

2020

Annual Report and Accounts ICCO Foundation



Part of
Cordaid

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Note for the reader:

As of 1st of January 2021, ICCO Foundation has transferred its assets and liabilities to the foundation Cordaid. ICCO Foundation is however still a sole member of *Coöperatie ICCO U.A.* (brand name ICCO Cooperation).

Per 1st of January 2021 the articles of association of ICCO Foundation and *Coöperatie ICCO U.A.* are amended in such a way, that the Board of Directors of Cordaid Foundation are the same as of *Coöperatie ICCO U.A.* and ICCO Foundation.

Cover photo: Member of the producer organization Coopakel in Senegal. Photo: Christien van de Brink.

As of 1 January 2021 Cordaid and ICCO have joined forces.

REPORT OF THE BOARD

From the Supervisory Board

In 2020 the Supervisory Board met eight times, more than usual. Main reason was the intensive process together with Cordaid to take all necessary steps to work towards the final decision-making in December 2020. I elaborate later further on that.

Annual report

As Supervisory Board we also had other important matters on our agenda. The delay in the finalization of ICCO's Financial Statements for 2018 and 2019 asked for our continuing attention, especially from our audit committee.

Due to the implementation of a new project management system, first the financial annual report 2017 (with Deloitte) and subsequently also 2018 (with our new auditor KPMG) was delayed. The audit of the annual figures for 2017 was delayed to such an extent that the figures for the ICCO Foundation were only approved in the course of 2019. Due to pressure on the approval of the figures for the Foundation, it was decided to finalize the approval of the figures for the cooperative at a later date, which was completed October 2020.

In September 2020 the Financial Statements of ICCO Foundation 2017 were approved and in December 2020, the Financial Statements of ICCO Foundation 2018 were approved by the Supervisory Board, with approving statements of our auditor. The audit of the 2019 figures will be combined with the Statements of 2020 in 2021 and is expected to be completed medio summer 2021. With that we have caught up our backlog. It was very important in this process with our auditors in 2019 and 2020 to note that our auditors did not have identified any issues with respect to the going concern or related to fraud.

CFO Jolanda Wakkerman left ICCO

In March 2020, Jolanda Wakkerman decided to leave the organization for personal reasons. The Supervisory Board decided not to fill the vacancy of the member of the Executive Board at this time; and to have Sybren Attema as sole director, on a temporary basis, with a view to cooperating with Cordaid. An interim CFO not being a statutory member of the Executive Board was sought and found, first with Bram van Alphen and later with Paul Nijssen.

Process with Cordaid

In 2020 many meetings were held on the Executive Board level and Supervisory Board level with ICCO and Cordaid. We discussed the outcome of the due diligence process and the business plan of the new Cordaid and ICCO organization which was elaborated on a strategic level. Also the legal dealstructure of the integration of the two organizations was discussed together with the governance structure.

With approving this business plan ICCO and Cordaid - on condition of final decision-making on the integration of the two organizations in December 2020 - the Supervisory Board also agreed with the criteria to phase out or hand over the activities and programs in certain countries where ICCO is long active, such as in Latin America, Indonesia, Vietnam and the Philippines.

As chair, together with a fellow member of the Supervisory Board, we spoke with the Works Council several times in a very constructive way to discuss the process and the consequences of the integration with Cordaid and - separately - the move of the ICCO office from Utrecht to Grote Marktstraat 45 in The Hague, the office of Cordaid, which took place per end of 2020. Also we kept close contact with the director and board of the Protestants Church organization about the developments of moving out of the office in Utrecht and discussing the governance structure and asking to have a seat in the Supervisory Board of Cordaid on behalf of the Protestant Church.

In our meeting of 30 November 2020 we approved all the important decisions we needed to take in order to join forces together with Cordaid. This included approval of the framework agreement, mission and vision and governance structure as stated in the governance regulations, branding strategy, assets and liabilities transaction from ICCO to Cordaid in a phased manner in 2021 and 2022, and changing the articles of association of ICCO Foundation so that we have a personal union in the governance on Executive and Supervisory Board level as ICCO with Cordaid.

On 15 December together with the Supervisory Board of Cordaid we held a joint formal meeting adopting the joint budget 2021, the authorization scheme and we signed all board resolutions necessary for joining our forces. After the formal decision making and signing we memorized this historic moment, celebrated and honoured all those who have contributed to this, and said farewell to the board members whose term ended and will not continue in the joint organization. For ICCO we would like to thank Gert van Dijk greatly as Supervisory Board member for all his constructive and sometimes critical input and efforts for the good of the organization and Paul Nijssen as CFO a.i. in the last half year 2020.

In conclusion we can state that 2020 was a very dynamic, historical and at the same time sad year for the organization. I realize this and I want to sincerely thank all the staff members of all our offices around the world for their great commitment, contributions and hard work this year. We could not have done this without you all!

On behalf of the Supervisory Council

Ton Heerts, chair, in consultation with Johan de Leeuw (chair of the Supervisory Board of ICCO in 2019 and 2020)

From the Executive Board

2020 was a year not soon to be forgotten. The outbreak of the COVID-19 pandemic turned our private and professional lives upside down. Against this special and confusing background, Cordaid and ICCO worked steadily on the preparations for a historic integration.

Projects adjusted to COVID-19

From March we were housebound. A strange experience for a development organization where local and international travel is part of the daily work. Still, we managed to keep the work going. A lot happened online and in some countries field visits in-between lockdowns were possible. Current and new projects had to be adapted to provide protection against the virus or to deal with the far-reaching socio-economic consequences for local communities and small businesses of the lockdowns. Already in March ICCO made an inventory of what the effect of the pandemic would mean for the projects and our income. We considered a 20% loss in turnover, which was also offset by cost savings, such as a lower travel budget.

Preparing for the integration

In December 2019, Cordaid and ICCO signed a Letter of Intent for far-reaching cooperation. At the end of 2020, that intention became a reality. Since 1964 ICCO has been fighting poverty and injustice in the world. From 1 January 2021 that mission continues, in the Cordaid organization, under the name of Cordaid.

We took the first concrete step in April when the deal structure, a business plan on headlines and external due diligence were approved by Supervisory Boards. No imperfections were observed that could stand in the way of an integration. However, the Cordaid Supervisory Council made a reservation for the integration if the annual report of the Stichting ICCO for 2018 was not approved in time by the accountant. Fortunately, this dissolving condition did not occur. Thanks to the great efforts of the employees of both organizations, a detailed business plan was available on 1 July and from that moment on we were able to draw up our implementation plan.

Better fit for the future

The integration with Cordaid ensures that together we have more scale to achieve a more sustainable impact. We broaden and integrate our expertise areas to remain able to anticipate the increasingly complex challenges of our generation. The new Cordaid will operate as a value-based emergency relief and development organization, emerging from the Dutch Protestant and Catholic traditions with their long standing experience in fighting poverty and social injustice.

There have been several talks about the deal structure. The preferred option of Cordaid and ICCO was a full merger, whereby Stichting ICCO became part of Stichting Cordaid. This option required an amendment of the Articles of Association of the Cordaid Foundation and that was not feasible. Therefore, we decided for an asset liabilities transaction and an amended Governance Code of Stichting Cordaid.

Works Council

During 2020 we had frequent consultations with the staff and the Works Council. Unfortunately, due to the corona situation, we were unable to review and organize physical meetings. But luckily, we quickly became familiar with the online tools. We would like to recall here the constructive cooperation with the Works Council. Her solid substantive comments and positive attitude have contributed to the fact that the two requests for advice were properly and timely piloted through the organization.

Worries and opportunities

An integration process hurts. You have to say goodbye to colleagues, in the Netherlands and in the regions. Offices are closed, such as the global office in Utrecht, and in other countries in the coming years as well. It feels like your family is falling apart. But we have also seen and are impressed by the agility and resilience of the staff to work on a new future, as part of a new family. The conviction of why we do our work is stronger than a concrete building or an organization.

Some words of gratitude

Without missing anyone, after all, we all worked hard and dedicated in 2020, the financial colleagues deserve a special mention. In 2020 they had to work on several annual reports of the foundation and the cooperative, which also included 2 different accountancy firms. Their endurance was tested. Finally, we consider the departure of Jolanda Wakkerman for personal reasons. Jolande was a highly valued colleague on the Executive Board. She has done a great job to improve the financial statements and ICCO's participation portfolio.

We thank everyone who has supported ICCO over the decades and made our work possible. As the annual report shows, we have offered more perspective to the lives of many farmers, women, young people, producer organizations and people in need. As part of Cordaid, we will continue to do so. ICCO's legacy is kept alive.

On behalf of the Cordaid Board of Directors,
Kees Zevenbergen (CEO), in consultation with Sybren Attema (chair of the Executive Board of ICCO in 2019 and 2020)

The Hague, September 2021

01 Mission and Strategy

1.1 WHO WE ARE

ICCO is an independent, global non-governmental organization (NGO), established in the Netherlands in 1964. It has a decentralized structure with the global office located in Utrecht (the Netherlands), and 20 offices across Latin America, Asia and Africa. ICCO currently employs just over 400 members of staff and had in 2020 an annual turnover of EUR 44.8 million.

Our aim is to secure the livelihoods and rights of smallholder farmers in low and middle-income countries in the global South. In particular, we strive to improve the food and nutrition security and income of women and youth and expand their access to job opportunities in agricultural value chains. We also support agribusiness entrepreneurs as well as small- and medium-sized enterprises (SMEs) to grow their businesses.

ICCO is a member of the ACT Alliance, which brings together 135 churches and related organizations in over 120 countries.

Figure 1:

In 2020 ICCO implemented 347 projects in 43 different countries. We reached 1,412,882 people.

Mission	A just world without poverty and exclusion. A world where people can secure their livelihoods and live in dignity.
Vision	Empowered people that build sustainable livelihoods within a society that upholds their rights.
Strategy	We strengthen sustainable agricultural systems.
Goal	<ul style="list-style-type: none">• Food and nutrition security of smallholder farmers and their households• Economic empowerment of smallholder farmers and SME• Resilient and disaster-prepared communities (emergency response

Table 1 : Our mission and vision

1.2 WHAT WE DO

Our five-year strategy 'Towards a Just and Dignified World 2016 - 2020' was revised and sharpened in 2018. ICCO's multi-year plan and program focus on strengthening sustainable agricultural systems through realizing the three interlinked goals (see table 1). The estimated values of these goals we want to achieve in 2020 were defined in 2016 as programmatic key performance indicators. Most of these are impact and long term outcome indicators. This takes time and because there are other influences, achieving these results cannot be fully controlled by the organization. Next to the programmatic key performance indicators the organization also uses indicators at an output and lower outcome level for its programs. We revised the monitoring of our results in emergency response to the number of people to meet basic livelihood needs after a disaster.

Food and nutrition security of smallholder farmers and their communities

We strengthen the capacities of individual households to produce sufficient food and promote healthy diets, while also earning an income from farming.

Our approach

We build the capacity of producer organizations and other service providers so they can support poor households to improve and diversify their production, and have better access to markets, financial services and other inputs. We also contribute to awareness raising and advocacy aimed at promoting healthy and sustainable food and nutrition practices for all household members.

Goal and results

In 2016, we planned to reach by 2020 500,000 people who have access to, and control over, resilient food systems, enabling them to realize their food and nutrition security.

- In 2020 616,563 people were reached.
- Between 2016 and 2020 we have supported 2,882,664 people to achieve this goal.

Economic empowerment of smallholder farmers and SMEs

We support poor farmers and producer organizations to seize economic opportunities to improve their income.

Our approach

We link smallholders and SMEs to more lucrative market opportunities. Herefore, we improve their access to agricultural inputs, technical support and finance, and provide them with marketing skills, so they improve productivity and quality of their production and generate a better income. We cooperate with larger private companies who are willing to pay better prices for a better quality product and have access to national or international markets.

Goal and results

In 2016 we planned to reach by 2020 450,000 farmers who are economically empowered and have access to finance and markets.

- In 2020 110,931 people were reached.
- Between 2016 to 2020 we have supported 323,668 farmers to achieve this goal.

Resilient and disaster-prepared communities

We support people in acute crises and in protracted crisis situations.

Our approach

We work through our ACT Alliance network, with local partners and sometimes with our own implementation to alleviate short term needs and to rebuild livelihoods in the longer run. We also invest in preparedness for new shocks and in the resilience of people. Thus we mitigate the impact of new disasters and make people less vulnerable in protracted crisis situations.

Goal and results

We supported people to meet their basic livelihood needs in response to a disaster.

- In 2020 222,423 people were reached.
- Between 2016 and 2020 we supported 933,179 people to achieve this goal.

Sustainable Development Goals

Our goals are closely linked and form a 'humanitarian-development nexus'. They are aligned to the Sustainable Development Goals (SDGs) 2 and 8 in particular. In addition, we also contribute to SDGs 6, 10, 11, 12 and 17.

1.3 OUR PRIORITY THEMES

Our goals are broadly formulated and fixed for several years. Within these strategic goals we have presented four priority themes on which the goals focus, deepen and innovate,

Inclusive Finance

We link smallholder farmers of useful and affordable financial products and services that meet their needs, such as microfinance, loans and guarantees.

Climate-Resilient Food Systems

Our food and nutrition programs take resilience to climate change into account and adopt a food system approach. This implies an integrated approach looking simultaneously at economic, food security and environmental outcomes.

New Technologies

We advance the productivity and climate-resilience of farmers and agribusinesses with new technologies that allow resource-poor farming communities to access a range of agricultural services and inputs.

Youth Employment and Entrepreneurship

We support young people to start or grow a business by delivering entrepreneurship support services, training and access to finance and new technologies. We train young women and men in technical and soft skills and in their civil rights so that they can generate a decent income in a demanding labour market.

Our fundamental belief in human beings as dignified, creative, responsible and relational beings finds expression in the core values which we hold in common.	
Compassion	We care. We consider every woman and man as a subject with dignity with the ability to improve his or her life, even with small steps at a time.
Justice	We firmly trust people's capacity to grow and assert their rights. We are a proponent of a rights-based approach to development and gender equality.
Stewardship	We accept our responsibility to promote sustainability and maintain the integrity of the earth for future generations.

Table 2: Core values of ICCO

1.4 HOW WE WORK

- We take on different roles and functions depending on the program context: developer, (co-)implementer, advocate.
- Each of our interventions is based on a problem analysis, an assessment of needs and opportunities, a Theory of Change and an exit strategy for phasing out.
- We generate on-the-ground high quality data and embrace digital new technologies to reach our goals.
- We provide a mix of financial instruments ranging from grants to non-grants based funding with return on investment.
- We use a public-private partnership approach, working with civil society organizations, NGOs, private sector actors, governments, knowledge institutions and donor organizations.

1.5 INCREASING OUR IMPACT

We make use of numerous strategies and tools for sharing and increasing knowledge within and outside the organization in cooperation with NGOs, civil society organizations, governments and the private sector. Besides, we reach out, organize and contribute to conferences and events to share and gain insights on our priority topics.

Knowledge sharing

ICCO has established various theme-oriented Google sites and a Planning, Monitoring, Evaluation and Learning (PMEL) newsletter. We also practice a buddy system and various interpersonal capacity building activities, such as Face2Face meetings, thematic training and learning workshops. Some examples of ICCO's knowledge-sharing activities include:

- In August ICCO participated and shared its experiences with smart agriculture in a webinar organized by The Food Security and COVID-19 Community of Practice on Digital Solutions in response to COVID-19 in Asian & Africa agri-food systems.
- In November KUNO and ICCO organized a Covid-Café about Zimbabwe. The country is hampered by an acute food crisis and a government that uses the pandemic to further crack down civil rights.
- On December 12, HUMAN, a partnership between ICCO Cooperation, CNV Internationaal, and VBDO organized a webinar titled: 'Human Rights Due Diligence: Preparing for Legislation'. HUMAN aims to advance the implementation of the UN Guiding Principles on Business and Human Rights.

Impact measurement

ICCO builds its program decisions on data and evidence. We collect data from individuals and households participating in our projects by means of scientifically validated questionnaires and other survey tools. ICCO uses the Household Food Insecurity Access Scale (HFIAS), the Minimum Dietary Diversity for Women survey (MDD-W), the Months of Adequate Household Food Provisioning (MAHFP) and the Poverty Probability Index (PPI).

Lobbying and advocacy

Our initiatives in the area of lobbying and advocacy are primarily organized under the Civil Engagement Alliance, which was established as part of the Strategic Partnership for Dialogue and Dissent, funded by the Ministry of Foreign Affairs of the Netherlands. Chapter 2.4 elaborates more on the work of Civic Engagement Alliance.

Public outreach and engagement

In addition to publishing diverse information products and managing a trilingual (English, Spanish and Dutch) website, ICCO has a strong presence on social media platforms such as Facebook, LinkedIn, Twitter and Youtube. In the countries where we work, we convene, or participate in events.

02 Results

2.1 FOOD AND NUTRITION SECURITY

The status of food and nutrition globally is worrying. According to the Food and Agriculture Organization of the UN (FAO), more than 820 million people experienced hunger in 2019. Moreover, the number of food-insecure people has been on the rise since 2015. In addition, two billion people, particularly women of reproductive age and children, suffer from “hidden hunger” - or micronutrient deficiencies - due to inadequate access to nutritious food.



One of ICCO's core goals is to help improve food and nutrition security for smallholder farmers and their households and thus contribute to the realization of SDG 2: “End hunger, achieve food security and improve nutrition and promote sustainable agriculture”.

1. We promote climate resilient approaches, including sustainable land and water management, diversity and adequate post-harvest handling and marketing to contribute to sustainable local food systems. We pay due attention to inclusion, to increase the agricultural productivity and incomes of smallholder farmers, especially women, youth and indigenous people.
2. We strengthen the capacity of individual households to produce sufficient quality food, while also earning an income from farming. We work with producer organizations, small- and medium-sized enterprises (SMEs) and other service providers so they can support poor households to improve and diversify their production, and have better access to markets, financial services and other inputs.
3. We contribute to awareness raising and advocacy to promote healthy and sustainable food and nutrition practices by all household members, based on scientific evidence and hands-on experiences. In order to influence the overall enabling environment and ensure the sustainability of these interventions, we seek to address relevant legislation and link our work to related services provided by government agencies and other development actors.

Results

In 2020, we implemented 48 food and nutrition projects in 17 countries.

