

Chonile Mudenda Noole. Photo: Anders Hansson

ANNUAL REPORT 2019



WE EFFECT IN BRIEF

We Effect is a development cooperation organisation established in Sweden in 1958 with the aim of reducing the gulf between rich and poor throughout the world.

We have approximately 70 Swedish organisations and companies with cooperative roots as members, and operate in more than 20 countries across four continents to tackle poverty and injustice.

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

We Effect is not affiliated with any political party or religion.

We work to eradicate poverty around the world, focusing on equality, women and help to self-help.

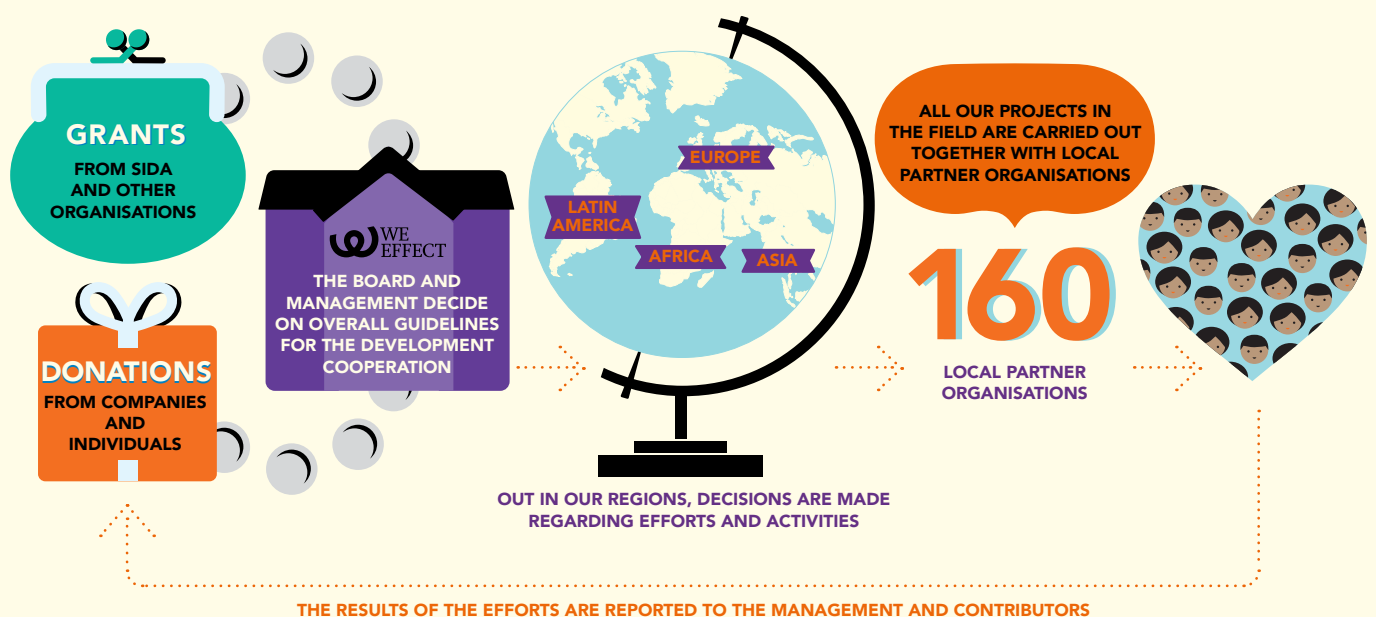
When people come together and form cooperatives, the effect is that more families enjoy higher incomes, food on the table and adequate housing – and can come out of poverty for good.

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

We work with over 160 local partner organisations around the world, and are the world's largest development cooperation organisation in terms of number of projects.

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.





Ana Ramos with her grandchild, Janette.
Photo: Jesper Klemmedsson

THE FUTURE IS DEFINED NOW

The coronavirus pandemic has reached all 23 countries where We Effect operates. The number of cases continues to rise, as does the death toll. Borders have been closed and whole communities are shutting down in an attempt to reduce the spread. Many countries have introduced emergency laws to combat the virus. Authoritarian regimes have used the situation as an excuse to quell opposition and increase persecution and threats on leaders in communities.



We cannot yet grasp the consequences of the crisis, but one thing we know for certain: it's the people already living in poverty and vulnerability who will be hit hardest. Those who can't afford to stock up on food, who have no margin or government safety net.

For several decades, the world has become a better place. Poverty has been decreasing, and gender equality increasing. Swedish aid, organisations like We Effect and Swedish cooperation have all played an important part, and this is something we are hugely proud of. Indeed, this annual report shows some fine examples. Now, however, many of the results risk coming to nothing.

The COVID-19 pandemic puts emphasis on injustices in the world. It is putting our compassion to the test. Even so, it is when the problems become visible that they are possible to solve.

The world is facing a dilemma: We can focus on the individual nation. Close the

borders. Hope that the problems go away. Or we open our eyes and our hearts and realise the crisis is global – and that the solution must be global too. No one country can solve the crisis alone. Unless the most vulnerable countries can handle the pandemic, no one will succeed.

We can afford to have global justice. We can't afford not to. It is important now that we set our sights firmly on the global goals of Agenda 2030 and make sure they become reality. This is our shared responsibility. The world we want after the crisis will be defined by how we act here and now.

At the time of writing, We Effect is preparing for a reorganisation of its operations. When the borders open and people can once again move freely, there will be an acute and immediate need to get to work and get local economies up and running again. We believe that cooperative solutions have a tremendously important part to play.

We can't predict the consequences of the crisis, but we do know for certain that our support and global solidarity will be more important than ever. We know that people are stronger together.




Tommy Ohlström,
Chairperson


Anna Tibblin,
Secretary General

GOOD RESULTS THANKS TO VALUABLE COLLABORATION AND MAJOR DONORS

Increased knowledge and commitment are vital cornerstones in our efforts, just as monetary donations of all sizes are invaluable to our cause.

