

The board of directors of
Stichting Cordaid
Attn. Ms. L. Paz Quintero
Grote Marktstraat 45
2511 BH THE HAGUE

The Hague, 21 October 2022

REQ6719202/JM/cm

Dear Ms. Paz Quintero,

Please find enclosed an authenticated copy of the annual report and financial statements of Stichting Cordaid for the financial year ended 31 December 2021 and our auditor's report thereon dated 21 October 2022.

We consent, under the conditions as set out in the enclosed information sheet Publication of auditor's report, to include and publish our auditor's report as enclosed, in the section Other information of copies of the annual report and financial statements for the financial year ended 31 December 2021, provided that they are identical to the enclosed authenticated copy of the annual report and financial statements, subject to adoption of the audited financial statements, without modification, by the supervisory board. Publication of our auditor's report is only allowed together with the corresponding complete set of the annual report and financial statements.

Our auditor's report states the name of our firm and the name of the responsible audit partner but without a signature. We kindly request you to include our auditor's report without signature in the version of the annual financial reporting that will be filed and published. We have enclosed one copy of our auditor's report including a digital signature. This copy is meant for your own files. It is not allowed to file or publish the authenticated copy of the annual report and financial statements (authenticated by us for identification purposes).

If prior to the adoption of the financial statements circumstances arise that require a modification to the annual report and financial statements, please note that such modifications should be made prior to the adoption of the financial statements by the supervisory board. In this situation, of course, we withdraw our consent granted above.

All members of the board of directors and the supervisory board sign a copy of the financial statements. If a signature is missing, the reason is included in the annual report to be filed. In order to prevent the abuse of signatures we discourage the filing of a signed copy of the annual report and financial statements. The annual report to be filed with the Trade Register of the Chamber of Commerce should include the supervisory board's adoption date of the financial statements.

If you wish to publish the annual report including the audited financial statements on the internet, it is your responsibility to ensure proper separation of the annual report from other information. For example, by presenting the annual report as a separate read-only file, or by issuing a warning if readers switch from the web page containing the annual report ("You are now leaving the secured page containing the annual report, including the audited financial statements").

Yours sincerely,
Ernst & Young Accountants LLP

A.A. Kuijpers

Enclosures: Auditor's report without signature to be included in the annual report
Signed auditor's report for your own files
Annual report and financial statements authenticated for identification purposes
Information sheet Publication of auditor's report

Independent auditor's report

To: the board of directors and supervisory board of Stichting Cordaid

Report on the audit of the financial statements 2021 included in the annual report

Our qualified opinion

We have audited the financial statements 2021 of Stichting Cordaid based in The Hague.

In our opinion, except for the possible effects of the matter described in the "Basis for our qualified opinion" section, the accompanying financial statements give a true and fair view of the financial position of Stichting Cordaid as at 31 December 2021 and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and individual balance sheets as at 31 December 2021
- The consolidated and individual statements of income and expenditure for 2021
- The notes comprising of a summary of the accounting policies and other explanatory information

Basis for our qualified opinion

The corresponding figures included in the financial statements are derived from the financial statements 2020, on which we expressed a disclaimer of opinion on 2 March 2022 in respect of the importance of the following findings:

"As set out in note 12 and 14 in the financial statements, Stichting Cordaid received notification of alleged integrity breaches and misconduct of staff, in its country office in Central African Republic and allegations of integrity breaches in its country office in the Democratic Republic of the Congo.

The investigations into these allegations are not completed at the date of this report and may not be completed within a reasonable timeframe. In performing the investigations, Cordaid is dependent on the cooperation by third parties, including local partners as well as donors. Furthermore, international travel restrictions and the safety situation in these countries hinder the entity's and our ability to fully interact with management, local partners and investigators in these countries, without incurring undue costs and personnel risks. As a result, we were unable to obtain sufficient and appropriate audit evidence to conclude on the allegations, the required remediation by Stichting Cordaid and the implications for the financial statements in order to determine whether any adjustments to the result, balance sheet items including reclassifications and corresponding figures as set out in note 12 and 14 and/or the disclosures would be necessary."

Mentioned circumstances relating to the country office in Central African Republic do not materially affect the current financial year, but do still apply to the corresponding figures.

Mentioned circumstances relating to the country office in the Democratic Republic of the Congo do affect the current financial year and also apply to the corresponding figures. We refer to note 13 in the 2021 financial statements for an update on these investigations from the board of directors. The investigations into the allegations in the Democratic Republic of the Congo are ongoing and based on the preliminary results we concluded that the possible effects of undetected misstatements, if any, as a result of these circumstances could be material but not pervasive for the financial statements 2021 as a whole.

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 Cordaid (the entity) 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 qualified opinion.

Emphasis on ethical risk disclosures

We draw attention to note 4.2 Ethical risk in the financial statements, which describes the inherently higher ethical and compliance risk factors that may materialize in corruption, fraud and non-compliance with local and international laws and regulations as well as mitigating measures that have been put in place. Our opinion is not qualified in respect of this matter.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Except for the possible effects of the matters described in the "Basis for our qualified opinion" section, we conclude, based on the following procedures performed, 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 substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors and the supervisory board for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

The supervisory board is responsible for overseeing the entity'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 detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 scepticism 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 fraud or error, 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 error, 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 entity's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Concluding on the appropriateness of the board of directors' 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 entity'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 an entity to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board 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, 21 October 2022

Ernst & Young Accountants LLP

A.A. Kuijpers

Independent auditor's report

To: the board of directors and supervisory board of Stichting Cordaid

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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 substantially less than the scope of those performed in our audit of the financial statements.

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The supervisory board is responsible for overseeing the entity'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 detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

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We communicate with the supervisory board 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, 21 October 2022

Ernst & Young Accountants LLP

signed by A.A. Kuijpers

Publication of auditor's report

1 Conditions

Authorization to publish the auditor's report is granted subject to the following conditions:

- ▶ Further consultation with the auditor is essential if, after this authorization has been granted, facts and circumstances become known which materially affect the view given by the financial statements.
- ▶ The authorization concerns inclusion of the auditor's report in the annual report to be tabled at the Annual General Meeting (hereafter AGM) incorporating the financial statements as drawn up.
- ▶ The authorization also concerns inclusion of the auditor's report in the annual report to be filed with the Trade Registrar, provided consideration of the financial statements by the AGM does not result in any amendments.
- ▶ Financial statements for filing at the offices of the Trade Registrar which have been abridged in accordance with Section 397 of Book 2 of the Dutch Civil Code must be derived from the financial statements adopted by the AGM and a draft version of these financial statements for filing purposes must be submitted to us for inspection.
- ▶ The auditor's report can also be included if the financial statements are published electronically, such as on the internet. In such cases, the full financial statements should be published and these should be easily distinguishable from other information provided electronically at the same time.
- ▶ If the published financial statements are to be included in another document which is to be made public, authorization to include the auditor's report must again be granted by the auditor.

2 Explanations to the conditions

2.1 Board of supervisory directors and board of executive directors

The auditor usually forwards his report to the board of supervisory directors and to the board of executive directors. This is pursuant to Book 2 of the Dutch Civil Code, section 393 which stipulates inter alia: "The auditor sets out the outcome of his examination in a report". "The auditor reports on his examination to the board of supervisory directors and the board of executive directors".

2.2 Annual General Meeting (AGM)

Publication of the auditor's report will only be permitted subject to the auditor's express consent. Publication is understood to mean: making available for circulation among the public or to such group of persons as to make it tantamount to the public. Circulation among shareholders or members, as appropriate, also comes within the scope of the term "publication", so that inclusion of the auditor's report in the annual report to be tabled at the AGM similarly requires authorization by the auditor.

2.3 Auditor's reports and financial statements

The authorization concerns publication in the annual report incorporating the financial statements that are the subject of the auditor's report. This condition is based on the auditors' rules of professional practice, which state that the auditor will not be allowed to authorize publication of his report except together with the financial statements to which this report refers.

The auditor will also at all times want to see the rest of the annual report, since the auditor is not allowed to authorize publication of his report if, owing to the contents of the documents jointly published, an incorrect impression is created as to the significance of the financial statements.

2.4 Events between the date of the auditor's report and the AGM

Attention should be paid to the fact that between the date of the auditor's report and the date of the meeting at which adoption, as appropriate, of the financial statements is considered, facts or circumstances may have occurred which materially affect the view given by the financial statements. Under COS 560, the auditor must perform audit procedures designed to obtain sufficient audit evidence to ensure that all events occurring before the date of the auditor's report that warrant amendment of or disclosure in the financial statements have been identified.

