



Wilma Mendoza. Photo: Carlos Torrez

Stronger Together

Annual Report 2022

The year the world changed – and we changed with it



2022 was the year when the world changed, and We Effect changed with it.

Just as we were coming out of the COVID-19 pandemic, Russia began its large-scale invasion of Ukraine. The war has now been raging for more than a year, and there is no immediate solution in sight. The human suffering is indescribable. More than 8 million Ukrainians have now been registered as refugees in Europe, most of them in Poland.

International aid efforts for Ukraine are vital. The problem is that they increasingly come at the expense of people living in poverty and conflict in other parts of the world. Because of the war, there is now less political interest in global challenges such as hunger, poverty and the effects of climate change. We Effect's work on food security and adequate housing takes place in increasing adversity.

In 2022, international aid to the poorest countries in Africa fell by 7.8%, while needs there continue to grow. In Sweden there were major cutbacks in the international aid budget, both by the outgoing and the incoming governments. Meanwhile, global military spending rose to record highs.

We are living in a new geopolitical world order, and this is making new demands of We Effect and our member organisations. We have to work harder and smarter if we are to secure funding. But we also know that a tougher reality cannot be dealt with by watering down our ambitions. On the contrary – greater global needs must be met with greater solidarity, greater responsibility and greater support. This is the purpose of We Effect's existence, and the very foundation of the cooperative movement.

"We Effect's work on food security and adequate housing takes place in increasing adversity."

On the following pages, we write about several important events during the year. One of the best pieces of news was that Anabela Lemos, who founded one of our partner organisations, received the Swedish government's prestigious award for democracy and human rights, the Per Anger Prize, for her efforts fighting for smallholder farmers' rights in Mozambique. We are also proud to have developed the best ever development cooperation programmes during the year. They are based on lessons learnt, particularly from the pandemic, and have been prepared by our personnel and partner organisations in 20 countries. The programmes will govern our operation over the period 2023–2027.



Jaime Ardiente, Philippines. Photo: Kisha Buringuela

Over the past year, our member organisations have made exceptional efforts to support our operation. Extra money has been sent to our emergency fundraiser to help us make up for the government's reduction in aid. That support was important, both for our finances and our self-confidence. We are incredibly proud and grateful to know that our member organisations have our back. Thank you!

We are now restructuring to be stronger in the face of an increasingly tough future. We are doing this with a strong global team of dedicated personnel, partner organisations that make great efforts for their members and the knowledge that what we do makes a difference – every day. And we're doing this with a strong new global strategy. We call this, simply, #StrongerTogether.

Thank you for supporting our work!

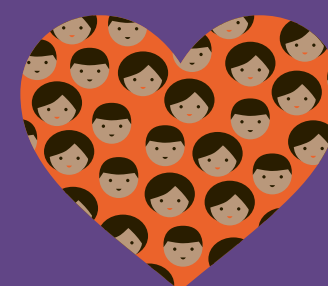


Anna Tibblin,
Secretary General

Lotta Folkesson,
Chairperson of the Board

4,530,825

PEOPLE RECEIVED DIRECT SUPPORT FROM WE EFFECT



THIS INCLUDES MEMBERS IN FARMER COOPERATIVES, STUDY CIRCLES, SAVINGS & LOANS GROUPS, AND SUPPORT FOR HOUSING COOPERATIVES

8,261,488

PEOPLE RECEIVED INDIRECT SUPPORT FROM WE EFFECT



We support development driven by those living in poverty themselves



WE RAISED SEK 50.7 MILLION FROM INDIVIDUALS AND COMPANIES



The war's universal impact



2022 brought a whole series of events that all added up to a perfect storm – and things were made worse by several actual storms as the year went on. In many ways development aid came under threat, but at the same time We Effect's main issue, the right to food, has been brought into focus.



Anneli Leina
Photo: We Effect

It started in February, with Russia's invasion of Ukraine. In some of We Effect's focus countries, the effects were felt immediately.

"Our region is dependent both on exports to Russia and imports from Ukraine," says Anneli Leina, Regional Director Europe. "A lot of the grain comes from Ukraine, and in North Macedonia for instance the farmers were stuck with mountains of apples that would normally be exported to Russia. We supported the partner organisations in growing more grain, processing the apples themselves and creating projects for distributing fruit to schoolchildren."



Maria Tadesse
Photo: We Effect

The war had repercussions on every continent. "Nations were barely recovering from the pandemic when everything suddenly got more expensive," says Maria Tadesse, former Regional Director for Southern Africa. "Food prices went up, as did prices for petrol and diesel, and fertiliser. Also, our money didn't go as far due to a weak Swedish krona.



George Onyango
Photo: We Effect

Meanwhile, Southern Africa was hit hard by climate change impacts such as flooding, rising temperatures and cyclones."

"In Eastern Africa the drought was severe," says George Onyango, Regional Director for Eastern Africa. "Livestock died, crops failed and food prices were at a record high."

In Sweden, the government reacted to the war by reducing international aid, in order to prepare for a high influx of refugees from Ukraine.

"Suddenly, 39 per cent of our budget was gone," says Andreas Dolk, former Director of the International Department. "39 per cent when operations have already begun essentially means a reduction of 60 per cent. We had to halt all payments to our partners and they had to focus on simply surviving, paying rent and wages."



Andreas Dolk
Photo: We Effect

"Virtually all programme and project operations had to be shut down. And then a new government was elected. In July it was confirmed that the reduction would remain at 10 per cent, but the damage had already been done.

"In retrospect, we've asked ourselves whether we should have kept our cool better," says Johanna Leander, Head of the Programme Support Unit. "These developments have had an impact on trust in international development aid. Can signed agreements be relied on? We didn't know if we could trust



Basilia Isack Urassa. Photo: George Kamau



Johanna Leander
Photo: We Effect

Sida, and I'm sure our partner organisations wondered what we were up to. "When the new government came into power, it gradually became clear that it wanted to focus more on humanitarian aid. This was seen partly as a reaction to the war in Ukraine.

"But perhaps that reversal would have happened anyway," says Johanna Leander.

70 per cent of We Effect's funding comes from Swedish tax funds, via Sida and various embassies, and this is where the organisation is adversely impacted by the new policy. Countries like Palestine and whole regions like Latin America have



Pia Stavås Meier
Photo: We Effect

been deprioritised. "In Latin America, we were forced to look for other financiers and collaborations, such as the EU embassies and US-AID," says Pia Stavås Meier, We Effect's Regional Director Latin America. "It was definitely during the pandemic that we realised local food production would have to be a higher priority," says Nina Larrea, Regional Director Asia.

"The pandemic forced everyone to become more digitalised and hold training courses online, for example. The drawback is that the poorest people don't have access to computers and the internet, so we had to carry on travelling to see people where they were."

In Sri Lanka, descendants of casteless Indians work on the tea plantations. They were discriminated against already before the pandemic, and now they had trouble going into town to buy food.

"Our partner organisation helped them to start kitchen gardens and small cooperative shops in the plantation areas," says Nina Larrea. "In all there are more than 40,000 women in Sri Lanka taking part in saving and loan groups, and 17,000 women in the Philippines."



Maria Johansson
Photo: We Effect

"Around the world, it's generally women who are smallholder farmers," emphasises Maria Johansson, Global Gender and Conflict Advisor at We Effect. "Research shows that women are more prepared to adapt to new technology and sustainability. Invest in women and there will be more food, produced sustainably."

A survey in Eastern Africa showed that cooperative businesses performed best during the coronavirus pandemic. Region Eastern Africa is a clear example of this finding. Of the part-

Per Anger Prize 2022.



Photo: Anna Tibblin

→ In March, we organised activities in Stockholm with Anabela Lemos, who was in Sweden to accept the 2022 Per Anger Prize. Anabela leads We Effect's partner organisation Justiça Ambiental (Climate Justice) in Mozambique, and is the first environmental defender ever to receive the Swedish government's Per Anger Prize.

→ We organised a seminar that was well attended. Anabela was interviewed extensively by the media, she met high school students, representatives of our member organisations, four ministers, and Greta Thunberg. The meetings focused on the relentless effects of the climate crisis on Mozambique and above all smallholder farmers. Anabela stressed the responsibility companies have to respect human rights on every level.

ANNUAL GENERAL MEETINGS.

We Effect took part in member organisations Annual General Meetings. The response has been positive, and it is clear that our involvement is an important key for member engagement.

