



ANNUAL REPORT

2006





Anniversary year

The year under review marked the 25th anniversary of the founding of Wemos, a milestone which was celebrated in appropriate style by the organization and its many friends and supporters throughout the world. What started as a small group of volunteers has now grown into a fully professional organization with twenty salaried staff and an annual budget of 1.6 million euros. This is a significant development by any standards, and yet the essence of our work has remained unaltered. Wemos continues to lobby and to influence policy in order to improve people's health in developing countries. With all the zeal and fervour displayed by our founders, we aim to break the vicious circle of poverty and poor health in close partnership with local organizations in the developing countries themselves.

Nina Tellegen
Director



Photo: Elmer van der Marel

Wemos contributes to the structural improvement of people's health in developing countries through advocacy.

Wemos' themes

Medicines
Health Budgets
Human Resources for Health
Nutrition

Wemos' strategies

Advocacy
Cooperation with organizations in developing countries
Communications and campaigning

Wemos' partners

AIS (Acción Internacional por la Salud) Bolivia
Chessore (Centre for Health, Science and Social Research) Zambia
CSTNZ (Civil Society Trade Network Zambia) Zambia
CIN (Consumer Information Network) Kenya
DORP (Development Organisation of the Rural Poor) Bangladesh
INESC (Instituto de Estudos Socioeconômicos) Brazil
VOICE (Voluntary Organization in Interest of Consumer Education) India





wemos

On 17 November 2006, Wemos welcomed some 350 guests to Pakhuis de Zwijger, a typical old Amsterdam warehouse alongside the River IJ, to mark the organization's Silver Anniversary. The event, which went under the title 'Cheers to your health! Wemos 25 years', introduced guests to the various facets of our work in a very convivial atmosphere. The event was made possible by the kind assistance of Cordaid, ICCO, SNS Reaal Fund and other organizations, sponsorship and the tireless efforts of many volunteers.



Cheers to your health! Wemos 25 years



John Kinuthia
Our anniversary celebration on 17 November was overshadowed by the sad news of the death of John Kinuthia, programme coordinator with the Consumer Information Network (CIN), Wemos' partner organization in Kenya.

Medicines

Clinical trials in developing countries

IDENTIFY the signals

Pharmaceutical companies are increasingly conducting clinical trials of new drugs in developing countries.

CHART the situation

For many, pharmaceutical drugs remain scarce and inaccessible. Often, the only chance of treatment is to take part in a trial. Some people do so to earn money. Unfortunately, there is little supervision to ensure compliance with the international ethical standards for drug testing. This can lead to misuse and abuse.

DENOUNCE

Wemos works alongside the Centre for Research on Multinational Companies (Stichting Onderzoek Multinationale Ondernemingen; SOMO), an organization which has published a report citing 22 separate instances of unethical clinical trials conducted by large pharmaceutical companies.

TAKE action

- Wemos has brought this situation to the attention of the Lower House of the Dutch Parliament and the European Parliament.
- Wemos gives lectures and lessons to medical students.
- Wemos publishes articles in medicine-related journals.
- Wemos organizes an expert meeting attended by representatives of the Ministry of Health, Welfare and Sport, the Ministry of Foreign Affairs, and various non-governmental organizations. The central question is: What can we do in the Netherlands to ensure that the human rights of people in developing countries are protected?



BREAK the vicious circle

Wemos actively encourages the European Commission to oblige pharmaceutical companies which conduct clinical trials of new drugs in developing countries to do so in a thoroughly ethical manner. They must observe the same stringent rules and regulations that apply in the West.

Health budgets

More scope for healthcare

IDENTIFY the signals

For the residents of one of the poorest districts in Zambia, a visit to the doctor entails a 75-kilometre journey to the nearest clinic. There are absolutely no resources for dental care or psychological support. Many governments face a chronic shortage of funding. They rely entirely on donors, and those donors generally reserve the right to co-determine government policy. The International Monetary Fund (IMF) also attaches conditions to the loans it provides.

