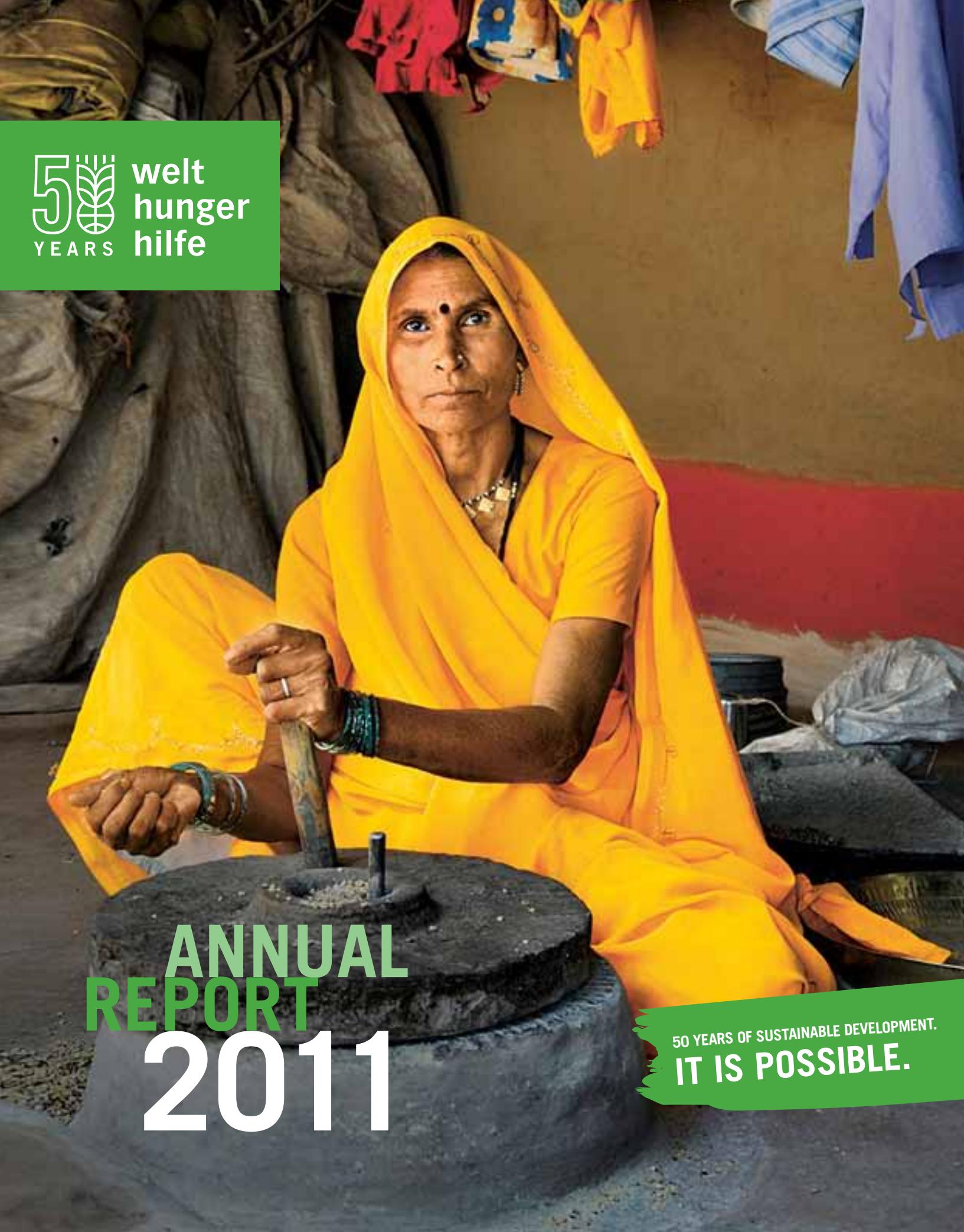




welt  
hunger  
hilfe



A woman in a bright yellow sari is seated on the floor, operating a traditional stone hand mill. She is looking directly at the camera with a serious expression. The background shows a simple, rustic setting with laundry hanging on a line.

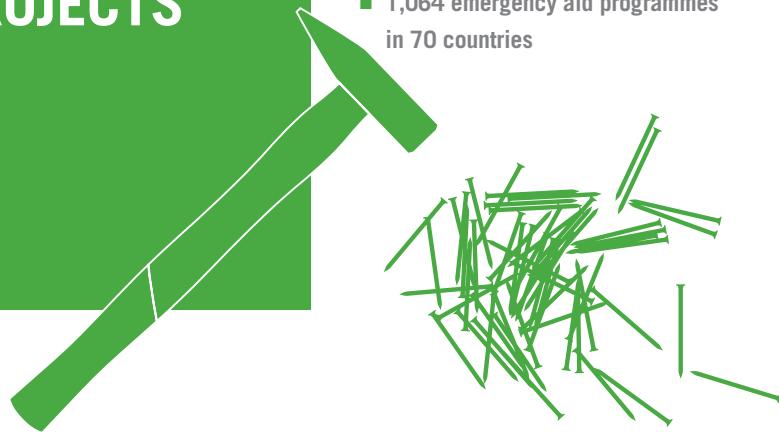
# ANNUAL REPORT 2011

50 YEARS OF SUSTAINABLE DEVELOPMENT.  
**IT IS POSSIBLE.**

# WELTHUNGERHILFE

# FACTS AND FIGURES

**4,656  
SUPPORTED  
SELF-HELP  
PROJECTS**



**By the end of 2011,  
Welthungerhilfe had  
supported with approxi-  
mately EUR 2.39 billion:**

- 4,656 self-help projects
- 1,122 projects for children and young people
- 1,064 emergency aid programmes in 70 countries

**In 2011 alone,  
321 projects were  
implemented in the  
following sectors:**

- 158 rural and regional development projects
- 36 projects in the area of social integration and education
- 31 projects to restore basic infrastructure
- 27 emergency aid projects
- 27 projects related to other measures
- 21 projects in Germany
- 13 projects to promote civil society structures
- 6 supranational projects
- 2 projects in the area of health, HIV&AIDS



**158 rural  
and regional  
development  
projects**

# CONTENTS

<b>Our vision</b>	2	<b>Work in Germany</b>	
<b>Conversation with the Supervisory Board and Executive Board</b>	4	Advocacy	20
<b>Outlook</b>	6	Marketing	22
<b>Work abroad</b>		The year 2011	24
Horn of Africa	8	<b>World map</b>	26
Nepal	10	<b>Project list</b>	28
Cuba	14	<b>Finances</b>	30
Liberia	16	<b>Foundation</b>	38
WASH	18	<b>Transparency</b>	41
		<b>Welthungerhilfe</b>	42



The seal of approval from the Central Institute for Social Issues (DZI) certifies the efficient and responsible Management of the resources that have been entrusted. Welthungerhilfe has received the seal of approval as a sign of trust since 1992.



Welthungerhilfe has received numerous awards for its transparent reporting and excellent communication of information.



Member of Alliance2015,  
an association of European aid agencies



## Imprint

### Issued by:

Deutsche Welthungerhilfe e.V.  
Friedrich-Ebert-Straße 1  
D-53173 Bonn  
Tel. +49 (0)228 2288-0  
Fax +49 (0)228 2288-333  
info@welthungerhilfe.de  
www.welthungerhilfe.de

### Overall responsibility:

Dr Wolfgang Jamann,  
Secretary General, Chief Executive Board

### Editorial responsibility:

Patricia Summa (manager),  
Katherin Longwe (graphics)

### Production manager:

Carsten Blum

### Concept and design:

TEMPUS CORPORATE GmbH –  
Ein Unternehmen des ZEIT Verlags

### Printing:

Das Druckhaus Bernd Brümmer  
Printed on FSC-certified paper from  
responsibly managed forests.

### Order number:

460-9392

### Title photo:

Clare Arni

(Shymai Bai is painting in front of her  
house in the Indian millennium village  
of Jhiranya Korn.)

### Photos:

Belkin (41), Brandenburgh (24), Brock-  
mann (8 to 9), Dickerhof (14), Eberle  
(24), Frommann (42), Gebremedhin  
(19), Grabka (24), Grossmann (5, 17,  
23, 25), Jungeblodt (24), Kaufhold (6),  
Kopp (38), Laramendi (14), Lohnes  
(21), Malsbender - Fotolia.com (flap),  
Neubauwelt (flap), Otten (38), Pilar (10,  
11, 12, 13), Rosenthal (5), Rimpa (25),  
Thielker (25), Tsegaye (18, 22, 25),  
Veser (16), Weiss (42), Welthungerhilfe  
(15, 20, 24, 25)

# OUR VISION

## V VALUES AND VISION

Welthungerhilfe was founded in 1962 under the umbrella of the Food and Agriculture Organisation of the United Nations, FAO. At that time, the organisation represented the German section of their Freedom from Hunger Campaign, one of the first global initiatives aimed at eliminating hunger. Today, we are one of the biggest aid agencies in Germany.

We campaign against worldwide hunger and for sustainable food and nutrition security. This involves promoting site-specific agriculture, access to clean water and a modern, environment-friendly energy supply and improving healthcare and education. We work primarily in rural regions.

**OUR VISION IS A WORLD IN WHICH ALL PEOPLE HAVE THE OPPORTUNITY TO EXERCISE THEIR RIGHT TO A SELF-DETERMINED LIFE IN DIGNITY AND JUSTICE, FREE FROM HUNGER AND POVERTY.**

## O NE WORLD – JUSTICE FOR ALL

Our actions are guided by the belief in the equality of all people, the inviolability of their rights and their self-determination. People with whom we work are partners who strive to achieve social changes. We treat them with respect, solidarity and compassion.

Our activities aim to sustainably improve the lives of generations to come, in a healthy environment and a just society.

We want to become superfluous. We therefore share the goal with many people who are committed to development cooperation that one day development cooperation will no longer be necessary and that people in these countries will be able to adequately help themselves.

## LIFE CULTURE – WORKING EFFECTIVELY AND ACTING RESPECTFULLY

We want to be successful. We measure our success according to how much the conditions of people living in poverty and deprivation have improved.

We use modern scientific findings and methods and simultaneously respect the knowledge, experience and traditions of people in the respective countries. Our work is therefore characterised by creativity and constant willingness to learn and innovate.

We treat others with respect and appreciation. We enable our staff to achieve a work-life balance. This is particularly true for members of staff who face special challenges and take personal risks, for example, in crisis regions.

We keep our promises. Accountability and reliability are important cornerstones of our work – with regards to local partners, the general public, donors and providers of public grants. We know that we would not be able to work successfully without our supporters. It is to them that we owe our special thanks.

## DAILY ACTIVITIES – COMMITTED AND PROFESSIONAL

We work in partnership with others. Our activities are geared towards the goals and needs of people in the South and towards the desire for global justice. We encourage our partners to assert their rights. We help them to develop their skills and abilities.

We work in a needs-oriented and appropriate way. We help people in acute need, when regions are affected by hunger or other disasters. When their most immediate requirements are satisfied, we help them rehabilitate and develop their region in a sustainable way.

Effective and motivating public relations is important for our work. It enables us to make our work transparent and bring together more closely people in Germany and developing countries.

We are politically independent and non-denominational and we cooperate in strategic alliances. We work all over the world with actors who have similar goals. This enables us to pool our resources, but also achieve a greater impact with the means available to us. We ensure maximum independence from external conditions for our work. We take advantage of this independence by engaging in a constructive dialogue with politics and business.

Important partners, whose trust we value, are our public donors. We welcome the close programmatic cooperation of governmental and non-governmental organisations whenever they share the same goals.

We raise our voice wherever we can help remedy situations on the basis of our project work and experience, our history and convictions. We see ourselves as the advocates of those whose rights and dignity are compromised.

# CONVERSATION WITH THE SUPERVISORY BOARD AND EXECUTIVE BOARD

## What positive experience comes to mind when you look back at the past year?

Bärbel Dieckmann: I visited Haiti at the beginning of 2011, when the country was hit by cholera. That is when I saw how simple tools, such as infusions, can save lives. That was impressive.

Dr Wolfgang Jamann: I think of the hopeful farmer Bockarie Vande from Sierra Leone, who is now able to produce fair trade cacao and again earn an income thanks to a cooperative that we support.

## At the same time, 2011 was also the year that saw the great hunger crisis hit the Horn of Africa.

Dieckmann: That is true. My impressions from that place are still very vivid. At the Dadaab refugee camp in Kenya, I spoke with many women who had lost one or more children because of the disaster. 400,000 people alone sought refuge in Dadaab. It was alarming, but we were very pleased with the great willingness of Germans to donate to this cause. We were able to raise EUR 17m just for East Africa. In total in 2011 we were able to support people in 300 projects and 39 countries around the world with funds of EUR 107.2m.

Jamann: Even if the cameras have mostly disappeared, our work in the Horn of Africa is far from over. During my visit, three months after the height of the crisis, it was raining again, but there is still a long way to go until the livelihoods of many of those affected can be restored.

## What is being done now?

Jamann: Farmers are learning adapted cultivation techniques, are receiving drought-resistant seeds and are building rain catchment reservoirs made from stone. Of course there is a need for drinking water and food supplies in acute emergency situations, but investments in long-term food security are far more important. This is what Welthungerhilfe stands for, and in view of globally rising food prices, this long-term aspect is gaining in relevance as never before.

Dieckmann: In industrial countries, people spend an average of ten percent of their income on food. Most of them do not know what it means to not be able to afford the vegetables in the market or bread from the bakery. But people in Kenya, Somalia, Ethiopia and many other countries are very familiar with this feeling. People in developing countries spend between 50 and 80 percent of their income on food. And when prices continue to rise, daily meals become more and more of a luxury.

## What is Welthungerhilfe doing to address the effects of the price increases?

Dieckmann: It is a scandal that a third more food is produced globally than is needed to feed the world's population, and yet so many go hungry. Three out of four hungry people live precisely where food is being produced – in the rural areas. Therefore we must provide more support to those people, so that they are able to feed themselves, because strong civil societies can only be established by people who are not suffering from hunger.

Jamann: In addition to our local work, we also focus on our political activities. High food prices are also caused by the speculative trading of food products. Welthungerhilfe is pointing out the correlation: We identify the effects that speculative activities have on people in developing countries, and exert our political influence. This topic was also the main focus of our 2011 Global

Hunger Index, which was introduced to an international audience. But even beyond the Global Hunger Index, awareness of the issue of price increases was also raised amongst the German public as part of a variety of discussion rounds and events.

## Africa doesn't seem to be able to get a break: the next hunger crisis is already in the making, this time in western Africa. What are you doing?

**Dieckmann:** We have learnt from the experience of East Africa. Our early warning systems worked; therefore we have been able to start our activities in a timely manner.

**Jamann:** Families in need have been receiving food and seed since the beginning of 2012. At the same time, basic food is provided at subsidised prices, so that people that still have access to a small income are able to feed themselves through their own efforts. This prevents the extensive spread of hunger.

## Welthungerhilfe will celebrate its 50th anniversary at the end of 2012. Can you provide us with a summary?

**Dieckmann:** Half a century of commitment, passion and courage now lies behind us. This is what Welthungerhilfe is looking back on in 2012. All of the small and large successes on our path serve to underline our view that our actions are correct and important: When our organisation was first founded, 26 percent of the world's population was hungry – a number that has declined to 13 percent. And a number in which we have also played our part.

**Jamann:** During the last 50 years, Welthungerhilfe has implemented more than 6,800 projects in 70 countries. Together with our local partners, we have been able to mitigate suffering, overcome

the sense of hopelessness and improve individual lives – for millions of people. And with our public activities and persistent presence, we have been committed to ensuring that the countries of the southern hemisphere are not being forgotten in the face of the crises experienced in the North.

## What are your wishes for Welthungerhilfe for the next 50 years?

**Jamann:** That our vision comes true – a world without hunger and poverty...

**Dieckmann:** ...and hence that Welthungerhilfe will one day become redundant.



**Bärbel Dieckmann**  
President



**Dr Wolfgang Jamann**  
Secretary General  
Chief Executive Board

OUTLOOK 2012/13

# NEW OBJECTIVES REQUIRE NEW IDEAS

*On the occasion of Welthungerhilfe's 50th anniversary, it is important to learn from past experiences but also to have the courage to take the road less travelled. Our vision of a world without hunger remains. But this will only be successful if enough motivated people are simultaneously and persistently working on the same objective. As such, the Welthungerhilfe strategy for the next few years will focus on the following three issues:*

## Sustainable food security

At present, there are still 925 million people on this earth who suffer from hunger – this means that the global fight against hunger will remain one of the biggest challenges in the future. Building on its core competences, Welthungerhilfe will make the issue of sustainable food security the focus of its strategic objectives. In this vein, particular importance must be attached to the aspect of healthy nutrition, especially with respect to infants, small children and mothers. To achieve both sustainability and a reduction in poverty, we will place particular emphasis on ensuring that (small) farm operations in developing countries become more efficient in contributing towards food security, and that cultivation practices are both appropriate to the location and financially profitable. This requires improved cultivation methods as well as usable technologies, along with the enhancement of local knowledge and the use of adapted seed that corresponds with both local and global changes. Adaptation to climate

change is an important prerequisite for sustainable development; therefore, Welthungerhilfe will follow a process of systematically taking into account adaptation and disaster prevention measures in its country and regional programmes.

Urban agriculture represents an important component in sustainable development. In the future, Welthungerhilfe and its southern partners will implement a higher number of programmes in urban spaces, paying special consideration to the areas of food security, agriculture, water, sanitation, hygiene and energy. In the context of food security and poverty reduction, household energy, including energy supplies, becomes an important focus area in addition to energy for (agricultural) production. Existing approaches for generating renewable energy are to be further expanded, and information on new and already proven techniques for efficient energy production and management must be provided.