Greater relevance.

Our annual survey of Swedish parliamentarians shows growing support for We Effect and the issues we lobby for. We achieved an index result of 0.8, an increase from 0.69 the previous year and well above the target for the year, which was 0.7. Around 30 members who work with development cooperation, environment, agriculture and foreign affairs responded to the survey.

0.69 → 0.8

Parental insurance.

In North Macedonia, farmers are finally to be included in parental insurance. This is following extensive advocacy led by the National Federation of Farmers, backed by We Effect.



Photo: Ljiljana Mitevska

The shock.



Photo: Ljiljana Mitevska

A sudden cutback – of 39% – in our funding from Sida, after the government decided to finance the reception of refugees from Ukraine. The partner organisations then started #DearMagdalena – a global initiative involving We Effect partner organisations and other Swedish civil society organisations. They wrote directly to Prime Minister Magdalena Andersson and asked her to rescind the decision to make the biggest aid cutbacks in the middle of a severe climate and hunger crisis. The reduction was then adjusted to 10% of our funding from Sida – but a lot of our activities had to be stopped for several months. Letters to the PM came from all parts of the world.

ner organisations that were part of We Effect's programmes, 60 per cent were able to continue independently after 2022. Ahead of the new programme period, new partner organisations have joined in order to grow and ideally make their own way in the near future.

Russia's invasion of Ukraine has closed trade routes, but has also forced partner organisations to think along new lines.



Bushra Najjar and Shereen Najjar, Palestine.
Photo: Arwa Shawa

For instance, a coffee cooperative in Kenya has circumvented the auction system for coffee trading that often favours multinational companies, and has started selling direct to customers in South Korea.

Alongside funding for cooperatives and agricultural development, We Effect also brings together other actors to jointly drive legislative issues.

"During the year, a national farmers' organisation in North Macedonia managed to get a law passed that gives women farmers the right to paid maternity leave," says Anneli Leina, Regional Director Europe. "They're now looking at paternal leave and sick pay for farmers. It's quite shocking to think those rights weren't already in place, this is Europe after all!" In both Zambia and Uganda, the law has changed to give women stronger land rights, and in Latin America We Effect has

initiated a serious debate about unpaid work in the home. In Palestine it has been hard to increase the proportion of women in management at partner organisations, but once a dedicated women's organisation was invited to work on gender equality, things started happening.

"The effects of the pandemic are so evident," says Maria Johansson. "Violence against women increased, while they were still responsible for children, the old and sick – and for putting food on the table."

Although Swedish aid has decreased and is more focused on humanitarian efforts, there are other donors who think differently. Having new financiers means not only new money, but also more administration.

"All the donors say that less money should be spent on reporting and formal processes," says Nina Larrea. "But of course different donors demand different things, which means a lot of time is spent on reporting anyway."



Nina Larrea
Photo: Stefan Tell

"The Norwegian Agency for Development Cooperation, Norad, has adopted a new strategy that could have been written by We Effect," says Johanna Leander. "The focus is on smallholder farmers

and food security."

As a direct effect of the Russian invasion of Ukraine, We Effect rescinded its earlier decision to pull out of Moldova.

"Moldova was dragged into the war by more or less express threats from Russia," says Anneli Leina. "The country also had to take in a lot of refugees. Now we can't leave, but are staying to work with farmers' cooperatives for food security."



Digital trip.

Photo: Philip Krook

Politicians from three political parties visited the farm of Felipa López Mazariegos in Guatemala. Crops there were heavily damaged by the hurricanes Eta and Iota in 2020.

For one hour, Gudrun Brunegård of the Christian Democrats, Janine Alm Ericson of the Green Party and the Left Party's Yasmine Posio had a chance to chat to farmer Felipa, who answered questions about how climate change has affected her and what she has done to recover after the hurricanes, which devastated her crops.

The world's toughest job.

Anna Myhr, Head of Department at Region Gotland, was the successful applicant to work an 80-hour week with pay of SEK 3.50 per hour working with Lina Ruto in the Kenyan highlands. It was a successful match – also for the Swedish public. The aim of the campaign was to highlight and increase engagement in women's situations in rural areas in the countries where We Effect operates, and to raise awareness of We Effect in Sweden. Our social media channels saw a real upswing with 400,000 visitors while Anna was working in Kenya.



Photo: Catherine Wakinga

Voices from our members



Björn Nordin
Photo: Folksam

Björn Nordin, Director of Group Staff, Folksam, board member We Effect

I have worked at Folksam for many years and have made private donations for 25 years. I was proud and delighted to be voted onto the Board in spring 2022. Just as Russia invaded Ukraine, we decided to send a million kronor to Ukrainian war victims. We supported the Red Cross since We Effect has no operation in Ukraine. But later, with news of the major Sida cutback, we decided to donate another million kronor directly to We Effect. It was also a symbolic decision, a way of showing what we thought about the cutback decision.

Folksam as a company supports We Effect continuously by doubling donations from our employees. They are familiar with We Effect and we have a lot of monthly donors, but we could do more to spread knowledge and increase engagement among our customers.

Helen Persson, Head of Member Activities, Stockholm Consumer Cooperative Society, board member of We Effect

I've been on the board of We Effect since 2015 and recommend that all board members should travel to one of our projects as soon as possible. That's when you really understand what We Effect means to people. It's also a reflection of our own cooperative history. That was how the Swedish movement



Helen Persson
Photo: Stockholm Consumer Cooperative Society

started, in small, local cooperatives. I'd like our engagement and our history to be more visible in our stores – that's really a member benefit.

Russia's invasion of Ukraine has made us all understand what happens if we become overly dependent on food imports. Climate change affects us all, some in the form of drought, others floods. Everything is connected. When I heard that the new government's Minister for International Development Cooperation would also deal with trade, I thought it sounded odd, but I have since reconsidered. That's exactly what aid is about: help for self-help, local production and trade in the nearby area. That's where We Effect fits in, we help people where they are.

Anna-Karin Hatt, CEO, Federation of Swedish Farmers

It was a tumultuous year. Russia's war on Ukraine has exacerbated the already critical situation after the pandemic. Fewer and fewer people in the world are managing to eat their fill. We've all been reminded of how vulnerable we are.

So We Effect's work has become even more important. Linking development cooperation to trade, as the new government is talking about, ought to be able to be a success factor. Many nations, Sweden included, have built their wealth and prosperity on trade. Moreover, the cooperative ideal is unbeatable, both from a democratic and an economic perspec-

When the state fails. Member organisations including Folksam, LRF, Stockholm Consumer Cooperative Society and Lantmännen contributed SEK 3.3 million to We Effect to mitigate the impact when Sida reduced funding.



Photo: Marique Lundstedt

ENVIRONMENTAL MEETING.

We took part in the environmental meeting Stockholm+50. We Effect organised an official event on environmental defenders, which included Coop's Head of Sustainability on the panel as well as the UN rapporteur and environmental defenders.

Prior to the meeting, we arranged a digital trip to Guatemala for Swedish parliamentarians, and the Social Democratic, Liberal, Green, Moderate, Centre and Left parties were invited to hear farmers talk about how the climate crisis is affecting their lives – and the need for more, not less, aid efforts for smallholder farmers.

In Tanzania, a factory was opened to support local production of sunflower oil, a staple that has rocketed in price due to the war in Ukraine. With funding from We Effect and AgriCord, sunflower and maize oil can be produced locally. This is an example of how Swedish aid makes a difference in the food crisis.



Photo: Catherine Wakinga



Anna-Karin Hatt
Photo: Federation of
Swedish Farmers

tive. We Effect's food security strategy was in place even before the Russian invasion, but it is more timely with each passing day. It is important to build robust structures that enable people to live off their food production.

A trade evolution with small enterprise, whereby self-supporting farmers can refine their products, creates a virtuous spiral. This means that all development funding does a lot of good for a long time to come, unlike emergency aid. Humanitarian efforts are of course also needed, but Sweden should be better at prioritising farming in development cooperation. At present, just 3 per cent goes to farming, which is less than in other nations that provide aid.

Jens Henriksson, CEO Swedbank



Jens Henriksson
Photo: Swedbank

It has been a terrible year. Who would have believed there would be a war in Europe? In Sweden we have underestimated President Putin, but the Baltics, where Swedbank operates, have long known his true colours.

