





Tanzania

Doctors remove an ulcer from a patient in a newly constructed operating theater, one of three that were funded by WLF as part of efforts to improve surgical services in rural regions in Tanzania.

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Dear Colleagues:

When we established World Lung Foundation (WLF) five years ago, it was clear that more efforts were needed to combat the global epidemic of preventable lung disease, which kills 10 million people worldwide each year. Since 2004, WLF has emerged as a dynamic public health organization with expertise in project management, capacity building, health communications and information, and operational research.

in China, India, Mexico, Turkey, Russia and Ukraine under the Bloomberg Initiative to Reduce Tobacco Use. We provided public relations support for the release of the landmark World Health Organization Report on the Global Tobacco Epidemic, which yielded media coverage around the world. For World No Tobacco Day, WLF developed an innovative web video that could be customized and distributed in any country.



This past year was one of exceptional growth and achievement for WLF. We increased our financial commitment to global lung health by 66 percent, from \$25 million in 2007 to \$38 million in 2008.

2008 was a year of exceptional growth and achievement for WLF. We increased our financial commitment to global lung health by 66 percent, from \$25 million in 2007 to \$38 million in 2008.

During the past year, WLF supported new capacity building projects in tuberculosis and asthma, which together kill two million people worldwide each year. We provided funding for development of a state-of-the-art facility in the Philippines, to combat multidrug-resistant tuberculosis throughout Asia. To help reverse the incidence of child asthma in Kenya, WLF raised \$45,000 through the New York City Half-Marathon. The proceeds are being used for training, infrastructure and medicine to identify and treat this disease.

In the area of health communications and information, WLF helped launch major mass media social marketing campaigns

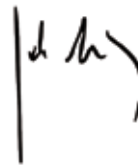
In operational research, WLF supported a pilot project in rural Tanzania to train medical officers to perform emergency obstetrical surgery. WLF commissioned five research reports on the economics of tobacco taxation; these are being used around the world to advocate for policy change. We also initiated a global research project to identify the most effective tobacco control behavioral change messages.

To support this programmatic growth and innovation, WLF underwent important operational and organizational changes in 2008. We moved our New York City headquarters to larger office space and added staff to increase the depth and expand the reach of our programs. In New Delhi, India, we opened a South Asia office, which has taken the lead in supporting a pilot program for a smoke-free Delhi University and has advised on several major regional tuberculosis initiatives. We also revamped our visual

identity and website to support our constituents and brand the Foundation more clearly.

Although we are proud of these many accomplishments, we face constant reminders that our work has only just begun. The number of drug-resistant TB cases is increasing. Rates of tobacco use continue to rise in developing countries. Environmental degradation and urbanization are causing more asthma, and pneumonia remains a major killer of children under five years old.

WLF is poised to meet these challenges. In 2009, we will add more programmatic expertise and build more sustainable capacity in the places where we work. We will maintain global flexibility and local focus. With your support, we will continue to improve the lives of individuals around the world by strengthening community capacity to prevent and manage lung disease.



Louis James de Viel Castel
President

TAX STATUS

World Lung Foundation is a non-profit, public charity organization registered in the State of New York. It is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to World Lung Foundation are deductible under section 170 of the US Code. The Foundation is also qualified to receive tax-deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the US Code.

OUR MISSION

**TO IMPROVE THE
LIVES OF INDIVIDUALS
ACROSS THE WORLD
BY STRENGTHENING
COMMUNITY CAPACITY
TO PREVENT AND
MANAGE LUNG DISEASE.**

Supporting Global Lung Health

World Lung Foundation was established in 2004 to reverse the global epidemic of lung disease, which kills 10 million people each year. Our efforts are focused in low- and middle-income countries, where lung diseases take their greatest toll. Although we are a relatively young organization, we are already providing groundbreaking programs and services that result in improved capacity to fight all forms of lung disease.

Our work is centered on providing assistance to governments and non-government organizations (NGOs) as they establish their own knowledge, experience and infrastructure to deliver high-quality public health services. By building local capacity through research, education, advocacy, and cooperation among organizations that share our mission, we can and will reduce unnecessary deaths from lung disease.

Our chief partner is the International Union Against Tuberculosis and Lung Disease (The Union), a non-profit scientific organization with which we share a common vision and core values. Other key partners include the World Health Organization, the United Nations' health agency, and the Stop TB Partnership, an international network of governmental and non-governmental organizations working together to achieve a world free of tuberculosis.

In 2006, WLF was selected by Bloomberg Philanthropies as one of five partners for the Bloomberg Initiative to Reduce Tobacco Use, a global program designed to implement proven tobacco control measures in low- and middle-income countries. Of the Bloomberg Initiative's initial \$125 million funding commitment, the Foundation received \$58.5 million. The Foundation has provided more than \$56.6 million of this sum in grants to its partners in order to support better policies and best practices in smoke-free jurisdictions, advertising and sponsorship bans, advocacy, graphic pack warnings, and other interventions. WLF also provided financial and technical assistance to governments and NGOs to use mass media social marketing strategies to support tobacco control policies and promote cessation.

Headquartered in New York City, with staff and consultants based around the world, WLF currently has a team of almost 30 and a \$49.7 million annual program budget. As we continue to broaden our reach, we will leverage existing relationships and create new partnerships to meet emerging challenges. Expanding local capacity will ensure the sustainability of programs that will improve lung health and save lives in the developing world for years to come.



5
YEARS OF GROWTH
AND IMPACT

World Lung Foundation supports projects in four priority areas: capacity building, operational research, health communications and information, and project management. These projects focus on five lung health areas: tobacco prevention and control, tuberculosis, HIV/AIDS, asthma, and child lung health.

CAPACITY BUILDING

Public health interventions achieve powerful results when managed and sustained by people from the communities they serve. However, developing countries may lack sufficient financial, operational and human resources to support lasting programs. WLF provides technical assistance to arm local health practitioners with the skills to create self-sufficient programs, including health system improvements and professional trainings. WLF promotes capacity building as a continuous process in all of the programs it supports.



OPERATIONAL RESEARCH

Scientific evidence is the foundation for all of WLF's work.



The development of new TB treatments has helped to temper the disease in many parts of the world. Medical studies confirm that asthma management requires reduced exposure to environmental triggers, as well as proper medicines. Research on the efficacy of

tobacco control interventions guides all of our programmatic work in this area. WLF's reliance on evidence goes hand-in-hand with its continual support of innovative studies. Over the past year, WLF has provided financial and operational assistance for

various research initiatives in lung health, such as the publication of country-specific tobacco taxation reports and the development of new treatments for multidrug-resistant tuberculosis.

HEALTH COMMUNICATIONS AND INFORMATION

Effective communication can help people protect themselves and their families. WLF supports social marketing health communications and mass media campaigns in several countries worldwide, through programs that are tailored to the specific needs of individual countries.

These campaigns help arm people with critical health knowledge.



