WE EFFECT

IN BRIEF
A development cooperation organisation established in Sweden in 1958 with the aim of reducing the gulf between rich and poor throughout the world.

Has 70 Swedish organisations and companies with cooperative roots as members.

Operations in more than 20 countries across four continents to tackle poverty and injustice.

Supporting people to help themselves is the core of our development cooperation work.

Partnerships with over 160 local organisations around the world.

Is the world’s largest development cooperation organisation in terms of number of projects.

Is not affiliated with any political party or religion.

We work to eradicate poverty around the world, focusing on equality, women and help to self-help. When people come together and form cooperatives, the effect is that more families enjoy higher incomes, food on the table and adequate housing – and can come out of poverty for good.

Our focus areas are sustainable rural development, housing, gender equality and the right to land.

IN SWEDEN
WE FOCUS ON:

Encouraging people to take a stand and get involved in supporting a just and sustainable world order.

Fundraising to support our development cooperation activities.

OUR FUNDRAISING ACTIVITIES ARE AUDITED BY THE SWEDISH FUNDRAISING CONTROL

We have a 90-account for fundraising that is monitored by the Swedish Fundraising Control. This ensures that the fundraising is ethical and professional and that at least 75 percent goes to the intended purpose.

Production: We Effect, Lotte Kölare
Repro/print: Print Run AB
In summer 2018 Swedish farmers were hit by a severe drought, resulting in extensive forest fires and financial losses. This not only affected the farmers; all of Sweden felt the effects of the crisis, which has led to increased concern – but also hope. At the time of writing, hundreds of thousands of young people around the world have gone on strike to influence politicians towards taking firm action. The climate crisis is here – but so too is the desire to strive for a sustainable future.

Anna Tibblin,
Secretary General

Tommy Ohlström,
Chairperson

A YEAR OF CHANGE

Summer 2018 saw presidential elections in Zimbabwe, the first in several decades without involvement from the former national president Robert Mugabe, who was deposed the year before. But even though the former dictator is no longer in power, a lot remains to be done to eradicate poverty and injustice in Zimbabwe.

The desire is there, and there are many examples of how change is happening. One of them is Theresa Marwei.

Theresa is a member of Women and Land, one of We Effect’s partner organisations, which works for women’s right to land. It is generally true to say that, traditionally, women in Zimbabwe work the land, while men own it. The people who own the land also have the right to the profits from the land’s production.

Theresa married in 1968 and had 12 children. Ever since, she has run the home and worked on her husband’s plot of land. In 2011, she came into contact with We Effect and learnt that women have the same rights as men. She started making demands of her husband, telling him she wanted to be involved in the household finances and decisions on how they used the money from selling the yearly harvest. But he refused. Theresa grew angry and said that she felt she was being treated with disrespect. In the end she had had enough. In 2015, she went on strike. She refused to work on the farm, refused to cook – and refused to sleep in the same bed as her husband. And it worked. The next year, Theresa was given her own parcel of land. She planted corn and managed to grow three times more than her husband. Since then, she has built her own house and her husband has now moved in.

In summer 2018, Theresa Marwei was elected to the equivalent of her town council. Her motto is “nothing is impossible”, and the message to other women is that they do not need to rely on their husbands. She works to combat discrimination and alter ingrained ways of thinking.

When it comes to her relationship with her husband, she gives a wide smile and says, “He eventually realised we are stronger together.”

We Effect works in 25 countries around the world, and although conditions differ, all the people we work with have at least three things in common: none of them has chosen to live in poverty, all have the same value and the same rights, and all of them want to contribute to a better world, one where our children can live full, worthy lives without poverty and injustice.

At We Effect we have rolled our sleeves up that bit further; there is a lot to do. Together with you, we make a difference.
We have operations in 26 countries including the head office in Sweden.

**LATIN AMERICA**

In Latin America, We Effect supports people who want to join forces and demand their right to food, housing and a life of equality.

Aníbal Martinez, Rosa Hernandez and their grandson Alex, El Salvador.

**AFRICA**

The most important part of We Effect’s work in our two regions in Africa is strengthening the rights of people in poverty.

Enelies and George Msale and their son Manase, Malawi.

**EUROPE**

In the European countries, We Effect’s work is mainly focused on three aspects: rural development, reconciliation and equality.

Engelke Sule and Floins Pepa, Albania.

**ASIA**

In Asia, We Effect supports women’s rights, sustainable agriculture and people’s right to housing.

Mahendran Rahanthi and her husband Mahendran, Sri Lanka.

It is thanks to donations from individuals and companies that We Effect can carry on development cooperation activities. Our own fundraising is a prerequisite in order to receive funding from Sida, which is We Effect’s main donor. We Effect also receives funding from other sources, such as Swedish and foreign embassies, the EU, international organisations and the Swedish Postcode Lottery. The Board decides on the guidelines for our work. Our efforts are focused on:

- **Where poverty is greatest**: The majority of the world’s poor live in rural areas.
- **Where there are partner organisations** that are relevant for us to collaborate with and are deemed to have development potential.
- **Where we judge that our efforts will yield positive effects**.

Great poverty does not always mean that we are able to work effectively and achieve good results. Development cooperation is most effective when formulated in discussion with those at whom the support is aimed. Decisions about operational activities are therefore made in each region, as close to the field as possible.

In each case we work in partnership with a local organisation, more than 160 altogether around the world. We jointly decide on objectives for the activity and follow up on the results:

- **What activities will be carried out**? They often involve training and advice within rural development, housing, access to land and equality.
- **What change should the activities lead to**? It could be that the participants in the project achieve increased income, the opportunity to increase their harvests and get better paid. They may improve their land rights, build homes for themselves or be more successful in their advocacy work.
- **What long-term effects should the work yield**? Ultimately, all We Effect projects should contribute to reducing poverty and injustice. What can be measured is altered behaviour and improved living conditions; for example, participants in the project becoming self-sufficient and being able to send their children to school. There may also be social changes that reduce injustice, e.g. new laws regarding women’s right to land.

When a project is concluded, the results are reported to Sida and other donors. Private donors are informed through our newsletter Effekter, among other channels. Each project is carefully evaluated to enable us to learn and improve.

The Board makes decisions on overall guidelines regarding the focus of our development cooperation work, in consultation with the management. In the five regions where we conduct development cooperation, decisions are made on the formulation of the projects.

**Income**

How the money is used

<table>
<thead>
<tr>
<th>Source</th>
<th>Income Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants from Sida</td>
<td>63%</td>
</tr>
<tr>
<td>Grants from partner orgs</td>
<td>15%</td>
</tr>
<tr>
<td>Fundraising SEK 6K</td>
<td>14%</td>
</tr>
<tr>
<td>Expenses for deductible activities</td>
<td>1%</td>
</tr>
<tr>
<td>Other income</td>
<td>1%</td>
</tr>
<tr>
<td>SEK 89 of every hundred kronor that comes in to We Effect goes towards our purpose (development cooperation and communication).</td>
<td></td>
</tr>
</tbody>
</table>

**Geographic distribution of development cooperation and advocacy**

- Sweden 10% (incl. 4% advocacy)
- Latin America 20% (incl. 4% advocacy)
- Southern Africa 20% (incl. 4% advocacy)
- Asia 11% (incl. 4% advocacy)
- Europe 5% (incl. 4% advocacy)
- Global 1% (incl. 4% advocacy)

The money that goes specifically to development cooperation is distributed globally as shown above.
CONTINUED WORK ON VISIBILITY AND FOCUS ON MONTHLY DONATION

The “we” effect is continuing to produce good results. Thanks to a good collaboration with our member organisations and new monthly donors, fundraising is continuing to increase – as is awareness of We Effect. All donations, however big or small, help the cause of development cooperation!

2018 CAMPAIGNS MAINLY DIGITAL

During 2018, We Effect has carried out two major marketing campaigns, in the spring and around Christmas. Ahead of the Christmas campaign, the gender equality concept launched in 2016 was developed, with the message “Give women power!” in still and moving pictures. The focus in both the spring and Christmas campaigns was on integrated working, in all channels, to increase fundraising and awareness.

Media initiatives in 2018 focused on achieving a broad reach and capturing relevant target groups, which we can then convert into firm donations via digital channels and advertising. We have been seen in TV commercials, print ads, digital ads, and above all on an ongoing basis on social media. On social media we can see good results for reach and engagement from those who see our material. The focus is on strong stories that highlight the needs in the countries where we operate. Moving material has the greatest effect.

By the end of the year, the campaign had been viewed 13,500,000 times on on-demand platforms. We Effect’s gender equality campaign was also shown on SVT.

In mid-September, Swedish public broadcaster SVT started a project that helps children learn to read and write, see a doctor and go to nursery school. In Albania, these children are Roma and other vulnerable children. At six local partner organisations, including Amaro Drom in Albania, the children are now also shown their name. There is of course much still to be done, but the figure is steadily increasing. When We Effect first started measuring the statistics in 2015, the figure was just 13 per cent. The situation is not as good online, which we gauged for the first time in 2018. Just 12 per cent of all black Africans pictured in digital media had their own name published, compared to 100 per cent of people with white skin.