Indicator	2020	2016-2020 ¹	2016 - 2020 ²
		Result	Projected
Households with improved food security	134,164	568,640	360,000
People with improved dietary diversity	61,639	161,523	30,000
People with control over food systems	616,563	2,882,664	500,000

Table 3: Results food and nutrition security indicators.

¹ Please note that figures are taken from ICCO's database. In the past manual adaptations were made to the system, so comparisons with the former year report might lead to deviations.

² These are rolling targets. New programs might lead to higher targets.

Project highlighted: Manq'a, cooking schools for youths

The Manq'a project was born in Bolivia in 2014, and was extended to Colombia, Guatemala (2020) and Honduras. It works to strengthen food security and the economic empowerment of young people from vulnerable contexts in Latin America through the training of chefs and gastronomic entrepreneurs. More than 5,500 young people were trained as cooks, 2,634 jobs were created, and the food security of 6,600 households was improved.

The gastronomic training combines a practical methodology and the respect and recognition of agricultural products and the rural area, promoting a responsible consumption of local and nutritious products. After graduating from culinary schools, young people receive support to enter the labor market or they can start a business, for which they receive support.

During 2020, the pandemic impacted hundreds of families of our young cooks. Many young gastronomic entrepreneurs had to close their businesses, and several saw their training continuity threatened. In this context, a virtual teaching platform was developed, to reactivate businesses by providing financial support and solving basic food needs of families with great economic necessity.

There are several challenges that are still pending. Among them, consolidating our own platform for donations via the web, as well as replicating businesses such as our Manqa restaurant, the catering and tourism service. We are also working to expand the network of schools in countries where the model has escalated in recent years, expanding opportunities for thousands of young people from vulnerable contexts and improving their food security.

Two Manq'a students have their say:

https://www.youtube.com/watch?v=HoXBaWY_J2w

Project highlighted: Strengthening African Rural Smallholders

The Strengthening African Rural Smallholders (STARS) project in Rwanda (2016 - 2021) improves the access to finance and markets for smallholder farmers. The project, funded by Mastercard Foundation, is also implemented in Ethiopia, Burkina Faso and Senegal. With ICCO as the lead organizations, many local stakeholders are involved in the STARS project: producer organizations, MFIs, government, farmers unions, federations, suppliers, buyers and processors.

In Rwanda MFIs developed loans tailored to smallholder farmer groups engaged in the rice and maize as the main value chains. They also offered loans to individual farmers of onion and other vegetables. The resulting agri-loan products took into account the seasonal cash-flows and production costs of farmers.

Some results of STARS Rwanda as December 2020 were:

- 6 agri-loan products developed and 1 refined
- 89,865 smallholder farmers (58% women) received an agri loan
- USD 11,830,814 loan disbursed to farmers by MFI
- 34,356 Farmers (13,560 women) accessed market through cooperatives
- For maize, harvest rejection decreased from 60-80% to 20-30%, whereas for rice it declined from 20-30% to almost 0%.

STARS website: <https://www.icco-cooperation.org/en/project/stars/#pr>

2.2 ECONOMIC EMPOWERMENT

Half of the world's working population is employed in the agricultural sector. In sub-Saharan Africa 33 million smallholder farms, and the farmers that live on them, contribute up to 70% of the food supply (IFAD, *The field Report*). Smallholder farmers therefore play a critical role in achieving sustainable livelihoods and food security as producers of their own food and for the market.

Among the many challenges they face, farmers struggle with limited access to land, inputs, finance, knowledge, technology and markets, and other support services. This hampers their ability to produce sufficient food, earn a sustainable income and increase their resilience to climate change and other threats to their livelihood. As a consequence, smallholder farmers have limited capacity to grasp emerging opportunities and young people are forced to abandon agriculture.

ICCO works to enhance the viability of small-farm economies as a contribution to fighting poverty and undernourishment. We do this in two main ways;

1. We contribute to improved production practices and access to inputs, markets and finances for farmers at the household level.
2. We promote employment and entrepreneurial opportunities in the agribusiness sector through building the capacities of youth to start their own business and strengthening small and medium-sized enterprises (SMEs) and cooperatives with business advice and access to finance

Results

In 2020, we implemented 86 economic empowerment projects in 24 countries.

Indicator	2020	2016 - 2020 ³	2016 - 2020 ⁴
		Result	Projected
People with an increase in income	51,895	258,004	350,000
Farmers trained	31,705	62,597	170,000
Farmers with improved access to finance	442,869	662,833	220,000
Farmers with increased productivity	62,936	111,819	160,000

Table 4: Results economic empowerment indicators.

Project highlighted: SpiceUp, sustainable income from pepper farming

SpiceUp is a public-private partnership, funded by the Geodata for Agriculture and Water (G4AW) program of the Netherlands Space Office (NSO). Partners are Verstegen Spices and Sauces BV (Lead), Nelen & Schuurmans, VanderSat, Bogor Agricultural Institute (Institut Pertanian Bogor—IPB), Akvo, PT Cinquer Agro Nusantara (PT CAN), Balitro and ICCO.

Spice Up aims to provide geodata based information services to 100,000 pepper farmers in three main producing areas in Indonesia (Lampung, Bangka Belitung, and Kalimantan). The information will contribute to increase production, income, food security, optimize water use, and reduce inputs of fertilizer and pesticides.

The geo-data information service targets three groups, which are farmers, collectors, and businesses. SpiceUp encourages farmers to utilize digital technology (SpiceUp application) to get pepper farming information and manage their pepper farm. For farmers, there are six main features of SpiceUp App, including farm specific

³ Please note that figures are taken from ICCO's database. In former years, manual adaptations have been made to the system, so comparisons with the former year report might lead to deviations.

⁴ Projected targets 2016 - 2020. New programs in coming years might lead to higher targets.

Good Agricultural Practices (GAP) advice, investment analytics, monitoring of health and growth, weather forecast, market price information, managing transaction and stock, and a chat feature to pepper collectors.

Until 31 December 2020, SpiceUp was used by more than 334 farmers across Indonesia and SpiceUp established 2 demonstration plots in Bangka and Lampung. As the establishment of the demo plot follows the advice and recommendations from the SpiceUp mobile app, it is expected that they will be seen as proof of success in the development of sustainable pepper farming through the SpiceUp project and thus, can convince farmers to use the mobile app.

Project video: <https://youtu.be/tyDhFY4tQcY>

Project highlighted: Rural peace and productivity in Colombia

The Rural Peace project contributes to peace-building and the strengthening of rural economies in 16 municipalities in Nariño and Putumayo through a territorial approach. It combines three different strategies directed to 1,800 men and women (young, small-scale producers, indigenous and mestizo) and 11 agri-food SME's. They are economic empowerment, advocacy and participation in territorial management, and people culture.

Rural Peace runs between 2017 and 2021 and is a partnership of seven NGOs and one company. The funds come from the European Union Trust Fund for Colombia, Kerk in Actie, CDLO – USAID, and the Embassy of the Netherlands in Colombia. Some of the results till now are:

- 1,820 small-scale producers improved their participation in the coffee, cocoa, chontaduro, and panela value chains.
- 450 indigenous families from the Awá reservation have strengthened their food security.
- 200 women improved their access to local markets. They have also explored e-commerce opportunities
- 11 companies participated in the business acceleration process.
- 544 small-scale producers were directly linked with SMEs as suppliers.
- 453 rural youths certified as labor technicians in gastronomy and hospitality in Nariño and Putumayo.

Project video: <https://www.facebook.com/watch/?v=631778737384088>

2.3 EMERGENCY RESPONSE

In recent years the number of crises worldwide rose significantly and the number of refugees and Internally Displaced Persons (IDPs) increased. [UNHCR](#) mentions that the number of IDPs increased over the years, from some 10,000 a day in 2005 to more than 40,000 per day in 2017. At the end of 2019 there were 79,5 million IDPs and 26 million refugees in the world.



The total of humanitarian needs continuously increases, says Mark Lowcock to the Dutch Relief Alliance (DRA), of which ICCO is a member: "In 2020, nearly 168 million people worldwide will need humanitarian assistance and protection. That represents about one person in 45 on the planet. It is the highest figure in decades." While the needs for available funding for humanitarian assistance declined.

In order to overcome this paradoxical situation, international humanitarian actors and local actors found each other in the Grand Bargain as a result of the World Humanitarian Summit in 2016. ICCO often leaves the immediate life-saving response to the first responders, the local actors, but complements with a second phase intervention when a disaster or crisis happens, in line with this Grand Bargain and ICCO's primary strength.

1. We create resilient communities that are adequately prepared for, and can effectively respond to disasters.
2. We pay particular attention to integrating disaster risk reduction and resilience strategies with our food and nutrition, and economic empowerment programs. This is because we are well aware that

people's economic and social investments can be easily undermined or even wiped away by external threats, including climate change, disasters or conflict.

In 2020 ICCO completed a successful Core Humanitarian Standard (CHS) Self Assessment showing compliance with the standard. The Self Assessment was validated by the CHS Alliance. The accompanying 2 year improvement plan will be implemented together with Cordaid.

Results

In 2020, we implemented 40 projects in 15 countries

Indicators	2020	2016 - 2020 ⁵
People enabled to meet their basic food needs	3,000	518,701
People having access to sufficient and safe drinking water sources for domestic use	59,031	278,154
People having access to dignified, safe, clean and functional excreta disposal facilities	6,510	82,438
Households supported in (food) production and income generating activities	4,921	42,341

Table 5: Results emergency response indicators.

Project highlighted: Bale Zone, community resilience

Climate change induced drought caused frequent loss of crops and death of livestock in low land areas of Ethiopia including Bale Zone. This left a substantial number of the population dependent on food assistance for consecutive years. ICCO with its local partners Hundee and EECMY-DASSC set up a disaster risk reduction project, to build community resilience against climate shocks. The project first took a trial period of 15 months and became a full fledged project from January 2020. Key stakeholders are the Pastoral area development office and irrigation office at district and regional level.

The project addresses three main pillars: enhancing climate smart livelihood opportunities to increase household income, strengthening community institutions and emergency response capacity. The interventions include small-scale irrigation development, drought resistant crop production, and other income generating activities. Farmer groups are also provided with business coaching, to improve their entrepreneurial skills. Furthermore, strengthening community institutions is approached through women's village saving and loan associations. Community contingency planning and early warning data collection and analysis are meant to enhance emergency response capacity.

Some results achieved are:

- 424 farmers were organized on small scale irrigation and produce vegetables for family food and the market.
- Women groups (30 members) contribute to household income with small businesses (restaurant, small ruminant fattening, solar kiosk and petty trading).
- Village savings and loan associations created an opportunity for 1,300 women to join small businesses and helped to improve household income.
- Increased level of awareness among the community to disaster preparedness, shown through environmental protection activities (tree planting, soil protection etc).

⁵ Source: ICCO database. Please note that due to manual adaptations of the monitoring system in the past, comparisons with the previous annual report might lead to deviations.

2.4 OTHER PROGRAMS

Civic Engagement Alliance

Our initiatives in the area of lobbying and advocacy were primarily organized under the Civil Engagement Alliance, which was established as part of the Strategic Partnership for Dialogue and Dissent, funded by the Ministry of Foreign Affairs of the Netherlands. ICCO was the lead agency of this coalition (2016 - 2020), which brought together 11 Dutch NGOs that support lobbying and advocacy activities implemented by 73 civil society counterparts in 13 countries.

The Alliance enhanced the lobbying capacity of civil society organizations and sought to exert influence with decision makers at the Dutch, European and global levels. The program was organized around four pathways:

- Strengthening the position of civil society organizations
- Promoting sustainable and inclusive food systems and consumption
- Strengthening the position of smallholder farmers and producers
- Responsible entrepreneurship

On average, we worked on two to three lobbying and advocacy pathways in each country, although the selection differed per country. For each pathway, we tracked an average of 18 strategic partnership indicators, which were complemented by the use of “lobby logbooks” and success stories. The table below highlights the results of lobbying and advocacy activities undertaken by the Alliance in each country, based on a sub-set of six indicators.

Indicators	Results 2016 - 2020
Laws, policies and norms / attitudes were implemented for sustainable and inclusive development	84
Laws, policies and norms / attitudes were blocked, adopted or improved for sustainable and inclusive development	238
Times civil society organizations succeeded in creating space for their demands and positions through agenda setting, influencing the debate and/or creating space to engage	1.765
Advocacy initiatives were carried out by civil society organizations, for, by or with their membership constituency	1.723
Civil society organizations increased their lobby and advocacy capacities	5.839
Civil society organizations participated in programs implemented by the Alliance	811

Table 6: Results Strategic Partnership Dialogue and Dissent indicators.

Project highlighted: India, the power of a poster

In the Indian state of Assam, local partners of Civic Engagement Alliance supported women’s groups that advocated for Anganwadi centres, rural child-care centres. These centers provide care for young children and pregnant and lactating mothers. The Alliance team in India decided to make a poster as part of an awareness campaign. Indian artist Mis Pooja Dhingra designed it, using gonad tribal art. The poster was presented to decision makers, amongst others, in order to provide equitable access to nutrition by pregnant and lactating mothers and their children. The campaign paid off. The women’s groups managed to establish thirty kitchen gardens at the Anganwadi centres, kitchen gardens were included in government policies and the campaign received an Innovation Challenge Award from the UN World Food Programme, the FAO, Feeding India and 1-Gen.

03 Fundraising and Business Development

ICCO's programs and projects are made possible with the support of various financiers from the public and private sector. We focused our resource mobilization efforts towards institutional donors and subsidy providers. Fundraising is closely linked to business development, and vice versa. Almost nine out of 10 times, ICCO does not execute its programs on its own, but in collaboration with other stakeholders, both private and public. In a partnership, everyone contributes value, knowledge, cash or other forms of support.

ICCO does not actively raise funds among private individuals. There is one exception. In the event of major disasters, a coalition of 11 Dutch relief organizations, among them ICCO & Kerk in Actie, join forces to raise funds in the Netherlands. This coalition is known as the "Samenwerkende Hulporganisaties" (SHO) and the fundraising campaign is popularly referred to as Giro 555. In 2020 there was one Giro 555 campaign: the explosion in Beirut. It can also be mentioned that ICCO, together with Solidaridad, Lendahand and Truvalu, launched a new crowdfunding initiative in 2020: PlusPlus.

Institutional donors

ICCO's core institutional donors in 2020 were:

Ministry of Foreign Affairs of the Netherlands

- Strategic Partnership Dialogue and Dissent
- Addressing the Root Causes of Conflict Fund
- Women, Peace and Security Fund
- Embassies the Kingdom of the Netherlands in Burkina Faso.
- Disaster Relief Alliance

Intergovernmental donors

- European Commission Trust Fund
- International Cooperation and Development (DEVCO)
- European Civil Protection and Humanitarian Aid Organizations
- World Food Program
- InterAmerican Development Bank
- International Fund for Agricultural Development (IFAD)

Subsidy providers

- Netherlands Enterprise Agency (RVO)
- Netherlands Space Office
- Mastercard Foundation
- Albert Heijn Foundation
- Dutch Postcode Lottery
- Danish International Development Agency (DANIDA)
- UK Department for International Development (DFID)

Dutch Postcode Lottery

Since 2008, ICCO has been a beneficiary of the Dutch Lottery, the 'Nationale Postcode Loterij,' a large private fund that supports NGOs working towards a fairer and greener world. Of each ticket the Lottery sells, at least 40% goes to charity organizations, including ICCO.

In 2020, ICCO received a contribution of EUR 1,350,000 from the Postcode Lottery. This contribution is un-earmarked and supports ICCO to work on its mission. ICCO also received - together with Solidaridad - a one-time donation of EUR 1,000,000 for PlusPlus. In addition, the Lottery also contributes directly to projects of ICCO. Like 'Birds, Bees & Business,' a joint project of ICCO and Vogelbescherming Netherlands. Birds, Bees & Business combines its support for the regeneration of biodiversity in Burkina Faso with economic development, through exploring opportunities for local producers to market shea nuts.

Mastercard Foundation

ICCO partners with the Mastercard Foundation, which finances the Strengthening African Rural Smallholders (STARS) program in Rwanda, Ethiopia, Senegal and Burkina Faso. The program was launched in 2016. STARS aims to increase the income and food security of 210,000 African smallholders, while also contributing to increased evidence and knowledge sharing in the area of rural agriculture finance and value chain development.

AH Foundation

Since 2008 the Albert Heijn (AH) Foundation (established by Albert Heijn, the largest Dutch supermarket chain) has partnered with ICCO to undertake assessments of proposed projects and submit them to the board for selection. Once approved, ICCO is responsible for contracting, fund transfer and monitoring of project implementation, and provides strategic advice where needed. Project funding is generated from joint business between AH and suppliers, with project pillars being health, education, housing and empowerment. In collaboration with 37 suppliers (33 in Africa and 4 in Latin America), 26 new project contracts were concluded in 2020. They reached a total of 30,345 people, including 14,259 children. The annual investment of Albert Heijn in the AHF would grow to 2.3 million euros, but 1.5 million euros was spent due to the corona pandemic. The goal for 2021 is to make up for delays where possible.

Lendahand

ICCO has a strategic partnership with, and holds 10% shares in, Lendahand, an online impact investing platform. Lendahand provides an opportunity for socially conscious citizens to invest in entrepreneurs and sustainable initiatives in emerging countries.

PlusPlus (AgriCrowd B.V.)

In 2018, ICCO joined forces with Lendahand, Solidaridad and Truvalu to set up a new crowdfunding platform in the Netherlands: PlusPlus. The aim of this platform is to provide access to finance for small- and middle-sized agri-enterprises in developing countries, by linking them to a crowd of investors. For this purpose, a joint venture was established under the name AgriCrowd B.V., with ICCO holding 10% of its shares. After almost 2 years of preparations, the platform was launched in August 2020 as www.PlusPlus.nl. In these first few months PlusPlus raised a total amount of 183.050 euro from 224 investors and provided 9 loans to 6 SMEs in the agri-food value chain. In 2021 PlusPlus.nl plans to build the platform, a pipeline of investees and its community of investors further.

SCOPEinsight

ICCO Group has 10% participation in SCOPEinsight, together with the social impact investment facility of ABN AMRO bank. Within ICCO programs, SCOPEinsight is used to make an inventory of strengths and weaknesses of lead farmers and farmer groups and to monitor the progress of capacity-building interventions.

