



WORLD NEIGHBORS

Inspiring People • Strengthening Communities

2014 ANNUAL REPORT





WORLD NEIGHBORS

Inspiring People • Strengthening Communities

OUR MISSION

World Neighbors inspires people and strengthens communities to find lasting solutions to hunger, poverty, and disease and to promote a healthy environment.



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Letter From Kate



In late June, I had the privilege and honor of joining World Neighbors as the new President and CEO. While this Annual Report reflects the work of fiscal year 2014, which was a transitional year for World Neighbors and before I joined the organization, you will see that the hard work and dedication of our staff never wavered. Our highest priority always is to continue our commitment to our mission—to eliminate hunger, poverty and disease across the globe.

We continue to live out the remarkable legacy of our founder, Dr. John L. Peters. His vision for World Neighbors was to inspire individuals and families to find their own solutions to the complex problems they face. As a result, it is their strength, expertise and bravery that, in turn, inspire us each day.

For more than 63 years, World Neighbors has been investing in people, ensuring that their futures are secure and healthy. I am confident that World Neighbors work will continue to be strong, successful and highly regarded, thanks in large part to our dedicated donors, funding agencies, trustees, staff and volunteers.

You'll see that in 2014, our programs continued to improve lives in communities throughout Asia, Africa, Latin America and Haiti. Thank you for your tireless support of World Neighbors and for your commitment to making life better for so many individuals, families and communities.

With warm regards,

A handwritten signature in black ink that reads "Kate Schecter". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kate Schecter, Ph.D.
President and Chief Executive Officer
The May Ayers Milburn Chair

Overview

Since 1951, World Neighbors has improved the lives of 26 million people in 45 countries by taking a proactive approach to development. World Neighbors now reaches nearly half a million people who are struggling to survive.

Instead of creating dependence by providing short-term aid, World Neighbors creates permanent change by working alongside villagers in some of the world's poorest areas, helping them to identify and solve their own problems to transform their lives and communities.

In 2013, World Neighbors joined Feed the Children as a subsidiary in a unique strategic collaboration. Feed the Children took on administrative support functions for World Neighbors and experienced World Neighbors staff began sharing their deep knowledge of building self-sufficient communities.

This collaboration combines the strengths of two organizations with long histories of fighting hunger and poverty, and extends our presence into 18 countries around the world.





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Leadership Team

Kate Schecter, Ph.D.
President and CEO

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Regional Director for Africa

Srijana Karki
Regional Director for South Asia

Lionel Vigil
Regional Director for Latin America and the Caribbean

Edd Wright
Regional Director for South East Asia



World Neighbors in Latin America and the Caribbean

World Neighbors supports 10 programs in Latin America and the Caribbean region, covering 119 communities in four countries: **Bolivia, Guatemala, Peru and Haiti.**

During the last year, more than 13,300 people benefited from our programs, including savings and credit, a healthy-household initiative, trainings for indigenous women managing small businesses, community health, nutrition, and sustainable agriculture. The communities in this region are some of the most isolated, hard-to-reach areas in our global portfolio.



Accomplishments from our Latin America and Caribbean programs over the last year include:

- **Bolivia** experienced an increase in the percentage of families who now include nutritious food as part of their diet (up from 63% in 2010, to 84% in 2013).
- The number of **Bolivian mothers** who breastfed their children during the first six months of life increased significantly—from 13% in 2010, to 82% in 2013.
- Under a healthy-household initiative in **Guatemala**, the program conducted trainings on nutrition, community health, personal hygiene, the use of latrines, and deworming campaigns that involved 5 schools, reaching 153 students, 5 teachers, and 250 families.
- Families in **Guatemala** constructed 97 improved stoves, and 23 additional stoves were installed with support from local municipalities. The improved stoves reduce the use of wood fuel and the prevalence of respiratory diseases resulting from carbon-monoxide emissions. Approximately 600 people benefited from this program.
- In **Peru**, 565 people were trained on low-cost sprinkler irrigation, basic financial management, leadership, and cooperation.
- Integrated health initiatives such as health campaigns and rallies benefited 566 community members in **Peru**.
- 367 community members in **Peru** received training on crop production and implementation of organic vegetable gardens, small-animal farming (focused on guinea pigs), improved stoves, and experimental plots and crop diversification.