BOARD TRIP TO THE PHILIPPINES

In September the We Effect Board of Directors, with representatives from Coop, HSB, the Federation of Swedish Farmers, consumer association KF, OK and Consumer Association Stockholm travelled to the Philippines on a fact-finding mission. The Philippines is subject to ever tougher national rule, could be the world's most dangerous country for land and environmental campaigners, and has large, growing slum areas. The Board met threatened small-holder farmers and housing defenders. During the trip, an initiative was launched to create a million sustainable homes in the country. Afterwards, a joint debate article was used to direct requirements on the need for sustainable enterprise towards the Swedish government and business sector. The message is that human rights must be an absolute requirement, rather than a voluntary aspect, when Sweden does business with other countries.



The Board in Manila. Photo: Marcus Lundstedt

5-5-5 INSURANCE WITH FOLKSAM AND WE EFFECT

5-5-5 is a project that aims to help with microinsurance in Kenya. Alongside the ICMIF (International Cooperative Mutual Insurance Federation) and with funding from Folksam, good results have been achieved in 2019. A total of 8,035 households, 3,412 managed by women, have received insurance assistance during the year. Some of the project's key goals are to increase knowledge about the importance of insurance, and to reach out to the farmers via mobile networks. One exciting innovation is an Uber service for veterinarians, whereby farmers can use an app to contact the nearest vet and quickly get help with their sick animals.

Hellen Ngina. Photo: Mårten Wallendahl



SEK 17 M FROM THE SWEDISH POSTCODE LOTTERY

Again in 2019, the Swedish Postcode Lottery was a major supporter of our work. During the year, we used the funds for example to make a crucial investment in a new project management system, and also to strengthen our private and institutional fundraising. The welcome funding helps us to ensure efficient, reliable aid work and secure our long-term financing.



MEMBER ORGANISATIONS TO ZAMBIA



Study circle. Photo: Kajsa Liljegren

- 1 AGRICULTURE
- 2 ADEQUATE HOUSING
- 3 FINANCIAL SERVICES

In August, representatives from six of our member organisations

joined us on a trip to Zambia to see our work in the field. The trip explored the three themes of We Effect's *Challenge Poverty* campaign: sustainable agriculture, adequate housing and financial services. The delegates were able to visit a number of projects and take part in activities on the same themes. The aim was to increase knowledge and commitment among We Effect's member organisations, enabling us to work closer together to challenge poverty and contribute to the global Sustainable Development Goals (SDGs). The trip resulted in both internal and external communication in our member organisations' channels.



Anna Tibblin and Eva Lindh (Social Democratic Party). Photo: Marcus Lundstedt

THE IMPACT OF GENDER EQUALITY

In November, We Effect held a parliamentary seminar with Co-operatives Sweden. It was a successful meeting, where large parts of the social democratic party group were listening with interest and engagement to Anna Tibblin's lecture on cooperation and gender equality as tools for achieving a better world. The MPs heard about the report entitled *Farmers with Their Lives at Stake*. MP Eva Lindh made promises to stand up for We Effect's work.

FILM SCREENING IN ALMEDALEN

What happens when people's right to a home is challenged by strong market forces? Almost 900 million people live in slums and shanty towns. At the same time, speculation in homes as a trading commodity is increasing and the global housing crisis is continuing – also in Sweden. We Effect invited Leilani Farha, the United Nations special rapporteur on adequate housing, and Fredrik Gertten, documentary filmmaker, to Almedalen Week, and presented a special preview of Gertten's film *Push*, which reflects a global property market that has undergone huge changes over the past decade. The film follows Leilani Farha, who travels around the world to try to understand how the global housing crisis is developing, what forces are behind this development, and how people are being affected. The screening of *Push* was followed by a discussion with We Effect's member organisations, cooperative housing companies HSB and Riksbyggen, and tenant association Hyresgästföreningen.



Leilani Farha. Photo: Rickard Kilström

THE WORLD'S TOUGHEST JOB IN ZAMBIA

In 2019 the World's Toughest Job campaign was conducted for the fourth time. The initiative involves a Swedish woman (Lisa Johansson) travelling abroad and sharing life and experiences with a woman farmer. In 2019 she went to Zambia. The aim is to increase knowledge about, and commitment to, women's situation in rural areas, and to highlight actual aid work under way to reduce poverty and hunger, and increase gender equality by 2030. Once again there was extensive media attention, and the campaign was also highlighted by many of our member organisations.



Florida Sikufa, daughter Mayambo, Lisa Johansson, Milner Sikufa. Photo: Ola Richardsson

WE EFFECT IN BRUSSELS

We Effect wants to be more active in the global networks for cooperation, agriculture, gender equality and defending human rights. Therefore, during the year an office was set up in Brussels. The Brussels operation also includes advocacy towards Swedish EMPs and EU institutions. During the year, a delegation from We Effect and Co-operatives Sweden travelled to Brussels to forge contacts with cooperative organisations and visit new Swedish EMPs.

A new office
in Brussels was
established.



Petra Pilawa, Hans Lind, Anna Tibblin, Jan Edén, Evin Incir and Marcus Lundstedt.

THE RIGHT TO LAND

We Effect is the first Swedish organisation to join the global Stand For Her Land campaign. In the pilot country, Tanzania, we will be campaigning for at least customary law to change so that it strengthens women's right to land ownership.

STAND FOR HER LAND
HER RIGHTS. HER LAND. A BETTER FUTURE FOR ALL.



Dorothy Kipsang, Ulrika Modéer, Camilla Lundberg Ney. Photo: Liinu Diaz Räämö

WE EFFECT IN NEW YORK

During the year We Effect, including Vice Chairman Lotta Folkesson, took part in the world's largest UN meeting on gender equality, the Commission on the Status of Women. The theme was social protection systems, and We Effect organised one event with the partner organisations Ciudadanía and

PLANE of Bolivia and one with the International Cooperative and Mutual Insurance Federation (ICMIF) and the partner organisation CIC Kenya. The cooperative solutions for greater gender equality was in focus also in meetings with Ulrika Modéer, Assistant Secretary General and Director of Bureau of External Relations and Advocacy for the UNDP, representatives of the Bolivian government, and the Gender Equality Committee of the International Cooperative Alliance.