04 Organization

4.1 STRUCTURE

ICCO Cooperation consists of a cooperative, a foundation and the ICCO Group BV, all established under Dutch law. The statutes of ICCO Foundation are closely linked to the statutes of Coöperatie ICCO U.A. Both have an identical mission and objective and a “personele unie” is arranged between the Executive Board of the cooperative and the Executive Board of ICCO Foundation. The Supervisory Board of *Coöperatie ICCO U.A.* oversees the Executive Board and approves the annual report of ICCO Foundation. The cooperative has no profit motive and may not make any profit distributions according to its statutes. The members of the Executive Board are also the directors of the ICCO Group BV.

ICCO Foundation has been ‘certified’ by the Central Bureau of Fundraising (CBF) since January 1, 2012. Unlike most CBF-qualified organizations, which raise funds from individuals, we are not a traditional charity. However, we are proud of being recognized by the CBF because we want to show accountability to our donors – such as the Nationale Postcode Loterij, as well as the Dutch public – by demonstrating that we follow the ‘*Erkenningsregeling Goede Doelen*’ of which *Code Wijffels for Good Governance* is part.’

ICCO Foundation is designated as Public Benefit Institution (ANBI) by the Dutch Tax Authorities and based on its statutes ICCO Foundation qualifies as a non profit organization.

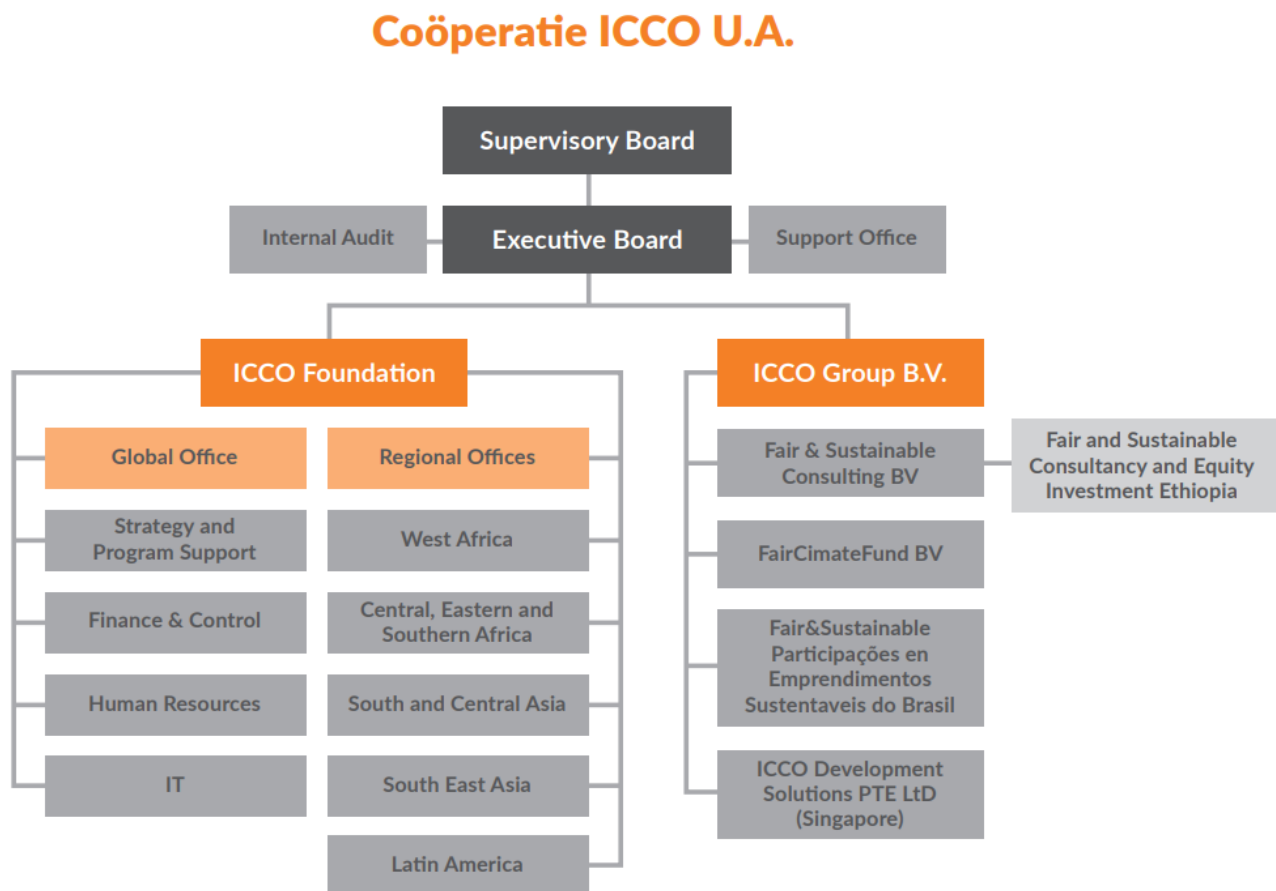


Figure 1: Organizational chart Coöperatie ICCO U.A.

ICCO Foundation is executed from the global office in Utrecht and five regional offices. The legal structure is outlined below.

Primary institution	Legal form	Status	Explanation
Coöperatie ICCO U.A. (since 14 November 2012)	cooperative		
Secondary institutions	Legal form	Status	Explanation
Stichting ICCO (ICCO Foundation)			Under governance of Coöperatie ICCO U.A.
ICCO Group BV	BV		Coöperatie ICCO U.A. full owner
Fair & Sustainable Consulting BV	BV		ICCO full owner through ICCO Group BV
Fair & Sustainable Business Development Services PLC Ethiopia			ICCO full owner through ICCO Group BV -> F&S Advisory Services (75%) + F&SP (25%)
Fair&Sustainable Participações en Empreendimentos Sustentáveis do Brasil	Ltd		ICCO 99,99 % owner through ICCO Group BV
FairClimateFund	BV		ICCO full owner through ICCO Group BV
ICCO Development Solutions PTE.LTD (Singapore)	Private Limited Company (since 12-10-2018)		ICCO Group BV full owner
Regional-and country offices/ branches of ICCO Foundation	Office	Status	Explanations
South East Asia	-		
Indonesia	Regional Office	NGO registration	Under articles of association of Stichting ICCO
Myanmar	Country office	NGO registration	Under articles of association of Stichting ICCO (registration via Ministry of Home Affairs)
Vietnam	Representation	NGO registration	Under articles of association of Stichting ICCO
Cambodia	Country office	NGO registration	Under articles of association of Stichting ICCO
Central South Asia	-		
Nepal	Regional Office	NGO registration	Under articles of association of Stichting ICCO
Bangladesh	Country office	NGO registration	Under articles of association of Stichting ICCO
Kyrgyzstan	Country office	NGO registration	Under articles of association of Stichting ICCO
West Africa	-		
Mali	Regional Office	NGO registration	Under articles of association of Stichting ICCO
Burkina Faso	Country office	NGO registration since 13 Oct. 2016	Under articles of association of Stichting ICCO
Senegal	Country office	NGO registration since 22 Dec. 2016	Under articles of association of Stichting ICCO
Benin	Country office	NGO registration since 28 June 2019	Under articles of association of Stichting ICCO
Central, Eastern and Southern Africa	-		
Uganda	Regional Office	NGO registration	Under articles of association of Stichting ICCO
Ethiopia	Country office	NGO registration	Under articles of association of Stichting ICCO
South Sudan	Country office	NGO registration	Under articles of association of Stichting ICCO

Rwanda	Country office	NGO registration	Under articles of association of Stichting ICCO
Burundi	Country office	NGO registration	Under articles of association of Stichting ICCO
Kenya	Country office	Ltd (Limited by Guarantee) (since 24 Sept. 2018)	Under the control of Stichting ICCO via appointment directors
Kenya	Country Office	Trust (registered since 15 July 2017)	Under the control of Stichting ICCO via appointment trustees
South Africa	Country office	Registered Non Profit Company	Under the control of Stichting ICCO via appointment directors
Zimbabwe	No office, do have registration	Local Trust	Under control of ICCO Foundation via appointment board members
Latin America	-		
Nicaragua	Regional office for Central America	NGO registration	Under articles of association of Stichting ICCO
Costa Rica	One representative	NGO registration (since 20-07-2020)	Under articles of association of Stichting ICCO; Legal registration nr. 3-013-798810
El Salvador	Registration	NGO registration	Under articles of association of Stichting ICCO
Bolivia	Regional office for Central America	NGO registration	Under articles of association of Stichting ICCO
Peru	Representative	NGO registration (since 2014)	Under articles of association of Stichting ICCO
Colombia	Country office	NGO registration	Under articles of association of Stichting ICCO
Paraguay	Country office	NGO registration (since 2014)	Under articles of association of Stichting ICCO
Jordan	In deregistration, no activities.	NGO registration since 21-10-2018	Under articles of association of Stichting ICCO

Table 7: Legal structure and local registrations ICCO 2020 d.d. 31-12-2020.

4.2 EXECUTIVE BOARD

The Executive Board started the year 2020 consisting of two board members; Sybren Attema (chairman) and Jolanda Wakkerman (member). Jolanda stopped as a board member as of March 31, 2020 and left the organization for personal reasons. The Supervisory Board decided that Sybren Attema would stay the only statutory Executive Board member, with support from an interim CFO.

All tasks of the Executive Board are laid down in detail in its articles of association of ICCO Foundation and 'Coöperatie ICCO U.A.'. In the fulfilment she makes effective use of the advisory function of the Supervisory Board. The tasks of the Executive Board are executed in consultation with the team of managers of the regional offices and managers in the global office. Members of the Executive Board are appointed by the Supervisory Board.

Task division within the Executive Board

The Executive Board is a collegiate board which is jointly responsible for the whole organization. The members have agreed upon a different portfolio: the chair is the figurehead with responsibility for strategy, policy, HR of the global and regional offices, integrity and external communication of the organization. The member is responsible for Finance, IT and acts as chair in the absence of the chair. The management of the regional offices and fundraising is a shared portfolio.

Composition and ancillary positions Executive Board

Sybren Attema - Chair from 1 July 2019

Board member Manq'a SOS

Jolanda Wakkerman - Member

Board member NPM

Board member ICCO Development solutions Singapore

Board member Stichting Capital 4 Development

Member Supervisory Board Lendahand

Director ICCO South Africa NPC

Director ICCO Trust Kenya

Board member Stichting Business 4 Impact

Member Supervisory Board Zorgpartners Midden Holland

Board remuneration

The Supervisory Board has set the remuneration policy, the level of board remuneration and the level of other remuneration components. The policy is updated periodically. The last evaluation was in their meeting of 25 August 2020. When determining the remuneration policy and determining the remuneration, the Supervisory Board follows the 'Regeling beloning directeuren van goededoelenorganisaties' (Remuneration of Directors of Charity Organizations Regulation). In 2020, the remuneration of the Executive Board complied with the maximum remuneration as set in the Regeling.

In the financial statements in the notes to the statement of income and expenditure a disclosure is provided of the remuneration for both the Supervisory Board members and the Executive Board members and interim director.

4.3 SUPERVISORY BOARD

Duties

The Supervisory Board has the following tasks:

- Pro-actively and retroactively supervise the policy of the Executive Board and the general run of affairs within the foundation and the enterprises linked to it.
- Support the Executive Board with advice upon request or otherwise, inclusive of an annual evaluation of individual board members and the board as a whole.
- Appoint, suspend and dismiss members of the Executive Board.

In fulfilling their tasks, the Supervisory Board members shall be guided by the interests of ICCO Foundation. Each Supervisory Board member must be able to operate independently and critically towards the other Supervisory Board members, the board and any partial interest whatsoever.

Appointment term and composition

The Supervisory Board consists of five persons. There is one vacancy. The members are drawn from the constituency and the network of ICCO Foundation. The composition shall be such that there is a balance in expertise and origin. When a vacancy arises, the Supervisory Board sets an individual profile and makes every effort to supplement its membership to five members.

Statutory rules to prevent conflicts of interest apply to both the Executive Board and the Supervisory Board. Annually, the general lines of the executed policy of the Executive Board are discussed in a joint meeting with the Supervisory Board.

An Audit Committee and Remuneration Committee supports the Supervisory Board. Members of the Supervisory Board are appointed by the General Assembly of 'Coöperatie ICCO U.A.'

Ancillary positions Supervisory Board ICCO (as per 31 December 2020)

Ir. J.F. de Leeuw - Chair and chair Remuneration Committee (term ends January 2020-extended until 31-12-2020-integration with Cordaid)

Chairman CTGB (*College Toelating gewasbeschermingsmiddelen en Biociden*)

Ancillary positions:

Member of the Board of the Abraham Kuyperfonds

Chair Supervisory Board Qua Wonen (Krimpenerwaard)

Chairman Foundation IZZ

Member of the Board of Stichting Beheer LZ Agro Kwaliteitsborging (Qlip)

Member of the board of the Nationaal Groenfonds

Member of the Board of the Dutch Authority for Emission (NEa)

Chair of the independent Board of Stichting Kwaliteitsgarantie Vleeskalversector (SKV) (Quality Guarantee Foundation for the Veal Calf Sector)

Drs. W. Oosterom - Member, member Audit Committee and member Remuneration Committee (term ends January 2021)

Consultant Oosterom Advies BV, business economist

Ancillary positions:

Member Supervisory Board and Audit Committee *Reinier Haga Groep (until September 2020)*

Member Supervisory Board and Chairman Audit Committee *Stichting Rivierduinen*.

Chairman Audit Commissie *Federatie Medisch Specialisten*

Treasurer *Protestantse Gemeente Amersfoort*

Member Supervisory Board and chair of the Audit Committee of the hospital *Gelderse Vallei*

Chair *Generale College Behandeling Beheerszaken* of the *Protestant Church in The Netherlands*.

Prof. dr. G. van Dijk – Member and chair Audit Committee (term ends January 2020- extended until integration with Cordaid 31-12-2020)

Professor Social Venturing Economics & Cooperative Entrepreneurship, TIAS, Tilburg University

Visiting professor Agribusiness Management, International Center for Advanced Mediterranean Agronomic Studies (Chania, Greece)

Managing Director The Netherlands Institute for Cooperative Entrepreneurship

Ancillary positions:

Member Governing Board *Metgezel Beheer BV*

Chair Foundation Rabobank Certificates

Chair KIC! *Kennis en Innovatie Cooperatieve Creatieve Industrie u.a.*

Chair Cooperative SquarePlay-Enabling digital agriculture for smallholder farmers

Chair Advisory Board K3 Groep BV

Chair Advisory Board Royal Polak BV

Mr. dr. A. Knigge - Member (term ends January 2022)

Lawyer | Co-managing Partner – Houthoff

Ancillary positions:

Member of the Board of Trustees of Research Centre *Onderneming & Recht*

Member of the Board of Trustees of *Zuidas Master (Vrije Universiteit / Universiteit van Amsterdam)*

Member of the Board of VU Master Climate Goals, Corporations and Law

Treasurer of the *Nederlandse Vereniging voor Procesrecht* and the *Stichting Procesrecht*

Meetings Supervisory Board

The Supervisory Board held eight regular meetings in 2020, more than usual. Main reason was the intensive process together with Cordaid to take all necessary steps to work towards the final decision-making in December 2020 to join forces as ICCO and Cordaid together. Issues addressed during the meetings of the Supervisory Board included the delay in the audit of the financial statements 2017 and 2018, the budget for 2021 and the finalization of the annual report. Other important issues were the impact of Covid 19 on our operations and staff and the move from the ICCO office in Utrecht to the Cordaid office in The Hague.

Regarding the retirement schedule the Supervisory Board decided to presort the new situation of the proposed integration with Cordaid. Therefore the Supervisory Board has asked Gert van Dijk - despite his due to retire on 1 January 2020 - to remain seated until the integration and to keep the vacancy vacant.

	First term	Second term	Audit Committee	Remuneration Committee
Johan de Leeuw	Jan 2013- Jan 2017	Jan 2017 - Jan 2021		x
Wim Oosterom	Jan 2013-Jan 2017	Jan 2017 - Jan 2021	x	x
Gert van Dijk	Jan 2013-Jan 2016	Jan 2016 - Jan 2020	x	
Albert Knigge	Jan 2016 - Jan 2020	Jan 2020 - Jan 2024		
Vacancy				

Table 8: Retirement schedule.

4.4 PERSONNEL

FTE	FTE per 31-12-2019	New employees in 2020	Employees out in 2020	FTE per 31-12-2020
Regional offices	363	93	88	368
Global office	42,3	4	14	32,3
Total	405,3	97	112	400,3

Table 9 : Number of employees.

In the beginning of 2020 the number of staff at the global office rose slightly, but from May 2020 onwards some staff left that were not replaced, or rather their positions were filled by interim staff, in view of the integration plans with Cordaid. This caused the relatively large decrease of over 5,5 FTE. During the year 4 trainees were working in Utrecht. At the RO level there was a distinct increase in human resources. The regions Latin America, West Africa and South and Central Asia saw their staff grow in numbers. Southeast Asia and Pacific and East Africa decrease their staff slightly, over the whole year. Across the whole organisation 7 volunteers were registered in 2020.

4.5 WORKS COUNCIL

During the year a Works Council, consisting of four employees in the Netherlands, and four employees in other countries, discussed with the Executive Board subjects related to the organization's human resources policy, and also the year's most important subjects related to strategy and business. Next to this, regional staff representations had their own reflections and gave feedback to the policy and plans of regional managers. Main topic of the year 2020 was the intended integration with Cordaid, to which the Works Council at the end of the year gave positive advice, with monitoring points to be followed up.

4.6 QUALITY

ICCO Cooperatration's ISO/Partos 9001:2015 certificate is valid until October 2021. In 2020, the West Africa Office and the Global Office were subject to successful external ISO audits. Internal audit subjects were selected via a risk-based audit plan. In 2020, ten internal audits were implemented; one complete systems

check of a Regional Office on location; four remote audits of Regional Offices; four audits of specific processes at departments in Utrecht and one audit on compliance with the Partos 9001:2018 standard. The adjustments in the audit process and formats made in 2019 were put into practice.

In the final months of 2020, the focus of Quality and Audit was on preparations for the cooperation with Cordaid. Together with Cordaid staff, a review of strengths and weaknesses of both Quality Management Systems was done, and a proposal was prepared for the merging of the Quality and Audit functions. This proposal was input for the integration Business plan.

