder and medicines. Children whose lives were in danger due to undernourishment were treated in stabilisation centres. As the harvests were destroyed and the seeds used up, we distributed strong lying herds in and around Afar alone 2,881 quintals of drought resistant seed to 20,688 households. We paid thousands of Ethiopians to repair roads and build rain collection tanks and smaller irrigation plants. We are also continuing our work on sanitation and hygiene, as well as health care provision for mothers and children before and after birth.

… AND ACHIEVING SUCCESS

Thanks to our work in previous years, many pastoralists were better able to withstand the extreme drought. In 2015, through our partner APDA in Afar, we treated or vaccinated over 510,000 cattle, camels, sheep and goats against illness, to strengthen them. For many years we have been supporting the building of underground rainwater storage tanks made of cement, known as ‘birkat’. “During the El Niño drought our water supply measures were able to make the difference between life and death for communities in Afar,” explains Yusuf Abdu from the partner organisation APDA. In 2015 alone, five birkats were repaired, eight new ones were constructed and five new reservoirs built. Even with little rain, the pools and birkats, which we replenished during the worst droughts using water trucks, filled up. Pastoralist Zhara Ali Mohammed lost the majority of her herd, there was barely enough food for her and her children, but they had water. “Without the birkat I would have to walk for ten hours to collect water at the nearest source.”

In 2016, an extreme drought caused by the weather phenomenon El Niño brought immense suffering to over ten million Ethiopians in the Afar and Amhara regions. Welthungerhilfe provided emergency aid for 80,000 people.

TAKING CARE OF THE GOATS SAVES FAMILIES

Wax Gubena is a member of Welthungerhilfe’s project staff in Ethiopia. He reports on how a family of pastoralists survived El Niño drought in Afar region. Ibnat, East Belessa, Argoba, Borana Amhara region: Ibnat, Addis Ababa, Arada, Borsa

ENGLISH

Annual report 2016

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<th>Project focal points</th>
<th>Food and nutrition security, agriculture, rural development, drought resilience strengthening, WASH, social development including children and young people, basic health care</th>
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<td>Project locations</td>
<td>Amhara region: Belessa, East Belessa, Argoba, Borana Afar region: Roni, Addis Ababa and Amibara</td>
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**VEGETABLE SEED AGAINST HUNGER**

In northern Burundi, Welthungerhilfe is supporting farmers with their own production of drought-resistant, high-quality seed and the adaptation of their cultivation methods to climate change.

**HUNGER FACTS** Burundi is one of the poorest countries on earth. For years the small Central African state has been one of the lowest ranking countries on the Global Hunger Index.

**HUNGER CAUSES** Most Burundians live from agriculture, but their smallholder cultivation methods are extremely outdated and unproductive. The fields are far too small to keep up with the rapid population growth. There is a lack of modern knowledge and technologies. The lean harvests are also a consequence of the poor seed quality — which worsens every year, because it is not adequately selected and propagated. In addition, extreme droughts or heavy rains caused by climate change have a big impact. The prices for staple foods rose by around 20 to 30 per cent during 2016.

President Nkurunziza’s pursuit of a third, unconstitutional, term of office plummeted Burundi into a deep political crisis. The autocrat turned the optimistic beginnings of a new constitution, which came into force in 2005 as a work of reconciliation after the brutal civil war, into the opposite and eliminated constitutional structures, opposition and the press. In light of the repressions, multilateral and bilateral donors such as Germany, suspended their development cooperation and limited themselves to emergency aid. As such, non-governmental organisations like Welthungerhilfe became indispensable advocates for the suffering population. The economy lay in ruins. Without assistance from outside, the people have no prospects.

**HOW WE ARE COMBATING HUNGER ...** Welthungerhilfe is increasing its engagement in the small country. In particular, it is supporting sustainable agriculture, the production of high-quality seed and the protection of natural resources. Other components of its national programme are the promotion of peace and reconciliation, drinking water and sanitation, infrastructure and hygiene measures as well as adaptation to the effects of climate change. In four villages in the project area in Ngozi province, it is promoting the protection of endangered hillsides and agricultural land from erosion and the intensification of agricultural production. Seed propagation centres are being constructed in small warehouses. Inside, the propagation of high-quality plants and seed for fruit, vegetable, root crops and grain varieties is taking place. Quality seed with a short sprouting time and high resilience to difficult climatic conditions is being made available to needy families in the region, as well as to the

---

**VEGETABLES NOW GROWING YEAR-ROUND**

Weeding, harvesting ripe vegetables, planting young plants - that is the daily work of Melchurie Mukishimana. The 29-year-old belongs to a women’s group, which manages vegetable fields in her municipality of Ruhororo.

“I am very grateful for the seed from Welthungerhilfe,” she says. “It has significantly improved our nutrition. We now have vegetables all year round.”

Melchurie has taught them everything about cultivation methods. “The vegetable cultivation stations are especially practical,” explains Melchurie. The small surfaces sheltered with dried banana leaves stand on the fields and protect the seed against too much rain and sun. “As soon as the seedlings have grown a little and are strong enough, we plant them out in the fields. This increases our yields.” Melchurie is proud of the results. “We produce more than we need and sell the surplus on the market. It means we can pay the school fees for our children and even save a little for emergencies.”

She has attended cooking courses and learnt how to prepare nutritious meals and the importance of handwashing and other hygiene measures.

“I became a mother recently and am breastfeeding my child. The knowledge that he can only be healthy if I eat well myself and am careful with hygiene has changed my life.” Melchurie makes sure that each meal contains enough protein, carbohydrates, fats, vitamins and minerals. So she enriches her favourite meal of beans, cabbage and cassava with a spoonful of oil and some lemon.
The quality of our projects is periodically assessed through impact-oriented monitoring and evaluations. The interim evaluation had identified a need for further distribution. The growing of vegetables ensures a supply of vital vitamins and minerals throughout the year. Together with Weltungerhiflle experts, the smallholders achieved good success with potatoes, runner beans, soya and yams. The cultivation of vitamin-rich products such as cabbage, onions, citrus fruits and avocado enriches the nutrition. Two new warehouses protect seed and harvests from animals and mould.

... and achieving success Viola Hakizimana, president of the seed centre in the Marangara community, explains: “A big problem is that the seed in Burundi is not graded and propagated adequately. It is a bad quality seed, which becomes worse every year. Here, we are producing a good quality seed. It is resistant to drought and parasites and brings high yields.” To protect their fields from erosion, the smallholder families have dug kilometre-long ditches, established nurseries and planted 2.2 million trees of the Calliandra and Grevillea varieties along the ditches. They have also planted over 900,000 saplings on endangered hillsides to protect against erosion. They received money and food in exchange for their labour. The agro-forestry trees improve the soil quality and will enable the farmers to have an additional income source in future. The project partners are constantly improving their knowledge in modern technologies like adapted soil fertility strategies or innovative irrigation methods such as drip irrigation, which they pass on in turn to the local people. With the sales of their harvest surplus they earn a small income. The intensive cooperation promotes constructive negotiation in the communities - a local economic cycle has developed.

With the transnational programme ‘Skill up!’ Weltungerhiflle is enabling young people to receive an education or set up a business - a key to development, economic growth and a way out of hunger and poverty. The Bauer family (Bauer Media Group) finances the initiatives in Sierra Leone, Uganda, Kenya and Tajikistan for 15,000 young people, investing five million euros. The Federal Ministry for Economic Cooperation and Development (BMZ) finances the ‘Green Colleges’ in India. They are taking on an advisory role in the programme, as 30,000 young people have already been successfully trained there.

Interview with Professor Dr. Michael Fremerey

Professor Fremerey, you visited ‘Skill up!’ in Sierra Leone, Uganda and India. What is the connecting programme idea?

Prof. Fremerey: The idea is to create life-, job- and income prospects for young people, to take them away from their precarious social and economic situation. With the provision of training and advice, tailored to each specific local situation, they can join the labour market or become active as entrepreneurs. In all countries the projects are linked with both private businesses in the respective region and with the relevant state services. This ensures the greatest possible integration of the programme into the public training and certification system and the long-term existence of the initiatives, independent of external assistance.

What are the particular programme approaches in the different countries?

Prof. Fremerey: “Skill up!” integrates a wide variety of approaches. The project in Sierra Leone definitely uses a decentralised approach, and mobile teams offer training locally in the villages. In Uganda, a locally-adapted variant is practised connecting dual training with central education facilities and decentralised elements. With its centre-oriented approach, the project in Kenya takes the slum situation into account. In Tajikistan, efforts are being made to bring innovative approaches into a still relatively rigid national educational system. Finally, the Green Colleges in India enrich the spectrum with their extremely successful environmental education and advisory approach.