HIGH VISIBILITY ON TV FOR ROMA PROJECT

Supported by Radiojätten/Världens Barn (Children of the World), We Effect and our local partner organisation Amaro Drom in Albania are running a pre-school project for Roma and other vulnerable children. At six pre-schools across Albania, these children can learn to read and write, see a doctor and have enough to eat.

In mid-September, Swedish public broadcaster SVT, along with author and lawyer Malin Persson Glitoo, visited one of the pre-schools ahead of the 2018 Children of the World TV gala. The spot was shown as a main feature of the Children of the World TV gala in October, and two shorter spots on the same project were also shown on SVT.

CONTINUED MAJOR SUPPORT FROM THE POSTCODE LOTTERY

In 2018, We Effect once again received SEK 20 million from the Swedish Postcode Lottery for special targeted initiatives. One of the projects initiated back in 2017, thanks to the funding from the Postcode Lottery, is building an health facility in Colombia. The peace treaty in Colombia includes massive support for rural development, and the first paragraph specifies rural development as a key factor in keeping the agreement. Several donors and players have asked for We Effect’s expertise in the area, and the aim of the operation there is to help rural development and contribute to the peace process. A national office was therefore established in Colombia in 2018, with an on-site project coordinator.

INCREASED FUNDS FROM BISTAND PÅ KÖPET

Despite there being no campaign activity related to the scheme, income from it increased by just over SEK 200,000 in 2018. Bistånd på köpet is a collaboration with Coop, MediMax bank, whereby card owners can round up their shopping bill and donate the difference to We Effect. There was a change in ownership of the card during the year, which meant that no campaign could be run.

WE EFFECT VISIBLE IN NEW YORK

We Effect took part in Sweden’s official delegation to the UN’s annual Commission on the Status of Women in New York. The theme in 2018 was Challenges and opportunities in achieving gender equality and the empowerment of rural women and girls. We Effect organised a side event with Sweden, UN Women and Colombia on the vital role of women and girls in creating sustainable development and sustainable peace. Alongside partner organisations REPREM, a Latin-American network organisation, ACFODE, Uganda and NOGOUCC, Zambia, we also ran a parallel event on cooperative care solutions in rural areas and how they can help us to achieve the global sustainability goals.

NEW MONTHLY DONORS

A successful face-to-face campaign aiming to subscribe new monthly donors was carried out in Coop supermarkets.

We Effect was able to increase the number of monthly donors by 31 per cent during the year.

RECRUITMENT FOR THE WORLD’S TOUGHEST JOB

For the fourth time, The World’s Toughest Job project began in autumn 2018. The World’s Toughest Job is about recruiting a Swedish woman travel to a project supported by We Effect, this year in Zambia. She then spends three weeks living with a Zambian family, and can see what it is like to be a woman farmer and live on her terms. The recruitment process ran until Christmas and produced just over 200 applicants. It garnered extensive attention in the media with press, radio and TV reporting on the campaign.

BIKE AND WATER CONTAINERS IN ALMEDALEN

A mobile activity linked to The World’s Toughest Job involves a bicycle from Uganda loaded with three water containers. Decision-makers, commentators and visitors in Almedalen were challenged first to balance a water container on their head for 12 seconds, then to balance a container on a bicycle from Uganda loaded with three water containers. Decision-makers, commentators and visitors in Almedalen were challenged first to balance a water container on their head for 12 seconds/12 years until Agenda 2030, and the containers symbolise the heavy workload incumbent on women living in poverty in rural areas, and the need to complete a quota.

Participants in the activity included Gustav Fridolin, former Minister for Education/spokesperson (Green Party), Louise Kinning, former Sustainability Manager at Coop, Lars Ericson, CEO of the Stockholm Consumer Cooperative Society, Alexandra Pattillo, journalist and commentator, Leenakak Sandström, feminist and activist, as well as Margaux Dieta, blogger and YouTube profile. Margaux Dieta posted a 20-second video in her ‘Behind the scenes at Almedalen Week’ vlog, which had 121,043 views, highlighting the heavy burden on women who live in poverty in rural areas.

MORE PEOPLE NAMED IN PRINTED MEDIA

Again in 2018, an #everyonehasaname report was published. The most important revelation from the 2018 report was that more and more black Africans are being named in printed media. Forty-seven per cent of everyone pictured is now also shown with their name. There is of course much still to be done, but the figure is steadily increasing. When We Effect first started measuring the statistics in 2015, the figure was just 13 per cent. The situation is not as good online, which we gauged for the first time in 2018. Just 12 per cent of all black Africans pictured in digital media had their own name published, compared to 100 per cent of people with white skin.

WE EFFECT 60 YEARS!

We Effect was founded in 1958 (as Utan gräns-er/Without Borders), so 2018 marked its 60th anniversary. The event was celebrated in October, with a high-level seminar and subsequent dinner for specially invited guests. Speakers included Jan Eliasson, diplomat and former Deputy Secretary-General of the United Nations, and the newly appointed Secretary General of We Effect, Anna Tibblin. A panel debate, buffet and general socialising were all on the agenda, and total donations of SEK 1,787,389 were raised from member organisations and other parties, including SEK 1,689,389 from housing company Rabobanken.

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**DEVELOPMENT MEETS CHALLENGES**

Drought, flooding and civil unrest. Corruption, inequality and shortcomings in human rights. These are many challenges in sub-Saharan Africa, and 2018 was no exception. While poverty is decreasing in the rest of the world, Africa is falling behind. We Effect’s work is, however, making a difference. Together with our partner organisations, during the year we have supported tens of thousands of people, primarily women, in taking power over their lives and futures in a sustainable, long-term way.

We Effect’s seven focus countries in Africa are some of the poorest in the world, with huge differences in resource allocation within each country. Climate change has made the weather more unpredictable, which in turn increases uncertainty regarding the availability of food each day. As always, it is the very poorest who suffer the most.

**A VIOLENT YEAR WITH EQUALITY-RELATED GLEMMERS OF HOPE**

Families were driven from their land, farmers’ organisations were monitored, and anyone who stood up for their rights was shot and killed. 2018 was a dark year in We Effect’s focus countries in Asia. But there have been glimmers of hope, including thousands of women taking their places as leaders and entrepreneurs.

The region has been characterised by major political tension, resulting in violence and loss of scope for civil society. Democratic freedoms and rights have been undermined by despotic leaders hungry for total power. People who have stood up and protested the injustice have been imprisoned or murdered.

Many vulnerable minorities

Minority groups were particularly vulnerable, with persecution and oppression from politicians and dominant groups. Palestine suffered one of the bloodiest years in a long time, with thousands being injured and hundreds killed when they protested against more than 50 years of occupation. Chinese influence in the region is palpable, with large-scale infrastructure projects violating the rights of smallholders in Burma/Myanmar, the Philippines and Cambodia.

**Focus countries in Africa are Kenya, Malawi, Mozambique, Tanzania, Uganda, Zambia and Zimbabwe.**

**AIMS!**

- To strengthen organisations that represent people living in poverty.
- To promote equality between women and men and ensure that at least half of the resources go to women.
- To increase poor smallholders’ influence, income, access to financial services and land rights.
- To work to achieve long-term, sustainable agriculture and support initiatives to ensure that more people have food and an income and are less vulnerable to climate change.
- To provide more people with the opportunity to have a safe and sustainable home.

**AFRICA**

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Women’s struggles on many fronts

Women not being allowed to take part on equal terms is one of the greatest obstacles to development in the region. During the year, We Effect initiated new programmes in all its countries, with a strong focus on women’s rights and cooperative development as tools for fighting poverty, famine and injustice. In several countries, the number of female leaders and entrepreneurs in We Effect’s partner organisations increased in 2018.

Asia has been hit by typhoons and flooding during the year. Climate change is now a stark reality for farmers in the region. We Effect provided emergency support to farmers in Vietnam who were hit by typhoons, and supported thousands of families in growing drought-resistant crops and building houses that can withstand extreme weather, for example.

**Focus countries in Asia are the Philippines, Cambodia, Burma/Myanmar, Palestine, Sri Lanka and Vietnam.**

**AIMS!**

- To reduce poverty by promoting gender equality. Women shall have the same access to land, power and income as men.
- That more people gain access to adequate housing.
- To support people in countering the effects of climate change through sustainable agriculture.

**EFFECTS**

410,055 people, more than half of them women, were reached by We Effect’s support in Asia during 2018, an increase of 5 per cent on the previous year. Region Asia began an advocacy training in gender equality, which was launched in the Philippines. The 15 course graduates are now responsible for managing gender equality efforts in their organisations and communities.

In Pakistan, the number of female leaders in organisations supported by We Effect increased by 10 per cent compared to 2017, totaling 281 female leaders. Women now hold 4.5 per cent of all leader positions within We Effect’s partner organisations there.