“Before participating in the program, I only knew how to cultivate corn in my plot, but now I know how to diversify my crops, and raise chickens and pigs for my family and for selling. In this community, we use the bark and leaves of this tree to make compost and, in a workshop, I learned how to vaccinate chickens. I now provide vaccines to other neighbors in my community for their chickens. I like to participate in World Neighbors activities because there is not only one thing to learn, but a lot. For example, using improved stoves prevents breathing diseases and reduces the use of firewood.”

Adela Jeronimo, 47,
from the community
La Mina, municipality of
Jocotan, department of
Chiquimula, Guatemala



- In **Haiti**, we distributed vegetable seeds and seedlings to 289 farmers, while 52 farmers benefited from follow-up training sessions for their crops, and 164 farmers received training on soil conservation and crop diversification.
- Over 500 participants in **Haiti** received training on community and reproductive health, disease prevention, hygiene, nutrition, family planning, maternal health, and prevention of HIV/AIDS.



“I never finished school, but with the trainings received in the program, my life has changed and my life has improved in a practical way. I decided to learn more about artisan work and share what I learned with other women in my community to form an association group of textile artisans. I began with a loan of 500 soles (\$170) in 2009 and used that money to buy an electric saw for my husband’s carpentry shop. After paying back that loan, I asked for another loan to buy a threshing machine for our wheat and kiwicha crops, and also so that my husband could get driving lessons. He wants to get his license to work as a driver during and between harvest seasons.”

Doris Silva, 52, from the Community Oscollo, district of Cocharcas in Apurimac, Peru

During the last year, **our work in Peru expanded to Ayacucho**. An initial community-development plan was drafted based on a participatory assessment carried out in collaboration with leaders and volunteers from various communities.





World Neighbors in Africa

The World Neighbors programs in Africa have almost 4,000 community-based volunteers, making them the most participatory, people-centered programs in our global portfolio. Our Africa programs are integrated, covering a combination of thematic areas such as sustainable agriculture and market linkages, natural-resource management, beekeeping, savings and credit groups, HIV/AIDS, school-based health education and clubs, livestock production with improved breeds, and clean water. In 2014, these programs benefited approximately 390,000 people in 160 villages.

World Neighbors works in five countries in Africa: **Kenya, Uganda, Tanzania, Burkina Faso and Mali**. World Neighbors works in partnership with nongovernmental and community-based organizations to reach approximately 30,000 households through a variety of integrated programs.



Accomplishments from our Africa programs over the last year include:

- In **Tanzania**, eight community groups received trainings on the management of Langstroth beehives through a Training of Trainers program.
- In **Uganda**, we introduced superior pig breeds, offering better returns and increased income. Eighteen pigs were distributed to three parishes.
- We introduced an improved banana variety (giant Cavendish) in **Uganda**, which is tolerant to banana xanthomonas, a disease that has contributed to low banana production in this area. Forty-five banana suckers were distributed within the program communities, and the expansion of this banana variety will be carried out through the establishment of bulking sites and applying the “passing on the gift” model.
- In one area in **Kenya**, Red Maasai sheep were introduced to complement the Gala goat production which was introduced in 2013. The Red Maasai sheep are hardy and therefore suitable for this area that experiences harsh climatic conditions. The sheep will enhance families’ incomes and nutritional status.
- To improve community health, areas in **Kenya, Tanzania and Uganda** have continued to conduct mobile health clinics integrated with voluntary counseling and testing sessions. In one program in **Kenya**, the mobile health clinic attendance increased from 1,056 in 2012, to 3,150 by June 2014.

“The support of World Neighbors has had a positive change in my life and that of my household. Before participating in the program, we did not have livestock. Now we have two cows and an ox and are now counted among the members of the community who have livestock. This has improved the status of our household.”

Madame Boli Poyendi,
Programme de Développement
Intégré au Gnagna, Coalla
Department, Gnagna Province,
Burkina Faso





- All programs in East Africa (**Kenya, Tanzania and Uganda**) continued to promote the use of leaky tins to encourage hand-washing behavior change. In one area in **Kenya**, 350 households have added leaky tins, representing 73% of the area's population, while another program in **Tanzania** has introduced leaky tins to 11 schools.
- In **Burkina Faso**, livestock fattening was introduced to three new villages as an income-generating activity. The 60 beneficiaries of the training were mainly women.
- In Gourma Province, **Burkina Faso**, 48 farmers were trained on natural-resource management, specifically on soil-erosion-control techniques, and 30 additional farmers were trained on Assisted Natural Regeneration techniques. These techniques involve identifying badly eroded and deforested areas and enclosing them to allow natural recovery. The strategy aims to limit destruction of vegetation by humans, such as free-range livestock grazing and excessive tree felling.
- Across the five countries, savings and credit groups have been expanded to target new community members. Ten new groups were formed, which integrated vulnerable community members such as orphans, the elderly, and people living with HIV.