War and inflation affect everyone, but those who already had limited means have obviously felt the effects more strongly, like the people in We Effect's focus countries. I've always liked We Effect's work, which offers tools for self-help. We feel pride in this and obviously want to carry on supporting We Effect's efforts. Swedbank is fundamentally a commercial business, and there's great benefit in being associated

with positive development cooperation, which feels morally right. And of course, We Effect can help to create a better world, with fewer acute climate threats and less human displacement. As aid policy in Sweden now changes, We Effect will have to focus more on other sources. I'm sure they will succeed in this, as they have done for 65 years.



Anna Carlström
Photo: Lantmännen

Anna Carlström, Senior Advisor at Lantmännen and a Board member of We Effect

At Lantmännen, Sweden's agricultural cooperative, we were affected quickly and directly by Russia's invasion of Ukraine. We run a bakery in Kyiv, which had to close down when war broke out; it was too dangerous to carry on. Meanwhile we increased our production in Poland and were able to send bread to Ukraine. Now the bakery in Kyiv is up and running again.

"During the year, our board made a decision to triple our grant to We Effect."

At our general assembly, our chairperson talked about the need to take a broader perspective. That we have to get involved in and for Ukraine – but also consider other parts of the world through our involvement with We Effect. During the year, our board made a decision to triple our grant to We Effect. That feels very good, and I hope it's for the long term. We're now trying to secure a specific focus project for Lantmännen, a farmers' cooperative in Kenya that we can follow closely. I think this will further increase engagement in my organisation.



Cecilia Perez, Guatemala. Photo: Rodwell Arrazola

Members of Parliament visit projects

Gudrun Brunegård, Development Policy Spokesperson for the Christian Democrats

We went on an absolutely fascinating trip, arranged by Act Church of Sweden, We Effect and Diakonia, to Colombia and Guatemala. We saw close up just what aid can mean for people in war and conflict.

We visited a camp for former FARC soldiers, in an area ravaged by drug and people smuggling and conflicts between different guerilla groups. With We Effect's help, the people can now be self-sufficient by growing and refining their products, and running small business cooperatives.

Janine Alm Ericson, Member of the Riksdag, Development Policy Spokesperson for the Green Party

I've been to Colombia before, just when the peace treaty with the FARC guerillas had been signed and there were high hopes for lasting peace. Since then, things have gone more backwards than forwards, but with a new government there is a level of political ambition, so that people should feel safe and peace can be assured.

I knew about how We Effect supports women farmers, but now I could see how they work along the entire value chain – not only food production but also business development, brand-building and marketing. The story about the coffee cooperative in Guatemala was exciting. The focus there is on quality assurance and product development. We got to try the coffee, which was delicious.



Photo: Rishanthi Renganathan

Imprisoned. The head of one of We Effect's partner organisations was taken prisoner in Sri Lanka after protesting against the government. Chintaka Rajapakse is fighting for a fair food system in Sri Lanka, and for the rights of smallholder farmers. He is at the forefront

of demonstrations calling for a nation that respects the fundamental rights of its citizens. He was later released but remains under pressure.

Palestine. The situation remains very tense, with outbreaks of violence also on the West Bank, in Jerusalem and Tel Aviv. 2022 was the deadliest year in a long time. Five Swedish organisations, including We Effect, visited Palestine and Israel in October to meet each other's partners, personnel and other players in order to deepen our collaboration.

COP27 in Egypt.



Photo: Rodwell Arrazola

Along with representatives from two partner organisations, we took part in COP27 in Egypt. The conference – at which we arranged side seminars, with

the Nordic Council of Ministers and others, on food security – was characterised by setbacks and vague pledges. A fund was started, however, for 'loss and damage' which will respond to climate damage experienced by poorer countries.

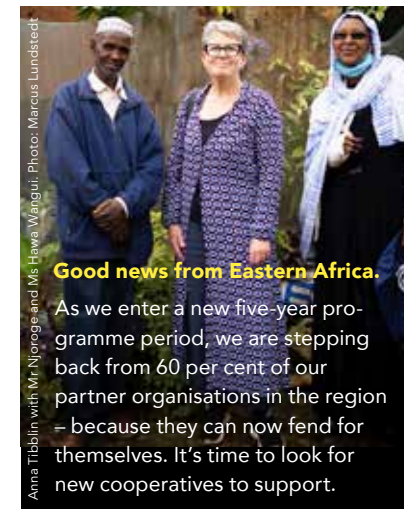
NEW STRATEGY.

As we separated from Vi Agroforestry, it was time to set aside the joint strategy from 2020–22 and start our own strategy, #StrongerTogether. We continue to fight for the right to food and adequate housing – all underpinned by gender equality, climate and cooperative solutions.



Still in Moldova.

We previously identified Moldova as a country where We Effect's operations could be phased out, as it has been hard to find synergies with the Western Balkans. This was in progress when Russia invaded Ukraine. The war has made the situation far worse for our partners, so we decided to continue providing support.



Good news from Eastern Africa.

As we enter a new five-year programme period, we are stepping back from 60 per cent of our partner organisations in the region – because they can now fend for themselves. It's time to look for new cooperatives to support.

TOGETHER AGAINST POVERTY AND HUNGER

Board of Directors



LOTTA FOLKESSON
Chairperson of the Board
Forestry and agricultural entrepreneur in Vän-
näs, Västerbotten. Board Chair for Federation
of Swedish Farmers Västerbotten and for the
same federation's Horse Delegation, also Chair
of the Copa Cogecas Women's Committee in
Brussels. Elected 2015.



ERICA LUNDGREN
CEO, OK Västerbotten. Previously Sales Direc-
tor for Norrmejerier, Business Area Manager
and Subsidiary MD within Proffice Sweden.
Member of the Board of OK Marknadservice
and OKQ8 Marknad. Elected 2017.



ANNA CARLSTRÖM
Senior Adviser in member communication and
owner relations at Lantmännen. Former member
manager with an extensive background in the
organisation. Also works with communication in
Lantmännen Lantbruk and is Association Manager
for Nordic Oats. MSc Agricultural Economics.
Elected 2021.



LINA ÖIEN
Sustainable Development Manager Riksbyggen.
MSc in Environmental Management and Policy
from the International Institute for Industrial
Environmental Economics, Lund University.
Formerly Sustainability Manager at Bilprovnin-
gen, and more than 20 years' experience as an
environmental and sustainability consultant.



BJÖRN NORDIN
Director of Group Staff and a member of
the EMT at Folksam. Many years' experience
at Folksam including several years as Chief
Counsel. Bachelor of Laws Uppsala University,
previous experience from law courts and as an
attorney.

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 govern the organisation and decide about We Effect's long-term work.

MEMBER ORGANISATIONS

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



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,



HELEN PERSSON
Stockholm Consumer Cooperative Society. Member
of the board of CBS (Coop Butiker och Stormarknad-
er). Responsible for member activities, sponsorship
and PR. Many years' experience in communication,
HR and project management for e.g. SSAB and
Ericsson. Has managed and been co-owner of Stra-
tegic Health Consultants, a consultancy firm advising
on organisation and leadership. 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.



PATRIK SCHINZEL
Head of Co-operative Governance at KF. EMBA
with a background in leading positions at Folksam
as Chief Controller, Head of Strategic Governance,
Head of GRC and Chief of Staff. Previously respon-
sible for Folksam's international cooperation with
ICMIF. Elected 2021.



JOHAN NYHUS
Chairman of HSB. A former consultant at Reform-
klubben PR agency, and before that active in politics
in Gothenburg, including as a local councillor in
charge of transport and infrastructure. Also long
experience of chairing various boards.



FREDRIK UHRBOM
Director Sales & Marketing Coop Sverige AB since
2021. MSc in International Business Administration
from Stockholm University and Bachelor of Business
Administration from Dalarna University. Previously Swe-
den Manager Clas Ohlson, Sales & Marketing Director
Hultafors Group and various positions with the Swedish
Export Council in Berlin, London and Copenhagen.



ANNA TIBBLIN
Secretary General of We Effect. Previously Interna-
tional Director for We Effect and Vi Agroforestry,
Regional Director in Southern Africa and Latin
America. Has run her own consulting firm working
with impact evaluation and has also worked as a
news journalist.

Coop Tabergsdalen, Coop Gotland economic association, Coop Värmland,
Stockholm Consumer Cooperative Society, Kristianstad-Blekinge Consumer
Association, Veberöds Consumer Association

HSB associations

Dalarna, Gävleborg, Göta, Gothenburg, Karlskoga, Malmö, Mölndal, North-
west Götaland, North, North Bohuslän, North Greater Stockholm, 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

Other associations

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 2022.