The political positioning of Welthungerhilfe is extremely important in this regard, particularly in its lobbying and advocacy work. Growing inequality, new global security threats, a transformation in attitudes towards energy and the use of raw materials, climate change and environmental stresses, urbanisation, a new global order – all of these are issues of high political (and media) relevance. The inclusion of development policy objectives in national and international environmental and climate debates is an important component in sustainable food security.



## Internationalisation

Our objective is to be recognised as a relevant German player in the international context, and to use our increased international reputation to exert more influence on processes designed to fight hunger.

The organisation's success will increasingly depend on its ability to base its work on the knowledge and experience of the people in the Southern hemisphere. This requires new strategic partnerships that are able to meet the growing requirements for an international Welthungerhilfe organisation. Welthungerhilfe should be perceived and respected as a knowledgeable and strong voice of German society on international forums and in the media.

## Making development cooperation tangible

Development cooperation has learnt a lot from its initial mistakes during the last 50 years, but development cooperation and its actors remains a subject of critical discussions. And the more wealth there is in developing countries, the more donors are asking about the responsibility of governments and elites in the countries affected by hunger and poverty. Our work, on the other hand, is not limited to abstract problems but rather helps people directly and in a very concrete fashion. To ensure that this work can also be experienced, we want to let the people whose lives are affected, and sometimes even fundamentally changed by our work, have their say. Their moving stories and statements can motivate others to also become committed to the cause. These reports not only focus on the people who Welthungerhilfe has

supported locally in their struggle to help themselves, but also our employees, donors and supporters. We wish to create more personal connections between them all as members of a global community – be it on a physical or virtual, direct or indirect level. Borne by the idea of finding new ways of doing things together, Welthungerhilfe is in the middle of its 50th anniversary. We are not using this anniversary to celebrate our achievements but to bundle additional energies and to align our activities to the future. For example through the central donation campaign „1 Stunde gegen den Hunger“ (1 Hour Against Hunger), which calls upon people to donate the equivalent of one hour of their wages or dedicate one hour of their time to a good cause. Initial activities have already identified an incredible diversity of ideas, and they are increasingly turning into a wave that promises to carry us beyond the anniversary year and across the country.

**50 Years of Sustainable Development.  
IT IS POSSIBLE.**

Medium-term economic plan (without disasters and special effects)	2012 in EUR m	2013 in EUR m	2014 in EUR m
Donations, bequests, fines, Welthungerhilfe Foundation	36.6	33.9	34.7
Foundations and private aid organisations	2.5	2.0	2.0
Public grants	103.0	101.0	100.0
Interest and miscellaneous income	2.9	2.8	2.7
<b>Total income</b>	<b>145.0</b>	<b>139.7</b>	<b>139.4</b>
Project funding abroad	134.6	127.6	126.3
Domestic project funding	1.1	0.9	0.9
Staff costs, domestic	12.0	11.7	11.7
Depreciation	0.6	0.6	0.6
Material expenditure	3.0	3.0	3.0
Marketing expenses	6.9	5.4	5.4
<b>Total expenditure</b>	<b>158.2</b>	<b>149.2</b>	<b>147.9</b>
<b>Net income before changes in reserves</b>	<b>-13.2</b>	<b>-9.5</b>	<b>-8.5</b>
Withdrawal from designated reserves of previous years	12.7	10.0	9.0
Net allocation (-)/withdrawal reserve	0.5	-0.5	-0.5
<b>Net income after changes in reserves</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Higher marketing expenditures in 2012 will be used to invest in the opportunity offered by the anniversary year to increase the visibility of Welthungerhilfe and to obtain new supporter groups. They will also be partly financed by a small withdrawal from free reserves to the amount of EUR 0.5m. Project funding abroad includes funds for reconstruction in Haiti, Pakistan and East Africa until 2014, which are drawn from the project fund reserve created in 2010 and 2011. The medium-term economic plan shown in the table is based on empirical values and expected framework conditions.

# DROUGHT IN EAST AFRICA DUST AS FAR AS EYES CAN SEE

*In 2011, the Horn of Africa experienced the worst drought in 60 years. The effects of the drought can still be seen and felt – sparse harvests, empty storage bins, lower groundwater levels, devastated pasture areas and dead cattle. Questions and answers about a disaster that has brought suffering on millions of people.*



## Why do such terrible droughts have a tendency to occur in East Africa?

Climate change is increasing the frequency of extreme weather such as droughts and floods. Recurring natural disasters also weaken people's resistance, as they have hardly any time to recover between one disaster and the next.

## What was the reason behind the 2011 hunger crisis?

In addition to the effects of climate change, there are also political and economic causes: the stream of refugees from Somalia, which has been torn apart by civil war, and the horrendous increase in food prices. Other triggers include two periods of non-existent rainy seasons, which resulted in the driest growing season since 1950/51.

## Who was affected by the drought?

Overall, about 12 million people went hungry, including 1.5 refugees, many of whom came from Somalia. Shepherds in the dry lowlands were particularly affected. They lost their animals or were forced to sell their emaciated cattle at low prices, while the remaining animals were not enough to ensure survival. An old clan chief concludes: „We will somehow get through this hunger period, but the losses mean that we will stay poor for many years.“ In this context, the replenishment of herds forms an important component of Welthungerhilfe's reconstruction work.

## How has Welthungerhilfe been active in this regard?

Welthungerhilfe provided immediate aid in Ethiopia, Kenya and Somalia; people obtained water and food, as well as important items such as water containers and soap.

An example of our emergency aid: A total of 142.5 tonnes of maize, 33.3 tonnes of beans and 9,500 litres of cooking oil were distributed to 9,503 people in the south Ethiopian region of Oromiya up to the end of January 2012. In addition, 6,000 malnourished children, pregnant and nursing women, along with the elderly, also received a total of 14.3 tonnes in high-energy food. In addition to providing immediate assistance, Welthungerhilfe is also continuing its long-term projects in the three countries. For example, farmers are learning new cultivation techniques and receiving drought-resistant seed; shepherds are learning about sustainable pasture management and are being given new animals for breeding purposes.

## Are there any successes to date?

Yes. Deep and shallow wells have been dug in Kenya and Ethiopia, for example, and water retention basins have been repaired and constructed. This means that tens of thousands of people will have access to more water during the next drought period. In addition, 17,000 households in Kenya, which received drought-tolerant seed, have already brought in their first harvest and were able to replenish their storage stocks.

## What is Welthungerhilfe's strategy?

Future crises can only be prevented with long-term perspectives. This involves the promotion of rural development and equipping people for the effects of climate change. Therefore Welthungerhilfe supports people in the sustainable use of regional resources: Water supplies are being improved with the construction of retention bonds and wells; soil fertility is increasing with better management practices; and adapted seed and plants, along with healthy herds, are being used to provide food security. At the same time, health and education infrastructure is promoted and alternative sources of income are created.



## The story of Taditi Wako Ture

At 70 years of age, Taditi Wako Ture from southern Ethiopia has already experienced a lot – but the drought of 2011 was also a completely new dimension for her: "My husband and I had to watch helplessly as our 20 goats perished." The woman says that while the region has been hit by droughts every eight to ten years in the past, they now occur every three to four years. And "in those days, fewer people used the region for animal husbandry with fewer animals. Therefore they had other alternatives in times of drought – an option they no longer have. Last year, there was nowhere to go with our animals", she continues. The five goats (four female and one male), which she received from Welthungerhilfe for breeding purposes, are an important first step to getting back on their feet. "During the drought, we received food supplies, which allowed us to survive. But my husband and I need the goats to be able to build up an income base again. That makes me very happy", says Taditi Wako Ture. In response to the question of what type of support families like hers need, she shows vision: the establishment of protected emergency pastures is an important innovation. In addition, several types of bush have been spreading which were not there before. These bushes are not eaten by the animals and cover fertile pasture land. This situation requires targeted clearing measures. "I am also happy about Welthungerhilfe's assistance with the construction of water basins and wells. This allows us to be prepared for the next drought."

[www.welthungerhilfe.de/thema-duerre-ostafrika.html](http://www.welthungerhilfe.de/thema-duerre-ostafrika.html)

Welthungerhilfe has been active in Ethiopia since 1972, in Kenya since 1970 and in Somalia since 2000. All three countries received emergency aid during the 2011 drought. However even during the acute emergency phase the foundations were laid for projects designed to enable people to start a new life after the drought. These include improved pasture management with sustainable water supplies for humans and animals for animal husbandry operations in the low lands of Ethiopia, better drinking water supplies and drinking water hygiene in Kenya and Somalia, alternate income sources, better seed and much more.

### Revenue for drought victims:

Cash donations EUR 17m | Public grants EUR 11.6m (Public grant donors: BMZ, GIZ) | Private aid organisations EUR 0.5m (medico – forwarded donations from "Bündnis Entwicklung Hilft") | Total revenues = EUR 29.1m



### Funds provided until 31 December 2011 for the drought on the Horn of Africa:

**Total:** Emergency aid EUR 6.8m | Basic infrastructure EUR 2.5m | Rural and regional development EUR 5.9m | Other EUR 1.5m | Total = EUR 16.7m\*

**Ethiopia** Emergency aid EUR 3.6m | Basic infrastructure EUR 2.0m | Rural and regional development EUR 2.6m | Other EUR 0.5m | Total for Ethiopia = EUR 8.7m | Partner organisations: AFD, Alliance2015, APDA, GPDI | Public grant donors: BMZ, GIZ, private aid organisations (medico)

**Kenya** Emergency aid EUR 3.2m | Basic infrastructure EUR 0.4m | Rural and regional development EUR 3.3m | Total for Kenya = EUR 6.9m | Partner organisations: Alliance2015, APDA | Public grant donor: GIZ

**Somalia** Basic infrastructure EUR 0.1m | Other: EUR 1.0m | Total for Somalia = EUR 1.1m | Partner organisations: Alliance2015

\* The remaining funds will be spent in the coming years for drought victims.

NEPAL

# A STONY PATH TO THE GARDEN OF EDEN

*"People in Nepal need a new perspective. At this point, they are just living for the moment and are expending all of their energy to survive yet another day. But once families not only have enough to eat, but are also able to market their harvest, once young people are given the opportunity to obtain an education – then they will not want to emigrate. They will be forming companies that allow them to earn a living – in their home country."*

*Philippe Dresrütte, Nepal country representative*

**IT IS POSSIBLE**  
that cow dung is an indicator of progress.



Family Tamang's future stinks to the high heavens. At this point, it is still fermenting in a plastic container, but soon the liquid will play its part in ensuring that Suntali Maya Tamang can charge five additional rupees per kilo for her tomatoes, cucumbers and eggplants. The Tamangs operate a small, organic farm. "Fruit and vegetables grown without chemicals are much healthier and taste better, therefore I can sell them for more money", says Suntali Maya Tamang. Until a few months ago, the family could not even fathom the idea of ever growing anything other than millet or buckwheat; not to mention having the ability to sell anything. The prospect of mixing valuable foodstuff such as onions or garlic with cow dung and ash, and to use this mixture to fertilise the fields is an inconceivable notion in far remote communities such as Korak.

Korak's mountain farmers are part of an ethnic minority. Years of civil war and isolation have meant that knowledge regarding the sustainable use of natural resources has been lost. In addition, strong monsoon rains and droughts are increasing, destroying harvests. Therefore it is particularly the young who try to flee the poverty.

But things have started to change in this region of the Himalayas since November 2011. Welthungerhilfe and its local partners have started initiatives in nine communities in cooperation with the local population. The large community of Korak in the southern Chitwan district was declared a Millennium Village. This is the first time that people in Korak have felt that they are being taken seriously. Never before have they had a right to have a say in the matter – they did not even know that they had rights. But now, the requirements of families are pooled in a community development plan. The People's Forum was established as the umbrella group for this project work; all population groups are represented in the forum. More than 40 different initiatives have now been established under this umbrella organisation. They include road construction, sustainable forest use and reforesting, irrigation, integrated agriculture and marketing as a source of income. Educational programmes have been tailored to the people in Korak.

450 members of the farmer groups are already attending so-called „Farmer Field Schools“, where experts accompany and advise the farmers during an entire harvest cycle. Farmers then pass on their new knowledge. "We have such a variety of resources", says Shar Bahadur Tamang, President of the People's Forum. "The soil is fertile and the climate is ideal for the cultivation of grains, vegetables and fruit trees. Our forests are home to thousands of different plants, medicinal herbs and fruits. And we have clean mountain springs for irrigating our fields."

Shar Bahadur Tamang has learnt the recipe for organic fertiliser that simultaneously keeps away fungus and insects, at the field school. Now he dreams about the entire community turning its land into an organic garden.





*I dream about  
turning the entire  
countryside into an  
organic garden.*



Shar Bahadur Tamang  
President of the People's Forum

## New ways forward in Nepal

Nepal is one of the poorest countries in Asia. Almost a fifth of the population is malnourished and does not have access to drinking water. In addition, climate change is resulting in lost harvests or natural disasters. Therefore, in 2010, Welthungerhilfe decided to intensify its activities in Nepal. As an initial step, country representative Philippe Dresrüssé prepared the "Nepal Project" with the local partner organisation Rural Reconstruction Nepal (RRN), while the organisations Forward, Aasaman and OneWorld were added later.

The large community of Korak in the Chitwan district was officially declared a Millennium Village. "But we actually have seven Millennium Villages", says Philippe Dresrüssé. "This is because in six communities of the Ramechhap, Sankhuwasava and Morang districts, we are working on the same objectives as in Korak: poverty reduction, food security and the sustainable use of resources. The second step focuses on the health of children and mothers, and balanced nutrition; followed by education for teachers for a child-friendly primary curriculum."

The projects in Shaktikor and Siddhi, both in Chitwan, have a somewhat different focus. In that area, 20 farmers and eight forest user groups are forming a cooperative to professionally market their forest and field products from sustainable production. Partner OneWorld already has experience with certification and marketing. "Our work mainly focuses on strengthening people: To give them the self-confidence of standing up for their rights vis-a-vis government authorities. The people we work with do not know that there is a global right to food, clean water or education", says Philippe Dresrüssé. "Therefore we are supporting civil education in citizen forums, school committees and Children Power Centers." This human rights-based approach is a part of Welthungerhilfe's "Fight Hunger First Initiative" in India, Bangladesh and Nepal. Connecting these countries under the initiative has resulted in more exchange and better cooperation.

[www.welthungerhilfe.de/nepal-korak-millenniumsdorf.html](http://www.welthungerhilfe.de/nepal-korak-millenniumsdorf.html)

After an inactive period of several years, Welthungerhilfe once again became active in Nepal in 2005. Since 2010, the organisation has maintained a representation in the capital of Kathmandu, in order to secure the effective planning and implementation of a longer-term programme directed at rural and regional development.



**Project focus areas:** Food security, disaster risk reduction, resource management and environmental protection, integrated rural development, basic infrastructure

**Project locations:** Chitwan district, Ramechhap district, Sankhuwasava district and Morang district

**Number of projects since 2005:** 12 projects with a volume of EUR 1.4m

**Financing volume 2011:** EUR 2.1m

**Number of current projects in implementation stage:** 4

**Public grant donor 2011:** BMZ

**Partner organisations 2011:** Aasaman, Forward, OneWorld, RRN



# CUBA MAINTAINING A PARADISE



*The Alexander-von-Humboldt National Park can be found in the eastern part of Cuba. Buffer zone management – this describes Welthungerhilfe's task in the marginal zones of this protected area. And what does it mean? Allowing the people who live here to lead better lives and also contributing to protecting nature and maintaining species diversity.*

The park forms the core of the biosphere reserve that carries the name of "Chuchillas del Toa". It contains the catchment area of the River Toa, one of Cuba's eight most-important drinking water reserves. The park and biosphere reserve is home to many rare animals, such as the world's smallest frog and brightly coloured snails whose shell housings are made into jewellery by locals and are sold to tourists.

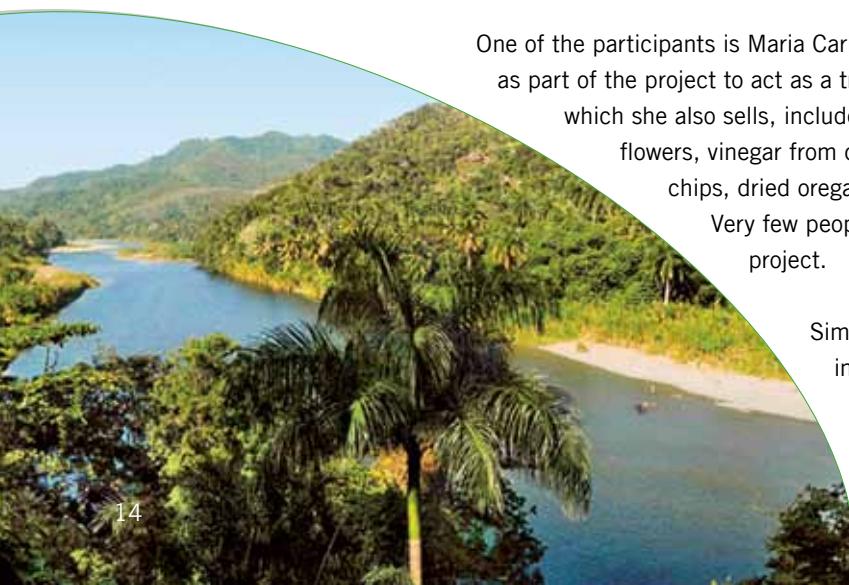
And this is one of the problems faced by the park, which was declared a world heritage site in 2001. The snails are facing extinction – but people need an income to feed themselves. One necklace brings in around one US dollar. Considering that the average income of a farmer is less than ten dollars a month, this is a lot of money; especially if there are no alternate sources of income. While the region also produces coconut and cacao, prices for these two products are subject to considerable fluctuations. Soils are exhausted as a result of non-adapted agricultural uses including burning and monoculture, and produce only small yields – hence a situation of financial dire straits combined with a lack of agricultural knowledge and environmental awareness.