In Cambodia, five new farming cooperatives started up, helping to double their value chains and secure higher payment for their products. Five farming cooperatives in Vietnam merged and began using organic labelling on their vegetables, spices and products.

Supported by We Effect, 198 cooperative members gained the legal right to land in Sri Lanka. 2,804 female farmers were supported by We Effect in Asia during 2018.

11,196 female entrepreneurs were supported by We Effect in Asia during 2018. Altogether, the 5,871 members (5017, 1401, 230) – an increase of 17 per cent from the previous year.

A total of 8,347 farmers received support to use sustainable farming techniques through the We Effect Asia programmes in 2018.

An entire municipality in the Philippines was named a declared ecological zone, following many years of advocacy from We Effect partner organisation FarmCoop. It is the first eco-municipality in the country and it benefits more than 460 smallholder farmers.

We Effect supported a campaign for greater gender equality in Palestine, which reached 50,000 people via Facebook. With We Effect’s support, 2,877 new houses were built in the Philippines during the year. They can withstand typhoons and are designed with women’s rights in mind.

A farmer’s union in Siem Reap, Cambodia, learnt how to own rice trade with We Effect’s support: Angkor Empire Rice.

**Focus countries in Asia are the Philippines, Cambodia, Burma/Myanmar, Palestine, Sri Lanka and Vietnam.**

**AIMS!**

- To promote equality between women and men and ensure that at least half of the resources go to women.
- To increase poor smallholders’ influence, income, access to financial services and land rights.
- To work to achieve long-term, sustainable agriculture and support initiatives to ensure that more people have food and an income and are less vulnerable to climate change.
- To provide more people with the opportunity to have a safe and sustainable home.

**EFFECTS**

7,762 people, 80 per cent of them women, were given increased access to financial services in local savings and loan groups in Malawi.

There were a total of 4,094 active savings and loan groups with 114,744 members in the Eastern African cooperative supported by We Effect.

147 new study circles with a total of 2,528 participants, focusing on increasing agricultural productivity, were started under the direction of We Effect’s partner organisation Dairy Association of Zambia.

The number of women in cooperatives in Uganda who are active in savings and loan groups increased by 72 per cent.

The number of women and girls who received legal and social support from We Effect’s partner organisations in Zimbabwe increased from 205 to 2,765.

In the Menzo Central Coffee Cooperative Union in Kenya, the position of women has been strengthened, as the men have given some of their land to their wives, so that they can manage their own coffee plantations. Some 25,000 new plants were planted in 2018.

In the Niassa province of Mozambique, families have been given training in nutrition. 1,300 families now have vegetable crops, which counteract the serious malnutrition found in the area.

The number of members in the Eastern African housing cooperatives increased by 14 per cent during the year to total 15,269 people, while the number of cooperatives increased by 9 per cent to 481.

More than 2,500 families in Mozambique have started to use energy-saving cookers, which save wood and help to reduce climate impact.

Our partner Lithium Commercial Bank in Tanzania opened its 150th branch and has activated 90 new cooperatives and 44 savings and loan groups.

The average production of milk from the farmers in We Effect partner organisations in Zimbabwe increased from 3.3 litres to 8 litres per day.

A new project, funded by the Province of Sweden, began in 20 villages in Tanzania, to secure the right of women to own land.

A pilot project with the Kenyan Quisi Coffee Farm- ers’ Cooperative Union to switch to biodegradable materials for planting new coffee plants exceeded expectations and proved to be more efficient and more climate-smart for the coffee farmers. **100,000 people in Vietnam who were hit by typhoons, and supported thousands of families in growing drought-resistant crops and building houses that can withstand extreme weather, for example.**

**Focus countries in Africa are Kenya, Malawi, Mozambique, Tanzania, Uganda, Zambia and Zimbabwe.**

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- To provide more people with the opportunity to have a safe and sustainable home.
Focus countries in Latin America are Bolivia, Colombia, El Salvador, Guatemala, Honduras, Nicaragua and Paraguay.

During the year, baseline information for the five-year period has been produced for the programmes in all focus countries.

In the housing cooperatives in South and Central America, 65 per cent of the members and 91 per cent of the board members are women.

A new EU project in Guatemala, focusing on increasing the competitiveness of smallholders, was given the go-ahead and began. The project is expected to reach more than 1,100 people in Guatemalan highlands.

In El Salvador, We Effect’s partner organisations’ advocacy work has led to parliament approving a decree enabling the construction of at least 360 homes in housing cooperatives in central San Salvador. The decree also means that low-income single women will receive a 150 per cent subsidy for building the homes.

In Honduras, 100 indigenous women and young people took part in training on ILO Convention 169 concerning the rights of indigenous and tribal peoples. These in turn educated a further 2,150 other people.

Fifty-four young people in Nicaragua, 28 of whom were women, have taken part in training in cooperatives, leadership and advocacy work.

126 cooperatives have been started by former guerrillas in Colombia.

In Bolivia, eight agroecological plantations have been started by women’s groups.

In Paraguay, advocacy work among partner organisations led to the funding of a housing cooperative with 52 homes in the Paraguayan countryside.

In Guatemala, 260 women have been given support to install a water collection system; they each have a tank to water their crops during the dry season.

537 people in El Salvador have attended study circles on human rights and the right to housing.

In Honduras, government funds have been earmarked for the construction of 130 new homes for a housing cooperative. The cooperative has already had 173 homes built, and construction of a further 120 will begin in 2019. The area will be a neighbourhood with schools, recreation areas and health centres.

In Nicaragua, 420 women from 12 cooperatives have been trained in agroecology. The women have also started agroecological gardens for their own use.

The Europe programme reached 30,564 members (4.7 per cent women) in rural areas and 246 local organisations took part in programme activities in the region.

180 farmers who produce fruit in the Koşep region of Albania were trained in post-harvesting preparation for certification to the international GAP standard.

20 female smallholder farmers in Bosnia and Herzegovina built greenhouses and were trained in organic production. The women’s companies have added a total of 2,030 square metres of vegetable production.

203 farmers (185 women) in Kosovo were trained in financial management and with associations, marketing, and developing organisations and business plans.

990 farmers in Moldova; 342 of them were women, trained in climate-adapted agriculture. Thanks to newly started field schools, 1,132 farmers were also able to learn more about sustainable organic farming.

We Effect’s partner organisation National Roma Centrum in North Macedonia started a study circle with 53 female Roma members.

In Albania, 347 farmers (130 women) were trained in new agricultural production techniques through We Effect partner organisation Agronoya.

30 new study circle groups were formed in the region with 300 new members – 294 of them women.

We Effect’s partner organisation Agropuka in Albania started a training centre, where members and students can learn about how local herbs and barks are affected by climate change and the importance of environmental preservation.

We Effect’s partner organisation Initiative for Kosovo developed a training centre where farmers can learn about the importance of environmental preservation.

In Kosovo, 175 female smallholders received training in FAIR – a new initiative to promote sustainable development.

In Albania, a new agricultural cooperative was formed in the region.

We Effect partner organisation Amaro Drom, in Kosovo, was given the go-ahead and began. The project has received funding from the Swedish Postcode Lottery. In Albania, the We Effect Children of the World project supporting Roma children was visited by Swedish public broadcaster SVT.

In North Macedonia, 173 women were trained in agroecology. The women have also started agroecological gardens for their own use.

In Moldova, 249 farmers (165 women) took part in training on smallholder agricultural techniques.

113 rural women in Kosovo were trained in women’s rights to land and property.

Representatives from member organisations at the annual general meeting of We Effect partner organisation National Federation of Farmers in North Macedonia increased from 27 to 43 between 2017 and 2018.
We Effect reaches a broad section of the public in its awareness-raising and fundraising activities via its member organisations. Representatives from the founder organisations sit on the Board of Directors and help make decisions about We Effect’s long-term work.

**GENERAL INFORMATION ABOUT OPERATIONS**

**Purpose and vision**
We Effect is a non-profit association with an eradication to poverty in the world. We Effect, in cooperation with its Swedish member organisations, works to create commitment, mould public opinion, mobilise resources and win public support for long-term international development work. Our vision is a sustainable and just world free from poverty. We Effect is not affiliated with any political party or religion.

**Mission and target group**
We Effect’s mission is to conduct development cooperation activities that strengthen local and member-based organisations comprising of women and men living in poverty. By supporting these local associations and cooperative companies, We Effect wants to strengthen members’ influence over their own lives and communities. These associations are our partner organisations, and we work closely with aid agencies together with them. We Effect is the world’s largest development cooperation organisation. Our cooperation aims to promote cooperative and member-owned entrepreneurship in our focus countries.

**Core values**
We Effect believes that everyone is equal and has the right to live under acceptable conditions. We work according to the conviction that people are stronger together and that sustainable development presupposes a respect for human rights and democracy.