GENERAL INFORMATION ABOUT OPERATIONS

Purpose and vision

We Effect is a non-profit association with a mission to fight poverty and
injustice in the world. We Effect, in cooperation with its Swedish member
organisations, works to create commitment, mould public opinion, mobi-
lise resources and win public support for long-term international develop-
ment 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 co-
operation aims to promote all people's right to food and adequate housing
through cooperative and member-owned enterprise in our focus countries.

Core values

We Effect works based on a simple core foundation: the equal right and
value of all people. We work according to the conviction that people
are stronger together and that sustainable development presupposes a
respect for human rights and democracy. We Effect also adheres to the
cooperative principles that form the basis of sustainable and democratic
enterprise.

Our aid work

We Effect works for the right to food through support for farmer organi-
sations, as well as adequate housing with support for cooperative housing
associations. All work is permeated by a strong gender equality perspec-
tive. We Effect works to unite democracy with business development and
social responsibility. The right to land, financial services and a sustainable
environment in ecological balance permeates all activities.

During 2022, the Board adopted a new global strategy for the period
2023–2027. The strategy, 'StrongerTogether', governs all operations in the
entire organisation. The strategy focuses on the right to food and adequate
housing, and has the same focus as the interim strategy formulated during
the coronavirus pandemic, which contributed to a more relevant and finely
honed focus in the organisation.

Most of our partner organisations around the world are member-based
farmer organisations, housing cooperatives or savings and loan associa-
tions. We choose our partner organisations with great care and a prerequi-
site for cooperation is that we share a willingness and ability to contribute
to reducing poverty, increasing justice and supporting sustainable devel-
opment.

The farmer organisations operate for instance in providing farming
advice, price negotiations, business development and strengthening mem-
bers' 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 human rights perspective. 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.

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
and monitors all activities. The commitment and efforts of the member
organisations are essential elements of all We Effect's operations, from

fundraising and advocacy to special aid initiatives.
The organisation is decentralised and decisions are made as close as possi-
ble 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 owner-
ship, effectiveness 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 most of our focus countries. We Ef-
fect'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, Bolivia and Colombia. 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 and Sri Lanka. The regional office is located at our head office in Stockholm.

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. 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 2022, We Effect had 68 member organisations. Together, We Effect
and the companies and organisations that make up the association's mem-
bership form a development cooperation organisation that is strongly
rooted and enjoys extensive engagement in Swedish society. We Effect
enjoys a profound and extremely important partnership with the member
organisations within the following areas:

- **Fundraising:** The fundraising activities of the member organisations are an important source of income for We Effect. The goal is for this fundrais-
ing 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:** The member organisations are an important channel when
informing the Swedish public about global conditions, development issues
and We Effect's development cooperation activities. We Effect also works
with the member organisations to strengthen Swedish support for devel-
opment cooperation, and to get more people to take a stand to support a
more just world.

Partnerships and networks

We Effect works with several international organisations and is 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 on the board of the global
ICMIF Foundation, which promotes the use of microinsurance as a method
of fighting poverty.

We Effect is also active in the International Cooperative Alliance (ICA), in
particular in the European part of the organisation called Coops Europe,
where nine development cooperation organisations promote joint advocacy
work, exchanges and studies on cooperative development. We Effect is
active as well in the EU-LAT network, which coordinates activities relating to
human rights and monitors EU policies towards Latin America. In addition,
We Effect is a member of the Association for Women's Rights in Devel-

opment (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. We Effect's SG is a co-opted member of the board of Co-operatives Sweden, an umbrella interest organisation for the cooperative business sector. We Effect is also active in the government-appointed FAO committee, Giva Sverige (the Swedish Fundraising Association), Föreningen Riksinsamlingen (Children of the World), Ideell Arena and Fairtrade Sweden.

Collaboration with Vi Agroforestry

We Effect and Vi Agroforestry have shared management and an administrative organisation in Sweden for almost 20 years. During summer 2022, the board of Vi Agroforestry decided to separate from We Effect in order to develop its own organisation. The separation began in autumn 2022 and is planned for completion in May 2023. In the former organisation, We Effect forwarded Sida funds to Vi Agroforestry, the Insamlingsstiftelsen *Vi planterar träd*, for aid activities in Eastern Africa. This process ceased at the end of 2022 as a result of the separation.

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. During the year, We Effect has further strengthened its work on quality assurance by guaranteeing transparent administrative systems and policies in all of its operations. 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. Compliance with the code has been monitored by an external auditor.

SUSTAINABILITY INFORMATION

We Effect actively works on environmental and sustainability issues in the regions together with its partner organisations, as well as internally at its national and regional offices and head office. During the pandemic we have developed our digital working methods, which has resulted in less travel and lower environmental impact, as well as greater participation in the global organisation. We have updated our travel policy to always consider digital meetings, both to reduce travel and also to increase inclusion.

SIGNIFICANT EVENTS DURING THE YEAR

By far the single most significant event in 2022 was Russia's aggressive attack on Ukraine, which is causing indescribable human suffering and has completely altered the geopolitical situation in Sweden's part of the world, as well as having huge negative effects for We Effect's partner organisations around the world. The war has contributed to inflation and increased food and fuel prices, which hits people already in a tough situation the hardest. The war has also served to reduce political focus and interest in other global challenges such as increasing hunger, poverty and gender inequality, as well as the ever more evident effects of the climate crisis.

In the early summer, the Social Democrat government decided to finance the reception of Ukrainian refugees by cutting funding for Swedish development cooperation. For We Effect, this meant that 39 per cent of our CIVSAM funding vanished overnight. This led to a general outcry, but also a rare mustering of forces among Swedish aid organisations. The #DearMagdalena campaign was initiated by the partner organisations, whereby they wrote directly to the Prime Minister regarding the consequences of the cutback in funding. We carried out a crisis campaign alongside our member organisations in order to lead opinion, and to raise money with the aim of securing the ongoing collaborations throughout our operation to the greatest extent possible. The mobilisation of civil society made an impact, and during the summer the government decided to reduce the cutback in funding, which ended up at 10 per cent.

In September, a new government was elected in Sweden. In December that government decided to deviate from the one per cent target, which has been an important principle in Swedish development cooperation for

the past 50 years. The government has initiated a reform and a reduction in Swedish international aid, which will also be more closely linked to trade. The government has also announced that Ukraine will be the biggest recipient of Swedish aid.

The separation from Vi Agroforestry has led to a number of organisational changes. From July, the Secretary General ceased working for Vi Agroforestry and started working full-time for We Effect. Various minor adaptations were implemented during the autumn, although the basic organisation itself remains intact. Only during 2023 will the departments and shared functions be fully separated.

Management Support

The Management Support Department comprises two units: Finance, and Steering and Compliance. During the year, Finance has focused on the new global accounting system that was rolled out in 2020/2021, and the priority has been to develop new and improved working methods. Otherwise the department has focused on laying the foundation for continued, increasing digitalisation throughout the global organisation. During the year, the department continued to develop improved procedures for risk management and internal control.

Human Resources

The global HR team, a working group of HR personnel at headquarters and regional offices, has seen some changes in personnel during the year, with new and more qualified, experienced people helping to strengthen the team. For the first time, the global HR team now has representatives from all our focus regions, which is crucial in our ongoing efforts to be the best employer in the sector, in all the countries and contexts where we operate.

A global employee survey was carried out in January 2022, with very positive results. The two overall key metrics Engagement and Well-being were rated 8.4 and 7.9 respectively on a scale of 1–10, which is a clear indication of happy, engaged personnel who feel well. Action plans at team level have been formulated globally, and during 2023 we will be following up with quarterly employee surveys.

During the spring, there was an external mapping process looking at how We Effect works with diversity and inclusion, which revealed a compliance level – i.e. that we are doing what we're obliged to do, but need to work more proactively and with more focus on the positive effects of greater diversity and inclusion for us as an organisation and for our operation. Diversity and inclusion are highlighted as a special priority in our new global strategy, adopted by the board in December.

The Marketing Department

The decision to separate Vi Agroforestry and We Effect had a major impact on the Marketing Department, where most personnel have been working with both organisations. The separation meant that personnel with different areas of expertise had to be divided up, which required handovers of work tasks and also the recruitment of new people. We Effect's new Marketing Department comprises two units: Strategic Relations and Major Grants, and Fundraising and Communication. The head of the department stepped down in the autumn, and since the department was now smaller it was decided not to recruit a successor, but to have the two unit heads share responsibility for the department and become part of the management group.