PROJECT MANAGEMENT

As the guiding force of any successful initiative, project management involves careful planning and allocation of resources to meet objectives.

WLF provides assistance with the development and implementation of lung health programs, while helping to cultivate in-country capacity to assume project management functions. In the past year, for example, the Foundation provided project management assistance to improve the delivery of health services in Tanzania. We also assisted with the implementation of tobacco control mass media projects worldwide.



Morocco

A nurse provides therapy at an integrated health clinic.



2008 Grants and Program Activities

Kenya Association for the Prevention of Tuberculosis and Lung Disease

BACKGROUND

Characterized by attacks of breathlessness and wheezing, among other breathing difficulties, asthma affects nearly 300 million

people worldwide.

Its impact is most dramatic in low- and middle-income countries, where effective treatments

are widely unavailable. About 200,000 people die each year from asthma attacks, which cause airways to swell and can result in suffocation. The disease is more prevalent in cities, and as the world's population continues to urbanize, it is estimated that an additional 100 million people will develop asthma by 2025.

In Kenya, about 1 in 10 children between the ages of 10 and 14 is asthmatic. Sixty percent of these children suffer from persistent forms of the disease; they have trouble breathing almost daily and are unable to perform many basic physical activities. As in many developing countries, Kenya's asthma patients lack quality care, primarily due to inadequate diagnoses and an inability to obtain preventive drugs.

ACTION

The Kenya Association for the Prevention of Tuberculosis and Lung Disease (KAPTLD) is a constituent member of The International Union Against Tuberculosis and Lung Disease (The Union) and a member of the Stop TB Partnership. To improve asthma diagnosis and care in Kenya, KAPTLD has implemented a three-pronged approach: train health care providers and provide technical support to enhance good clinical practice in asthma; subsidize and deliver preventive medications; and obtain data on disease burden by introducing recording and reporting tools in health facilities.

To help fund these critical initiatives, WLF entered a team in the July 2008 New York City Half-Marathon. This annual 13.1-mile road race through New York City streets, beginning in Central

Park and running through Times Square, attracts thousands of runners from around the world. Thanks to its dedicated and generous Board of Directors, WLF pledged to match dollar-for-dollar the approximately \$1,000 raised by each member of its running team. Executive Director Peter Baldini led the group of



20 runners, all wearing team shirts imprinted with the phrase, "I'm running to save a child from asthma." Together with WLF, they raised \$45,000 to provide a grant to KAPTLD.

RESULTS

This money is helping to fund comprehensive asthma treatment for children in Kenya, including health care provider training, diagnosis tools, medicine, inhalers, and case management, as well as a public education program. So far nearly 200 nurses, clinicians and pharmacists were trained in late 2008, and a set of standardized asthma recording and reporting tools have been

developed and tested successfully. KAPTLD estimates that 1,000 Kenyan children with asthma will directly benefit from WLF's assistance.

Profile: NYC Half-Marathon Runner - Hayden Isbister

The Foundation owes its Half-Marathon success to dedicated volunteers such as Hayden Isbister, an investment attorney from the Cayman Islands, who made his first-ever visit to New York City last summer to run the race.

Isbister had no doubt he would run with WLF's Half-Marathon team the very first time he learned about the project, through the New York Road Runners website. In addition to his long history of support for charities that aid children, Isbister was motivated by his brother and wife, both of whom suffer from asthma. His passion for the cause pushed him to raise more than double the \$1,000 required to qualify to run

with the WLF team. "I was grateful to have the support of so many people who were committed to donating to this particular cause, and probably could have raised three times as much with just a bit more time," he said.

"The experience was wonderful," said Isbister, who was especially impressed with the size of the event and the unique opportunity to run in the streets of New York City at daybreak. "I was especially taken by the stark contrast between the emptiness of Times Square in the early morning and the intensity of the crowd when we went back there for lunch."

Isbister also praised his teammates and the WLF staff for helping to make his race experience so memorable. "The WLF team gelled so well as a group, and I enjoyed the chance to get to know everyone better," he said. "The encouragement we received from people lining the course was inspiring, and it was especially motivating to see so many WLF staff smiling and waving to us as we ran by." This year, Isbister has already competed in the Miami Half-Marathon—finishing in the top two percent of runners—and plans to run with WLF again in the future.



\$45,000
RAISED FOR CHILD
ASTHMA TREATMENT



IFAKARA Health Research and Development Center

BACKGROUND

Infant and maternal mortality rates in Tanzania rank among the world's highest, despite improvements over the past decade. Nearly half of all child deaths in Tanzania occur during the first

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week of life, and most of these newborns never have contact with health

care services. Lack of access to maternal and neonatal health care stems from severe shortages of skilled physicians and is compounded by lack of equipment, usable facilities, and adequate road and rail connections, particularly to rural areas.

ACTION

WLF provided \$1 million in funding to the IFAKARA Health Research and Development Center in Tanzania. This grant funded critical medical system upgrades, including capital improvements and health staff training. The funding helped to increase staff capacity through the training of midwives and non-physician health workers, called Assistant Medical Officers, in surgical and emergency medicine. These individuals are now qualified to provide a comparable level of obstetrical care as doctors, at a lower cost.

RESULTS

The first phase of the WLF-funded project was completed by mid-2008. During the first year, three clinics were outfitted with essential upgrades to improve capacity for emergency surgical services. These upgrades included new operating rooms, surgical equipment, and reliable supplies of electricity and clean water. Three new operating theaters were built in existing hospitals, three existing maternity wards were renovated, and 26 new staff houses were built to house medical personnel to work in the remote Kigoma region.

As a result of this project, 1,500 fewer infants will die in the days immediately following birth, and 350 fewer women will



die in childbirth each year, according to IFAKARA estimates.

This dramatic outcome prompted WLF to provide \$3 million more in grant funding in March 2008. These funds will help to expand the Center and enable similar programs to be launched in other regions of Tanzania. Plans also include building a blood processing center to ensure a safe blood supply, expanding patient transportation services, and hiring and training technical staff to maintain the increasing stock of state-of-the-art medical equipment. The project ultimately aims to help the country achieve sustainable health system improvements and establish a model for other developing nations.



PROFILE: TANZANIA PHYSICIAN - DR. MICHAEL CURCI

Although he recently retired after 30 years of practice as a general and pediatric surgeon, Dr. Michael Curci and his wife were not done with their life-saving work. They moved to Tanzania to start a new chapter in their lives—helping to establish badly needed health care services in the rural Kigoma region.

“When we arrived in Tanzania, there was no capacity to provide emergency surgery,” Dr. Curci said. “This is such a beautiful area of the world, right on Lake Tanganyika, but it is also quite isolated.” In addition to shortages of physicians and other trained medical workers, “we didn’t even have reliable supplies of clean water and electricity—things that many of us take for granted,” he said. “Because of poor roads and transport systems, it was difficult for people to travel for medical care, which is why it is so important for us to bring services closer to where people live.”