**Our aid work**
We Effect works within two main thematic areas: sustainable rural development with support for farmer organisations, as well as adequate housing with support for cooperative housing associations. All work is performed by a strong gender equality perspective. We Effect works to unite democracy with business development and social responsibility. The right to land, financial services, a sustainable environment in ecological balance and equal rights permeate all our activities.

Most of our partner organisations are member-based farmer organisations, housing cooperatives or savings and loan associations. We choose our partner organisations with great care and a prerequisite for cooperation is that we share a willingness and ability to contribute to reducing poverty, increasing justice and supporting sustainable development.

The partner organisations within rural development operate for instance in providing farming advice, price negotiations, business development and strengthening people’s self-empowerment. The organisations also work to create initiatives that contribute to poverty reduction. Within the thematic area of adequate housing, We Effect is working with organisations that help to secure access to land for homes, thus enabling member-owned housing cooperatives for people who are seeking to develop savings and loan associations that provide people living in poverty, especially in rural areas, the opportunity to finance their own dreams.

We Effect works with a strong focus on rights. This means that we work with individuals who are powerless victims or recipients of aid. It also helps to tackle the structural causes of poverty and injustice, rather than just the symptoms. We Effect’s rights-based approach states that all people have rights and are capable of affecting change, and are not just powerless victims of aid.

**Our global organisation**
We Effect’s head office in Sweden functions as a base for fundraising, market communication and advocacy activities, along with financial and programme quality assurance. The global management group coordinates all our activities. The focus is to ensure that the member organisations are essential elements of We Effect’s operations.

The organisation is decentralised and decisions are made as close as possible to our focus countries. We Effect’s local presence is one of the added values of the organisation as it promotes local ownership, efficiency and sustainable development, and leads to a better understanding of local issues. We Effect has five regional offices around the world and we are also national offices in several of the countries in which we operate.

We Effect’s development activities are organised into five regions:

- **Eastern Africa** encompassing Kenya, Tanzania and Uganda. The regional office is located in Nairobi, Kenya.
- **Southern Africa** encompassing Malawi, Mozambique, Zambia and Zimbabwe. The regional office is located in Luanda, Zambia.
- **Latin America** encompassing El Salvador, Guatemala, Honduras, Nicaragua, Bolivia, Colombia and Paraguay. Colombia was added as a new focus country during the year. The operation in Paraguay is being phased out.
- **Europe** encompassing Macedonia (now North Macedonia), Albania, Bosnia-Herzegovina, Kosovo and Moldova. The regional office is located in Skopje, North Macedonia.
- **Asia** encompassing Burma/Myanmar, the Philippines, Cambodia, Palestine, Sri Lanka and Vietnam. The regional office is located in Ho Chi Minh City, Vietnam.

We Effect has special criteria that determine where the organisation works. Fundamental is that the organisation works in countries and areas where it can provide added value beyond just funding. We Effect always conducts an assessment regarding desired results. The decisions are based on whether an initiative would be considered relevant to support and whether it has the potential to yield good results. Considerable poverty and injustice does not always mean that effective operations can be pursued that would lead to positive results. The Board of Directors decides on which countries We Effect should work in.

**Collaboration with member organisations**
In 2018, We Effect had 68 member organisations. Together, We Effect and the companies and organisations that make up the association’s membership form a development cooperation organisation that is strongly rooted in Swedish society. We Effect enjoys a profound and extremely important partnership with the member organisations within the following areas:

- **Information**: The member organisations are an important channel when informing the Swedish public about global conditions, development issues and We Effect’s development cooperation activities.
- **Fundraising**: The fundraising activities of the member organisations are an important source of income for We Effect. The goal is for this fundraising to support the member organisations as well. For We Effect to remain non-profit and finance its own activities, it needs member organisations and to contribute added value to the member organisations’ business activities.
- **Advocacy**: Work to encourage more people to take a stand for a more just world is carried out as far as possible in cooperation with our member organisations.

**Partnerships and networks**
We Effect collaborates with several international organisations. For example, We Effect is a member of the board of AgroCmd, an international network of development cooperation organisations working to strengthen farming and former farmers’ organisations in developing countries. We Effect is also a member of the International Land Coalition (ILC), a global alliance of civil society and intergovernmental organisations working together to promote secure and equitable access to land. We Effect is also a member

**ANNUAL REPORT 2018**

**DIRECTORS’ REPORT**

The Board of Directors and the Secretary General of We Effect (reg. no. B2004-1524) hereby submit the following annual report for the financial year 1 January – 31 December 2018.
In connection with We Effect’s 60th anniversary, a seminar was organised on the board of Concord Sweden, a European network aiming to influence the EU’s development cooperation policy. In addition, We Effect plays an active role on the government-appointed FAO committee, the Swedish Fundraising Council (FRF), Foreningen Riksamlingarna (Children of the World), Ideall, and Fairtrade Sweden.

OTHER NON-FINANCIAL INFORMATION

Collaboration with Vi Agroforestry

We Effect has been the framework organisation of Vi Agroforestry (fundraising foundation Vi Planterar Träd/We Plant Trees) since 2005 in its relationship with Sida CSVM. This means that We Effect relays Sida funds to Vi Agroforestry. We Effect and Vi Agroforestry cooperate closely in daily activities at the head office. The organisations exchange experiences and cooperate within most areas, thus achieving cost-effective development cooperation.

Code of Quality for fundraising organisations

We Effect is a member of the Swedish Fundraising Council (FRF), which is a collective body for Swedish fundraising organisations. FRF has developed a Code of Quality for ethical and professional fundraising activities, to which We Effect adheres. Over the years, We Effect has worked to maintain transparent administrative systems and policies for its activities. We Effect works continually to ensure that the organisation’s methods and the level of quality in projects are consistent in all parts of the world. Since 2013, compliance with the code has been monitored by an external auditor.

SIGNIFICANT EVENTS DURING THE YEAR

The Administrative Department

The year 2018 consists of three units: Finance, Human Resources and IT.

Since we have been given notice on our current premises, during the autumn we looked for appropriate new premises, and just before Christmas we signed a new contract for Östergatan 90 in Stockholm, where we will move in at the end of 2019.

We also began an internal project to strengthen and define clearer roles and responsibility, across the organisation, and ensure that all offices, regional offices and the head office have sufficient resources to more effectively manage change processes and keep up with technological developments.

The hopes aroused after the coup against Robert Mugabe were dashed, surrounding the local elections in October.

Renamo and Frelimo in Mozambique continued, despite some turbulence in the dairy sector.

The geographic review which began in region Asia and any changes in the world of 2018 marked the beginning of a new programme period, 2018–2022. The latter is a merger of the previous units Method and Quality, and Resource Mobilisation. The International Department also includes the regional offices, which have operational responsibility for the organisation’s development cooperation work.

We Effect has developed and launched focus projects, which is a new and important area of work for advocacy work; this network now has a dialogue with the government on how to improve conditions for coffee farmers. Coop Sweden visited the region with an interest in coffee production.

There has been a negative political development in Tanzania during the year, with several violations of citizen’s fundamental human rights. One example was that pregnant girls were forbidden from returning to school, while control is also increasing on civil society. It is forbidden to publish statistics that are not approved by the state. Despite a calmer political atmosphere in Kenya, human rights activists are being questioned. In Uganda, the scope for political opposition is being reduced. We Effect is strives to combat this through total transparency in dealing with the states.

Latin America – The programmes have been hit by several cases of corruption in our partner organisations, which has provided some important lessons. At the same time we have achieved success from new collaborations in Colombia, three major project agreements with the EU, agreements on coordination with other international organisations in the housing programme, and in Bolivia a national platform for a care economy led by We Effect. The regional office has also been invited to serve as an observer in the newly formed cooperative platform.

The Central America region remains highly unstable. During the year climate change, violence and extreme poverty have led to high-profile migrant caravans to the USA. The trial of Berta Cáceres’ murderers in Honduras came to an end in November, when seven people were convicted of involvement in her assassination.

In Guatemala the government has managed to close down the anti-corruption institution CIDH by withdrawing visas for its experts, and for Commissioneer Iván Velásquez. The conflict in Nicaragua, which broke out in April following a decision to reduce pensions and raise social security fees, intensified and led to hundreds of deaths and imprisonments.

Europe – We began implementation of the overarching Europe programme and two new regional projects. We Effect’s relations with Swedish embassies and EU delegations were bolstered in all focus countries, and alongside partners We Effect secured a place in the Ministry of Agriculture’s working group for agriculture and rural development in Northern Europe.

Our Vårdes Barn (Children of the World) project for Roma children in Albania was visited by Swedish public broadcaster SVT Television, and had a major impact during the 2018 Children of the World TV gala. In Macedonia We Effect, along with our partner organisation WaterAid, was among the signers of a declaration to promote socioeconomic rights for women in rural areas. We also presented a shadow report to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in Geneva.