Emergency fundraising was carried out to reduce the impact of the drastic reduction in the government's international aid budget. The campaign brought in SEK 3 million and engendered a huge response from our member organisations. Cooperation with our member organisations has intensified, resulting in more incoming funds and higher visibility. Also, at the end of year a face-to-face campaign was carried out to increase the number of monthly donors, boosting their number by 500. During 2022, We Effect received donations of SEK 51 (52) million. We Effect's member organisations and other companies account for 40 per cent of the fundraising, the Swedish Postcode Lottery for 35 per cent, and private donors for 25 per cent.

Press and Advocacy

The emphasis has been on using advocacy to strengthen the right to food, by raising awareness among decision makers and encouraging them to make political decisions that increase support for smallholder farmers for better

food production in our focus countries. During the year, advocacy efforts were intensified regarding smallholder farmers' need for climate adaptation support, both prior to and during the Stockholm+50 environmental meeting and COP27 climate conference. This was done via op-eds alongside other members of the AgriCord agricultural network, and via panels that highlighted and pressed the issue.

The Swedish government's prestigious award for democracy and human rights, the Per Anger Prize, was awarded to a founder of one of our partner organisations, Anabela Lemos from Mozambique. During her visit she attended meetings with leading officials, including four government ministers, and business leaders, in order to highlight the situation for defenders of land rights and smallholder farmers' struggles to combat climate change.

In Sweden, the majority of the parliamentary parties submitted bills to increase aid for agriculture, with several of the parties making extensive use of We Effect's material. A survey of Riksdag members showed that support for our demands had risen from an index result of 0.69 to 0.80. One important part of the advocacy work was carried out together with our member organisations through op-eds, digital visits, the 'The World's Toughest Job' campaign and the 'Decent Food' podcast. We also continued our work for the annual two-week session held by the UN Commission on the Status of Women, and also coordinated several global campaigns, including engagement in '16 Days of Activism'.

The International Department

The war in Ukraine had direct consequences for the operation as Sida CIVSAM's budget was temporarily frozen. The 39 per cent cut led to renegotiations of agreements with partners, and all non-critical trips and activities were cancelled. The reduction ended up being 10 per cent, but it was still difficult to make full and proper use of the funds by the end of the year as the entire operation was affected.

One of the main priorities during the year was to develop the application to Sida CIVSAM for an upcoming five-year period. An application for SEK 944 million over five years was submitted to Sida on 15 September 2022. After the new government announced major cuts in international aid, however, we found out that we will be receiving SEK 828 million.

Alongside development of the extensive CIVSAM programmes for 2023–2027, resources were mobilised from several other institutional donors. Applications to the EU Delegations for the Philippines and Zambia were approved during the year, and new agreements were signed for major programmes with the Swedish embassies in Addis Abeba, Zimbabwe, Mozambique and Colombia. We also secured funding from Radiohjälp and AgriCord for projects in Palestine, and in the Philippines and Tanzania respectively.

There were no organisational changes in the department during the year, but the Director stepped down in November to take on the role of Regional Director Southern Africa. A new Director of the International Department was recruited during the autumn and started in February 2023. Global advisors for the environment, climate and resilience, gender equality, and monitoring and assessment of operational results were appointed during the year.

Southern Africa – We Effect's operations in Southern Africa have, as in the rest of the world, been affected by the war in Ukraine. Many nations have not recovered from the economic shock of the pandemic, which has also resulted in an acute debt crisis. The war further exacerbates this situation. The price of wheat, cooking oil and artificial fertiliser is increasing. So We Effect's work for food security has become even more important.

During 2022, Southern Africa truly suffered the ravages of climate change including drought, flooding, rising temperatures, and torrential, unpredictable rain. Early in the year, three cyclones and two tropical storms hit from the Indian Ocean. Torrential rain and flooding led to the destruction of bridges and harvests, lives were lost, and hundreds of thousands of people were forced to leave their homes. We Effect continues to spread awareness of climate change and climate-smart agricultural land management. Because of this work, smallholder farmers have become more interested in using organic fertilisers and growing several crops together in order to increase their resilience to climate change.

The democratic space has shrunk during the year, primarily in Mozambique, Malawi and Zimbabwe. In Mozambique, the government has approved a legislative proposal that focuses on regulating the formation and operation of

non-profit organisations. In Malawi, a similar proposal is awaiting approval. In Zimbabwe a law was proposed in June, which if passed threatens to suppress civil society and organisations that expose human rights violations and hold the government accountable. Developments in Zambia are cautiously positive. The peaceful democratic vote held in August 2021 has led to some economic recovery, a renewed focus on the social sectors and smallholder farmers, and to advocacy for the rule of law and anticorruption.

We Effect is expanding its operation in Southern Africa. The Zambian national office secured the first grant agreement for programmes with the EU during the year. The Zimbabwean national office and the regional office secured new grant agreements with the Swedish embassies in Harare and Addis Abeba.

Eastern Africa – In Eastern Africa, efforts have been hit by the aftermath of the pandemic. The region has also worked to support partner organisations as the Sida CIVSAM programme period came to an end, and to engage new partner organisations for the new programme cycle of 2023–2027.

During the year, the region has faced challenges as a consequence of the war in Ukraine, which has added to inflation and rising living costs including far higher costs for staples. The budget cuts presented yet more challenges, and the region took part in the global advocacy campaign #DearMagdalena to protest the Swedish government's decision to cut down on international aid. During the autumn, the Ugandan Ministry of Health and WHO confirmed an outbreak of Ebola, which restricted movement to and within the country.

A new four-year project entitled 'Farmers Organisations Leading Research & Innovation', which promotes agroecology for sustainable food systems, was entered into by We Effect, AgriCord, the EU and the OACPS Secretariat. The aim of the project is to increase female- and youth-led research and active participation in the value chain for sunflowers and leguminous plants, which will lead to higher income for smallholder farmers.

As part of the five-year Sida project 'Innovative Finance for Improved Livelihoods', farmers' organisations received loans approved by Oiko Credit totalling USD 4 million. The financing will support coffee farmers to invest in artificial fertiliser and other inputs in their farming businesses.

During October, the region hosted We Effect's board and SG for a week-long visit. The programme included visits to smallholder farms and housing cooperatives, with opportunities to talk directly to We Effect's target groups: people living in poverty who have organised themselves to change their life situation. During the board visit there were also meetings with personnel, our partner organisations, the local We Effect board and other strategic players. The board also took part in a reception at the Swedish embassy, which was being visited by the Minister for International Development Cooperation Johan Forssell, Crown Princess Victoria and their Norwegian counterparts.

Latin America – Efforts in the Latin America region have been hit by the budget cuts during the year, and the main focus has been on adapting operations and restructuring our approach by developing an organisation that has the ability to deliver in spite of fewer resources. We Effect took the initiative to highlight care work primarily in Central America with a regional conference in Honduras, which in turn led to a closer collaboration with UN Women. A new project was started during the year to work with social and economic integration of former guerilla soldiers as part of the peace process in Colombia, and a new office was opened in Sinselejo. In Bolivia a new orientation is now in place, the focus now being on indigenous peoples in the Amazonas region, and the national office was relocated from Cochabamba to La Paz. In Guatemala the major EU project Awal Q'anil came to an end, with very interesting results relating to the economic inclusion of Maya women and value chains. Collaborations with regional players such as Latfem and Clacso have also been important, as have those with Swedish and European networks.

Europe – Region Europe began the year with the highest number of COVID-19 infections ever measured. Shortly thereafter Russia invaded Ukraine, followed closely by news of the dramatic cuts in the Sida CIVSAM budget. Old, unresolved conflicts reignited between different ethnic groups, with Bosnia and Herzegovina and Kosovo being particularly hard hit. In Moldova, the breakaway enclave of Transnistria took on new significance with a large number of Russian troops, while a great many refugees were received in the already heavily pressured state.

Consequences such as a shortage of basic goods, higher prices for food and other staples and energy also led to new ways of working to secure food for members of our partner organisations. In North Macedonia, the programme responded to the severe grain shortage by mobilising farmers to switch to wheat production.