If the auditor becomes aware of events that may be of material significance to the financial statements, the auditor must consider whether those events have been adequately recognized and sufficiently disclosed in the notes to the financial statements. If between the date of the auditor's report and the date of publication of the financial statements, the auditor becomes aware of a fact that may have a material impact on the financial statements, the auditor must assess whether the financial statements should be amended, discuss the matter with management and act as circumstances dictate.

2.5 Trade Registrar

The financial statements are tabled at the AGM (legal entities coming within the scope of Title 9 of Book 2 of the Dutch Civil Code table the directors' report and the other information as well). The AGM considers adoption of the financial statements. Only after the financial statements have been adopted, do they become the statutory (i.e., the company) financial statements. As a rule, the statutory financial statements will be adopted without amendment. The auditor's report must be attached to the statutory financial statements as part of the other information. As a rule, the text of this report will be the same as that issued earlier. The documents to be made public by filing at the offices of the Trade Registrar will consist of the statutory financial statements, the directors' report and the other information. The auditor's report which refers to the unabridged financial statements will then have to be incorporated in the other information. If consideration of the financial statements by the AGM does not result in any amendments, the auditor's report may be attached to the financial statements adopted, by the AGM and, provided the annual report and financial statements are filed promptly at the offices of the Trade Registrar, published as part of these annual report and financial statements.

2.6 Other manner of publication

The financial statements may also be published other than by filing at the offices of the Trade Registrar. In that event, too, inclusion of the auditor's report is permitted, provided the financial statements are published in full. If publication concerns part of the financial statements or if the financial statements are published in abridged form, publication of any report the auditor has issued on such financial statements will be prohibited, unless:

- a. He has come to the conclusion that, in the circumstances of the case, the document concerned is appropriate
Or
- b. Based on legal regulations, publication of the document concerned is all that is required

If less than the full financial statements are published, further consultation with the auditor is essential. If the financial statements and the auditor's report are published on the internet, it should be ensured that the financial statements are easily distinguishable from other information contained on the internet site. This can be achieved, for example, by including the financial statements as a separate file in a read-only format or by including a warning message when the reader exits the financial statements document.

2.7 Inclusion in another document

If the published financial statements are to be included in another document which is to be made public, this is considered a new publication and authorization must again be obtained from the auditor. An example of this situation is the publication of an offering circular which includes the financial statements, after these financial statements have been filed at the office of the Trade Registrar together with the other annual reports. For each new publication, authorization must again be obtained from the auditor.

2.8 Events after the AGM

Even if facts and circumstances have become known after the adoption of the financial statements as a result of which they no longer give the statutory true and fair view, the auditor must stand by the report issued on the financial statements as adopted and by the auditor's report filed at the offices of the Trade Registrar. In that event, the legal entity is required to file a statement at the offices of the Trade Registrar on these facts and circumstances accompanied by an auditor's report. In this situation, too, further consultation with the auditor is essential.



CORDAID ANNUAL REPORT 2021



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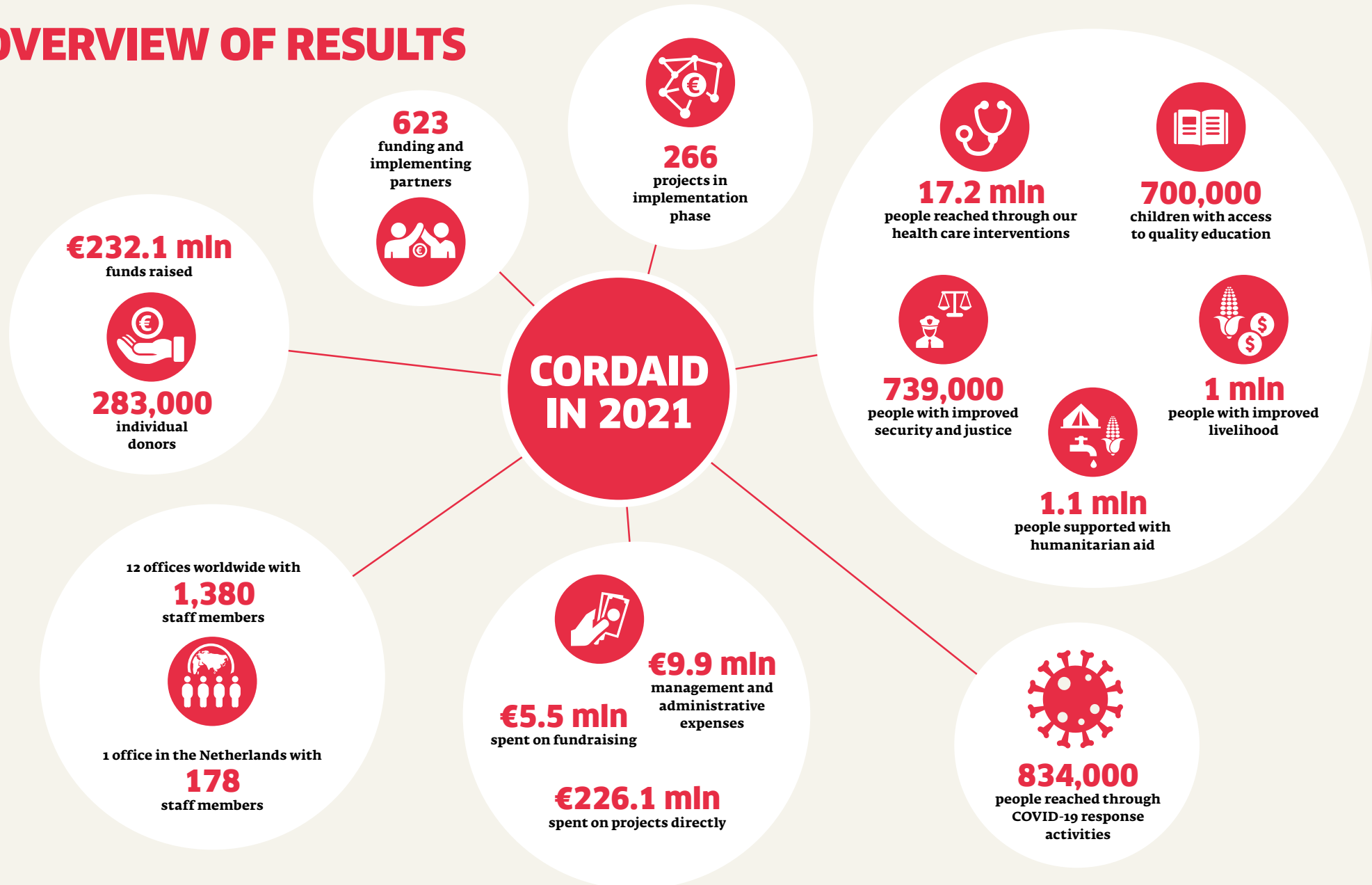
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OVERVIEW OF RESULTS



STRIKING A BALANCE IN A CHALLENGING WORLD

MESSAGE FROM THE CEO



In 2021, the people in Afghanistan, Ethiopia and Myanmar experienced major outbreaks of internal violence and repression. As a result, civil society's rights were severely restricted. Fortunately, our organisation showed remarkable resilience in the face of these crises. Even in difficult circumstances, we managed to adjust our activities to continue the support of the poorest and most disadvantaged populations.

Despite challenges and obstacles, we still maintain a presence and continue to make a positive impact in these countries. For example, after the regime shift in Afghanistan, the financial, logistical and security challenges temporarily halted our support efforts. However, after exploring different ways of operating on the ground, we continued to reach out to people who needed our help the most. Such as the families in the weather-beaten province of Ghor, who received cash assistance to repair their homes, damaged by the conflict and by adverse weather conditions.

In 2021, the COVID-19 pandemic kept obstructing our work. We set ourselves the task to continue. We launched new humanitarian and developmental actions and, where necessary, adapted existing programmes. We continuously had to strike a balance between what was needed to reach out to people who needed it most and what was feasible under the circumstances.

A challenge for our organisation in 2021 was an integrity case in the Central African Republic (CAR). After finding evidence of mismanagement and fraud in that Country Office, we did everything possible to restore the trust and confidence of our donors and partners. Cordaid immediately introduced measures to better secure the implementation of its procedures and investigate and mitigate the risk of any new breaches, in the CAR but

also in other countries. As a result of this commitment to transparency and perseverance to learn, we were pleased to sign new contracts with major donors in 2021.

Lastly, 2021 was the first year of the integration between Cordaid and ICCO. We are one team now, one organisation, operating in a shared working environment. We are in the process of sharing knowledge, skills and networks. This, of course, will take some time, but in the coming years, we will increasingly reap the benefits of our combined strengths. In 2021, we organised a participatory process in which we gathered the best minds of many a colleague, partner and stakeholder to rethink our added value in this world and define our strategy, our compass for the future. We will continue to deploy our best capabilities in the areas of emergency aid, basic services, livelihoods, peace, and justice. And we will add critical cross-cutting dimensions to assure that we remain relevant for the years ahead: localisation, triple nexus, climate, gender and inclusion. Not as stand-alone topics but integrated in all we aspire and do.