Quality standards and codes of conduct

ICCO promotes the use of standards, guidelines and certificates to collectively improve or develop our work and prevent wrongful conduct. All staff members, as well as consultants and partners are required to sign a contract indicating that they will adhere to these codes.

We adhere to the following Codes and Policies:

- ICCO Code of Conduct (May 2020) which is compliant to the ACT Alliance Code of Conduct for the Prevention of Sexual Exploitation and Abuse, Fraud and Corruption, and Abuse of Power (in place since 02-05-2010, revised in 2016)
- Code of Conduct for the International Red Cross and Red Crescent Movement (ICRC) and NGOs in relief (in place since 02-05-2010, revised in 2012)
- ICCO and Kerk in Actie Child Safeguarding Policy (since 2016), guided by the ACT Alliance.
- ICCO Anti-fraud and -corruption Policy & Procedures ICCO (revised mid 2020)
- ICCO Whistleblower regulations (revised May 2020)
- ICCO Integrity Policy (2019) and ICCO's Integrity Standard Operating Procedures (2020)

Integrity codes and violations

After the development of our ICCO Integrity policy and system in 2019, in 2020 we continued to work on the professionalization and roll-out of our policies and investments to put our integrity system into practice.

In consultation and collaboration with our Works Council and Project Group on Integrity and in anticipation on the upcoming integration with Cordaid, we developed and adopted the following procedure and policies, which are available on ICCO's website (under 'accountability') and the special page on intranet on Integrity for staff:

- Integrity Standard Operating Procedure (including Whistleblower policy). This Standard Operating Procedure describes in detail how to report a possible breach, how to deal with a report and how to further investigate a report.
- Anti-fraud and -corruption Policy & Procedures ICCO.

Regional Integrity Focal Points were appointed to support case management and investigation capacity, and to ensure relevance and ownership of our integrity system across the countries that ICCO works in.

In line with ongoing efforts in the sector, ICCO has committed to new Safe Recruitment standards to prevent impunity and re-hiring of known perpetrators of misconduct. As a result, attention to integrity has been strengthened in our HR procedures, with a particular focus on improved background checks.

To continue the engagement of all staff, we have continued the roll-out of integrity training and awareness sessions for all staff both in person and remotely; the online ACT Alliance Code of Conduct training became mandatory to all current and new staff and has been followed by all staff.

In addition, ICCO's key actors (management and integrity focal points) participated in specialized integrity training for conducting moral deliberation sessions. Also a training was given to strengthen ICCO's Persons of Trust around the world in their role in supporting staff affected by misconduct.

The integrity focal points for interpersonal relations have all followed a well-recognized remote course of OSACO on conducting investigations, together with focal points from ACT Alliance members. As follow up of our Integrity policy and system we further have:

- developed a dedicated intranet site on Integrity with all materials, documents and training information and how to file a report in one place;
- developed and distributed communication material in English, French and Spanish to use in our offices and programs, for further awareness;

With all our efforts we aim to improve our integrity system. This system with underlying documents is in compliance with standards from Partos, Code of Conduct of ACT Alliance, donors like the Ministry of Foreign Affairs and the EU and the Regulations of CBF .

ICCO stands for 'dignity for all'. Every form of abuse or other breach of our Code of Conduct goes against the heart of who we are. We will continue to use all instruments at our disposition to prevent misconduct, report it and handle it appropriately.

In addition, ICCO has also been active in exchanges with relevant national and international networks to identify ways to further improve the global prevention and response efforts to integrity and safeguarding concerns. Further streamlining & strengthening integrity in our projects and with partner organizations remains a focus area for 2021, together with and in the now joint Integrity Framework of Cordaid which applies as of 2021 also for ICCO.

Fraud and Financial Incapacity Procedure

As part of the 'ACT Alliance Code of Conduct for the Prevention of Sexual Exploitation and Abuse, Fraud and Corruption and Abuse of Power,' and our integrity policy, ICCO implements its own 'Anti-fraud and -corruption Policy & Procedure.' We try to prevent fraud and corruption through:

- Close monitoring and
- Abiding by strict contracting procedures.

We strive for a culture of integrity and have a zero-tolerance for non acting in case of misconduct and undesirable behaviour. Despite our commitment and efforts against any type of misconduct, we know that undesirable behaviour, misuse of power, or financial violations can and do occur. When an incident does occur, it is reported through specific channels, such as via the Integrity Officer or the management. Each case – whether alleged or proven – is taken very seriously and immediately investigated. Incidents are investigated whether internally or by a professional external party. Resulting actions are coordinated by ICCO's integrity officer.

Report of Complaints

In 2020 in total 7 alleged cases of misconduct were reported or detected, of which one anonymously. Of these 7 cases, 5 were reported via a formal report of complaint via our complaints and appeals system that ICCO has, that is accessible via our website for all our stakeholders and partners.

Types of complaints: these alleged cases consist of 4 allegations of financial misconduct, 2 allegations of sexual undesirable behaviour, 2 allegations of other interpersonal undesirable behaviour (harassment, bullying, shouting), 0 allegation of discrimination, 1 allegation of destruction & theft, 1 allegations of Conflict of Interest, 0 allegation of Violence & aggression, and 1 allegation of nepotism. Note that several cases include multiple types of allegations, hence the total number of allegations exceeds the number of cases.

Locations: 4 Central East Southern Africa, 0 Europe, 0 West Africa, 2 Central South Asia, 0 South East Asia and 0 Latin America, 1 other.

Perpetrators: In 5 of the cases, the alleged perpetrator was non-ICCO staff, however where in our scope of influence, we exercised our Duty of Care and ensured appropriate follow-up.

Persons Affected: In case of interpersonal undesirable behaviour, the alleged person affected was non-ICCO staff in 2 cases, no minors were involved.

Case Handling: 5 of the cases were handled by ICCO and 2 by partner organizations. In follow-up, 5 fact-finding

inquiries and investigations took place. 2 cases were signals that we received, without sufficient information to follow up. Support to the affected was offered where appropriate.

Substantiation: 2 of all closed cases were substantiated, 2 not substantiated, and in 1 case, not enough information was available to establish the substantiation. As of 31 December 2020, 2 cases remain open and 5 are closed.

Outcomes: The closed cases led to disciplinary measures in 2 cases (termination and non-extension of contract, warning). In two substantiated cases we handed the case over to authorities. Other follow-up measures included replacement of loss, increased prevention measures, and a conversation with staff to prevent the perception of misconduct.

All complaints were handled carefully following our complaints & appeal procedure and, in case applicable, Standard Operating Procedure for Integrity.

Legal Cases

In 2020 ICCO was involved in six legal cases: one new case and five older ongoing cases of which three started in 2016. Three of the cases are HR related. One case was lodged by a former partner organization that opposed the transfer of contracted activities to another party due to non-fulfilment of the contract conditions (ongoing since 2016); one case is regarding the reclaiming of misappropriated funds of ICCO because of fraud in a civil lawsuit (ongoing since 2018). The final case is handling the legal proceedings which resulted- beyond our control - as a consequence of stopping a project due to the non-compliance of a local partner with local labor law (ongoing since 2016).

4.7 CORPORATE SOCIAL RESPONSIBILITY

ICCO's corporate social responsibility (CSR) policy is based on the criteria of ISO 26000. ISO 26000 is a universally accepted guideline on how to define and implement CSR. It applies to companies, the public sector and civil society organizations across the world. We have formalized our CSR strategy in a CSR policy. We use seven CSR principles: accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for the international norms of behavior, respect for human rights. We apply these principles to:

- organizational governance
- human rights & labor practices
- the environment
- fair operating practices
- consumer issues
- community involvement and development

Green ICCO

We pay attention to sustainability in our own business operations. Central concepts in this include reducing energy consumption, clean energy and offsetting carbon emissions. ICCO promotes less working places, reduced air travel, telework and flexible work arrangements and the use of bicycles. The remuneration of travel policy is based on public transport. The offices have new applications in office automation to encourage paperless work through facilities for charging electric cars, LED lighting and solar panels.

4.8 SAFETY AND SECURITY

Safety and security is housed at the security desk at the global office and security focal points in the regional and larger country offices. The desk provides support, advice and training worldwide and co-manages incidents with local response teams.

The security training modules cover relevant ICCO policies and codes of conduct, assessment and mitigation of risks and threats, including how to prevent and/or address (sexual) harassment and violence in different

cultural contexts. The number of officially reported incidents was considerably lower compared to previous years, no serious incidents nor crises were reported. Due to the COVID-19 pandemic, international traveling almost came to a standstill and local and regional travel were restricted to essential travel only from mid-March 2020 all the year through. Security training was only provided once in Mali in February, and at the global office once early March.

4.9 ACCOUNTABILITY

ICCO is certified and recognized as an organization that meets the requirements of the CBF Regulation. The CBF has integrated their rules and regulations with the Good Governance Code for charities (Code Wijffels). The CBF certification sets requirements for administration, policy, fundraising, information and communication, spending of resources and reporting.

We report to our stakeholders and constituency according to the applicable generally accepted Dutch accounting rules. The financial statements are drawn up in accordance with RJ 650.

Relations with stakeholders

ICCO Cooperation strives for optimal relations with stakeholders, focusing on disclosure and the intake and processing of requests, questions and complaints. The stakeholders of ICCO Cooperation are the donors (e.g. the Ministry of Foreign Affairs), our partners in consortia (such as the Civic Engagement Alliance and the DRA), partner organizations, local communities, entrepreneurs and companies, the Dutch public (taxpayer) and the ultimate beneficiaries of our programs.

The stakeholders are provided with information in various ways:

- Website: Public information is provided via websites in Dutch, English (main) and Spanish. The website provides project results linked to our monitoring protocol, topical information and news items.
- E-zines: We produce corporate - six times a year - and regional e-zines (2 - 4 times a year) to our stakeholders.
- Annual report and donor reports. The annual report is posted online and as a pdf on the website. Additionally, donors (including ministries and the European Union) receive reports of the programs and projects to which they contribute.
- Social media: On a daily basis ICCO Cooperation communicates at global and regional level through social media: LinkedIn, Twitter, Facebook, Youtube and Instagram.
- On December 12, HUMAN, a partnership between ICCO Cooperation, CNV Internationaal, and VBDO organized a webinar titled: 'Human Rights Due Diligence: Preparing for Legislation'. HUMAN aims to advance the implementation of the UN Guiding Principles on Business and Human Rights.
- ICCO Cooperation communicates internally in English. General information about projects, activities and campaigns is also provided in Dutch (to our Dutch constituency, Spanish (in Latin America) and French (in parts of Africa).
- ICCO Cooperation is open to ideas, comments, requests and complaints from stakeholders. They can contact ICCO through various ways, for example through the staff and the Executive Board, and through the email address info@icco-cooperation.org. A response form is also available on the website. Suggestions and requests are handled by the relevant employee for that topic.
- ICCO Cooperation has a complaints and appeals system which is accessible via the website www.icco-cooperation.org

4.10 INFORMATION TECHNOLOGY

The corona pandemic required a quick transition from a situation where working in the office was the norm, to working mainly from home. The usage of online Google Workspace tools like Meet greatly increased during 2020, as well as Google Sites.

The disentanglement of the IT environments of the ICCO Cooperation and the Protestants Church (PKN) has neared completion in 2020. The bulk of the data has been moved at the beginning of 2021.

The ownership of the online monitoring tool ProMEva has been transferred to the company AllSolutions. The development team of the ICCO IT department has switched to AllSolutions as well.

Preparations for the integration were made with the IT department of Cordaid.

05 Risk Management

Risk management is part of the planning and control cycle and is recorded in a register that is annexed to the ICCO annual plan. Monitoring with mitigation actions takes place through management information analyses. Risks are identified and assessed at program, region or department and strategic level. At the strategic/corporate level, risk analysis by the Executive Board is combined with a compilation of the underlying risks at the regional level, which results in an updated Risk Top 10 with mitigation actions. This Top 10 is discussed and agreed upon by the Audit Committee and by the Supervisory Board. The risks and mitigations are updated twice a year. The risk appetite is reflected in the nature and scope of mitigating actions.

The table below shows the risks identified in 2020, and the mitigation actions developed

Strategic risks 2020 (including risk type)	Mitigation actions 2020	Net risk level
1. Financial: slow financial procedures and systems (including system transition). Global office finance staff are not able to perform up to standard due to a backlog caused by transition and delayed audits leading to lack of management information, inefficiency, non compliance resulting in loss of funding and reputation loss.	Finance teams adequately staffed and managed. Implement identified improvements. Measures for the second half of 2020 depend on Cordaid integration.	high
2. Financial: inadequate response to missing the Power of Voices call leading to a shortfall in budget which endangers the continuation of the organization.	Take decisions to deal with the budget shortfall based on a correct analysis of the financial consequences and of the reason for missing the call. Explore options to submit the developed program to other donors.	high
3. Financial: COVID-19 global crisis has a negative impact on funding and on costs (both program implementation and office costs), leading to budget deficiencies. However, there are also opportunities.	Discuss implications with donors and request adjustments to program implementation; close monitoring of office budgets. Explore additional funding possibilities in the areas of Covid 19 based on Covid 19 fundraising plan.	high
4. Organizational: understaffing in various functions in the global office and regional offices due to lack of unrestricted funds leading to vulnerability and overburdening resulting in high turnover, loss of quality, gaps in compliance with donor and other internal and external requirements.	Careful monitoring by supervisor; clarity from board and management; minimize use of interim managers. Other options depend on the proposed integration with Cordaid. Mitigation measures to be decided once a decision on integration has been made.	high
5. Organizational: integration with Cordaid is called off because of our delayed annual accounts or other reasons	Work on annual accounts; careful/proper, correct and timely process steps with steering group, Supervisory boards, working groups, Works council etc.	significant
6. Programmatic: fewer and smaller grants available, more competition, no access to matching funds; leading to inability to secure funds for sustainable country programs, resulting in loss of track record; loss of staff and reputational damage.	Focus on themes and countries. Create a clear expertise and market this. Start building early strategic partnerships with donors. Manage donor expectations and try to increase margins by explaining how much it costs to run a nonprofit. Capture track record in accessible system. Involve finance staff from the proposal stage.	significant

7. Programmatic: limited quality in program development, implementation and reporting due to limited capacity of partners and/or staff and consultants leading to missing calls, not meeting program or reporting objectives resulting in ineligible costs and reputation loss.	Solid assessment of partners and consultants before contracting; hire highly competent (pmel) staff with understanding of self implementation and donor requirements.	significant
8. Organizational: current financial position of ICCO and/or proposed integration with Cordaid can lead to staff leaving the organization, excessive workload for some staff, staff costs to rise (social plan), resulting in decrease of quality of ICCO's work.	Careful and timely planning of process and communication of measures for financial situation/proposed integration.	medium
9. Organizational: recruitment of suitable new staff is challenging due to the uncertain financial position of ICCO, the uncertainty about the integration with Cordaid and the impact of the COVID-19 pandemic.	Revise HR policy and salary structure. Improved visibility and reputation of ICCO. Take decisions based on a correct analysis of the situation and financial consequences. Close monitoring of developments.	medium
10. Reputational: (alleged) Integrity violations (interpersonal, financial or misuse of power) by ICCO staff, contractors or partners leading to reputational damage and loss of funding.	Roll out Integrity policy and system in ICCO's offices and programs including training of staff.	medium

Table 10: Risks and management actions in 2020. Risk based on 4 levels from Low, Medium, High to Significant.

06 Financial Performance Highlights

ICCO is in a transition from a single donor funded organization (MFS-2) to a multi donor organization. This has an impact on the financial situation of ICCO as well. The years 2017 up to 2019 are considered to be years in transition. This implies that the budget for the years 2017 up to 2019 indicates a negative net result. As part of the transition, ICCO has reduced the cost level significantly, mainly at the Global Office in Utrecht. The focus of the Executive Board is more towards a proper relation between profit and cost. The headcount has been critically reviewed and the number of employees working is aligned to the size of the organization. Focus is on ending the usage of matching funds to complement grant funding from external donors.

In €	Actual 2020	Budget 2020	Actual 2019
Total income	44.779.578	58.319.267	42.065.051
Total expenses	47.286.792	58.080.406	44.923.460
Sum of income and expenses before financial income and expenses	(2.507.214)	238.861	(2.858.409)
Financial income and expenses	(1.672.551)	(135.334)	477.375
Sum of income and expenses	(4.179.764)	103.527	(2.381.034)

Table : Analysis of the results for 2020 in comparison to 2019 and the budget for 2020.

6.1 INCOME

Total income in 2020 was EUR 44.8 million, an increase of EUR 2.7 million compared to 2019. Total income remained EUR 13.5 million below budget in 2020 mainly due to a delay in the start of some new programs. Income grants from donors have - due to the nature of these grants - an incidental character. However, due to the nature of the business, project income could be considered structural. Other income tends to be more incidental.

6.2 EXPENSES

The allocation of expenses between the amounts spent on the objectives, on fundraising expenses and on management and administration expenses (M&A) is based on the actual expense on partner contracts as well as on time registration and FTEs. It is ICCO's ambition to spend at least 85% on the objectives and to always remain below 15% for the total of M&A and fundraising cost.

- Total M&A and fundraising costs as a percentage of total expenses in 2020 is 18.3% (2019: 17.1%).
- The M&A costs as a percentage of sum of expenses is 9.2% (2019: 8.6%).
- The fundraising cost as a percentage of sum of expenses is 9.1% (2019: 8.5%)
- The fundraising cost as a percentage of sum of income raised is 9.6% (2019: 9.2%)

The percentages of 2020 are in line with the percentages in 2019.

Expense Utilization Rate

In €	Actual 2020	Budget 2020	Actual 2019
Total spent on objectives	38.642.055	56.060.852	37.249.891
Total expenses	47.286.792	58.080.406	44.923.460
Expense utilization rate	82%	97%	83%

The Expense utilization rate is determined by dividing the total amount spent on the objectives by the total Expense.

Income Utilization Rate

In €	Actual 2020	Budget 2020	Actual 2019
Total spent on objectives	38.642.055	56.060.852	37.249.891
Total income	44.779.578	58.319.267	42.065.051
Income utilization rate	86%	96%	89%

The income utilization rate is determined by dividing the total amount spent on the program objectives by the total income.

In both rates the costs for provisions on loans, participations and guarantees are included in the total amount spent on the objectives.