In Bosnia and Herzegovina, we have seen women who have been exposed to trauma have an opportunity to support themselves and take power over their own lives. They come together to learn farming techniques, including for potatoes which are in high demand in the local area and have relatively quickly generated earnings and food on the table.

Moldova reports annual inflation of over 30 per cent, and ongoing extreme difficulties with the energy crisis and high number of refugees. The programme has been adapted to deal with the altered circumstances, and there is now greater emphasis on being the farmers’ and cooperatives’ voice in contacts with government agencies and financiers. The aim is to secure production and find solutions to lost exports to the Russian market. Albania has shown the greatest resilience during the year, despite high inflation.

Asia – In Region Asia the war in Ukraine has severely affected our local partners, especially bearing in mind the economies have barely recovered in the wake of COVID-19. Despite this, in the Philippines we were able to extend our programme with three new projects. A research project for improved banana production in association with academic and state institutions is being financed by AgriCord, and two new projects have been granted by the EU delegation which will both promote advocacy for farmers and indigenous populations. Many of our partner organisations have had to support higher food production during the year in order to deal with the higher prices, and once again it is clear that the cooperative farmers’ organisations have greater resilience and have been able to keep operating in times of crisis.

We Effect Asia has worked on the concept of climate justice during the year, i.e. learning about how climate change affects different parts of the population and how measures to combat and mitigate climate change can reduce poverty and inequality. In Palestine we have a project with five partner organisations, supported by the Swedish Consulate in Jerusalem, with climate justice as the overall goal. In the Philippines, training was held for personnel and partner organisations in order to introduce further activities in the area ahead of our upcoming programme for 2023–2027.

Inflation in Sri Lanka peaked at 87 per cent during the year, and the shortage of grain, rice and fuel made working on our projects harder.

The situation in Palestine has worsened during 2022: by the end of the year 146 Palestinians had been killed by Israeli soldiers, more than double the previous year and the highest number in two decades. The background to the situation is the election of a conservative government in Israel, which led to

renewed clashes. The security situation makes it hard for our partner organisations to move freely, and activities therefore often have to be re-planned. We Effect has a very close collaboration with other Swedish organisations working in Palestine, and in the autumn We Effect’s SG and four other secretary-generals travelled around the country, noting that our local partners have a good number of effective survival strategies. The aim of the trip was to bolster the Swedish organisations’ joint advocacy work in Sweden.

FINANCIAL POSITION AND PERFORMANCE

The result for the year after net financial items and earmarked funds amounted to SEK -7,1 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 2022 amounted to SEK 348 million. Donations from companies and individuals are an important element of financing, and totalled SEK 51 million, including product sales. The public grants amounted to a total of SEK 278 million and grants from non-public organisations amounted to SEK 11 million.

We Effect is a strategic partner to Sida CIVSAM, and the majority of the financing comprises the framework grant of SEK 166 million.

Expenses for charitable activities

The volume of our expenses for charitable activities was SEK 322 million, including forwarded grants. Africa receives the highest proportion of financial support, at 50 per cent. Support to Latin America amounts to 19 per cent, Asia 15 per cent, Europe 6 per cent and Global 2 per cent. The advocacy activities and other expenses for charitable activities in Sweden amount to 8 per cent.

Expected future development and significant events after the end of the year

In order to deal with announced budget cuts and an increasingly complex and changing reality, we have embarked upon a long-term process of transition. This work will be global and inclusive in nature, and aims to establish a more flexible organisation with the capacity to implement our strategy for 2023–2027.

Five-year comparison, SEK thousand

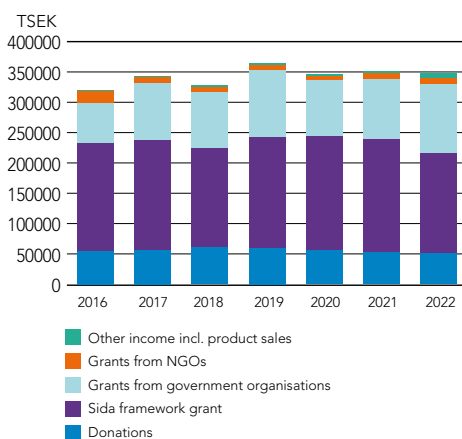
	2022	2021	2020	2019	2018
Income	347,952	350,559	346,443	364,471	328,605
Expenses for charitable activities	321,918	307,285	301,745	331,460	299,573
Result for the year	-7,125	17,208	19,194	1,546	-2,403
Number of employees	208	199	205	225	201

ANNUAL ACCOUNTS

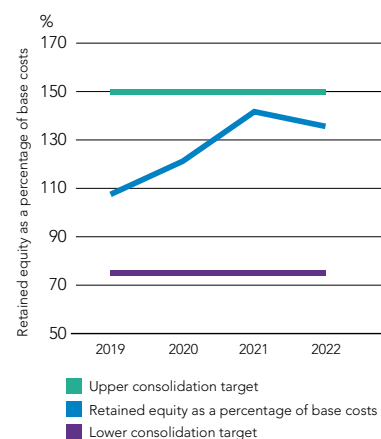
Income statement

Amounts in SEK	Note	2022	2021
OPERATING INCOME			
Donations	3	50,710,213	52,144,801
Grants		289,320,025	294,678,332
Net sales		0	5,562
Other operating income	4	7,921,302	3,730,417
Total operating income		347,951,540	350,559,112
Operating expenses	5		
Expenses for charitable activities	6	-321,917,664	-309,283,098
Administrative expenses	7	-21,801,796	-19,857,633
Fundraising expenses		-11,459,758	-9,347,825
Total operating expenses		-355,179,218	-338,488,556
Operating result		-7,227,678	12,070,556
Result from financial items			
Earnings from securities and receivables accounted for as non-current assets	8	254,842	5,228,418
Other interest income and similar profit/loss items	9	8,534	174,497
Interest expenses and similar profit/loss items	10	-160,597	-225,396
Total earnings from financial investments		102,779	5,177,519
Result after financial items		-7,124,899	17,248,075
Other taxes		0	-40,244
Result for the year		-7,124,898	17,207,831
Change in earmarked funds			
Result for the year according to the income statement		-7,124,898	17,207,831
Utilisation of earmarked funds from prior years		1,800,00	9,310,476
Earmarking of funds		-	-9,007,500
Remaining amount for year/ change in retained equity		-5,324,898	17,510,807

Income over time



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	2022	2021
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalised expenditure for software	11	1,895,337	2,843,005
		1,895,337	2,843,005
<i>Property, plant and equipment</i>			
Land and buildings	12	2,075,522	2,408,516
Equipment, tools and installations	13	571,762	857,234
		2,647,284	3,265,750
<i>Financial assets</i>			
Financial assets	14	39,098,689	41,057,332
Total financial assets		39,098,689	41,057,332
Total non-current assets		43,641,310	47,166,087
Non-current assets			
<i>Current receivables</i>			
Accounts receivable		973,552	918,269
Other receivables	15	11,937,771	10,612,955
Prepaid expenses and accrued income	16	2,705,351	6,581,136
Total current receivables		15,616,674	18,112,360
Cash and bank		164,251,311	156,294,708
Total current assets		179,867,985	174,407,068
TOTAL ASSETS		223,509,295	221,573,155
Amounts in SEK	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Retained equity		106,725,088	112,026,498
Earmarked funds		7,207,500	9,007,500
Total equity		113,932,588	121,033,998
<i>Provisions</i>	17		
Other provisions for pensions and similar obligations		436,187	0
Other provisions		815,361	645,154
Total provisions		1,251,548	645,154
<i>Current liabilities</i>			
Accounts payable – trade		2,581,797	3,571,383
Income tax liabilities		505,270	110,569
Liabilities, grants received not utilised	18	71,030,798	85,841,926
Other liabilities	19	21,477,348	2,762,657
Accrued expenses and deferred income	20	12,729,946	7,607,468
Total current liabilities		108,325,159	99,894,003
TOTAL EQUITY AND LIABILITIES		223,509,295	221,573,155

Statement of change in equity

	Earmarked funds	Retained equity	Result for the year	Total equity
Opening equity, 1 Jan 2022	9,007,500	112,026,498		121,033,998
Utilised	-1,800,000	1,800,000		
Adjustment for previous year's translation difference		23,488		23,488
Result for the year			-7,124,898	-7,124,898
Total comprehensive income	-1,800,000	1,823,488	-7,124,898	-7,101,410
Closing equity, 31 Dec 2022	7,207,500	113,849,986	-7,124,898	113,932,588

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

Cash flow statement

	2022	2021
Operating activities		
Result after financial items	-7,124,898	17,248,075
Adjustments for non-cash items	2,196,017	587,250
Cash flow from operating activities before changes in working capital	-4,928,881	17,835,325
Changes in working capital		
Change in current receivables	2,495,686	-1,522,481
Change in current liabilities	8,431,155	-15,729,741
Cash flow from operating activities	5,997,960	583,103
Investing activities		
Investments in intangible assets	0	-2,843,005
Investments in financial assets	-10,040,384	-52,095,628
Sale of financial assets	11,999,027	47,873,867
Cash flow from investing activities	1,958,643	-7,064,766
Cash flow for the year	7,956,603	-6,481,663
Cash and cash equivalents at the beginning of the year	156,294,708	162,776,371
Cash and cash equivalents at the end of the year	164,251,311	156,294,708

NOTES to the accounts with accounting policies

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 and the Swedish Accounting Standards Board's BFNAR 2012:1 Annual report and consolidated statements (K3).