Together with the local partner organisation ACTAF (Association of Agricultural and Forest Management Engineers in Cuba) and park authorities, the Welthungerhilfe project aims to counter this development. It supports farmers with alternative agricultural production, increasing the diversity of cultivation and reforestation. This includes erosion control and the restoration of soils, as well as environmental education for adults, youth and children.

One of the participants is Maria Caridad Pérez. She is one of ten women who have been trained as part of the project to act as a trainer for food conservation. Products from her "workshop", which she also sells, include pickled gherkins, onions and peppers, syrup made of hibiscus flowers, vinegar from cooking bananas or pineapple, flour made from cassava, banana chips, dried oregano, lemon grass and mint, home-baked cakes and fruit wine.

Very few people had the knowledge to conserve food prior to the start of the project.

Simple tools such as these are enough to improve the food situation in the region, and also increase the value of agricultural products and family incomes. "The women are very excited", says Maria Caridad Pérez, "because they have learnt a lot and are getting





orders from others in the neighbourhood." Besides training, the women also receive simple materials such as mixers, as well as glass and plastic containers for the food. In return, they have committed themselves to hold regular courses for other interested women in their communities.

People like Maria are important partners for Welthungerhilfe projects. They are open to new ideas and have courage. They are role models for the many who follow, and hence catalysts for change. By having access to additional sources of income, farmers do not have to over-exploit protected zones. Successful nature conservation and the maintenance of the ecosystem are only successful in conjunction with the people who live in the region.

[www.welthungerhilfe.de/kuba-hilfsprojekt-nahrungsmittel.html](http://www.welthungerhilfe.de/kuba-hilfsprojekt-nahrungsmittel.html)

*Now I know  
how to conserve  
food products  
to sell them.*

Maria Caridad Pérez  
Trainer for food conservation



Welthungerhilfe has been working in Cuba since 1994 and as such is considered to be one of the longest-standing non-governmental organisations in that region. During this period, it has funded and implemented 59 projects, particularly in the area of rural and regional development as well as emergency relief following hurricanes. Its work is coordinated from the Havana office.

**Project focus areas:** Food security, promotion of urban and near-urban agriculture, strengthening of agricultural cooperatives, protection and use of natural resources in the buffer zones of protected areas

**Project locations:** Havana, Artemisa, Mayabeque and Pinar del Río in the North, Santiago, Guantánamo, Holguín, Las Tunas, Granma in the eastern part of the island

**Number of projects since 1994:** 59 projects with a volume of EUR 33.2m

**Financing volume 2011:** EUR 1m

**Number of current projects in implementation stage:** 10

**Public grant donors 2011:** Alliance2015, BMZ, EC (EuropeAid), other

**Partner organisations 2011:** ACPA, ACTAF, CARE France, INCA, OIKOS



# LIBERIA MAMA VICTORIA HAS THE BEST LETTUCE

*Arable land for growing fruit and vegetables is not just plentiful in the countryside but also in the Liberian capital of Monrovia. The harvests from this land would be enough to effectively fight chronic food shortages. Welthungerhilfe advises and supports farmers in these areas.*

Victoria Sirleaf's house is situated not far from Monrovia's lively city centre. And although it is located in a metropolis, the garden of "Mama Victoria" is reminiscent of a small farm. Vegetables grow in all corners here. The 56-year-old likes to grow lettuce, corn, tomatoes, wild cabbage, aubergine and spring onions. Sirleaf even has a rice field. In contrast to gardens in Europe, however, Sirleaf views the vegetable beds as a much-needed source of income and food rather than a hobby. "Urban farming" is the name for this concept, which aims to make cities suitable for growing food. It has the potential to give many people access to better and healthier food.

Liberia, which continues to suffer from the after-effects of the civil war, still imports most of its basic foodstuffs, including rice and cassava, from neighbouring countries or overseas. "Only very few locals can afford to buy them", says Victoria Sirleaf. Fertile land can be found in many parts of the country, but harvests cannot be transported to the capital due to the poor, and in some cases non-existent, roads. "That is the reason behind the large amounts of expensive imports", reports the Liberian woman.

As such, "urban farming" would be a good way for many people in Monrovia to lead a better life. After all, the Liberian capital has significant potential in terms of fallow land. Clever Sirleaf has already taken advantage of this opportunity: She purchased an area of wetland near her house and began to grow rice. "In a good month, I can earn as much as USD 200", she says with satisfaction. And she has just purchased an additional area for rice cultivation. The confident woman began as a modest vegetable farmer to fulfil her private requirements. Now she is producing significantly larger amounts. This challenge requires additional know-how. "I obtain this knowledge from the trainings offered as part of the project, where I can learn to improve growing methods." In addition, she also receives seed and tools.

**IT IS POSSIBLE  
to make cities bloom.**

She believes it important to be able to exchange information with other urban farmers and learn new things. When time allows, she visits the agricultural demonstration field, which was established by Welthungerhilfe together with the university. "This is where I learn about proper composting. The soil has to be covered with organic material that has not yet rotted, and requires very little subsequent cultivation", she has learnt. "In addition, the city farmers also give me good advice, and that also helps", she adds. Mama Victoria's garden kingdom, which does not use fertiliser or pesticides, will continue to flourish, to her benefit and that of Monrovia's inhabitants.

[www.welthungerhilfe.de/liberia-hilfsprojekt.html](http://www.welthungerhilfe.de/liberia-hilfsprojekt.html)

Welthungerhilfe has been active in Liberia since 2003, with a focus on food security, agriculture, the rehabilitation of the basic rural infrastructure and disaster prevention. Its work is coordinated from the Monrovia Regional Office.



**Project focus areas:** With a programme for reintegration and reconstruction, Welthungerhilfe is helping Liberians to stand on their own two feet and to continue keeping the peace. The reconstruction of the shattered infrastructure is one of the main focuses of the work in Liberia. Another focus relates to the improvement of food security and nutrition for the urban population around Monrovia. As more than 170,000 refugees from the Ivory Coast have fled to Liberia since November 2010, Welthungerhilfe constructed a refugee camp in 2011 and set up supplies for people fleeing the civil war.

**Project locations:** Monrovia, Tubmanburg, Bomi County (north-west), River Gee, Sinoe, Grand Gedeh and Grand Kru, Counties (south-east)

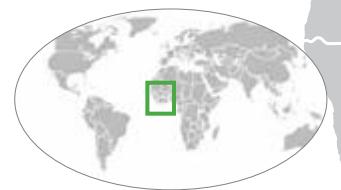
**Number of projects since 2003:** 31 projects with a volume of EUR 60.7m

**Financing volume 2011:** EUR 4.8m

**Number of current projects in implementation stage:** 7

**Public grant donors 2011:** AA, BMZ, EC (EuropeAid), KfW, other

**Partner organisations 2011:** ACF, Alliance2015, HDF, IBIS, RUAF, Medica Mondiale, WOCHIDO



*Before, my neighbours  
were laughing at me, but now  
they can see my success.*

Victoria Sirleaf  
Urban farmer from Monrovia



WASH NETWORK

# TOGETHER WE ARE STRONG

*Around the world, approximately 900 million people do not have access to clean water, and 2.6 billion people must survive without basic sanitary facilities. Due to these circumstances, thousands die every day. Welthungerhilfe is committed to saving people from this fate.*

*All people  
have a right  
to clean water.*

Stephan Simon  
Welthungerhilfe water expert



One solution to this problem is the so-called WASH approach – the acronym stands for Water, Sanitation and Hygiene. More specifically, it means: people obtain access to clean drinking water, sanitary facilities are constructed and the important connections between hygiene, health and nutrition are explained in training courses. To fight for the right of all people to water, sanitation and a life in hygienic conditions, Welthungerhilfe is committed to the so-called WASH Network. The network is made up of 18 German non-governmental organisations and was established in 2011.

Water, energy and food security – the fate of more and more people in a world of ever-shrinking resources will depend on the progress made in these three areas. As such, the WASH Network advocated the integration of these issues in the political agenda at Bonn's Nexus Conference in 2011. Welthungerhilfe is currently implementing 30 projects with a total volume of EUR 20m in the WASH area. The main focus is on rural areas in southern and eastern Africa. A total of one million people are benefitting from new or reconstructed drinking water and sanitary installations.

For example in Ethiopia: Only six percent of the rural population in Ethiopia have toilets. Almost every seventh death is due to contaminated water. Welthungerhilfe is active in the Amhara region, which has a population of approximately 450,000. It has built or renovated 375 drinking water supply facilities – wells, well casings and rainwater catchment basins – the maintenance of which is guaranteed through training courses. At the same time, it has also constructed 350 toilets for schools and hospitals, and offers hygiene training. All of this is having an effect: The number of reported illnesses has declined in Amhara thanks to improving hygiene conditions.

Even now, Welthungerhilfe is looking after people's hygiene requirements in addition to the construction and reconstruction of water systems and sanitary facilities. In the future, more attention will be directed at the correlations between water supplies, drinking water hygiene and food security. This includes the development of service structures in the water and sanitary area in conjunction with private providers and local authorities. For example, users of wells must be supported with regard to maintaining their facilities at affordable terms. It is the only way of ensuring that people in developing countries are able to address their problems over the long term.

[www.welthungerhilfe.de/wasser-spezial.html](http://www.welthungerhilfe.de/wasser-spezial.html)

**IT IS POSSIBLE**  
to save lives using toilets.



# POLITICAL WORK WHEN FOOD BECOMES UNAFFORDABLE

*Welthungerhilfe stands for the fight against hunger and poverty – and also plays a political role in this regard. Therefore, when global food prices hit a new high for the century in the spring of 2011, it saw a need to act.*



Following the renewed rise in food prices at the beginning of 2011, the World Food Organisation was rightly worried about the prospect of millions of people going hungry. Many people in developing countries are forced to spend the majority of their incomes on food. A sudden rise in prices makes it impossible for them to pay for food, health care, living expenses and education.

Three factors are behind higher and increasingly fluctuating prices: the growing use of agricultural products for the production of fuels; the increase in extreme weather events due to climate change; and the increase in commodity futures involving agricultural goods. In 2011, Welthungerhilfe focused on the third factor in particular; namely the speculative trading of agricultural products. Even experts were not initially clear on how these activities affect the widely fluctuating food prices in developing countries.

A study conducted in April 2011 by Bremen University, and which was commissioned by Welthungerhilfe, shed some light on the issue. It estimates that in 2008, activities by investors on futures markets for grain accounted for approximately 15 percent of the observed price increase in spot markets. In addition, the study also found that events on international financial markets have a price-increasing effect on food imports for developing countries through a variety of mechanisms, and that this also causes local food prices to rise.

At the beginning of April, experts discussed the study as part of an expert workshop on the issue of "Pricing on agricultural markets, speculation, food security", held in Bonn. In the meantime, government and non-governmental organisations have reached the consensus that speculative activities on the raw material markets must be curtailed. Against this background, Welthungerhilfe is committed to the following three central demands:

1. Create transparency on raw material exchange, for example through strict reporting obligations.
2. Increase the amount of required equity for each future transaction.
3. Stricter volume and price limits for the trading of agricultural raw material derivatives.

Both this issue and Welthungerhilfe's demands were hotly debated in 2011: For example, Welthungerhilfe President Bärbel Dieckmann introduced these demands at a press conference held with Federal Agricultural Minister Ilse Aigner. They were also debated in the Bundestag. In addition, the results of the study and its key demands were also introduced as part of a hearing conducted by the Committee for Food, Agriculture and Consumer Protection. Another requirement is the dialogue with

banks that offer and trade agricultural raw material derivatives. For this reason, Welthungerhilfe has discussed the risks of agricultural speculation with its own bank and highlighted the various options for the banks.

Together with the International Food Policy Research Institute (IFPRI) and CONCERN, Welthungerhilfe also used the publication of the 2011 Global Hunger Index to draw attention to the effects of the price fluctuations on developing countries. Almost at the same time, the Global Hunger Index was introduced to the media and politicians in October in Dushanbe (Tajikistan), Nairobi (Kenya), Berlin, Milan and Washington. In addition, discussion events regarding the index' contents were held in London and Paris, and also at the European Parliament in Brussels.

On the occasion of the publication of the 2011 Global Hunger Index, Welthungerhilfe issued an invitation to come to Berlin to discuss "Prices on a rollercoaster ride – Does the rise and fall of food prices lead to hunger? Welthungerhilfe wants to find out!" Representatives from industry, non-governmental organisations and ministries, along with 100 guests, discussed the issue of how speculative activities in agricultural markets can be curtailed. While participants agreed on the necessity of regulation, there was no agreement on the extent to which speculators must bear responsibility for the rise and fluctuations in food prices.

Various debates in 2011 have contributed to an awareness of politicians, leaders, agricultural speculators, investors, consumers, journalists and bankers regarding the effects of agricultural speculation on the world's food situation. Initial political declarations of intent have been prepared but not implemented in a binding manner. As such, Welthungerhilfe will continue to work on this issue in 2012.

[www.welthungerhilfe.de/hunger\\_spezial.html](http://www.welthungerhilfe.de/hunger_spezial.html)

**IT IS POSSIBLE**  
to influence policy.



IN THE NORTH AND SOUTH

# MAKING OUR WORK TANGIBLE

*Understanding and solidarity for each other are best established from person to person. As such, the objectives of decreasing the distance between people in the North and South and making our work tangible have become central aspects of our strategy.*



"The visit to Myanmar was again evidence of the important role played by Welthungerhilfe's support", said Michael Schindhelm after his return from the country in November 2011. Welthungerhilfe donors often pay a visit to our projects. They get a close-up glimpse of our work and thus see how their money is used, and what it can do.

Of course this experience is only shared by a fraction of the approximately 300,000 donors who supported our work in 2011. It means that 99 percent of our donors are not able to directly experience our work – in other words, the very thing that they have so generously donated their money towards.

Welthungerhilfe aims to reduce this gap. In this vein, the focus is not on the projects themselves but on the people that we support, and who are the reason that Welthungerhilfe exists. We want to bring these people closer to our supporters in Germany – and vice versa. We want to create opportunities that allow people to learn more about each other – through the main issues that concern all of them, notwithstanding the difference in conditions. This builds understanding and solidarity for each other.

In specific terms, we started the 123wir.org online community in 2011 as a pilot project: The community allows people from our projects to submit reports and to establish direct contact with supporters in Germany. We used a similar approach of direct communication in the case of the drought disaster in East Africa. For example, Country Director for Kenya, Johan van der Kamp (see photo below), reported on the local situation during a meeting with donors and, using a true-to-scale model of a water catchment facility, explained how Welthungerhilfe wants to prevent future water shortages. Welthungerhilfe President Bärbel Dieckmann (see photo below), who had visited the Kenyan refugee camp in Dadaab previously, visibly moved people as she told of her personal experiences at various events. Hence we were able to provide a better understanding of a disaster that is truly unimaginable in terms of its scope and gravity.

Welthungerhilfe is working on identifying and establishing additional platforms for a North-South exchange – be they physical or virtual, direct or indirect, but always authentic. In this context – and based on our experience from 2011 – we are relying even more on the best ambassadors that we have: eye witnesses who have experienced the situation in the project countries. In addition to locals, journalists and our employees, they also include visitors from our circle of supporters, such as Michael Schindhelm: "The experience in Myanmar left such an impression on me that I talk about it whenever I can."

[www.welthungerhilfe.de/spenden.html](http://www.welthungerhilfe.de/spenden.html)

**IT IS POSSIBLE**  
to make the unknown known.



# THE YEAR 2011 ACTIVITIES, DATES AND CAMPAIGNS

## A JANUARY Podium discussion

As part of the discussion event on the topic "What follows growth?" in Berlin, politicians and scientists discussed sustainable management methods, the global concept of happiness and how a departure from the idea of growth by industrial nations could affect developing countries.

## B JANUARY Green Week

Under the motto "Help is Green", Welt-hungerhilfe was the official charity partner of the ErlebnisBauernhof at the International Green Week in Berlin. School children travelled over 8,000 kilometres on their exercise machines. These kilometres were subsequently exchanged for cash and designated to projects in Liberia.

## C FEBRUARY 123wir.org

What is the progress of reconstruction following the floods in Pakistan? What do people in South Sudan dream of? Answers to these and many other questions are provided by the online network 123WIR.org. Correspondents tell us about their daily life and report on their progress. Interested parties, people receiving support and supporters can contact each other and ask more questions.

## D MAY Surprise campaign

In several German cities, people saw something surprising in May: In the middle





K

of the street, African and European women were exchanging coffee beans for pieces of frozen chicken. With events such as these, "United for Africa" picks up on the theme of unjust trade relations. "United for Africa" consists of 23 aid agencies, including Welthungerhilfe.

H

## OCTOBER Dogonland

On the occasion of the "DOGON – World Heritage Site in Africa" exhibition, which was held in the art and exhibition hall of the Federal Republic of Germany in Bonn, singer Lucy Diakovska (see photo) opened the exhibition "Dogonland – A World of Experience". This exhibition provided insights into the life of people in Mali and Welthungerhilfe's project work in the West African country.

I

## NOVEMBER Social Art Camp

Eleven street artists from all over the world followed the invitation issued by Viva con Agua and Welthungerhilfe, finding creative ways of looking at the issue of WASH (water, sanitation and hygiene) at the first international WASH Social Art Festival.

F

## OCTOBER The Week

Similar to other years, Welthungerhilfe implemented a number of nationwide initiatives as part of "Welthungerhilfe Week". These included the market stand initiative in Berlin: A market crier offered passers-by bread at a price of almost EUR 30 or a bag of potatoes for EUR 50. On the occasion of the presentation of the 2011 Global Hunger Index, this initiative was designed to familiarise people with the fact that people in developing countries have to spend 70 percent of their income on food. In Germany, it is only ten to 15 percent.

J

## DECEMBER Anniversary year

On 1st December, 100 long-standing companions of Welthungerhilfe met in Berlin to open the anniversary year of the organisation. It was a successful start to an exciting and emotional 2012.

