LWF Treasurer Stoll Warns of Impact of Global Financial Situation on LWF's Work. Reduced Contributions from Some Member Churches and Related Agencies

GENEVA, 23 October 2009 (LWI) - In his report to the Council of the Lutheran World Federation (LWF) today, LWF Treasurer Mr Peter Stoll warned of the effects of the global economic and financial crisis on the work of the LWF Secretariat. The economic crisis has been long and deep, he said, and it was unpredictable when times would return to normal.

Addressing the Council, meeting from 22 to 27 October at Chavannes-de-Bogis near Geneva, Stoll underscored that the crisis has had an impact on most if not all LWF member churches and related agencies, several of which already had to reduce their budgets substantially.

The global financial situation therefore will "inevitably have an impact on the support of churches and agencies to the work of the LWF Secretariat," Stoll indicated. He expressed the hope that churches and agencies would do their best to support the secretariat in the future. However, this year already, some member churches and related agencies have reduced their contributions, and it was anticipated that this would continue. The work of the Department for Mission and Development had been particularly affected, Stoll said.

Structural Deficit Requires Action

In his report, Stoll noted that the LWF secretariat has had a structural deficit for years. "While exchange gains have fortunately covered the deficits in the last years, we cannot plan our future on exchange gains," he cautioned.

The projected deficits for 2009 and 2010 called for strong measures. In view of the structural deficit of the Geneva coordination budget, Stoll stressed that activity and staffing policies need to be realigned as soon as possible, and that the organization's streamlining was also a priority. These measures were especially urgent in view of the projected decreased support from member churches and agencies.

2008: USD 1.1 Million Surplus

The 2008 LWF budget showed a surplus of USD 1.1 million. While the organization's reserves had increased to USD 22.5 million, the 2009 and 2010 projected deficits would reduce these reserves
The LWF's total income in 2008 was around USD 102.9 million, compared with USD 100.2 million the previous year. Total expenditure last year was USD 101.3 million, compared with USD 96.8 million in 2007. The report noted that the LWF had to make a provision of USD 549,000 to compensate undercoverage of the pension fund.

LWF Eleventh Assembly in 2010

Turning to the LWF Eleventh Assembly to be held in Stuttgart, Germany, in 2010, Stoll reported that the Assembly working budget was USD 2.2 million. The projected income covers the projected expenditure. As of 30 June 2009, the LWF had received Assembly contributions amounting to USD 1.6 million.

The treasurer stated that the budget had been worked out together with the host church, the Evangelical Lutheran Church in Wuerttemberg, which will be responsible for the local logistics. A prepayment to the Wuerttemberg church had helped to eliminate most of the currency exchange risk, he added.