With funding from WLF, the IFAKARA Center was able to quickly improve its infrastructure and skills to provide basic medical care. As more patients seek care earlier, they gain confidence that they can be helped and can stay healthy, Dr. Curci said. “Our medical staff now have the training to treat things they couldn’t treat before. We’ve been able to show that we can treat diseases. People do get better.”

Bloomberg Initiative to Reduce Tobacco Use

BACKGROUND

Tobacco use will affect more human lives than any single disease in this century, according to the World Health Organization

(WHO). Because of population growth and the tobacco industry’s strategy of targeting youth and women in the

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developing world, about 80 percent of tobacco-caused illness and death will occur in low- and middle-income countries. Unless urgent action is taken to reverse this global epidemic, within 25 years the death toll from tobacco will climb to more than eight million people annually, and tobacco will kill as many as one billion people this century.

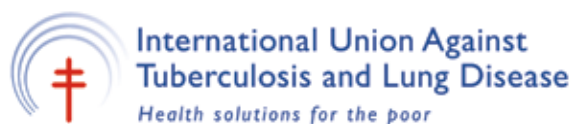
ACTION

For two years, WLF has been one of five partners involved in the Bloomberg Initiative to Reduce Tobacco Use. Established by New York City Mayor Michael R. Bloomberg in 2006 and funded by Bloomberg Philanthropies, the Bloomberg Initiative implements a multi-sector program to help countries with high rates of tobacco use make progress toward reducing their tobacco-related health burden. Other partners joining the Foundation in this work are the International Union Against Tuberculosis and Lung Disease (The Union), the Campaign for Tobacco-Free Kids, the US Centers for Disease Control and Prevention Foundation, the Johns Hopkins Bloomberg School of Public Health, and WHO.

WLF seeks to bring attention to the devastating effects of tobacco and reduce tobacco use in the developing world by supporting organizations active in all facets of tobacco control. We provide grants to the Framework Convention Alliance (FCA), an international coalition of more than 260 tobacco control organizations that advocate for adherence to the Framework Convention on Tobacco Control. This international public health

treaty obligates governments to adopt evidence-based measures to curb tobacco use. WLF is also actively engaged in work to carry out WHO's MPOWER package of six tobacco control actions proven to reduce tobacco use.

In 2008, WLF received \$33.9 million from Bloomberg Philanthropies, the second portion of its \$58.5 million two-year commitment. These funds supported a major international grants program managed by The Union, as well as activities by WHO and FCA. In 2008, WLF disbursed nearly \$33 million in grant funding through these key organizations. WLF also received \$9.3 million from the Bill and Melinda Gates Foundation; this amount was disbursed to The Union and FCA and allocated to various mass media projects in priority countries.



RESULTS: THE UNION

Grants

- In The Union's competitive grants program, four rounds have been completed. During Round 1 to Round 5, a total of 2003

project ideas were submitted, 284 full proposals were reviewed, and 97 grants were successfully negotiated in 35 countries.

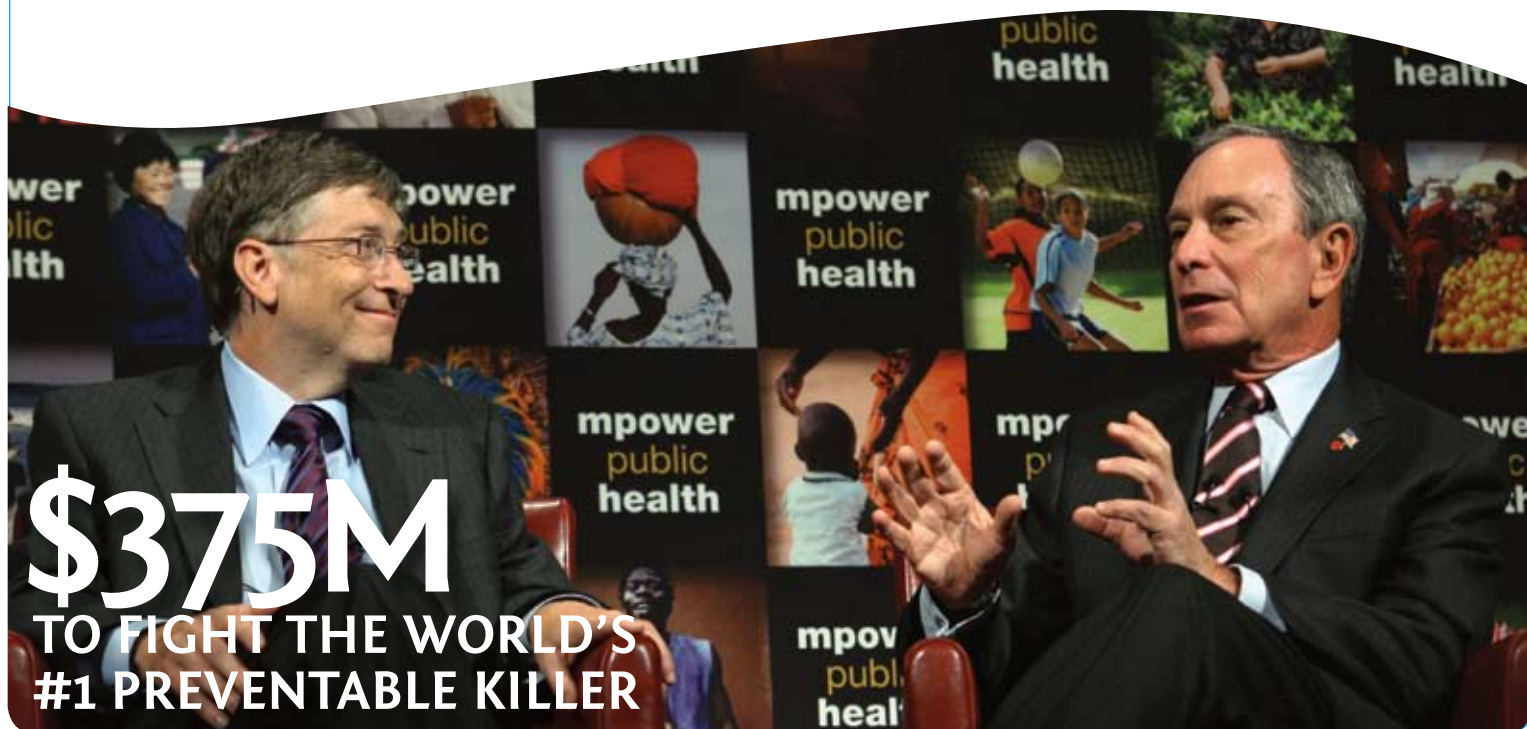
- An expert consultant panel of national and regional consultants in tobacco control and program management provides timely and supportive assistance to grantees and partners in priority countries.

Capacity Building

- The Union conducted 26 courses in eight countries, training 520 participants from government agencies, NGOs and educational institutions in a variety of management disciplines.
- The Union developed and published factsheets and technical guides on key tobacco control interventions, including pack warnings and tobacco-free health facilities, sports venues, and school campuses.