Which is the special potential of ‘Skill up’?

Prof. Fremerey: The diversity of the approaches in combination with the full range of strategies, which are necessary during skill development training. Weltungerhiflle can contribute to the model development of this important future. The ‘Skill up!’ requirements are intriguing; in each country the target is for 50 percent of trainees to be women; all trainees commit to making a contribution, whether financial or in-kind, and young enterprises are supported in the medium and long-term.

What can ‘Skill up!’ contribute to the eradication of hunger in the project regions?

Prof. Fremerey: The programme offers personal prospects to 45,000 young people and stands for the development of Best Practices in how life and work perspectives can be created for young people from precarious circumstances. It depends on ensuring that the countries continue the approaches and that, at the same time, political steps are taken to see that labour markets in the Global South have a chance. The programme ‘Skill up!’ opens up a great opportunity for the eradication of poverty and hunger. However, as long as subsidised surplus from Europe destroys the markets, and thus the job and income opportunities, the impact will remain limited.

Kilograms of soya seed were received by the centres for propagations.

320

38,000

120,000

Kilograms of quality seed for beans were produced in 2016.

1,347

Interview with Professor Dr. Michael Fremerey

30"Skill up!” supported the young entrepreneurs Ramin Kaghardal and Samuka Jaward from Sierra Leone. They convert carpentry waste into briquettes.
HUNGER FACTS & HUNGER CAUSES
India, the second biggest food producer in the world, has made significant progress in the fight against hunger and undernutrition in recent decades. Still, the country has the second highest global number of undernourished people. There is enough food for everyone, but many people are too poor to buy it. 22 percent of Indians live below the poverty line, while at the same time India is home to 84 billionaires. Just one percent of the population owns over 50 percent of the country’s fortune. The year 2016 and the third drought in succession brought great suffering to 18 million Indians. In the state of Madhya Pradesh, where more than a quarter of children are undernourished, the consequences were especially devastating.

HOW WE ARE COMBATING HUNGER … As hunger in India is primarily a consequence of glaring inequality, its eradication needs approaches that combat the destitution and poverty in the countryside while also holding the government to account. As such, it is important that our Indian partners not only campaign to strengthen an economically viable smallholder agriculture system, but for good governance as well. In rural areas in particular, the involvement of government representatives can lead to success. … and ACHIEVING SUCCESS
Emergency aid: Thanks to its emergency aid fund and donors from Germany and the EU, during the 2016 drought, Welthungerhilfe was able to provide drinking water to 30,000 people in 45 remote villages. Its Indian partners set up a water hotline, through which the responsible authorities could immediately send out a water tanker, which needed a maximum of four hours to reach even the remotest village. 23 additional water trucks were financed, and health camps set up for extreme cases of dehydration. Through Food for Work projects, the village residents built ponds and repaired barriers of small stones to retain water. Animal feed stores enabled the survival of 7,000 animals.

SUSTAINABLE AGRICULTURE
In recent years Welthungerhilfe and its Indian partners have demonstrated the path to success with improved drought resistance: Innovative, ecological cultivation methods, high-quality seed, integrated water management, drip irrigation and water recycling techniques have all proved their worth. This also includes the regeneration of traditional water storage systems like the ‘chandela tanks’ - filling stations for dried-up wells. Rainwater from rivers, waterways, ponds, lakes (chandela) is directed to the wells via concrete or clay channels, which then re-fill the aquifers with filtered water. During the drought, Welthungerhilfe programme coordinator Philippe Dresüss came upon green fields in the middle of a bone-dry environment, like those of Rajendra Prasad. He is one of 7,890 smallholders in Madhya Pradesh, who received training and funding through us and our partner Parmarth until 2015. As well as export products like wheat and soya, he also grows fruit and vegetables. Despite the third drought in succession he can say: “I will be able to cope.” He sells papaya, tomatoes, onions, chillies, okra and cucumbers on the market at a “very good price.”

SUCCESSFUL ADVOCACY
Local administration measures for the promotion of groundwater formation, rainwater storage and reforestation in drought-plagued villages, proved to be good models of successful advocacy work. Through our partners we support people in holding their local government representatives to account. The result: Government funds were invested in the regeneration of traditional water systems and thus in a resilient water supply with simple, adapted methods in the villages.
BREAKING THE SILENCE

Disha Uppal, Communications Officer in New Delhi, describes the events of 2016

END OF MARCH

Blazing sun, brutal heat, Withdrew from stands and starving people as if in the eye of the storm. No monsoons for the first year in a row brought the worst drought in recent history to 18 million Indians.

APRIL

Almost all water sources, rivers and lakes dry up. The harvest is completely destroyed. People flow to the cities, sometimes take their own lives in despair. Thousands of animals die. Welthungerhilfe, its partners, well-known activists and civil society organizations unite to bring the crisis to public attention.

First emergency aid is prepared. The drought becomes a topic in local and English newspapers, in social media and school textbook publishers, we raise public awareness through campaigns and meetings.

21 – 31 MAY

The Jal Yatra march increases the pressure.

MAY

The Welthungerhilfe emergency aid fund and EU funds make it possible to supply drinking water to villages and villages affected by the drought. Community kitchens are set up, food packages are distributed.

POLITICAL CALLS TO ACTION FOR ZERO HUNGER

Whether international think tanks, the annual Global Hunger Index (GHI) or the first ‘Compass 2030’, 2016 was another year in which Welthungerhilfe made recommendations for political action for a world without hunger.

GLOBAL HUNGER INDEX - INTERNATIONALLY RESPECTED INSTRUMENT FOR ZERO HUNGER

The GHI, which we published in 2016 for the eleventh time, together with the International Food Policy Research Institute (IFPRI) in Washington D.C. and our Irish partner Concern Worldwide, gave clear messages. There has been significant progress in the eradication of hunger since 2000 and no region has stagnated, but efforts must be substantially increased, in order to achieve Zero Hunger by 2030. With the GHI we evaluate annual successes and setbacks in the eradication of hunger in all countries where data is available to us. We take a look at the regions and countries with the greatest need for action and successfully generate pressure to act.

Every year, the country rankings are picked up by media around the globe. Delegates and representatives of civil society use the index to demand greater accountability and stronger commitment from their governments. In Zambia - one of the five countries ranked as ‘serious’ in the Hunger Index in 2016 - parliament held the government accountable for the poor ranking position, likewise in India. Confronted with poor index values, the government there has been under pressure for years. The European Commission and the German government also use the GHI ranking to decide how much countries will receive for food security programmes.

Through discussion panels at the annual publication of the report, and through cooperation with newspapers, social media and school textbook publishers, we raise public awareness of the subject of hunger and present courses of action for politicians and citizens, the government has agreed to ambitious development efforts, which it must not ruin by wrong policies on trade, agriculture or finance.

Therefore, we are carefully observing the direction, financial arrangements and implementation of German development policy. We are doing this with a view to the Agenda 2030 goal of eradicating hunger by 2030, and the promise of leaving nobody behind. Together with terre des hommes, we published the first edition of ‘Compass 2030’ - a continuation of the report series 'The reality of development policy'. In this report, we summarised the results in an easily understandable way, and established demands to ministries and government based on it.

Our ‘Compass 2030’ recommendations for the improvement of the government initiative ‘A World without Hunger’ are not falling on deaf ears. Transparent reporting - including in the financial sector - as well as external evaluation is to take place now - a small, but important step in the commitment against hunger!

‘THINK TANK’ ON MIGRATION MATTERS

Worldwide, migrants transfer more than double the global development aid budgets into their countries of origin. Migration therefore brings opportunities for the development of these countries. Immigrants discussed the better use of these opportunities at the ‘Welthungerhilfe: “Desforiax”’ (‘Think Tank’) in November in Berlin. Welthungerhilfe is working to create conditions in their countries that enable them to stay there.

QUALITY, TRANSPARENCY, VALUES

How Welthungerhilfe ensures quality and transparency as well as adherence to the law and to the values of the organisation.

#1

INTERNAL AUDIT

The status of the internal auditing department is regularly put under pressure. Conflict of interest, risk management and employees’ behaviour must be continuously checked. Our department is functioning perfectly. In 2016 the auditing department audited 25 of the 66 projects and programmes, and gathered information from over 1,000 partners. These reports were published in the annual report 2016.

#2

COMPLIANCE

Adherence to laws, donor regulations and our own values is a commitment - by the organisation, all employees and partners. In 2016 the auditing department continued to develop its compliance management system. The goal is to prevent damage and regulation risks and ensure adherence to our values, such as transparency, credibility and morality.

The Global Hunger Index receives wide international media coverage every year. Parliamentarians use it to hold their governments accountable.

