



ANNUAL REPORT 2018



CONTENTS

We Effect in brief..... 3

Vision..... 4

Statement by the Secretary General..... 5

About We Effect..... 6

How We Effect works..... 7

Significant events during the year 8

The “we” effect in the regions..... 10

Board of Directors 14

Directors’ report 15

Income statement..... 18

Balance sheet..... 19

Cash flow statement..... 20

Notes..... 21

Auditor’s report 26

Support our work..... 28



Nancy Masicampo, The Philippines.

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 per cent goes to the intended purpose.



Production: We Effect, Lotte Kölare **Repro/print:** Print Run AB
Photographers: Cover: Marcus Lundstedt. Page 3: Marcus Lundstedt. Page 4: Claudio Vasquez Bianchi. Page 5: Niclas Ericsson. Page 6: Liinu Diaz Rämö, Ola Richardsson, Malin von Strauss, Marcus Lundstedt. Page 10: Edward Echwalu. Page 12: Claudio Vasquez Bianchi. Page 13: Malin von Strauss. Page 14: Stefan Tell. Page 28: Malin von Strauss.

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 co-operatives, 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.



Besmir Dalipi with his son Jani, Albania.

WE EFFECT EXISTS FOR

people who live in poverty around the world, and those who want to help eradicate it.

OUR VISION

is a sustainable and just world free from poverty.

OUR MISSION

is to enable women and men living in poverty to improve their living conditions, defend their rights and contribute to a just society.

WE EFFECT STANDS FOR

- The equal value and personal responsibility of all people.
- Adequate living conditions are a right, and we believe in the self-help approach.
- People are stronger together – the fundamental idea of cooperation.
- Sustainable development calls for democracy and respect for human rights.

OUR OBJECTIVE

is to work together with our member organisations towards creating commitment, raising awareness, mobilising resources and winning public support for long-term development work. This takes development work, supporting self-help initiatives.

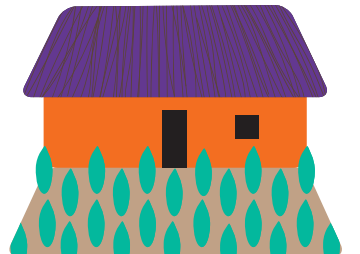
Elizabeth Ortiz Gómez with her daughter Lucy Elenita Belén, Guatemala.

A YEAR OF CHANGE



Theresa Marwei, Zimbabwe.

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.



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, Teresa 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.



Anna Tibblin,
Secretary General

Tommy Ohlström,
Chairperson

WE EFFECT'S WORLD

We have operations in 26 countries including the head office in Sweden.



Anibal Martinez, Rosa Hernandez and their grandchild Alex, El Salvador.



Eneless and George Mwale and their son Manase, Malawi.



Engjellushe and Florin Pepa, Albania.



Mahendran Rishanthini and her husband Mahendran, Sri Lanka.

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.

AFRICA

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

EUROPE

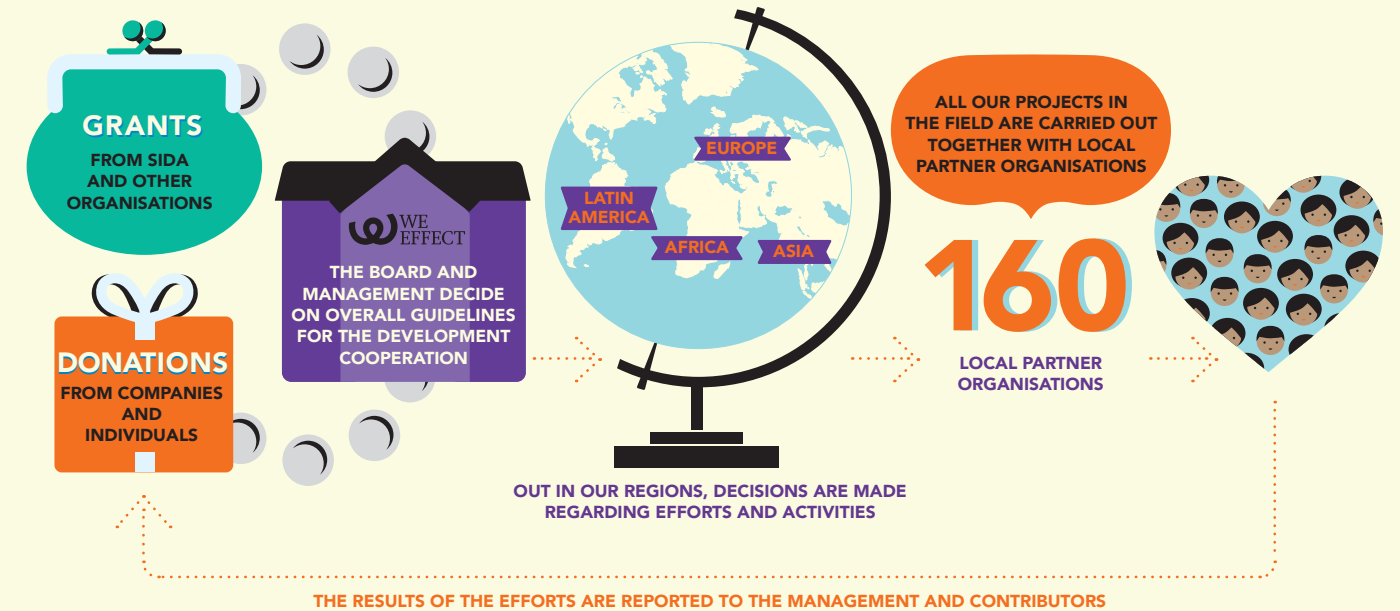
In the European countries, We Effect's work is mainly focused on three aspects: rural development, reconciliation and equality.

ASIA

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

HOW WE EFFECT WORKS

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.