Resource Centers

- China: Originally established as a TB resource center, the Beijing office has transitioned to support tobacco control. Technical experts and new staff assisted with the 2008 Smoke-Free Olympics, participated in capacity building initiatives,



supported grant-funded organizations and BI partners with program implementation, and developed technical guidelines for making health care institutions 100 percent smoke-free.

- **Latin America:** Based in Mexico City, the new Latin America resource center supports and develops tobacco control capacity in Spanish and Portuguese. This office helped establish a national tobacco control department in Mexico, supported the largest civil society organization in Brazil to advance its tobacco control agenda, and developed a technical training on pack warnings. It also worked to increase funding, strengthen capacity, and monitor activities throughout the region.
- **Russia:** The recently opened Moscow-based resource center administered a grant to the Ministry of Health to establish a national tobacco control program. Other grants supported an emerging civil society coalition of tobacco control organizations, which raised awareness through media activities.
- **South East Asia:** This existing resource center in Delhi now supports tobacco control programs. Key activities include grant monitoring, technical assistance to strengthen tobacco control networks, and workshops in management, policy development

and media. The Union's South East Asia office assisted with smoke-free initiatives in India and is poised to assist with advocating for tobacco control policies in Bangladesh and Indonesia.

- **Middle East:** The new Cairo resource center has worked closely with country partners to address barriers to building tobacco control capacity in the region. The Cairo staff have also developed relationships with the Ministries of Health in Pakistan and Egypt, provided management and leadership courses, and supported Arabic-language translation of economics papers, factsheets and other materials. The staff have also assisted with mass media programs.



RESULTS: WHO

MPOWER

- WHO issued its landmark global tobacco control report, the first-ever comprehensive assessment of the tobacco epidemic and tobacco control policies at the country level. The report introduced the MPOWER package of six tobacco control policies proven to reduce tobacco use, to be applied as the means for countries to fulfill their Framework Convention obligations. An update, focused on protecting people from the harms of secondhand tobacco smoke, will be released in 2009.
- WLF provided public relations support and organized the press launch for the release of the MPOWER report. The event was attended by 34 media outlets and generated more than 500 stories in major global publications, as well as widespread broadcast coverage.
- WLF provided research and editorial support for development of a supplemental technical package providing guidance to countries on practical means of implementing MPOWER policies.

520
PARTICIPANTS TRAINED
IN MANAGEMENT



Regional Progress

- Eastern Mediterranean Region (EMRO): Helped to develop a set of culturally appropriate pictorial health warnings; released a new publication on tobacco industry activities; aired video spots encouraging youth to quit smoking for World No Tobacco Day (WNTD); held press conference to support new pictorial health warnings in Egypt; established the Technical Advisory Group on tobacco control in Pakistan.
- European Region (EURO): Issued six WNTD awards; assisted with implementation of Turkey's smoke-free legislation and development of Poland's; coordinated planning and development of Ukraine's national tobacco control program.
- Region of the Americas (PAHO): In Brazil, conducted national tobacco control capacity assessment and organized WNTD press conference to present new health warning images; assisted with implementation of smoke-free legislation in Mexico.
- South East Asia Region (SEARO): Organized WNTD events in all SEARO countries; helped to mobilize task forces and advocacy groups in Bangladesh and India to support implementation and enforcement of tobacco control laws; worked with ministries and civil society sectors to ensure a multisector approach to tobacco control in Indonesia and Thailand.
- Western Pacific Region (WPRO): Organized consultation network on MPOWER training with China, the Philippines and Vietnam; engaged with partners on media events to promote smoke-free Olympics and workplaces in China; participated in seminars to draft smoking cessation guidelines, develop a tobacco law clinic, and organize study tours on MPOWER implementation.



RESULTS: FCA

Conferences

- The Conference of the Parties to the WHO Framework Convention on Tobacco Control (FCTC) held its third session (COP-3) in South Africa in November. COP-3 continued work on FCTC guidelines and provided \$2.6 million to assist developing countries in implementing FCTC.
- FCA held sessions of the Intergovernmental Negotiating Body on Protocol on Illicit Trade in Tobacco Products in Geneva in February and October.
- FCA provided experts and briefing papers to five FCTC working group meetings.

Training Workshops

- A two-day illicit trade prevention training was organized in Damascus for government officials from Syria, Egypt and Iran, as well as a two-day workshop on illicit trade in tobacco products for South East Asian countries in New Delhi.
- In 2008 FCA held 15 capacity building workshops around the world to raise awareness about evidence-based tobacco control practices that are consistent with the FCTC.

FCTC Monitoring

- FCA conducts the FCTC Monitoring Project, working with NGOs internationally to gather data that assesses country progress in FCTC implementation.
- In November, FCA released international status reports on Articles 8 and 11 of the FCTC.

RESULTS: ECONOMICS REPORTS

Tobacco use causes economic harm by killing people at the peak of wage-earning capacity, depriving families of their breadwinners and nations of a healthy and productive workforce. Increasing the price of tobacco through higher taxes is the single most effective way to decrease consumption and encourage tobacco users to quit. When tobacco prices increase, consumption decreases among current smokers, and smoking initiation is less likely among youth, non-smokers, and those who have already quit. Research on the economics of tobacco can be used as evidence to support WHO's MPOWER policies, i.e. "R": Raise taxes on tobacco.

In 2008, WLF funded the publication of the following five reports detailing the economics of tobacco use and taxation.

- *"A Modern Economic View of Tobacco Taxation"* (Gruber, Koszegi)
- *"An Analysis of Cigarette Affordability"* (Blecher, van Walbeek)

Both reports present compelling evidence that increasing tobacco taxes reduces consumption and protects health without increasing the tax burden on the poor.

GRUBER REPORT

"A Modern Economic View of Tobacco Taxation" broke new ground by establishing a theoretical framework for viewing tobacco taxation as benefitting the poor. Gruber demonstrates that people may experience conflict between short-term desires and long-term goals and that this conflict leads to over-consumption of tobacco products. Since low-income individuals are more price-sensitive, raised taxes are of higher benefit to them, as taxes reduce consumption.

The report has been translated into Arabic, Chinese, Russian and Spanish and was disseminated to tobacco control experts, local and international NGOs, and international organizations such as WHO, the World Bank, the International Monetary Fund, and the Bloomberg Initiative partner organizations.

- *"India: The Tax Treatment of Bidis"* (Sunley)

This paper examines the preferential taxation structure of bidis, the most commonly smoked form of tobacco in India, and advocates for increasing taxes on bidis to the same levels as other tobacco products.

- *"Tobacco Economics in Indonesia"* (Barber, Adioetomo, et al)
- *"Tobacco Taxation and Its Potential Impact in China"* (Hu, Mao, et al)

These reports detail the current economics of tobacco use in China and Indonesia and demonstrate how increasing taxes would reduce consumption and increase government revenues.