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The Global Hunger Index receives wide international media coverage every year. Parliamentarians use it to hold their governments accountable.
COMMITMENT TO A FAIRER WORLD

Together with Welthungerhilfe, numerous schools, associations, campaigning groups, businesses, foundations and individuals in Germany committed to a world without hunger. They organised or participated in meetings and campaigns, donated and raised awareness of our work.

THE KEY SUPPORT OF ACTION GROUPS

Again in 2016 many members of the different Welthungerhilfe action groups were active across the country. With street collections, flea markets, sponsored runs, lectures, storytimes, readings, benefit concerts and many other activities, they spread the word about the work of Welthungerhilfe and gathered donations. Many action groups have been campaigning for Welthungerhilfe for decades. In February, representatives of the volunteer groups met at the annual volunteer seminar to plan their activities.

DELICIOUS MEALS FROM SURPLUS FOOD

During the 2016 Welthungerhilfe Week, under the slogan ‘Rudi rescues leftovers’, over 300 Bonn residents including singer Lucy Diakovska and actress Luise Befhle shaved their shaving gurus against food waste at a ‘Running Dinner’. Cooperation partner rudirockt.de organised three-course food rescue meals across the city. Foodsharing provided the food and chefkoch.de offered a selection of recipes. To be continued.

ALL FOR WATER - WATER FOR ALL

The association Viva con Agua celebrated its first big anniversary in 2016. In its ten years it has used unorthodox formats to collect over five million euros for Welthungerhilfe. It has been able to support projects for the improvement of drinking water supply, sanitary facilities and hygiene in several countries. In October, active supporters saw for themselves the improvement in living conditions in the Chitwan region of Nepal and brought an avalanche of attention for our work of Welthungerhilfe in Madagascar. The ‘Rock Partners’ from management consultancy firm Goetzpartners walked away with the trophy. Also taking part were ‘Public Red’, ‘Die 1. Instanz (a band of ant firm Goetzpartners) and ‘Die 1. Instanz’ (a band of professional consulting firm Post DHL Group). Business partners and private supporters learnt about what is needed in that kind of extreme situation at the event ‘Emergency Aid - Behind the Scenes’ on 28 September 2016 at Frankfurt/Main airport.

ALMOST A POPULAR MOVEMENT

The Run4Life campaign celebrated its 20th anniversary in 2016. Welthungerhilfe developed this sponsored run format to inspire young people to become socially engaged. The success has proved it right. By the end of 2016 more than 1,250 schools, associations and institutions had taken part, around 620,000 ‘Runners 4 Life’ were involved. Over the 20 years they have raised almost 7.2 million euros for Welthungerhilfe. Schools are particular fans of the run.

ROCKING STAGES

At the fourth ‘Rock Against Hunger’ battle on 10 November 2016, eight runners over hands stepped out on stage for a good cause in front of 600 enthusiastic guests. They raised 50,000 euros for the work of Welthungerhilfe in Madagascar. The ‘Rock Partners’ from management consultancy firm Gützoldpartner walked away with the trophy. Also taking part were Public Red, ‘Die 1. Instanz’ (a band of ant firm Goetzpartners) and ‘Stick Together’ (SM).

COFFEE CULT - FAIR AND DELICIOUS

Enjoying coffee sustainably – that’s the motto of Berlin enterprise Coffee Circle. Its customers not only promote the cult of coffee drinking, but also fair trade. Every year, the founders travel to coffee cooperatives in the Jimma region of Ethiopia, and 2016 was no different. There they selected the best coffees and established a close exchange with the people. By purchasing directly, Coffee Circle can guarantee fair prices for the coffee farmers, enabling them to improve their living situation independently. The cooperation with Welthungerhilfe began in 2016.

BEHIND THE SCENES

Wars, dramatic natural events and famines are on the rise globally. In order to provide immediate assistance, Welthungerhilfe cooperates closely with the Disaster Response Team of the Deutsche Post DHL Group. Business partners and private supporters learnt about what is needed in that kind of extreme situation at the event ‘Emergency Aid - Behind the Scenes’ on 28 September 2016 at Frankfurt/Main airport.

SCHOOLS IN EAST AFRICA

In 2013, together with his newly Jürgen Höller established the ‘Jürgen Höller Foundation’. Its objective is to support the building of schools in East Africa, which connect lessons with health and nutrition training, as well as the creation of school gardens, sanitary facilities and training centres. The idea came to Höller when he visited the Kibera slum during a trip to Kenya. By 2016 the Foundation had made seven Welthungerhilfe projects in Kenya and Uganda possible with almost 800,000 euros.

BEHIND THE SCENES

 Wars, dramatic natural events and famines are on the rise globally. In order to provide immediate assistance, Welthungerhilfe cooperates closely with the Disaster Response Team of the Deutsche Post DHL Group. Business partners and private supporters learnt about what is needed in that kind of extreme situation at the event ‘Emergency Aid - Behind the Scenes’ on 28 September 2016 at Frankfurt/Main airport.

#ZeroHunger
**EXECUTIVE BOARD**

The full-time Executive Board leads the operations of Welthungerhilfe in accordance with its statutes, the decisions of the general membership and the Supervisory Board. It reports regularly to the Supervisory Board.

**Memorial of the Board of Trustees**

**The General Assembly**

The General Assembly determines the guidelines for the activities of Welthungerhilfe. The Supervisory Board, in cooperation with the annual report, agrees the business plan and approves the annual accounts. The Board of Trustees convenes to elect the Supervisory Board.

**The Welthungerhilfe Board of Trustees**

The Board of Trustees consists of public figures who use their good reputation for the benefit of Welthungerhilfe. They support Welthungerhilfe through their voluntary activities or through their employment and by providing advice. The members are appointed by the Supervisory Board.

**Membership of the Board of Trustees**

Members of Deutsche Welthungerhilfe e.V., Supporters of Deutsche Welthungerhilfe e.V., Members of the Councils of Evangelical Churches in Germany, the Federal Association of German Trade, the German Cooperative and Raiffeisen Federation, the German Red Cross, the Deutsche Bank, the Investment Corporation and the Friedrich-Ebert Foundation, the German Insurance Association, the Federation of German Academic Editors, the Federation of German Publishers, the German Communication Research Association (GZK), the German Society for International Development Research (ZEF), the German Society for International Cooperation (GIZ) GmbH, the Central Association of German Industry, the German Insurance Association.

**The Programme Advisory Committee**

The Programme Advisory Committee is made up of 20 committee members. It advises the Executive Board of Welthungerhilfe in matters of programme policy and the funding merits of programmes and projects in Germany and abroad, in accordance with the statutes. As such, the independent external expertise from both science and practice contributes to ensuring the quality of project work. In addition, in its role as points of contact for regions, sectors, policy areas in matters of development policy public relations work, the committee is committed to individual projects in the form of expert reports.
LONG-TERM SUPPORT

Anyone wishing to campaign long-term for a world without hunger and poverty can find suitable options for engagement with the independent Welthungerhilfe Foundation, established in 1998. Managing Director Dr. Albert Otten reports on the 2016 foundation year.

Interview with Managing Director Dr. Albert Otten

Are foundations still in demand?
Dr. Albert Otten: Absolutely! The foundation funds that can be set up with us are immensely popular. Seven new funds were established in 2016. Supporters can decide on both the name and the funding purpose. So far, this positive trend has continued into 2017.

What do benefactors need to bring to a foundation?
Dr. Albert Otten: First and foremost, they must have the desire to engage on a long-term basis and give people in developing countries prospects for an independent life. Our philanthropy team provides advice for interested benefactors to find the right foundation solution for their ideas and actively supports them in setting it up. It doesn’t require a great fortune to set up a foundation. With 5,000 euros, for example, you can establish your own foundation fund.

What types of foundations are there?
Dr. Albert Otten: As well as a straightforward donation to our foundation capital and the foundation funds mentioned above, a trust foundation can be established under the umbrella of the Welthungerhilfe Foundation. With these, our team supports benefactors and takes on both the founding formalities and the administration of the foundation. With a trust loan, people can lend us money for a set period of time and receive it back when required. 141 benefactors are currently using this form of engagement.

Can the capital from a foundation be directly invested for a good cause as well?
Dr. Albert Otten: In general, benefactors should be aiming for a long-term commitment. However, in addition to trust loans, there is also the limited life foundation. Here, for example, a trust foundation is established for a period of at least ten years. During this period the foundation capital can also be used for the project funding. In this way the impact is increased, even in times of low interest.