This 2021 Annual Report provides an insight in our aspirations and challenges and offers an overview of our results. I am grateful for the partnerships that delivered positive impact and look forward to our continued collaboration in the year ahead.

Kees Zevenbergen, CEO Cordaid

OUR VISION AND MISSION

Many countries are caught up in a spiralling storm of natural and human made crises. In these fragile settings, disadvantaged populations suffer the most. We stand with those whose basic needs are unmet and whose rights are trampled by these injustices. We support them by mobilising global networks, resources and knowledge. By doing this, we help people to move beyond survival towards a life in dignity.

A dignified and healthy life for all

Cordaid does not accept a world of inequality and exclusion. We believe in a world where it is possible for everyone to live a life in dignity. Where people can break through the barriers of poverty and exclusion, fully participate in their societies, and influence decisions that affect them. A world with an economy not driven by greed and limitless material growth, but by inclusivity, social and ecological justice, and gender equity.



Inspired by Christian values, we believe in the power of people to trigger inclusive social change in their own surroundings. We seek to strengthen the capacities and resilience of the people and communities we work with, so that they are better prepared to face their future challenges. Our responsibility and accountability lie with those who are poor, marginalised and excluded from safety, services and economic opportunity and sustainable livelihoods. We actively seek increased collaboration and synergies with likeminded organisations, while pursuing the further joining of forces.

Pope Francis' encyclicals *Laudato Si'* and *Fratelli Tutti* are a source of inspiration as they call for collective action on social justice and care for the universal common good.

Our operations are guided by four core values that articulate our intrinsic drive: accountability, sustainability, respect, and diversity & inclusion. They reflect our concern for human dignity, our compassion and care for the earth.

Working in and on fragility

We focus our efforts on some of the world's most conflict-torn and volatile areas in countries such as Afghanistan, the Democratic Republic of the Congo (DRC), Ethiopia and Myanmar. Wherever we can, we combine relief and humanitarian aid with the longer-term strengthening of health and education systems, the promotion of peace, security and justice, and the improvement of people's livelihoods.

In the Netherlands, we mobilise citizens to support our international work and engage with political duty bearers to address pressing global issues. We also support small-scale initiatives aimed at socially excluded groups, such as homeless people, refugees and people with debts.

To achieve our goals, we participate in like-minded, often faith-based, networks and cooperate with people and organisations with whom we share common objectives and values. Through our networks we work from the grassroots level to the national and global levels. And we will continue to reach out to new partners who want to support the cause of human dignity for all.

HOW WE WORK

Enhancing resilience and localisation in fragile settings

Problems we address in partner countries we work in often have their roots and (part of) the solution elsewhere. This interconnectedness becomes even more visible through global crises like climate change and the COVID-19 pandemic. Our localisation agenda aims at creating more resilient and equitable relations between global stakeholders. Localisation means that local actors are leading on decisions and actions that affect them. That they have the required preparedness and response capacity to lead in addressing a crisis.

Guided by our vision and mission, we build broad partnerships to facilitate coordinated actions across local, national and global levels. Cordaid works in different stages of fragility, covering the wide spectrum from relief through rehabilitation and recovery, to development. This allows us to develop integrated programmes, approaches and innovations that effectively respond to the challenges and incentivises us to increasingly work in partnership with others concerned. Our interventions are solution-oriented, aligned with relevant national and international policies and policy processes, and aim for economies of scale.

Cordaid stands with people of all genders and ages, who are hit hardest by poverty and conflict and whose rights have been violated. Starting at the heart of their communities, we mobilise global networks, resources and knowledge to help people move beyond survival and to fully participate in equitable and resilient societies.

We work with local communities who set their own agenda. We mobilise private sector actors and stimulate them to build partnerships with the public sector and support impact investments. Through our advocacy work we influence local governments and international decision-makers to change policies and provide resources. We invest to make public services more responsive to community needs. To ensure that our solutions are sustained, we embed them into system strengthening interventions, aimed at improving health, education, justice and other systems.

Connected with communities through shared goals

Cordaid focuses its work and partnerships on the following Sustainable Development Goals.



Sharing knowledge to boost innovation

Together with our partners, we initiate innovation projects which align with our programmes and foster knowledge development and sharing. This includes transnational research projects in so-called Communities of Experts to solidify the impacts of not only ours but our partner's interventions. Examples are a ten-year evaluation of Cordaid projects in South Kivu, in the Democratic Republic of the Congo (DRC), and our participation in a large-scale study by Radboud University on COVID-19 effects on partner organisations.

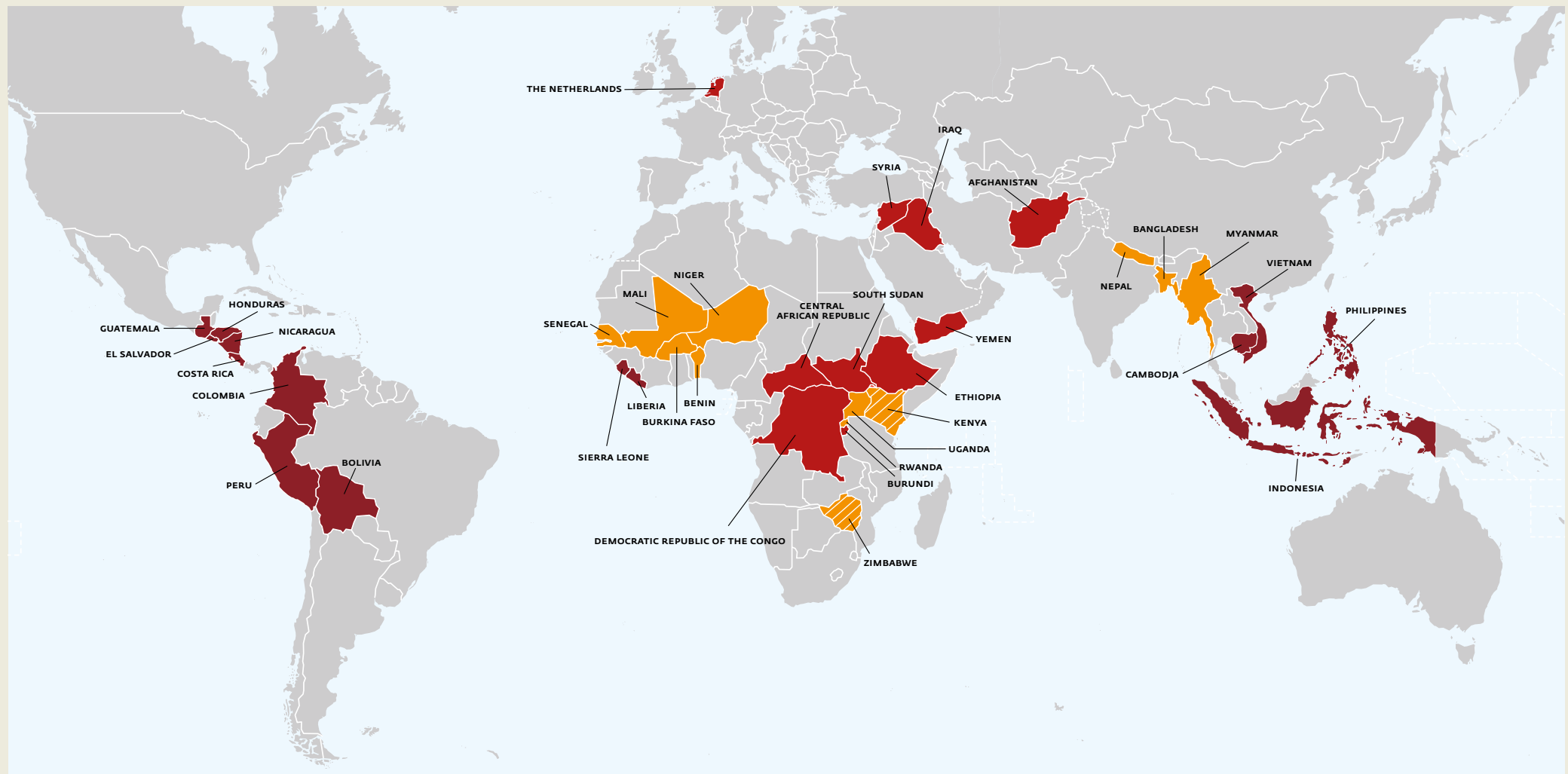
We are also increasingly investing in innovative approaches and adapting successful ones to new contexts and/or themes. For example, our Results Based Financing (RBF) approach is now enriched with smart paper technology that saves paper and increases efficiency and quality. We have therefore developed new ways to improve the quality of our programmes and to increase their impact. Lastly, our approach to strategic social purchasing mechanisms in health care, food systems and education was included in the best practices compendium of the [OECD](#).