Additional economic reports are scheduled to be published in 2009, beginning with an analysis of tobacco taxation in Russia.

RESULTS: PUBLIC EDUCATION MASS MEDIA CAMPAIGNS

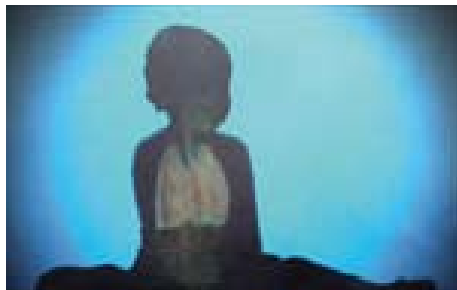
WLF provides technical assistance and financial support for the development, implementation and evaluation of tobacco control mass media campaigns. In 2008, the Foundation was active in thirteen priority countries, successfully assisting with the launch of campaigns in six. These campaigns supported smoke-free policies by warning against secondhand smoke dangers and used graphic images to depict the health harms of smoking.

Working with Australia's Cancer Council, a world leader in tobacco control media evaluation research, WLF has begun fielding a standardized international message-testing effort in ten of the Bloomberg Initiative priority countries. Ten ads are being tested in each country, five of which are the same in all countries, while the other five are being chosen by country representatives. Results guide campaign development and have so far demonstrated that graphic and emotional ads tend to be effective across countries. In 2008, the message-testing project was completed in China, Mexico, Russia and Indonesia.



Russia

“Sponge”: This hard-hitting ad from Australia’s Cancer Institute NSW was adapted and aired in Russia’s Samara region as part of a campaign focused on the health harms of smoking.



Ukraine

“Cigarettes Are Eating Your Baby Alive”: This ad, originally from New York City, was adapted and aired nationally as part of a campaign focused on the health consequences of smoking.



Turkey

“Smoke-free Air Zone”: This WLF-supported campaign featured three ads based on successful Irish smoke-free ads and aired on 21 local and national Turkish channels, in support of smoke-free legislation.



India

“Every Cigarette Is Doing You Damage”: Two Australian ads, “Lung” and “Heart,” were adapted by local officials. WLF provided funding to air and evaluate the campaign.

“Smoke-free”: To support a strengthening of India’s smoke-free law, WLF produced a smoke-free campaign with two TV ads, radio, outdoor and print ads, and a website.



Mexico

“Because We All Breathe the Same”:

This print, radio, outdoor and TV campaign supported national smoke-free legislation and aired in Mexico City.

“A Rest”: This radio campaign articulated the positive benefits of Mexico City’s smoke-free legislation.



China

“Smile”: WLF created this ad to support the national government’s focus on a smoke-free Olympics. The ad aired nationally and was adapted for a campaign in buses and subways in Tianjin.

“Smoke-free Beijing” and *“Stubs”*: To support smoke-free Olympics and raise awareness of smoking’s health risks, WLF supported four PSAs for TV, mobile and outdoor media. WLF also helped to develop two PSAs supporting a smoke-free directive in Beijing. A selection of these ads was then distributed and aired in more than 500 local hospitals and clinics in Tianjin and Shenyang.

“Giving Cigarettes Is Giving Harm”:

WLF produced this campaign, with supporting posters, denouncing the cultural practice of offering cigarettes as gifts.

Why Adapt? As in Russia, Ukraine, Turkey and India, WLF encourages countries to consider adapting ads from other successful tobacco control campaigns, rather than developing ads from scratch. Adaptation saves precious time and money, which then can be invested in purchasing more campaign air time, so that more people are exposed to the ads.

Fund for Innovative DOTS Expansion through Local Initiatives to Stop TB

BACKGROUND

In the fight against tuberculosis (TB), no methods have been proven to be more powerful than early detection and treatment. Tuberculosis control programs have been particularly

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strengthened and expanded worldwide through the use of the WHO-recommended

Directly Observed Treatment, Short-course (DOTS) strategy, the only proven strategy for TB control. Nevertheless, TB case detection rates have stalled short of WHO global targets. Fund for Innovative DOTS Expansion through Local Initiatives (*fidelis*) funds projects that focus on cost-effective and sustainable interventions, as well as on people with limited access to modern health care services. It emphasizes locally conceived initiatives that use existing social structures, talent and infrastructure to find and treat the disease.

ACTION

WLF provided \$85,500 in grant funding through The Union to evaluate the effectiveness of various case finding approaches in order to establish a best-practice package of activities. Researchers examined 51 projects in 18 countries and applied statistical techniques to the cases detected from each type of DOTS intervention.

RESULTS

The analysis showed that the *fidelis* project is worth pursuing and that relative merits of several DOTS approaches were identified. These results will enable national TB program operators to assess and evaluate the kinds of strategies that could be applied in their local contexts.

Tropical Disease Foundation

BACKGROUND

Although tuberculosis is preventable and treatable, it continues to be a major cause of illness and death worldwide. More than 2.2 billion people—one-third of the world's population—are

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infected. While the vast majority of those infected never develop active TB, there were 9.3

million new cases and 1.8 million deaths globally in 2007, the most recent year for which data are available. More than half of these new cases—and approximately half of TB deaths—occurred in Asia.

The fastest-growing type of tuberculosis is multidrug-resistant (MDR-TB), which develops when strains of TB bacteria develop resistance to two or more first-line antibiotic drugs, usually because patients do not complete the full course of standard treatment. According to WHO, it takes up to two years and nearly



1
STATE-OF-THE-ART
TUBERCULOSIS CENTER

\$20,000 to successfully treat each case of MDR-TB, compared with six months and as little as \$20 to treat each case of drug-susceptible TB strains with standard antibiotics. Less than 10 percent of MDR-TB cases globally are diagnosed and treated, demonstrating the enormous amount of work that remains to be done.

ACTION

WLF provided \$150,000 to the Tropical Disease Foundation (TDF) to establish a MDR-TB training facility in the first International Tuberculosis Center in Asia. The state-of-the-art center, located in Manila, also hosts a treatment center, a research laboratory, and computer systems that help manage a steady supply of much-needed anti-TB medications in the Philippines and throughout Asia.

RESULTS

The International Tuberculosis Center's training facility opened in March and has quickly become a hub of MDR-TB control activity in Asia. In addition to offering a variety of treatment and training programs focused on control of MDR-TB, the facility has created an online resource that assists TB practitioners with case identification, diagnosis and treatment, as well as programs that

improve clinical proficiency. An initiative using Radio Frequency Identification technology automatically and accurately identifies and tracks supply and demand of drugs, facilitating efficient distribution to patients. The technology has not only benefitted patients directly but has also enabled TB control experts to start self-sustaining programs in their own countries.