Donating in difficult times?
Dr. Albert Otten: Low interest doesn’t automatically mean low impact for the people in our project countries. With the income from a 5,000 euro trust foundation, for example, five children in Malawi can receive school meals for a year. In 2016 the foundation assets increased by a total of two million euros including the accrued reserves. The Foundation gave 788,107 euros to support Welthungerhilfe projects. Our benefactors are thus making a big impact on the ground.

What is the role of bequests?
Dr. Albert Otten: More and more people are thinking about including charitable organisations in their will. And increasingly, these supporters are contacting us during their lifetime and asking for advice. Our bequests advisor and our information events are therefore very popular. In the last year, 72 supporters included Welthungerhilfe in their will - whether as heir or with a bequest.

Change and continuity in the Welthungerhilfe Foundation?
Dr. Albert Otten: Even when I step down in mid-2017 after ten years as an active managing director, nothing will change for our benefactors. He is ready to provide advice and assistance to potential donors looking for the right foundation to commit to. And I will stay connected to the Welthungerhilfe Foundation in future through my own WASH trust fund.

As an active managing director, nothing will change for our benefactors. My colleague Mark Herbeck as acting managing director is also a competent contact for our faithful benefactors. He is ready to provide advice and assistance to potential donors looking for the right foundation to commit to. And I will stay connected to the Welthungerhilfe Foundation in future through my own WASH trust fund.

“...”

“...”

BALANCE SHEET DEUTSCHE WELTHUNGERHILFE FOUNDATION

as of 31 December 2016

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>31 Dec. 2016</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. FIXED ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Tangible assets</td>
<td>5,938,191.65</td>
<td>6,149,470.37</td>
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<tr>
<td>II. Financial assets</td>
<td>38,689,231.11</td>
<td>38,382,932.94</td>
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<td>B. CURRENT ASSETS</td>
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<tr>
<td>I. Other assets</td>
<td>307,124.45</td>
<td>499,579.56</td>
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<tr>
<td>II. Liquid assets</td>
<td>3,954,973.05</td>
<td>3,748,342.02</td>
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Accrued income 8,457.49 6,614.41

8,457,457.72 7,746,539.39

<table>
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<tr>
<th>LIABILITIES</th>
<th>31 Dec. 2016</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. OWN CAPITAL FUNDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I. Foundation capital</td>
<td>34,882,318.37</td>
<td>33,323,636.29</td>
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<td>II. Capital maintenance reserve</td>
<td>4,457,000.00</td>
<td>4,097,000.00</td>
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<tr>
<td>II. Restructuring reserve</td>
<td>847,531.41</td>
<td>881,392.95</td>
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<tr>
<td>B. PROVISIONS</td>
<td>12,061.00</td>
<td>12,061.00</td>
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<tr>
<td>C. LIABILITIES</td>
<td>8,750,079.94</td>
<td>8,559,374.06</td>
</tr>
</tbody>
</table>

8,750,079.94 7,140,055.67

7,746,539.39 7,140,055.67

Clean water for several hundred people in Kenya thanks to solar-powered pumps. Dr. Albert Otten, who holds a doctorate in economics, is the honorary Managing Director of the Welthungerhilfe Foundation since 2007. Here, he sees the project progress with his own eyes.

“...”

“...”

Christoph Kraus, founder
MKZ Lichtblick foundation fund

“...”

“...”
## General Information

The annual financial statement of the Foundation is prepared in accordance with the German Commercial Code (HGB) and the supplementary provisions for small corporations. The annual financial statement has been adapted to the particularities of the Foundation pursuant to section 265 subsections 5 and 6 HGB. Provisions for small corporations were utilized. Sales tax (VAT) is included in the costs of the fixed assets and in expenses as far as the Foundation is not eligible to deduct input taxes.

### Accounting and Valuation Methods

Tangible fixed assets are valued at cost and, where depreciable, less simplified depreciable values over the recovery useful life or at the lower value that pertains to section 253 subsection 3 classes HGB. Property and land from bequests and gifts are shown on the assets side at the appraised market values with the 30% deduction on the building share plus transaction costs incurred by the Foundation. Depreciation takes place on a straight-line basis. Depreciation of buildings was based on a usage period of 40 years after procurement, and of five to 13 years for operational and business equipment. Fixed asset securities and other loans and cooperative shares are capitalized at acquisition cost and valued in accordance with the lower-cost-market-principle. Premiums are depreciated over the applicable term via the deferred income. These items are disclosed under interest expenditure. Other assets and liquid assets are entered at the nominal value. Identifiable risks are accounted for by means of valuation adjustments. In order to reduce the effects of asset revaluations on Foundation assets and Foundation result, according to the Executive Board decision of 28 November 2013 a regrouping has been formed since the 2013 financial year, in which the results from the realization of the respective Foundation assets to the Foundation capital have been adjusted. Reserves are formed for uncertain liabilities and identifiable risks at the amount of the predicted use (payment amount). Liabilities are entered at the payment amount.

### Notes on the Balance Sheet

#### Assets

**Financial assets**

Financial assets include funds of EUR 35,382K, fixed-interest securities of EUR 2,000K and at the Sparkasse KölnBonn to the amount of EUR 1,500K. The annual financial statement has been adapted to the particularities of section 62 AO.

**Other assets**

Other assets primarily consist of EUR 216K in receivables from charitable foundations and EUR 6,600,169.64 to EUR 7,374,050.82. Loans given by private individuals to the Foundation on the balance sheet closing day of 31 December 2016, the net sum from hidden reserves and hidden losses amounted to EUR 1,912K.

#### Liabilities

**Costs**

Costs include funds of EUR 6,500K and at the Sparkasse KölnBonn to the amount of EUR 1,500K. Costs related to employees are shown on the liabilities side at the payment amount. Liabilities are entered at the payment amount.

### Key Data from the Foundation Income and Expenditure Account

**Revenue before changes to reserves**

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<th>Year</th>
<th>EUR</th>
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<td>2016</td>
<td>326,335.46</td>
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**Appreciation/depreciation of financial assets**

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<tr>
<th>Year</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>-33,664.54</td>
</tr>
</tbody>
</table>

**Changes to reserves**

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>-326,335.46</td>
</tr>
</tbody>
</table>

### Balance Sheet

#### As of 31 December 2016

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Current year</th>
<th>Prior year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivables and other assets</td>
<td>326,335.46</td>
<td>306,701.90</td>
</tr>
<tr>
<td>Current assets</td>
<td>3,080,700.00</td>
<td>2,358,700.00</td>
</tr>
<tr>
<td>Non-designated funds reserve</td>
<td>14,566,385.49</td>
<td>13,659,000.00</td>
</tr>
<tr>
<td>Liabilities</td>
<td>2,997.81</td>
<td>9,579.81</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>30,282,073.70</td>
<td>29,135,194.14</td>
</tr>
<tr>
<td>Total equity</td>
<td>329,593,564.33</td>
<td>291,288,460.85</td>
</tr>
<tr>
<td>Total assets</td>
<td>329,593,564.33</td>
<td>291,288,460.85</td>
</tr>
</tbody>
</table>

### Annual Report 2016

The Foundation’s assets are managed by Deutsche Welthungerhilfe e. V. in accordance with the assets management contract agreed on 10 February 2009.

#### Executive Board

The Foundation’s Executive Board is made up of the following members: Bärbel Breuckmann, Chairperson; Prof. Dr. Joachim von Braun, Deputy Chairperson; Norbert Geisler, Treasurer; Prof. Dr. Herbert de Maizière (until 24 November 2016); Arnaud Dällen (from 24 November 2016); Rosa Karcher (until 24 November 2016); Dr. Tobias Schulz-Isenbeck (from 28 November 2016); Prof. Dr. Conrad Justus Schetter (from 24 November 2016); Dr. Tebas Schmelzeisen.

#### Personnel

The Foundation employed on average five employees and one trainee.

### Management

The following were appointed managers without remuneration in 2016: Dr. Till Wahlbruck and Dr. Albert Ottone.

### Capital Development since 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,158.15</td>
</tr>
<tr>
<td>2013</td>
<td>1,158.15</td>
</tr>
<tr>
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<td>1,158.15</td>
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<tr>
<td>2015</td>
<td>1,158.15</td>
</tr>
<tr>
<td>2016</td>
<td>1,158.15</td>
</tr>
</tbody>
</table>

### Dependent Foundations

**Foundation Capital**

The increase in Foundation capital by EUR 1,649K relates to donations. The Foundation capital is made up of tangible fixed assets (EUR 5,389K) and the majority of the fixed asset securities (EUR 35,382K). The results of the restructuring of these assets are shown in the restructuring reserve.

**Reinvest Reserve**

Reserves are established from the result of asset management pursuant to the provisions of section 62 AO.