2018 was a year of much political turbulence in the region. The signing of the Prepa agreement between Macedonia and Greece, after almost 30 years of dispute regarding the name of Macedonia, resulted in the new name North Macedonia. Moreover, Albania and Kosovo were ranked as the European countries with the lowest income per capita according to the International Monetary Fund, 2160.

Asia – During the autumn, a comprehensive review was conducted on the region. Issues analysed include the project’s added value, the scope for civil society to act, and opportunities for funding. Operations in both Palestine and Sri Lanka have been fundamentally overhaul. A lot of focus has been placed on strengthening the partner organisations work, and on the need for a new programme and global strategy for climate change. The Federation of Swedish Farmers, LIF, visited Vietnam during the year.

The region has faced serious political challenges, resulting in an escalation of violence and less space for civil-society organisations who work with rights. Minority groups were particularly vulnerable, with persecution and oppression from politicians and dominant groups. In Sri Lanka there were problems with the government issued a state of emergency. Palestine suffered one of the bloodiest years in a long time, with hundreds of people being killed when they protested against more than 50 years of occupation. Asia has been hard hit by typhoons and extreme drought during the year, followed by flooding. Climate change is now a stark and indigulate reality for farmers in the region.

FINANCIAL POSITION AND PERFORMANCE

Forfinans for the fund’s core activities, the remunerations and awarded amounts amounted to a loss of SEK 1.3 million. We Effect is a non-profit organisation. However, the Board considers it important to have equity as a buffer, to ensure the long-term survival of our operations at all times. Fund investments are recorded at cost. We Effect will maintain low risk in its financial investments, in accordance with the organisation’s policy of consolidation and capital investment.

The Board proposes that the association’s result be carried forward in its entirety.

Financing of operations

Total operating income in 2018 amounted to SEK 328.6 million. Donations from companies and individuals are an important element of financing, and totalled SEK 65 million, including product sales. The public grants amounted to a total of SEK 256.8 million and grants from non-public organisations amounted to SEK 7.9 million.

We Effect is a framework organisation to Sida CSVM, and the majority of the financing comprises the framework grant, SEK 128.8 million. Financing also includes other appropriation items from Sida and other institutions.

During the year, Sida CSVM grants have been paid out to the Vi Planterar Träd/We Plant Trees fundraising foundation (Vi Agroforestry) via We Effect.

Expenses for charitable activities

The volume of our expenses for charitable activities was SEK 299.6 million, including forwarded grants. Africa receives the highest proportion of financial support, at 53 per cent. Support to Latin America accounts for 20 per cent, and Europe and Europe and the Middle East for 22 per cent. The advocacy activities and other expenses for charitable activities in Sweden amounts to 10 per cent.

Significant events after the end of the financial year

The geographic review which began in region Asia and any changes in the region will be decided by the Board in early 2019. The review of the other regions will be reviewed later.

Future development

Operations in 2019 will to a great extent continue involving the implementation work on the old development cooperation programmes in the regions, as well as continuing to develop work processes for harmonisation and increased global learning across all of the operations.

16 WE EFFECT ANNUAL REPORT 2018 17 WE EFFECT ANNUAL REPORT 2018
ANNUAL ACCOUNTS

Income statement

<table>
<thead>
<tr>
<th>Amounts in SEK</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING INCOME</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>3</td>
<td>60,942,614</td>
<td>55,943,751</td>
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<tr>
<td>Grants</td>
<td>3</td>
<td>264,739,156</td>
<td>283,772,145</td>
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<tr>
<td>Net sales</td>
<td>4</td>
<td>301,319</td>
<td>307,379</td>
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<tr>
<td>Other operating income</td>
<td>4</td>
<td>2,868,703</td>
<td>684,034</td>
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<tr>
<td>Total operating income</td>
<td>3</td>
<td>328,604,734</td>
<td>340,703,249</td>
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<tr>
<td>Operating expenses</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses for charitable activities</td>
<td>6</td>
<td>-299,572,849</td>
<td>-315,828,223</td>
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<tr>
<td>Administrative expenses</td>
<td>7</td>
<td>-15,410,591</td>
<td>-16,432,492</td>
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<tr>
<td>Cost of goods and services sold</td>
<td>8</td>
<td>-5,540,716</td>
<td>-561,888</td>
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<tr>
<td>Fundraising expenses</td>
<td>9</td>
<td>-19,393,254</td>
<td>-15,961,691</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>10</td>
<td>-335,924,410</td>
<td>-348,784,294</td>
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<tr>
<td>Operating result</td>
<td>11</td>
<td>-7,319,676</td>
<td>-8,081,045</td>
</tr>
<tr>
<td>Earnings from financial investments</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings from securities and receivables accounted for as non-current assets</td>
<td>13</td>
<td>3,870,067</td>
<td>1,687,583</td>
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<tr>
<td>Other interest income and similar profit/loss items</td>
<td>14</td>
<td>1,081,309</td>
<td>779,917</td>
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<tr>
<td>Interest expenses and similar profit/loss items</td>
<td>15</td>
<td>-4,796</td>
<td>-70,642</td>
</tr>
<tr>
<td>Total earnings from financial investments</td>
<td>16</td>
<td>4,917,180</td>
<td>2,396,918</td>
</tr>
<tr>
<td>Result after financial items</td>
<td>17</td>
<td>-2,402,496</td>
<td>-5,684,127</td>
</tr>
<tr>
<td>Result for the year</td>
<td>18</td>
<td>-2,402,496</td>
<td>-5,684,127</td>
</tr>
<tr>
<td>Change in earmarked funds</td>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Result for the year according to the income statement</td>
<td>20</td>
<td>-2,402,496</td>
<td>-5,684,127</td>
</tr>
<tr>
<td>Utilisation of earmarked funds from prior years</td>
<td>21</td>
<td>2,805,529</td>
<td>2,549,301</td>
</tr>
<tr>
<td>Earmarking of funds</td>
<td>22</td>
<td>-1,663,736</td>
<td>-3,494,502</td>
</tr>
<tr>
<td>Remaining amount for year/ change in retained equity</td>
<td>23</td>
<td>-1,260,703</td>
<td>-6,629,328</td>
</tr>
</tbody>
</table>

Balance sheet

<table>
<thead>
<tr>
<th>Amounts in SEK</th>
<th>Note</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>12</td>
<td>858,340</td>
<td>1,287,510</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>13</td>
<td>35,792,020</td>
<td>33,566,187</td>
</tr>
<tr>
<td>Current assets</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>15</td>
<td>161,848,855</td>
<td>113,026,518</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>16</td>
<td>201,824,552</td>
<td>151,751,158</td>
</tr>
<tr>
<td>EQUITY AND LIABILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained equity</td>
<td>17</td>
<td>79,729,590</td>
<td>80,990,293</td>
</tr>
<tr>
<td>Total equity</td>
<td>18</td>
<td>3,376,929</td>
<td>4,521,722</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>19</td>
<td>83,109,519</td>
<td>85,512,015</td>
</tr>
<tr>
<td>Provisions</td>
<td>20</td>
<td>1,514,000</td>
<td>0</td>
</tr>
<tr>
<td>Total provisions</td>
<td>21</td>
<td>1,514,000</td>
<td>0</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>22</td>
<td>7,431,930</td>
<td>4,628,196</td>
</tr>
<tr>
<td>Accounts payable – trade</td>
<td>23</td>
<td>102,535,590</td>
<td>54,030,329</td>
</tr>
<tr>
<td>Liability received, unutilised grants</td>
<td>24</td>
<td>565,758</td>
<td>709,317</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>25</td>
<td>6,461,736</td>
<td>7,009,317</td>
</tr>
<tr>
<td>Accrued expenses and deferred income</td>
<td>26</td>
<td>117,201,033</td>
<td>66,239,143</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>27</td>
<td>201,824,552</td>
<td>151,751,158</td>
</tr>
<tr>
<td>TOTAL EQUITY AND LIABILITIES</td>
<td>28</td>
<td>201,824,552</td>
<td>151,751,158</td>
</tr>
</tbody>
</table>

The internal consolidation target is for the retained equity (as a percentage of base costs) to be between 75 and 150 per cent of the total base costs, which comprise administrative, fundraising and communication expenses, and 10 per cent of expenses for charitable activities. This leave a sufficient level of reserves in place to wind down activities in a responsible manner should there be a considerable drop in income from fundraising and grants.
Change in equity

<table>
<thead>
<tr>
<th>Earmarked funds</th>
<th>Retained equity</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>4,521,722</td>
<td>80,990,293</td>
</tr>
<tr>
<td>Earmarked</td>
<td>1,463,736</td>
<td>1,643,738</td>
</tr>
<tr>
<td>Utilised</td>
<td>-2,805,527</td>
<td>2,805,527</td>
</tr>
<tr>
<td>Result for the year</td>
<td>-1,938,766</td>
<td>-1,938,766</td>
</tr>
<tr>
<td>Closing balance</td>
<td>2,582,956</td>
<td>77,051,527</td>
</tr>
</tbody>
</table>

The above amounts for earmarked funds were determined by the donor.