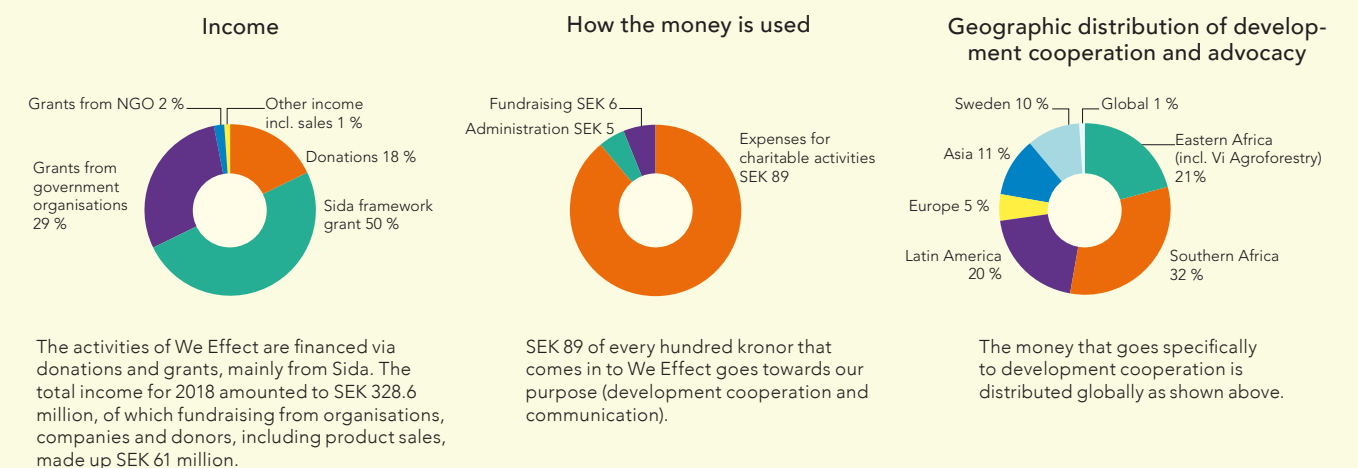
It is thanks to donations from individuals and companies that We Effect can carry on development cooperation activities. Our own fundraising is a prerequisite in order to receive funding from Sida, which is We Effect's main donor. We Effect also receives funding from other sources, such as Swedish and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

- **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.



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 TV, had 7,761,400 readers and been viewed 12,891,500 times via digital advertising. For the Christmas campaign, influencers and podcasts were also used with a collective reach of 230,000 views and an excellent engagement level of 30,500 people.



HIGH VISIBILITY ON TV FOR ROMA PROJECT

Supported by Radiohjälpen/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 a safe place to be.

In mid-September, Swedish public broadcaster SVT, along with author and lawyer Malin Persson Giolito, 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.



Malin Persson Giolito. Photo: Malin von Strauss.

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 funding from the Postcode Lottery, is building up an operation 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 BISTÅND PÅ KÖPET

Despite there being no campaign activity related to this scheme, income from it increased by just over SEK 200,000 in 2018. Bistånd på köpet is a collaboration with Coop MedMera 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 REPEM, a Latin-American network organisation, ACFODE, Uganda and NGOCC, 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.

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 statistic in 2012, the figure was just 13 per cent. The situation is not so 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 names published, compared to 100 per cent of people with white skin.

RECRUITMENT FOR THE WORLD'S TOUGHEST JOB



Lis-Marie Johansson. Photo: Stefan Tell

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.

NEW MONTHLY DONORS

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

It resulted in an increase in income from monthly donors of 31 percentage points during the year.



Kattis Ahlström and Jan Eliasson. Photo: Stefan Tell

WE EFFECT 60 YEARS!

We Effect was founded in 1958 (as *Utan gränser/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 Riksbyggen.



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 (12 years until Agenda 2030, and the containers symbolise the heavy workload incumbent on women living in poverty in rural areas), and then to complete a quiz.

Participants in the activity included Gustav Fridolin, former Minister for Education/spokesperson (Green Party), Louise König, former Sustainability Manager at Coop, Lars Ericson, CEO of the Stockholm Consumer Cooperative Society, Alexandra Pascalidou, journalist and commentator, Linnéa Claesson, feminist and activist, as well as Margaux Dietz, blogger and YouTube profile. Margaux Dietz posted a 20-second video in her 'Behind the scenes at Almedalen Week' vlog, which had 121,843 views, highlighting the heavy burden on women who live in poverty in rural areas.



Linnéa Claesson. Photo: Anna Kakuli

AFRICA

EFFECTS

DEVELOPMENT MEETS CHALLENGES

Drought, flooding and civil unrest. Corruption, inequality and shortcomings in human rights. There 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.

Making a bad situation worse

Despite having seemingly democratic systems, in reality there is very little transparency and little opportunity to demand responsibility in many African nations. One example is the situation in Zimbabwe, where after 37 years in power Robert Mugabe was replaced by Emmerson Mnangagwa in the general election of July 2018. Since then, the situation in an already hard-pressed country has just grown worse. Poverty and the state's repressive attitude towards the people have increased.

Effort yields results

Even so, the integration of work on gender equality, environmental thinking and financial services in We Effect's main areas has improved. Results from 2018 show that efforts to include more women in decision-making, help cooperatives to achieve more profitable and sustainable production, strengthen private finances with savings and insurance, and to promote adequate housing are improving the everyday lives of the members of the cooperatives with which we work.

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.

7,762 people, 60 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 4,098 active savings and loan groups with 114,744 members in the Eastern African cooperatives supported by We Effect.

147 new study circles with a total of 2,526 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 2,700.

In the Meru Central Coffee Cooperative Union in Kenya, the position of women has been strengthened; 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. 1,500 families now have vegetable crops, which counteract the serious malnutrition of children 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 Uchumi Commercial Bank in Tanzania opened seven new branches and 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 Embassy of Sweden, began in 20 villages in Tanzania, to secure the right of women to inherit land.

A pilot project with the Kenyan Gusii Coffee Farmers' 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.

ASIA

EFFECTS

A VIOLENT YEAR WITH EQUALITY-RELATED GLIMMERS 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 less 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.

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 hard 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.

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 counteracting the effects of climate change through sustainable agriculture.

418,065 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 year before.

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 Palestine, the number of female leaders in organisations supported by We Effect increased by 10 per cent compared to 2015 totalling 281 female leaders. Women now hold 41.5 per cent of all leader positions within We Effect's partner organisations there.

In Cambodia, five new farming cooperatives started up, aiming to inspire farmers to bolster their value chains and secure higher payment for their products.

Five farming cooperatives in Vietnam merged and began using origin labelling on their vegetables, oranges and pomelos.

Supported by We Effect, 100 cooperative members gained the legal right to their land in Sri Lanka.

2,684 female leaders were supported by We Effect in Asia during 2018.

11,198 female entrepreneurs were supported by We Effect in Asia during 2018, three times the number in the previous year.

188 savings and loan groups were supported by We Effect in Asia during 2018. Altogether, the 5,871 members saved USD 1,461,232 – 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 as 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 600 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, 2,871 new houses were built in the Philippines during the year. They can withstand typhoons and are designed with women's rights in mind.