**Restructuring Reserve**

During the business year, expenditure from restructuring to the amount of EUR 281,570,425.38 was withheld from the restructuring reserve. The restructuring reserve is to be used only to reduce the above-mentioned tax burden.

### Liabilities

The liabilities relate to 141 (in previous year 140) insurance policies at EUR 8,149K, liabilities to Deutsche Welthungerhilfe e. V. at EUR 59K, trade liabilities at EUR 9K, as well as other liabilities at EUR 6K. As in the previous year, all liabilities have residual term of up to one year.

### Contingent Liabilities

For the security of foundation loans, there are surety credit lines at the Bank im Bismarck in Essen to the amount of EUR 7,500K, at Commerzbank AG Bonn to the amount of EUR 2,000K and at the Sparkasse KölnBonn to the amount of EUR 1,500K.

### Other Information

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GENERAL NOTES

The financial statements of Deutsche Welthungerhilfe e.V., Bonn/Germany (hereafter referred to as “Welthungerhilfe”) have been prepared in accordance with the general regulations under the German Commercial Code (HGB), with voluntary application of supplementary regulations for large companies implemented in a corporate form as defined under Sec. 264 et seq. German Commercial Code (HGB). The financial statements have been adopted to the special features of the Association in accordance with the German Commercial Code (HGB). The names of expense format has been applied to the income statement. Value added tax is included in acquisition cost of fixed assets and in expenses to the extent that the Association is not entitled to deduct input taxes. Previous year’s figures are shown in brackets.

ACCOUNTING AND VALUATION METHODS

In the reporting year the new regulations of the German Commercial Code (BilRev) were fully implemented. Intangible assets and property, plant and equipment have been measured at the lower of acquisition cost less amortisation and depreciation of amortizable and depreciable assets, respectively, over the respective estimated useful life or the values recognised under Sec. 253 (1) Sentence 4 German Commercial Code (HGB). The assets are depreciated or amortised, respectively, on a straight-line basis except where a shorter estimated useful life is considered appropriate for specific project-related reasons. For the amortisation of intangible assets, a useful life of five years was assumed and useful lives of three to ten years were assumed for operating and office equipment. Assets with acquisition cost between EUR 150.00 and EUR 1,000.00 were recognised at the lower of cost or market principle. Premiums are amortised over their terms and reported in a pool item, which is depreciated over five years. Long-term securities are capitualised at acquisition cost and, subsequent to initial recognition, according to the modified low of cost or market principle. Premiums are amortised over their terms and reported as prepaid expenses / deferred income. These write-downs are reported under income from donations and bequests.

RECEIVABLES AND OTHER ASSETS

1. Receivables and other assets

1.1. Receivables receivable on account of approved projects

The receivables total EUR 221.2 million as disclosed at the balance sheet date (EUR 189.8 million) mainly relate to projects co-financed by the United Nations totaling mEUR 62.0 (mEUR 61.0), by the German ministry for economic cooperation and development totaling mEUR 39.3 (mEUR 39.3), by the European Union totaling mEUR 28.1 (mEUR 25.2), by the German International Cooperation Company (GIZ) totaling mEUR 26.7 (mEUR 23.5), by the German department for foreign affairs (AA) totaling mEUR 15.0, by the German department for the Environment, Nature Conservation, Agriculture and Foodstuff (LUA) totaling mEUR 2.8 (mEUR 4.2). After discounting, this item includes receivables totaling EUR 121.3 (EUR 115.1) with a residual term of more than one year.

2. Assets related to fundamental and other gifts

189.9) mainly relate to projects co-financed by the United Nations totaling mEUR 43.2 (mEUR 37.2), for donation payments to re-entering employees required to be made under foreign law totaling mEUR 1,040 (mEUR 990) and for various staff-related commitments totaling mEUR 1,005 (mEUR 954).

2.1. Projects with restricted resources

This special item, which totals mEUR 15.8 (mEUR 24.0), is composed of own funds of Welthungerhilfe for projects co-financed by public donors totaling mEUR 8.7 (mEUR 13.6) and of further own funds for domestic and foreign projects automatically implemented without public allocation and for improving the outside structures of Welthungerhilfe totaling mEUR 7.3 (mEUR 10.2) and mEUR 0.8 (mEUR 2.1), respectively.

2. PROVISIONS

This item relates to a gift in the form of a freehold flat. At the time of initial recognition, this real property was capitualised at market value based on an appraisal, plus initial interest. The asset is depreciated on a straight-line basis according to Sec. 7 (4) German Income Tax Act (EStG). The sundry assets relate to legacies captured at cost or nominal figures. Any additional gains or disposi- tion of such assets are recognised in income from donations and bequests in the corre- sponding year.

3. Other assets

The project assets reserve includes funds available to the Association on a non-current basis.

4. Non-designated funds reserve

The non-designated funds reserve serves for securing the institutional capacity of Welthungerhilfe.

5. PROJECT FUNDING

The project funds reserve amounts to mEUR 6.0 (mEUR 8.7), of which mEUR 2.4 relate to restricted donations not yet appropriated for Nepalese victims, which will be appropriated as scheduled for assistance projects in 2017 and 2018. In the reporting year mEUR 6.9 were largely and allocated primarily for assistance projects in Haiti, Pakistan, East Africa and Nepal and additional amounts to mEUR 4.1.

6. Special project for FOUNDING

This special fund, which totals EUR 15.8 (EUR 24.0), is composed of own funds of Welthungerhilfe for projects co-financed by public donors totaling EUR 7.7 (EUR 13.6) and of further own funds for domestic and foreign projects automatically implemented without public allocation and for improving the outside structures of Welthungerhilfe totaling EUR 7.3 (EUR 10.2) and EUR 0.8 (EUR 2.1), respectively.

7. Reserve funds

The reserve funds reserve includes funds available to the Association on a non-current basis.

8. Other liabilities

Donors can be withdrawn at one week’s notice. The remaining part of sundry liabilities comprise grants with donor credits and balance sheets. Sundry liabilities include tax liabilities and social security costs totaling mEUR 258.0 (mEUR 193.0) and mEUR 69.0 (mEUR 69.0), respectively.

NOTES TO THE INCOME STATEMENT

Income

DISTRIBUTION AND OTHER ALLOCATIONS

The profit segment is fully financed through donations, profits transferred by the Foundation, public and private institutional allocations as well as allocations from co-operation partners.

Donations decreased by mEUR 2.7 to mEUR 47.5 (mEUR 50.2). They comprise cash donations of mEUR 40.3 (mEUR 43.0), income from bank deposits of mEUR 1.9 (mEUR 2.8) and allocated free of charge mEUR 0.3 (mEUR 0.5). The cash donations mEUR 2.9 are donated by foundations, mEUR 1.5 that relates to funds raised by “Brüder von St. Paulus” and mEUR 0.6 that relates to funds raised by “Brüder von St. Paulus” – Entschädigungsverfahren. Public allocations increased by mEUR 5.1 to mEUR 207.9 (mEUR 156.5). Project grants from foundations and private charities increased by mEUR 3.1 to mEUR 5.5 (mEUR 2.4).

Public allocations increased by mEUR 5.1 to mEUR 207.9 (mEUR 156.5). They essentially were increased by the U.S. Agency for International Development (USAID) of the U.S. government for economic cooperation and development by mEUR 6.8 (mEUR 29.5), to the German Ministry for Economic Cooperation and Development (GIZ) by mEUR 26.4 (mEUR 23.7), to the European Union by mEUR 29.2 (mEUR 9.5) and to the German department for foreign affairs (AA) by mEUR 24.2 (mEUR 19.5).

Sundry income, which totals mEUR 1,016.8 (mEUR 2,351.3), predominantly relates to ex- changes resulting from foreign allocations and project completion and to gains on disposal of financial investments totaling mEUR 733 (mEUR 2,205) and mEUR 181 (mEUR 835) respectively.

Expenses

PROJECT FUNDING

The project provisions in the form of contractual and non-contractual obligations entered into for approved projects in developing countries for and projects of domestic work in accordance with the Society Rules. Funding for foreign projects grows into a relation to mEUR 4.1 to mEUR 227.0 (mEUR 178.5). Domestic project funding increased by mEUR 1.3 to mEUR 2.1 (mEUR 0.8). Project funding expenses increased significantly, mainly due to decreases totaling mEUR 7.0 (mEUR 1.8).

EMPLOYEE BENEFIT EXPENSE

The employee benefit expenses comprise the domestic administrative seg- ment and separate staff directly employed by the head office. Wages and salaries paid to staff in Germany and separate staff increased by mEUR 7.0 to mEUR 11.5 (mEUR 10.8) and by mEUR 1.2 to mEUR 13.1 (mEUR 11.9), respectively.