Cash flow statement

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td></td>
</tr>
<tr>
<td>Result after financial items</td>
<td>-2,402,496</td>
</tr>
<tr>
<td>Adjustments for non-cash items</td>
<td></td>
</tr>
<tr>
<td>Depreciation/amortisation and impairment losses</td>
<td>-794,778</td>
</tr>
<tr>
<td>Capital result from sale of financial assets</td>
<td>-3,869,056</td>
</tr>
<tr>
<td>Change in other provisions</td>
<td>1,514,000</td>
</tr>
<tr>
<td>Cash flow from operating activities before changes in working capital</td>
<td>-3,962,773</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td></td>
</tr>
<tr>
<td>Changes in inventories</td>
<td>25,211</td>
</tr>
<tr>
<td>Change in current receivables</td>
<td>-10,696,639</td>
</tr>
<tr>
<td>Change in current liabilities</td>
<td>25,211</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>-36,327,689</td>
</tr>
<tr>
<td>Investing activities</td>
<td></td>
</tr>
<tr>
<td>Acquisition of financial assets</td>
<td>-66,063,387</td>
</tr>
<tr>
<td>Sale of financial assets</td>
<td>67,076,610</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>1,643,223</td>
</tr>
<tr>
<td>Cash flow for the year</td>
<td>37,970,912</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>89,847,628</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>127,818,540</td>
</tr>
</tbody>
</table>

NOTES with accounting policies and supplementary information

All amounts are in SEK unless otherwise stated. Information in parentheses refers to the previous year.

NOTE 1 Accounting policies and valuation methods

This annual report has been drawn up in accordance with the Swedish Annual Accounts Act (1995:1554), the Swedish Accounting Standards Board’s BFNAR 2012:1 Annual and Consolidated Accounts (IKE) and the Swedish Fundraising Council’s FRFK’s Guidelines for annual reports. The accounting policies and valuation methods are unchanged compared with the previous year.

Recognising income

Operating income

Only the inflow of economic benefits that the association has received or will receive for itself is recognised as income. Unless stated otherwise below, income is measured at the fair value of what has been received or will be received. Below is a description of when income is recognised for each income item.

Donations and grants

A transaction in which the association is given an asset or service that has a value without giving back the equivalent value in exchange is a donation or received grant. If the asset or service is received because the association has met or will meet certain conditions and the association has an obligation to repay the counterparty if the conditions are not met, it is a received grant. If not, it is a donation.

Donations

Donations are generally recognised as income when they are received. As regards donations in the form of equities, real estate and art that the association intends to sell on, the income is recognised when the donation is made. A donation entered as income is recognised as either an asset or cost, depending on whether or not the donation is used immediately. Donations that the association intends to put to continuous use in the operation are recognised as non-current assets. Other donations, which are not used, are recognised as current assets.

As a general rule donations are measured at fair value.

Grants

Grants are recognised as income when the conditions for receiving the grant have been met. Received grants are recognised as liabilities until the conditions for receiving the grant have been met. Grants received to cover particular costs (e.g. for administration) are recognised in the same financial year as the cost that the grant is intended to cover. Received grants are measured at the fair value that the association has received or will receive.

Net sales

Income from the sale of goods and services is usually recognised at the time of sale.

Other income

In most cases, other income is a non-recurring item, such as a capital gain from the sale of real estate, damages received or insurance compensation received.

Leases

All of the association’s leases are operating leases, meaning that the lease payment is recognised on a straight-line basis over the term of the lease.

Recognition of costs

Operating costs mainly comprise expenses for charitable activities, fundraising expenses and administrative expenses. Other operating costs that cannot be attributed to the main functions are costs of goods sold, which include purchases, administrative and sales costs. Other expenses derive from costs for the ongoing maintenance of non-current assets abroad.

Expenses for charitable activities comprise costs attributed to the association’s mission according to its statutes. They encompass approved project expenses for development activities and costs that arise as a direct result of an activity within the association’s remit, including costs for monitoring, reporting and local audits. Expenses for charitable activities also include costs relating to advocacy as well as highlighting the association’s work in accordance with the association’s mission as set out in the statutes. Fundraising expenses comprise costs attributed to work to raise money in the form of donations and grants from donors. Fundraising expenses also include costs for fundraising materials, advertisements, donor registers, fundraising campaigns and mailing.

Administrative expenses include central functions such as IT, Finance, HR, administrative systems, other joint costs for the association and audit expenses. Joint costs are allocated based on the number of employees per department.

Remuneration to employees

Ongoing remuneration to employees in the form of salaries, social security contributions and similar are expensed as expenses carry out the services required. Plans for remuneration after termination of employment are classified as defined benefit plans and the simplification rules stated in BFNAR 2012:1 are applied.

Pension obligations have been secured through a transfer of funds to a pension fund. In cases where the pension fund falls short of the obligation, a provision is recognised. In cases where the pension fund exceeds the obligation, no asset is recognised. Remuneration upon termination of employment is only recognised as a liability and cost when the company has a legal or informal obligation to terminate an employee’s employment before the normal termination date.

Valuation principles

Assets, liabilities and provisions are measured at cost unless otherwise stated below. Receivables have been stated, after individual valuation, at the amounts that are expected to be received. Receivables and liabilities in foreign currencies have been translated at the closing day rate.

Intangible assets

Intangible assets are measured at cost less any accumulated amortisation and impairment losses. Amortisation is carried out on a straight-line basis across the asset’s estimated useful life. The following amortisation periods are used:

Intangible assets; 5 years

Property, plant and equipment

Property, plant and equipment abroad that are classified as equipment and exceed a price base amount are recognised as equipment. The purchases are deemed to be financed through grants and the grants decrease the cost of the non-current assets. Property, plant and equipment are recognised as an asset in the balance sheet when it is probable, on the basis of the information available, that the future economic benefit associated with the holding will accrue to the association and the cost of the asset can be reliably calculated.

Property, plant and equipment are systematically depreciated over the asset’s estimated useful life. Every non-current asset is measured as an asset. Non-current assets in the form of land and buildings abroad have not been divided into components because they are deemed to have the same useful life. When the assets’ depreciable amount is determined, the asset’s residual value is observed where appropriate. A straight-line depreciation method is used.

The following depreciation periods are used:

- Land: 20 years
- Buildings abroad: No depreciation
- Equipment: 5 years

Impairment only occurs when a decrease in value is deemed to be permanent.

Financial assets

Long-term interest-bearing assets are measured at amortised cost less any impairment losses. All assets held to diversify risk are considered to be part...
NOTE 3 continued

| Federation of Swedish Farmers | SEK 207,235 | SEK 207,235 |
| WE-association | SEK 139,267 | SEK 128,267 |
| Swedish Foundation Lotteri | SEK 20,000,000 | SEK 20,000,000 |
| Syntro Gift Foundation | SEK 2,770,056 | SEK 2,770,056 |
| Swedish Horse Foundation | SEK 500,000 | SEK 938,923 |
| Other foundation companies | 938,923 | 944,577 |
| Total donations | SEK 60,942,414 | SEK 55,943,735 |

The above amounts include a dividend of SEK 159,921 from Humanfond.

Donations in the form of services

The association’s activities are based to some extent on volunteer work. The number of volunteer hours totalled 675,212 in 2018.

Grants and public grants

| Recognised in the income statement | 2018 | 2017 |
| UNFPA, OCHA | SEK 291,432 | SEK 291,432 |
| World Food Programme, Marcus | SEK 998,774 | SEK 998,774 |
| IWLF International, Montréal | SEK 597,000 | SEK 597,000 |
| WVD | SEK 2,643,284 | SEK 526,795 |
| WFD | SEK 848,767 | SEK 849,146 |
| FAO | SEK 2,643,284 | SEK 526,795 |
| GTZ | SEK 784,021 | SEK 784,021 |
| WGFH, SAFRICA | 334,799 | 281,967 |
| Total grants, non-public grants | SEK 7,844,743 | SEK 6,822,887 |

Contingent liabilities

A contingent liability is recognised when there is:

a) an existing obligation that originates from actual events but is not recognised as a liability or provision because it is not likely that an outflow of resources will be required or because the size of the commitment cannot be calculated with sufficient reliability, or
b) a possible obligation that originates from actual events and the existence of which will only be confirmed by one or more uncertain events in the future.