The Center's first training sessions took place in May, with 23 clinicians from 16 countries participating in an intensive five-day comprehensive clinical course on MDR-TB management. Participants also had the opportunity to visit the specialized MDR-TB treatment centers in Manila, where patients receive the first six months of treatment. In its first year of operation, dozens of practitioners from around the world have been trained on the best prevention, diagnosis and treatment techniques for MDR-TB. The TDF also provided technical assistance to other countries concerning implementation of the WHO's Guidelines for the Programmatic Management of Drug-Resistant TB, established by the Green Light Committee and the Global Fund to Fight AIDS, TB and Malaria.



16
COUNTRIES WITH NEWLY
TRAINED CLINICIANS

Communications Resources

CAPACITY BUILDING
OPERATIONAL RESEARCH
HEALTH COMMUNICATIONS
PROJECT MANAGEMENT

MASS MEDIA RESOURCE

Background

Research indicates that mass media social marketing campaigns can influence the behavior of smokers and non-smokers. Well-executed campaigns can help promote quitting, prevent the initiation of smoking, or encourage public demand and support for other policy interventions. Effective and sustainable campaigns, however, demand vast financial resources and specialized skills, including audience research, ad production, and message-testing. One solution: Adapt advertisements that have already been proven effective in other tobacco control campaigns.

Action

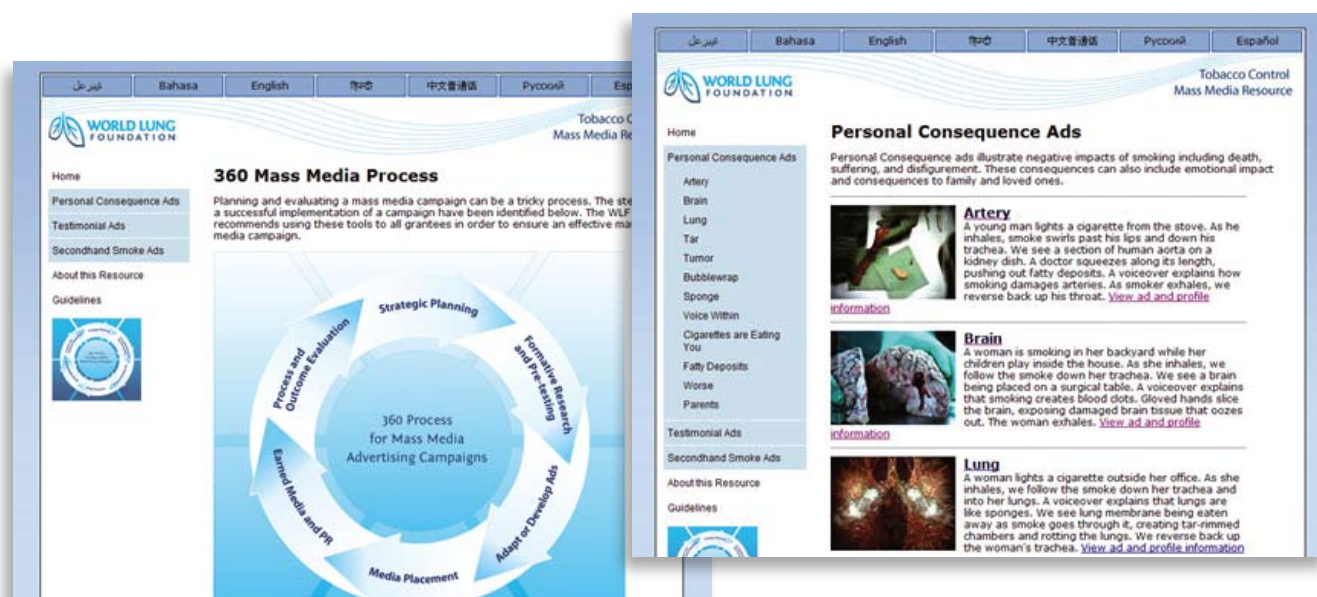
To help ease the burden and cost of developing new creative material, WLF convened a meeting of the Mass Media Taskforce, a panel that includes some of the world's foremost experts in tobacco control social marketing. The group was asked to

select ads that could be included in a collection of best practice campaigns. A key element in the selection was to choose ads that could be effective and easily adapted and licensed in developing countries. The result was an updated and digital Mass Media Resource (MMR), which includes hard-hitting ads that address the health effects of smoking and secondhand smoke, as well as testimonials from victims of tobacco use.

The MMR was designed, produced and translated into six additional languages, including Mandarin, Arabic and Spanish. The Resource includes guidelines on campaign planning and implementation, research and evaluation, and obtaining free media through public relations efforts. In October, WLF re-launched the Mass Media Resource at the Union's World Lung Conference in Paris.

Results

By the end of 2008, ads from the MMR had been adapted for use in five countries. The ads were used either in their original form, with dubbed translations in different languages, or were re-shot using local actors and locations. They supported a variety of regional and national tobacco control initiatives, such as cessation and smoke-free legislation. The MMR continues to be delivered to partners, grantees and tobacco control advocates in-country and through international public health conferences.



WORLD NO TOBACCO DAY VIDEO

Background

The tobacco industry works to ensure that children are regularly exposed to tobacco advertising, from print and billboard advertisements to branded gift products and sponsorship of concerts and sporting events. Such tactics help to establish brand loyalty long before children begin smoking. For World No Tobacco Day 2008, WHO called upon tobacco companies to stop marketing their deadly products to youth.

Action

WLF produced and distributed a customizable online video to support this call-to-action, using graphic photos depicting children smoking from WLF's Image Library. The video included an end-frame of customizable text, allowing advocates to choose WLF-suggested tag lines or create their own messages. The video was available on the WLF website and distributed virally, so users could embed the file anywhere on the Internet, including personal websites, blog posts, and Facebook pages.

Results

Nearly 100 organizations downloaded and customized the video in six different languages.



Original online video end frame:

250 million children alive today
will die from tobacco use.

Stop tobacco companies from
targeting our children.

All images provided by
World Lung Foundation Image Library

Some of the customizations made through WLF's online tool:

250 milhões de crianças vivas hoje irão morrer pelo cigarro.
Vamos evitar que as indústrias e suaconquistem nossas
crianças.

Every cigarette you buy helps tobacco companies pay for
advertising to children.

250 millones de chicos morieren por el uso del tabaco. Las
companias deben dejar de apuntar su publicidad a los mas
jovenes.

Be a model for children. Don't let them die from tobacco use.
Stop tobacco companies from targeting youth.
START WITH YOU

250 juta kanak-kanak hari ini akan mati akibat tembakau.
Hentikan ancaman industri tembakau terhadap mereka

Bugün hayatta olan 250 milyon çocuk, tütün kullanımından
dolayı ölecek. Tütün endüstrisinin çocuklarımızı hedef almasını
engelleysin.

Organizational Activities



India

A 23-day-old boy, suffering from respiratory problems, is admitted to an intensive care unit for surgery.