ANALYSIS OF LIABILITIES

In mEUR 31 Dec 2016

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Non-current allocations received from co-funders not yet appropriated</th>
<th>Non-current loans</th>
<th>Project liabilities</th>
<th>Other liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>186,136</td>
<td>52,574</td>
<td>151,823</td>
<td>3,375</td>
</tr>
<tr>
<td>of which &gt;3 yr</td>
<td>87,092</td>
<td>19,383</td>
<td>67,709</td>
<td>1,980</td>
</tr>
<tr>
<td>g4 yr</td>
<td>99,044</td>
<td>33,191</td>
<td>84,114</td>
<td>1,395</td>
</tr>
<tr>
<td>&gt;5 yr</td>
<td>10,959</td>
<td>3,980</td>
<td>10,114</td>
<td>200</td>
</tr>
</tbody>
</table>

In the reporting year, liabilities had reached mEUR 275.103 (mEUR 246.744), of which total amounts of mEUR 320.153 (mEUR 313.702) and mEUR 69.0 (mEUR 69.0) with residual values of more than one year and of more than five years, respectively. The related non-current liabilities totaling mEUR 146.252 (mEUR 135.487) and mEUR 50.0 (mEUR 12.701) related to restricted allocations from co- funders are not related to the project liabilities, respectively. Grant reserves totaling mEUR 628.456 (mEUR 486.684) have been furnished for capitalised related to restricted funds received from co-funders and not yet appropriated.
INCOME AND EXPENDITURE ACCOUNT
for the period 1 January to 31 December 2016

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. DONATIONS AND OTHER GRANTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Donations, requests and allocated fees</td>
<td>47,464,884.94</td>
<td>50,178,201.71</td>
</tr>
<tr>
<td>b) Net income transferred from Welthungerhilfe Foundation</td>
<td>768,106.80</td>
<td>625,651.97</td>
</tr>
<tr>
<td>c) Institutional grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Public grants</td>
<td>207,883,706.37</td>
<td>196,514,324.85</td>
</tr>
<tr>
<td>ii) Foundations and private charities</td>
<td>7,507,039.07</td>
<td>7,300,319.92</td>
</tr>
<tr>
<td>ii)</td>
<td>256,111,745.44</td>
<td>203,814,644.77</td>
</tr>
<tr>
<td>2. OTHER INCOME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Overseas</td>
<td>-229,739,155.53</td>
<td>-179,619,208.23</td>
</tr>
<tr>
<td>b) Domestic</td>
<td>-2,073,856.29</td>
<td>-848,366.16</td>
</tr>
<tr>
<td>3. PROJECT FUNDING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Domestic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Overseas</td>
<td>-862,446.90</td>
<td>-937,177.21</td>
</tr>
<tr>
<td>4. PERSONNEL COSTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Wages and salaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Domestic personnel</td>
<td>-11,468,615.14</td>
<td>-10,792,897.66</td>
</tr>
<tr>
<td>ii) Overseas personnel</td>
<td>-11,085,351.81</td>
<td>-11,885,950.67</td>
</tr>
<tr>
<td>b) Social security, pensions and other employee benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Domestic personnel</td>
<td>-2,801,975.99</td>
<td>-2,641,990.15</td>
</tr>
<tr>
<td>ii) Overseas personnel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. DEPRECIATIONS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) on non-current intangible assets and tangible assets</td>
<td>-549,713.69</td>
<td>-477,588.48</td>
</tr>
<tr>
<td>b) on assets from gifts and legacies</td>
<td>-1,335,07</td>
<td>-1,464,615.32</td>
</tr>
<tr>
<td>6. OTHER EXPENDITURE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. INCOME FROM INVESTMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. OTHER INTEREST AND SIMILAR INCOME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. APPRAISATIONS ON FIXED-ASSET SECURITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. DEPRECIATIONS ON FIXED-ASSET SECURITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. INTEREST AND SIMILAR EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. NET INCOME BEFORE CHANGES TO RESERVES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. WITHDRAWAL FROM FREE RESERVES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. TRANSFER TO PROJECT FUNDS RESERVE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. WITHDRAWAL FROM PROJECT FUNDS RESERVE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. NET INCOME FOR YEAR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

employee benefit expense includes retirement benefits totalling EUR 735 (EUR 698). Expenses related to project staff with a local employment contract (2,026 employees) is reported within project funding expense.

Other expenses primarily include PR costs totalling EUR 6,488 (EUR 6,144), EDP costs totalling EUR 945 (EUR 1,011) and rent and cost of four space totalling EUR 808 (EUR 876). These increase in PR costs due to expanded canvassing for new donors, which also included market research and test measures.

Other interest and similar income include interest on securities of EUR 945 (EUR 917), accumulation of long-term receivables of EUR 101 (EUR 150), interest on daily and fixed-term deposits of EUR 75 (EUR 80) and interest on current accounts of EUR 7 (EUR 15), reduced by accrued interest in an amount of EUR 13 (EUR 18).

WRITE-DOWNS ON LONG-TERM SECURITIES
The write-downs on account of expected permanent impairment totalled EUR 64 (EUR 51).

INTEREST AND SIMILAR EXPENSES
These expenses include an expense totaling EUR 356 (EUR 101) which results from non-cash discounting of long-term public allocations receivable required to be made under the law. Write-downs of provisions amounted to EUR 37 (EUR 64).

OTHER REQUIRED DISCLOSURES
Other financial commitments
Based on the remaining terms of the respective contracts, the average annual payment commitments under treasury agreements and leases for the next five year add up to EUR 497 (EUR 472), of which EUR 463 (EUR 463) payable to Deutsche Welt-
WELTHUNGERHILFE IN NUMBERS

After large increases in both 2014 and 2015, Welthungerhilfe was again able to raise its income in 2016. At EUR 263.9 m, the income was around EUR 49.5 m above that of 2015, institutional grants increased by 34%.

At EUR 263.9 m, Welthungerhilfe's 2016 income increased by EUR 49.5 m compared to 2015. As well as EUR 213.4 m of institutional grants, it received EUR 47.5 m in donations, bequests and fines. In 2015, donations amounted to EUR 50.2 m, as approximately EUR 7.2 m was received in emergency assistance donations after the earthquake in Nepal. If these special donations are excluded from the comparison of donations in 2015 and 2016, there was a donation increase of EUR 4.5 m in 2016. Interest and remaining income amounted to EUR 2.2 m, the profit transfer of the Welthungerhilfe Foundation was EUR 0.8 m.

Institutional donors gave EUR 213.4 m, 34% more funding than in 2015. The biggest donor group is German donors with EUR 109.7 m: the BMZ increased its grants to EUR 46.8 m, GIZ to EUR 46.8 m, ECHO gave EUR 9.5 m for humanitarian assistance. Cooperation with partners from Great Britain (DFID), the USA (USAID) and Switzerland (DEZA) as well as UNDP and UNICEF. The cooperation with the European Union was expanded: DEVCO gave EUR 19.7 m for development projects, ECHO gave EUR 9.6 m for humanitarian cooperation. With partners from Great Britain (DFID), the USA (USAID) and Switzerland (DEZA) as well as with Alliance2015 was continued in 2016.

Iraq, South Sudan, Sudan, Sierra Leone and Syria/Turkey received the highest project funding. In Iraq, Welthungerhilfe is supporting the reconstruction of basic infrastructure, for this are the extensive rehabilitation projects in northern Iraq and the improvement of food and nutrition security, including in Sudan and South Sudan. At EUR 69.9 m, the emergency assistance share decreased slightly compared to 2015. With the exception of the year 2015, rural and regional development has been the most significant funding sector for many years, and at EUR 92.8 m is once again a stronger focus. With EUR 29.4 m, investment was strengthened in social integration and education, strengthening of civil society, health promotion and other projects.

The funding of basic infrastructure was more than doubled compared to 2015, with EUR 47.7 m. The reasons for this are the extensive rehabilitation projects in northern Iraq and the improvement of food and nutrition security, including in Sudan and South Sudan. At EUR 92.8 m, the emergency assistance share decreased slightly compared to 2015. With the exception of the year 2015, rural and regional development has been the most significant funding sector for many years, and at EUR 92.8 m is once again a stronger focus. With EUR 29.4 m, investment was strengthened in social integration and education, strengthening of civil society, health promotion and other projects.