Translation of foreign currencies

Receipts and liabilities in foreign currencies are measured at the closing rate. Receivables and liabilities in foreign currencies are measured at the exchange rate on the balance sheet date. The balance in the association’s portion of the fund exceeded the amount of the obligations covered by the fund amounted to SEK 69,843,210 (68,089,741) on the balance sheet date. The present value of the obligations covered by the fund amounted to SEK 69,843,210 (68,089,741) on the balance sheet date. In accordance with an agreement with PRI Pensionsservice, the pension obligations have been secured via credit value insurance up to and including 31 December 2018. Pension obligations are secured via a fund at Folksam (KP Pension & Försäkring). Pension payments from the fund during the year amounted to SEK 5,125,224 (4,953,245). The present value of the obligations covered by the fund amounted to SEK 69,843,210 (68,089,741) on the balance sheet date. The balance in the association’s portion of the fund exceeded the amount of the obligations covered by the fund amounted to SEK 69,843,210 (68,089,741) on the balance sheet date. In accordance with an agreement with PRI Pensionsservice, the pension obligations have been secured via credit value insurance up to and including 31 December 2018. The present value of the obligations covered by the fund amounted to SEK 69,843,210 (68,089,741) on the balance sheet date.

NOTE 4 Other operating income

Average number of employees

| Average number of employees | 2018 | 2017 |
| Women | 127 | 115 |
| Men | 67 | 67 |
| Total average number of employees | 2018 | 2017 |
| 194 | 182 |

The average number of employees does not include employees who received remuneration less than one half price base amount SEK 22,750 (22,200). This reporting is supported by BFNAR 2006:11.

Services abroad

| Region Southern Africa | 13,683,961 | 12,918,293 |
| Region Asia (counted together with Europe last year) | 2,643,284 | 526,795 |
| Region Asia (counted together with Asia last year) | 7 | 4 |
| Total service abroad | 38,656,280 | 33,225,787 |

The total for salaries and payroll overheads for service in Sweden amounts to SEK 29,315,980 (29,600,316), of which pension costs total SEK 4,900,869 (5,125,224) in 2018.

Pension expenses and other social security contributions

The agreement calls for provision for future workforce depreciation, with actuarial and statutory taxes, amount to SEK 839,377 (458,866). The Secretary General has the following conditions of employment: mutual notice period of six months, in the event of notice being given by the employer, severance pay corresponding to six months’ salary is paid. No remuneration is paid to the Board. The association’s outstanding pension obligations to the Board amount to SEK 0 (0). There were no transactions with Board members, senior executives or key individuals. The association enjoys a close partnership with its member organisations, which assist with advice in their respective areas of activity. During the year the Federation of Swedish Farmers acted as landlord for the association’s central administration.

Gender balance of Board members and senior executives

NOTE 5 Pension costs

| Average number of employees | 2018 | 2017 |
| Men | 65 | 65 |
| Women | 29 | 29 |
| Total Board members on balance sheet date | 2018 | 2017 |
| 94 | 94 |
| CEO | 1 | 1 |
| Total CEO | 1 | 1 |
NOTE 6 Expenses for charitable activities

<table>
<thead>
<tr>
<th>Region/Area</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>14,374,413</td>
<td>12,895,548</td>
</tr>
<tr>
<td>Europe</td>
<td>10,492,385</td>
<td>9,060,282</td>
</tr>
<tr>
<td>Latin America</td>
<td>8,873,649</td>
<td>8,940,050</td>
</tr>
<tr>
<td>North America</td>
<td>7,917,087</td>
<td>7,509,249</td>
</tr>
</tbody>
</table>

**NOTE 7 Operating leases**

- Future lease payments are due as follows:
  - Due for payment within 1 year: 3,205,905
  - Due for payment in 1-5 years: 10,518,018

- Estimated lease payments during the period: 13,992,436

Future lease costs refer to premises and IT equipment. A new agreement was signed in 2018 for 2019–2026. Expensed lease payments in the income statement amount to SEK 3,115,706 (3,075,761).

**NOTE 8 Earnings from other securities and receivables accounted for as non-current assets**

<table>
<thead>
<tr>
<th>Account</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>1,201</td>
<td>1,151</td>
</tr>
<tr>
<td>Other gains from sales</td>
<td>3,656,334</td>
<td>3,576,590</td>
</tr>
<tr>
<td>Total</td>
<td>3,878,534</td>
<td>3,739,451</td>
</tr>
</tbody>
</table>

**NOTE 9 Other interest income and similar profit/loss items**

- Interest income: 190,608
- Exchange rate differences: -69,601

- Total: 121,007

**NOTE 10 Interest expense and similar profit/loss items**

- Other interest expenses: -6,196
- Exchange rate differences on foreign currency accounts: -3,246

- Total: -9,442

**NOTE 11 Intangible assets**

<table>
<thead>
<tr>
<th>Asset</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalised expenditure for software</td>
<td>2,145,850</td>
<td>2,145,850</td>
</tr>
<tr>
<td>Gaining accumulated cost</td>
<td>2,145,850</td>
<td>2,145,850</td>
</tr>
<tr>
<td>Opening amortisation</td>
<td>-859,340</td>
<td>-859,340</td>
</tr>
<tr>
<td>Accretion for year according to plan</td>
<td>-443,159</td>
<td>-443,159</td>
</tr>
<tr>
<td>Gaining accumulated amortisation</td>
<td>-1,291,107</td>
<td>-1,291,107</td>
</tr>
<tr>
<td>Closing carrying amount at end of period</td>
<td>859,340</td>
<td>1,287,510</td>
</tr>
</tbody>
</table>

**NOTE 12 Land and buildings**

<table>
<thead>
<tr>
<th>Asset</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening cost</td>
<td>2,011,197</td>
<td>2,011,197</td>
</tr>
<tr>
<td>Closing accumulated cost</td>
<td>2,011,197</td>
<td>2,011,197</td>
</tr>
<tr>
<td>Accrued depreciation</td>
<td>3,490,226</td>
<td>3,490,226</td>
</tr>
<tr>
<td>Depreciation for the year according to plan</td>
<td>-46,066</td>
<td>-46,066</td>
</tr>
<tr>
<td>Gaining accumulated depreciation</td>
<td>-3,809,332</td>
<td>-3,809,332</td>
</tr>
<tr>
<td>Closing carrying amount at end of period</td>
<td>1,572,500</td>
<td>1,572,500</td>
</tr>
</tbody>
</table>

**NOTE 13 Prepaid expenses and accrued income**

<table>
<thead>
<tr>
<th>Account</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid rent</td>
<td>23,305</td>
<td>23,305</td>
</tr>
<tr>
<td>Management fees</td>
<td>2,982,982</td>
<td>2,982,982</td>
</tr>
<tr>
<td>Total</td>
<td>2,906,287</td>
<td>2,906,287</td>
</tr>
</tbody>
</table>

**NOTE 14 Securities holdings**

<table>
<thead>
<tr>
<th>Security</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic Cross Stable Return R</td>
<td>2,274,018</td>
<td>2,212,083</td>
</tr>
<tr>
<td>Nipo-Venture</td>
<td>2,273,837</td>
<td>2,278,018</td>
</tr>
<tr>
<td>Aktie-Ansvar Graal Aktiehedge</td>
<td>5,002,005</td>
<td>4,954,354</td>
</tr>
<tr>
<td>Simplicity Företagsobligation A</td>
<td>5,002,005</td>
<td>4,986,080</td>
</tr>
<tr>
<td>Nordic Cross Small Cap Edge R</td>
<td>2,274,018</td>
<td>2,213,892</td>
</tr>
<tr>
<td>Total securities held as non-current assets</td>
<td>35,792,020</td>
<td>34,391,220</td>
</tr>
</tbody>
</table>

**NOTE 15 Other receivables**

<table>
<thead>
<tr>
<th>Account</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project expenses – We Effect offices abroad</td>
<td>20,813,783</td>
<td>16,387,383</td>
</tr>
<tr>
<td>Receivables – donors</td>
<td>4,417,299</td>
<td>4,039,411</td>
</tr>
<tr>
<td>Total other receivables</td>
<td>25,231,082</td>
<td>20,426,794</td>
</tr>
</tbody>
</table>

**NOTE 16 Other provisions**

- Provisions for the year: 1,514,000
- Provisions at the end of the year: 1,514,000

**NOTE 17 Liability received, unutilised grants**

<table>
<thead>
<tr>
<th>Source</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale Coven</td>
<td>24,365</td>
<td>7,427</td>
</tr>
<tr>
<td>Subsidies</td>
<td>2,892,982</td>
<td>2,892,982</td>
</tr>
<tr>
<td>Total</td>
<td>31,213,258</td>
<td>13,871,367</td>
</tr>
</tbody>
</table>

**NOTE 18 Accrued expenses and prepaid income**

<table>
<thead>
<tr>
<th>Account</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other items</td>
<td>2,345,901</td>
<td>3,050,216</td>
</tr>
<tr>
<td>Holidaypay</td>
<td>5,391,268</td>
<td>5,115,325</td>
</tr>
<tr>
<td>Total accrued expenses and prepaid income</td>
<td>24,587,799</td>
<td>24,565,876</td>
</tr>
</tbody>
</table>

**NOTE 19 Contingent liabilities**

- Provision commitment: 1,386,864
- Total contingent liabilities: 1,386,864

Liabilities to Sida and other development cooperation donors arise when the donation has been received but the activities are yet to be carried out.
AUDITOR'S REPORT

To the Annual General Meeting of We Effect, corp. ID no. 802004-1524

REPORT ON THE ANNUAL ACCOUNTS

Opinions
We have conducted our audit in accordance with generally accepted auditing standards in Sweden. The auditors’ responsibilities according to these standards are described in more detail in the sections “Authorised public accountant’s responsibility” and “Elected auditor’s responsibility”. We are independent in relation to the association in accordance with generally accepted auditing standards. As authorised public accountants, we have fulfilled our professional ethical responsibility in accordance with these requirements.