CHART the problem

The IMF advises poorer countries to keep government expenditure under tight control. It stresses the importance of keeping inflation in check and of avoiding budgetary deficits.

DENOUNCE

A research report on the healthcare budgets of Ghana, Kenya, Uganda and Zambia was published in 2006 by Wemos. It reveals that advice given by IMF does not take into account the effects on healthcare services. As a consequence, governments are not investing enough in healthcare services and in medical staff.

ATTRACT support

- Wemos discussed the findings of the report with the Ministry of Finance and the Ministry of Foreign Affairs in the Netherlands and with the Dutch administrative representative of the IMF.
- Wemos accepted an invitation from the Center for Global Development (CGD), an American 'think tank', to discuss IMF programmes and health expenditure. Wemos also presented its work at the Global Forum for Health Research (GFHR), and at the annual general meetings of both the IMF and the World Bank.
- Alongside partners in Zambia, Kenya, Bolivia and Bangladesh, Wemos has produced an action plan for the years ahead, whereby they put pressure on the respective Ministries of Health to increase budgets and devote greater resources to efficient investment.



BREAK the vicious circle

Wemos and partner organizations in four developing countries are seeking to persuade the IMF to offer a greater number of alternative financing arrangements, and that more donors support the strengthening of the health systems in those countries. Wemos' partner organizations have called upon their respective Ministries of Health and Finance to invest more in healthcare, including the salaries of healthcare staff.

Human Resources for Health

More money for healthcare staff

IDENTIFY the signals

Both salaries and staffing levels are too low. There is a risk of becoming infected with HIV/AIDS. This makes working in the public hospitals very unattractive. Qualified doctors and nurses often opt to work in private clinics or in the industrialized West, where they can earn more, and the working conditions are better.

CHART the problem

Many developing countries have limited opportunities to improve working conditions for healthcare personnel. Donors prefer to avoid contributing towards salaries, since this comes under the heading of long-term expenditure. The IMF programmes also stress that governments must not incur excessive salary costs. This results in a severe shortage of qualified healthcare staff in many developing countries

DENOUNCE

The Wemos mini-symposium 'Working together on health' on World Health Day (7 April 2006) was devoted to discussing possible solutions. One proposal was prompted by the *Global Health Watch 2005-2006*, a critical report on the status of healthcare services throughout the world: Let the more prosperous countries pay for the training of the foreign care personnel they employ. After all, they no longer have to invest in training their own staff.

Supply and demand will not reach a balance automatically, no matter what the proponents of a free healthcare market may claim. More is required, notably more money for personnel, and not only for salaries but for training, pensions, etc.

ATTRACT support

Wemos has done much to attract attention to this problem, which became the topic of the mini-symposium on World Health Day 2006 and during a meeting with staff members of Royal Netherlands Embassies. Shortage of qualified healthcare staff was also prominently featured in the report presented by the World Health Organization that day in Lusaka, London and Geneva.

Six thousand doctors qualify in Kenya every year. No fewer than 90% leave the country within months of graduation.



BREAK the vicious circle

Together with organizations in four developing countries, Wemos is encouraging the governments, non-governmental organizations (NGOs) and donors in those countries to join each other in exploring solutions to the shortage of qualified healthcare staff.

Nutrition

Nutrition security a key feature of trade agreements

IDENTIFY the signals

Over 850 million people worldwide are suffering from hunger and chronic malnutrition. Of these, 820 million are to be found in the developing countries. The number *must* be reduced, a fact acknowledged by the United Nations when it declared 'the eradication of extreme hunger' to be the number one priority in its statement of Millennium Development Goals. The ambition is that hunger should be reduced by at least half by the year 2015.