6.3 NET RESULT

The net result in 2020 amounts to EUR -/- 4.2 million, whereas the budgeted net result amounts to EUR 0.1 million. There are several reasons that have caused this negative variance of the actual result compared to the budgeted result, such as:

- EUR 1.7 million negative result on the financial income and expense. This relates to a non budgeted incidental unrealized foreign exchange result for an amount of EUR 1.2 million.
- EUR 1.5 million higher expense hired staff (staff costs) than budget . This relates to the backlog in the financial system and financial statements of ICCO.
- Higher expenses than budgeted for office and general costs like partnerships and legal and organizational advice. Total EUR 1.0 million higher costs than budgeted. This mainly relates to the (legal) advice and due diligence for the integration.

6.4 APPROPRIATION FUNDS AND RESERVES

As a result of the negative result for 2020, the balance of reserves decreased from EUR 7.9 mln to EUR 4.5 mln. In 2020, the balance of funds decreased from EUR 4.1 million to EUR 3.4 million.

Appropriation reserves are formed when revenues are partly not spent in the same year as when they come in. Appropriation reserves are subject to spending restrictions; the purpose is determined by the Executive Board when adopting the financial statements or interim in a resolution on establishing a new appropriation reserve. In the financial statements, an explanation for each appropriation reserve and appropriation fund, as well as the statement of all additions and withdrawals is provided.

The FFA portfolio and the strategy will be evaluated and incorporated in the 5 years budget plan in accordance with the vision and strategy of Cordaid.

6.5 CONTINUITY RESERVE

The continuity reserve is intended to cover short-term risks and to ensure that ICCO can continue to meet its moral and other obligations in the event of unforeseen adverse circumstances. We are guided in this decision by the Guidelines Financial Management for Charity Organizations prepared by the Dutch Association of Fundraising Organizations (Goede Doelen Nederland). ICCO is convinced a reservation of resources is desirable for the continuity of the support given to the charity's goals, the Guidelines maximum is 1.5 times the annual cost of maintaining the operational structure.

For 2020 the continuity reserve is decreased from EUR 4.0 million to EUR 0.5 million as a result of the integration with Cordaid. On January 1st 2021, the operational structure of ICCO moved for the most part to Cordaid which led to a decrease in annual costs of maintaining the operational structure for ICCO. Project related expenses are fully funded by donor income.

07 Outlook and Future Developments

7.1 INTEGRATION WITH CORDAID

On 1 January 2021, the integration with Cordaid took effect. Both Cordaid and ICCO's foundations lie in the values of human dignity, justice, and compassion. We participate in like-minded, often faith-based networks, at a grassroots, national and international level, and are inspired by our shared Christian values. Joining forces enables us to support people in more fragile areas. It also expands our scope to include healthcare and education. By combining our networks, knowledge, and organisational infrastructure, we are enhancing the Dutch development sector and increasing our joint impact. In the annual accounts this is referred to as integration, although the deal is structured otherwise as two foundations cannot integrate legally. The effect is however the same.

7.2 BUDGET 2021

Given the situation, there is no budget prepared for the year 2021 (for ICCO) as the operations are continued by Cordaid. We refer to the paragraph "integration with Cordaid".

The annual budget 2021 Cordaid/ ICCO shows a gain of EUR 0.9 million. In 2020 projects related to COVID have been implemented, however the global situation is still hitting our beneficiaries and operations hard. Operational activities are adjusted and Cordaid / ICCO expects an operational profit of €1.6 million, however still volatile due to Covid-19 in 2021. Our expected reserves and funds and our cash position ultimo 2021 will be more than sufficient to deal with potential losses or unexpected events in the future.

At this moment a five year budget plan is in preparation for Cordaid/ICCO.

7.3 COVID-19

From March 2020 we were housebound. A strange experience for a development organization where local and international travel is part of the daily work. Still, we managed to keep the work going. A lot happened online and in some countries field visits in-between lockdowns were possible. Current and new projects had to be adapted to provide protection against the virus or to deal with the far-reaching socio-economic consequences for local communities and small businesses of the lockdowns. Already in March 2020 ICCO made an inventory of what the effect of the pandemic would mean for the projects and our income. We considered a 20% loss in turnover, which was also offset by cost savings, such as a lower travel budget.

The outbreak of Covid-19 (Coronavirus) continues to impact the global economy and markets. At this time, the impact of the outbreak on our business has been limited as projects in our regions continue and new projects related to COVID-19 support are requested and planned.

Based on our current knowledge and available information, we do not expect Covid-19 to have an impact on our ability to continue as a going concern in the future.

7.4 GOING CONCERN

In 2020, the balance of funds decreased from EUR 4.1 million to EUR 3.4 million as a result of the development in guarantees, loans and participations. As a result of the movement from funds to reserves and the negative result for 2020, the balance of reserves decreased from EUR 7.9 million to EUR 4.5 million. Total of funds and reserves decreased from EUR 12.0 million to EUR 7.8 million.

The expected reserves and funds and the cash position of Cordaid / ICCO ultimo 2021 will be sufficient to deal with potential losses or unexpected events in the future. Therefore, ICCO is of the opinion that the financial statements can be prepared on a going concern basis.

We trust that ICCO, part of Cordaid as of 1 Januari 2021, will have the opportunity in the coming years to continue to contribute to a better world, in collaboration with governments and donors, private companies and civil society organizations. We do not want anything else. There is still a world to win.

FINANCIAL STATEMENTS

08 Balance Sheet 2020

(After appropriation of results)

In €		31 December 2020	31 December 2019
ASSETS			
Fixed assets			
Intangible fixed assets	1	150.463	255.543
Tangible fixed assets	2	92.770	155.086
Financial fixed assets	3	4.889.231	4.575.451
		5.132.464	4.986.080
Current assets			
Accounts receivable and accrued income	4	17.623.260	20.347.403
Securities	5	74.264	74.264
Cash and cash equivalents	6	17.158.800	31.370.611
		34.856.324	51.792.278
TOTAL ASSETS		39.988.788	56.778.358
LIABILITIES			
Reserves			
Foundation Capital	7	45	45
Continuity Reserve		500.000	4.000.000
General Reserve		2.200.256	2.364.107
Appropriation reserve C4D Asia Fund		1.760.536	1.564.988
		4.460.837	7.929.140
Funds			
Appropriation fund guarantees	8	488.508	962.719
Appropriation fund loans and participations		2.899.056	3.136.306
		3.387.564	4.099.025
Provisions	9	1.135.715	1.056.652
Long-term liabilities	10	5.407.219	6.205.063
Current liabilities	11	25.597.453	37.488.478
TOTAL LIABILITIES		39.988.788	56.778.358

09 Statement Of Income And Expenses 2020

		Actual 2020	Budget 2020	Actual 2019
Income	12			
Income from private individuals		54.403	-	109.457
Income from companies		6.392.321	7.532.531	6.127.756
Income from lottery organisations		2.650.588	1.602.986	2.163.545
Income from government grants		20.903.854	39.038.976	18.672.181
Income from other non-profit organisations		14.054.142	9.585.045	14.124.606
Income raised		44.055.308	57.759.538	41.197.545
Income from delivery of products / services		506.586	277.885	521.829
Other income		217.684	281.844	345.677
Sum of Income		44.779.578	58.319.267	42.065.051
EXPENSES				
Expenses on Food and Nutrition Security and Sustainable Food	13	6.112.562	8.867.818	11.151.927
Expenses on Economic Empowerment and Inclusive Markets	13	20.639.602	29.943.455	15.331.466
Expenses on Responsible Business	13	4.322.179	6.270.517	6.174.972
Expenses on Emergency Aid	13	7.567.713	10.979.062	4.591.526
Fundraising expenses	13	4.301.397	1.030.240	3.822.614
Management and Administration expenses	13	4.343.339	989.314	3.850.955
Sum of expenses		47.286.792	58.080.406	44.923.460
Sum of income and expenses before financial income and expenses		(2.507.214)	238.861	(2.858.409)
Financial income and expenses	14	(1.672.551)	(135.334)	477.375
Sum of income and expenses		(4.179.764)	103.527	(2.381.034)
Appropriation of sum of income and expenses				
Addition to / withdrawal from:				
General reserve		(3.840.390)	103.527	(2.802.890)
Appropriation reserve matching funds		-	-	(947.634)
Appropriation Reserve C4D Asia Fund		195.548	-	1.564.988
Appropriation fund guarantees		(297.673)	-	91.509
Appropriation fund loans and participations		(237.250)	-	(287.007)
Result		(4.179.764)	103.527	(2.381.034)

10 Cash Flow Statement 2020

In €		2020	2019
Sum of income and expenses		(4.179.764)	(2.381.034)
<i>Adjustments for:</i>			
Depreciation	1 / 2	181.409	187.551
Unrealised foreign exchange result	14	1.193.574	(326.933)
Realised result securities	5	-	(460.595)
Cash dividend and interest on securities	5	-	(732)
Non-cash dividends on securities	5	-	(719)
Non-cash dividends on financial fixed assets	3	(31.487)	(20.517)
Exchange differences financial fixed assets	3	69.697	6.343
Write off of financial fixed assets	3	464.000	226.745
Change in current financial fixed assets	3	-	250.000
Change in financial fixed assets provision	3	(464.000)	-
<i>Changes in working capital:</i>			
Change in provisions	9	79.063	(458.809)
Change in donor receivables	4	548.446	730.956
Change in other receivables	4	2.175.696	182.966
Change in advances from donors	11	(10.570.695)	313.622
Change in partner commitments	11	(886.387)	(250.393)
Change in other current liabilities	11	(433.948)	(677.241)
Change in long-term liabilities	10	(797.844)	127.013
Cash flow from operating activities		(12.652.239)	(2.551.779)
Investments in tangible fixed assets	2	(22.589)	(104.433)
Disinvestments in tangible fixed assets	2	8.577	-
Investments in intangible fixed assets	1	-	(29.502)
Investments in financial fixed assets	3	(993.881)	(1.625.154)
Disinvestment in financial fixed assets	3	641.895	2.457.791
Disinvestment in securities	5	-	3.704.204
Cash dividend and interest on securities	5	-	732
Cash flow from investing activities		(365.998)	4.403.638
Net cash flow		(13.018.237)	1.851.859
Exchange rate and translation differences on cash and cash equivalents	14	(1.193.574)	326.933
Changes in cash and cash equivalents		(14.211.811)	2.178.792

11 Notes to the Financial Statements 2020

General basic principles for preparation of the financial statements and principal activities

Stichting Interkerkelijke Organisatie voor Ontwikkelingssamenwerking, ICCO (ICCO Foundation or ICCO), having its legal address in Utrecht (Joseph Haydnlaan 2A, till 31 December 2020), is a foundation registered in the Trade Register under number 56484038.

ICCO Foundation has branch offices in the regions where we work and four local legal entities under the governance and control of ICCO Foundation.

All branch offices are one and the same legal entity worldwide: a foundation under Dutch law and are therefore included in these financial statements.

The four separate entities under control of ICCO Foundation: ICCO Trust Kenya, ICCO Limited by Guarantee Kenya, ICCO Southern Africa NPC and ICCO Trust Zimbabwe, are qualitatively and quantitatively in total not significant. As it is immaterial and difficult to determine whether each transaction and balance relates to these 4 separate entities or relates to ICCO Foundation, we have included them in the financial statements of ICCO Foundation as branch office. Therefore these are not disclosed in the financial fixed assets.

The financial statements of ICCO Foundation are included in the consolidated financial statements of *Coöperatie ICCO U.A.* (brand name ICCO Cooperation).

ICCO foundation has been designated by the Tax Authorities as Public Benefit Institution (ANBI) and based on its statutes ICCO Foundation qualifies as a non profit organization.

ICCO contributes to the reduction of poverty by undertaking development programs relating to four key themes: Food Security and Sustainable Consumption, Economic Empowerment, Responsible Business and Emergency Response.

Financial reporting principles

The financial statements have been prepared in accordance with the Dutch Accounting Standards for Fundraising Organisations (RJ 650).

The financial year coincides with the calendar year. The applied basic principles for the valuation of assets and liabilities and the result determination are based on historical costs, unless indicated otherwise.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the organization and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability

are transferred to a third party. In such cases, the results of the transaction are directly recognised in the statement of income and expenses, taking into account any provisions related to the transaction.

If assets are recognised of which the organization does not have the legal ownership, this fact is being disclosed.

Income is recognised in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably.

Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability. Revenues and expenses are allocated to the respective period to which they relate.

Going concern

As of 1st of January 2021, ICCO Foundation and Coöperatie ICCO U.A. have transferred its assets and liabilities to the foundation Cordaid. ICCO Foundation is however still a sole member of *Coöperatie ICCO U.A.* (brand name ICCO Cooperation). Per 1st of January 2021 the articles of association of ICCO foundation, are amended in such a way, that the Board of Directors of Cordaid Foundation are the same as of Cooperatie ICCO U.A. and ICCO Foundation. The activities of ICCO Foundation will be continued under the flag of Cordaid/ICCO. Therefore the financial statements are prepared on a going concern basis.

Transactions in foreign currency

Transactions are reported in Euro (EUR and €) which is the organization's functional currency. Transactions in foreign currencies are converted according to the exchange rate applying on the transaction date. Monetary assets and liabilities that are denominated in foreign currencies are converted into the functional currency according to the exchange rate applying on that day. Non-monetary assets and liabilities in foreign currency that are included at their historical cost price are converted to Euro according to the exchange rate applicable on the transaction date.

Use of estimates

The drawing up of the financial statements requires the Executive Board to form opinions and make estimates and assumptions that influence the basic principles and the reported value of assets and liabilities, as well as income and expenses. The actual outcomes may differ from these estimates. The estimates and underlying assumptions are continuously assessed.

Estimates are especially applied regarding the valuation of the portfolio of loans, participations and guarantees and regarding the provisions for reorganization. The nature of these estimates and judgements, including the related assumptions, are disclosed in the notes to the relevant items. Revisions to the estimates are unlikely to be significant given the issue date of the financial statements.

Financial instruments

During the normal course of business, ICCO uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risk. To control these risks, ICCO has instituted policies and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of ICCO.

The financial statements include the following financial instruments: investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, and trade and other payables. The foundation has no derivative financial instruments embedded in contracts.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originated. Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through the statement of income and expenses, then directly attributable transaction costs are directly recognised in the statement of income and expenses at the initial recognition. After initial recognition, financial instruments are valued as described below.

Financial instruments that are held for trading

Financial instruments (assets and liabilities) that are held for trading are valued at fair value and changes in fair value are accounted for in the statement of income and expenses. In the first period of recognition, transaction costs are included in the statement of income and expenses as expenses. Purchases and sales of financial assets that belong to the category held for trading are accounted for at the transaction date.

Securities

ICCO has a treasury policy stating the responsibilities and controls regarding management of securities and savings. The portfolio has to meet a set of sustainability criteria that measure the level of effort invested in achieving results with respect to those social and environmental policies.

Loans and bonds that are not listed on a stock exchange are measured after their initial recognition at the lower of cost or market value. Purchases and sales of financial assets that belong to the category investments in unlisted equity instruments are accounted for at the transaction date. The Oikocredit stock is included at nominal value.

Securities are used for the purpose of investments, amongst others to cover the amount in the continuity reserve.

Provided loans and other receivables

Provided loans and other receivables are valued at their amortized cost price on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the statement of income and expenses.

Current and non-current liabilities and other financial commitments

Current and non-current liabilities are valued at amortized cost on the basis of the effective interest rate method. The effective interest is directly recorded in the statement of income and expenses.

Tangible and intangible fixed assets

The tangible and intangible fixed assets are valued at cost, less the cumulative depreciation and impairment losses. The cost comprises the price of acquisition, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenses are only capitalised when it extends the useful life of the asset. The depreciation will be calculated as a percentage of the acquisition price according to the linear method on the basis of the economic lifespan, taking into account the residual value, if any.

The depreciation percentages applied are:

Furniture and installations:	20%
Hardware and software – general:	33%
Hardware and software – ERP system:	20%
Company Cars:	33%

Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment. Assets retired from active use are measured at the lower of book value or net realisable value.

All tangible and intangible fixed assets are used for organizational purposes. Maintenance expenses on tangible and intangible fixed assets are accounted for as office and general costs.

Financial fixed assets

Participating interests in which significant influence can be exercised on the business and financial policy are valued according to the equity method on the basis of the net asset value. The valuation principles of the foundation will be used to determine the net asset value. Participations with a negative net asset value will be valued at nil and ICCO will make a provision for its share in the negative equity capital of these subsidiaries in case of liabilities for debts of the subsidiary.

The measurement at nil also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the results of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed.

Participating interests in which no significant influence can be exercised are valued at the lower of cost or realisable value. Dividends are accounted for in the period in which they are declared. Dividends from participating interests that are carried at cost, are recognised as income from participating interests (under financial income) in the period in

which the dividends become payable. Interest income is accounted for in the period in which it is achieved, taking into account the effective interest rate of the relevant asset. Profits and losses, if any, are accounted for under financial income and expenses.

Loans and participations are related to the objectives and not used for organizational or investment purposes.

The further accounting policies for other financial fixed assets are included under the heading 'Financial instruments'.

Impairment of fixed assets

For intangible and tangible fixed assets, an assessment is made for each balance sheet date as to whether these assets are subject to impairment. If indications to this effect are found, then the recoverable value of the asset is estimated. The recoverable value is the higher of value in use and the net realizable value. If it is not possible to estimate the recoverable value of an individual asset, then the recoverable value of each cash flow generating unit to which the asset belongs is estimated.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the latest impairment loss. In such a case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash-generating unit).

A financial asset that is not measured at (1) fair value with value changes reflected in the statement of income and expenses, or at (2) amortised cost or lower market value, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably. Objective evidence that financial assets are impaired includes significant financial difficulty of the issuer or obligor, breach of contract such as default or delinquency in interest or principal payments, granting to the borrower a concession that the Foundation would not otherwise consider, indications that a debtor or issuer will enter bankruptcy or other financial restructuring, the disappearance of an active market for that financial asset because of financial difficulties or observable data indicating that there is a measurable decrease in the estimated future cash flow, including adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, and the disappearance of an active market for a security. Indicators for subjective evidence are also considered together with objective evidence of impairments, such as the disappearance of an active market because an entity's financial instruments are no longer publicly traded, a downgrade of an entity's credit rating or a decline in the fair value of a financial asset below its cost or amortised cost.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Foundation uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in the statement of income and expenses and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

Impairment losses below (amortised) cost of investments in equity instruments that are measured at fair value through the statement of income and expenditure, are recognised directly in the statement of income and expenses.