A farmers' union in Siem Reap, Cambodia, launched its own rice brand with We Effect's support: Angkor Empire Rice.

LATIN AMERICA

EFFECTS

PEOPLE FLEE FOR THE RIGHT TO DIGNITY IN LIFE

Latin America has been hit by various incidences of civil unrest and political crisis over the past year. The contexts in which We Effect works are complex, with less scope for civil society and daily human rights violations.

During the year, We Effect has continued to support local partner organisations in their organisational development, production improvements and demands for human rights, and has also strengthened the dialogue surrounding safety and risks, always with a focus on gender equality. In 2018, we strengthened the regional alliances for equality and the care economy in association with local partners, other international organisations, and UN bodies such as UN Women and the UNDP.

Instability in Guatemala

In Guatemala during the year, the government has persistently been fighting the UN-led International Commission against Impunity in Guatemala (CICIG). In May, the country asked Sweden to remove its ambassador Anders Kompass as part of its efforts to weaken support for CICIG – Sweden is the Commission's second largest contributor. The situation in Guatemala remains unstable. The government appears to have achieved its goal of closing down the Commission and the fight against corruption has been considerably weakened.

Unease in many parts of the region

April saw the outbreak of unrest in Nicaragua. Demonstrations that started out as protests against the government's changes to the pension and social insurance system, quickly turned into nationwide grievances directed towards sitting president Daniel Ortega and his increasingly authoritarian regime. More than 500 people have been killed and thousands have been injured, arrested or have fled to neighbouring countries. Nine national human rights organisations have been blacklisted by the regime. 2018 was also the year the world started seeing headlines of the 'migrant caravan' from Central America. Violence, corruption and poverty are driving adults, the elderly and children towards the dream of a better, safer, more dignified life.

AIMS!

- To reduce poverty and injustice.
- To strengthen the capacity and ability of partner organisations to drive advocacy processes.
- To increase gender equality in partner organisations, to have more women lead organisations and actively participate in political negotiations.
- To strengthen cooperative and social economy models in housing and sustainable rural development with an emphasis on women's independent economic capacity.
- Redistribution of responsibility between women and men with regard to productive and reproductive work, as well as the preservation of nature.

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 61 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 17,000 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 100 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 cooperativism, leadership and advocacy work.

126 cooperatives have been started by former guerilla fighters 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 120 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, 400 women from 12 cooperatives have been trained in agroecology. The women have also started agroecological gardens for their own use.

FOCUS COUNTRIES IN LATIN AMERICA ARE BOLIVIA, COLOMBIA, EL SALVADOR, GUATEMALA, HONDURAS, NICARAGUA AND PARAGUAY.

EUROPE

EFFECTS

WE EFFECT GROWS IN AN UNSTABLE REGION

2018 was a year of much political and social turbulence in the region. The signing of the Prespa agreement between Macedonia and Greece, after almost 30 years of dispute regarding the name of Macedonia, resulted in the new name North Macedonia. Meanwhile, the region was characterised by political instability in Moldova and the Serbian Republic of Bosnia and Herzegovina, as well as border disputes between Kosovo and Montenegro. Albania and Kosovo were ranked as the European countries with the lowest income per capita according to the International Monetary Fund.

We Effect Europe is growing

Despite regional turbulence, 2018 brought a change and expansion process for We Effect's regional office, and a new regional director started. One overriding regional programme and two new regional projects began. Alongside partner organisations, We Effect also secured a place in the Ministry of Agriculture's working group for agriculture and rural development in North Macedonia.

Gender equality in focus

In the new regional gender equality project We Effect, along with its partner organisations in North Macedonia, initiated the signing of a declaration to promote socioeconomic rights for women in rural areas. Two shadow reports on discrimination against women in rural areas, as well as Roma women and girls in North Macedonia, were also submitted to the United Nations Committee on the Elimination of Discrimination against Women.

Continued support for the Roma minority population

Work continued in 2018 to fight discrimination against the Roma minority population. In North Macedonia, the final phase of a project on the social integration of citizens and returning Roma migrants in North Macedonia was completed; the project had 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.

AIMS!

- Equal, rights-based development work.
- To fight poverty and build respect for human rights.
- The equal distribution of development cooperation resources between women and men.
- Strong partner organisations that act as a voice for and offer high-quality services to their members.

The Europe programme reached 30,564 members (47.6 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 Korçë region of Albania were trained in pest control in 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 2,000 square metres of vegetable production.

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

990 farmers in Moldova, 342 of them women, were trained in climate-adapted agriculture. Thanks to newly started field schools, 1,123 farmers were also able to learn more about sustainable organic farming.

We Effect's partner organisation National Roma Centrum in North Macedonia started 6 study circles with 53 female Roma members.

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

30 new study circle groups were formed in the region with 312 new members, 296 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 berries are affected by climate change and the importance of environmental preservation.

We Effect's partner organisation Initiative for Kosova Community organised 6 farmers' markets, enabling 249 farmers (165 women) to sell their products for income.

The sales income from 4 dairy cooperatives in Moldova increased from EUR 634,900 in 2017 to EUR 913,946 in 2018, as a result of training 975 dairy farmers (702 women).

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 63 between 2017 and 2018.

FOCUS COUNTRIES IN EUROPE ARE ALBANIA, BOSNIA-HERZEGOVINA, NORTH MACEDONIA, MOLDOVA AND KOSOVO.

ERADICATING POVERTY WITH GENDER EQUALITY, TOGETHER

Board of Directors



TOMMY OHLSTRÖM
Chair of the Board
Chairman of the Board of Kooperativa Förbundet. Previously party treasurer for the Social Democratic Party, Head of Planning at the Prime Minister's Office and State Secretary at the Swedish Ministry of Employment. Elected 2014.



ANN CHARLOTT FOLKESSON
Vice Chair
Forestry and agricultural entrepreneur in Vännäs, Västerbotten. Chair of the Member and Organisation Committee, Chair of the Board of the Federation of Swedish Farmers Västerbotten, Member of the Federation of Swedish Farmers Horse Delegation, Member of the National Veterinary Institute's Supervisory Council. Elected 2015.



ANDERS LAGO
Chair of the Board of HSB Riksförbund and SYVAB, Member of the Board of Stockholms Stadsmission, Folksam Sak and Berättarministeriet. Previous positions include chair of the municipal board of Södertälje Municipality, Chair of the Board of Telge Group and the Swedish Water & Wastewater Association. Elected 2012.