K

## DECEMBER Advertising campaign

December was the start of the advertising campaign under the motto "It is possible". Television spots, advertisements and billboards will show that sustainable development is possible.

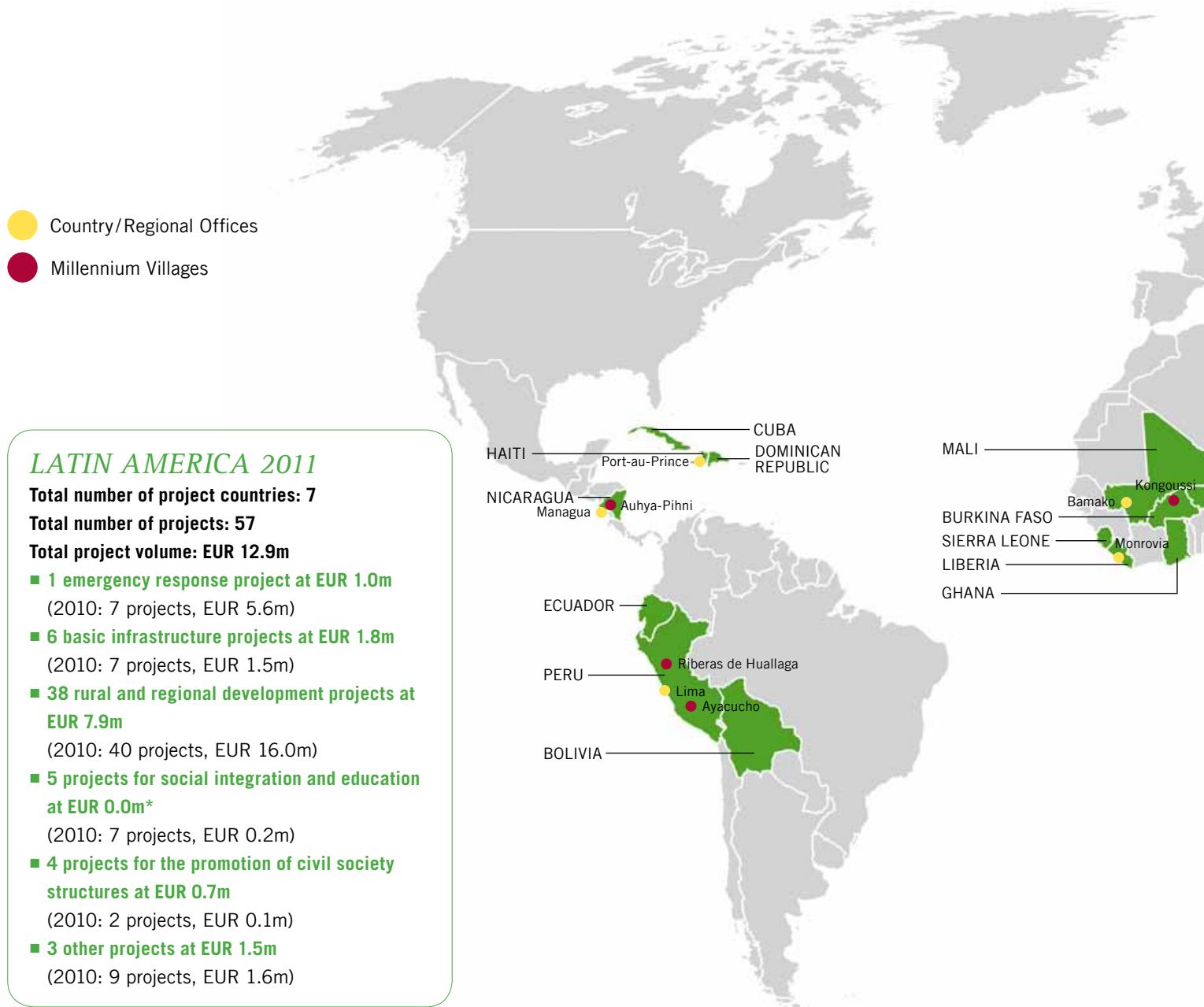
E

## OCTOBER NRW-Tag (North Rhine Westphalia Day)

The NRW-Tag and Deutschlandfest were held in Bonn at the beginning of October. Welthungerhilfe also participated with three very special 3D models which demonstrated how Welthungerhilfe assists people in Kenya, Peru and India in utilising the ever-declining water resources in the best possible way.

[www.welthungerhilfe.de/aktionen.html](http://www.welthungerhilfe.de/aktionen.html)

# 2011 OUR 39 PROJECT COUNTRIES



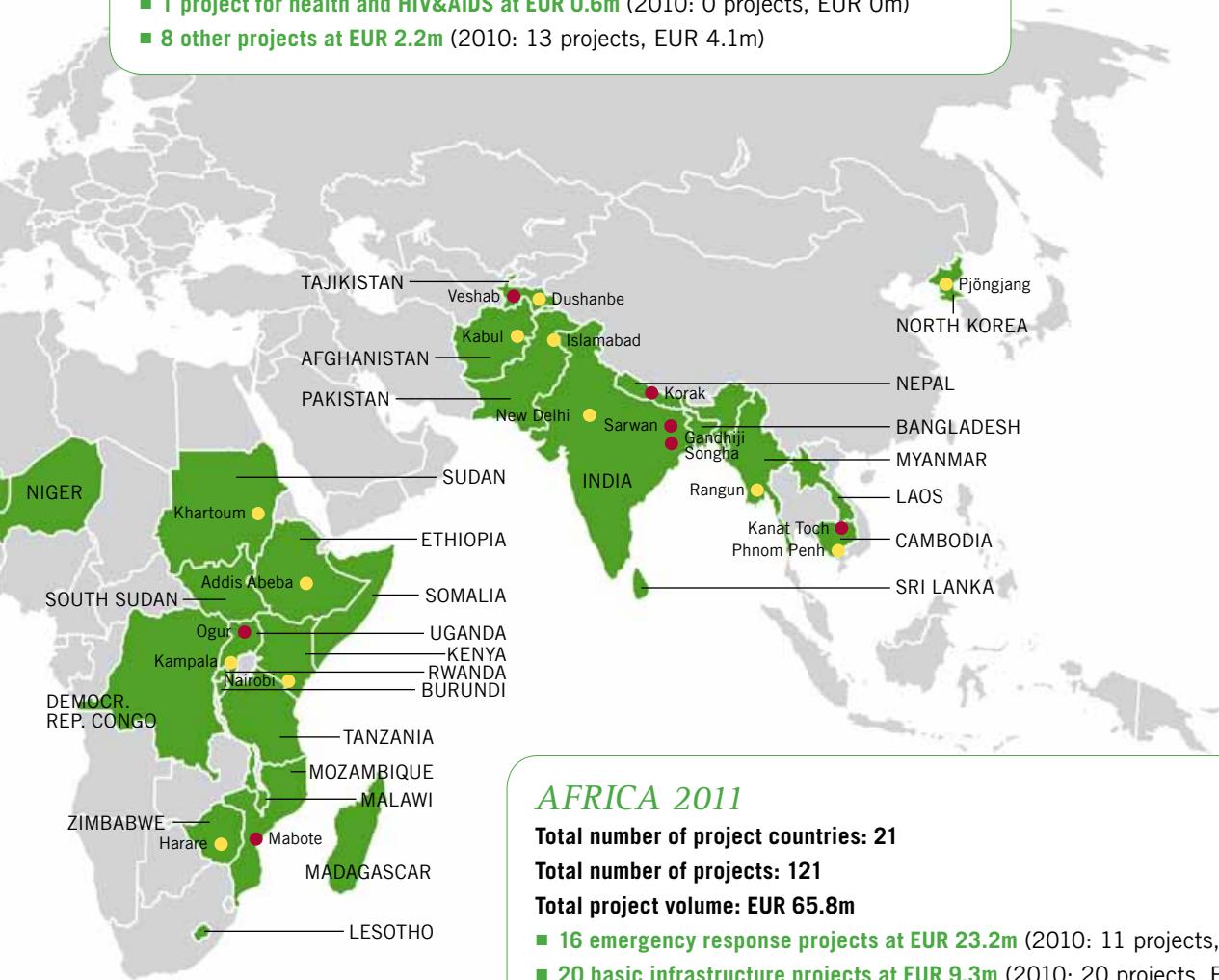
## ASIA 2011

**Total number of project countries: 11**

**Total number of projects: 116**

**Total project volume: EUR 28.2m**

- **10 emergency response projects at EUR 2.9m** (2010: 19 projects, EUR 17.5m)
- **5 basic infrastructure projects at EUR 2.6m** (2010: 7 projects, EUR -0.3m\*\*)
- **69 rural and regional development projects at EUR 18.7m**  
(2010: 46 projects, EUR 17.3m)
- **15 projects for social integration and education at EUR 0.2m**  
(2010: 16 projects, EUR 0.4m)
- **8 projects for the promotion of civil society structures at EUR 1.0m**  
(2010: 6 projects, EUR 1.5m)
- **1 project for health and HIV&AIDS at EUR 0.6m** (2010: 0 projects, EUR 0m)
- **8 other projects at EUR 2.2m** (2010: 13 projects, EUR 4.1m)



## AFRICA 2011

**Total number of project countries: 21**

**Total number of projects: 121**

**Total project volume: EUR 65.8m**

- **16 emergency response projects at EUR 23.2m** (2010: 11 projects, EUR 35.7m)
- **20 basic infrastructure projects at EUR 9.3m** (2010: 20 projects, EUR 17.4m)
- **51 rural and regional development projects at EUR 22.8m**  
(2010: 53 projects, EUR 36.3m)
- **16 projects for social integration and education at EUR 6.4m**  
(2010: 17 projects, EUR 1.4m)
- **1 project for the promotion of civil society structures at EUR 0.3m**  
(2010: 2 projects, EUR 1.0m)
- **1 project for health and HIV&AIDS at EUR 0.5m** (2010: 2 projects, EUR 0m\*)
- **16 other projects at EUR 3.3m** (2010: 13 projects, EUR 4.0m)

# LIST OF PROJECTS 2011

Projects currently being implemented	Project funding in EUR	Funding organisations	Content of projects – key words	Number of partner organisations
<b>Africa</b>				
Ethiopia	17	9,573,896	BMZ, EC (EuropeAid), GIZ, medico, USAID, other	Drinking water, environmental programme, support for drought victims
Burkina Faso	4	640,034	EC (EuropeAid), other	Millennium Village, drinking water, rural development, food security, resource protection, hygiene and sanitation
Burundi	4	2,659,806	BMZ, GIZ, WFP, other	Food security, water and sanitation, school meals
Ghana	1	66,500		Support and education for streetchildren
Kenya	13	8,296,882	BMZ, EC (EuropeAid), GIZ, USAID, WFP, other	Resource protection, drinking water, drought prevention, support for orphans, assistance for refugees, regional drought emergency aid
Congo	9	3,757,419	AA, BMZ, EC (EuropeAid), KfW, USAID, other	Restoration of roads, reconstruction of airport, poverty alleviation through food security, peace consolidation, support for internally displaced
Lesotho	1	15,037		Support for children affected by HIV&AIDS
Liberia	7	4,795,349	AA, BMZ, EC (ECHO, EuropeAid), KfW, other	Food security, agriculture, rehabilitation of rural basic infrastructure and crisis prevention
Madagascar	3	756,409	BMZ, EC (EuropeAid), WFP, other	Nutritional counselling, food security, promotion of agriculture, emergency aid after cyclone
Malawi	1	53,420		Establishment of strategic cooperations
Mali	9	4,927,944	AA, BMZ, EC (EuropeAid), GIZ, KfW, WFP, other	Food security, promotion of agriculture, school education for nomad children, reception camps for refugees from Ivory Coast
Mozambique	6	1,027,055	BMZ, EC (EuropeAid), other	Millennium Village, disaster risk reduction, agricultural and water project, support of girls and young women
Nigeria	1	750,000	BMZ	Food security
Rwanda	5	3,747,153	BMZ, Dutch government, other	Construction of primary schools, improvement of production-oriented infrastructure, reclamation of wetlands, food security
Sierra Leone	4	789,983	BMZ, EC (EuropeAid), GIZ, other	Promotion of cacao and coffee production, resource management, food security
Zimbabwe	10	4,081,360	BMZ, EC (ECHO, EuropeAid), WFP, other	Promotion of agricultural production, water, sanitation and hygiene, irrigation, cholera prevention, disaster risk reduction, food security
Somalia	3	2,241,453	BMZ	Agriculture and resource management, emergency and transition aid, food security, child protection programme, primary education
Sudan	15	14,815,136	BMZ, EC (ECHO), USAID, WFP, other	Food security, resource protection, rehabilitation of public and social infrastructure, demobilisation and reintegration, food aid for civil war refugees, peace-oriented reconstruction
South Sudan	3	937,100	AA, BMZ	Emergency aid and food aid for returnees, school meals, improvement of school infrastructure
Tanzania	1	41,041		Reuniting street children with their families
Uganda	4	1,788,802	Alliance2015, BMZ	Millennium Village, food security, conflict reduction, support for farmer associations, support for disadvantaged children and orphans
Other regional funding		1,016		
<b>Africa total</b>	<b>121</b>	<b>65,762,794</b>		<b>47</b>

## Asia

Afghanistan	7	2,285,037	AA, Alliance2015, BMZ, EC (EuropeAid), GIZ, other	Food security, community development, rural development, winter assistance, drinking water, rose oil production, resource management	1
Bangladesh	1	197,812	BMZ	Promotion of sustainable agriculture	1
India	45	2,745,895	Alliance2015, BMZ, EC (EuropeAid), other	2 Millennium Villages, strengthening of self-help groups, abolition of child labour, rural and agricultural development, disaster risk reduction, construction of schools, support for orphans, support for handicapped people, vocational training for youths, land ownership rights for women, integrated water management	24
Cambodia	11	1,370,974	BMZ, EC (EuropeAid), other	Millennium Village, food security, agricultural counselling, support for the victims of human rights violations	4

Laos	5	593,651	BMZ, EC (EuropeAid), WFP, other	Rural development, agricultural counselling, strengthening of civil society, food security programme	2
Myanmar	13	4,127,160	Alliance2015, BMZ, EC (ECHO, EuropeAid), other	Food security, drinking water and hygiene measures, emergency aid for victims of natural disasters, support for handicapped children, immediate aid for flood victims	5
Nepal	4	2,077,701	BMZ	2 Millennium Villages, food security, disaster risk reduction, resource management and environmental protection, integrated rural development, basic infrastructure	4
North Korea	7	1,021,754	BMZ, EC (EuropeAid), other	Food security (fruit and potato farming, vegetable production, maintenance of agricultural technology), resource protection, introduction of hydro-cultures in urban areas	0
Pakistan	7	6,616,578	AA, BMZ, DFID, EC (ECHO)	Humanitarian aid for flood victims, reconstruction, rehabilitation of agriculture for food security	7
Sri Lanka	6	5,497,535	Alliance2015, BMZ, EC (ECHO), other	Peacekeeping, promotion of social structures, food security, emergency aid for internally displaced persons, sustainable forest management, economic and social reconstruction of livelihood	1
Tajikistan	10	2,033,008	Alliance2015, BMZ, GIZ, EC (EuropeAid), other	Millennium Village, promotion of community-supported tourism, rural development, promotion of self-help structures, disaster prevention, emergency aid, food security, integrated water resource management, climate change adaption	4
Other regional funding		-366,945			
<b>Asia total</b>	<b>116</b>	<b>28,200,160</b>			<b>53</b>

## Latin America & Caribbean

Bolivia	7	1,221,274	AA, BMZ, EC (EuropeAid)	Agriculture, environmental management, citizen participation and rights of indigenous population, promotion of local economic development, children's' rights	7
Dominican Republic	1	474,746	BMZ	Reduction of poverty in peripheral zones of protected areas, sustainable resource protection	3
Ecuador	2	440,890	BMZ, EC (EuropeAid)	Drinking water, sustainable use of mangrove forests, promotion of local economic development, management of biosphere reserves, adaptation of production systems to climate change	3
Haiti	20	6,578,253	AA, Alliance2015, BMZ, EC (ECHO), WFP, Other	Emergency aid for earthquake victims, reconstruction of infrastructure, fight against cholera, agricultural irrigation, promotion of local economic development, drinking water, resource protection, support for women in processing and marketing	3
Cuba	10	957,328	Alliance2015, BMZ, EC (EuropeAid), Other	Food security, promotion of urban and near-urban agriculture, strengthening of agricultural cooperatives, protection and use of natural resources in the buffer zones of protected areas	5
Nicaragua	4	740,742	BMZ, EC (EuropeAid)	Millennium Village, disaster risk reduction, rural development, resource protection	3
Peru	8	2,195,265	Alliance2015, BMZ, EC (ECHO, EuropeAid), Other	2 Millennium Villages, promotion of local economic development in rural Andes regions, forest management, children's rights, management of biosphere reserves, sustainable agriculture to adapt to climate change	11
Other regional funding	5	243,589		Children's rights, management of biosphere reserves, promotion of local economic development	
<b>Latin America Total</b>	<b>57</b>	<b>12,852,087</b>			<b>35</b>

## Supra-regional projects

Supra-regional	6	349,177	BMZ	Project management by head office, comprehensive quality control of project work both with regard to content and financial management	0
<b>Supra-regional Total</b>	<b>6</b>	<b>349,177</b>			<b>0</b>
<b>Total funding abroad</b>	<b>300</b>	<b>107,164,219</b>			<b>135</b>

## Domestic

Germany	21	1,035,569	Alliance2015, BMZ, GIZ, Other	Information, lobbying, public relations	
<b>Domestic Total</b>	<b>21</b>	<b>1,035,569</b>			
<b>Total funding Germany and abroad</b>	<b>321</b>	<b>108,199,788</b>			

**Abbreviations:** AA – Federal Foreign Office; Alliance2015 – Partner organisations of Alliance2015; BMZ – Federal Ministry for Economic Cooperation and Development; DFID – UK Programme for Development Cooperation; EC (ECHO) – European Commission Directorate General for Humanitarian Aid and Civil Protection; EC (EuropeAid) – European Commission Directorate General for Development and Cooperation; GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit; KfW – Kreditanstalt für Wiederaufbau; USAID – United States Agency for International Development; WFP – World Food Programme (UN)

The list shows those projects which were under way as at 31 December 2011. Savings in other projects are to be understood as "re-flows" of monies which have been allocated, but were not required.