When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through the statement of income and expenditure (up to the amount of the original cost).

Disposal of fixed assets

Fixed assets available for sale are measured at the lower of their carrying amount and net realisable value.

Receivables

The accounting policies applied for the valuation of trade and other receivables and securities are described under the heading 'Financial instruments'.

Cash and cash equivalents

Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies. Cash and cash equivalents that are not readily available to the Foundation within 12 months are presented under financial fixed assets.

Reserves and funds

The additions and withdrawals from the reserves and funds take place from the destination of results.

Continuity reserve

The continuity reserve was created to safeguard the continuity of operations in case of (temporary) losses. The amount reserved is found to be sufficient to cover for liabilities from third parties, liabilities from personnel and other short-term risks. The maximum continuity reserve is 1.5 times total operating expenses as per the Guidelines Financial Management for Charity Organizations prepared by the Dutch Association of Fundraising Organizations (Goede Doelen Nederland).

General reserve

The general reserve is the part of the equity capital that is at the free disposal of the competent bodies within the framework of the foundation's statutory objectives.

Appropriation reserve matching funds

The appropriation reserve matching funds have been created for matching own ICCO contributions in donor programs. Based on proposals an amount for funding can be approved by the Executive Board and are not an obligation. The Executive Board can lift these limitations if it so chooses.

Appropriation reserve C4D Asia Fund

The appropriation reserve C4D Asia Fund has been created for matching purposes during the investment period in the C4D Asia Fund. The Executive Board decided to present the investments in the C4D Asia Fund as an appropriation reserve.

Funds

Appropriation funds

Appropriation funds are those funds with a specific purpose, as indicated by third parties. It concerns the following funds:

- Appropriation fund project: funding received for a specific project appropriation as indicated by third parties.
- Appropriation fund guarantees (pertaining to ICCO's program objectives): a fund to cover the guarantee obligations, which exceed the level of the guarantee provisions made.
- Appropriation fund loans and participations (pertaining to ICCO's program objectives): a fund to cover provided loans and participating interests above the level of the risk provisions taken for loans and

participating interests.

Provisions

A restructuring provision is recognised when at the balance sheet date the entity has a detailed formal plan, and ultimately at the date of preparation of the financial statements a valid expectation of implementation of the plan has been raised in those that will be impacted by the reorganization.

A valid expectation exists when the implementation of the reorganization has been started, or when the main elements of the plan have been announced to those for whom the reorganization will have consequences.

The provision for restructuring costs includes the costs that are directly associated with the restructuring, which are not associated with the ongoing activities of the organization.

Several provisions have been accounted for in the financial statements, relating to several reorganizations that ICCO has gone through. If the time value of money is material and the period over which the cash outflows are discounted is more than one year, provisions are measured at the present value of the best estimate of the cash outflows that are expected to be required to settle the liabilities and losses. The provisions are measured at nominal value if the time value of money is not material or If the period over which the cash outflows are discounted is no longer than one year.

A provision is recognised if the following applies:

- The Foundation has a legal or constructive obligation arising from a past event; and
- The amount can be estimated reliably;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Non-current Liabilities

The valuation of non-current liabilities is explained under the heading 'Financial instruments'.

Current Liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

Operating leases

If the Foundation acts as lessee in an operating lease, the leased property is not capitalized. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised to the statement of income and expenses on a straight-line basis over the lease term.

Income

General

Project income can be subject to meeting the donor's objectives and completing a project audit, depending on grant requirements. The related expenses are reported in the expenses (C1-C6 categories). Some of ICCO's projects are co-financed by contributions of partners. ICCO does not recognize this co-financing as revenue, since there is no risk for or activities done by ICCO.

Project income is credited to the statement of income and expenses in the year in which the expenses on the project are made. Grants are reported as income in proportion to the project expenses, provided these expenses are in line with the terms, as included in the grant agreements.

Any deviations in project income, associated with the closing of projects, is accounted for in the year where the actual costs have been incurred. If this financial year has already been closed, these deviations are reported under other financial income and expenses in the current year.

Income from private individuals

Occasionally, private individuals donate small amounts. The income is not directly related to projects. The income is credited to the statement of income and expenses in the year it is received.

Income from companies

The unused portion of received amounts are accounted for as advances from donors under current liabilities on the balance sheet to reflect the organisation's repayment obligation.

Income from lottery organizations

The regular unrestricted contribution from the Dutch Postcode Lottery is recognized in the year to which the income in question relates. Proceeds from the 'Extra Drawing' are recognized in the year in which the funds are pledged.

Government / EU grants

All ICCO's income from governments are one off projects and have a specific objective, although part of the income is related to multiyear grants. All grants have an end date. The unused portion of received amounts are accounted for as advances from donors under current liabilities on the balance sheet to reflect the organisation's repayment obligation.

Income from other non-profit organizations

The unused portion of received amounts are accounted for as advances from donors under current liabilities on the balance sheet to reflect the organisation's repayment obligation.

Other income

Other income consists of the outcome from service level agreements, co-assisting in (non ICCO) projects and other small agreements. This income is recognized in the year to which the income in question relates.

Expenses

In the statement of income and expenses, the costs of ICCO's own activities are subdivided as follows: expenses on program objectives, fundraising expenses and management and administration expenses. The allocation principles used by ICCO and the allocation methods to determine this subdivision have been detailed in the explanatory notes to the financial statements.

Expenses on objectives

These expenses consist of grants to third parties, contributions and execution costs. The expenses due to grants to third parties are charged to the statement of income and expenses in the year in which the grants have been made and the recipient of the grant or donation has been notified. Some of ICCO's projects are co-financed by contributions of partners. ICCO does not recognize this co-financing as expenses, since there is no risk for or activities done by ICCO.

Fundraising expenses

These costs are charged to the statement of income and expenses in the year to which they pertain.

Management and administration expenses

These costs are charged to the statement of income and expenses in the year to which they pertain.

Staff expenses

Employee benefits are charged to the statement of income and expenses in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the organization.

If a benefit is paid in case of non-accumulating rights (e.g., continued payment in case of sickness or disability), the projected costs are recognised in the period in which such benefit is payable. For existing commitments at the balance sheet date to continue the payment of benefits (including termination benefits) to employees who are expected to be unable to perform work wholly or partly due to sickness or disability in the future, a provision is recognised.

The recognised liability relates to the best estimate of the expense necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the statement of income and expenses.

Pension plan for Dutch personnel

The pension plan for Dutch personnel is the most extensive for the Foundation. Pursuant to the Dutch pension system the plan is financed by contributions to PFZW, an industry pension fund. Participation in this pension fund has been made obligatory in the collective labor agreement applicable to ICCO.

The related accrued entitlements are always fully financed in the related calendar year through – at least – cost effective contribution payments. The pension plan is a career average plan including conditional granting of supplements. The granting of supplements depends on the investment return.

The contribution to the pension fund amounts to 13.6% of the pensionable salary, which is based on gross wage per employee less a fixed amount per year. The annual employee-paid contribution is 9.9% of the pensionable salary. Based on the funding ratio and expected returns the board of the industry pension fund sets the contribution every year.

The related industry pension has stated that the funding ratio is 88.3% in 2020 (2019: 96.5%). Based on the administrative regulations the group has no obligation to make additional contributions in the event of a deficit other than through higher future contributions.

Foreign pension plans

The foreign pension plans are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (the Foundation, the fund and its members) and are recognised and measured in accordance with Dutch pension plans (see before).

Termination benefit

For employees of several regional offices a monthly reservation is made on the balance sheet which is payable when the contract is terminated or when the employee retires, in accordance with relevant local labour laws.

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognised as a liability and an expense when the Foundation is demonstrably and unconditionally committed to make the payment of the benefit. If the termination is part of a restructuring, the costs of the termination benefits as part of the restructuring provision. See the policy under the heading 'Provisions'.

Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenditures required to settle the liability.

Financial income and expense

Interest income is recognised in the statement of income and expenses on an accrual basis using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

Cash flow statement

The cash flow statement was drawn up on the basis of the indirect method. Cash flows in foreign currency were converted to Euro, using the weighted average conversion rates for the relevant periods. Cash and cash equivalents consist of current accounts in the Netherlands and for the regional offices, saving accounts and cash held at the global or regional offices.

Receipts and payments of interest, are presented within the cash flows from operating activities. Receipts of dividends are presented as investing activities. Foreign exchange differences with regard to cash and cash equivalents are presented separately in the cash flow statement.

Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other. The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges. The fair value of listed financial instruments is determined on the basis of the exit price.

Related parties

Transactions with related parties (refer to note Related Parties for the identified related parties) are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements. Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements

NOTES TO THE ITEMS ON THE BALANCE SHEET

INTANGIBLE FIXED ASSETS (1)

In €	Software general	Software ERP system	Total intangible fixed assets
Acquisition cost as at January 1, 2020	211.487	218.838	430.325
Cumulative depreciation and other impairment in value as at January 1, 2020	(115.645)	(59.135)	(174.780)
Carrying amount as at January 1, 2020	95.842	159.703	255.545
Investments	-	-	-
Amount of disposals (acquisition)	(10.379)	-	(10.379)
Amount of disposals (depreciation)	10.379	-	10.379
Depreciation	(58.282)	(46.798)	(105.080)
Other impairments in value and reversals thereof			
Carrying amount as at December 31, 2020	(58.282)	(46.798)	(105.080)
Acquisition cost as at December 31, 2020	201.108	218.838	419.946
Cumulative depreciation and other impairment in value as at December 31, 2020	(163.549)	(105.933)	(269.482)
Carrying amount as at December 31, 2020	37.559	112.903	150.463
Depreciation percentages	33%	20%	

The software ERP system relates to the cost from implementation of All Solutions and to the implementation costs of Google Suite throughout all regions of ICCO. The implementation phase of AllSolutions has been finalized as of July 2018, which is the start date of depreciation.

On January 1st 2021 ICCO merged with Cordaid. ICCO will remain using both the ERP-system as the other software for the full lifetime of the assets. Therefore no additional depreciation being accounted for within 2020.

The intangible fixed assets have been retained for our operations. EUR 269K of intangible fixed assets has been fully depreciated, being 64.2% of the acquisition value.

TANGIBLE FIXED ASSETS (2)

In €	Furniture and installations	Hardware general	Company cars	Total tangible fixed assets
Acquisition cost as at January 1, 2020	218.904	413.651	221.786	854.341
Cumulative depreciation and other impairment in value as at January 1, 2020	(207.375)	(342.708)	(149.172)	(699.255)
Carrying amount as at January 1, 2020	11.529	70.943	72.614	155.086
Investments	-	22.589	-	22.589
Amount of disposals (acquisition)	(165.894)	(158.682)	-	(324.576)
Amount of disposals (depreciation)	157.317	158.682	-	315.999
Depreciation	(2.952)	(38.400)	(34.977)	(76.329)
Other impairments in value and reversals thereof				
Carrying amount as at December 31, 2020	(11.529)	(15.811)	(34.977)	(62.317)
Acquisition cost as at December 31, 2020	53.010	277.558	221.786	552.354
Cumulative depreciation and other impairment in value as at December 31, 2020	(53.010)	(222.426)	(184.149)	(459.584)
Carrying amount as at December 31, 2020	-	55.132	37.637	92.770
Depreciation percentages	20%	33%	33%	

EUR 460K of tangible fixed assets has been fully depreciated, being 83.2% of the acquisition value.

No major investments have occurred in 2020. The disposals during the year are mainly completely depreciated goods not in use anymore. Loss on disposal EUR 8,577 due to transfer to the office in The Hague.

FINANCIAL FIXED ASSETS (3)

Loans and participations

The financial fixed assets have been retained for meeting our objectives. The movement of this item, excluding the provision for loans and participations, is as follows:

In €	Investment in unlisted shares	Receivables from related parties	Receivables from third companies	Other investment in associates	Total
Carrying amount as at January 1, 2020	4.120.452	550.000	1.474.000	355.000	6.499.452
<i>Movements:</i>					
Purchases, loans granted	831.762	-	162.119	-	993.881
Sales, redemptions	(286.895)	-	-	(355.000)	(641.895)
Exchange rate differences	(69.694)	-	-	-	(69.694)
Write offs / impairments	-	-	(464.000)	-	(464.000)
Reversals of impairments	-	-	-	-	-
Revaluations	-	-	-	-	-
Converted loans	-	-	-	-	-
Transfer from current assets	-	-	-	-	-
Associated company dividends	-	-	-	-	-
Other changes in equity	31.487	-	-	-	31.487
Carrying value as at December 31, 2020	4.627.112	550.000	1.172.119	-	6.349.231

The movement of the provision for the financial fixed assets is as follows:

In €	Investment in unlisted shares	Receivables from related parties	Receivables from third companies	Other investments in associates	Total
Carrying amount as at January 1, 2020	-	450.000	1.474.000	-	1.924.000
Additions	-	-	-	-	-
Deduction	-	-	-	-	-
Write offs	-	-	(464.000)	-	(464.000)
Carrying value as at December 31, 2020	-	450.000	1.010.000	-	1.460.000
Balance of loans and participating interests	4.627.112	100.000	162.119	-	4.889.231

General

The fair value of the financial fixed assets does not deviate significantly from the book value, unless disclosed otherwise below.

Investment in unlisted shares

As a consequence of ICCO holding shares or having provided loans, ICCO can hold a seat on the board of organizations in which it participates. ICCO has no significant influence on these parties. The participations held by ICCO are related to the program objectives. The Foundation owns 21% of the total contribution of Cooperation PerspActive (Utrecht). During 2020 ICCO stopped being a member of PerspActive and therefore the members equity (EUR 223K) was returned to ICCO.

In 2020 a total of EUR 56K was received in stock dividend income on shares of our investments in two microfinance banks in Bolivia: Banco Fie and Ecofuturo. The investments are recognized against cost price, therefore the received stock dividend increases the value of the investments.

During 2020 the investment in OISL was sold for 40K which is the book value of the investment, the effective date will be in 2021. Also in 2020 the investment in P4E was sold for the book value of EUR 64K.

As of 2019 ICCO Foundation participates in the Capital 4 Development (C4D) Asia Fund. The fund contributes to women's economic empowerment in South East Asia to contribute to continued inclusive economic growth. ICCO Foundation invested EUR 144K in 2020 bringing this to a total of EUR 1.7 million which is approximately 10% of the funds total. The investment in C4D Asia Fund is considered a restricted fund. ICCO has a commitment to further invest in the fund of EUR 1.3 million, of which funding has already been received and included in the advances from donors.

Receivable from related parties

The receivable of the related parties amounts to EUR 550K and relates in part to a EUR 450K loan provided by ICCO Foundation to ICCO Group BV for the term of 6 years. The interest rate amounts to 2% per year. ICCO Group BV invested the amount of the loan of EUR 450K in an equity investment in Scope Insight for the same amount. In 2018, an additional loan was granted to Scope Insight of EUR 0.1 million. The financial situation of Scope Insight gives doubts about the full recoverability of the loan. Based on the impairment analysis performed by ICCO Foundation the loans have been provisioned for EUR 450K.

Receivable from third companies

At year end, the loan portfolio of ICCO, managed by Capital 4 Development Partners, contained 3 (was 5 in 2019) active loans for 3 companies. One new loan was granted in 2020 to FairClimateFund Colombia for EUR 140K.

The short term part of the receivables is transferred to current assets within one year. For an amount of EUR 250K the loan has been converted to cumulative preference shares in WAAR. A new loan to WAAR of EUR 22.5K was added in the deal with BBF, refer below.

The loans to Stichting New World Campus (SNWC) are deemed uncollectable and therefore the loans are written off, the full amount was provided for in the past.

Other investment in associates

The participation in Other associated companies relates to the investment in the Business Booster Fund (BBF). BBF transferred its investment in WAAR to ICCO in order to maximize the social impact created. ICCO transferred the remainder of the BBF to Fair & Sustainable Participations B.V. These transactions are against book value and elaborated under sales.

Provision

Annually, a provision for financial fixed assets is determined based on a structured risk assessment of the loan and participation portfolio. The risk assessment includes project risks based on business performance criteria. In the regions where ICCO operates, due to economic and political factors the appropriate information cannot always be established or confirmed. As a result, ICCO's risk assessment may differ from the actual outcome.

The provision on loans and participation is relatively high, resulting in a low net value due to the poor likelihood of recovering the full amount of the remaining balance. This is in line with the expectation of management given the mission and strategy of the Foundation and the related funding.

ACCOUNTS RECEIVABLE AND ACCRUED INCOME (4)

The receivables have been retained for meeting our objectives. The specification of this item is as follows:

In €	31/12/2020	31/12/2019
Donor receivables	12.991.476	13.539.922
Receivables from group companies	2.653.249	3.725.100
Short term receivables loans	-	250.000
Deposits	105.289	85.058
Receivables from securities and interest	2.361	1.977
Receivables from employees	500	6.731
Prepayments	81.193	91.234
Other receivables and accrued income	396.158	559.540
Debtors	1.393.034	2.087.840
	17.623.260	20.347.402

All accounts receivable and accrued income have an estimated maturity shorter than one year.

The carrying values of the recognised receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognised, if necessary.

Below an explanation is provided to several line items of the accounts receivable and accrued income with a high variance of high balance outstanding.

Donor receivables

This item relates to the amounts to be received from government grants and third parties concerning special project grants. The balance decreased from 2019 to 2020 with EUR 548K due to timing of funding received from donors. The donor receivables balance includes a provision for project losses of EUR 500K (2019: EUR 500K). This provision has been formed for expected non eligible project cost.

Receivables from related parties

At the end of 2020 ICCO Foundation has a receivable of EUR 2.7 million (2019: EUR 3.7 million). This receivable is mainly with the Cooperation ICCO U.A. No interest is charged over the receivables from related parties as these positions are short term and current market interest rates are negative.

Short term receivables loans

No interest is charged over the short term receivables loans. The amount transferred to current assets from financial fixed assets relates to the change in short term receivable loans during the financial year. No redemption of loans expected in 2021.