BJÖRN LARSSON
CMO and Group Director BA Market, Coop Sweden. PhD Economics and MBA, Stockholm School of Economics. Previous positions: CMO Swedbank, CEO Lowe Brindfors Annonsbyrå, McKinsey & Co, CEO Bonnier Net AB. Elected 2016.



HELEN PERSSON
Responsible for member activities, sponsorship and PR, Consumer Association Stockholm Many years' experience in communication, HR and project management for e.g. SSAB and Ericsson. Has managed and been co-owner of Strategic Health Consultants. Elected 2015.



ELISABETH SASSE
Manager of Folksam's Partner and Collectively Agreed Business, also on the Folksam executive management. Member of the Boards of KPA Pension, Förenade Liv, Tre Kronor and Chair of the Board of Folksam LO Pension. Member of the Board of Riksborgen. Previous positions include administrative director of the Public Employees' Negotiation Council (OFR). Elected 2016.



BRITTA VON SCHOULTZ
Director of Communications, Riksborgen. Previous positions include Strategic Communication Advisor at Kreab Gavin Anderson, Press Officer for the Swedish Prosecution Authority and Nutek, as well as journalist for SVT and SR. Elected 2015.



GABRIEL FRANCKE RODAU
Group Communications Officer, Swedbank. Previously e.g. partner at JKL Group. MBA, Stockholm School of Economics. Elected 2018.



ERICA LUNDGREN
CEO, OK Västerbotten. Market Economist, IHM Business School Stockholm. Previously Sales Director for Norrmejerier, Business Area Manager and Subsidiary MD within Proffice Sweden. Member of the Board of Humbly, OK Marknadsservice and OKQ8 Marknad. Elected 2017.



ANNA TIBBLIN
New Secretary General of We Effect and Vi Agroforestry. Previously Regional Director in Southern Africa and Latin America, has worked in aid assessment in her own consulting company and also been a journalist for daily and trade newspapers.

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.

MEMBER ORGANISATIONS

Hyresgästföreningen | Kooperativa Förbundet, KF | Federation of Swedish Farmers, LRF | Lantmännen | OK economic association | Riksborgen | Coop Sverige AB | Folksam | Swedbank | HSB Riksförbund | Fonus | Kooperativa Ledaes Förbund | Consumer Association Stockholm

Consumer associations
Coop Central, Coop North, Coop Norrbotten, Coop West, Consumer Association Göta, Coop Finspång, Knäred Consumer Association, Färingsö Consumer Association, Coop Varberg economic association, Coop Tabergsdalen, Coop Gotland economic association, Coop Värmland, Consumer Association Stockholm, Kristianstad-Blekinge Consumer Association, Veberöds Consumer Association

HSB associations
Dalarna, Gävleborg, Göta, Gothenburg, Karlskoga, Malmö, Mölndal, North-west Götaland, North, North Bohuslän, North Greater Stock-

holm, Stockholm, South-east, Södertälje, Södertörn, Southern Norrland, Uppsala, Östergötland

Federation of Swedish Farmers regional associations

Gävleborg, Halland, Jämtland, Jönköping, Dalarna, Norrbotten, Skåne, South-east, Västra Götaland, Värmland, Västerbotten, Östergötland, Örebro, Mälardalen, Västernorrland

Studieförbundet Vuxenskolan Förbundet Vi Unga | Swedish Empowerment Center | Companion Sverige | Ekobanken Brunnsviks folk high school | Ädelfors folk high school

Hyresgästföreningen



DIRECTORS' REPORT

The Board of Directors and the Secretary General of We Effect (reg. no. 802004-1524) hereby submit the following annual report for the financial year 1 January – 31 December 2018.

GENERAL INFORMATION ABOUT OPERATIONS

Purpose and vision

We Effect is a non-profit association with a mission to eradicate 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 comprised 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 conduct our aid activities 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 permeated 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 influence the unfair structures that contribute to poverty. Within the thematic area of adequate housing, We Effect is working with organisations that fight to secure access to land for homes, thus enabling member-owned housing for poor people. We Effect is also working to develop savings and loan associations that provide people living in poverty, especially in rural areas, the opportunity to finance their own investments.

We Effect works with a strong focus on rights. This means that people are active participants in their own development. This working method helps to ensure that human rights are respected, protected and fulfilled. 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 effecting change, and are not just powerless victims or recipients 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 activities. The commitment and efforts of 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 development work on the ground. 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. There 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 Lusaka, 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. The regional office is located in Guatemala City, Guatemala.
- **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 relevant to the member organisations' employees, customers and members 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 AgriCord, an international network of development cooperation organisations working to strengthen farming and 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

of the Association for Women’s Rights in Development (AWID), which aims to strengthen individuals, organisations and international movements working to promote women’s rights.

In Sweden, We Effect is represented 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 (FRII), Föreningen Rikssamlingen (Children of the World), Ideell Arena 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 CIVSAM. 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 (FRII), which is a collective body for Swedish fundraising organisations. FRII 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 Administrative Department 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 Östgötagatan 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 responsibilities throughout the organisation, and ensure that country offices, regional offices and the head office have sufficient resources to more effectively manage change processes and keep up with technological developments.

During the year, Anna Tibblin began as the new Secretary General, and we also have new Regional Managers in Europe and Southern Africa. Eastern Africa is the first region to recruit a national Regional Manager, who started on 1 January 2019.

The Marketing Department

The Marketing Department consists of three units: Press and Advocacy, Communication, and Fundraising.

In 2018 We Effect raised SEK 60.9 million in donations, an increase of 8.9 per cent on the previous year. We Effect’s member organisations and other companies account for 42 per cent of the fundraising, the Swedish Postcode Lottery for 33 per cent, and private donors for 25 per cent.

We Effect has developed and launched focus projects, which is a new concept targeting companies and member organisations. The focus projects package We Effect’s operations into a project in a way that is easy to communicate, both internally to employees and elected representatives, and externally to customers, members and the general public.

In connection with We Effect’s 60th anniversary, a seminar was organ-

ised in October with our member organisations with several speakers and guests, including Jan Eliasson.

Collaboration with We Effect’s member organisations was intensified during the year. For each pack of Ånglamark coffee sold, SEK 1 goes to We Effect operations. A successful monthly donor campaign was carried out in Coops supermarkets, resulting in an increase in income from monthly donors. During 2018, We Effect has carried out two major campaigns. Ahead of the Christmas campaign, the focus was set with the message “Give women power!” in still and moving pictures.