# FINANCES

Balance sheet at 31st December 2011

## Assets

### A. FIXED ASSETS

#### I. Intangible assets

	31.12.2011 EUR	Previous year EUR
1. Computer software	412,156.65	473,282.67
2. Deposits paid	0,00	88,605.43

#### II. Tangible assets

1. Land	308,700.00	0,00
2. Fixtures, fittings and equipment	739,270.92	684,907.01

#### III. Financial assets

1. Participating interests	256,054.97	315,554.97
2. Securities and loan notes	39,479,292.46	35,300,275.72
	<b>41,195,475.00</b>	<b>36,862,625.80</b>

### B. CURRENT ASSETS

#### I. Accounts receivable and other assets

1. Grants receivable under approved project allocations	112,091,946.71	138,073,755.53
2. Assets from gifts and legacies	45,392.23	46,727.30
3. Other assets	2,817,792.55	2,420,820.22

#### II. Liquid resources

66,764,549.45	58,503,548.32
<b>181,719,680.94</b>	<b>199,044,851.37</b>

### C. ACCRUED INCOME

140,613.05	196,220.08
<b>223,055,768.99</b>	<b>236,103,697.25</b>

### General information

The annual financial statements of Deutsche Welthungerhilfe e.V. (in short: Welthungerhilfe) are prepared in accordance with the German Commercial Code (HGB), with voluntary application of supplementary rules for large corporate entities as set out in sections 264ff. HGB. The annual accounts have been adapted to the special features of the association pursuant to section 265 subsection 5 and 6 HGB. The income and expenditure account is prepared in accordance with the total cost method. Value-added tax (VAT) is included in the costs of fixed assets and in expenses insofar as the association is not entitled to deduct input taxes. Previous year's figures are shown in brackets.

### Accounting policies

Intangible fixed assets are stated at cost and, where they refer to items subject to wear and tear, less regular depreciation based on the customary useful life or the lower attributable value pursuant to section 253, subsection 3, clause 3 HGB.

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

3 to 10 years is used as the depreciation basis for operational and business equipment.

For assets with a cost price of between EUR 150 and EUR 1,000, a compound item was created which is depreciated over 5 years. Securities and promissory note bonds forming part of the financial assets are valued at purchasing cost and subsequently in accordance with the moderate lower-of-cost-or-market principle. Premiums are amortised over the applicable term via the deferral/accrual items. This amortisation is shown under the amortisation for securities. Holdings are entered at acquisition costs.

Accounts receivables and other assets as well as cash are stated at the nominal value. Identifiable risks are appropriately taken into account by means of value adjustments.

Foreign-currency accounts receivable are entered at the mean exchange rate, using the lower of the rate at the inception date or the balance sheet date in the case of long-term receivables. Currency gains are shown under other income, currency exchange losses in expenses for project support.

Reserves are built-up, used and dissolved in accordance with the statutory requirements under tax law.

Tied-up own funds for co-financed projects, for improving the Welthungerhilfe regional offices and for non-contractual projects that are not co-financed are shown as special items for project funding. The own portion for co-financed overseas projects was recalculated and set at 13% (18.8%) of the entire project funding.

Provisions are formed for uncertain liabilities and identifiable risks at the amount of expected utilisation (amount payable). Liabilities are entered at the amount payable.

Foreign-currency payables are entered at the mean exchange rate, using the higher of the rate at the inception date or the balance sheet date in the case of long-term liabilities.

Currency gains are shown under other income, currency exchange losses in expenses for project support.

# Liabilities

## A. RESERVES

	<b>31.12.2011</b> EUR	Previous year EUR
I. Bequeathed funds reserve	14,200,000.00	13,300,000.00
II. Non-designated funds reserve	12,860,000.00	12,260,000.00
	27,060,000.00	25,560,000.00
	35,507,000.00	30,855,000.00
	22,619,052.00	30,253,164.65
	3,230,000.00	2,880,000.00

## B. PROJECT FUNDS RESERVE

## C. PROJECT FUNDING SPECIAL RESERVE

## D. PROVISIONS

Other provisions	3,230,000.00	2,880,000.00
------------------	--------------	--------------

## E. PAYABLES

I. Earmarked grants received from co-funders but unspent		
1. Domestic	45,828.76	197,728.08
2. Foreign	109,925,538.80	111,102,640.36
II. Project accounts payable	22,383,235.65	32,963,020.22
III. Trade accounts payable	1,326,166.85	1,802,318.52
IV. Other accounts payable		
1. Donor loans	59,196.93	60,196.93
2. Obligations assumed in connection with gifts and legacies	4,431.44	2,297.03
3. Sundry other accounts payable	894,362.94	426,853.65
	134,638,761.37	146,555,054.79
	955.62	477.81
	<b>223,055,768.99</b>	<b>236,103,697.25</b>

## F. ACCRUED EXPENSES

### Notes regarding the balance sheet

#### Assets

##### A. FIXED ASSETS

###### I. Intangible assets

These consist of purchased and regularly depreciated software or software for which a deposit has been paid to the amount of EUR 412,000 (EUR 562,000).

###### II. Tangible assets

These consist of EUR 385,000 (EUR 311,000) in regularly depreciated computer hardware, EUR 269,000 (EUR 242,000) in office fixtures, fittings and equipment, and EUR 85,000 (EUR 132,000) in other assets, as well as land parcels from an estate at EUR 309,000 (0). Project-funded tangible fixed assets abroad are accounted for in the projects section.

##### III. Financial assets

###### 1. Participating interests

At EUR 256,000, participating interests include a 10% share in the Dritte-Welt-Shop Gesellschaft für Entwicklungsförderung GmbH, Königswinter (DW-Shop). The participating interest in fund44 GbR, Cologne, which was shown in the previous year at EUR 60,000 and a 25% share, was given up, since the objective of the interest, namely the development of a uniform software program for fundraising and the management of donations and members of the four participating aid agencies, could not be achieved.

###### 2. Securities and loan notes

In accordance with data from the organisation's computerised medium-term budgeting system, EUR 37.0m (EUR 33.3m) in securities and EUR 2.5m (EUR 2.0m) in loan notes are shown under fixed assets. Such instruments are normally held to maturity. Investments in fixed-interest securities and equity funds follow the principle of obtaining a reasonable and market-appropriate return despite low-risk investment forms.

During the reporting year, securities had to be adjusted by EUR 75,000, and premiums were amortised by EUR 59,000. On the balance sheet date, securities include net hidden burdens of EUR 738,000 (hidden reserves of EUR 692,000 in previous year). By 31st March 2012, markets had recovered and resulted in a value of net hidden reserves of EUR 99,000.

Financial assets include financial instruments that are shown over their fair value, since extraordinary amortisation pursuant to section 253, subsection 3, clause 4 was omitted. This refers to securities with a book value of EUR 21.864m and a fair value of EUR 20.620m.

Amortisations were not applied in this case, since a recovery in value was identified between the balance sheet date and the time the annual financial statements were prepared, and a sustainable recovery in value was expected in the medium and long term, and the current price level is viewed as an overreaction on the part of the markets.

## B. CURRENT ASSETS

### I. Accounts receivable and other assets

**1. Grants receivable under approved project allocations**  
 Receivables shown on the balance sheet date to the amount of EUR 112.1m (EUR 138.1m) mainly relate to co-financed projects by the European Union at EUR 30.6m (EUR 38.6m), the United Nations at EUR 24.6m (EUR 37.8m), the Federal Ministry for Economic Cooperation and Development at EUR 18.7m (EUR 17.4m), Kreditanstalt für Wiederaufbau (KfW) at EUR 17.9m (EUR 23.1m) the Federal Foreign Office at EUR 6.9m (EUR 8.1m) and the USAID at EUR 5.2m (EUR 7.6m). Non-cash grants are stated at market prices.

### 2. Assets from gifts and legacies

This concerns an apartment originating from a gift. The property was capitalised at the market value pursuant to an expert appraisal, plus acquisitions costs incurred by the association, and is depreciated on a straight-line basis in accordance with section 7 (4) of the German Income Tax Act (EStG). The remaining assets in this item relate to legacies recognised as assets at a nominal amount. Any gain on disposal of such assets is recognised in the corresponding year as income from donations and bequests.

### 3. Other assets

Other assets of EUR 2.818m (EUR 2.421m) consist mainly of suppliers with debit balances in the project sector at EUR 938,000 (EUR 516,000), receivables from Welthungerhilfe Foundation at EUR 563,000 (EUR 872,000), receivables from the tax office at EUR 530,000 (EUR 205,000) from pre-taxes paid, and accrued interest for securities, time deposits and current accounts at EUR 508,000 (EUR 395,000).

## II. LIQUID RESOURCES

Welthungerhilfe funds assigned to current projects but not yet needed are invested as time deposits to obtain a market rate of return with low exposure to risk. Such funds are paid out to meet current needs as budgeted. Foreign-currency inventories are valued at the mean exchange rate.

Liquid resources increased by EUR 8.3m to EUR 66.8m (EUR 58.5m) on account of the closing date. They mainly consist of credit balances in domestic time deposits of EUR 53.3m (EUR 44.2m), credit balances on foreign project accounts of EUR 7.8m (EUR 7.4m) and special accounts set up for public donors at EUR 3.7m (EUR 4.1m).

## Liabilities

### A. Long-term reserves

#### I. Bequeathed funds reserve

The bequeathed funds reserve consists of funds that are available to the organisation on a long-term basis. EUR 900,000 was allocated to this reserve from bequests.

#### II. Non-designated funds reserves

EUR 600,000 was credited to the non-designated funds reserve to safeguard Welthungerhilfe's institutional operating capacity.

#### B. Project funds reserve

This reserve amounts to EUR 35.5m (EUR 30.9m). Of this amount, EUR 33.0m is attributed to non-utilised designated donations for victims of the Haiti earthquake, flood victims in Pakistan and victims of the East Africa drought, which will be used as per schedule for aid projects between 2012 and 2015. During the reporting year, EUR 8.6m was withdrawn from the reserve, mainly for aid projects in Haiti and Pakistan, and EUR 13.3m was added to the reserve; mainly for East Africa.

#### C. Project funding special reserve

This reserve, which amounts to EUR 22.6m (EUR 30.3m) is comprised of Welthungerhilfe's own funds for projects co-financed by public donors at EUR 16.4m (EUR 25.7m) as well as other own resources to improve the Welthungerhilfe regional offices at EUR 1.8m (EUR 1.8m) and for domestic and foreign projects carried out autonomously without outside grants at EUR 4.4m (2.8m).

## D. Provisions

### Other provisions

Provisions for EUR 3.23m (EUR 2.88m) have been formed mainly for project risks at EUR 1.5m (EUR 1.5m), redundancy payments legally required abroad for staff that leave the organisation at EUR 1.136m (EUR 847,000) and various amounts payable to staff of EUR 435,000 (EUR 444,000). The provision for project risks was created to balance interest to be paid, unforeseen ancillary project costs and subsequent reductions in contributions by donors.

### E. Accounts payable

#### I. Earmarked grants received from co-funders but unspent

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

#### II. Project accounts payable

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

#### III. Trade accounts payable

This item mainly refers to obligations from the IT and marketing area, and for foreign projects, which are processed via the Bonn head office.

#### IV. Other accounts payable

Donor loans can be withdrawn at one week's notice. Other accounts payable mainly refer to debtors with credit balances as well as travel and fee costs that must still be settled. This item also includes EUR 147,000 in taxes and EUR 58,000 in social security.

## Analysis of accounts payable (in EUR 000s)

	31.12.2011	of which < 1 year	> 1 year	of which > 5 years
I. Grants relating to designated co-financing funds not yet drawn upon	109,972	85,250	24,722	0
II. Project accounts payable	22,383	12,588	9,795	0
III. Trade accounts payable	1,326	1,326	0	0
IV. Sundry other accounts payable				
1. Donor loans	59	59	0	0
2. Obligations assumed in connection with gifts and legacies	4	0	1	3
3. Other accounts payable	895	895	0	0
	<b>134,639</b>	<b>100,118</b>	<b>34,518</b>	<b>3</b>

Total liabilities for the previous year amounted to EUR 146.555m, including EUR 38.754m with a residual term of more than one year, and EUR 0 with a residual term of more than five years. Long-term liabilities include EUR 25.123m of grants relating to non-utilised designated co-financing funds and EUR 13.631m in liabilities related to projects. In regard to accounts payable relating to designated co-financing funds not yet drawn upon there exist sureties to the value of EUR 4.999m (EUR 5.055m).

# INCOME AND EXPENDITURE ACCOUNT

for the year to 31 December 2011

	EUR	2011 EUR	Previous year EUR
<b>1. Donations and grants</b>			
a) Donations, bequests and allocated fines	48,207,764.27		76,225,220.38
b) Net income transferred from Welthungerhilfe Foundation	664,547.52		911,428.38
c) Institutional grants			
Public grants	79,699,573.34		131,701,576.43
Foundations and private charities	4,262,553.37		1,888,244.63
		132,834,438.50	210,726,469.82
<b>2. Other income</b>		1,547,194.77	1,583,140.82
<b>3. Project funding</b>			
a) Foreign	-96,326,124.81		-151,496,268.93
b) Domestic	-947,266.27		-757,412.24
		-97,273,391.08	-152,253,681.17
<b>4. Staff costs</b>			
<b>a) Wages and salaries</b>			
Domestic staff	-9,196,329.89		-8,744,715.29
Foreign staff	-10,691,343.66		-10,822,043.00
<b>b) Social security, pensions and other employee benefits</b>			
Domestic staff	-2,196,284.17		-2,132,163.23
Foreign staff	-1,146,228.73		-1,293,585.00
		-23,230,186.45	-22,992,506.52
<b>5. Depreciation, amortisation and write-downs</b>			
a) non-current intangible assets and tangible assets	-564,398.52		-565,880.40
b) Assets from gifts and legacies	-1,335.07		-2,618.33
		-565,733.59	-568,498.73
<b>6. Other expenditure</b>			
<b>7. Income from participating interests and sponsoring</b>		-9,164,376.15	-8,707,368.69
<b>8. Other interest and similar income</b>		435,753.00	693,316.00
<b>9. Write-ups on securities</b>		1,682,678.39	1,202,898.53
<b>10. Write-downs on securities</b>		20,352.00	245,879.14
<b>11. Interest and similar expenditure</b>		-134,166.07	-35,621.61
<b>12. Net income before changes to reserves</b>		-563.32	-27.59
<b>13. Transfer to bequeathed funds reserve</b>		<b>6,152,000.00</b>	<b>29,894,000.00</b>
<b>14. Transfer to non-designated funds reserve</b>		-900,000.00	0.00
<b>15. Transfer to project funds reserve</b>		-600,000.00	-960,000.00
<b>16. Withdrawal from project funds reserve</b>		-13,292,000.00	-30,855,000.00
<b>17. Net income for the year</b>		8,640,000.00	1,921,000.00
		<b>0.00</b>	<b>0.00</b>

## Notes regarding the income and expenditure account

### Income

#### Donations and grants

Project activities are funded entirely from donations, net income transferred from Welthungerhilfe Foundation, public and private institutional grants, and grants from cooperatives on partners.

Donations shown in this context are appropriated at the time of accrual, and institutional grants at the time the funds are approved by the granting institution.

Donations fell by EUR 28.0m to EUR 48.2m (EUR 76.2m), but are still far above the long-term average due to the extensive willingness to donate to victims of the drought in East Africa. In the previous year, donor willingness was even higher following the earthquake in Haiti and the floods in Pakistan. Donations include EUR 46.1m (EUR 71.5m)

in cash donations; EUR 1.6m (EUR 3.4m) in income from bequests; and EUR 0.5m (EUR 0.3m) in fines. Cash donations include EUR 1.8m from the collection of the "Bündnis Entwicklung Hilft". Public grants declined significantly by EUR 52.0m to EUR 79.7m (EUR 131.7m), mainly as a result of lower grants from Kreditanstalt für Wiederaufbau (KfW), which fell by EUR 22.9m, the World Food Programme by EUR 19.6m and the European Commission Directorate General Humanitarian Aid and Civil Protection Project (ECHO) by EUR 10.2m. Project grants from foundations and private aid organisations increased by EUR 2.4m to EUR 4.3m (EUR 1.9m).

#### Other income

Other income amounting to EUR 1.547m (EUR 1.583m) is mainly the result of currency gains from foreign grants and projects at EUR 1.323m (EUR 1.069m).

#### Income from participating interests and sponsoring

Income from participating interests results from sponsoring fees and the organisation's share of net income from the DW shop for the 2010/2011 financial year. The decline is due to a contractual reduction in the sponsoring fees.

#### Other interest and similar income

Other interest and similar income mainly consists of EUR 1.17m (EUR 999,000) in interest on securities, EUR 437,000 (EUR 117,000) in interest on fixed deposits and EUR 103,000 (EUR 206,000) in interest on time deposits, less accrued interest of EUR 27,000 (EUR 120,000). The increase in interest income is due to short-term and medium-term investments of earmarked donations.

#### Write-ups on financial assets

Increases in share prices for securities adjusted in previous years resulted in write-ups by the closing date, to a maximum of the purchase value of EUR 20,000 (EUR 246,000).