ROUND-TABLE DISCUSSION ON FARMERS WITH THEIR LIVES AT STAKE

We Effect initiated a round-table discussion with Minister for International Development Cooperation Peter Eriksson, Third Deputy Speaker of the Riksdag of Sweden Kerstin Lundgren, Tommy Ohlström from KF, and other representatives of organisations and political parties. Sweden's role in Latin America was discussed and the importance of maintaining a strong presence to protect democracy, and land and environmental defenders. We Effect released the report *Cause of death - farmer* at the meeting. The report was compiled by regions and departments in cooperation. Also during the meeting, We Effect's Gender Equality Report was handed to the Minister and Kerstin Lundgren, foreign affairs spokesperson for the Centre Party.



Anna Tibblin and Kerstin Lundgren. Photo: Marcus Lundstedt

ERADICATING POVERTY WITH GENDER EQUALITY, TOGETHER

Board of Directors



TOMMY OHLSTRÖM

Chair of the Board

Previously Board Chairman of KF and Coop, 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. Board Chairman for Federation of Swedish Farmers Västerbotten and for the same federation's Horse Delegation, also Chairman of the Copa Cogecas Women's Committee in Brussels. Elected 2015.



ANDERS LAGO

Executive Chairman of HSB, Deputy Chair of FUB and board member of Folksam Sak, Berättarministeriet and the International Co-operative Alliance. Previous positions include Chair of the municipal board of Södertälje Municipality, Chair of the Board of Telge Group and of the Swedish Water & Wastewater Association. Elected 2012.



BJÖRN LARSSON

PhD Economics and Advisor. Previous positions: CMO and EVP BA Market Coop Sweden, CMO Swedbank, CEO Lowe Brindfors Annonssbyrå, McKinsey & Co, CEO Bonnier Net AB. Elected 2016.



HELEN PERSSON

Consumer Association Stockholm. Member of the board of CBS. Responsible for member activities, sponsorship and PR. Experience in communication, HR and project management for e.g. SSAB and Ericsson. Has managed and been co-owner of Strategic Health Consultants, a consultancy firm in organisation and leadership. Elected 2015.



YLVA WESSÉN

President and CEO of Folksam. Chair of KPA AB and Folksam's Forskningsstiftelse. Member of the board of ICMIF and its Executive Committee, and of Insurance Sweden. Previous roles include head of Risk and Compliance at Folksam, and as a lawyer at DLA Nordic. Elected 2019.



BRITTA VON SCHOULTZ

Communications Manager, Riksborgen. Previous positions include Press Officer for Riksbanken and the Swedish Prosecution Authority, as well as Strategic Communication Advisor at Kreab Gavin Anderson. Has also spent many years as a journalist at SVT, SR. Elected 2015.



PETER STRÖM

Head of Client Coverage, Large Corporates & Institutions at Swedbank. Has held various senior positions in the Swedbank Group, both in Sweden and internationally. Elected 2019.



ERICA LUNDGREN

CEO, OK Västerbotten. Previously Sales Director for Norrmejerier, Business Area Manager and Subsidiary MD within Proffice Sweden. Member of the Board of OK Marknadsservice and OKQ8 Marknad. Elected 2017.



ANNA TIBBLIN

Secretary General of We Effect and Vi Agroforestry. Previously Regional Manager 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 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 Ledares 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 Gotland, 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 Gotland, Värmland, Västerbotten, Östergötland, Örebro, Mälardalen, Västernorrland

Studieförbundet Vuxenskolan

Förbundet Vi Unga | Swedish Empowerment Center | Coompanion Sverige | Ekobanken Brunnsviks folk high school | Ädelfors folk high school



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 2019.

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 co-operative 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 enterprise 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 permeates all our activities.

Most of our partner organisations are member-based farmer organisations, housing cooperatives or savings and loan groups. 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 geographical 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. Paraguay was phased out in 2019. The regional office is located in Guatemala City, Guatemala.
- **Europe** encompassing North Macedonia, Albania, Bosnia-Herzegovina, Kosovo and Moldova. The regional office is located in Skopje, North Macedonia.
- **Asia** encompassing the Philippines, Palestine, Sri Lanka, Vietnam, Cambodia and Myanmar. Myanmar was phased out at the end of 2019, and Vietnam and Cambodia will be phased out during 2020. The regional office was relocated to the head office in Stockholm during 2019. The changes came as a result of the geographical review commissioned by the We Effect Board of the entire global operation.

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 2019, 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. In addition, We Effect is 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. We Effect is also on the

Board of the global ICMIF Foundation, which promotes the use of micro-insurance as a method of fighting poverty. Moreover, We Effect is active in the International Cooperative Alliance (ICA), particularly the European arm of the organisation, Coops Europe. Coordination of these global networks and cooperations takes place from our liaison office in Brussels.

In Sweden, We Effect is represented on the board of Concord Sweden, a European network aiming to influence the EU's development cooperation policy. We Effect is on the Board of Co-operatives Sweden, an umbrella interest organisation for We Effect's member organisations. We Effect is also active in the government-appointed FAO committee, Giva Sverige (the Swedish Fundraising Association), Föreningen Rikssinsamlingen (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 Giva Sverige (the Swedish Fundraising Association), which is a collective body for Swedish fundraising organisations. Giva Sverige has developed a Code of Quality for ethical and professional governance of organisations, 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

A new Regional Manager for Latin America started during the year, and from 1 January 2020 we also have a new Regional Manager for Region Asia. At the International Department, a new Department Manager started on 1 July, and we appointed a new manager for the new Press and Advocacy Department.

The Administrative Department

The Administrative Department consists of three units: Finance, Human Resources, and Organisation Support & Compliance.

There was a heavy focus on the relocation project for the Administrative Department, and on 15 November we moved to our new premises at Östgötagatan 90 in Stockholm.

The 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, progressed during the year, and the organisation has produced an IT strategy and begun the implementation of various global IT solutions.