NEW STAFF AND CONSULTANTS

WLF continues to grow its programmatic and operational expertise, securing critical skills that are needed to create a world-class public health organization. In 2008, 11 new staff and consultants joined WLF. Hired in strategic cities such as Beijing, Cairo, Delhi, Mexico City, Moscow and Melbourne, these new hires have boosted WLF's ability to monitor and implement grants globally using a regional hub approach. For example, a mass media expert hired in Moscow also manages grants and technical assistance in Poland and Ukraine.



NEW HEADQUARTERS

In July, WLF moved from a shared space with the American Lung Association to its own dedicated headquarters in downtown New York City. The new 5,000-square-foot office provides the additional space needed to house WLF's expanding staff and is equipped with state-of-the-art communications and information technology.

NEW BRANDING AND WEBSITE

In 2008, WLF initiated a rebranding process to better reflect the organization's growth and vitality. A new logo was introduced and incorporated into all communications. In March, an updated website was launched with a more intuitive structure and more substantial content for lung health practitioners, donors, journalists, and other constituents. The new website also facilitated activities, including recruitment and fundraising for the New York City Half-Marathon, a Facebook community that currently has more than 400 members, and hosting technical assistance tools such as the Mass Media Resource and WLF Image Library.



WLF SOUTH ASIA OFFICE

In August, WLF opened its South Asia office in New Delhi, India. Headed by renowned international health expert Dr. G.R. Khatri, the office is a lead supporter of major tuberculosis and tobacco



control activities in the region. WLF's local presence enabled us to organize the Delhi University Smoke-Free Initiative (DUSFI), a pilot project to create a tobacco-free zone at the 30,000-student North Campus of Delhi University.

DUSFI conducted educational campaigns about the dangers of smoking and secondhand smoke exposure, installed signage, and organized a World No Tobacco Day awareness march that attracted thousands of participants. DUSFI plans to extend its activities to cover all campuses and colleges of Delhi University, which enroll a combined 300,000 students.

Financial Strength for a Productive Future

The breadth and complexity of the activities described in the pages of this report require strong administrative, operational, and financial management systems. During this global economic crisis, the responsible management of financial resources, together with the vigilant stewardship of World Lung Foundation's reserves, are crucial to attaining these successes. Achieving these results would not have been possible without a strong financial foundation reinforced by administrative and operational excellence.

Fiscal Year 2008 proved to be another year of improved operating performance, as reflected in our financial statements. WLF operated within the framework of a balanced budget, and donors generously increased their commitments to our programs. During 2008, the level of funding increased from \$26.3 million to \$45.3 million, representing a record 68 percent increase. Of this amount, 97 percent of funds were utilized for program services.

As a result of this financial growth, our staff increased from 13 in 2007 to 24 in 2008, and our operating expenses increased from \$805,814 in 2007 to \$1.1 million in 2008, representing a 43 percent increase from previous years. This increase includes the cost of facilities and staff necessary to manage and support the substantial growth in program activities. The amount spent on administration and fundraising represented three percent of total expenditures.

In June, WLF received a two-year grant for \$21.3 million from the Bill and Melinda Gates Foundation (through the Bloomberg

Family Foundation) to support media activities, a program of economic studies, and capacity building grants for tobacco control. WLF also received a two-year grant of \$3 million from an anonymous donor to support training and capacity building in Tanzania.

World Lung Foundation strives to be the most effective manager of the resources entrusted to us by our donors. To be the best, we must achieve superior operating performance and deliver high-quality services. We must constantly strive to be an effective advocate, a good neighbor, and a strong partner in the countries in which we work. We must provide a diverse and highly competent group of employees and consultants with respect, opportunity, and a place to build satisfying careers. And we must remain committed to integrity, accountability, and continuous improvement.

We are proud of what we have accomplished during Fiscal Year 2008 as an organization and look forward to building on these achievements as we strive to provide even more valuable services in the future. Our accomplishments this year demonstrate that we have the management depth and talent to improve our operating performance and the support of our donors to keep WLF as a key player in international health.



Peter A. Baldini
Chief Executive Officer



Joanna Thomas
Vice President of Operations

STATEMENT OF FINANCIAL POSITION

December 31, 2008

	2008	2007
ASSETS		
Cash and cash equivalents	\$ 408,195	\$ 8,934,934
Investments	2,635,215	36,819
Grant receivable	13,263,125	25,299,553
Prepaid expenses	45,078	1,916,705
Property and equipment, net	378,548	117,789
	<u>\$ 16,730,161</u>	<u>\$ 34,927,500</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 759,667	\$ 237,442
Grant payable	3,266,563	600,000
Grant advances	13,263,125	33,947,487
Total Liabilities	<u>17,289,355</u>	<u>\$ 34,784,929</u>
Net assets (deficit)		
Unrestricted	(1,909,468)	(57,429)
Temporarily restricted	1,350,274	200,000
Total net assets (deficit)	<u>(559,194)</u>	<u>142,571</u>
	<u>\$ 16,730,161</u>	<u>\$ 34,927,500</u>

STATEMENT OF ACTIVITIES

Year ended December 31, 2008

(with summarized amounts for 2007)

	Unrestricted	Temporarily restricted	2008 total	2007 total
PUBLIC SUPPORT				
Grants	\$ 43,296,238	\$ 2,174,136	\$ 45,470,375	\$ 24,642,395
Contributions	9,682	–	9,682	19,089
Investment income	331,690	–	331,690	372,314
Other income	30,964	–	30,964	4,714
Contributions in-kind	–	–	–	119,364
Net assets released from restrictions	1,023,862	(1,023,862)	–	–
Total public support	44,692,436	(1,150,274)	45,842,710	25,157,876
EXPENSES				
Program services	45,394,865	–	45,394,865	26,126,279
Supporting services				
Management and general	1,052,851	–	1,052,851	631,706
Fundraising	96,759	–	96,759	174,108
Total supporting services	1,149,610	–	1,149,610	805,814
Total expenses	46,544,475	–	46,544,475	26,932,093
Change in net assets (deficit)	(1,852,039)	(1,150,274)	(701,765)	(1,774,217)
NET ASSETS (DEFICIT)				
Beginning of year	(57,429)	200,000	142,571	1,916,788
End of year	\$ (1,909,468)	\$ 1,350,274	\$ (559,194)	\$ 142,571