Other receivables and accrued income

Other receivables and accrued income decreased from EUR 560K as of December 31, 2019 to EUR 396K as of December 31, 2020. The decrease is mainly caused by the received inheritance of EUR 239K in 2020.

Debtors

Debtors decreased from EUR 2,088K as of December 31, 2019 to Eur 1,393K as of December 31, 2020. The decrease is caused by timing of receipts. The debtors balance includes a provision for bad debts of EUR 6K (2019: EUR 6K).

SECURITIES (5)

The securities have been retained for investment purposes. The composition of this item is as follows:

In €	12/31/2020		12/31/2019	
	€	%	€	%
Stocks	-	0,0%	-	0,0%
Bonds	-	0,0%	-	0,0%
Oikocredit stocks	74.264	100,0%	74.264	100,0%
Balance as per 31 December	74.264	100%	74.264	100%

In €	Stocks	Bonds	Participation Oikocredit	Total
Book value as per 1 January	-	-	74.264	74.264
Acquisitions	-	-	-	-
Dividend payment in participations	-	-	-	-
Sales	-	-	-	-
Value changes of the share price as a result of valuation	-	-	-	-
Book value as per 31 December	-	-	74.264	74.264

The return consists of the following components:

In €	Dividend and interest	Unrealised profit	Realised profit	Total
Stocks	-	-	-	-
Bonds	-	-	-	-
Participating interest	-	-	-	-
	-	-	-	-
Interest on cash and cash equivalents	1448			1.448
Total income from investments	1.448	-	-	1.448

Oikocredit

The Oikocredit stock was sold in 2021 for EUR 71K.

CASH AND CASH EQUIVALENTS (6)

The cash and cash equivalents have mostly been retained for meeting our objectives. The specification of this item is as follows:

In €	31/12/2020	31/12/2019
Banks	17.137.092	31.355.435
Cash	21.708	15.176
	17.158.800	31.370.611

The balance of cash and cash equivalents includes an amount of restricted cash for EUR 905K of which EUR 701K is held for guarantees provided (reference is made to Note 9) and EUR 130K related to Cooperation NPM.

RESERVES (7)

Foundation capital

The balance of the foundation capital in the financial year is as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	45	45
Balance as at 31 December	45	45

Continuity reserve

The movements in the continuity reserve in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	4.000.000	4.000.000
Less: to General reserve	(3.500.000)	-
Balance as at 31 December	500.000	4.000.000

The continuity reserve is intended to cover short-term risks and to ensure that ICCO can continue to meet its moral and other obligations in the event of unforeseen adverse circumstances. We are guided in this decision by the Guidelines Financial Management for Charity Organizations prepared by the Dutch Association of Fundraising Organizations (Goede Doelen Nederland). ICCO is convinced a reservation of resources is desirable for the continuity of the support given to the charity's goals, the Guidelines maximum is 1.5 times the annual cost of maintaining the operational structure.

For 2020 the continuity reserve is decreased from EUR 4.0 million to EUR 0.5 million as a result of the integration with Cordaid. On January 1st 2021, the operational structure of ICCO moved for the most part to Cordaid which led to a decrease in annual costs of maintaining the operational structure for ICCO. Project related expenses are fully funded by donor income.

General reserve

The movements in the general reserve in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	2.364.107	3.611.589
Less: to appropriation of results	(3.840.390)	(2.802.890)
Plus: from Continuity reserve	3.500.000	-
Plus: from Guarantee appropriation fund	176.539	1.555.408
Balance as at 31 December	2.200.256	2.364.107

A further explanation of the changes in the general reserve are provided below.

Appropriation reserve matching funds

The movements in the appropriation reserve matching funds in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	-	947.634
Less: to appropriation of results	-	(947.634)
Balance as at 31 December	-	-

During the year 2019, matching funds were used for several programs executed by the several regions of ICCO. The spending is in line with the approval provided by the Executive Board.

Appropriation reserve C4D Asia Fund

The movements in the appropriation reserve C4D Asia Fund in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	1.564.988	-
Plus: from appropriation of results	195.548	1.564.988
Balance as at 31 December	1.760.536	1.564.988

As of 2019 ICCO Foundation participates in the Capital 4 Development (C4D) Asia Fund. The fund contributes to women's economic empowerment in South East Asia to contribute to continued inclusive economic growth. The Executive Board decided to present the investments in the C4D Asia Fund as an appropriation reserve.

FUNDS (8)

Appropriation funds relate to funding received for a specific purpose as indicated by third parties. The movements of the appropriation funds are as follows:

Guarantee appropriation fund

In €	31/12/2020	31/12/2019
Balance as at 1 January	962.720	2.426.618
Plus: from/Less to appropriation of results	(297.673)	91.509
Less: to General reserve	(176.539)	(1.555.408)
Balance as at 31 December	488.508	962.719

The guarantees provided are financed with MFSII grants, in line with MFSII obligations this fund is formed. The guarantee appropriation fund is used for guarantees that ICCO has provided for loans issued by financial service providers. The guarantees at risk are provided for, and the balance – being the total amount of the guarantee minus the amount provided for – is accounted for in the appropriation fund. The balance of the guarantee appropriation fund decreased as compared to 2019 with the decrease of the value of the liabilities to be covered. The decrease is in line with the expected reduction of the guarantee portfolio.

Loans and participations appropriation fund

In €	31/12/2020	31/12/2019
Balance as at 1 January	3.136.306	3.423.313
Less: to appropriation of results	(237.250)	(287.007)
Balance as at 31 December	2.899.056	3.136.306

Part of the loans and participations is financed with MFSII grants and for this part the loans and participations fund is formed. This fund is held to provide insight to the movements of the fund. In 2020 the movement is in line with 2019 and is mainly due to the sale of the contribution of Cooperation PerspActive.

PROVISIONS (9)

The specification of the provisions is as follows:

In €	31/12/2020	31/12/2019
Reorganization provision	568.587	750.197
Guarantee obligations	567.128	306.455
Balance as at 31 December	1.135.715	1.056.652

All provisions have an estimated maturity longer than one year. Below a further analysis is provided to the several line items of the provisions.

The movement in the provision for reorganization is as follows:

In €	31/12/2020	31/12/2019
Balance as at 1st January	750.197	924.042
Less: Payments	(235.007)	(265.428)
Plus: Additional provision	447.002	212.816
Less: To other liabilities	(366.327)	-
Less: Provision released	(27.278)	(121.233)
Balance as at 31 December	568.587	750.197

Several provisions have been made in the past by ICCO due to reorganisations. Most of the reorganisations were the result of severe cut of government grants at the end of the MFSII period. An amount of EUR 235K was spent in 2020 (2019: 265K). Based on recalculation of the expected provision, an addition of EUR 447K in 2020 (2019: EUR 213K) was made. From the addition to the provision an amount of EUR 366K has been transferred to other liabilities as the settlements are paid in 2021.

In 2020 a new reorganisation provision was formed for the integration with Cordaid of EUR 438K. The provision was agreed for employees who were made redundant at the Utrecht office moving to The Hague. The other main reorganisation provision is Future Proof ICCO EUR 443K (2019: EUR 621K). Within the framework of the reorganization process under the current 'Future Proofing ICCO 2017-2018' strategy, another Redundancy Package was agreed for employees who were made redundant at the Utrecht office. The calculated provisions were similarly based on the number of redundant FTEs and the expected cost of termination and dismissal. The reorganization process under this latest strategy has also affected employees in the regional offices.

The movement in the provision for Guarantee obligations is as follows:

In €	31/12/2020	31/12/2019
Balance as at 1st January	306.455	591.419
Less: to short term liabilities	(37.000)	(193.455)
Less: Provision released	-	(91.509)
Plus: Provision added	297.673	-
Balance as at 31 December	567.128	306.455

ICCO provides guarantees to (bank) institutions, which use this to provide loans to third parties. A provision has been recognized for the guarantees provided by ICCO, which is based on a risk assessment of project risk and global economy risk. In calculating the provision, the payment behavior of the relevant partner is also taken into account. While the assessed risks are based on the best practices, these risks cannot be precisely determined for some regions.

In 2020 an amount of EUR 298K was added to the provision in accordance with the risk calculation of the bank confirmations. The total liability was EUR 1,580K as per 31 December 2020 (EUR 2,058K as per 31 December 2019). The guarantee portfolio will further decrease the next coming years.

NON-CURRENT LIABILITIES (10)

In €	31/12/2020	31/12/2019
Balance as at 1 January	6.205.063	6.078.050
Less: to short term partner commitments	(3.469.577)	(4.439.923)
Plus: new commitments	2.671.733	4.566.936
Balance as at 31 December	5.407.219	6.205.063

Partner commitments

One of the basic principles for ICCO in achieving her goals is working together with local organisations: our partners. The contracts with these partners are presented as long term liabilities and current liabilities. The long term liabilities refer to all liabilities with a maturity of 1 year and longer. The amounts reflect the committed partner costs which have not been paid as of December 31, 2020. The partner commitments in total (long term and short term) decreased in 2020 compared to 2019, due to less new partner agreements. None of the partner commitments have a maturity longer than 5 years.

CURRENT LIABILITIES (11)

The specification of this item is as follows:

In €	31/12/2020	31/12/2019
Advances from donors	13.706.342	24.277.037
Partner commitments	5.833.386	6.719.773
Accruals	1.372.977	1.241.038
Accounts payable	1.383.635	1.154.731
Liabilities to group companies	533.924	670.898
Security contributions and taxes	353.919	418.661
Pension liabilities	232.094	355.266
Reservation for holiday allowance	90.601	112.968
Provision for holidays	114.490	107.818
Amounts owed to staff	686.470	621.018
Other liabilities	1.289.615	1.809.271
Balance as at 31 December	25.597.453	37.488.479

An explanation of variances of the current liabilities between 2020 and 2019 is provided below for the line items with material variances.

Advances from donors

The amounts reflect grants received from donors, of which the project costs have not yet been taken into account as of December 2020. The advances decreased over 40% in 2020 compared to 2019. In 2019 a growing number of projects and programs that are starting for which advances were already received.

Partner commitments

Please refer to note 10 for disclosure on partner commitments.

Accruals

Accruals increased from 2019 to 2020. The accruals at the end of 2020 and 2019 mainly relate to audit fees for the financial statements 2019, 2020 and 2018.

Accounts payable

As of December 31, 2020, the balance of the accounts payable increased compared to 2019. The increase is caused mainly by timing of invoices.

Payables to related parties

At the end of 2020 ICCO Foundation has a payable of EUR 534K (2019: EUR 671K). This payable is mainly with the Cooperation ICCO U.A. No interest is charged over the payables to related parties.

Security contributions and taxes

The balance payable slightly decreased from EUR 419K to EUR 354K from the end of 2019 to the end of 2020. The 2020 balance is mainly built up with payroll tax.

Amounts owed to staff

The amounts owed to staff slightly increased from EUR 621K to EUR 686K. No significant change compared to the previous year.

Other liabilities

The other liabilities decreased from EUR 1.809K by the end of 2019 to EUR 1.290K by the end of 2020. The decrease is mainly caused by finalizing the administration for Heineken (EUR 184K) and the backlog on received invoices not processed yet in 2019 (674K).

All current liabilities have an estimated maturity shorter than one year. The carrying values of the recognised current liabilities approximate their respective fair values, given the short maturity of the positions.

RELATED PARTIES

Transactions with related parties are assumed when a relationship exists between the Foundation and a natural person or entity that is affiliated with the Foundation. This includes, amongst others, the relationship between the Foundation, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged.

There have been no transactions with related parties that were outside the normal course of business.

Coöperatie ICCO U.A.

ICCO Foundation is the sole member in the Coöperatie ICCO U.A. The main transactions between the Foundation and Cooperation are related to recharged costs. For example refer to the remuneration paragraph.

ICCO Group B.V.

Coöperatie ICCO U.A. is 100% owner of the ICCO Group B.V., including the sub-companies, Fair & Sustainable Consulting, FairClimateFund, Fair&Sustainable Participações en Empreendimentos Sustentáveis do Brasil and ICCO Development Solutions. The strategy and programs increasingly apply various financial tools and expertise from ICCO Foundation and the companies. In this way, ICCO Cooperation delivers tailor-made solutions in its mission to achieve sustainable livelihoods and justice and dignity for all.

Other

We refer also to the explanation under the remuneration executive board and supervisory board. ICCO has not identified other related parties.

FINANCIAL INSTRUMENTS

In general Management note that Financial Fixed Assets and Guarantees are financed (mainly through MFII funds) and are held for the purpose of the entity with the result that the financial risk related to these activities are embedded and accepted within this purpose. During the normal course of business, the Foundation uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the Foundation has instituted a policy including a code of conduct and procedures that are

intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Foundation.

Currency risk

The Foundation is exposed to currency risk on transactions that are denominated in a currency other than the functional currency of the Foundation. The Foundation operates in the European Union, Africa, Asia and Latin-America in which the expenditures are largely in local currency. Income is realized mainly in Euro and US Dollar and does not necessarily match our expenditure which is largely in local currency. Management has accepted the currency risk and has determined that the costs of structurally hedging these currency risks does not outweigh the benefits. For certain projects the donor bears the currency risk. At year end the non EUR liquid assets amount to EUR 11.1 million, of which EUR 5.5 million refers to USD and the remainder refers to local currencies in which the expenditures occur.

Credit risk

Credit risk arises principally from the Foundation loans and receivables presented under financial fixed assets, current assets and cash and cash equivalents. For the financial fixed assets the Foundation exposure to credit risk is influenced mainly by the individual characteristics of the loans and receivables. The credit risk arising from loans and receivables are reflected in the provision on financial fixed assets. For current assets the risks are considered low as these mainly consist of donor receivables. The credit risk on donor receivables and debtors are reflected in the provision on these receivables. For the off balance sheet guarantees the Foundation also put a provision in place to reflect this credit risk.

Credit risks associated with the cash and cash equivalents we hold at financial institutions. Cash balances held in Utrecht are held with banks that have a credit risk rating of at least 'A-', as rated by an acknowledged rating agency. Cash and cash equivalents held in Utrecht are spread over two banks: ING Bank and Rabobank. Management has not identified high concentrations of credit risk which are not reflected in the provisions and did not identify other open positions which are not disclosed which bears credit risks.

The total amount of assets on the balance sheet subject to credit risk EUR 34.9 million.

Interest rate and cash flow risk

The Foundation incurs interest rate risk on interest-bearing receivables (in particular those included in financial fixed assets and cash). No mitigation measures have been taken by the Foundation as this risk is not considered to be significant.

Price risk

The Foundation sold its investments in the security portfolio managed by ING Bank in which it runned price risk. The Foundation treasury strategy is expected to comprise 25% in shares and 75% in Euro denominated bonds. As a result of the sale of the portfolio during 2019, there is no price risk for the Foundation anymore.

Market risk

Market risk is not separately disclosed as the above risks and disclosures sufficiently reflect main market risk and Management policy.

OFF BALANCE SHEET ASSETS AND LIABILITIES

Multiannual financial liabilities

Rental agreement PKN

The rental agreement with PKN ends in 2021. The liability amounts to EUR 74K.

Agreements regional offices

The total liability related to rent agreements for regional offices amounts EUR 43K for the year 2021. The receivable related to hosting agreement for regional offices with third parties amounts EUR 3K for 2021.

Liabilities to subsidize liabilities of third parties

Issued bank guarantees

As at 31 December 2020, ICCO has issued bank guarantees for a total amount of EUR 1,530K, of which EUR 567K is included in the provision, EUR 37K in the short term liability. The remainder concerns off balance sheet obligation for EUR 977K, of which 488K is included in the Appropriation Fund (note 8).

Fiscal Unity

Together with ICCO Group B.V. and Coöperatie ICCO U.A. (head of fiscal unity), ICCO acts like a fiscal unity for value-added tax purposes. ICCO has reached an agreement with the Dutch Tax Authorities on the fiscal unity.

Legal case

There are several labor lawsuits filed in Brazil, in relation to an investment done by ICCO. The maximum amount of all the listed processes together is EUR 1.676K; however this amount is being charged in solidarity of all executed individuals and companies (8 in total) with no exclusive targeting of a particular debtor. Therefore there is a high uncertainty because no estimate is possible if and when an amount of this sum can be claimed by one of more of the various defendants. The liability of defendants is not related to percentage of ownership.

The outcome of the claims is not clear, nor is it possible to make a proper estimation of the amount of a possible claim. No provision is made in the financial statements. In the possible event that court sentences the involved partners or ICCO to pay the claim we will and have already hold other parties in default liable in this respect.

ICCO agreed with the legal representative of ICCO in Brazil to pay for the legal support in the defense of these claims, amounting to a total of approximately EUR 20K on a yearly basis.

Loan Fair Climate Fund Columbia

Foundation ICCO gave Fair Climate Fund Columbia a loan of EUR 305K in regards to project Riscales. At the end of 2020 EUR 165K of this loan has been transferred to Fair Climate Fund Columbia, therefore the remainder of the loan (EUR 140K) will be paid in 2021 in line with the payment schedule.

EXPLANATORY NOTES TO THE ITEMS ON THE STATEMENT OF INCOME AND EXPENSES

INCOME (12)

In €	Actual 2020	Budget 2020	Actual 2019
Income from private individuals	54.403	-	109.457
Income from companies	6.392.321	7.532.531	6.127.756
National Postcode Lottery	2.350.000	1.350.000	1.350.000
National Postcode Lottery - extra drawing	300.588	252.986	813.545
Income from lottery organisations	2.650.588	1.602.986	2.163.545
DGIS - Strategic Partnership	6.784.068	6.607.426	11.744.420
Dutch government - Other	3.437.167	16.747.693	1.817.369
European Union	8.953.441	12.444.276	4.087.267
Other governmental donors	1.729.178	3.239.581	1.023.126
Income from government grants	20.903.854	39.038.976	18.672.182
Dutch non-governmental organisations	8.519.663	8.793.795	7.431.242
International foundations	4.412.142	441.710	5.643.084
Protestantse Kerk Nederland - Kerk in Actie	1.122.337	349.540	999.951
SHO - Samenwerkende Hulporganisaties	-	-	50.329
Income from other non-profit organisations	14.054.142	9.585.045	14.124.606
Income from delivery of products / services	506.586	277.885	521.829
Other income	217.684	281.844	345.677
Other income	724.270	559.729	867.506
SUM OF INCOME	44.779.578	58.319.267	42.065.052

Sum of income

The Sum of Income in 2020 was EUR 44.8 million, an increase of EUR 2.7 million compared to 2019. Sum of Income remained EUR 13.5 million below budget in 2020 mainly due to tenders missed, which were budgeted for.