WHERE WE WORK

With Cordaid and ICCO joining forces, the number of countries in which we work has increased. In 2021, we operated in 35 countries with eight Country Offices and four Cluster Offices. Our Cluster Offices provide the full range of services for several countries where smaller programmes are being implemented, Country Offices provide all relevant services in a single country.

- Country Office
- Clusters
- ▨ To be confirmed
- Phase-out office

i For those countries with an office, scroll over the name of the country to find out more about our local presence.



Focus on fragile and conflict-affected countries

We focus our efforts on conflict-affected parts of the world that are high on the fragility index. As a result of this strategic focus, we have decided to withdraw from the countries in Latin America and a number of other countries like Indonesia. This phase-out will not keep us from providing humanitarian assistance in these countries when needed and called upon. In 2022, we will phase out in Indonesia, Cambodia and Sierra Leone. In Latin America, Cordaid supports the transformation of the ICCO Regional Office towards a new, independent international non-governmental organisation (INGO) with headquarters in Bolivia, called Conexion. This will take some years.

12
offices
worldwide

1,380
staff members
around the world

Humanitarian assistance in Afghanistan

In August 2021, when the Taliban seized power, Cordaid's work in Afghanistan came to a temporary halt. Despite the many uncertainties, threats of our own and our partners' staff and the fact that several colleagues fled the country, the team found ways to reorganise. In November, we resumed our humanitarian aid to reach those in need and provided assistance to the population amid the political and economic crisis.

With funds from Caritas Germany, the European Civil Protection and Humanitarian Aid Operations (ECHO) and the UN Office for the Coordination of Humanitarian Affairs (OCHA), we provided humanitarian assistance in cooperation with local partners to around 73,000 people across Afghanistan.

In Pesha (Nangarhar province), for example, 300 villagers have been employed to construct a protection wall for a ditch to improve the irrigation system in the area enabling crops to grow. Besides being the beneficiaries of the work, the participating villagers also received a daily wage. These cash-for-work projects help people to survive and to revitalise the local economy. And in the Ghor province, our shelter-cash assistance allowed people to repair their homes. Due to adverse weather conditions and the armed conflict, their houses were destroyed, and people lost most of their property. But fortunately, those with cash assistance, were able to start repair work.



Photo Cordaid

Construction of a protection wall for an irrigation channel implemented through a cash for work project where the local community members are also recruited to work in the project and receive daily wages.

Pesha, Achin, Nangarhar Province in Eastern Afghanistan.



HEALTH CARE

Health is a fundamental human right. Cordaid commits to ensuring access of people to quality health care. Especially women and youth in fragile conflict- and violence-affected settings, where access or availability of such services is not a given. To achieve universal health coverage, including sustainability of health services, we cooperate closely with Ministries of Health and a range of local civil society agencies. >

HEALTH CARE

Our primary focus is on supporting the capacity development of local organisations and institutions, with an emphasis on mother- and childcare. We utilise a rights-based lens when accommodating equitable access to services for underprivileged and discriminated individuals and groups (including women, youth and stigmatised groups). This helps to save lives and reduce preventable deaths, such as from HIV and maternal and infant deaths from unwanted or life-threatening pregnancies.

Equitable access to health services

2021 was marked by COVID-19. Already in 2020, the pandemic had an impact on health systems, disrupting essential health services. It halted, or worse, reversed years of progress towards eliminating other diseases, such as malaria or tuberculosis, and towards advancing sexual and reproductive health services for all.

When vaccines became available at the beginning of 2021, there was some hope that these would be distributed in an equitable manner. But at the end of 2021, 70% of the people in high-income countries were vaccinated, against only 7% in low-income countries, with the lowest rates of immunisation in Africa and in countries in conflict; the countries that Cordaid focuses its interventions on.

Even more than in previous years, the situation called for us to advocate for distributive justice of global health resources. Therefore, we contributed to the national and international debate on equitable access to COVID-19 vaccines for low-income countries. We were also involved in the writing of various policy influencing statements and petitions that received positive response from UN agencies and from health ministries, including that of the Netherlands.

While the pandemic had its effect on health services around the world, we continued the focus on strengthening health systems by ensuring access to health services for the people we work for. In 2021, we spent a total of €108.3 million on health care programmes.



17.2 million people

reached through
our health care
interventions

Our key results for 2021 included:

- Increased access to quality health services, including:
 - ✓ 4.7 million outpatient consultations.
 - ✓ 143,000 fully immunised children.
 - ✓ 16,000 people receiving psychosocial support.
- Increased access to sexual and reproductive health services, including:
 - ✓ 172,000 women who has at least four antenatal care visits.
 - ✓ 153,000 people making use of family planning consultations.
 - ✓ 3.6 million people tested for HIV.
- Strengthened health facilities, including:
 - ✓ 407 health facilities with improved (technical) quality (score).

The results we achieved for health care in 2021 were made possible by the support of the World Bank, the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Bill and Melinda Gates Foundation, the European Commission, the German development bank KfW, the UN, the Dutch Ministry of Foreign Affairs and various Dutch embassies. For more information, please see our [website](#).



Vaccination coverage in Zimbabwe

Where necessary and feasible, Cordaid contributed to ‘pandemic preparedness’. Promoting health worker and patient safety by making testing materials available. We also supported campaigns to inform the public at large about the need for COVID-19 preventive actions and vaccination. An example is the Zimbabwe COVID Emergency Response Programme (ZCERP), which was funded by the World Bank. It aimed to support the Government of Zimbabwe to deploy and manage COVID-19 vaccines and to strengthen the related health system. Programme activities included capacity building and the provision of solar panels, fridges and other materials to health facilities. Also, door-to-door visits, community meetings and trainings of community influencers helped to increase the uptake of COVID-19 vaccination. As a result, the vaccination coverage gradually increased in Zimbabwe.

Social skills labs

One of the other projects supported were social skills labs at midwifery schools in Mali and Niger. Midwifery-teachers in both countries follow the national curriculum for training midwife-students. However, the curriculum is oriented towards medical-technical theory only. Mastering cultural, social and psychological aspects of counselling clients are important, especially in the area of sexual and reproductive health. Future midwives can change society-wide attitudes and practices for instance on family planning decision-taking, reduction of harmful practices such as female genital mutilation or child marriage. Hence, Cordaid facilitates the development of social skills labs at each midwifery school to improve counselling skills of midwives on culturally sensitive issues related to sexuality, pregnancy and births. Students acquire these skills through role plays, analysis of questions of clients and underlying assumptions and barriers.

CASE

REDUCING THE IMPACT OF SEXUAL AND GENDER-BASED VIOLENCE IN THE DRC

The Democratic Republic of the Congo (DRC) has a long history of violence, conflict and human rights violations. This has contributed to a high occurrence of sexual and gender-based violence in the country. Cordaid uses an integrated strategy to tackle this violence. Specifically, by providing medical aid and other support to survivors in combination with prevention efforts on the community level.



The ongoing conflict between government and rebel groups in eastern DRC has created chaos, disorder and human suffering especially in the regions of North and South Kivu. Both are among the regions in the DRC with the highest prevalence of sexual violence, such as rape and sexual abuse. These types of violence are frequently used in conflict situations as a weapon of war, to terrorise and humiliate the local population. Research shows that much of this violence is committed by civilians, not only by armed forces or rebel groups. Normalisation of violence and prevalent harmful gender norms, lead to the perpetuation of sexual violence even outside the conflict.

One-stop centres

Cordaid has been working on sexual and gender-based violence in eastern DRC since 2011, using an integrated strategy to tackle (S)GBV. In December 2020, the S-3G (Stabilité Genre et Garantie Communautaire, Guichets uniques, Gestion d'approvisionnement) programme started, funded by the Dutch embassy in Kigali. Here, we use a 'one-stop centre' approach to provide medical, legal, psycho-social and economic support to survivors.

Results in 2021 included:

- 8 one-stop centres established for survivors of sexual violence.
- 24 health centres qualified on gender-based violence.
- 385 cases of violence referred from health centres to a one-stop centre.
- 25 village savings and credit associations with 125 survivors established to help with their socioeconomic reintegration.
- 1,200 sexuality education sessions provided to 1,600 young people aged between 14 and 20.
- 24 units at the community level, with a total of 285 members, working on the prevention of sexual violence.
- 180 men committed to positive masculinity in their households.