“The coming of World Neighbors to our community was a blessing to poor people like me. Since participating in the MABUTA program, I now have a kitchen garden where I grow cabbage, kale and carrots. These vegetables have helped to improve the nutrition and the health of my family, as the garden provides for us year-round.”

Mrs. Harriet Nangobo,
Malongo-Bukatabira Buluuta
(MABUTA) Program,
Mayuge District, Uganda



World Neighbors in South Asia

In South Asia, World Neighbors programs are implemented by four local nongovernmental organizations, with assistance from 2,440 community volunteers. We work with four partners in two countries: **India and Nepal**. Over the last few years, our South Asia program has reached 75,636 beneficiaries in 340 communities. Our work in South Asia is mainly focused on women, who account for more than 95% of the beneficiaries.

We serve highly vulnerable communities in remote highland areas, and the areas in which we work are subject to natural calamities such as floods, droughts, and landslides.



Accomplishments from our South Asia programs over the last year include:

- In **Nepal**, a group of 12 farmers developed agricultural-demonstration plots and trained 319 neighboring farmers on good agricultural practices.
- In **Nepal**, community-health activities reached 164 pregnant women with antenatal care, postnatal care, institutional delivery and vaccinations. Hundreds of people from rural communities benefited from services and medicine (either free or basic cost) through health camps and awareness sessions on reproductive health and general health issues.
- A federated structure, Kasturba Mahila Manda, which consists of savings and credit groups comprised exclusively of rural women, was established in Madhubani, Bihar, **India**. The groups are managed by rural women who served as community-based volunteers in the areas of gender equality, organic farming, community health, formation of savings and credit groups, accounts-keeping and group management.
- In **Nepal**, the use of vermin compost resulted in an increase of 7% in total area for organic farming.
- In Bihar, **India**, more than 2,000 fruits and medicinal plants were planted on private, public and community lands in coordination with MGNREGA, a local government program.
- In Bihar, **India**, 40 pit toilets were constructed and are being used.

“Using a smokeless stove has helped decrease consumption of fuel and makes the kitchen look cleaner. We are free from diseases triggered by smoke inhalation and free from the burning sensation of eyes exposed to smoke. Also, food stays warm longer on the burner.”

Kalpana Neupane, member of Hariyali Women Group, Nepal





- In Bihar, **India**, with the support from peer educators, enrollment of dalit (untouchables) girls in local schools has increased and 270 adolescent girls received nonformal education. In the future, they will be mainstreamed into a formal education system.
- In Bihar, **India**, around 3,220 participants have become literate and 565 of them can maintain the savings and credit groups' accounts, meeting minutes and other correspondence.
- Food security for our beneficiaries increased by an average of two months, up from 6.5 months to 8.5 months.



"I no longer have to buy expensive chemical fertilizers and can save money, as I now have the skills and knowledge of homemade, organic fertilizers and pesticides. These are easy to make, cheap and one does not have to wait to pluck vegetables after spraying. One can pluck vegetables right away."

Mina Garja, Member of Sagarmatha Women Group





World Neighbors in South East Asia

World Neighbors South East Asia programs benefited more than 37,000 people living in 122 villages in two countries: **Indonesia and Timor-Leste**. Approximately 2,000 community volunteers worked through a variety of local organizations to implement our programs.

In **Timor-Leste**, World Neighbors continued to work with two local partners, AHCAE and BIFANO, in 12 villages. The main goals are to strengthen the communities' ability to effectively respond to the negative impacts of climate change and to increase food security.