CHART the problem

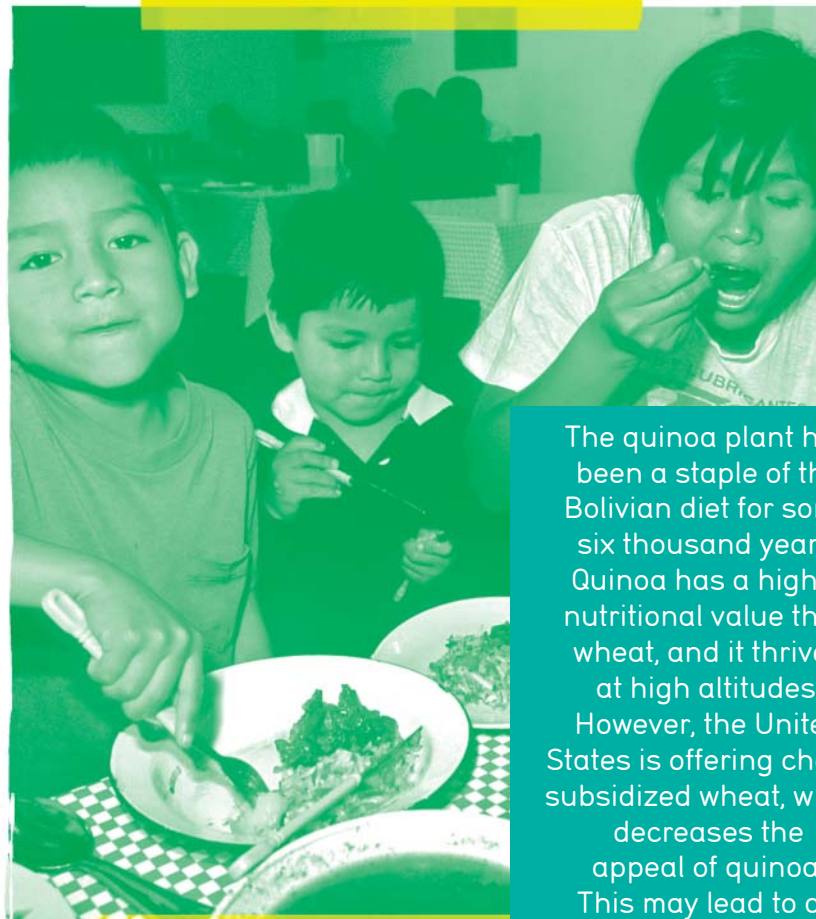
International and regional trade agreements can have a positive effect in terms of economic growth. Economic growth reduces poverty, whereupon more people will have access to a proper diet. But is this true? International and regional trade changes local dietary patterns. This is a good thing, provided that it means that food of better nutritional quality becomes available. However, it is clearly not a good thing if it encourages poor eating habits.

TAKE action

Wemos and ICCO have joined forces to set up the Food Basket Studies (FBS) project. This will demonstrate the impact of (international) trade agreements on the availability and quality of nutrition. Wemos' partners will conduct the necessary research in Kenya and Zambia, while ICCO's partner organizations will undertake identical studies in Bolivia, India and Uganda.

ATTRACT support

- Wemos is working closely alongside its partners in Zambia and Kenya in conducting the FBS study.
- The preparatory work for the FBS was completed in 2006, whereupon the project could proceed in 2007. The FBS is being facilitated by Kenyan and Zambian NGOs, with local consultants contracted to implement the study itself.
- Wemos' partner organizations organize stakeholder meetings to involve a greater number of NGOs in these studies. The results can then be discussed in the wider context and can form the basis for lobbying activities.
- Wemos' partners in Bolivia and Kenya have been involved in reformulating national policy on diet, nutrition and the continuity of food supplies.