"Our discussions have really helped me to improve my relationships in the family. I am committed to involve my wife in decision-making, creating new rules together and share with other community members how they can deal with emotions in a positive manner."

Participant of a positive masculinity workshop

CASE

MENTAL HEALTH CARE IN YEMEN

Yemen continues to face one of the world's worst humanitarian crises with about 20 million people in need of humanitarian assistance or protection. Alongside the need of food, water and shelter, the seven years of war have also aggravated psychological suffering and trauma.



Photo: Yamaan Foundation

Women and children suffer the most from the consequences of war and often cannot rely on essential health care for pregnancy or childbirth. To address the position of women, we organised a conference in December 2021 on Yemen, in collaboration with Yemeni partner organisations Family Counselling and Development Foundation (FCDF) and Yamaan Foundation. Both organisations highlighted the importance of mental health and psychosocial support in times of war.

Essential but neglected care

For perspective, there are only 59 psychiatrists in the entire country and this amount cannot even cater for a fraction of the needs. According to a study conducted by FCDF, one in five Yemenis suffers from mental health disorders. Women and children who are bearing the brunt of the conflict are extremely vulnerable to mental health issues but face the biggest challenges in accessing the very limited mental health and psychosocial support.

The objective of our programme in Yemen is to increase access for people affected by the conflict and to appropriate mental and psychosocial support at the community and health facility level. By rehabilitating hospitals and health units, we also increase the access to health services, especially in remote rural areas.

In 2021, we achieved the following results in collaboration with our partners in Yemen.

- 5 rural health facilities in the Sana'a and Hudaida regions rehabilitated.
- 8,300 people received mental health consultations and medications.
- 61,000 people provided with primary health care.



"Mental health is a human right, and you cannot separate a person's psychological suffering from the economic, social and security crises they are coping with."

Dr Bilqis Jubari, chairwoman of FCDF

CASE

GLOBAL HEALTH, GLOBAL ACCESS

The COVID-19 pandemic has made it clear: health has a global impact. Or like UN Secretary-General António Guterres once said, we are only as strong as the weakest health system in our interconnected world. Investing in health care contributes to improving economic development, social stability and the health situation across the globe.



An important contribution towards achieving global health is the Official Development Assistance (ODA). In 1970, the UN agreed that high-income countries should put 0.7% of their Gross National Income towards development assistance. For many years, the Netherlands adhered to the 0.7% commitment, but unfortunately in recent years the Dutch government has gradually reduced its contribution.

Advocating for a more global approach to health

Cordaid's Global Health, Global Access programme stimulates and motivates the Dutch government to expand the budget for development cooperation, particularly the budget for global health programmes. We do this by raising public awareness and through actions that influence policies. The programme is funded by the Bill & Melinda Gates Foundation.

Since the start in 2017, we have produced policy briefs with evidence on how the government can contribute to improved global health outcomes. We published various articles and stories on our website and other news channels, including social media. We organised debates with experts and country visits with parliamentarians to show what has been achieved locally.

Dutch Global Health Alliance

Over the years, a key element has been to create alliances with other civil society organisations. In 2020, with the catalyst of COVID-19 and its effects globally, this collaboration became more structured through the creation of the Dutch Global Health Alliance. This is a coalition of 11 organisations (and growing) that collectively advocates for increased ODA and an increased role of the Netherlands in global health. The secretariat of the alliance lies with Cordaid.

Some major successes of our advocacy efforts have been:

- The announcement by the government that the Dutch ODA contribution will be increased from 0.55% in 2021 to 0.61% in 2025.
- The government's commitment to work on a Dutch Global Health Strategy.
- An increase in the budget for the COVAX initiative that aims to enable low-income countries equitable access to COVID-19 vaccines.



"COVID-19 has definitely shown that the status quo on how we approach global health is not enough. We need more focus on the issues, on our responsibility and on the possibilities for a more equal future. The Dutch can and should do more on global health."

Rosana Lescrauwaet, Advocacy Officer, Cordaid.



EDUCATION

Education is a foundation for life and a gateway for personal development. However, more than 250 million children and youth are not in school and among those in school many fail to reach minimum levels in reading and mathematics due to a poor learning environment. We therefore aim to improve both access to primary schools, as well as the quality of education. >

EDUCATION

**700,000
children**

with access to
quality education

In 2021, in total 1.2 million people benefitted from Cordaid's education activities. To structurally increase access to education, notably for girls, and meanwhile improve the quality of the learning environment, we train teachers in our Results-Based Financing (RBF) approach. By achieving results to a specific set of indicators, schools focus on improving the quality of education and enhancing good governance. We pay attention to a safe and stimulating learning environment by using educative signs and posters in the playground. Schools are stimulated to use their subsidy for the acquisition of educational materials, to provide drinking water and to improve sanitation facilities. We are confident that by improving the quality of education, the learning outcomes of children will improve as well. We engage with all relevant actors within the education chain and strive for more autonomy and cost-efficiency of educational systems. Our PBF approach entails a direct link between funding and results. Schools are only paid when they can demonstrate that results are obtained. For example, that more children, particularly girls, are enrolled, higher quality of education has been achieved and that the learning environment has improved.



In the Democratic Republic of the Congo (DRC), we successfully implemented a large-scale RBF project covering 1,350 schools to improve access to education for 590,000 children. This project called PAQUE (Projet d'Amélioration de la Qualité de l'Éducation) received funding from the Global Partnership for Education managed by the World Bank.

Reduce the education backlog caused by COVID-19

In 2021, the pandemic again had a negative impact on the education opportunities. Many schools were closed, especially in Uganda where schools were closed nearly the whole year. There was only one trimester where half of the children could go to school. For most children, online learning is not an option, as they themselves or the schools lack online means and infrastructure. Therefore, we worked closely with local radios which broadcasted educational sessions. With the provision of radios to schools, children could get access to education, even when their school was closed.

As such, we were able to support alternative education. We also organised activities to sensitise parents to send their children back to school after the COVID-19 period. In some education projects, extra efforts were made to restore school infrastructures, and get children from poor families enrolled or re-enrolled in schools. For more information about our approach, please see our [website](#).

In 2021, we spent approximately €6.4 million on education programmes. Our biggest donor was the Global Partnership for Education, managed by the World Bank. The COVID pandemic and closure of schools influenced the results. Key results in 2021 included:

- 1.2 million people benefitted from education activities.
- 700,000 children with access to quality education.
- 1,580 schools contracted: 1,400 improved their quality score.

CASE

IMPROVING EDUCATION IN BURUNDI

The number of school children has risen sharply in recent years in Burundi. The quality of the education, however, is very low. Only 60% of the children complete their primary education, and after their school period 20% of the children are still unable to read. Muramvya has one of the lowest levels of education in the country, which is why this province was chosen for the programme.



To improve the quality of basic education, we implemented a Results-Based Financing (RBF) programme in the province of Muramvya. The programme started in 2020 in 74 primary schools and ended in August 2021.

Support learning

In collaboration with a local partner, we trained teachers, headmasters and local authorities on the RBF approach. This approach works with indicators at different levels for which the school and local authorities can gain subsidies when they fulfil the indicator objectives. With the subsidies, schools could buy pupils desks,

books and other school materials, rehabilitate classes and latrines, and improve the availability of drinking water. The local authorities could use the subsidies for more supervisory missions, more training for teachers and rehabilitation of their offices, among others.

The project has been implemented together with the Ministry of Education, local authorities and a local partner. Local associations have also been contracted to do satisfaction surveys for both school children and their parents.

Key results in 2021 were the following:

- 47,400 children benefitted from higher quality education.
- 2,960 children from disadvantaged families (1,700 girls and 1,260 boys) enrolled in school.
- 160 children who abandoned school were re-enrolled.
- 1,400 teachers and other school staff trained.
- 65 schools (92%) improved their quality score during the programme period.
- The satisfaction of parents with these improvements was 95% and for the children it was almost 100%.



"We very much appreciate the RBF education project. We used the subsidy to buy school desks and materials. With the support of the community, we were also able to build a classroom. People from the community made the bricks, while we paid for the labour and the finishing work."