We believe that the audit evidence we gathered is sufficient and appropriate as a basis for our opinion.

Information other than the annual accounts
The Board of Directors is responsible for the other information. The other information comprises the Annual Report for 2018 but does not include the annual accounts and our auditor’s report on the accounts. Our opinions regarding the annual accounts do not cover this information and we do not make any opinion with assurance regarding this information.

In connection with our audit of the annual accounts, it is our responsibility to read the information identified above and consider whether the information is inconsistent with the annual accounts to a significant extent. During this process we also consider other knowledge we obtained during the audit and assess whether the information in general seems to contain any material misstatements.

Moreover:
- I identify and assess the risks of material misstatements in the annual accounts, whether they are due to improper or error, formulate and carry out auditing procedures based in part on these risks and gather audit evidence that is adequate and suitable to form a basis for my opinions. The risk of not discovering a material misstatement due to impropriety is higher than for a material misstatement due to error because impropriety may involve acting in collusion, falsification, intentional omission, incorrect information or disregarding internal control.
- I assess the reasonableness of the Board’s and Secretary General’s estimates of the amounts included in the annual accounts.
- I obtain an understanding of the risk and the Board of Directors’ and Secretary General’s responsibility for preparing the annual accounts, including the disclosures, and whether the annual accounts portray the underlying transactions and events in a manner that provides a true and fair view.
- I must inform the Board of the auditor’s planned scope and emphasis as well as its timing. I must also provide information about significant observations during the audit, including any significant deficiencies I identify in the internal control.
- I evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts portray the underlying transactions and events in a manner that provides a true and fair view.
- I identify and assess the risks of material misstatements in the annual accounts, whether they are due to improper or error, formulate and carry out auditing procedures based in part on these risks and gather audit evidence that is adequate and suitable to form a basis for my opinions. The risk of not discovering a material misstatement due to impropriety is higher than for a material misstatement due to error because impropriety may involve acting in collusion, falsification, intentional omission, incorrect information or disregarding internal control.
- I assess the reasonableness of the Board’s and Secretary General’s estimates of the amounts included in the annual accounts.
- I obtain an understanding of the risk and the Board of Directors’ and Secretary General’s responsibility for preparing the annual accounts, including the disclosures, and whether the annual accounts portray the underlying transactions and events in a manner that provides a true and fair view.
- I must inform the Board of the auditor’s planned scope and emphasis as well as its timing. I must also provide information about significant observations during the audit, including any significant deficiencies I identify in the internal control.
- I evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts portray the underlying transactions and events in a manner that provides a true and fair view.

Responsibilities of the Board of Directors and Secretary General
It is the Board of Directors and the Secretary General who are responsible for preparing the annual accounts and for providing a true and fair view according to the Swedish Annual Accounts Act. The Board and Secretary General are also responsible for the internal control that they deem necessary to prepare annual accounts that do not contain any material misstatements, whether due to error or impropriety.

In preparing the annual accounts, the Board and Secretary General are responsible for assessing the association’s ability to continue the operation. They provide information, when appropriate, concerning conditions that may affect the ability to continue operations and use the going concern assumption. The going concern assumption is not, however, applied if the Board and Secretary General intend to liquidate the association, cease operations or have no realistic alternative than to do either.

Publicly accountable auditor’s responsibility
I have to conduct the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My objective is to achieve a reasonable degree of assurance as to whether or not the annual accounts as a whole contain any material misstatements, whether due to error or impropriety. Reasonable assurance is a high degree of assurance, but no guarantee, that an audit performed according to ISA and generally accepted auditing standards in Sweden will always discover any material uncertainty factor or, if such disclosures are inadequate, modify the opinion regarding the annual accounts. My conclusions are based on the audit evidence gathered up to the date of the auditor’s report. Future events or circumstances may, however, mean that an association can no longer continue its activities.

I evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts portray the underlying transactions and events in a manner that provides a true and fair view.

If, based on the work carried out with regard to this information, we conclude that the other information contains a material misstatement, we are obliged to report it. We have nothing to report in this respect.

Elected auditor’s responsibility
I have to conduct the audit in accordance with the Auditing Act and thereby in accordance with generally accepted auditing standards in Sweden. My objective is to achieve a reasonable degree of certainty as to whether or not the annual accounts were prepared in accordance with the Swedish Annual Accounts Act and if the annual accounts provide a true and fair view of the association’s position and performance.

Moreover:
- I identify and assess the risks of material misstatements in the annual accounts, whether they are due to improper or error, formulate and carry out auditing procedures based in part on these risks and gather audit evidence that is adequate and suitable to form a basis for my opinions. The risk of not discovering a material misstatement due to impropriety is higher than for a material misstatement due to error because impropriety may involve acting in collusion, falsification, intentional omission, incorrect information or disregarding internal control.
- I obtain an understanding of the part of the association’s internal control that is significant to my audit to carry out auditing procedures that are suitable considering the circumstances, but not to make a statement on the effectiveness of internal controls.
- I evaluate the suitability of the accounting principles used and the responsibility of the Board’s and Secretary General’s estimates in the accounting and associated disclosures.
- I draw a conclusion on the suitability of the Board and Secretary General using the going concern assumption in preparing the annual accounts. I also draw a conclusion, based on the audit evidence collected, about whether or not there are any material uncertainty factors pertaining to such events or conditions that may lead to significant doubt about the association’s ability to continue its activities. If I draw the conclusion that there is a material uncertainty factor, I must call attention in my auditor’s report to the disclosures in the annual accounts regarding the material uncertainty factor or, if such disclosures are inadequate, modify the opinion regarding the annual accounts. My conclusions are based on the audit evidence gathered up to the date of the auditor’s report. Future events or circumstances may, however, mean that an association can no longer continue its activities.
- I evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts portray the underlying transactions and events in a manner that provides a true and fair view.

I must inform the Board of the auditor’s planned scope and emphasis as well as its timing. I must also provide information about significant observations during the audit, including any significant deficiencies I identify in the internal control.

Basis for our opinions
We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility as set out in these standards is described in more detail in the section on “The auditor’s responsibility”. We are independent in relation to the association in accordance with generally accepted auditing standards in Sweden. As an authorised public accountant, I have fulfilled my professional ethical responsibility in accordance with these requirements.

We believe that the audit evidence we gathered is sufficient and appropriate as a basis for our opinion.

Responsibilities of the Board of Directors and Secretary General
The Board of Directors and the Secretary General are responsible for the management of the association.

The auditors’ responsibility
Our objective regarding the audit of the management, and thereby our opinion regarding discharge from liability, is to gather audit evidence in order to be able to assess with a reasonable degree of assurance whether any Board member or the Secretary General in any material respects committed any act or any negligence that may give rise to liability for damages for the association.

Reasonable assurance is a high degree of assurance, but no guarantee, that an audit performed according to generally accepted auditing standards in Sweden will always discover actions or neglects that may give rise to liability for damages for the association.

As part of an audit according to generally accepted auditing standards in Sweden, we use professional judgement and have a professionally sceptical approach during the entire audit. The review of the management is mainly based on the audit of the accounts. What additional review procedures are carried out are based on our professional assessment on the basis of risk and materiality. This means that we focus the review on such measures, areas and circumstances that are significant to the business and where deviations or violations would be of particular significance to the association’s situation. We go through and test decisions made, decision documentation, actions taken and other circumstances that are relevant to our opinion regarding discharged from liability.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion
In addition to our audit of the annual accounts, we have also conducted an audit of the Board’s and the Secretary General’s management of We Effect for the year 2018.

We recommend to the Annual General Meeting that the members of the Board of Directors and the Secretary General be discharged from liability for the financial year.

Basis for our opinions
We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility as set out in these standards is described in more detail in the section on “The auditor’s responsibility”. We are independent in relation to the association in accordance with generally accepted auditing standards in Sweden. As an authorised public accountant, I have fulfilled my professional ethical responsibility in accordance with these requirements.

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Stockholm, May 15 2019
Elisabeth Sasse, Elected auditor
Hans Eklund, Elected auditor
Öhrlings PricewaterhouseCoopers AB

Anna Tüblin
Secretary General

Stockholm, April 26 2019
Tommy Ohlström
Chair of the Board
Ann Charlotta Folleåsen
Vice Chair
Elisabeth Sasse
Anna Tibblin
Anders Lago
Björn Larsson
Brita von Schwalbe
Gabriel Francke Rodau
Helin Persson