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Abbreviations
INCOME AND EXPENDITURE ACCOUNT

based on expense categories pursuant to DZI definition, in EUR

<table>
<thead>
<tr>
<th></th>
<th>Actual 2016</th>
<th>Project funding expenses</th>
<th>Project support expenses</th>
<th>Campaigns, education and awareness raising</th>
<th>Expenses for advertising and general public relations</th>
<th>Administrative expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>217,213,491.29</td>
<td>213,084,232.44</td>
<td>7,281,108.53</td>
<td>2,844,073.67</td>
<td>9,277,119.78</td>
<td>4,726,956.87</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td>2015 in %</td>
<td>100.0</td>
<td>90.3</td>
<td>2.8</td>
<td>1.5</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td>2016 in %</td>
<td>100.0</td>
<td>94.6</td>
<td>5.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Not included: Depreciations on securities, interest expenses from the discounting of long-term receivables and from the disposal of premiums to the amount of EUR 457,221.

In line with internal numerical accuracy, the presentation of rounded figures also includes numerals that are not shown, so rounding differences may occur.

HOW WE COLLECT DONATIONS …

Welthungerhilfe is a completely independent charitable organisation. Donations are vital to the financing of our work. The project-based public grants that we apply for, as a rule multiply those contributions at a ratio of 1:4, assume donations as own resources.

VOLUNTARY ENGAGEMENT, MEDIA AND PROFESSIONALS

An important pillar in bringing in vital donations and informing the public of our work is the voluntary engagement of our supporters, whether individuals, action groups, friends, celebrities or businesses. The print media often link reports with donation appeals for us and so does Bündnis Entwicklung Hilf, an alliance of eight German Nongovernmental Organizations of which we are a founding member.

Our full-time marketing team supports and enhances our activities and works together with the following specialist providers in particular: Advidia, Arvato Bertelsmann, AZ Fundraising Services, Deutsche Post, Deutscher Spendenhilfsdienst, Google, Gute Botschafter, Media Company, Pepperminds, Posterscope, Spinas Civil Voxes and Zum Goldenen Hirschen.

Our various forms of advertising include: campaigns, events, lectures, publications, newsletters, our website, social media, letters to donors, online marketing, poster advertising, print ads and TV commercials. We talk to people in the street only to attract them as potential funding partners for long-term donations. When making direct contact, our main priority is to inform interested people, to receive their suggestions and to avoid anything that could be felt as pressure. We also use telephone calls to personally thank our donors and to gather direct feedback. With our service providers we avoid contracts that rely purely on performance-based remuneration.

EFFECTIVENESS, INTEGRITY, EFFICIENCY

All measures aim at effectiveness, integrity and cost-efficiency. We submit to high ethical standards, particularly those of the German Central Institute for Social Issues, DZI, and those of the umbrella association of non-governmental development policy and humanitarian assistance organisations, VENRO.

Every measure returns the invested funds many times over, many reach an audience of millions. We are often able to place print ads, TV commercials or posters at no cost or at very high social discounts. All addresses of our donors and supporters are subject to data protection laws. Anyone who does not want to receive letters or phone calls will not receive them.

Cooperation with businesses goes through an intensive auditing process. Some of the businesses that support us with advertising campaigns and are permitted to use our logo in this context within a strictly defined scope include: Arko, Beeline Group, Fynch-Hatton, Budnikowski, Madeleine Mode, Mesteranacher, Pepperminds, VENRO and PureFood. We report regularly and transparently on our advertising expenses, for example in this annual report or on our website, and we are proud to have received several transparency awards.

AND HOW WE USE THEM

We increase them by…

With your donations we are in the position to apply for further funds from public grant providers, such as the Federal Ministry for Economic Cooperation and Development (BMZ), the European Union (EU) on the United Nations, and to convince them of our good project ideas. Usually each donation quadruples itself - 100 euros in donations becomes 400 euros of project funding.

... and maximise their impact.

90.3 % Project funding overseas
1.8 % Administration
3.6 % Public relations/advertising
2.8 % Quality assurance/project support overseas
1.5 % Campaigns, education and awareness-raising

... Based on expense categories pursuant to the definition of the German Central Institute for Social Issues (DZI), in percent. Welthungerhilfe regularly undergoes an audit by the DZI.

See detailed management report for more information


Determination of advertising and administrative expenditure is based on an agreement with the German Central Institute for Social Issues (DZI) in Berlin. According to this, deprecations from the discounting of long-term receivables (EUR 356K) and from the disposal of premiums (EUR 37K) are not taken into account, so there is an overpayment of EUR 457,221 in 2015. The project funding overseas defined here is at EUR 2.0 higher than that in the project list (p. 44-45), as extra expenses were assigned to the funds directly provided for the project.
### ALL WELTHUNGERHILFE PROJECTS IN 2016

#### AFRICA – OVERVIEW OF ALL PROJECTS, FINANCIALS AND DONORS

<table>
<thead>
<tr>
<th>Country</th>
<th>Funding in EUR</th>
<th>Cofinancing</th>
<th>Project contents - Keywords</th>
<th>Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa overall</td>
<td>177</td>
<td>193,110</td>
<td></td>
<td>5,278,769</td>
</tr>
</tbody>
</table>

**Ethiopia**
- Funding: 800,000 EUR
- Projects: 7
- Keywords: Water, sanitation and hygiene programmes, food and nutrition security, agriculture, rural development, strengthening of civil society, strengthening of disaster resilience, emergency aid, drinking water supply
- Beneficiaries: 120,000 people

### LATIN AMERICA/CARIBBEAN – OVERVIEW OF ALL PROJECTS, FINANCIALS AND DONORS

<table>
<thead>
<tr>
<th>Country</th>
<th>Funding in EUR</th>
<th>Cofinancing</th>
<th>Project contents - Keywords</th>
<th>Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>3</td>
<td>0.40</td>
<td>BMZ, Other</td>
<td>Strengthening of civil society structures, democracy promotion, human rights, vocational education</td>
</tr>
<tr>
<td>Haiti</td>
<td>20</td>
<td>4.60</td>
<td>BMZ, AA, EC (DEVCO), US/DEA</td>
<td>Emergency aid, rural development, food and nutrition security, drinking water, rural infrastructure improvement, disaster risk reduction, strengthening civil society</td>
</tr>
<tr>
<td>Cuba</td>
<td>5</td>
<td>0.23</td>
<td>NA</td>
<td>Civil society promotion</td>
</tr>
<tr>
<td>Peru</td>
<td>5</td>
<td>0.53</td>
<td>BMZ, EC (DEVCO), UNICEF, Other</td>
<td>Strengthening of civil society structures, democracy promotion and human rights, social integration and education</td>
</tr>
<tr>
<td>All Latin America/Caribbean</td>
<td>44</td>
<td>8.71</td>
<td></td>
<td>343,729</td>
</tr>
</tbody>
</table>

### PAN-REGIONAL PROJECTS

| Pan-regional projects overall | 24 | 1.26 | AA, Other | Project monitoring through head office, overall quality assurance of project work regarding content and in financial management |

### GERMANY/DOMESTIC

<table>
<thead>
<tr>
<th>Country</th>
<th>Funding in EUR</th>
<th>Cofinancing</th>
<th>Project contents - Keywords</th>
<th>Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany and overseas</td>
<td>407</td>
<td>239.75</td>
<td></td>
<td>8,370,273</td>
</tr>
<tr>
<td>Bavaria</td>
<td>11</td>
<td>0.58</td>
<td>BMZ, Other</td>
<td>Mobilisation</td>
</tr>
<tr>
<td>Berlin</td>
<td>3</td>
<td>0.06</td>
<td>BMZ, Other</td>
<td>Policy work</td>
</tr>
<tr>
<td>North Rhine-Westphalia</td>
<td>1</td>
<td>0</td>
<td>BMZ, Other</td>
<td>Public relations work</td>
</tr>
<tr>
<td>All Germany and overseas</td>
<td>540</td>
<td>242.46</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### ANNEX

**Abbreviations**
- AA – Auswärtiges Amt (Foreign Office)
- Alliance2015 – Partner organisations of Alliance2015
- BMZ – Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (Ministry for Economic Cooperation and Development)
- BMEL – Bundesministerium für Ernährung und Landwirtschaft (Ministry of Food and Agriculture)
- BMGF – Bill and Melinda Gates Foundation
- BMFT – Bundesministerium für Bildung und Forschung (Ministry for Education and Research)
- DEZA – Swiss Agency for Development and Cooperation, Federal Department of Foreign Affairs, Switzerland
- DFAT – Australian Government
- DFID – Department for International Development
- EC (DEVCO) – European Commission (Direktion-Gemeinschaft Entwicklungspolitik) (Council for Development Policies)
- ECHO – European Commission (Direktion-Gemeinschaft Humanitäre Hilfe) (Council for Humanitarian Aid)
- UN, Other – UN (United Nations) or other organisations
- UNDP – United Nations Development Program
- WFP – United Nations World Food Programme

**Notes**
- Financing took place in previous years
- Subsequent line(s) is/are subsequently increased project expenditure(s) (the list shows all projects in implementation up to 31.12.2016, as well as projects that were completed before the year and savings from these projects are to be understood as returns from funds that were earmarked but are no longer required from countries and projects.