Accomplishments from our South East Asia programs over the last year include:

- 57 new savings and credit groups were established in **Indonesia**, with 1,300 new members. These groups have a combined capital of 152,664,600 IDR (approximately \$14,000).
- 2,819 new community members in **Indonesia** were involved in rural livelihoods programs, which increased their income by an average of 29%.
- In **Indonesia**, the number of communities applying for social-forestry licenses continues to increase, which allows villages to have access to natural resources in state-owned forests. More communities are recognizing the benefits of gaining legal recognition.
- 16,600 hectares of **Indonesian** forests have been proposed by communities to become community-forest areas, involving 4,579 households. More than 1,744 households have already completed the long and bureaucratic process of gaining the license and are now managing over 2,000 hectares of state forest. Almost 300,000 trees have been planted on this land, with communities following the World Neighbors agro-forestry model of sustainable natural-resource management.
- World Neighbors and its partners conducted hundreds of trainings covering a variety of thematic areas including the policy, law and procedure of **Indonesia's** social-forestry scheme; communal-land rights; farming techniques for perennial crops; advocacy; and savings and credit. Altogether, 7,911 community, government, and/or civil societies representatives attended a World Neighbors training.



“My involvement in the group trained my mind to dare to argue. This is shaping my character, as brave as a president. It also causes me to believe I can become a member of the legislature for North Central Timor. This is not a coincidence. This is due to the hard work and the process of transformation that I’ve been through with Yayasan Mitra Tani Mandiri and World Neighbors.”

Mr. Clemens Anin, Indonesia



- In **Timor-Leste**, six local communities have strengthened their market linkages by entering into commercial partnerships with local schools that buy their food from the farmer groups that World Neighbors created and trained in organizational management.
- In **Timor-Leste** this year, World Neighbors became a member of the Savings and Credit Working Group run by the United Nations Development Program (UNDP), and is recognized as the leading international organization working on this in Oecusse District. We are also heavily involved in the Ministry of Agriculture's nationwide Seed of Life project, which works on research development into new varieties of agriculture produce (mostly corn, peanuts, sweet potatoes and cassava).
- In **Timor-Leste**, World Neighbors successfully completed its 12-month-funded project with the United Methodist Committee on Relief, titled Climate Challenges and Community-Based Disaster Risk Reduction and Preparedness. All targets were reached or exceeded. Building upon the work accomplished during this project, World Neighbors designed a new long-term project based upon our five-stage methodology, with a primary focus on Disaster Risk Reduction.





“We have often heard the word “terracing,” but no one has ever put it into practice. Now we’re trained and can make A-frames for ourselves. Knowledge of this terracing should be owned by all members of the group in this village, because the benefits are great, especially for sloping land. The soil absorbs more nutrients, which increases its fertility and it becomes humus fertilizer for plants.

Mr. Dominggus Rauta,
Indonesia



Financials

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

ASSETS

	2014	2013
Unrestricted cash and cash equivalents	\$ 83,670	\$ 172,434
Restricted cash and cash equivalents	278,614	593,670
Contributions receivable, net	246,463	459,677
Grants receivable	–	227,184
Federal funds receivable	11,878	62,248
Investments	4,360,130	3,699,656
Investments held in trusts	1,009,142	931,882
Beneficial interest in remainder trusts	1,719,182	1,593,981
Land, building and equipment, net	486,014	641,108
Beneficial interest in assets held by others	33,571	30,828
Other assets	<u>54,386</u>	<u>54,890</u>
TOTAL ASSETS	<u>\$ 8,283,050</u>	<u>\$ 8,467,558</u>

World Neighbors audited financial statements for the years ended June 30, 2014 and 2013 are available at www.wn.org or upon request.

LIABILITIES AND NET ASSETS

LIABILITIES:

	2014	2013
Accounts payable	\$ 16,919	\$ 35,413
Accrued liabilities	24,817	54,195
Amounts payable under gift annuities	967,310	1,019,506
Amounts payable under split-interest trust agreements	210,664	201,825
Notes payable	<u>—</u>	<u>500,000</u>
TOTAL LIABILITIES	<u>1,219,710</u>	<u>1,810,939</u>

NET ASSETS:

Unrestricted	383,968	313,788
Temporarily restricted	3,882,808	3,546,267
Permanently restricted	<u>2,796,564</u>	<u>2,796,564</u>
TOTAL NET ASSETS	<u>7,063,340</u>	<u>6,656,619</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,283,050</u>	<u>\$ 8,467,558</u>



Financials

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

REVENUES, GAINS AND OTHER SUPPORT

	Unrestricted
Contributions	\$ 799,869
Subsidy from parent, net	1,055,301
Federal funds	154,643
Grants	–
Special events, net	–
Investment income (losses)	222,459
Net investment (losses) gains	(828)
Change in value of split-interest agreements	–
Gain on sale of assets	644,549
Other income	77,462
Gain on foreign exchange transactions	2,891
Net assets released from restrictions and transfers	<u>408,061</u>