The Marketing Department

During 2019, We Effect received donations of SEK 59.5 million. We Effect's member organisations and other companies account for 48 per cent of the fundraising, the Swedish Postcode Lottery for 29 per cent, and private donors for 24 per cent.

Measures during the year include revamping We Effect's Swedish and international websites, as well as running several successful campaigns, including the public-oriented *The World's Toughest Job*. The educational campaign *Challenge Poverty* was carried out in partnership with We Effect's member organisations, the aim being to increase knowledge and commitment to gender equality and sustainable, long-term development cooperation in order to achieve the global SDGs by 2030. The campaign began on 8 March with an interactive half-day involving international

guests, and with a focus on field operations and the global SDGs. The campaign also included a trip to Zambia in August, with six employees and members from the member organisations taking part in concrete efforts to fight poverty.

Two reports were produced for the purposes of advocacy. This led to a parliamentary motion and confirmed We Effect's relevance as regards sustainable development cooperation to central decision-makers and others in civil society.

Press and Advocacy

The Press and Advocacy Department was founded in August 2019 to coordinate responsibilities that had previously been spread across different parts of the organisation. During the autumn, the department's staff focused on establishing structures and processes for the department's work, also in collaboration with other departments and regions. The main focus was on highlighting the serious situation for land and environmental defenders in Latin America. The report entitled *Farmers with Their Lives at Stake* was launched in a round-table discussion with representatives from parliament as well as Sida, KF and Swedish environmental and development cooperation organisations. The report was also in focus when We Effect was invited to parliament by the social democratic party group to discuss Swedish development cooperation. During the autumn, the We Effect Board travelled to the Philippines, which at the time was the world's most dangerous country for land and environmental defenders, to analyse the situation and look at what responsibility Swedish companies have in bringing about change. Back in Sweden, the delegates wrote a debate article and highlighted the importance of considering the need for legislation for Swedish companies operating abroad, obliging them to conduct impact analyses. At the beginning of the year an office was established in Brussels, to enable We Effect to be more active in the global networks for cooperation, agriculture, gender equality and the defence of human rights. The Brussels operation also includes advocacy towards Swedish EMPs and EU institutions.

International Department

During the year, the International Department made an adjustment to its organisation. Contributing factors were the formation of the new department for Press and Advocacy, and a new, separate department for Vi Agroforestry. As a result, several functions and positions were moved away from the International Department.

The adjustments have made the department's focus clearer and stronger.

During the year, the International Department developed and commissioned a new global action management system for the organisation's development cooperation efforts. The system is known as Crops and is expected to be fully implemented by the first quarter of 2020. Along with the accounting system, Crops is the very core of the organisation's technical system for ensuring good internal governance and control of development collaboration. The system helps considerably in improving accessibility to information within and between the organisation's various offices, while also fostering greater learning and improved governance within the organisation.

In 2019, We Effect underwent a comprehensive system audit. This kind of audit is performed every five years and is an obligation under the organisation's contract with Sida CIVSAM. The audit was performed by Ernst and Young. The system audit ascertains the robustness and reliability of the organisation's structures, systems and routines on securing the operation according to the organisation's goals, commitments, and laws and regulations. The conclusion of the audit was that there was no scrutinised area where the organisation's risk levels are deemed high.

Southern Africa – We Effect's operation in Southern Africa has expanded significantly during the year. In Zimbabwe We Effect signed a new agreement with the EU to fund a project to bolster the dairy sector, and in Zambia an agreement was signed with the Swedish embassy to fund a regional project to promote sustainable development in the cotton sector, as well as another project to support the economic empowerment of women. Funding of the Malawi Lake Basin Programme, MLBP, which focuses on agriculture and sustainable food provision, decreased according to plan, albeit with devastating consequences. At the beginning of March,

Cyclone Idai hit Mozambique, Malawi and Zimbabwe. More than three million people were affected by the devastation, and over a thousand people lost their lives. During the autumn, ten million people in Zambia and Zimbabwe were affected by hunger and famine. The underlying cause was drought and flooding due to climate change, as well as political instability, corrupt governments and economic mismanagement. In August, as part of the *Challenge Poverty* project, representatives of We Effect's member organisations gained an insight into We Effect's field work in Zambia.

Eastern Africa – 2019 was an eventful year, resulting in the signing of several funding agreements, including with the EU for the rights of women and children in Uganda and another for women's land rights in Kenya. The region has been working to increase access to microinsurance as a means of mitigating the effects of climate change. We Effect was a part of the high-level delegation of Swedish civil society organisations to visit Tanzania early in the year to study the situation for civil society there, and thus help to strengthen the cooperation between the organisations in order to deal with the shrinking amount of space in Tanzania. The region was also the global hub for the Sida training on environmental and human rights issues.

Latin America – Latin America had a tumultuous year in 2019. Corruption scandals have shaken the political establishment in many countries. Violence, poverty and climate change are driving people away from their homes. At the end of the year, major protest movements began in large parts of the continent. The increasing inequality so prevalent in the region has brought together people from all walks of life and of different ages. In Bolivia and Colombia violence has broken out in connection with the protests, and many people have lost their lives. The region also remains at the top of the list for the number of assassinations of human rights defenders. In 2019, We Effect worked actively with advocacy in Sweden to highlight the major challenges the region is facing, and to increase Swedish support for Latin America.

Two new EU projects began in 2019. In El Salvador, We Effect and partners have been pushing for a state-run housing project for over ten years. At the end of 2019 the first sod was cut on the construction project, which will give more than 300 families access to adequate housing. In Guatemala We Effect has extended its project with the Swedish embassy on economic development for indigenous women. On 31 December 2019 We Effect closed its office in Paraguay.

Europe – North Macedonia and Albania were refused dates for entrance negotiations with the EU. Postponing the date was a strong message not only to these two nations but to the whole of the western Balkans, where the countries are in different stages as candidate members. All five countries encompassed by programme funding in the region aspire to forge links with the EU, but despite major changes and reform work they are still not deemed fully adequate.