The International Department

The International Department consists of two units: Policy and Advocacy, and Programme Development and Quality. 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.

2018 was the first year in the new programme period, 2018–2022. The main focus has therefore been on starting up the 13 new development cooperation programmes in the actual focus countries. The department worked with direct support for the regions, for instance in connection with an incidence of corruption in Zambia and organisational challenges at several country and regional offices.

Major effort has gone into procuring and customising an action management system for development cooperation operations, and adapting it to We Effect’s needs. The department has evolved development cooperation methods, worked on quality management, and coordinated policy development and resource mobilisation from institutional donors. Global advisors on both gender equality and environmental and climate issues were recruited during the year. A new international manager started in September.

Southern Africa – 2018 was the first year with country programmes rather than regional programmes. Regional cooperation was instead secured through method and knowledge platforms. The regional office focused on processes and procedures, which facilitate the work at every stage.

In Zimbabwe We Effect, along with partner organisations, received funding for two new programmes: an entrepreneur programme focusing on women and young people, and an EU programme to strengthen the dairy sector.

In Mozambique ARENA came to an end, a programme which began in 2013 focusing on farming and natural resources. Folksam made a study visit to Mozambique during the year. The promising peace talks between Renamo and Frelimo in Mozambique continued, despite some turbulence surrounding the local elections in October.

In Zimbabwe, Emmerson Mnangagwa was elected the new president. The hopes aroused after the coup against Robert Mugabe were dashed, as the country’s downward spiral continued with rocketing inflation, riots and mass arrests.

Eastern Africa – 2018 marked the beginning of a new programme period, which began by producing zero studies within the programmes, providing the foundation we need to be able to measure changes and results over time. We signed new agreements with 37 partner organisations. In Tanzania, the Swedish embassy has doubled its funding for our work on land rights, which means we now reach far more villages.

During the year we intensified support for the coffee cooperatives in Kenya, partly by establishing a network 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 seeking 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 CICIG by withdrawing visas for its experts, and for Commissioner 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 or 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 North Macedonia.

Our *Världens Barn* (Children of the World) project for Roma children in Albania was visited by Swedish public broadcaster Sveriges Television, and had a major impact during the 2018 Children of the World TV gala. In Macedonia We Effect, along with our partner organisations, initiated the signing 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 Prespa 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, IMF.

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

The region has faced serious political challenges, resulting in an escalation of violence and less scope 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 anti-Muslim riots and 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 indisputable reality for farmers in the region.

FINANCIAL POSITION AND PERFORMANCE

The profit/loss for the year after net financial items and earmarked funds 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 61 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 CIVSAM, and the majority of the financing comprises the framework grant, SEK 162.8 million. Financing also includes other appropriation items from Sida and other institutions. During the year, Sida CIVSAM 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, Asia for 11 per cent and Europe for 5 per cent, and globally 1 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 subsequently continue.

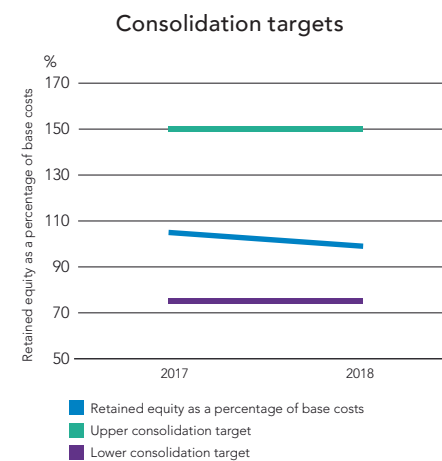
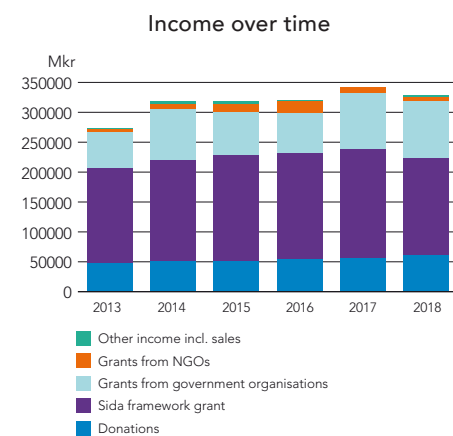
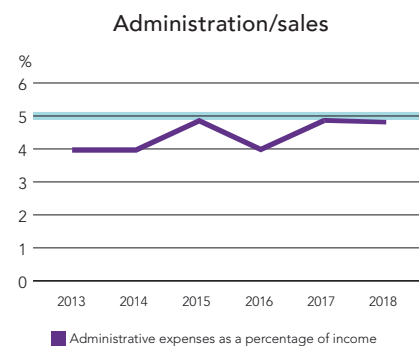
Future development

Operations in 2019 will to a great extent involve continuing the implementation of and work on the total of 13 development cooperation programmes in the regions, as well as continuing to develop work processes for harmonisation and increased global learning across all areas of the operations.

ANNUAL ACCOUNTS

Income statement

Amounts in SEK	Note	2018	2017
OPERATING INCOME			
Donations	3	60,942,614	55,943,751
Grants	3	264,739,156	283,772,145
Net sales		54,261	301,319
Other operating income	4	2,868,703	686,034
Total operating income		328,604,734	340,703,249
Operating expenses	5		
Expenses for charitable activities	6	-299,572,849	-315,828,223
Administrative expenses	7	-15,410,591	-16,432,492
Cost of goods and services sold		-1,547,716	-561,888
Fundraising expenses		-19,393,254	-15,961,691
Total operating expenses		-335,924,410	-348,784,294
Operating result		-7,319,676	-8,081,045
Earnings from financial investments			
Earnings from securities and receivables accounted for as non-current assets	8	3,870,067	1,687,583
Other interest income and similar profit/loss items	9	1,051,309	779,977
Interest expenses and similar profit/loss items	10	-4,196	-70,642
Total earnings from financial investments		4,917,180	2,396,918
Result after financial items		-2,402,496	-5,684,127
Result for the year		-2,402,496	-5,684,127
Change in earmarked funds			
Result for the year according to the income statement		-2,402,496	-5,684,127
Utilisation of earmarked funds from prior years		2,805,529	2,549,301
Earmarking of funds		-1,663,736	-3,494,502
Remaining amount for year/ change in retained equity		-1,260,703	-6,629,328



The aim is for administrative expenses to be a maximum of 5 per cent of sales.

The internal consolidation target is for the retained equity 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 leaves 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.