## Expenditure

### Project funding

This item relates to commitments in the form of contractual and non-contractual obligations entered into for approved projects in developing countries and for domestic projects in accordance with the Welthungerhilfe charter. In the case of overseas projects, funding declined in accordance with the income side by EUR 55.2m to EUR 96.3m (EUR 151.5m). Domestic project funding increased to EUR 0.9m (EUR 0.8m). Expenditures for project funding include currency exchange losses of EUR 0.4m (EUR 0.7m).

### Wages and salaries

These include the domestic project and administration areas as well as expatriate staff who are employed directly by head office. Expenditures for wages and salaries of staff at headquarters increased by EUR 0.5m to EUR 9.2m (EUR 8.7m) and decreased for expatriate staff by EUR 0.1m to EUR 10.7m (EUR 10.8m). Local project staff with local employment contracts are accounted for in project funding expenditure. Staff costs include EUR 526,000 (EUR 495,000) for pension provisions.

### Other expenditure

Other expenditure mainly consists of expenses for public relations work at EUR 5.772m (EUR 5.565m), IT costs of EUR 964,000 (EUR 733,000) and rental and premises costs of EUR 868,000 (EUR 828,000). The increase in expenses for public relations activities is due to higher expenses for advertising and donation marketing.

### Write-downs on securities

Extraordinary write-downs due to the expected long-term reduction in value has been applied to the amount of EUR 75,000. Write-downs of premiums totalled EUR 59,000.

### Other mandatory disclosures

#### Other financial obligations

Based on the remaining terms of the contracts involved, amounts owed under rental contracts and leases for the years to 2020 amount to an annual average of EUR 502,000 (EUR 494,000), of which EUR 463,000 (EUR 448,000) is owed to the Welthungerhilfe Foundation.

Contracts worth up to EUR 225,000 (EUR 1,199,000) are still to be entered into for projects which have already been approved internally but for which only partial contracts have so far been signed with project partners. Software maintenance agreements amount to EUR 256,000 (EUR 230,000) a year.

#### Audit fee

The audit fee for the annual financial statement for 2011 is EUR 53,000 (EUR 53,000).

### Association governing bodies

The General Assembly elected the following as members of the honorary Supervisory Board:  
Bärbel Dieckmann (President)  
Prof. Dr Klaus Töpfer (Vice President)  
Norbert Geisler (Chairman of the Finance Committee)  
Prof. Dr Hartwig de Haen  
Dr Stephan Reimers  
Dr Evelyn Schmidtke until 1st December 2011  
Rosa Karcher from 1st December 2011  
Dr Tobias Schulz-Isenbeck

### Members of the Executive Board

Dr Wolfgang Jamann (Secretary General/Chief Executive Board)  
Mathias Mogge (Executive Director Programmes)  
Martina Dase (Executive Director Marketing), until 30th September 2011  
Michael Hofmann (Executive Director Marketing) from 1st March 2012

### Management

The business of the association is managed by the Executive Board.

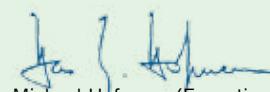
### Proposal for the appropriation of net income

The Executive Board proposes that of the net income amount of EUR 1.5m remaining after the reversal of the project funds reserve from the previous year and the allocation to the 2011 project funding reserve, EUR 900,000 should be transferred to the bequeathed funds reserve and EUR 600,000 to the non-designated funds reserve.

Bonn, 18th April 2012

  
Dr Wolfgang Jamann (Chief Executive Board)

  
Mathias Mogge (Executive Director Programmes)

  
Michael Hofmann (Executive Director Marketing)

### Workforce

average over the year:

#### Domestic workforce

	2011	Previous year
Unlimited-term contracts	132	114
Limited-term contracts	68	82

#### Expatriate workforce

	2011	Previous year
	200	196
	170	175
	370	371

### Compensation structure for full-time staff

Gross incomes of full-time staff are composed of a monthly salary, an annual special payment (13th monthly salary) as well as variable pay components.

Executive Board and managing employees: up to EUR 142,500  
Group leaders: from EUR 53,000 to EUR 68,000  
Consultants: from EUR 41,000 to EUR 57,000  
Administrators: from EUR 34,000 to EUR 44,000  
Secretaries, assistants and other support staff: from EUR 27,000 to EUR 36,000

The total remuneration received by the Executive Board during the reporting year totalled EUR 361,000 and EUR 30,000 for former members of the Executive Board. Statutorily defined employer contributions for social security and contributions to the company pension plan are not included in the above schedule. An additional amount of EUR 90.00 per month is currently paid for dependant children up to age 14. For the purpose of securing the retirement provisions for its employees, Welthungerhilfe has become a member of the Versorgungsverband bundes- und landesgefördeter Unternehmen e.V., Bad Godesberg (VBLU), to which it pays monthly insurance premiums for insured employees.

### Auditor's report by the balance sheet auditors.

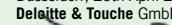
#### To Deutsche Welthungerhilfe e.V., Bonn

We have audited Welthungerhilfe's financial accounts – comprising the balance sheet, income and expenditure account, and notes to the financial statement – including the accounting and the management report for Deutsche Welthungerhilfe e.V., Bonn, for the financial year from 1st January to 31st December 2011. The association's Executive Board is responsible for the accounting and the preparation of the annual financial statement and management report in accordance with the provisions under German commercial law. It is our task to give a judgement of the annual financial statement including the accounting and the management report on the basis of our audit. We carried out our final audit in accordance with section 317 HGB, taking into account the principles of correct auditing as laid down by the Institute of Public Auditors in Germany (IDW). Here it is laid down that the audit is to be planned and carried out in such a way that inaccuracies and irregularities, which affect the picture of the state of the assets, finances and yield presented in the annual financial statement in accordance with the principles of correct accounting and the management report, can be recognised with reasonable certainty. The decision on the audit activities takes into account information about the organisation's business activity, the economic and legal environment of the association and expectations regarding possible errors. In the course of the audit, the effectiveness of the internal control system in relation to accounting as well as evidence for the figures in the accounting, annual financial statement and management report are assessed mainly by means of spot checks. The audit includes the assessment of the accounting principles applied and the main estimates of the Executive Board as well as an acknowledgement of the overall presentation of the financial statement and management report. We are of the opinion that our audit is a sufficiently reliable basis for our evaluation.

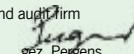
Our audit has led to no objections.

According to our assessment, which is based on the insights gained during the audit, the financial statement of Deutsche Welthungerhilfe e.V., Bonn, complies with statutory provisions and gives an accurate picture of the organisation's assets, finances and income in accordance with the principles of correct accounting. The management report is consistent with the financial statement and overall gives an accurate picture of the organisation's true situation and of the chances and risks inherent in future development.

Düsseldorf, 20th April 2012

 Deloitte & Touche GmbH, accountancy and audit firm

gez. Harnacke  
gez. Pergens  
German public auditor

  
J. Harnacke  
gez. Pergens  
German public auditor



Download of management report under: [www.welthungerhilfe.de/ueber\\_uns.html](http://www.welthungerhilfe.de/ueber_uns.html)

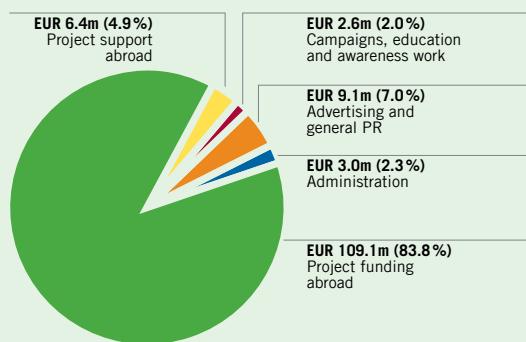
# Income and expenditure account

by type of expenditure in accordance with the DZI (German Institute for Social Issues) definition

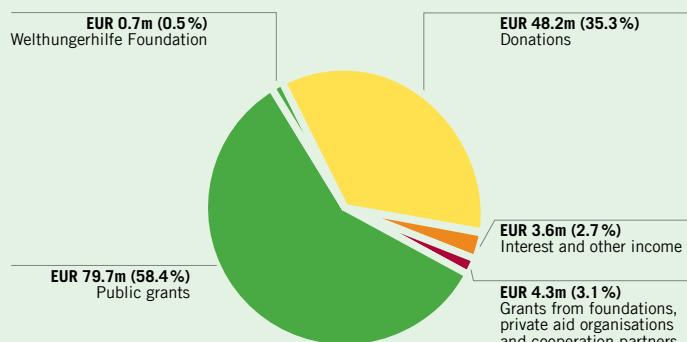
Item	2011 total	Project funding abroad	Project support abroad	Campaigns, education and awareness work	Expenses for advertising and general PR	Administration
	EUR	EUR	EUR	EUR	EUR	EUR
Project funding						
a) Foreign	96,326,125	96,326,125				
b) Domestic	947,266			623,265	324,001	
Staff costs	23,230,186	12,626,618	4,982,709	1,307,182	2,304,277	2,009,400
Depreciation, amortisation and write-downs	565,734	39,182	247,431	64,912	114,426	99,783
Other expenditure	9,164,377					
Advertising and general PR				24,601	5,746,908	
Other material expenditure (rent, IT costs etc.)		168,708	1,146,351	578,908	586,978	911,923
Interest and similar expenditure	563					563
<b>Total 2011</b>	<b>130,234,251</b>	<b>109,160,633</b>	<b>6,376,491</b>	<b>2,598,868</b>	<b>9,076,590</b>	<b>3.021.669</b>
<b>in %</b>	<b>100.0 %</b>	<b>83.8 %</b>	<b>4.9 %</b>	<b>2.0 %</b>	<b>7.0 %</b>	<b>2.3 %</b>
<b>Total 2010</b>	<b>184,522,083</b>	<b>164,565,572</b>	<b>5,956,737</b>	<b>2,398,566</b>	<b>8,576,260</b>	<b>3.024.947</b>
<b>in % for the previous year</b>	<b>100 %</b>	<b>89.2 %</b>	<b>3.2 %</b>	<b>1.3 %</b>	<b>4.7 %</b>	<b>1.6 %</b>

The calculation of fund-raising and administrative expenditure is based on an agreement with the German Institute for Social Issues (DZI) in Berlin. EUR 134,166.07 in write-downs on securities were not included because the asset management activities generated an overall surplus. Project funding abroad is EUR 2m higher than in the project list (page 28/29) since additional expenditures are included on top of the funds directly provided for the projects.

## Expenditure 2011 EUR 130.2m\*



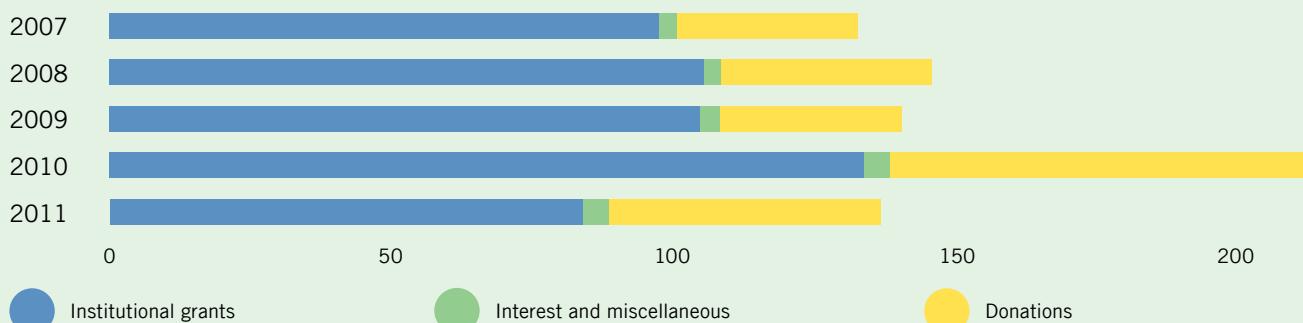
## Income 2011 EUR 136.5m



\*Without write-downs on securities.

## Income generated 2007 to 2011 (in EUR m)

Welthungerhilfe's income from donations, bequests and fines amounted to EUR 48.2m in 2011 (2010: EUR 76.2m); including EUR 26.7m (2010: EUR 28.0m) in free donations. At EUR 18.2m, the proportion of emergency aid donations is again very high due to the hunger disaster in East Africa (EUR 2.2m in 2009 and EUR 44.9m in 2010). The profit transfer for the Welthungerhilfe Foundation amounted to EUR 0.7m in 2011 (previous year: EUR 0.9m). At EUR 79.7m, public grants are significantly lower than in the previous year (EUR 101.1m in 2009 and EUR 131.7m in 2010). The decline as compared to 2010 (EUR -52.0m) can mainly be explained by fewer grants from the World Food Programme for the Sudanese region of Darfur (EUR -19.6m), Kreditanstalt für Wiederaufbau (KfW) for projects in Liberia and Congo (EUR -22.9m) and European Commission Directorate General for Humanitarian Aid and Civil Protection (EUR -10.2m).



# WELTHUNGERHILFE IN FIGURES

## Institutional grants over time (in EUR m)

	2007	2008	2009	2010	2011
AA	1.4	1.7	16.8	1.2	1.6
Alliance2015	3.1	2.5	3.1	1.5	2.5
BMZ	16.6	23.2	17.6	29.4	26.2
- GIZ	1.0	0.7	1.5	0.7	9.9
- KfW	0.0	6.5	0.0	26.1	3.1
DFID	0.0	1.9	0.0	0.5	1.7
EC (EuropeAid)	23.5	16.2	15.1	11.3	6.2
EC (ECHO)	8.5	12.0	8.4	15.2	5.1
Netherlands government	8.9	0.0	0.0	2.5	2.5
USAID	3.5	2.7	5.2	3.3	3.1
World Bank	1.1	0.4	0.2	0.0	0.1
WFP and other UN organisations	25.0	32.4	32.0	38.9	19.7
Other	4.7	4.8	4.7	3.0	2.3
Co-financing total	97.3	105.0	104.6	133.6	84.0

### Abbreviations used:

AA – Federal Foreign Office; Alliance2015 – Partner organisations of Alliance2015; BMZ – Federal Ministry for Economic Cooperation and Development; DFID – UK Programme for Development Cooperation; EC (ECHO) – European Commission Directorate General for Humanitarian Aid and Civil Protection; EC (EuropeAid) – European Commission Directorate General for Development and Cooperation; GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit; KfW – Kreditanstalt für Wiederaufbau; USAID – United States Agency for International Development; WFP – World Food Programme (UN)

Each year, Welthungerhilfe solicits institutional grants from a variety of public donors, including the Federal Foreign Office, the Federal Ministry for Economic Cooperation and Development (BMZ), the European Commission (EC) and various UN programmes, in particular the World Food Programme (WFP). These grants play an important role in funding projects implemented by Welthungerhilfe and its partners: with donations alone, Welthungerhilfe would have only limited project funding capacities. By using donations, Welthungerhilfe can mobilise public grants and hence increase total funding for its activities. Hence private grants as well as donations form an indispensable foundation for our work; they are invaluable for the independence of the organisation.

Compared to previous years, grants from public donors declined, but nevertheless remain at a high level at EUR 80m. WFP grants for Sudan were significantly reduced, since the WPF and other donors believe that the situation in this region has improved significantly. Some donors, including Kreditanstalt für Wiederaufbau (KfW), the BMZ, the EC and the Dutch government, fund multi-year programmes. Such commitments are very welcome, since they allow for reliable and longer-term planning with the local population. Since commitments by donors for multi-year programmes are shown in the commitment year, they may lead to fluctuations in the public grants and hence also the organisation's overall result.

The financing of multi-year programmes for civil society-directed development cooperation with public grants remains a challenge

for non-governmental organisations such as Welthungerhilfe, however. As such, the BMZ's commitment to providing substantial support for Welthungerhilfe's local cooperations with national partner organisations – a commitment that was especially pronounced in 2011 – is a welcome development.

The trend of Welthungerhilfe receiving fewer grants from EuropeAid, which has been observed for a number of years, for civil society-related development cooperation programmes continued in 2011. Reasons for this development can be found in the amended focus areas of EC work in the various countries and financing programmes, as well as a strong demand for EC funds and the resulting competition for these funds.

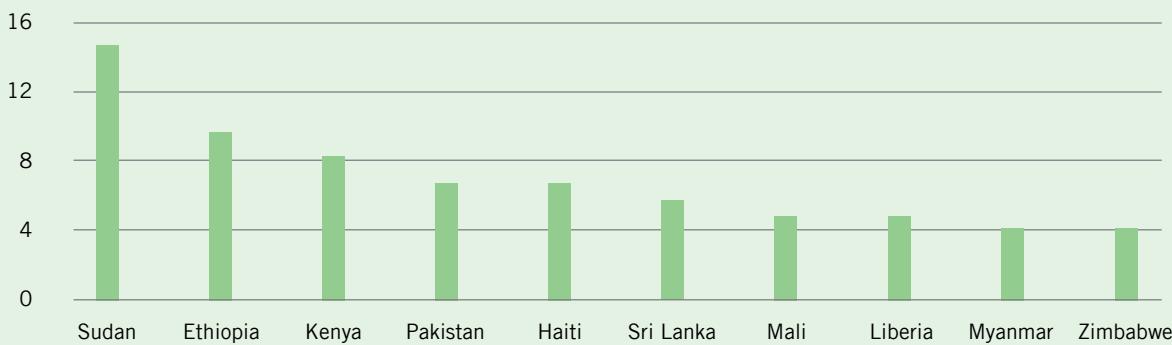
The drought disaster on the Horn of Africa again prompted people in Germany to donate generously to support Welthungerhilfe's local activities. Public grants, particularly from German donors, for Welthungerhilfe programmes on the Horn of Africa were also considerable but remained behind private donors. Overall, grants for emergency aid projects declined by approx. EUR 32m as compared to the last year. This strong decline is explained by the fact that there were two large disasters in 2010, including the devastating earthquake in Haiti and the floods in Pakistan. AA, BMZ, WFP, USAID and ECHO remain the most important partners for programmes in this area.