The Europe programme encompasses 14 projects being implemented by partners, and two regional projects coordinated from the regional office. One project in Albania, with funding from Radiohjälpen/Världens Barn (Children of the World) was concluded during the year. The project showed good results in bridging segregation and alienation for Roma children and their parents.

During the same period, a new project began with the help of Radiohjälpen's Musikhjälpen ('Music Aid'), which is taking a unique approach in the region. It focuses on families in rural areas in North Macedonia that have one or more disabled people living in the home. The support aims to secure income and create jobs. The project was visited by state broadcaster Sveriges Television, which made a 30-minute film broadcast during the autumn on SVT.

The We Effect member organisation, Consumer Association Stockholm, visited its focus project in northern Albania in connection with operational planning.

Asia – 2019 was characterised by the region's restructuring following the geographical overhaul. At the beginning of the year, the Board decided to phase out operations in Vietnam, Myanmar and Cambodia. In Sri Lanka, We Effect has employed a new Country Manager. The regional office was

moved to Stockholm, and the focus in the immediate future is on developing three strong country programmes in Sri Lanka, the Philippines and Palestine, and resources will be brought over from phased-out countries to be used on the remaining programmes.

The Philippines is still very much characterised by the culture of violence that has made the country the most dangerous one to live in for human rights defenders, especially within We Effect's target groups, i.e. the people who live on agriculture and defend land rights. Climate change and natural disasters are also ongoing features of the Philippines, such as the volcano eruption outside Manila which required the evacuation of thousands of people.

In Sri Lanka the programme is focused on conflict sensitivity, particularly following the bomb attack that shook the country in April and was reminiscent of the conflict that still today affects the population. New projects are concentrating on areas such as using inclusive methods to prevent discrimination against ethnic groups.

Palestine is characterised by major difficulties in working freely with the important farming cooperatives. Because of this, the programme has decided to phase out its only housing project.

FINANCIAL POSITION AND PERFORMANCE

The profit for the year after net financial items and earmarked funds amounted to SEK 3.6 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.

Financing of operations

Total operating income in 2019 amounted to SEK 364 million. Donations from companies and individuals are an important element of financing, and totalled SEK 59.5 million, including product sales. The public grants amounted to a total of SEK 293 million and grants from non-public organisations amounted to SEK 8.9 million.

We Effect is a strategic partner to Sida CIVSAM, and the majority of the financing comprises the framework grant of SEK 182 million. Financing also includes other appropriation items from Sida and other institutions. During the year, Sida CIVSAM grants have been paid out to the *We Plant Trees* fundraising foundation (Vi Agroforestry) via We Effect.

Expenses for charitable activities

The volume of our expenses for charitable activities was SEK 331 million, including forwarded grants. Africa receives the highest proportion of financial support, at 51 per cent. Support to Latin America amounts to 24 per cent, Asia 11 per cent, Europe 5 per cent and Global 2 per cent. The advocacy activities and other expenses for charitable activities in Sweden amount to 8 per cent.

Significant events after the end of the financial year

The ongoing COVID-19 pandemic will have far-reaching impacts on the organisation's operations. We can expect altered priorities from cooperation development financiers, and greater competition for funds raised. The structure of our development cooperation activities will also be affected, although it is difficult to say how exactly.

A new Marketing Director will be appointed in spring 2020.

Future development

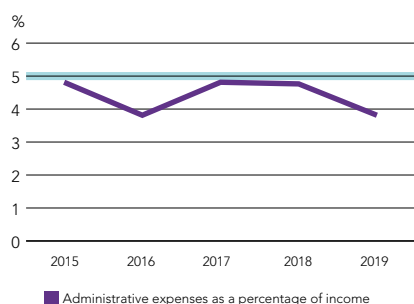
Operations in 2020 will to a great extent involve continuing the implementation of and work on the total of 13 development cooperation programmes in the regions, as well as continuing to develop work processes for harmonisation and increased global learning across all areas of the operations. The organisation will also initiate the process of formulating a new global strategy ahead of the upcoming strategy period.

ANNUAL ACCOUNTS

Income statement

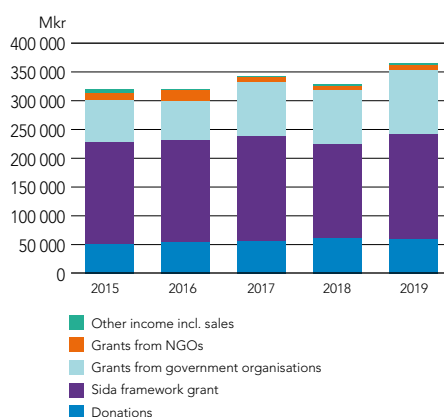
Amounts in SEK	Note	2019	2018
OPERATING INCOME			
Donations	3	59,544,744	60,942,614
Grants	3	302,138,067	264,739,156
Net sales		16,807	54,261
Other operating income	4	2,771,748	2,868,703
Total operating income		364,471,366	328,604,734
Operating expenses			
Expenses for charitable activities	6	-331,459,910	-299,572,849
Administrative expenses	7	-13,831,752	-15,410,591
Cost of goods and services sold		-21,342	-1,547,716
Fundraising expenses		-17,608,111	-19,393,254
Total operating expenses		-362,921,115	-335,924,410
Operating result		1,550,251	-7,319,676
Earnings from financial investments			
Earnings from securities and receivables accounted for as non-current assets	8	-394,328	3,870,067
Other interest income and similar profit/loss items	9	627,049	1,051,309
Interest expenses and similar profit/loss items	10	-236,569	-4,196
Total earnings from financial investments		-3,848	4,917,180
Result after financial items		1,546,403	-2,402,496
Result for the year		1,546,403	-2,402,496
Change in earmarked funds			
Result for the year according to the income statement		1,546,403	-2,402,496
Utilisation of earmarked funds from prior years		3,379,929	2,805,529
Earmarking of funds		-1,350,690	-1,663,736
Remaining amount for year/ change in retained equity		3,575,642	-1,260,703

Administration/sales



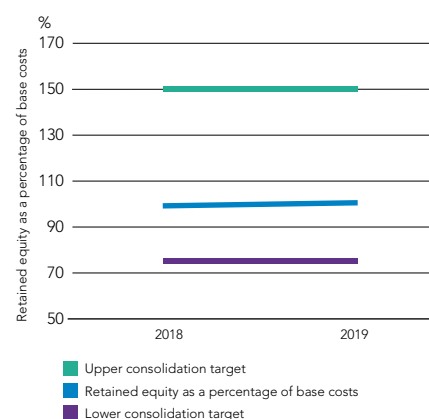
■ Administrative expenses as a percentage of income

Income over time



■ Other income incl. sales
■ Grants from NGOs
■ Grants from government organisations
■ Sida framework grant
■ Donations

Consolidation targets



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 if the conditions for fundraising and grants significantly change for the worse.