Balance sheet

Amounts in SEK	Note	2018	2017
ASSETS			
Non-current assets			
Intangible assets	11	858,340	1,287,510
		858,340	1,287,510
<i>Property, plant and equipment</i>			
Land and buildings	12	3,505,334	3,870,943
<i>Financial assets</i>			
Securities held as non-current assets	14	35,792,020	33,566,187
Total financial assets		35,792,020	33,566,187
Total non-current assets		40,155,694	38,724,640
Current assets			
<i>Inventories</i>			
Products		8,572	33,783
Total inventories		8,572	33,783
<i>Current receivables</i>			
Accounts receivable – trade		2,305,899	460,370
Other receivables	15	26,033,402	18,855,973
Prepaid expenses and accrued income	13	5,502,445	3,828,764
Total current receivables		33,841,746	23,145,107
Cash and bank		127,818,540	89,847,628
Total current assets		161,668,858	113,026,518
TOTAL ASSETS		201,824,552	151,751,158

Amounts in SEK	Note	2018	2017
EQUITY AND LIABILITIES			
Equity			
Retained equity		79,729,590	80,990,293
Earmarked funds		3,379,929	4,521,722
Total equity		83,109,519	85,512,015
<i>Provisions</i>			
Other provisions	16	1,514,000	-
Total provisions		1,514,000	0
<i>Current liabilities</i>			
Accounts payable – trade		7,431,930	4,628,196
Liability received, unutilised grants	17	102,535,590	54,030,329
Other liabilities		565,758	571,300
Accrued expenses and deferred income	18	6,667,755	7,009,318
Total current liabilities		117,201,033	66,239,143
TOTAL EQUITY AND LIABILITIES		201,824,552	151,751,158

Change in equity

	Earmarked funds	Retained equity	Total equity
Opening balance	4,521,722	80,990,293	85,512,015
Earmarked	1,663,736	-1,663,736	-
Utilised	-2,805,529	2,805,529	-
Result for the year	-	-2,402,496	-2,402,496
Closing balance	3,379,929	79,729,590	83,109,519

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

Cash flow statement

	2018	2017
Operating activities		
Result after financial items	-2,402,496	-5,684,127
Adjustments for non-cash items		
Depreciation/amortisation and impairment losses	794,779	794,778
Capital result from sale of financial assets	-3,869,056	-1,516,058
Change in other provisions	1,514,000	-
	-3,962,773	-6,405,407
Cash flow from operating activities before changes in working capital	-3,962,773	-6,405,407
Changes in working capital		
Changes in inventories	25,211	65,248
Change in current receivables	-10,696,639	-812,176
Change in current liabilities	50,961,890	-1,390,685
Cash flow from operating activities	36,327,689	-8,543,020
Investing activities		
Acquisition of financial assets	-66,063,387	-7,589,446
Sale of financial assets	67,706,610	15,417,924
Cash flow from investing activities	1,643,223	7,828,478
Cash flow for the year	37,970,912	-714,542
Cash and cash equivalents at the beginning of the year	89,847,628	90,562,170
Cash and cash equivalents at the end of the year	127,818,540	89,847,628

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 (K3) and the Swedish Fundraising Council's (FRIL'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 purchasing, 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 mailings.

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 employees 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	No depreciation
Buildings abroad	20 years
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 1 continued

of a securities portfolio and viewed as one item when valued at the lower of cost or market value, and for impairment testing. Impairment occurs if the market value for the whole portfolio is less than its cost and the decrease in value is deemed to be permanent.

Accounts receivable – trade are valued individually at the amounts expected to be received.

Receivables and liabilities in foreign currencies are measured at the closing day rate.

Inventories

Goods for resale are measured using the first-in, first-out principle, at the lower of cost and net realisable value on the balance sheet date.

Earmarked funds

Donations that have not yet been utilised and other earmarked funds are recognised as earmarked funds in equity.

Provisions

A provision is recognised when the association has obligations that relate to the financial year or previous financial years and that, on the balance sheet, are certain or probable as to their existence but uncertain as to the amount or date required to settle the obligation. Provisions are measured at the best estimate of the amount that will have to be paid.

Cash flow statement

The cash flow statement has been prepared using the indirect method and shows the association’s inbound and outbound payments divided into operating activities and investing activities. The reported cash flow includes only transactions involving inbound or outbound payments. Cash and cash equivalents comprise cash as well as balances available at banks and other credit institutions.

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

Receivables and liabilities in foreign currencies are measured at the closing day rate, i.e. the exchange rate on the balance sheet date.

Income tax

The association is exempt from income tax on its non-profit activities because it meets the requirements for a public service in accordance with tax legislation.

Insofar as the association conducts business activity, the main rule is that the business activity is taxable. Business activity can be exempt from tax if it has a natural connection to the public service purpose or is a time-honoured source of financing. Business activity that is normally taxable may also be exempt from taxation in certain cases if the main principle applies.

NOTE 2 Accounting estimates

We Effect makes estimates and assessments about future development. By definition the resulting accounting estimates will rarely correspond to the actual outcome.

NOTE 3 Fundraising

Donations recognised in the income statement	2018	2017
Individual donors	15,087,746	14,387,483
Folksam	1,209,390	1,214,375
Fonus	9,699	1,530
HSB and affiliated associations	3,298,548	3,191,035
KF, Coop and consumer associations	12,681,278	10,861,719
Lantmännen	470,000	475,000

NOTE 3 continued

Federation of Swedish Farmers	2,901,215	2,949,186
OK economic association	130,023	7,763
Swedish Postcode Lottery	20,000,000	20,000,000
Riksbyggen	3,719,274	2,146,291
Swedbank	505,000	636,923
Other fundraising companies	930,441	561,618
Total donations	60,942,614	55,943,751

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 89.5 (102) in 2017.