The ability to establish a coordinated response to large disasters remains an enormous challenge. Therefore the international com-

munity has put a lot of work into improving coordination mechanisms in recent years. Donors such as ECHO are increasingly turning to instruments of coordinated planning from various partners in the case of a disaster, or provide grants as part of consortia consisting of different non-governmental organisations. A portion of the funds obtained by Welthungerhilfe from Alliance2015 partners or other private aid organisations refers to this type of public funds, which are then used in a joint consortium project.

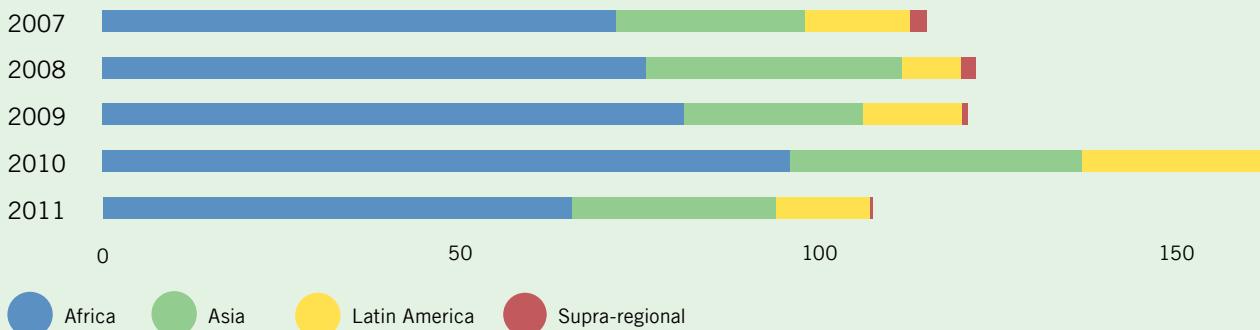
### 10 countries with the highest project support (in EUR m)

Countries that received the highest project support include Ethiopia, Kenya, Pakistan and Haiti, which were hit by disasters in 2011 and 2010, together with Sudan, Liberia and Zimbabwe as in previous years. In addition, several multi-year programmes were newly approved for Sri Lanka and Mali. Myanmar, which has been one of Welthungerhilfe's most important supported countries, again makes the list of countries with the highest project support.



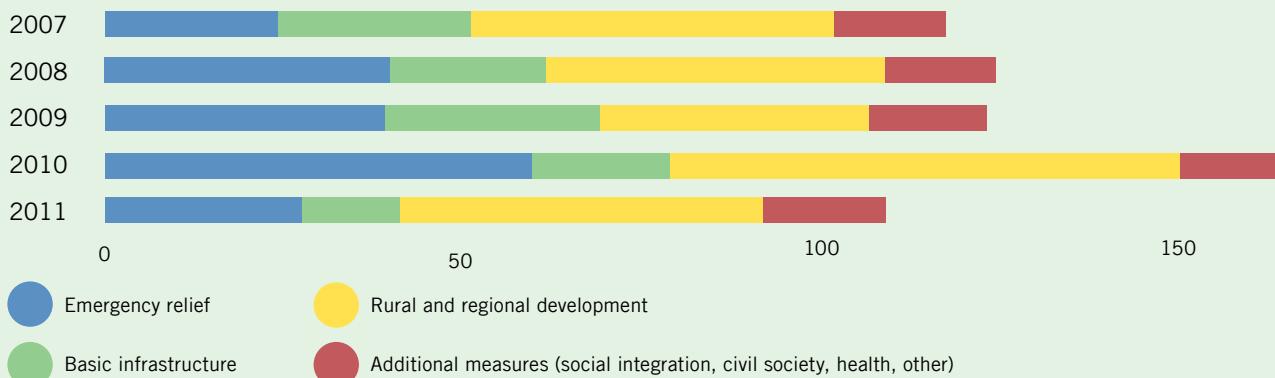
### Regional project support over time (in EUR m)

Africa has been a regional focus for Welthungerhilfe for many years. The year 2011 was no different in this regard. The approved project volume for the 21 project countries amounts to EUR 65.8m, or 61.4% of total project funding. EUR 28.2m, or 26.3% of utilised funds, was used for projects in eleven Asian countries. Twelve percent, or EUR 12.9m, went to seven countries in Latin America / Caribbean. In addition, EUR 0.3m was spent on supra-regional projects.



### Sectoral project support over time (in EUR m)

Approximately one billion people worldwide are malnourished, most of them living in rural areas. To counteract this situation, Welthungerhilfe has been focusing on "rural and regional development" for years. At EUR 49.3m, fewer funds were allocated to this area in 2011 when compared to 2010 due to the overall lower funding volume, but the relative share nevertheless increased slightly to 46 percent. Projects for improving basic infrastructure were financed at EUR 13.6m. This also includes so-called WASH measures (clean drinking water, improved hygiene practices, toilet use etc.), which play an important part in sustainable food security. Despite the drought that affected the Horn of Africa, expenses for emergency aid projects fell significantly, comprising EUR 27.1m in the past year. In addition, EUR 17.2m was spent on projects for social integration, civil society, health and other. The latter also includes projects designed to secure the quality of programme work.



Detailed information about individual project work can be found on pages 28/29 and at [www.welthungerhilfe.de/hilfsprojekte.html](http://www.welthungerhilfe.de/hilfsprojekte.html)

# FOUNDATION LONG-TERM COMMITMENT



*Welthungerhilfe Foundation, which was founded in 1998, is ideal for donors wishing to enter into a long-term commitment. The principle behind this type of commitment is always the same: to maintain the amassed capital and to use the revenues to support Welthungerhilfe's project work. People wishing to help in a sustainable and effective manner can choose from several options. Dr Albert Otten, General Manager of Welthungerhilfe Foundation, responds to some of the key questions.*

## Are endowments just for rich people?

**Dr Albert Otten:** Of course not! Endowments are ideal for anyone wishing to make a long-term commitment. They are not tied to any particular amount. An endowment fund can be created in your own name with as little as EUR 5,000.

## Endowments are always for an indefinite period of time, are they not?

**Otten:** In the case of endowments, endowment funds or foundation trusts, the answer is a definite yes. But there are also special forms that run for a limited time period, such as founder loans. They can be cancelled at any time and the loaned amount is returned or converted into a permanent grant. You can also establish a limited term trust with us. This means that the capital will be gradually used for project work after a certain time period, at least ten years. The founder can therefore decide how long his

commitment should last. The first trust of this kind was established by a founder under the umbrella of Welthungerhilfe Foundation last year.

## How do Welthungerhilfe e.V. and Welthungerhilfe Foundation work together?

**Otten:** The association and foundation serve the same purpose – namely to help those in need. Income from the foundation is only used to assist the association's project work. The main concern of our donors is that they support help towards self-help. The next step is for them to decide whether to donate to us, assist with endowments or provide bequests as part of their will. Using our joint approach "Philanthropy plus X", we meet with supporters in person and structure a commitment in line with their requirements.

## So Philanthropy plus X is a project being undertaken jointly by the association and the foundation?

**Otten:** Yes. The wishes of supporters take centre stage in this regard. During a personal meeting, we are able to determine the most suitable format for them. Whether direct donations, long-term endowments or meaningful bequests – our team is happy to assist.

## How does the foundation handle the issue of inheritances?

**Otten:** Donors who contact us wish to become actively involved in structuring their estate in line with their wishes while they are still alive. They have already thought about who or what is important to them. An idea they all share is that they wish to consider a cha-



ritable purpose in addition to their family or other persons that are close to them. The fact that Welthungerhilfe is exempt from inheritance taxes is a positive side-effect in this regard. Interest in this topic and the willingness of people to take an active role is also reflected in our regular 'will' events, which were attended by 800 supporters last year. Similarly, our information brochure on wills is also a popular item for people searching for comprehensive information.

## What happens to the income generated by the foundation?

**Otten:** The majority goes directly to project work that is being implemented on location – a total of EUR 0.7m in 2011. I also take a personal interest in observing the effects of our work. Most recently, I visited our projects on disaster risk reduction in Nicaragua and Cuba. An impressive example of how ecology also plays an important role in addition to humanitarian aid.

## Is the interplay between humans and nature during the project work also an issue for the foundation?

**Otten:** Yes. A private donor established the ÖkoHuman-Stiftungsfonds für Biodiversität und nachhaltige Entwicklung (Eco-Human Endowment Fund for Biodiversity and Sustainable Development) as early as 2008. More than 450 supporters have contributed to the ÖkoHuman fund growing to more than one million euros in 2011. The income generated by this fund is currently being used to work with families in the Amazon region of Peru and Ecuador. By participating in the reforestation activities using domestic trees and engaging in sustainable forest management, they are

developing new income opportunities while at the same time protecting valuable resources. Farmers also receive seed for maize, beans, rice, bananas, pineapple, cacao and peanuts. They learn to produce organic fertiliser and to process and subsequently sell their harvests. Additional projects will follow.

## What were some of the key developments in 2011?

**Otten:** The foundation continues to enjoy an increasing amount of support from loyal and new donors – this is key to our project work. Seven supporters established their own endowment fund, so that the foundation's overall capital, including reserves, rose by EUR 2.9m to EUR 30.4m. Similarly, founder loans also remained very popular in 2011.

## What are your plans for 2012?

**Otten:** We want to ensure that more supporters are familiar with the idea of "Stiften auf Zeit" (temporary endowments) in the form of a limited term trust. We can see the demand for this flexible and time-limited type of endowment. At the same time, notwithstanding the enthusiasm for limited term trusts, we nevertheless take into account that supporters will decide on their own which option is best for them, and that we act solely as a broker to set up the commitment that best suits them.

[www.stiftung-welthungerhilfe.de](http://www.stiftung-welthungerhilfe.de)

### Welthungerhilfe Foundation Balance Sheet at 31st December 2011

Assets	31.12.2011 EUR	Previous year EUR	Liabilities	31.12.2011 EUR	Previous year EUR
<b>A. FIXED ASSETS</b>			<b>A. OWN CAPITAL</b>		
I. Tangible assets	6,765,449.24	6,930,624.21	I. Foundation capital	27,766,506.52	25,250,068.47
II. Financial assets	25,037,698.58	21,993,865.99	II. Yield reserves	2,655,000.00	2,290,000.00
<b>B. CURRENT ASSETS</b>			<b>B. PROVISIONS</b>	10,440.00	10,052.00
I. Other assets	806,460.12	258,173.61			
II. Liquid resources	1,667,106.63	2,672,764.61			
<b>C. ACCRUED INCOME</b>	115,750.95	27,466.25	<b>C. PAYABLES</b>	3,960,519.00	4,332,774.20
	<b><u>34,392,465.52</u></b>	<b><u>31,882,894.67</u></b>		<b><u>34,392,465.52</u></b>	<b><u>31,882,894.67</u></b>
Assets dependent foundations	5,889,564.71	4,909,290.64	Capital resources dependent foundations	5,889,564.71	4,909,290.64

# Annual financial statement – Foundation Deutsche Welthungerhilfe 2011

## General information

The annual financial statement of the foundation is prepared in accordance with the German Commercial Code (HGB) and the supplementary provisions for corporations. The annual accounts have been adapted to the special features of the foundation pursuant to section 265 subsection 5 and 6 HGB. The relief provisions for small corporations were utilised.

Value-added tax (VAT) is included in the costs of fixed assets and in expenses insofar as the foundation is not entitled to deduct input taxes.

## Accounting policies

Tangible fixed assets are stated at cost and, where wear and tear applies, less regular depreciation over the customary useful life or the lower value rate pursuant to section 253, subsection 3, clause 3 HGB. Real estate and landed property from bequests and gifts are shown on the assets side at the appraised market values with a 30 % deduction on the building's share plus transaction costs incurred by the foundation.

Regular depreciation is charged on a straight-line basis. The depreciation of buildings is based on a residual useful life following the purchase of 40 years, and 5 to 13 years for operational and business equipment.

Securities forming part of the financial assets and other loans are valued at purchasing costs and subsequently in accordance with the moderate lower-of-cost-or-market principle. Discounts are amortised over the applicable term via the deferral/accrual items.

Other assets and cash/cash equivalents are entered at the nominal value. Identifiable risks are appropriately taken into account by means of value adjustments.

Provisions are formed for uncertain liabilities and identifiable risks at the amount of expected utilisation (amount payable). Liabilities are entered at the amount payable.

## Notes regarding the balance sheet

### Assets

#### Financial assets

Financial assets include fixed interest securities of EUR 12.180m, funds of EUR 11.158m and two loan notes totalling EUR 1.7m. On the balance sheet closing date of 31st December 2011, the net amount from hidden reserves and hidden burdens amounted to EUR 347,000 and EUR 902,000 on 31st March 2012. Extraordinary amortisation due to the expected long-term reduction in value has been applied in the amount of EUR 50,000.

#### Other assets

Other assets mainly consist of Sparkasse savings bonds of EUR 477,000 and accumulated interest for securities at EUR 240,000.

#### Liquid resources

Bank credit balances are shown.

#### Accrued income

This item includes invoices paid in advance and surpluses of EUR 111,000. Amortisation of the debts during the reporting year amounted to EUR 25,000, and is shown under the item interest and similar expenditure.

#### Liabilities

##### Foundation capital

The increase of the foundation capital by EUR 2.517m refers to donations.

#### Yield reserves

Reserves are created pursuant to section 58 no. 6 and 7 AO (German Fiscal Code).

#### Accounts payable

The payables comprise 113 foundation loans at EUR 3.274m, payables to Welthungerhilfe at EUR 563,000 and other liabilities of EUR 124,000. Of the other payables, EUR 7,000 has a residual term of more than one year. All others have a residual term of less than one year.

#### Liability

To secure the foundation loans, there are surety credit lines at the Commerzbank AG Bonn amounting to EUR 3,000,000, at Sparkasse KölnBonn amounting to EUR 1,500,000 and at the bank in the diocese of Essen to the amount of EUR 500,000.

## Other information

### Management of foundation assets

The foundation's assets are managed by Welthungerhilfe in accordance with the Assets Management contract agreed on 10th February 2009.

### Dependent foundations

A total of 24 trusteeship foundations are managed.

### Executive Board

The following are members of the foundation's Executive Board:  
 Bärbel Dieckmann,  
 Chief Executive Board  
 Prof. Dr Klaus Töpfer,  
 Deputy Chief Executive Board  
 Norbert Geisler, Treasurer  
 Prof. Dr Hartwig de Haen  
 Rosa Karcher  
 Dr Stephan Reimers  
 Dr Tobias Schulz-Isenbeck

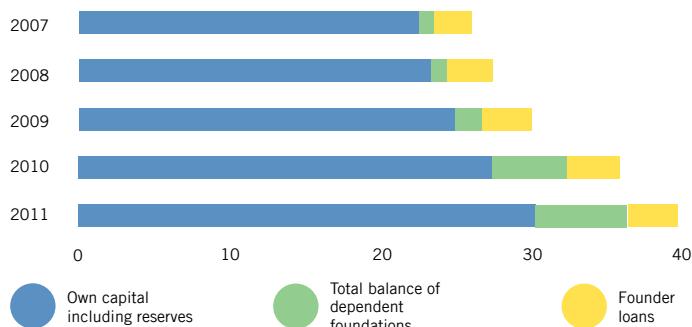
### Staff

On the balance sheet date, the foundation employed five members of staff and one apprentice.

### Management

The following persons were appointed General Managers without remuneration for the year 2011:  
 Dr Wolfgang Jamann und  
 Dr Albert Otten.

## Development of capital since 2007 (in EUR m)



Own capital of the foundation including reserves increased from EUR 22,661,076.03 in 2007 to EUR 30,421,506.52 by the end of 2011. This figure includes all donations to the foundation from living donors and bequests. The number of trusteeship foundations also continuously increased between 2007 and 2011. The new establishment of or additions to existing dependent foundations increased their capital from EUR 831,029.31 to EUR 5,889,564.71. Loans lent to the foundation by private individuals on the basis of the motto „Doing good with a money-back guarantee“ have remained popular. The current volume amounts to EUR 3,273,629.19. Claims for recovery from cancelled loans or loans with a time limit have already been taken into account.

## Key data from the Welthungerhilfe Foundation income and expenditure account 2011

	2011 EUR	Previous year EUR
Total income	1,641,007.86	1,722,608.22
Total expenditure	-561,460.34	-516,549.80
<b>Income from ordinary business activities</b>	<b>1,079,547.52</b>	<b>1,206,058.42</b>
Write-ups/write-downs on financial assets	-50,000.00	174,749.96
Net income before payment	1,029,547.52	1,380,808.38
<b>Expenditure from payment for activities in accordance with the statutes</b>	<b>-664,547.52</b>	<b>-911,428.38</b>
Net income before changes in reserves	365,000.00	469,380.00
Changes in reserves	-365,000.00	-469,380.00
<b>Net income for the year</b>	<b>0,00</b>	<b>0,00</b>

# CONTROL MECHANISMS TRANSPARENCY AND QUALITY

**BODIES:** The Executive Board leads and is responsible for running the organisation; the Supervisory Board supervises and monitors their activities and ensures that strategic guidelines are complied with. Once a year, Welthungerhilfe's member organisations assemble to agree on the economic plan and approve the annual financial accounts. In this way, responsibilities have been clearly defined.

**INTERNAL AUDIT:** The internal auditing department ensures that donations and public funding are used in accordance with the statutes and that all guidelines are complied with. It reviews all areas and activities of the organisation in Germany and abroad, and monitors compliance with internal guidelines.

**IMPACT MONITORING:** Development aid – does it actually achieve anything? Yes! Independent experts have confirmed that Welthungerhilfe projects are effective. Intensive planning and training have ensured that we have sufficient data to provide evidence of successes. Improved harvests, functioning management systems on site – these are the hallmarks of effective, long-term development aid.

**PROGRAMME ADVISORY COMMITTEE:** The honorary Programme Advisory Committee advises Welthungerhilfe on programmes abroad and on its political and public relations work in Germany. It consists of independent experts in various fields. This ensures that expertise can be promptly integrated into project design.