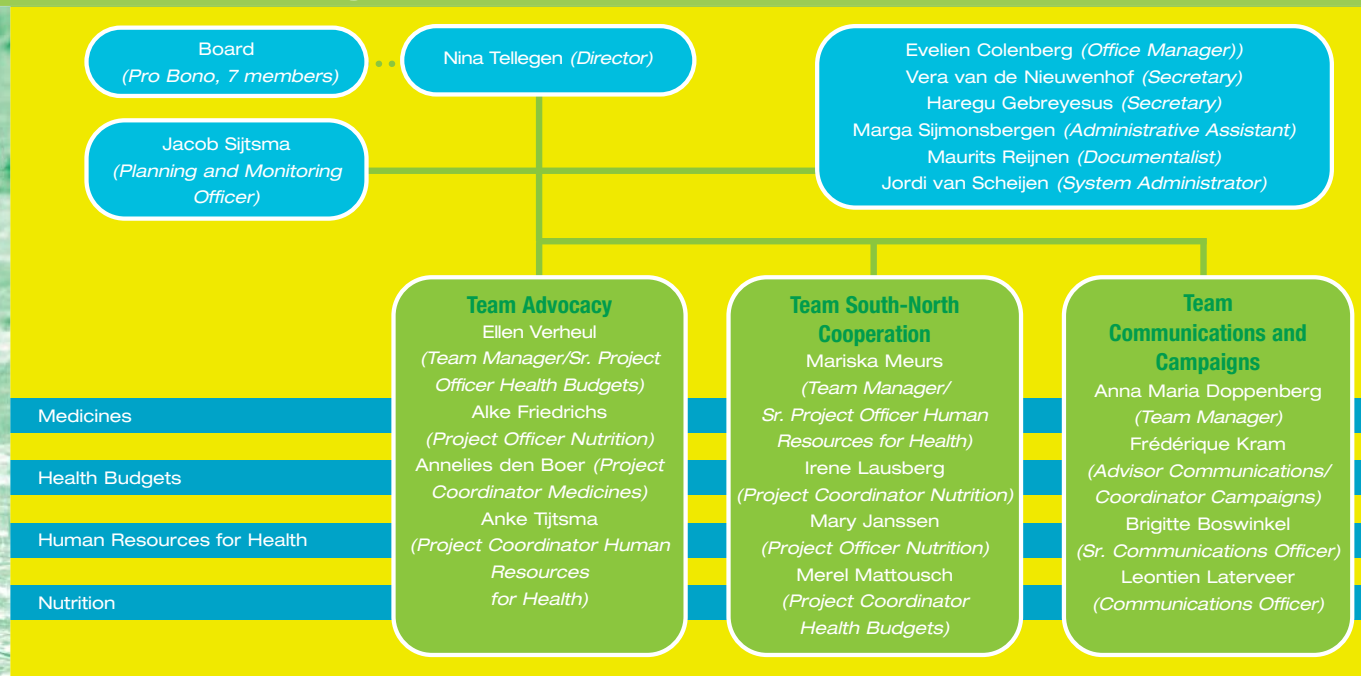


The quinoa plant has been a staple of the Bolivian diet for some six thousand years. Quinoa has a higher nutritional value than wheat, and it thrives at high altitudes. However, the United States is offering cheap, subsidized wheat, which decreases the appeal of quinoa. This may lead to an unbalanced diet and does not contribute to a healthy life.

BREAK the vicious circle

Wemos encourages trade policies which ensure the quality, availability and continuity of food supplies at national and international level.

Organization Chart



New faces

Alke Friedrichs, *Project Officer Nutrition* (August)
Irene Lausberg, *Project Coordinator Nutrition* (October)
Merel Mattousch, *Project Coordinator Health Budgets* (March)
Petra Staal, *temporary Project Officer Nutrition* (September)

Moved on

Lybrich Kramer, *Project Officer Nutrition* (September)
Gertrude Roebeling, *Project Coordinator Nutrition* (July)

Board

Kick Visser (*chair*)
Loes Valk (*secretary*)
Kees Boot (*treasurer*)
Willem Donkers (*communications*) (until May)
Ankie van den Broek
Janneke Molenkamp
Jos Dusseljee

Work experience trainees and students

Govert Buijze, *Communications and Campaigning placement* (February–May)
Agnes Krijnen, *Communications and Campaigning placement* (September–November)
Sarah Los, *Anniversary placement* (July–November)
Susan Westenbrink, *graduation thesis project Medicines* (September)