Mr Fiacre Nkurunziza, director and headmaster of Kiuyeyi school in Muramvya



SECURITY AND JUSTICE

In fragile and conflict-affected settings, the state is often unable to fulfil its primary obligation - to protect the population and maintain the rule of law. Security and justice providers like police and courts are weak and unresponsive. Citizens bear the burden, with women, youth and the very poorest disproportionately affected. Cordaid works with communities, governments and human rights defenders to design lasting solutions to conflict, injustice and insecurity. >

Photo Steven Lanting

SECURITY AND JUSTICE

Local voices in civil society are the foundation upon which our security and justice initiatives are built. In 2021, the space for civil society to advocate and lobby for fundamental rights shrunk significantly. In several countries, the right to congregate was prohibited by authorities, in order to prevent the spread of COVID-19. Such measures reduced citizens' freedom of speech, undermining attempts to hold authorities accountable. In Mali, the democratically elected government was overthrown by the military, which subsequently limited the ability of civil society actors to operate freely. From the perspective of security and justice, one of the most challenging moments was the takeover in Afghanistan by the Taliban. The collapse of the Afghan government has had severe consequences for the position of women and has curtailed opportunities for civil society to advocate for inclusion. Despite these challenges, we continued our work, strengthening local civil society actors with tools to develop effective advocacy agendas and bring their voices to international fora like the UN.

In 2021, we spent €4.5 million on security and justice programmes.

Key results in 2021 included:

- 95 security and justice institutions strengthened to provide better services.
- 560 people with improved access to security and justice services.
- 50 civil society actors with strengthened organisational and advocacy capacity.
- 6,000 people that meaningfully engage in peace processes at various levels.
- 600 people effectively participating in decision-making processes on security and justice at a local level.

These results were made possible by the support of the Ministry of Foreign Affairs, EU and Dutch embassies in the Democratic Republic of the Congo (DRC), Burundi and South Sudan. More information about our approach is available on our [website](#).

Involving youth in peacebuilding and security

Youth are an integral part of inclusive, peaceful societies. However, their contribution to peacebuilding and security processes is often neglected. In Iraq, we involved young people in advocacy to prevent and eliminate gender-based violence. In Burundi, DRC and Uganda, more than 400 young people participated in the Youth Borderlands Forum in 2021. This project was developed by Cordaid and the United Network of Young Peacebuilders, UNOY. Here, local partner organisations received training in research and advocacy and strengthened their cross-border collaboration to work towards more inclusive peacebuilding in the region.

Strengthened responsiveness and accountability

Under the Just Future banner, in the DRC, we worked with local partners to advocate for the adoption of a law to protect human rights defenders. The National Parliamentary Assembly agreed to put the law on its legislative agenda, which will improve the protection of human rights defenders across the country.

739,000
people
with improved
security and justice



Photo Mickael Franci



Our Results-Based Financing approach in the ESPER (Ensemble pour la Sécurité et la Paix à l'Est de la République Démocratique du Congo) programme in the DRC creates incentives for security and justice actors to better meet expectations of local communities. In 2021, we encouraged actors like police stations and courts in eastern DRC to work together with community representatives. They set targets for improved services, ranging from better case management in the courts, to reducing arbitrary fines and traffic stops by police officers. As a result, it helped to increase the accountability of security and justice providers.

CASE

PARTNERSHIP FOR A JUST FUTURE

In fragile countries, the rights of women, young people and excluded groups are seldom protected, neither by government nor by security and justice institutions like police and courts. Alarmed by this situation, Cordaid formed the Just Future alliance.



The alliance is a partnership between Cordaid and Search for Common Ground, Afghanistan's SALAH Consortium and three coalitions operating mainly in sub-Saharan Africa: African Security Sector Network, West African Network for Peacebuilding and Women's International Peace Centre. The alliance is active in six of the world's most fragile countries: Afghanistan, Burundi, the Democratic Republic of the Congo (DRC), Mali, Niger and South Sudan.

Each of these countries is affected by chronic and widespread insecurity and injustice. Women, young people, displaced people and identity-based groups are excluded from power and are disproportionately affected by fragility and conflict. Many are plagued by violence, whether between state and armed groups or between ethnic groups.

Access to security and justice services

The alliance received funding from the Dutch Ministry of Foreign Affairs for a five-year programme. Implementation started in 2021. In the coming years, the alliance members will implement the following activities:

- Strengthen the research and advocacy skills of local partners. Increase their knowledge in areas like formal and informal justice mechanisms and engagement of women and youth in peacebuilding.
- Work with civil society and communities to demand more accessible, responsive and accountable security and justice institutions. Enabling people to defend their rights, redress grievances and resolve disputes through pathways of justice.
- Influence political decision-making, especially regarding peace processes. Thus, being more inclusive and accountable to the most excluded constituencies.

Results in 2021 included:

- 35 local partners strengthened their coordination, research and advocacy and lobby capacities.
- Partners championed the formation of the EU Coalition on Youth, Peace and Security to strengthen youth participation in EU peacebuilding policy and practice.
- Partners presented key recommendations on Women, Peace and Security to leaders of the G7.



"The long wait for justice perpetuates crime. That is why our organisation helps victims to find justice for the crimes that took place in the DRC."

Mr Fidèle Andera, programme assistant at Dynamique des Femmes Juristes, DRC

CASE

DOWN TO ZERO: STOPPING THE SEXUAL EXPLOITATION OF CHILDREN IN COLOMBIA

Two million children and adolescents are victims of sexual exploitation every year around the world. Boys and girls are sexually exploited on the street or via webcam. The Down to Zero alliance aims to stop the sexual exploitation of children in twelve countries in Asia and Latin America. The alliance is a collaboration between Defence for Children-ECPAT, Free a Girl, Plan International Netherlands, Terre des Hommes and ICCO, part of Cordaid, with sponsorship from the Dutch Ministry of Foreign Affairs.



One of the countries where the programme is being implemented is Colombia. The Andean country is going through a steep crisis, characterised by high levels of poverty, corruption, soaring crime rates and the inflow of large numbers of Venezuelan immigrants. Since the COVID-19 pandemic, the number of cases of sexual exploitation of children has increased, as children spent more time during the pandemic online without the supervision of adults.

Direct support with advocacy and awareness raising

The Down to Zero programme raises awareness and ensures that children get access to protection services. It encourages government to implement relevant policies and laws. The programme also supports child protection organisations, parents, caregivers and community leaders to help them to protect children. It also cooperates with the private sector to prevent and address sexual exploitation of children in tourism.

These activities are implemented in collaboration with local partners. Some of the key results in 2021 include:

- 85 victims received care and support, including health services, therapeutic help and support in family reintegration.
- 50 young people received training to reinforce their advocacy skills. Together with other children and youth, they presented a manifesto with policy recommendations to Congress.
- 120 government officials received training and expanded their knowledge of victim-centred approaches.
- 24 companies were supported in developing an ethical company policy.



"Our society is steeped in sexism. As a youth leader, I advocate against that. I want to break stereotypes and teach other children and youth how to set their boundaries and what rights they have. I hope I can inspire others to do the right thing."

Willian, youth leader from Colombia, 19 years old

CASE

YOUNG PEOPLE BEHIND CAMERAS

It is vital that those affected by conflict have a voice in the decisions that affect them. In fragile countries, young people are often the majority of the population, but they are often marginalised and their voices are not listened to. It makes them frustrated, but also vulnerable to recruitment by armed groups and fundamentalist ideologies.



We work with many youth organisations worldwide in the shared mission to stop human rights violations, improve the opportunities for young people in education and employment, and include young people's voices on matters of security and peace. Excluded young people pose a risk to society, while investing in them leads to positive change. They can mobilise and unite people to raise their voice against the inequalities, the lack of opportunities and safety of ongoing conflicts in their countries.

Agents for change

In Cordaid's project *Young People Behind Cameras*, young changemakers film the impact young people have in their communities. They show the difficulties they face and the changes they strive for. For example, the film 'Amal' (meaning hope) depicts the experience of youth in the Yemeni war. In this film, Youth Without Borders Organisation for Development, a Cordaid partner, shows the needs of youth in a country torn apart by a civil war. The film was presented to an international audience at the Yemen Conference that Cordaid organised in December 2021.

The Young People Behind Cameras project brings together youth-led organisations from six countries: the Democratic Republic of the Congo (DRC), Ethiopia, Iraq, Mali, Uganda and Yemen. It allows young people to learn the skills of film making, share their stories with the world and act as agents of change. The films are used to convince policymakers to invest in young people and to invite them as equal partners to the decision-making table.



"Our film tells the story of a young woman in Yemen who lost her loved ones in the conflict. Young people are not participants in the war, but they are very much affected by it."

Maimonah, one of the makers of the film Amal



SUSTAINABLE LIVELIHOODS

In 2021, an estimated 700 million people, or 9% of the global population, were living in extreme poverty on less than \$1.90 a day. These people lack access to decent work, basic services and experience severe food insecurity. Climate change and a growing world population will likely worsen this situation. >

SUSTAINABLE LIVELIHOODS

Cordaid improves sustainable livelihoods, plus food and nutrition security by strengthening food systems. A part of that is the support to smallholder farmers to produce sufficient and nutritious food. In fragile contexts we invest in inclusive economic growth, by supporting small and medium enterprises to grow and create employment opportunities. We increase the technical and business capacities of young men and women, displaced persons and refugees. This is to improve their employability and increase the sustainable success of their businesses.