Balance sheet

Amounts in SEK	Note	2019	2018
ASSETS			
Non-current assets			
Intangible assets	11	429,170	858,340
		429,170	858,340
<i>Property, plant and equipment</i>			
Land and buildings	12	3,139,726	3,505,334
Equipment, tools and installations	13	1,405,025	-
		4,544,751	3,505,334
<i>Financial assets</i>			
Securities held as non-current assets	14	36,970,178	35,792,020
Total financial assets		36,970,178	35,792,020
Total non-current assets		41,944,099	40,155,694
Current assets			
<i>Inventories</i>			
Products		1,899	8,572
Total inventories		1,899	8,572
<i>Current receivables</i>			
Accounts receivable – trade		914,260	2,305,899
Other receivables	15	18,162,671	26,033,402
Prepaid expenses and accrued income	16	10,183,057	5,502,445
Total current receivables		29,259,988	33,841,746
Cash and bank		126,595,253	127,818,540
Total current assets		155,857,140	161,668,858
TOTAL ASSETS		197,801,239	201,824,552

Amounts in SEK			
EQUITY AND LIABILITIES			
Equity			
Retained equity		83,305,232	79,729,590
Earmarked funds		1,350,690	3,379,929
Total equity		84,655,922	83,109,519
<i>Provisions</i>			
Other provisions	17	645,154	1,514,000
Total provisions		645,154	1,514,000
<i>Current liabilities</i>			
Accounts payable – trade		3,736,865	7,431,930
Liability received, unutilised grants	18	91,200,117	102,535,590
Other liabilities		8,931,120	565,758
Accrued expenses and deferred income	19	8,632,061	6,667,755
Total current liabilities		112,500,163	117,201,033
TOTAL EQUITY AND LIABILITIES		197,801,239	201,824,552

Change in equity

	Earmarked funds	Retained equity	Total equity
Opening balance	3,379,929	79,729,590	83,109,519
Earmarked	1,350,690	-1,350,690	-
Utilised	-3,379,929	3,379,929	-
Result for the year	-	1,546,403	1,546,403
Closing balance	1,350,690	83,305,232	84,655,922

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

Cash flow statement

	2019	2018
Operating activities		
Result after financial items	1,546,403	-2,402,496
Adjustments for non-cash items		
Depreciation/amortisation and impairment losses	794,778	794,779
Capital result from sale of financial assets	394,328	-3,869,056
Change in other provisions	-868,846	1,514,000
	1,866,663	-3,962,773
Cash flow from operating activities before changes in working capital	1,866,663	-3,962,773
Changes in working capital		
Changes in inventories	6,673	25,211
Change in current receivables	4,581,758	-10,696,639
Change in current liabilities	-4,700,870	50,961,890
Cash flow from operating activities	1,754,224	36,327,689
Investing activities		
Acquisition of financial assets	-1,405,025	-
Acquisition of financial assets	-12,098,556	-66,063,387
Sale of financial assets	10,526,070	67,706,610
Cash flow from investing activities	-2,977,511	1,643,223
Cash flow for the year	-1,223,287	37,970,912
Cash and cash equivalents at the beginning of the year	127,818,540	89,847,628
Cash and cash equivalents at the end of the year	126,595,253	127,818,540

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 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.

NOTE 1 continued

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:

- 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
- 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	2019	2018
Individual donors	14,183,959	15,087,746
Folksam	1,090,435	1,209,390
Fonus	11,127	9,699
HSB and affiliated associations	3,500,501	3,298,548
KF, Coop and consumer associations	13,217,656	12,681,278
Lantmännen	473,000	470,000
Federation of Swedish Farmers	2,920,820	2,901,215
OK economic association	88,375	130,023
Swedish Postcode Lottery	17,000,000	20,000,000

NOTE 3 continued

Riksbyggen	2,105,155	3,719,274
Swedbank	500,000	505,000
Other fundraising companies	4,453,714	930,441
Total donations	59,544,742	60,942,614

The above amounts include a dividend of SEK 58,841.01 from Humanfond.

Grants and public grants recognised in the income statement	2019	2018
Funds raised, non-public grants		
World Food Programme, Malawi	-	1,077,165
Radiohjälpen	2,786,904	1,864,703
Swedish Postcode Lottery, special projects	4,107,881	2,843,264
Welthungerhilfe	1,137,951	840,997
Fairtrade Africa	215,698	998,825
WYG Int. SAIRLA	670,339	336,789
Total funds raised, non-public grants	8,918,773	7,961,743