Networking

Bangladesh Forum on Development Cooperation and Human Rights (Bangladesh Overleg Ontwikkelingssamenwerking en Mensenrechten) BOOM
Chance to Health Campaign (Kans Op Gezondheid Campagne)
Coalition for Trade Justice (Coalitie voor Eerlijke Handel)
Corporate Social Responsibility Platform (Maatschappelijk Verantwoord Ondernemen Platform)
Dutch General Agreement on Trade in Services (GATS) Platform
Dutch Platform Millennium Goals
European Network on Debt and Development (Eurodad)
European Trade Network (ETN)
Food Trade and Nutrition (FTN) coalition
Global Health Education Project
Globalising Trade Justice Campaign
Health Action International (HAI)
Jubilee The Netherlands
Co-financing Programme Related Broad Network on Bolivia (Mede-financierings Programma Breed Netwerk Bolivia) MBN
Partos, Umbrella association for Dutch NGOs in the international development cooperation sector
People's Health Movement (PHM)
Share-Net, Netherlands Network on Sexual & Reproductive Health and Aids

Financial statements

Summarized financial statements for the year 2006

The unabridged financial statements 2006 (in Dutch) can be obtained or consulted at www.wemos.nl.

Amounts in euros (EUR)

Balance sheet as at December 31, 2006

	31 December 2006	31 December 2005
Assets		
Material fixed assets	81,487	93,413
Current assets		
- Subsidies	4,493,599	4,963,532
- Other receivables	69,040	52,765
- Cash and cash equivalents	428,561	910,157
	<u>4,991,200</u>	<u>5,926,454</u>
Total assets	<u>5,072,687</u>	<u>6,019,867</u>
Equity and liabilities		
Equity	508,585	491,388
Short term liabilities		
- Taxation	80,538	36,922
- Subsidies payable	4,257,851	5,165,566
- Debts to subcontractors	69,765	145,186
- Other short term liabilities	155,948	180,805
	<u>4,564,102</u>	<u>5,528,479</u>
Total equity and liabilities	<u>5,072,687</u>	<u>6,019,867</u>



Statement of income and expenses for the financial year 2006

	2006	2005
Income on fund raising		
Contributions and donations	15,540	14,815
Private funds	6,500	36,000
	<u>21,950</u>	<u>50,815</u>
Fund raising expenses:		
Direct costs	-890	-1,840
Allocated operational expenses	-2,273	-4,700
	<u>-3,163</u>	<u>-6,540</u>
	18,787	44,275
Percentage fund raising expenses versus income on fund raising	14,4%	12,9%
Other income		
Subsidies	1,481,185	1,647,510
Other income	135,119	127,631
	<u>1,616,304</u>	<u>1,775,141</u>
Available for objective	<u>1,635,091</u>	<u>1,819,416</u>
Expenditures for objective		
<i>To strengthen national health systems that contribute to the structural improvement of people's health in developing countries</i>		
Collaboration with Southern partners, including capacity strengthening	379,058	418,412
Campaigning to raise awareness in The Netherlands	162,701	166,807
Lobbying and advocacy	39,487	65,804
Other strategies	-	90,724
Activity costs	581,246	741,747
Operation expenditures	<u>1,036,648</u>	<u>1,038,129</u>
	1,617,894	1,779,876
Dotation to general reserves	17,197	39,540
	<u>1,635,091</u>	<u>1,819,416</u>

Explanatory notes to the summarized financial statements for the year 2006

Breakdown of operating expenses

	2006	2005
Personnel expenses	846,179	846,952
Housing expenses	97,536	99,230
Office expenses	65,276	54,748
Organization expenses	28,035	30,736
Expenses for communication and further professionalization of the organization	1,895	11,163
Total operating expenses	1,038,921	1,042,829
Allocation to fund raising	2,273	4,700
Allocation to objective	1,036,648	1,038,129

Valuation standards

General

The financial statements are prepared on the basis of the historical costs convention. Unless stated otherwise, all assets and liabilities are valued at their nominal value. Donations and gifts are recognized in the year in which they are received. Provided subsidies are recognized in the year they relate to. Costs are included in the year in which they are incurred and will be accrued if foreseeable. The report has been drawn up according to the "Directive 650 Fund raising Institutions" (*Richtlijn 650 Fondsenwervende Instellingen*) of the Council of Annual Reporting (*Raad voor de Jaarverslaggeving*), in accordance with the recommendations of the Central Bureau Fund raising (*Centraal Bureau Fondsenwerving*) for fund raising institutions.