In most countries Welthungerhilfe cooperates with local partner organisations, usually non-governmental organisations, which implement a large part of the projects. The organisation works with around 200 partners globally. The following applies to the financial report and other statistical information. Rounding differences may appear in the percentage figures and numbers given.
CONSOLIDATING STRENGTHS,
NEW VENTURES

A world without hunger is possible. The Global Hunger Index shows progress in many countries. The Agenda 2030 gives us confidence that humanity can solve this task. However, there are still 795 million too many people going hungry. Our strategy for 2017 to 2020 shows how we want to achieve our goal of Zero Hunger. It has an even greater focus on impact, accountability and results.

WHAT WE ARE DOING Our core theme remains sustainable food and nutrition security for the weakest people in the world. We will continue to focus on strengthening rural families and on promoting their local and regional economic cycles. Because climate change, natural disasters, weak governance and armed conflicts increasingly require our humanitarian deployment, we focus equally on both areas. Whenever possible, we connect emergency aid with reconstruction and sustainable development programmes.

An important step towards Zero Hunger is the development of new business models. The Agenda 2030 calls for new partnerships with the private sector. We are already seeing many positive examples in our projects, such as provision of services by local private businesses, which benefits the poor. We want to strengthen this area and develop it as an additional pillar at Welthungerhilfe. We believe that businesses can be a force for good - assuming that their actions are consistent with human rights, the fight against poverty and contribute to economic development.

As a leading voice in the work against hunger, we also have to fight its causes, which are often connected to structural and poverty issues. Our advocacy work takes place on two levels: Here at our head office we concentrate on influencing political decisions in Germany and the European Union. And we have shown what this kind of work can look like in our project countries with our report about India on pages 24 to 26.

In order to avoid financial risks and dependencies, we will continue to diversify and internationalise our institutional donors and supporters. Even our current solid financing basis, which originates predominantly in Germany, must be developed and secured.

NOW WE ARE DOING IT We are committed to using each donated euro efficiently and obtaining its greatest possible impact. That requires clear decisions, which we make with an 80/20 basic approach: Knowing that often 20 percent of the investment brings 80 percent of the return, we concentrate on the biggest impact levers of our work and stop any activities that do not deliver. And we concentrate on results rather than activities. So we set ambitious and measurable goals and take responsibility for programme participants, supporters, institutional and private donors. We define success as the answers to four questions: Who are we reaching? How has their situation improved? Do the improvements remain after we are gone? And: Are we the best possible partner?

We want to constantly improve our impact through innovation and research and to invest more heavily in this. We maintain a culture that promotes courage and curiosity, that encourages the trialling of new approaches and tolerate mistakes. We are always looking for a better way and regularly test our assumptions. We can only achieve our goal of eradicating hunger if we work together with our partners, in particular with civil society. The success will depend on our ability to learn and work together, and on the exchange with our different stakeholders. We can only achieve long-term changes with the cooperation of people and leaders in our project countries. At the same time we must encourage the potential of all our employees. No matter in which country and at which level - we train on a needs and competency basis, promote talent and develop management skills.

OUTLOOK FOR 2017 Our work is not risk-free. Private donations such as grants from institutional donors depend greatly on whether crises and disasters reach public attention via the media. As a result of geopolitical changes, for example in the USA, in the EU, but also between the EU and Turkey, 2017 looks ‘particularly’ uncertain. It is also not possible to predict how the discussion on immigration and development cooperation will evolve during the federal parliamentary election campaign.

Our employees are exposed to direct risks, particularly in fragile regions. Welthungerhilfe prepares them intensively and ensures regular ‘time outs’ with active welfare and prevention. Systematic safety training and regular reviews of the safety precautions in the programme countries ensure that we can post our employees to many countries.

We know that, despite this, there can never be a complete guarantee of safety. In the last three years, Welthungerhilfe has achieved an exceptional growth in its engagement. The organisational framework for this was created by the systematic restructuring in 2014 and 2015. But we know that this growth has pushed both the organisation and our employees to the limit. In terms of careful management, we must be aware of potential risks, without missing opportunities. The strategy for 2017 to 2020 helps us to take up opportunities and shape them sensibly.

Find out more www.welthungerhilfe.de/en/about-us/who-we-are/our-vision.html

MEDIUM-TERM BUSINESS PLAN

<table>
<thead>
<tr>
<th></th>
<th>2016 Actual (EUR m)</th>
<th>2017 Plan (EUR m)</th>
<th>2018 Plan (EUR m)</th>
<th>2019 Plan (EUR m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations, testamentary orders, penalties, Foundation Welthungerhilfe</td>
<td>48.3</td>
<td>43.6</td>
<td>45.2</td>
<td>46.7</td>
</tr>
<tr>
<td>Foundations and private charities</td>
<td>5.5</td>
<td>2.0</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Public grants</td>
<td>207.9</td>
<td>158.0</td>
<td>162.7</td>
<td>167.6</td>
</tr>
<tr>
<td>Personnel expenditure Germany</td>
<td>13.7</td>
<td>13.6</td>
<td>13.5</td>
<td>13.9</td>
</tr>
<tr>
<td>Depreciations</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Material expenditure</td>
<td>3.5</td>
<td>4.2</td>
<td>3.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Marketing</td>
<td>6.5</td>
<td>6.7</td>
<td>6.8</td>
<td>6.9</td>
</tr>
<tr>
<td>Interest, exchange differences, appreciation/depreciation on securities</td>
<td>0.5</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total income</td>
<td>263.9</td>
<td>206.1</td>
<td>212.4</td>
<td>218.8</td>
</tr>
<tr>
<td>Project funding overseas*</td>
<td>240.9</td>
<td>182.4</td>
<td>187.1</td>
<td>192.9</td>
</tr>
<tr>
<td>Project funding Germany</td>
<td>2.6</td>
<td>0.9</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>268.3</td>
<td>208.4</td>
<td>212.4</td>
<td>218.8</td>
</tr>
<tr>
<td>Result after reserves withdrawal</td>
<td>-4.4</td>
<td>-2.3</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Allocation to (+) reserve</td>
<td>0.7</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Allocation to (-) reserve from (-) project reserve</td>
<td>2.7</td>
<td>1.7</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

By mid-2016 it was already becoming clear that after the successes of 2014 and 2015 another economically outstanding year was likely. Correspondingly, the identified target figures for 2017 at any rate significantly exceeded previous assumptions.

In 2015 during the medium-term planning for 2017, a total income of EUR 167 m was assumed. Over the course of the economic planning for 2017 the income expectation was then raised to EUR 206.1 m and expenditure planning to EUR 208.4 m (instead of the original EUR 166.7 m). The same applies to the medium-term planning for the years 2016 and 2019.

As planned, from 2017 onwards there will be no more project reserves available from the disasters in previous years that attracted particularly high donation incomes.

* Overseas personal expenses and other project funding (EUR 1.1 m) are included in the overseas project funding item.

By mid-2016 it was already becoming clear that after the successes of 2014 and 2015 another economically outstanding year was likely. Correspondingly, the identified target figures for 2017 at any rate significantly exceeded previous assumptions.
Dear supporters,

Once again, you have made it possible for us to help effectively. You are enabling millions of people to help themselves.

Together, you all make the work of Welthungerhilfe a reality. It is only thanks to the funds you entrust to us that we are able to help!

We are campaigning with all our strength for a world that offers every person the chance to live independently, with dignity and justice, free from hunger and poverty.

Zero Hunger cannot remain an empty promise. So we hope that you will continue to support us.

THANK YOU TO EVERYONE WHO SUPPORTS US:

240,000
PRIVATE DONORS, who in 2016 committed to a world without hunger and poverty.

1,858
PRIVATE FUNDRAISERS, who selflessly thought of others on the occasions of birthdays, weddings, anniversaries and funerals and collected for us.

130
COOPERATING FOUNDATIONS, that helped us to realise projects together.

1,155
ACTIVE SUPPORTERS, who campaigned with their friends, action groups, associations or individually for a world without hunger, and who carried out 350 charity events, such as the Run4Life, concerts, bazaars and fundraisers.

354
BUSINESSES, that supported us in a particularly generous way.

72
PEOPLE, who thought of Welthungerhilfe in their will.

39
INSTITUTIONAL DONORS, that subsidise or finance our projects, that often give us large funding amounts and delegate big tasks to us, thereby confirming their confidence in the work of Welthungerhilfe.