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 of the asset 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 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.

They 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 constructive obligation to terminate an employee's employment before the normal termination date.

Valuation methods

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: 3 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.

Land	No depreciation
Buildings abroad	20 years
Equipment	5 years
Intangible assets	3 years

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

Intangible assets and property, plant and equipment are measured at cost less accumulated amortisation/depreciation according to plan and any impairment losses.

Amortisation/depreciation is carried out on a straight-line basis across the expected useful life taking into account the material residual value.

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.

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.

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	2022	2021
Individual donors	12,370,710	12,160,016
Folksam	2,076,100	1,262,020
HSB and affiliated associations	2,227,380	2,653,663
KF, Coop and consumer associations	7,700,519	11,618,992
Lantmännen	1,061,409	327,120
Federation of Swedish Farmers	3,605,432	2,874,326
OK economic association	371,065	192,535
Swedish Postcode Lottery	18,000,000	18,000,000
Riksbyggen	2,376,828	2,040,192
Swedbank	500,000	500,000
Other fundraising companies	420,770	515,937
Total donations	50,710,213	52,144,801

The above amounts include a dividend of SEK 50,044 (62,215) from Human-fond.

Grants recognised as income	2022	2021
Funds raised, non-public grants		
Radiohjälpen	4,826,310	4,560,091
ForumCiv	2,635,293	2,552,827
Church of Sweden	3,324,623	1,011,858
Food and Agriculture Organization (FAO)	229,227	360,133
Swedish Postcode Lottery, special projects	0	92,328
Coca Cola Foundation	248,914	44,270
Total funds raised, non-public grants	11,264,367	8,621,507

Grants from government organisations, public grants	2022	2021
Sida CIVSAM	165,933,712	187,576,658
EU	29,476,079	33,067,500
Sida embassies	70,794,786	52,865,833
Sida, own contribution EU projects	6,396,031	8,009,047
Sida, information grants	1,510,634	2,469,564
AgriCord	3,944,416	2,068,223
Total public grants from government organi-sations	278,055,658	286,056,825
Total grants and public grants recognised in the income statement	289,320,025	294,678,332

Total fundraising comprises the following	2022	2021
Donations recognised in the income statement	50,710,213	52,144,801
Non-public grants recognised in the income statement	11,264,367	8,621,508
Total funds raised	61,974,580	60,766,309

NOTE 4 Other operating income

	2022	2021
Local income abroad	947,364	470,412
Pension refund	2,432,661	0
Other income	4,541,277	3,260,005
Total other operating income	7,921,302	3,730,417

NOTE 5 Personnel costs

Average number of employees	2022	2021
Sweden	34	40
Belgium	0	1
Region Europe	15	12

NOTE 5 continued

Region Asia	28	25
Region Latin America	49	43
Region Southern Africa	56	53
Region Eastern Africa	26	25
Total employees	208	199

	2022	2021
Men	81	74
Women	127	125
Total average number of employees	208	199

The average number of employees does not include employees who received remuneration less than one half price base amount SEK 24,150 (23,800). This reporting is supported by BFNAR 2006:11.

Salaries and remuneration	2022	2021
Service in Sweden		
Salaries and remuneration	20,312,290	21,203,000
Payroll overheads	9,833,879	8,651,005
Total service in Sweden	30,146,469	29,854,005

The total for salaries and payroll overheads for service in Sweden amounts to SEK 30,146,169 (29,854,005), of which pension costs total SEK 2,875,573 (1,745,376) in 2022.

Salaries and remuneration	2022	2021
Service abroad		
Region Asia	8,659,501	7,387,653
Region Europe	4,399,533	3,120,427
Brussels	0	684,996
Region Southern Africa	17,966,942	14,728,720
Region Latin America	17,894,236	13,734,587
Region Eastern Africa	10,614,909	10,304,597
Total service abroad	59,535,121	49,960,980
Total salaries and remuneration	89,438,604	79,814,985

The association's activities are based to some extent on volunteer work. The number of volunteer hours totalled 0 (0) in 2022.

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 4,201,444 (4,024,807). The present value of the obligations covered by the fund amounted to SEK 70,572,226 (68,923,969) on the balance sheet date. The balance in the association's portion of the fund exceeds the pension liability by SEK 996,401 (11,445,643). In accordance with an agreement with PRI Pensionsgaranti, the pension obligations have been secured via credit value insurance up to and including 31 December 2022. As a special insurance condition, the pension fund must have an over-consolidation reserve, a minimum of 120 per cent (120) 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 1,130,179 (787,049). Pension costs, including statutory taxes amount to SEK 742,686 (662,142). 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. 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.

Gender balance of Board members and senior executives	2022	2021
Board members on balance sheet date		
Women	5	6

NOTE 5 continued

Men	5	3
Total Board members on balance sheet date	10	9

Secretary General		
Women	1	1
Men	–	–
Total Secretary General	1	1

NOTE 6 Expenses for charitable activities

	2022	2021
Region Eastern Africa		
Kenya	10,620,912	11,381,007
Regional projects in Eastern Africa	16,468,291	13,972,855
Vi Agroforestry, forwarded grants	19,673,734	20,885,508
Tanzania	10,315,710	8,746,205
Uganda	8,630,531	7,712,120

Region Southern Africa		
Malawi	9,682,199	10,358,367
Regional projects in Southern Africa	9,715,242	7,104,016
Mozambique	29,464,495	16,777,201
Zimbabwe	28,932,845	35,853,160
Zambia	19,363,760	14,483,727

Region Latin America		
Regional projects in Latin America	11,491,857	14,002,595
Bolivia	7,448,496	7,671,329
Colombia	8,265,545	7,347,836
El Salvador	9,170,555	9,162,178
Guatemala	16,505,591	30,111,897
Honduras	8,833,380	10,096,885
Nicaragua	–	1,070,716

Region Asia		
Regional projects in Asia	1,960,064	2,427,131
Palestine	29,411,533	17,873,950
Philippines	9,375,672	7,927,592
Sri Lanka	7,921,489	9,495,043

Region Europe		
Regional projects in Europe	5,508,732	4,125,050
Albania	2,352,242	2,556,173
Bosnia-Herzegovina	1,291,297	1,413,136
Kosovo	510,985	515,038
Macedonia	5,751,600	5,031,574
Moldova	2,316,259	2,174,215

Global		
The global programme	5,944,571	4,707,216
Total project expenses	296,927,587	284,983,720

Other projects etc.		
Advocacy activities in Sweden	14,636,259	12,854,671
International Department	5,169,301	5,354,255
Other projects	5,184,517	6,090,452
Total expenses for charitable activities	321,917,664	309,283,098

NOTE 7 Operating leases

Future lease payments are due as follows:	2022	2021
Due for payment within 1 year	4,210,793	3,685,267
Due for payment in 1-5 years	11,425,113	13,259,590
Total	15,635,906	16,944,857

Future lease costs refer to premises and IT equipment. A new lease for premises was signed in 2018 for 2019–2026. Expensed lease payments in the income statement amount to SEK 4,145,988 (3,821,649).

Information as lessor:	2022	2021
Due for payment within 1 year	257,696	921,317
Due for payment in 1-5 years	–	3,314,898
Total	257,696	4,236,215

The association leases some of its premises as well as IT equipment to The *Vi planterar träd* fundraising foundation (Vi Agroforestry). The agreement between the organisations was terminated in 2022 and ceases at the end of March 2023.