Income from private individuals

Occasionally, private individuals donate small amounts. The income is not directly related to projects.

Income from companies

Relate mainly to MasterCard Foundation (stars program) and AH Foundation. The expected increase in income as presented in the budget did not materialize, due to Covid-19 related delays in projects.

Income from lottery organizations

Relate to the regular contribution from the Dutch Postcode Lottery of EUR 1,350K and in addition an amount

of EUR 1,000K for the NPL Plus plus program. In 2020 there were additional funds for projects, these are proceeds from 'Extra Drawings'.

Income from government grants

All ICCO's income from governments are one off projects and have a specific objective, although part of the income is related to multiyear grants. All grants have an end date. The budgeted increase did include some major projects which ICCO did not win or were postponed due to COVID-19.

Income from other non-profit organisations

The income remains stable against 2019. The increase versus the budget is mainly due to special programs related to COVID-19 and refugee support.

Other income

Other income refers mainly to margin on hosting contracts, tenants fee and car rental fee. These activities have no commercial intent. The gross margin for ICCO is neglectable.

EXPENSE (13)

The expenses on the program objectives is divided over the themes as follows:

In €	Actual 2020	Actual 2019
Main objectives		
Food and Nutrition Security and Sustainable Food		
Program Costs	1.829.983	7.223.633
Execution costs	4.282.579	3.928.294
	6.112.562	11.151.927
Economic Empowerment and Inclusive Markets		
Program Costs	10.086.737	5.041.182
Execution costs	10.552.866	10.290.284
	20.639.602	15.331.466
Responsible Business		
Program Costs	2.159.127	4.236.913
Execution costs	2.163.051	1.938.059
	4.322.179	6.174.972
Emergency Aid		
Program Costs	4.920.672	3.186.672
Execution costs	2.647.041	1.404.854
	7.567.713	4.591.526
Program Costs	18.996.518	19.688.399
Execution costs	19.645.537	17.561.491
Total expenses on program objectives	38.642.055	37.249.891

The execution costs consist of own implementation costs and indirect costs.

EXPLANATION OF THE EXPENSE ALLOCATION

Expenses on objectives are split between five themes:

- Food and Nutrition Security and Sustainable Food (FSSC)
- Economic Empowerment and Inclusive Markets (EE)
- Responsible Business (RB)
- Emergency Aid (EA)

Specification and allocation of Expense according to their appropriation:

		Expenses on objectives						Fundraising expenses				
							Governm					
In € 1.000		FSSC	EE	RB	EA	Total	Other grants	ent grants	M&A	Total 2020	Budget 2020	Total 2019
Grants & contributions		1.830	10.087	2.159	4.921	18.996	-	-	-	18.996	27.942	19.688
Publicity and communication	C1	522	898	121	606	2.148	35	35	68	2.285	4.584	2.429
Staff costs	C2	3.257	6.198	1.468	1.091	12.014	385	385	730	13.514	13.206	12.560
Direct costs	C3	357	2.814	424	282	3.878	1.047	1.047	2.016	7.988	8.812	7.120
Housing costs	C4	37	153	36	63	289	94	94	181	658	727	595
Office- and general costs	C5	109	490	114	605	1.318	543	543	1.261	3.664	2.645	2.344
Depreciation costs	C6	-	-	-	-	-	46	46	89	181	164	188
Execution costs		4.283	10.553	2.163	2.647	19.646	2.151	2.151	4.343	28.290	30.139	25.235
TOTAL EXPENSES		6.112	20.640	4.322	7.568	38.642	2.151	2.151	4.343	47.287	58.080	44.923

C2 Staff costs

In €	Actual 2020	Budget 2020	Actual 2019
Salaries	8.412.931	8.738.641	7.920.664
Holiday allowance and year-end bonus	705.341	930.541	807.047
Social security charges	699.799	1.211.826	693.242
Pension contributions	592.564	683.714	658.358
Staff costs	10.410.635	11.564.722	10.079.311
Hired staff	2.095.215	553.846	1.264.125
Compensations according to employment conditions	269.231	454.458	393.589
Recruitment and selection	2.284	22.407	68.857
Education and training	23.174	74.837	26.809
Other general staff costs	110.341	342.030	225.658
Outplacement	412.404	76.712	205.944
Occupational health and safety service, prevention and safety	190.712	117.478	295.225
Other staff costs	3.103.361	1.641.768	2.480.207
Total staff costs	13.513.996	13.206.490	12.559.518

Staff costs

The average FTE in 2020 is 341,3 FTE versus 316,6 FTE in 2019, which indicates that the average FTE increased in 2020 with 7.8% compared to 2019. The increase in FTE is higher than the increase in staff cost because most new FTE are in the region.

90% of the ICCO employees are working outside of the Netherlands. The average FTE per Region are:

Region	Average FTE
Latin America	47,8
West Africa	70,4
Central Eastern and Southern Africa	62,7
South East Asia	39,4
South and Central Asia	88,4
Total regions	308,7

In 2020, the average cost per FTE for salaries, security charges and pension was EUR 30,503 compared to 2019 where the average cost was EUR 31,836. The headcount in the regional offices has increased during the year compared to an unchanged headcount at the global office. This is in line with the strategy of decentralization of the organization, whereas the FTE in the regional offices increased. The average salary level in Utrecht is higher compared to the regional offices, which explains a reduction of average salary cost.

Other staff costs

The increase arises from the External hired staff in 2020 due to backlog in financial reporting.

Compensations according to employment conditions

Compensations according to employment conditions relate to additional compensation agreed in the salary contract of the employee that are not considered to be part of salaries such as anniversary bonuses and allowances.

C3 Outsourcing, travel and procurement costs

In €	Actual 2020	Budget 2020	Actual 2019
Travel- and accommodation expenses	1.134.382	323.451	4.754.725
External advisors	3.782.302	91.800	561.528
Procurement costs	3.071.678	8.396.560	1.804.216
	7.988.362	8.811.811	7.120.469

The amount spent on travel and accommodation expenses in 2020 decreased compared to 2019 due to the Covid 19. In 2020, the external advisors costs increased, due to the increase of consulting contracts on projects that are executed by ICCO. In 2020, procurement costs related to projects increased within all regions, due to the increase of projects that are executed by ICCO, whereby many small amounts result in a large change.

C4 Housing costs

In €	Actual 2020	Budget 2020	Actual 2019
Housing costs	658.060	727.450	594.618

The actual housing expenses refer to the rented office spaces for the global office and of the regional and country offices worldwide. Slight increase as the amount of rented offices in the regions increased.

C5 Office and general costs

In €	Actual 2020	Budget 2020	Actual 2019
Office costs	1.234.841	1.779.944	1.154.237
Costs of ICT	196.985	220.398	142.171
Audit, tax advice and consultancy costs	899.130	648.187	633.486
Legal and organizational advice	517.051	156.719	183.964
Supervisory Board and Regional Councils	10.890	9.983	11.108
Partnerships	853.549	121.742	121.289
Other general costs	(48.696)	(291.804)	97.301
	3.663.751	2.645.169	2.343.556

Office costs

This item mainly accounts for the costs of general printed matter, telephone, postal charges and other costs. In 2020 there is a small increase as the number of rented offices in the regions increased.

Cost of ICT

All ICT costs, not related to the ERP system (AllSolutions) or the network environment (Google), are directly charged to the Profit and Loss account.

Audit costs

The following fees were charged by KPMG Accountants N.V. to the foundation, as referred to in Section 2:382a(1) and (2) of the Netherlands Civil Code.

In €	KPMG Accountants	NV Other KPMG Network	Total KPMG
2020			
Audit of the financial statements	496.393	-	496.393
Other audit engagements	67.500	-	67.500
Tax-related advisory services	-	-	-
Other non-audit services	-	-	-
Total	563.893	-	563.893
In €	KPMG Accountants	NV Other KPMG Network	Total KPMG
2019			
Audit of the financial statements	381.000	-	381.000
Other audit engagements	217.927	-	217.927
Tax-related advisory services	-	-	-
Other non-audit services	-	-	-
Total	598.927	-	598.927

The fees mentioned in the table for the audit of the financial statements 2020 relate to the total fees for the audit of the financial statements 2020, irrespective of whether the activities have been performed during the financial year 2020 or after 2020. The other fees mentioned in the table (not related to the audit of the Financial Statements) are costs for activities which have been performed during the financial year 2020. KPMG has started as per financial year 2018.

Legal and organizational advice

During the year 2020, the expenses relating to legal and organizational advice increased due to advice on the integration with Cordaid. Furthermore, ICCO was involved in some legal cases in different regions, mostly in the staff area.

Partnerships

The increase in partnerships of EUR 733K compared to 2019 is completely caused by the contribution in PlusPlus during the year.

Other general cost

Other general costs include insurance and other various general expenses.

C6 Depreciation

In €	Actual 2020	Budget 2020	Actual 2019
Inventory and installations	2.952	3.755	7.577
Hardware and software - general	38.400	47.455	36.362
Hardware and software - ERP system	105.081	105.298	103.273
Company cars	34.977	7.189	40.339
	181.410	163.697	187.551

See also the explanatory note to the intangible and tangible fixed assets.

FINANCIAL INCOME AND EXPENSES (14)

In €	Actual 2020	Actual 2019
Bank charges	(6.519)	(15.526)
Interest cash and cash equivalents	175.304	129.945
Realized foreign exchange results	120.677	157.149
Unrealized foreign exchange results	1.193.574	(326.933)
Net investment result	180.938	(417.337)
Impairments FFA	-	173.255
Book loss assets	8.577	-
Other	-	(177.928)
	1.672.551	(477.375)

Realized and unrealized foreign exchange results

The realized and unrealized foreign exchange results 2020 represents a net loss of EUR 1,314K (2019: EUR 169K gain). This is mainly caused by the devaluation of the USD exchange rate compared to the EUR rate.

Net investment result

The investment result is built up from several items. The main results are the dividend payments of Banco Fie and Ecofuturo in stock dividend, the result of C4D Asia Fund and the build up of the provision for loans and guarantees.

Impairment FFA

For 2019 the impairment regards PerspActive and Hands-on. ICCO stopped being a member of PerspActive during 2020 and therefore the members equity (EUR 223K) was returned to ICCO. Based on the financial information of Hands-on an impairment was necessary.

REMUNERATION EXECUTIVE BOARD AND SUPERVISORY BOARD

In 2020, the organization was managed by an Executive Board consisting of two members, a chair and a member. The Supervisory Board considers the employment conditions of the Executive Board to be in accordance with the ICCO Foundation policy on remuneration of the Executive Board. The remuneration meets the requirements of the Regeling beloning directeuren van Goededoelenorganisaties (GDN).

During 2020, the employed members of the Board were:

Amounts x € 1	Sybre Attema	Jolanda Wakkerman	Paul Nijssen
Position	Chair Executive Board	Member Executive Board	Interim member Executive Board
Employee contract			
Nature (duration)	Fixed term	Ended	Contract/Ended
Number of hours	36	36	36
Part-time percentage	100	100	100
Period in 2020	1/1 – 31/12	1/1 – 31/3	8/6 – 31/12
Remuneration			
Gross salary	122.994	28.407	-
Paid contract fee			159.468
Holiday allowance	9.840	2.273	-
Year-end bonus	10.209	2.358	-
Variable pay	225	-	-
Total annual income	143.268	33.038	159.468 *)
Taxable reimbursements	1.390	-	-
Pension charges (employer)	13.662	3.406	-
Pension compensation	-	-	-
Other benefits on long term	-	-	-
End of contract benefits	-	-	-
Subtotal	15.052	3.406	-
Total remuneration 2020	158.320	36.444	159.468
Total remuneration 2019	77.474	144.625	-

*) Paid contract fee to an interim agency

The Supervisory Board has set the remuneration policy, the level of board remuneration and the level of other remuneration components. The policy is updated periodically. The evaluation was in their meeting of 25 August 2020 and 13 September 2021. When determining the remuneration policy and determining the remuneration, the Supervisory Board follows the 'Regeling beloning directeuren van goededoelenorganisaties' (Remuneration of Directors of Charity Organizations Regulation, last update Nov. 2020, see www.goededoelennederland.nl).

The scheme of GDN sets a maximum standard for annual income based on various criteria. The weighing of the situation of the partly two, partly one member of the Executive Board (statutory) of ICCO was done by the Supervisory Board. This led to a so-called BSD score ('Basis Score voor Directiefuncties') of 555 points for ICCO (=100%) with a maximum annual income of EUR 162,397 (per FTE/12 months).

The actual annual incomes of the Executive Board relevant for the assessment, against the applicable maximum limits, were EUR 143,268 for S. Attema (1 FTE/12 months) and EUR 33,038 for J. Wakkerman (1 FTE, 3 months). This remuneration remained within the applicable limits. Also the annual income, the taxed

allowances/additions, the employer's pension contribution and other long-term benefits together, remain within the applicable limits of the regulation of Goede Doelen Nederland of EUR 201.000 per year.

On 31 March the employment contract of Jolanda Wakkerman ended. There were no benefits of termination paid. From June 8 till December 31, Paul Nijssen worked as an interim member of the Executive Board/financial director (not statutory director). He has been hired through an interim agency. The total compensation of EUR 159,468 has been paid to this interim agency. This compensation is in line with the market for interim directors and met the conditions set out in the scheme with regard to the deployment of an interim director (not salaried).

Total remuneration, including employer's social security contributions amounts EUR 170.769 for S. Attema and EUR 39.579 for J. Wakkerman.

Supervisory Board

The remuneration of the Chair of the Supervisory Board and the Chair of the audit committee amount to EUR 3,000, and that of the other members of the Supervisory Board is EUR 1,500. The functions, tasks and ancillary positions are reported in chapter 4 *Organization*.

In €	J.F. de Leeuw	G. van Dijk	W. Oosterom	A. Knigge	Vacancy
Function	Chair	Member/ Chair Audit Commission	Member	Member	Member
Period	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	n/a
Remuneration 2020					
Remuneration	3.000	3.000	1.500	1.500	-
-/- Advance payments	n/a	n/a	n/a	n/a	n/a
Total remuneration 2020	3.000	3.000	1.500	1.500	-
Remuneration 2019					
Period	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	n/a
Remuneration	3.000	3.000	1.500	1.500	-
Total remuneration 2019	3.000	3.000	1.500	1.500	-

As per 31 December 2020 there are no loans, advances or guarantees provided to the members of the Executive and Supervisory Boards.

SUBSEQUENT EVENTS

CORDAID

The Executive Board and Supervisory Board of ICCO Foundation signed on 15 december 2020 an agreement to join forces with Stichting Cordaid, a NGO with statutory seat in The Hague, The Netherlands. By joining forces, we are defragmenting the Dutch development sector. This makes us more in sync with society and more adapted to the needs of international development.

ICCO Foundation will complete their current projects in the legal entity ICCO Foundation during 2021. All new projects as of January 1, 2020, if legally possible, will start from the Cordaid organisation. All Global Office assets, liabilities and Dutch legal contracts are transferred to Cordaid as of January 1, 2021. All regional activities will be transferred as much as legally possible on January 1, 2021. Transfer possibilities depend on the timely availability of NGO-registrations in countries where Cordaid is not yet represented. Cordaid signed a guarantee to respect all ICCO contracts and accept its obligations and rights.

We continue as one organisation, under the name of Cordaid, with one global office in The Hague. By combining our international in-country infrastructure, networks, and knowledge, and with geographic and thematic complementarity of a joint organisation, we increase our scope and scale and become more cost efficient. This

allows us to create more social impact and strengthens our position in the increasingly tight and competitive funding market.

We believe that together we can better make our mark in addressing today's and tomorrow's global challenges. In standing side by side with the many millions who take the first and biggest blows. And we reach out to people of all backgrounds and faiths who want to act in solidarity.

ADOPTION AND APPROVEMENT

Adoption and approvement annual report and accounts

On September 30, 2021 the Executive Board of ICCO Foundation adopted the Annual report and accounts 2020 of ICCO Foundation.

On September 30, 2021 the Supervisory Board of ICCO Foundation approved the Annual report and accounts 2020 of ICCO Foundation.

Proposed appropriation of result for the financial year 2020

The Executive board proposes, with the approval of the Supervisory Board, the appropriation of results as adjusted in the statement of income and expenses.

The Hague, 30 September 2021

Executive Board ICCO Foundation

L.C. Zevenbergen, CEO

L. Paz Quintero, CFO

Supervisory Board ICCO Foundation

A.J.M. Heerts, Chair

J.F. de Leeuw, Vice Chair

J.H.M. van Bussel, Member

M. van Beek, Member

Priest S. de Boer, Member

M.W.J.A. Landheer-Regouw, Member

R. Peetoom, Member

W. Oosterom, Member

A. Knigge, Member

J. Alders-Sheya, Member

D. Cheng, Member

OTHER INFORMATION

12 Appropriation of Result

As the appropriation of result is not mentioned in the articles of association, the proposed appropriation is subject to approval of the supervisory board. Any positive result will be spent in accordance with the purpose of ICCO foundation, or will be transferred to another institution recognized as a public benefit institution by the tax authorities.

13 Independent Auditor's Report

To: the Supervisory Board of Stichting ICCO

REPORT ON THE AUDIT OF THE ACCOMPANYING FINANCIAL STATEMENTS

Our opinion

We have audited the financial statements 2020 of Stichting ICCO (or hereafter: the foundation), based in The Hague. In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting ICCO as at 31 December 2020, and of its result for 2020 in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2020;
2. the statement of income and expenses for 2020;
3. the cash flow statement 2020; and
4. the notes to the financial statements comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting ICCO in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT AND ACCOUNTS

In addition to the financial statements and our auditor's report thereon, the annual report and accounts contains other information that consists of:

- report of the Board;

- other information;
- information in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information.

DESCRIPTION OF THE RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board. Furthermore, the Executive Board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the foundation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining an understanding of internal control relevant to the 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 foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the foundation ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

The Hague, 30 September 2021

KPMG Accountants N.V.

W.A. Touw RA



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c / o ICCO Part of Cordaid
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ICCO Foundation is certified according to
ISO 9001: 2015 and
Partos 9001: 2015



**We help
farmers and
small businesses
grow.**



ICCO Cooperation

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