Grants from government organisations, public grants	2019	2018
AgriCord, Agence Française de Développement	-	238,593
AgriCord, Directorate General for Development Cooperation (Belgium)	1,065,647	-
AgriCord, Conf Tanzania	-	122,500
AgriCord, Directorate General for International Cooperation (Netherlands)	-	271,208
AgriCord, Ministry of Foreign Affairs of Finland, Vietnam	-	304,065
AgriCord, International Fund for Agricultural Development, EU	-	1,407,526
AgriCord, Ministry of Foreign Affairs of Finland, Africa	836,386	-238,593
AgriCord, Southern African Confederation of Agricultural Unions	-	1,209,748
Embassy of Ireland, Mozambique	-	1,232,523
Sida Bogota, Colombia	3,815,621	504,024
EU	21,139,678	8,566,005
Millennium Challenge Account (MCA)	-	677,821
Norwegian Ministry of Foreign Affairs, Malawi	10,687,094	16,222,340
Sida, EU Contribution	5,825,810	2,786,625
International programme office, trainee funds	198,726	607,674
Sida Global, grants for bilateral associate experts	-	51,392
Sida Civsam	182,394,841	162,847,692
Sida, information grants	2,854,736	2,200,814
Sida Guatemala City, Guatemala	14,082,238	13,120,443
Sida Harare, Zimbabwe	10,673,875	5,858,197
Sida Tanzania	7,714,573	4,000,000
Sida Maputo, Mozambique	31,930,068	34,786,815
Total public grants from government organisations	293,219,293	256,777,412
Total grants and public grants recognised in the income statement	302,138,067	264,739,156

Total fundraising comprises the following	2019	2018
Donations recognised in the income statement	59,544,744	60,942,614
Non-public grants recognised in the income statement	8,918,773	7,961,743
Total funds raised	68,463,517	68,904,357

NOTE 4 Other operating income

	2019	2018
Rental income	467,176	659,647
Local income abroad	-	324,548
Other income	2,304,572	1,884,508
Total other operating income	2,771,748	2,868,703

NOTE 5 Personnel costs

Average number of employees	2019	2018
Sweden	39	36
Belgium	1	-
Region Europe	9	7
Region Asia	24	24
Region Latin America	41	41
Region Southern Africa	88	68
Region Eastern Africa	23	25
Total employees	225	201
	2019	2018
Men	92	80
Women	133	121
Total average number of employees	225	201

The average number of employees does not include employees who received remuneration less than one half price base amount SEK 63,414 (22,750) This reporting is supported by BFNAR 2006:11.

Salaries and remuneration	2019	2018
Service in Sweden		
Salaries and remuneration	20,136,509	18,569,875
Payroll overheads	9,021,705	10,746,105
Total service in Sweden	29,158,214	29,315,980

The total for salaries and payroll overheads for service in Sweden amounts to SEK 29,158,214 (29,315,980), of which pension costs total SEK 2,632,968 (4,900,869) in 2019.

Salaries and remuneration	2019	2018
Service abroad		
Region Asia	4,775,686	5,519,930
Region Europe	1,757,941	1,409,213
Brussels	741,781	-
Region Southern Africa	16,152,324	13,683,961
Region Latin America	12,289,266	11,164,431
Region Eastern Africa	7,462,029	6,878,745
Total service abroad	43,179,027	38,656,280
Total salaries and remuneration	72,337,241	67,972,260

The association's activities are based to some extent on volunteer work. The number of volunteer hours totalled 0 (25) in 2019.

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 4,208,234 (3,990,728). The present value of the obligations covered by the fund amounted to SEK 71,117,199 (69,843,210) on the balance sheet date. The balance in the association's portion of the fund exceeds the pension liability by SEK 16,579,217 (13,742,243). In accordance with an agreement with PRI Pensionsgaranti, the pension obligations have been secured via credit value insurance up to and including 31 December 2019. As a special insurance condition, the pension fund must have an over-consolidation reserve, a minimum of 120 per cent of the liability.

The Board and senior executives

Salaries and remuneration, and pension costs include costs for the Secretary General. Salaries and remuneration total SEK 863,385 (1,015,463). Pension costs, including statutory taxes amount to SEK 766,987 (839,377). 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. Prior to the relocation in November, the Federation of Swedish Farmers acted as landlord for the association's central administration.

Gender balance of Board members and senior executives	2019	2018
Board members on balance sheet date		
Women	5	5
Men	4	4
Total Board members on balance sheet date	9	9
Secretary General		
Women	1	1
Men	-	-
Total CEO	1	1

NOTE 6 Expenses for charitable activities

	2019	2018
Region Eastern Africa		
Kenya	9,869,257	10,527,321
Regional projects in Eastern Africa	14,240,542	12,899,088
Vi Agroforestry, forwarded contributions	19,351,996	19,085,635
Tanzania	16,992,122	12,754,713
Uganda	7,892,706	7,639,932
Region Southern Africa		
Malawi	16,384,348	23,067,874
Regional projects in Southern Africa	5,060,214	5,418,152
Mozambique	37,276,812	39,536,736
Zimbabwe	29,058,317	17,390,716
Zambia	12,620,687	9,397,318
Property Unit Zambia	773,190	637,904
Region Latin America		
Regional projects in Latin America	18,890,152	14,104,550
Bolivia	4,414,651	4,608,485
Colombia	4,245,223	504,024
El Salvador	9,925,937	6,509,384
Guatemala	22,204,662	16,338,509
Honduras	9,650,610	7,383,813
Nicaragua	5,434,208	5,801,704
Paraguay	3,756,803	3,638,043
Region Asia		
Regional projects in Asia	3,794,631	5,465,565
Cambodia	1,999,338	1,526,985
Palestine	7,627,212	6,150,117
Myanmar/Burma	2,083,223	1,064,520
Philippines	7,159,602	6,925,147
Sri Lanka	8,658,786	6,832,184
Vietnam	3,771,173	4,175,589
Region Europe		
Regional projects in Europe	4,060,792	3,033,004
Albania	3,782,581	3,644,940
Bosnia-Herzegovina	981,353	1,074,160
Kosovo	555,235	1,003,470
North Macedonia	4,072,553	2,836,846
Moldova	3,011,130	2,868,421

NOTE 6 Continued

Global		
The global programme	5,147,284	4,920,000
Total project expenses	304,747,330	268,764,849
Other projects etc.		
Trainee programme	202,722	624,000
Advocacy activities in Sweden	14,344,408	15,476,440
International Department	5,287,775	6,452,459
Other projects	6,877,675	8,255,101
Total expenses for charitable activities	331,459,910	299,572,849

NOTE 7 Operating leases

	2019	2018
Future lease payments are due as follows:		
Due for payment within 1 year	2,944,265	3,667,925
Due for payment in 1-5 years	10,242,076	10,324,511
Estimated lease payments during the period	13,186,341	13,992,436

Future lease costs refer to premises and IT equipment. A new lease for the premises at Östgötagatan 90 in Stockholm was signed in 2018 for the period 2019–2026. Expensed lease payments in the income statement amount to SEK 3,483,817 (3,115,706).