**EVALUATION:** The evaluation unit regularly monitors the quality of our work in Germany and abroad, calling on recognised experts in their fields. So-called decentralised evaluations are playing an increasingly important role in learning from evaluations. These are commissioned by the regional and country offices, and are bound by the standards that are prescribed by the unit, ensuring that the evaluation remains independent.

**CONTROLLING:** Our environment is undergoing constant change. To warrant a prompt and targeted response, the controlling unit assists the Executive Board in particular in the operational and strategic management of Welthungerhilfe. In line with regular reporting, the Executive Board and Supervisory Board receive an analysis and assessment of relevant developments. This includes incoming donations and public grants, as well as project support amounts, expenditures for staff, materials and marketing and important information relating to the strategic management of the organisation.

**QUALITY MANAGEMENT:** Welthungerhilfe has a comprehensive quality management system. The learning and development process helps to increase the quality of our work in selected issues and processes through the preparation and implementation of improvement measures. Subject orientation and a high orientation towards results and impacts form the main focus in this regard.

**CLEAR RULES AND INSPECTIONS:** Welthungerhilfe has clear rules for responsibilities and signing authority. A set of rules for the awarding of contracts has been in existence for many years now. This sets out, among other things, the procedures for the awarding of contracts and the two-person review principle. Public donors of Welthungerhilfe, such as the Federal Government, the European Union and the World Bank, regularly monitor the proper use of their funds both in the project countries and at our head office, and confirm the high standards employed by Welthungerhilfe.

**SIGNED AND SEALED:** Welthungerhilfe achieved first place in the PricewaterhouseCoopers transparency award for 2009. Göttingen University's team of analysts stated that Welthungerhilfe's information policy towards its donors is exemplary. The prize is confirmation of Welthungerhilfe's aim of reporting as fully as possible on its activities and how money is used. In 2010, Welthungerhilfe was not a candidate for the transparency prize: After winning the prize in 2009, the organisation cannot participate in the ranking for two years. Nevertheless, the annual report again achieved top marks and was able to improve its results compared with the previous year. The German Institute for Social Issues (DZI) seal certifies that Welthungerhilfe's advertising and administration costs are in the "low" category. Welthungerhilfe, together with Kindernothilfe, is one of the initiators of the Association of German Development Non-Governmental Organisations (VENRO)'s Code of Behaviour on "Transparency, Organisational Management and Control".

[www.welthungerhilfe.de/tranparenz.html](http://www.welthungerhilfe.de/tranparenz.html)



# WELTHUNGERHILFE



## Patron

German Federal President **Joachim Gauck**



**DR STEPHAN REIMERS** founded the „Hinz und Kuntz“ newspaper for the homeless in Hamburg and helped set up the Hamburg „Tafel“; a centre providing food for the homeless. He was appointed to Welthungerhilfe's Supervisory Board in 2008. He was the authorised representative of the Council of the German Evangelical Church (EKD) for the Federal Republic of Germany and the European Union from 1999 to 2009.



**DR TOBIAS SCHUL-ISENBECK** previously served on Welthungerhilfe's former Executive Board in an honorary capacity. He has a postgraduate degree in Commercial Studies and Business Administration and was appointed to the new Supervisory Board in 2008. He was the spokesperson for the management of the Handelsblatt publishing group based in Düsseldorf.

## Supervisory Board

The board, which operates on an honorary basis, is elected by the General Assembly for a period of four years. It represents Welthungerhilfe externally; it convenes the Executive Board and the members of the Project Advisory Committee, and supervises and advises the Executive Board. In addition, the board determines the organisation's fundamental positions and its strategies in the area of development politics as well as the principles of project support. The Welthungerhilfe Supervisory Board is identical by law to the Executive Board of the Welthungerhilfe Foundation.



**BÄRBEL DIECKMANN** was elected President of Welthungerhilfe in 2008. She was Mayor of Bonn from 1994 to 2009. Bärbel Dieckmann is a member of the SPD and was a member of the party's Executive Committee until 2009. She was Chairperson of the World Mayors' Council on Climate Change and President of the German Section of the Council of European Municipalities and Regions until 2009. Within the board, she is the Chairperson of the Marketing Committee.



**PROF. DR KLAUS TÖPFER** has been Vice President of Welthungerhilfe since 2008. He was Executive Director of the UN Environmental Programme from 1998 to 2006. As a CDU politician, he was Federal Minister for the Environment, Nature Conservation and Nuclear Safety, and subsequently Federal Minister for Town and Country Planning, Construction and Urbanisation between 1987 and 1994. On the Supervisory Board, he is Chairperson of the Programmes Committee.



**NORBERT GEISLER** has been Welthungerhilfe's treasurer since 2004. He is a former managing director of a waste disposal company who now works as a professional consultant. Previously, the academically qualified economist worked as an auditor. He is Chairperson of the Finance Committee within the Supervisory Board which was elected in 2008.



**PROF. DR HARTWIG DE HAEN** was the Assistant Director-General of the Food and Agriculture Organization of the United Nations (FAO) in Rome from 1990 to 2005. He was previously Professor of Agrarian Economics at Göttingen University. Now as Professor Emeritus he is once again a member of the Department for Agrarian Economics and Rural Development. He has been a member of the Supervisory Board since 2008.



**ROSA KARCHER** is a member of the Supervisory Board of the German Country Women's Association and has been President of the Country Women's Association of Southern Baden since 2009. Rosa Karcher, mother of three children and trained home economist, operates a full-time farming operation with fruit, wine and fine liqueurs in Achern together with her husband.



**DR WOLFGANG JAMANN** became Welthungerhilfe's Secretary General and Chief Executive Board as well as General Manager of the Welthungerhilfe Foundation in 2009. Dr Jamann is a development sociologist with over 20 years of experience in development co-operation and humanitarian aid. As a researcher and employee of academic institutions, he spent many years in east and south-east Asia. His previous position was Managing Director of CARE Deutschland-Luxembourg and he is also Chairperson of the charity “Gemeinsam für Afrika (United for Africa) e.V.”.



**MICHAEL HOFMANN** has been Welthungerhilfe's Executive Director Marketing since March 2012. Born in 1959 in Cuba, this graduate in Business Administration started his career in the development field, initially with the German development bank DEG, and then working as a project manager in Mexico and Chile with the Friedrich Ebert Foundation, among others. He continued his career in a variety of management positions (controlling, logistics, IT, sales and marketing) at different multinational companies, most recently at Nokia, where he was responsible for global marketing at Nokia Siemens Networks, among others.



**MATHIAS MOGGE** has been Executive Director Programmes since March 2010. He is an agricultural engineer and environmental scientist (MSc) and has been working for Welthungerhilfe for 12 years. Previously he was acting head of the Programmes and Projects department. Mogge has worked for Welthungerhilfe as Programme Manager for Sudan, Uganda and Ethiopia, as Regional Coordinator for West Africa, and as Head of the Knowledge – Innovation – Consultancy group.

# Members

The General Assembly decides on the guidelines for the activities of Welthungerhilfe. It is responsible for electing the Supervisory Board, passing the financial plan and approving the annual accounts on the basis of the auditors' report. The members of Welthungerhilfe include the President of the German Parliament, the leaders of the parties represented in the lower house, and also churches, associations and other organisations. They send delegates to the General Assembly which is convened once a year.

## THE MEMBERS

(permanent representative in brackets)

**GERMAN PARLIAMENT**, President Dr Norbert Lammert, Member of Parliament (Dr Ulrich Schöler)

**CDU/CSU**, Chairperson Volker Kauder, Member of Parliament, (Helmut Heiderich, Member of Parliament)

**SPD**, Chairperson Frank-Walter Steinmeier, Member of Parliament (Dr Sascha Raabe, Member of Parliament)

**FDP**, Chairperson Rainer Brüderle, Member of Parliament (Dr Christiane Ratjen-Damerau, Member of Parliament)

**BÜNDNIS 90/DIE GRÜNEN**, Chairperson Renate Künast, Member of Parliament and Chairperson Jürgen Trittin, Member of Parliament (Thilo Hoppe, Member of Parliament)

**DIE LINKE**, Chairperson Dr Gregor Gysi, Member of Parliament (Heike Hänsel, Member of Parliament)

**GERMAN BISHOPS' COMMISSARY OFFICE / CATHOLIC OFFICE BERLIN**, Head Prelate Dr Karl Jüsten (Dr Martin Bröckelmann-Simon)

**COUNCIL OF THE EVANGELICAL CHURCH IN GERMANY**, Representative Prelate Dr Bernhard Felmberg, Member of the High Consistory (Dr h. c. Volker Faigle, Member of the High Consistory)

**ASSOCIATION OF RURAL YOUTH IN GERMANY**, National Chairperson Matthias Daun (Matthias Daun)

**FEDERATION OF GERMAN WHOLESALE AND FOREIGN TRADE**, President Anton F. Börner (Katharina Andrés)

**CONFEDERATION OF GERMAN TRADE UNIONS**, President Michael Sommer (Dr Bianca Kühl)

**FEDERATION OF GERMAN INDUSTRIES (BDI)**, President Prof. Dr Hans-Peter Keitel (Oliver Wieck)

**GERMAN FARMERS' ASSOCIATION**, President Gerd Sonnleitner (Willi Kampmann)

**GERMAN COOPERATIVE AND RAFFEISEN ASSOCIATION**, President Manfred Nüssel (Dr Andreas Wieg)

**FEDERAL ASSOCIATION OF NON-STATUTORY WELFARE ASSOCIATIONS**, Johannes Stockmeier, Member of the High Consistory (Rudi Frick)

**GERMAN RED CROSS**, President Dr h. c. Rudolf Seiters (Joachim Müller)

**GERMAN AGRICULTURAL SOCIETY**, President Carl-Albrecht Bartmer (Karl-Martin Lüth)

**GERMAN NUTRITION SOCIETY**, Prof. Dr Peter Stehle (Prof. Dr Michael Krawinkel)

**TRADE UNION FOR CONSTRUCTION, AGRICULTURE AND ENVIRONMENT**, National Chairperson Klaus Wiesehügel (Klaus Wiesehügel)

**GERMAN JOURNALISTS ASSOCIATION**, Chairperson Michael Konken (Frauke Ancker)

**GERMAN COUNTRYWOMEN'S ASSOCIATION**, President Brigitte Scherb (Rosa Karcher)

**DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE**

**ZUSAMMENARBEIT (GIZ GmbH)**, Chairperson of the Management Board Dr Bernd Eisenblätter (Dr Anselm Schneider)

**WELTHUNGERHILFE PROMOTION SOCIETY**, Kaspar Portz (Jürgen Dorsch)

**NATIONAL FEDERATION OF SKILLED CRAFTS AND TRADES**, President Otto Kentzler (Dr Rainer Neumann)

**CONFEDERATION OF GERMAN EMPLOYERS' ASSOCIATIONS**, President Dr Dieter Hundt (Ulrich Hüttenbach)

**GERMAN ASSOCIATION OF CITIES**, Executive Director of Managing Committee Dr Stephan Articus (Sabine Drees)

**FEDERAL ASSOCIATION OF GERMAN NEWS-PAPER PUBLISHERS**, President Helmut Heinen (Dietmar Wolff)

**GERMAN INSURANCE ASSOCIATION**, Chairman of the Executive Board Dr Jörg Freiherr, Frank von Fürstenwerth (Thomas Kräutter)

# Programme Advisory Committee

Welthungerhilfe's Programme Advisory Committee consists of 20 honorary members. It advises Welthungerhilfe's Executive Board on matters concerning programme policy and the funding merits of programmes and projects abroad and in Germany which are in accordance with the charter. By this means, independent external expertise from science and practical technology contributes to the safeguarding of the quality of our project work. In addition, in their role as central points of contact for regions, sectors and policy areas or for development policy public relations work, the advisers comment on individual projects in the form of immediate briefings.

## MEMBERS OF THE PROGRAMME ADVISORY COMMITTEES

(specialist field in brackets)

**PROF. EM. DR WINFRIED VON URFF**, former Professor of Agrarian Politics, Technical University, Munich (Asia), Chairperson

**DR GÜNTER SCHMIDT**, former Managing Director of GFA-Consulting Group, Hamburg (Latin America, public relations), 1st Acting Chairperson

**DR GUIDO ASHOFF**, Department Head, Bilateral

and Multilateral Development Policy at the German Development Institute (Latin America, politics)

**STEPHANIE BERNOULLY**, independent consultant, book author, mediator (public relations, Latin America)

**PROF. EM. DR LUDWIG ELLENBERG**, former Professor at the Geographic Institute, Humboldt University, Berlin (Latin America)

**DR KARIN FIEGE**, Seminar for Rural Development, Humboldt University, Berlin (Africa), 2nd Acting Chairperson

**PROF. DR MICHAEL FREMEREY**, former Professor of Agriculture, Adjunct Professor (Universitas Indonesia) (Africa)

**PROF. DR HARTMUT GAESE**, Institute for Tropical Technology, Cologne University of Applied Sciences (Latin America)

**PROF. DR ROLF HOFMEIER**, former Director of the Institute for African Affairs, Hamburg (Africa)

**JOCHEN KENNEWEG**, former Head of Division for India, Nepal, Sri Lanka in the Federal Ministry for Economic Cooperation and Development (Asia)

**DR MARLIS LINDECKE**, Rural Development and Resource Management GIZ (Africa)

**PROF. EM. DR DR H. C. UWE JENS NAGEL**, former Vice President of Studies and International International Affairs, Humboldt University, Berlin (Politics)

**MICHEL REYNAUD**, Vice President ECOCERT SA (Africa)

**HERBERT SAHLMANN**, former Development Officer in the Federal Ministry for Economic Cooperation and Development (politics, Asia)

**PRIV.-DOZ. DR CONRAD JUSTUS SCHETTER**, Senior Research Fellow, Centre for Development Research (ZEF), University of Bonn (Asia)

**KATRIN SEEVERS**, Media Researcher, freelance consultant (public relations)

**PROF. DR BARBARA THOMASS**, Professor at the Institute for Media Sciences at the University of the Ruhr, Bochum (public relations)

**THOMAS VOIGT**, Director of Economic Politics and Communication, Otto Group, Hamburg (public relations)

**PROF. DR MANFRED ZELLER**, Manager of Development Theory and Development Politics for Rural Areas Special Group at Hohenheim University, Stuttgart (Africa)

# Board of Trustees

The honorary Board of Trustees advises the Welthungerhilfe Supervisory Board and Executive Board on questions relating to public relations work, publicity and policy/positioning. It supports Welthungerhilfe's networks such as circles of friends or business partners and establishes new contacts to individuals, companies, institutions and networks which promote Welthungerhilfe's concerns by profiling it in society at large or through financial contributions and access to public and private funds. The Board of Trustees consists of important figures in public life. It comprises a maximum of 25 members.

**FRANK H. ASBECK**, Chairman of the Board for SolarWorld AG

**PETER BOUDGOUST**, ARD Chairman and Director Südwestrundfunk

**DR THOMAS BELLUT**, Director, ZDF

**PROF. ERNST ELITZ**, former Director, Deutschlandradio

**DIETER THOMAS HECK**, show host and producer

**PETER HESSE**, Chairman of the Peter Hesse Foundation

**DR VOLKERT KLAUCKE**, entrepreneur

**DR GERD LEIPOLD**, former Managing Director, Greenpeace International

**WOLFGANG KROH**, former board member of KfW Bank

**DR HANS-JOACHIM PREUSS**, Executive Board, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

**HAJO RIESENBECK**, Riesenbeck-IC GmbH Investment & Consulting

**DR THEO SOMMER**, Editor-at-Large, DIE ZEIT

**PROF. DR H. C. DIETER STOLTE**, journalist and publisher

**HANS HERMANN THIESSE**, former Member of the Board of Directors of Hertie Waren- und Kaufhaus GmbH

**KATHARINA TREBITSCH**, film and television producer

**ANNA VON GRIESHEIM**, fashion designer

**DIETER VON HOLTZBRINCK**, Holtzbrinck Publishing Group

**DR LUDOLF VON WARTENBERG**, former member of the Supervisory Board of the Federal Association of German Industries (BDI)

**WDR JUR. CHRISTIAN O. ZSCHOCKE**, Manager of Frankfurt law firm Morgan, Lewis & Bockius

# ORGANISATION



## **Supporters of Welthungerhilfe in Germany:**

- 304,800 donors,
- 1,300 volunteer supporters in 19 action groups and over 100 events,
- 4 circles of friends with approximately 50 members and
- 28,000 children and youths at 200 schools, with sponsored Runs for Life and baking campaigns.

**200 schools organised Runs for Life and baking campaigns**



 = 1 school

## **To finance its projects, Welthungerhilfe received the following in 2011:**

- EUR 48.2m in donations
- EUR 79.7m in public grants
- EUR 4.3m in private grants (foundations, private aid organisations)

Administration expenses made up 2.3 percent of total expenditures, and expenses for advertising and general public relations work amounted to 7 percent.

## **The most important sources of public funding in 2011 were:**

- The Federal Ministry for Economic Cooperation and Development (BMZ) with EUR 26.2m
- The World Food Programme (WFP) and other UN organisations with EUR 19.7m
- The European Commission (EuropeAid and ECHO) with EUR 11.3m
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) with EUR 9.9m



Download the annual report at  
[www.welthungerhilfe.de/annual-report2011.html](http://www.welthungerhilfe.de/annual-report2011.html)

## **Welthungerhilfe, Sparkasse KölnBonn, Sort Code 370 501 98, Account No. 1115**

Deutsche Welthungerhilfe e.V., Friedrich-Ebert-Straße 1, D-53173 Bonn, Tel. +49 (0)228 2288-0, Fax +49 (0)228 2288-333, [www.welthungerhilfe.de/home\\_eng.html](http://www.welthungerhilfe.de/home_eng.html)