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

	2022	2021
Capital gains and other income	254,842	5,228,418
Total	254,842	5,228,418

NOTE 9 Other interest income and similar profit/loss items

	2022	2021
Interest income	8,534	174,497
Total	8,534	174,497

NOTE 10 Interest expense and similar profit/loss items

	2022	2021
Other interest expenses	-160,597	-103,248
Exchange rate differences and other financial expenses	–	-122,148
Total	-160,597	-225,396

NOTE 11 Intangible assets

	2022	2021
Opening cost	4,988,855	2,145,850
Purchases	–	2,843,005
Closing accumulated cost	4,988,855	4,988,855
Opening amortisation	-2,145,850	-2,145,850
Amortisation for the year	-947,668	–
Closing accumulated amortisation	-3,093,518	-2,145,850
Closing carrying amount	1,895,337	2,843,005

NOTE 12 Land and buildings

	2022	2021
Opening cost	7,312,167	7,312,167
Sales/disposals	-652,273	–
Closing accumulated cost	6,659,894	7,312,167
Opening depreciation	-4,903,651	-4,538,049
Sales/disposals	652,273	–
Depreciation for the year	-332,994	-365,602
Closing accumulated depreciation	-4,584,372	-4,903,651
Closing carrying amount	2,075,522	2,408,516

Land and buildings abroad comprise the association's own offices in Guatemala, Honduras and Kenya. During the year, the office in Nicaragua was closed and the office has been given away.

NOTE 13 Equipment

	2022	2021
Opening cost	1,426,900	1,426,900
Purchases	–	–
Closing accumulated cost	1,426,900	1,426,900
Opening depreciation	-569,666	-284,286
Depreciation for the year	-285,472	-285,380
Closing accumulated depreciation	-855,138	-569,666
Closing carrying amount	571,762	857,234

NOTE 14 Securities holdings

Securities holdings	Cost	Market value on closing day
Securities held as non-current assets		
Discretionary management	39,098,689	36,347,236
Total securities held as non-current assets	39,098,689	36,347,236
Change in securities held as non-current assets	2022	2021
Opening accumulated cost	41,057,332	36,835,572
Investments	10,040,384	52,095,628
Disposals	-11,999,027	-47,873,868
Closing accumulated cost	39,098,689	41,057,332
Closing book value	39,098,689	41,057,332

The securities portfolio shall be measured in accordance with the accounting policies at the lower of amortised cost and market value on the balance sheet date. As the downturn in the portfolio is not deemed to be permanent, the portfolio has not been written down to the market value.

The portfolio, which is managed by Swedbank, includes funds and securities. Re-allocation takes place within specified parameters based on the 'Policy for consolidation and capital investments'.

NOTE 15 Other receivables

Specification of other receivables	2022	2021
Receivables – Partner organisations abroad	8,310,950	7,998,691
Receivables – Donors	2,546,650	–
Other receivables	1,080,171	2,614,264
Total other receivables	11,937,771	10,612,955

NOTE 16 Prepaid expenses and accrued income

	2022	2021
Prepaid rent	913,423	809,486
Accrued income	559,908	5,428,627
Prepaid expenses including the regions	1,232,020	343,023
Total	2,705,351	6,581,136

NOTE 17 Provisions

	2022	2021
Provisions, commitments abroad	436,187	–
Other provisions	815,361	645,154
Total	1,251,548	645,154

Provisions abroad consist of legally required accrued salaries for locally employed personnel in regions. Other provisions relate to reserves for ongoing disputes.

NOTE 18 Liability received, unutilised grants

Specification of liability received, unutilised grants	2022	2021
Sida CIVSAM	996,962	6,735,010
Sida Info	141,939	141,294
Sida embassies	40,089,626	37,578,346
Sida, own contribution EU projects	5,623,989	7,270,999
EU	16,725,006	21,850,376
Radiohjälpen	4,167,943	5,085,175
Other	3,285,333	7,180,727
Total	71,030,798	85,841,927

Liabilities to development cooperation donors arise when the grant has been received but the activities are yet to be carried out.

NOTE 19 Other liabilities

	2022	2021
Liabilities, non-forwarded grants	-18,923,457	–
Other liabilities	-2,553,891	-2,762,657
Closing liability	-21,477,348	-2,762,657

The increase in other liabilities mainly and almost exclusively comprises received grants that have not been paid to the Insamlingsstiftelsen *Vi planterar träd*, Vi Agroforestry on the balance sheet date. These liabilities will be paid in early 2023.

NOTE 20 Accrued expenses and deferred income

	2022	2021
Other items	2,004,244	1,081,319
Holiday pay	2,403,650	2,251,946
Accrued social security contributions	1,327,725	992,807
The regions	6,994,326	3,281,396
Total	12,729,945	7,607,468

NOTE 21Contingent liabilities and pledged assets

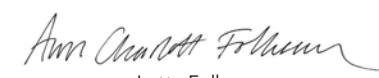
	2022	2021
Pension commitment	1,411,445	1,378,479
Bank guarantee	1,210,300	1,210,300
	2,621,745	2,588,779

NOTE 22 Significant events after the end of the financial year


In March 2023, we signed an agreement for the Sida Civsam application submitted in autumn 2022. As a result of cutbacks in aid by the new Swedish government, it was decided that we would receive a total of SEK 828 million for the upcoming five-year period instead of the SEK 944 million we applied for. In response to this cutback and an increasingly complex and changing reality, a global change project has been initiated with the aim of establishing a more flexible organisation with the capacity to achieve our strategy for 2023–2027.

Vi Agroforestry is moving into its own premises in April 2023 following the separation of the organisations. This will result in some new recruitment, but since the majority of personnel are employed by We Effect, they are not affected.

Stockholm, 25 April 2023


Lotta Folkesson
Chairperson of the Board



Helen Persson
Vice Chairperson


Erica Lundgren


Peter Ström


Anna Carlström


Patrik Schinzel


Lina Öien


Johan Nyhus


Fredrik Uhrbom


Björn Nordin


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 2022. In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the association as of 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act.The statutory administration report is consistent with the other parts of the annual accounts. We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor’s responsibility* and *Elected auditor’s responsibility* sections.

We are independent of the association in accordance with professional ethics for accountants in Sweden. As an authorised public accountant, I have fulfilled my ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the annual accounts

The other information consists of the 2022 annual report, which we obtained prior to the date of this auditor’s report. The Board of Directors and the Secretary General are responsible for the other information. Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Secretary General

The Board of Directors and the Secretary General are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board and Secretary General are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Secretary General are responsible for the assessment of the association’s ability to continue as a going concern. They disclose, as applicable, matters related to continuing as a going concern and using the going concern basis of accounting. The going concern basis of accounting is, however, not applied if the Board of Directors and Secretary General intend to dissolve the association, to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibility

I have to conduct the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My

objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of the association’s internal control relevant to my audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association’s internal control.
- evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Secretary General.
- conclude on the appropriateness of the Board of Directors’ and Secretary General’s use of the going concern basis of accounting in preparing the annual accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the association’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or circumstances may cause the association to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

I must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

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 obtain reasonable assurance as to whether the annual accounts have been prepared in accordance with the Annual Accounts Act and give a fair presentation of the financial performance and position of the association.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of We Effect for the year 2022 and the proposed appropriations of the association’s profit or loss.

We recommend to the general meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Secretary General be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor’s responsibility* section. We are independent of the association in accordance with professional ethics for accountants in Sweden. As an authorised public accountant, I have otherwise fulfilled my ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and Secretary General

The Board of Directors and the Secretary General are responsible for the administration, and the Board of Directors is responsible for the proposal for appropriations of the association’s profit or loss.

Auditors’ responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Secretary General in any material respect has undertaken any action or been guilty of any omission which can give rise to liability for the association.

Our objective concerning the audit of the proposed appropriations of the association’s profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the association.

As part of an audit in accordance with generally accepted auditing standards in Sweden, the authorised public accountant exercises professional judgement and maintains professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the association’s profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on the authorised public accountant’s professional judgement and the judgement of other elected auditors with a starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations or violations would have particular importance for the association’s situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion.

Stockholm, 17 May 2023

Öhrlings PricewaterhouseCoopers AB
Cecilia Luther
Authorised Public Accountant

Hans Eklund
Elected auditor



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Catherine Waking'a. Photo: George Kamau

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