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

	2019	2018
Dividend	-	1,011
Capital gains from sales	-394,328	3,869,056
Total	-394,328	3,870,067

NOTE 9 Other interest income and similar profit/loss items

	2019	2018
Interest income	143,695	184,658
Exchange rate differences	483,354	866,651
Total	627,049	1,051,309

NOTE 10 Interest expense and similar profit/loss items

	2019	2018
Other interest expenses	-3,175	-4,196
Exchange rate loss on foreign currency accounts	-233,394	-
Total	-236,569	-4,196

NOTE 11 Intangible assets

	2019	2018
Capitalised expenditure for software		
Opening cost	2,145,850	2,145,850
Closing accumulated cost	2,145,850	2,145,850
Opening amortisation	-1,287,510	-858,340
Amortisation for the year according to plan	-429,170	-429,170
Closing accumulated amortisation	-1,716,680	-1,287,510
Closing accumulated impairment losses	0	0
Closing carrying amount at end of period	429,170	858,340

NOTE 12 Land and buildings

	2019	2018
Opening cost	7,312,167	7,312,167
Closing accumulated cost	7,312,167	7,312,167
Accumulated depreciation		
Opening amortisation	-3,806,832	-3,441,224
Depreciation for the year according to plan	-365,608	-365,609
Closing accumulated amortisation	-4,172,440	-3,806,833
Closing carrying amount	3,139,727	3,505,334

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

NOTE 13 Equipment

	2019	2018
Closing accumulated cost	1,405,025	-
Closing accumulated subsidies and public grants	-	-
Net cost	1,405,025	-
Accumulated depreciation according to plan	2019	2018
Closing accumulated amortisation	-	-
Closing accumulated impairment losses	-	-
Closing carrying amount	1,405,025	-

NOTE 14 Securities holdings

	Cost	Market value on closing day
Securities holdings		
Securities held as non-current assets		
Discretionary fund 7	36,970,178	39,373,046
Total securities held as non-current assets	36,970,178	39,373,046

	2019	2018
Opening accumulated cost	35,792,020	33,566,187
Investments during the year	12,098,556	66,063,387
Sales/disposals	-10,920,398	-63,837,554
Closing accumulated cost	36,970,178	35,792,020
Closing book value	36,970,178	35,792,020

NOTE 15 Other receivables

	2019	2018
Specification of other receivables		
Receivables – Partner organisations abroad	13,628,416	18,112,783
Receivables – Donors	2,638,946	4,471,393
Other receivables	1,895,309	3,449,226
Total other receivables	18,162,671	26,033,402

NOTE 16 Prepaid expenses and accrued income

	2019	2018
Prepaid rent	771,000	24,305
Accrued income	8,837,656	4,842,539
Prepaid expenses	574,401	635,601
Total	10,183,057	5,502,445

NOTE 17 Other provisions

	2019	2018
Provision for the year	-	1,514,000
Provision for ongoing disputes	645,154	-
Provisions at the end of the year	645,154	1,514,000

Provision for ongoing disputes.

NOTE 18 Liability received, unutilised grants

Specification of liability received, unutilised grants	2019	2018
Sida CIVSAM	27,558,313	29,351,213
Sida Info	301,450	231,186
Other Sida grants	26,607,160	33,312,563
UHR trainee programme	-	646,726
AgriCord Tanzania Forestry Conference	-	116,069
AgriCord, FFP Tanzania	183,625	555,928
EU grants	26,827,771	18,107,242
Norwegian embassy, Norad	167,070	10,332,300
Other public grants for activities	301,406	301,406
Total public grants	81,946,795	92,954,633
Grants from organisations and companies	9,253,322	9,580,957
Total liability received, unutilised grants	91,200,117	102,535,590

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

NOTE 19 Accrued expenses and prepaid income

	2019	2018
Other items	4,330,659	2,366,801
Holiday pay	2,312,615	1,871,216
Accrued social security contributions	1,988,787	2,429,739
Total	8,632,061	6,667,756

NOTE 20 Contingent liabilities

	2019	2018
Pension commitment	1,422,344	1,396,864
Total contingent liabilities	1,422,344	1,396,864

NOTE 21 Significant events after the end of the financial year

The ongoing COVID-19 pandemic will have far-reaching consequences for the organisation's operations. We can expect altered priorities from cooperation development financiers, and greater competition for funds raised. The structure of our development cooperation activities will also be affected, although it is difficult to say how exactly.

Stockholm, 18 April 2020




Tommy Ohlström
Chair of the Board



Ann Charlott Folkesson
Vice Chair



Anders Lago



Björn Larsson



Erica Lundgren



Helen Persson



Peter Ström



Britta von Schoultz



Ylva Wessén



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 2019.

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 2019 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 requirements.

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

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 ensuring they provide 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.

Responsibilities of the Board of Directors and Secretary General

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 carry out auditing procedures that are suitable considering the circumstances, but not to make a statement on the effectiveness of internal controls.
- 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 2019.

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, 13 May 2020
Öhrlings PricewaterhouseCoopers AB



Erik Albenius
Authorised Public Accountant



Hans Eklund
Elected auditor

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The UN's global goal is for poverty to be eradicated by 2030.
If this is to happen, we need to help. We know that our development method – help to self-help – works and we are continuing to work for the world's poor. We hope you will join us.

Reina García Romero. Photo: Claudio Vasquez Bianchi

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By donating regularly you can help bring about lasting change.

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By reading and distributing our reports and campaigns, you can help more people learn about our way of reducing poverty, by helping to self-help.



Read more about what we do and what you can do at weeffect.se and follow us on social media.



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