Furthermore, we contribute to more profitable and inclusive (agricultural) value chains. Together with private sector partners and financial service providers we support small producers and entrepreneurs in accessing finance and markets, and, thus, increasing their income.

Led by the UN Guiding Principles on Business and Human Rights and other treaties and standards, Cordaid supports companies and their suppliers to become responsible corporate actors by ensuring decent work, living wages and environmental protection. We also hold governments to account for their role in the field of responsible business, be it legislation, policy development or other stimulating measures. For more information about our approach, please see our [website](#).

1 million people
with improved livelihood



Before the integration with Cordaid, ICCO had a strong portfolio on sustainable livelihoods. In 2021, we worked on connecting the approach on sustainable livelihoods to other parts of the Cordaid strategy. This will continue in 2022.

In 2021, we spent €22 million on sustainable livelihoods programmes.

Key results included:

- 114,000 households with improved food security.
- 1,100 new jobs created.
- 1,200 unemployed youth successfully supported into (self)employment.
- 2,900 farmers applying good agricultural practices.
- 3,000 households with more diversified livelihoods (income generation).
- 593,000 people with control over food systems.

These results were made possible by the support of the Netherlands Enterprise Agency (RVO), Mastercard Foundation, Danish International Development Agency (DANIDA) and the Dutch Postcode Lottery.

Manq'a chosen as one of the best small businesses

In 2021, Manq'a was chosen as one of the 50 best small businesses of the “Good Food for All” competition, held in conjunction with the UN Food Systems Summit. Selected from nearly 2,000 applications from 135 countries, the 50 winners all showcase inspiring and impactful solutions in improving access to healthy, sustainable food.

Manq'a is a social enterprise that started in Bolivia in 2014 and was extended to Colombia, Guatemala and Honduras. It works to strengthen food security and the economic empowerment of young people in Latin America through the training of chefs and gastronomic entrepreneurs. More than 5,500 young people were trained as cooks, 2,600 jobs were created, and the food security of 6,600 households was improved. The project promotes the consumption of local and nutritious products. After graduating, students receive support to enter the labour market or to start a business.

Strengthening African Rural Smallholders

In sub-Saharan Africa, smallholder farmers are the backbone in the fight against hunger and poverty. Yet, market systems work against them and push them into poverty. Strengthening African Rural Smallholders (STARS) is a recently concluded five-year programme (2017-2021) of Cordaid in partnership with the Mastercard Foundation. It improved access to finance and markets for farmers in Burkina Faso, Ethiopia, Rwanda and Senegal.

This impact was achieved through a set of interventions: ranging from the design and implementation of business development services, improving market access and input supply for farmers, technical training and finally, the design of loan-products that are tailor-made for farmers. Overall, the programme impacted more than 330,000 farmers and worked with 22 microfinance institutions (MFIs).

To develop tailor-made loan products for farmers, we developed the Agri-Credit Assessment Tool (A-CAT). With this tool, MFIs can get better insights into the farmer's cycle of agricultural activities, the loan amount needed to finance inputs and other costs, as well as the expected income (using estimated crop yields). Based on this cash flow, MFIs can determine the ideal loan size for a particular farmer and predict the capacity to repay the loan. One of the other highlights of STARS was the ability to develop loans that fit the specific needs of female farmers. STARS worked with MFIs to promote remote working, through digital access which overcame mobility challenges experienced by women. It provided trainings to women in business administration. But most importantly, STARS managed to engage with the underlying prejudices MFI staff had against women. With good results, because 54% of the loans went to female clients.

Important lessons from the STARS programme

In 2021, we received a positive end-evaluation of our STARS programme. We took four important lessons from this evaluation, which we will use in future programme development.

- Innovations work best when solidly grounded on existing knowledge.
- Significant and sustainable outcomes need a dual approach. A focus on both improved functions (e.g. more women in the board of producer organisations) and institutionalisation of laws (e.g. the bylaws of these organisations).
- Participation of targeted people is key for ownership and understanding the needs of those involved.
- Importance of building networks across and beyond value chains.

Business recovery from the COVID-19 pandemic

An important challenge for producers and entrepreneurs during 2021 was the COVID-19 pandemic. Micro and small businesses in northern Uganda, a region that is still recovering from the devastating effects of conflict, were also affected. Due to insufficient financial muscle to overcome closure of markets and movement restrictions, entrepreneurs were forced to lay off staff, reduce the business-scale or even close businesses that were their sole source of livelihood.

The lockdown during the COVID-19 pandemic also affected Geoffrey Okabo's wine business in Lira town. Geoffrey sells organic wine that is made from ginger, hibiscus and lemon. Before the lockdown, he produced 750 litres of wine per month. The product landed on the shelves of several local shops and was becoming very popular. He was already planning to increase his production, but the pandemic threatened his ambitions. Due to movement restrictions, Geoffrey could no longer import bottles from Kampala. He received a grant from Cordaid's COVID-19 Agribusiness Recovery project which enabled him to buy more expensive bottles from local suppliers. He also received marketing advice and decided to start making door-to-door deliveries.

Geoffrey is one of the 300 young entrepreneurs from Uganda's Nebbi and Lira districts that have benefitted from recovery grants under the COVID-19 Agribusiness Recovery project. The project has been implemented with support from Youth Business International (YBI) and Standard Chartered Foundation.

IMPACT INVESTING

Impact investing is indispensable and complementary to our grant-based work. It enhances people's ability to earn a decent income by investing in sustainable and decent employment or entrepreneurship activities. By providing loans at favourable terms, Cordaid's investing approach fosters resilience of local small and medium-sized enterprises (SMEs), thus enabling them to grow and provide decent jobs in the local market. In fragile settings we often are the first lenders, thus playing a catalyst role for other investors to become active.

Cordaid Investment Management: investing for a brighter future

In many countries where we work, the private sector consists primarily of informal microenterprises, operating alongside a limited number of large firms. SMEs, which can be important contributors to equitable economic growth and job creation, are often few in number. We continue to address this 'missing middle' by supporting SMEs and microfinance institutions (MFIs) with business development services and access to finance.

For more than 25 years, Cordaid Investment Management (CIM) has been a pioneer in underserved markets, providing access to finance to entrepreneurs left out by traditional financing schemes. With €74 million assets under management in 2021, CIM was active in 17 countries in Africa, Asia and Latin America.

More than 50% of CIM's portfolio is in fragile countries, where there is a high need for investment in private sector development. For more than 55% of our clients, we act as a catalyst for financial inclusion by being the first international lender. Our investments help entrepreneurs to build a positive financial track record and receive additional funding from other lenders, which in time enables growth and job creation.

Capital 4 Development Asia Fund

In India and Indonesia, we operate a special Capital 4 Development Asia Fund. It has a special focus on women owned and led businesses, as female entrepreneurs are still underrepresented in both countries. Up to December 2021, we have supported 27 SMEs in both countries with a total investment of €20 million. Of these investments, 62% were in companies owned and/or led by women.



Photo: Kalifa Dabouda Keita

Senior Investment Manager and the Macrowaste team in Bamako, Mali

PlusPlus: crowdfunding for agri-food enterprises

In many countries, the agricultural sector is the main source of income, employment and food security. Therefore, investing in this sector makes a difference. But local commercial banks shy away from financing small agri-food enterprises as they are considered high risk, leaving them without the necessary finance to grow their business.



PlusPlus is a new online crowdfunding platform on which these enterprises can source funding from investors in Europe. The platform was launched in August 2020 by Cordaid, Solidaridad, Lendahand and Truvalu. Until December 2021, we raised €748,000 in loans from 411 investors, used by 18 micro-enterprises to buy equipment and source raw materials from small farmers. As a result, these loans contributed to higher incomes for 9,970 farmer families.

FairClimateFund: investing in a fair climate

Industrialised countries are responsible for most CO₂-emissions, whereas the greatest impact of climate change occurs in countries who contributed least to the pollution. Carbon offset schemes allow individuals and companies to invest in climate projects around the world to balance their own carbon footprints. Our FairClimateFund (FCF) initiates projects that reduce CO₂-emissions and provide a better future for people who are most vulnerable to the effects of climate change. We do this by investing in climate projects in fragile settings with a focus on cleaner cooking solutions and nature-based solutions, like planting trees.

In 2021, FCF received a record number of requests from organisations and individuals for offsetting their carbon footprint. Around 800 organisations and individuals contributed an amount of €1.4 million in carbon credit income. This allowed us to invest until 2021 in more than 80,000 clean cookstoves and biogas units and to plant 287,800 trees, leading to a total CO₂ reduction of 730,000 tonnes.