Grants and public grants recognised in the income statement	2018	2017
Funds raised, non-public grants		
UN, FAO, OCHA	-	290,432
World Food Programme, Malawi	1,077,165	999,718
UNDP	-	997,848
Heifer International, Nicaragua	-	591,002
IITA	-	444,835
Radiohjälpen	1,864,703	3,571,541
Swedish Postcode Lottery, special projects	2,843,264	426,195
Welthungerhilfe	840,997	1,804,667
Fairtrade Africa	998,825	265,352
WYG Int. SAIRLA	336,789	291,091
Total funds raised, non-public grants	7,961,743	9,682,681

Grants from government organisations, public grants	2018	2017
AgriCord, Agence Française de Développement	238,593	1,231,441
AgriCord, Directorate General for Development Cooperation (Belgium)	-	1,903,931
AgriCord, Conf Tanzania	122,500	-
AgriCord, Directorate General for International Cooperation (Netherlands)	271,208	1,066,773
AgriCord, International Fund for Agricultural Development, EU	1,407,526	1,758,290
AgriCord, Ministry of Foreign Affairs of Finland, Vietnam	304,065	-
AgriCord, Ministry of Foreign Affairs of Finland, Africa	-238,593	1,167,338
AgriCord, Southern African Confederation of Agricultural Unions	1,209,748	-
Embassy of Ireland, Mozambique	1,232,523	1,448,800
Sida Bogota, Colombia	504,024	-
EU	8,566,005	8,454,231
CIP, International Potato Center, USAID	-	571,512
Millennium Challenge Account (MCA)	677,821	2,049,782
Norwegian Ministry of Foreign Affairs, Malawi	16,222,340	16,164,704
Sida, EU Contribution	2,786,625	1,457,490
International programme office, trainee funds	607,674	396,086
Sida Civsam	162,847,692	179,235,443
Sida Global, grants for bilateral associate experts	51,392	522,878
Sida, information grants	2,200,814	685,658
Sida Guatemala City, Guatemala	13,120,443	15,313,903
Sida Harare, Zimbabwe	5,858,197	3,611,736
Sida Tanzania	4,000,000	-
Sida Maputo, Mozambique	34,786,815	37,049,468

Total public grants from government organisations	256,777,412	274,089,464
Total grants and public grants recognised in the income statement	264,739,156	283,772,145

Total fundraising comprises the following	2018	2017
Donations recognised in the income statement	60,942,614	55,943,751
Non-public grants recognised in the income statement	7,961,743	9,682,681
Total funds raised	68,904,357	65,626,432

NOTE 4 Other operating income

	2018	2017
Rental income	659,647	584,668
Local income abroad	324,548	70,388
Other income	1,884,508	30,978
Total other operating income	2,868,703	686,034

NOTE 5 Personnel costs

Average number of employees	2018	2017
Sweden	36	36
Region Europe (counted together with Asia last year)	7	4
Region Asia (counted together with Europe last year)	24	23
Region Latin America	41	33
Region Southern Africa	68	73
Region Eastern Africa	25	22
Total employees	201	191

	2018	2017
Women	121	109
Men	80	82

Total average number of employees 201 191

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.

Salaries and remuneration	2018	2017
Service in Sweden		
Salaries and remuneration	18,569,875	18,640,705
Payroll overheads	10,746,105	10,959,611
Total service in Sweden	29,315,980	29,600,316

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.

Salaries and remuneration	2018	2017
Service abroad		
Region Europe/Asia	5,519,930	-
Region Europe (counted together with Asia last year)	1,409,213	1,295,815
Region Asia (counted together with Europe last year)	-	4,953,245
Region Southern Africa	13,683,961	12,918,293
Region Latin America	11,164,431	8,733,596
Region Eastern Africa	6,878,745	5,324,838
Total service abroad	38,656,280	33,225,787
Total salaries and remuneration	67,972,260	62,826,103

The association’s activities are based to some extent on volunteer work. The number of volunteer hours totalled 25 (89.5) in 2018.

Pension expenses and other social security contributions

Pension obligations are secured via a fund at Folksam (KP Pension & Försäkring). Pension payments from the fund during the year amounted to SEK 3,990,728 (3,700,467). 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 exceeds the pension liability by SEK 13,742,243 (14,675,834). In accordance with an agreement with PRI Pensionsgaranti, the pension obligations have been secured via credit value insurance up to and including 31 December 2018. As a special insurance condition, the pension fund must have an over-consolidation reserve, a minimum of 120 per cent (120) of the liability.

NOTE 5 continued

The Board and senior executives

Salaries and remuneration, and pension expenses include costs for the former CEO who left on 31 May 2018 and the newly appointed Secretary General as of 1 June 2018. Salaries and remuneration to the CEO and Secretary General total SEK 1,015,463 (913,881). The association’s pension costs, including 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	2018	2017
Board members on balance sheet date		
Women	5	7
Men	4	3
Total Board members on balance sheet date	9	10
CEO		
Women	1	1
Men	-	-
Total CEO	1	1

NOTE 6 Expenses for charitable activities

	2018	2017
Region Eastern Africa		
Regional projects in Eastern Africa	12,899,088	14,766,893
Kenya	10,527,321	12,408,280
Tanzania	12,754,713	10,490,724
Vi Agroforestry, forwarded contributions	19,085,635	18,873,669
Uganda	7,639,932	10,114,084
Region Southern Africa		
Malawi	23,067,874	24,705,536
Regional projects in Southern Africa	5,418,152	16,964,417
Mozambique	39,536,736	40,297,879
Zimbabwe	17,390,716	12,690,209
Zambia	9,397,318	9,412,674
Property Unit Zambia	637,904	-
Region Latin America		
Regional projects in Latin America	14,104,550	18,347,349
Bolivia	4,608,485	5,952,960
Colombia	504,024	-
El Salvador	6,509,384	6,558,667
Guatemala	16,338,509	18,514,945
Honduras	7,383,813	6,371,032
Nicaragua	5,801,704	7,878,982
Paraguay	3,638,043	6,050,019
Region Asia		
Regional projects in Asia	5,465,565	5,838,458
Philippines	6,925,147	8,137,389
Cambodia	1,526,985	1,911,047
Myanmar/Burma	1,064,520	889,156
Sri Lanka	6,832,184	6,048,259
Palestine	6,150,117	10,177,950
Vietnam	4,175,589	5,361,169
Region Europe		
Regional projects in Europe	3,033,004	2,306,094
Albania	3,644,940	3,860,475
Bosnia-Herzegovina	1,074,160	1,153,738
Kosovo	1,003,470	1,108,153
Macedonia	2,836,846	2,153,841
Moldova	2,868,421	3,066,144
Global		
The global programme	4,920,000	-
Total project expenses	268,764,849	292,410,192
Other projects etc.		
Trainee programme	624,000	242,418
Advocacy activities in Sweden	15,476,440	15,836,842
International department	6,452,459	6,475,496
Other projects	8,255,101	863,275
Total expenses for charitable activities	299,572,849	315,828,223

NOTE 7 Operating leases

	2018	2017
Future lease payments are due as follows:		
Due for payment within 1 year	3,667,925	3,075,761
Due for payment in 1-5 years	10,324,511	-
Estimated lease payments during the period	13,992,436	3,075,761