TOTAL REVENUES, GAINS AND OTHER SUPPORT

3,364,407

EXPENSES

Program services:

Field program	2,359,166
Public education	232,137

Supporting activities:

Management and general	284,013
Fundraising	<u>418,911</u>

TOTAL EXPENSES

3,294,227

CHANGE IN NET ASSETS

70,180

NET ASSETS, BEGINNING OF YEAR

313,788

NET ASSETS, END OF YEAR

\$ 383,968

Temporarily Restricted	Permanently Restricted	Total 2014	Total 2013
\$ -	\$ -	\$ 799,869	\$ 1,080,503
-	-	1,055,301	556,730
-	-	154,643	405,209
264,842	-	264,842	808,386
-	-	-	100,419
(52,753)	-	169,706	189,662
413,407	-	412,579	190,261
119,106	-	119,106	88,843
-	-	644,549	-
-	-	77,462	52,934
-	-	2,891	1,122
<u>(408,061)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>336,541</u>	<u>-</u>	<u>3,700,948</u>	<u>3,474,069</u>
-	-	2,359,166	2,379,181
-	-	232,137	411,508
-	-	284,013	634,668
<u>-</u>	<u>-</u>	<u>418,911</u>	<u>941,571</u>
<u>-</u>	<u>-</u>	<u>3,294,227</u>	<u>4,366,928</u>
<u>336,541</u>	<u>-</u>	<u>406,721</u>	<u>(892,859)</u>
3,546,267	2,796,564	6,656,619	7,549,478
<u>\$ 3,882,808</u>	<u>\$ 2,796,564</u>	<u>\$ 7,063,340</u>	<u>\$ 6,656,619</u>



Financials

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

	Program Services		
	Field Program	Public Education	Total Program Services
Salaries and related expenses:			
Salaries	\$ 933,249	\$ 108,176	\$ 1,041,425
Payroll taxes	40,452	4,814	45,266
Benefits	<u>143,327</u>	<u>17,056</u>	<u>160,383</u>
	1,117,028	130,046	1,247,074
Field program	545,399	–	545,399
Contract services	36,373	4,064	40,437
Legal and accounting services	51,277	6,638	57,915
Recruitment	48,815	6,319	55,134
Travel	151,405	19,514	170,919
Office supplies	26,754	3,019	29,773
Telephone	33,853	4,168	38,021
Postage	3,137	341	3,478
Rent and occupancy	164,700	18,093	182,793
Office equipment and software	14,563	1,116	15,679
In-kind advertising	–	24,211	24,211
Printing and publications	18,283	1,993	20,276
Depreciation	34,660	1,714	36,374
Dues	3,872	542	4,414
Training and meetings	61,201	6,761	67,962
Financial expenses	<u>47,846</u>	<u>3,598</u>	<u>51,444</u>
TOTAL EXPENSES	<u>\$ 2,359,166</u>	<u>\$ 232,137</u>	<u>\$ 2,591,303</u>

Supporting Activities

Management and General	Fundraising	Total Supporting Activities	Total FY2014	Total FY2013
\$ 129,186	\$ 133,888	\$ 263,074	\$ 1,304,499	\$ 1,876,240
5,577	5,335	10,912	56,178	88,660
<u>19,759</u>	<u>18,904</u>	<u>38,663</u>	<u>199,046</u>	<u>314,903</u>
154,522	158,127	312,649	1,559,723	2,279,803
-	-	-	545,399	541,395
1,954	88,382	90,336	130,773	242,466
23,734	7,478	31,212	89,127	123,588
22,594	7,119	29,713	84,847	-
24,783	22,401	47,184	218,103	279,161
948	2,599	3,547	33,320	43,557
4,095	2,557	6,652	44,673	73,692
195	4,789	4,984	8,462	13,825
4,606	10,572	15,178	197,971	227,192
3,736	17,256	20,992	36,671	40,152
12,106	84,740	96,846	121,057	185,207
276	5,064	5,340	25,616	82,733
15,421	1,714	17,135	53,509	82,945
2,297	4,098	6,395	10,809	16,885
-	-	-	67,962	24,759
<u>12,746</u>	<u>2,015</u>	<u>14,761</u>	<u>66,205</u>	<u>109,568</u>
<u>\$ 284,013</u>	<u>\$ 418,911</u>	<u>\$ 702,924</u>	<u>\$ 3,294,227</u>	<u>\$ 4,366,928</u>





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