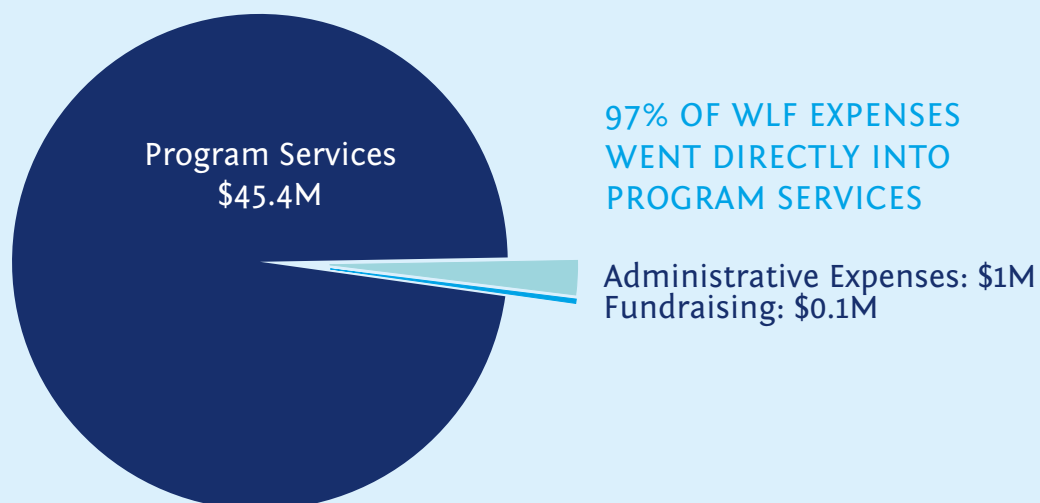
STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2008

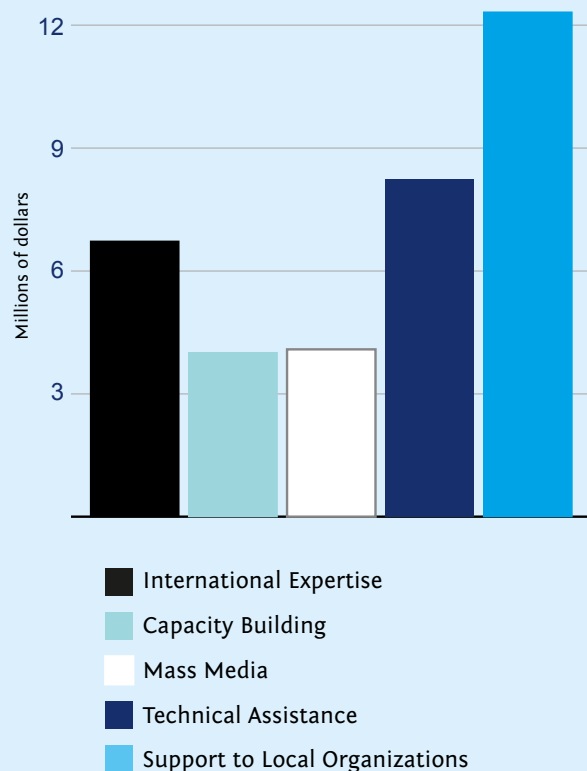
(with summarized amounts for 2007)

SUPPORTING SERVICES

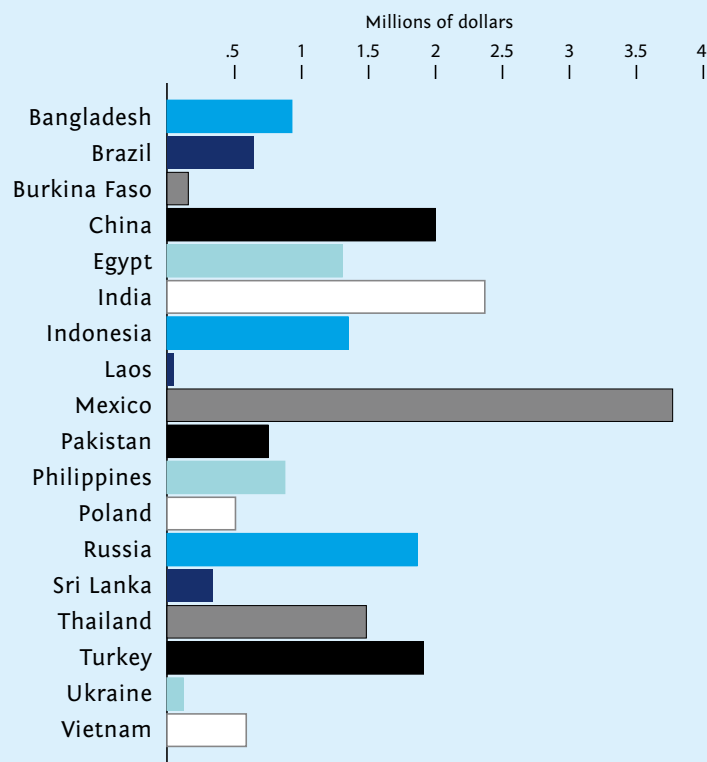
	Program services	Management and general	Fundraising	Total supporting services	2008 totals	2007 totals
Grant expenses	\$ 38,278,217	\$ –	\$ –	\$ –	\$ 38,278,217	\$25,108,946
Operating expenses	\$ 7,116,648	\$ 1,052,851	\$ 96,759	\$1,149,610	\$ 8,266,258	\$ 1,823,147
Total expenses	\$ 45,394,865	\$ 1,052,851	\$ 96,759	\$1,149,610	\$ 46,544,475	\$26,932,093



BLOOMBERG INITIATIVE FUNDS BY CATEGORY



BLOOMBERG INITIATIVE FUNDS BY COUNTRY



Management Responsibilities for Financial Statements

This report describes the financial position of World Lung Foundation at the end of Fiscal Year 2008, and the previous pages consist of an extract from the audited financial statements.

The financial statements and the accompanying notes of World Lung Foundation include all funds and accounts for which the Board of Directors has responsibility. The management of World Lung Foundation is responsible for the preparation, integrity and fair presentation of the financial statements. These financial statements and audit report, which can be obtained upon request to the CFO, are presented in accordance with generally accepted accounting principles and, as such, include amounts based on judgments and estimates by management. World Lung Foundation also prepared the other information included in this annual report and is responsible for its accuracy and consistency with the financial statements.

The financial statements have been audited by the independent accounting firm O'Connor Davies Munns & Dobbins LLP, which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors. World Lung Foundation believes that all representations made to the auditors during their audit were valid and appropriate.

O'Connor Davies Munns & Dobbins LLP's audit opinion is presented on page one of the report.

World Lung Foundation maintains a system of internal controls over financial reporting, which is designed to provide reasonable assurance to WLF's management and Board of Directors regarding the preparation of reliable published financial statements. Such controls are maintained by the establishment and communication of accounting and financial policies and procedures, by the selection and training of qualified personnel, and by periodic reviews designed to identify internal control weaknesses in order to permit management to take appropriate corrective action on a timely basis. There are, however, inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statements preparation.

The Board of Directors of World Lung Foundation, through an Audit and Compliance Committee comprised of directors not employed by World Lung Foundation, is responsible for engaging the independent auditors and meeting with management and the independent auditors to ensure that each carry out their responsibilities. The independent auditors have full and free access to the Audit and Compliance Committee.

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Many of the images in this report are available license-free at worldlungfoundation.org

DESIGN

Yvette Chang, Stephen Hamill, Chun-Yu Huang



Tanzania

A jeep carrying health care workers struggles through mud and water, on its way to visit a health center during the rainy season. Such conditions inhibit access to medical care and supplies in remote regions of the world.



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