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

	2018	2017
Dividend	1,011	171,525
Capital gains from sales	3,869,056	1,516,058
Total	3,870,067	1,687,583

NOTE 9 Other interest income and similar profit/loss items

	2018	2017
Interest income	184,658	169,456
Exchange rate differences	866,651	610,521
Total	1,051,309	779,977

NOTE 10 Interest expense and similar profit/loss items

	2018	2017
Other interest expenses	-4,196	-1,244
Exchange rate loss on foreign currency accounts	-	-69,398
Total	-4,196	-70,642

NOTE 11 Intangible assets

	2018	2017
Capitalised expenditure for software		
Opening cost	2,145,850	2,145,850
Closing accumulated cost	2,145,850	2,145,850
Opening amortisation	-858,340	-429,170
Amortisation for the year according to plan	-429,170	-429,170
Closing accumulated amortisation	-1,287,510	-858,340
Closing accumulated impairment losses	0	0
Closing carrying amount at end of period	858,340	1,287,510

NOTE 12 Land and buildings

	2018	2017
Opening cost	7,312,167	7,312,167
Closing accumulated cost	7,312,167	7,312,167
Accumulated depreciation		
Opening depreciation	-3,441,224	-3,075,616
Depreciation for the year according to plan	-365,609	-365,608
Closing accumulated depreciation	-3,806,833	-3,441,224
Closing carrying amount	3,505,334	3,870,943

Land and buildings abroad comprise the association’s own offices in Guatemala, Honduras, Kenya and Nicaragua.

NOTE 13 Prepaid expenses and accrued income

	2018	2017
Prepaid rent	24,305	72,451
Accrued income	4,842,539	2,825,601
Prepaid expenses	635,601	930,712
Total	5,502,445	3,828,764

NOTE 14 Securities holdings

	2018	2017
Securities holdings (SEK thousand)	Cost	Market value on closing day
Securities held as non-current assets		
Carnegie Sverigefond	3,600,000	3,243,759
Cliens Sverige Fokus A	3,652,020	3,277,527
Didner & Gerge Global	3,600,000	3,213,503
Aktie-Ansvar Avkastningsfond	6,138,741	6,116,892
Catella Avkastning	5,002,005	4,986,080
Pareto Global Corporate Bond A	1,819,324	1,763,825
Simplicity Företagsobligationer A	5,002,005	4,954,354
Kassa Diskretionär fond 7	156,052	131,287
Aktie-Ansvar Graal Aktiehedge	2,273,837	2,278,018
Nordic Cross Small Cap Edge R SEK	2,274,018	2,213,892
Nordic Cross Stable Return R SEK	2,274,018	2,212,083
Total securities held as non-current assets	35,792,020	34,391,220

	31 Dec 2018	31 Dec 2017
Opening accumulated cost	33,566,187	39,878,605
Investments during the year	66,063,387	7,589,446
Sales/disposals	-63,837,554	-13,901,864
Closing accumulated cost	35,792,020	33,566,187
Closing book value	35,792,020	33,566,187

NOTE 15 Other receivables

	2018	2017
Specification of other receivables		
Project expenses – We Effect offices abroad	18,112,783	13,387,383
Receivables – donors	4,471,393	4,590,413
Other receivables	3,449,226	878,177
Total other receivables	26,033,402	18,855,973

NOTE 16 Other provisions

	2018	2017
Provisions for the year	1,514,000	-
Provisions at the end of the year	1,514,000	-

NOTE 17 Liability received, unutilised grants

	2018	2017
Specification of liability received, unutilised grants		
Sida Civsam	29,351,213	2,826,877
Sida Info	231,186	74,342
Sida Bilateral Associate Expert	-	431,057
Other Sida grants	33,312,563	19,701,383
UHR trainee programme	646,726	-
AgriCord Tanzania Forestry Conference	116,069	-
AgriCord, FFP Tanzania	555,928	-
EU grants	18,107,242	7,860,083
Norwegian embassy, Norad	10,332,300	8,478,837
Other public grants for activities	301,406	198,903
Total public grants	92,954,633	39,571,482
Grants from organisations and companies	9,580,957	14,458,847
Total liability received, unutilised grants	102,535,590	54,030,329

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

NOTE 18 Accrued expenses and prepaid income

	2018	2017
Other items	2,366,801	4,042,262
Holiday pay	1,871,216	1,413,589
Accrued social security contributions	2,429,738	1,553,467
Total	6,667,755	7,009,318

NOTE 19 Contingent liabilities

	2018	2017
Pension commitment	1,396,864	1,361,795
Total contingent liabilities	1,396,864	1,361,795

Stockholm, April 26 2019



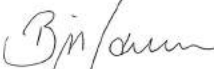
Tommy Ohlström
Chair of the Board



Ann Charlott Folkesson
Vice Chair



Anders Lago



Björn Larsson



Erica Lundgren



Helen Persson



Elisabeth Sasse



Britta von Schoultz



Gabriel Francke Rodau



Anna Tibblin
Secretary General

AUDITOR’S REPORT

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

REPORT ON THE ANNUAL ACCOUNTS

Opinions

We have audited the annual accounts of We Effect for the year 2018.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and in all material respects fairly present the association’s financial position as of 31 December 2018 and its financial performance and cash flows for the year in accordance with the Swedish Annual Accounts Act. The directors’ report is consistent with the other parts of the annual accounts.

Basis for our 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 in Sweden. As authorised public accountants, we have fulfilled our professional ethical responsibility in accordance with these requirement.

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

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 other 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.

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.

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.

Authorised public accountant’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 a material misstatement if such exists.

Misstatements can arise due to impropriety or error and are considered to be material if individually or together they can reasonably be expected to affect financial decisions that users make based on the annual accounts.

As part of an audit according to ISA, I use professional judgement and have a professionally sceptical approach during the entire audit.

Moreover:

- I identify and assess the risks of material misstatements in the annual accounts, whether they are due to impropriety 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 improprieties may involve acting in collusion, falsification, intentional omission, incorrect information or disregarding internal controls.
- I obtain an understanding of the part of the association’s internal control that is of significance 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 reasonability 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 audit’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.

Elected auditor’s responsibility

I have to conduct an 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.

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.

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.

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 neglect 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.

Stockholm, May 15 2019
Öhrlings PricewaterhouseCoopers AB



Erik Albenius
Authorised Public Accountant



Hans Eklund
Elected auditor



www.weeffect.org