Fixed assets

The fixed assets are valued at the historical cost-price less a straight line depreciation charge for the year. The depreciation is based on the expected economic lifetime and is calculated according to a fixed percentage of the historical cost-price minus expected residual value. Fixed assets purchased during the year are depreciated proportionally for the remaining period of the year.

- Inventory is valued at the historical cost-price less a straight line depreciation of 20% a year;
- Computer hard- and software are valued at cost-price less a straight line depreciation of 33.3% a year;
- Renovations building are valued at the historical cost-price less a straight line depreciation of 10% a year.

Current assets

The current assets are expected to mature within one year. They are valued at nominal value after deduction of necessary provisions for insolvency, based on the individual valuation of the receivables.

Foundation capital

The foundation capital is designated to the foundation's objectives. The part of the foundation capital, which is not recognized as fixed capital set apart for the foundation's objectives, is presented as expendable capital.

Foreign currency

Transactions arising in foreign currencies are translated into euros at the exchange rate prevailing at the date of transaction. At year-end, assets and liabilities denominated in foreign currencies are translated into euros at the exchange rate prevailing at balance sheet date. Resulting currency exchange results are included in the statement of income and expenditure.

Donations, subsidies and gifts

Donations, subsidies and gifts are recognized as income in the year to which they relate.

Subsidies from governments and others

All subsidies from governments, companies and other institutions are presented under this heading. Subsidies consist of contributions which have been related to the costs of execution of the project by the supplier. All subsidies are recognized in the year of report as far as the subsidy is granted to the year of report. Subsidies which have been granted, but which are not allocated in the year of report are presented as current assets.

Allocation of costs

Costs are allocated to the foundation's objectives on the basis of generally accepted principles on accounting. The costs of organization are allocated to the expenses made by the foundation for collecting funds and the expenses made for the realisation of the foundation's objectives. Allocation of the costs will take place according to a fixed percentage.

Direct costs related to the projects are recognized as costs related to the foundation's objectives. Direct costs accountable to the collection of funds are recognized as costs related to the collection of funds.



Auditor's report

Introduction

We have audited the summarized financial statements of Stichting Wemos, Amsterdam for the year 2006, as set out on pages 7 to 9. These summarized financial statements were derived from the financial statements for the year 2006. We expressed an unqualified opinion on these financial statements based on our audit, dated 29 March 2007. These summarized financial statements are the responsibility of the foundation's management. Our responsibility is to express an opinion on these summarized financial statements.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the summarized financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the summarized financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion with respect to the summarized financial statements

In our opinion, the information in the summarized financial statements is consistent with the audited financial statements for the year 2006.

For a better understanding of the financial performance and position and of the scope of the audit performed, the summarized financial statements should be read in conjunction with the unabridged financial statements for the year 2006 and the audit report thereon.

Amsterdam, May 4, 2007.

MAZARS PAARDEKOOPEL HOFFMAN N.V.
P.O. Box 7266 - 1007 JG Amsterdam, The Netherlands



L. van Garderen RA
(certified accountant)

To enjoy the best possible health is a universal human right

Universal Declaration of Human Rights

The right to health is expressly included in various charters and treaties, including the Universal Declaration of Human Rights. This means that the necessary conditions for a healthy and productive life, such as affordable care and good nutrition, should be available worldwide. Wemos calls upon politicians and policymakers worldwide to ensure health for all.



Wemos

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Colophon

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