CASE

BIRDS, BEES AND BUSINESS: RESTORING NATURE WITH OPPORTUNITIES FOR WOMEN IN WEST-AFRICA

There is a growing international market for shea butter, which is used in food products and cosmetics. This demand creates opportunities for West African women. They traditionally earn cash by processing shea nuts into shea butter. Most sell their shea locally, but there is a potential for women to increase their income on the international market. For this to happen, it is crucial that shea trees continue to produce enough nuts.



But the shea landscape is changing. The region is severely suffering from desertification. The soil is less fertile and increasingly eroded because farmers are burning trees and shrubs so they can use the land for livestock and agriculture. The landscape has also deteriorated because of the felling of trees for fuelwood and construction materials. In addition, insects are killed using chemical pesticides. But insects are key, both as food for migratory birds and as the main pollinators of flowering plants like shea trees. As a result, local people see their harvests dwindle. Not just the yields from farm crops but also those of shea nuts.

Creating benefits for humans and nature

To tackle this problem, Cordaid joined forces with FairClimateFund and *Vogelbescherming* – the Dutch society for the Protection of Birds – in the Birds,

Bees and Business programme. The partnership is funded by the Dutch Postcode Lottery and works with local partners on nature restoration and market opportunities for 29,000 women in Burkina Faso. The programme has three components.

- **Birds** – We plant new trees and develop a mosaic landscape with crops, shea trees and other tree species where birds love to forage.
- **Bees** – We stimulate biodiversity, which attracts more insects, which are important as food for the birds and for pollination.
- **Business** – We help the women to improve the quality of the shea butter, making their product more attractive to shea purchasing companies.

Key results between June 2018 and November 2021 were the following.

- 215,000 new trees planted.
- 3,500 people trained in restoration techniques.
- 1,600 beekeepers (735 women) supported to improve beekeeping and honey harvesting.
- 2,200 smallholder farmers with improved access to finance.



“Recent projects show that nature restoration and more sustainable use of natural resources are possible in West Africa. Products from the landscape, such as shea nuts, enable the local population to build up a sustainable livelihood.”

Assita Dembélé of local partner Naturama

CASE

INTRODUCING SALT TOLERANT CROPS IN BANGLADESH

Due to salinisation (the increase of salt concentration in the soil), less land is available for agriculture worldwide. This has different causes, such as flooding by the sea, and as a result crops no longer grow. With the programme COASTS, farmers introduce salt-tolerant crops, so that waste land becomes productive again.



Salinisation is a big problem in Bangladesh, especially in coastal areas where climate change is causing the flooding of agricultural land. Until now, farmers have mainly tried to combat salt concentrations in the soil. Cordaid does not fight the salt in the soil but rather makes use of it. We do this by improving irrigation and introducing variants of known crops that do grow on saline soil. In this way, degraded soil becomes productive again offering new opportunities for farmers.

Improving the livelihoods of farmers

The COASTS programme is funded by the Netherlands Enterprise Agency (RVO). It is a public private partnership in which we work together with seed company Lal Teer Seed, the Bangladesh Agricultural University and the Soil Resource Development Institute of the Bangladeshi Ministry of Agriculture. The programme started in July 2020 and will run until June 2024. Our goal is to support 10,000 farmers, of which are 50% women, to transform 5,000 hectares of fallow land into productive agricultural land by introducing saline agricultural farming practices.

Some first results of the activities implemented in 2021 include:

- Baseline study and market assessment completed.
- 2,000 salinity affected farmers households selected.
- 80 demonstration farms selected, and local lead farmers trained on saline agriculture technologies.
- 10 salt-tolerant vegetables seed varieties validated and demonstrated.
- 1,900 smallholder farmers trained and started getting their first harvest from salt affected land.



"The COASTS project is promoting different technologies like pitcher's irrigation, ridge and furrow and poly-bed mulching techniques. I hope farmers will benefit by using these technologies."

Bidhan Kumar Bhandar, Director General of Soil Resource Development Institute



HUMANITARIAN AID

Disasters hit the poorest communities the hardest. We work in the most fragile contexts, where the institutional landscape is underdeveloped or broken down by conflict or natural disasters. Our humanitarian aid programme provides humanitarian aid to people in direct need. The aim of our interventions is two-fold: to save lives and to strengthen communities in coping with future crises. >

Photo DRA, Ethiopia — Joost Bastmeijer

HUMANITARIAN AID

Cordaid provides emergency relief in crisis situations, addressing immediate needs for survival. We offer life-saving assistance like emergency shelter, water, food, and non-food items like soap and other hygienic products, to make sure that people are safe and properly protected. We also support people after a crisis and help them return to their place of origin. This includes asset recovery, strengthening community structures and supporting livelihoods and basic services like education and health care. This strengthens the ability of communities to anticipate, adapt and respond to future hazards and shocks.



Photo Joost Bastmeijer

Cordaid intervenes before, during and after disasters. We improve disaster preparedness, provide emergency relief, and enable recovery and reconstruction. In our triple nexus approach, we link relief and humanitarian aid to rehabilitation, development and peacebuilding. We do this in collaboration with local partners, communities and other key humanitarian aid actors. We work within the local capacities and enhance those capacities of local actors to respond to unfolding hazards and disasters in a timely and effective manner.

Our humanitarian assistance complies with the humanitarian principles of humanity, neutrality, independence and impartiality, and respects International Humanitarian Law. For more information about our approach on humanitarian aid, please see our [website](#).

Cordaid successfully responded to different humanitarian crises in 2021, including difficult conflict situations in Afghanistan, Ethiopia, Mozambique and Yemen where aid blockages severely impacted our work. The complexity of the situation caused delays in several responses, but together with our local partners we always managed to provide assistance to the people in need.

In 2021, we spent €68.9 million on humanitarian aid. The results we achieved on Humanitarian Aid in 2021 were made possible by the support of the Dutch Ministry of Foreign Affairs, Humanitarian Pooled Funds, the European Union/ECHO, Caritas Internationalis and Act Alliance, UNICEF, SHO/Giro 555, AMREF Germany and many others. Key results included:

- 1.1 million people supported with humanitarian aid.
- 104,000 people enabled to meet their basic food needs.
- 134,000 people provided with resources to re-establish their livelihoods.
- 118,000 people having access to sufficient and safe water for domestic use.
- 3,500 crisis-affected people involved in the design and implementation of programmes.
- 90% of the humanitarian response was timely.
- 98% of the humanitarian response was appropriate.
- 77% of the people were satisfied with the humanitarian assistance received.

**1.1 million
people**

supported with
humanitarian aid

Emergency aid for displaced persons

One of the places where we reached many people with lifesaving assistance in 2021 is Cabo Delgado in Mozambique. Armed groups have severely disrupted the lives of people in Cabo Delgado since 2017. They have attacked several towns and villages, murdered people and set houses on fire. Rebels have been motivated by their grievances against the state, which they see as delivering little for them. Despite the development of major minerals and oil deposits in the region.

Following the escalation of the conflict in late 2020, a severe attack in the beginning of 2021, and tropical storms - the number of refugees and displaced persons increased rapidly. As many as 1.3 million displaced people were in urgent need of help. People were suffering from famine, and there was a severe lack of drinking water and sanitation. Supported by the Ministry of Foreign Affairs, Cordaid and other members of the Dutch Relief Alliance responded to the emergency. Cordaid worked together with local partner Caritas Pemba. Our focus was on access to basic livelihood needs by providing food parcels, seeds and tools to grow their own vegetables and adequate drinking water. We also built latrines and distributed dignity kits to women and girls.

Food insecurity

Years of war have had a devastating impact on South Sudan. The combination of conflict, insecurity and economic downturn has pushed the crisis in South Sudan to unprecedented heights. The country also suffers every year from major floods. Due to climate change, South Sudan has seen for some years now much wetter seasons than average, and its dry seasons have become even drier. In 2021, the worst flooding in decades swallowed up homes and farms. This has worsened the already dire situation and now, people have no food and no land to cultivate.

To tackle the acute food insecurity, Cordaid with funding from the Dutch Relief Agency (DRA) and the Caritas network, handed out food packages to help the affected population directly in their essential needs. As pregnant women and children under five are at the greatest risk of succumbing to the effects of



Photo Petterik Wiggers

malnutrition, they were the first to receive direct food aid. In addition, we distributed vouchers that could be traded for food produced by local farmers and supported farmers with seeds so they could grow crops again.

Linking relief to rehabilitation and development

This strategy to link relief and humanitarian aid to rehabilitation and development was also implemented in the Central African Republic (CAR). Decades of violence and political instability in the country have undermined people's resilience and coping mechanisms. In a joint response with other humanitarian aid organisations (funded by DRA), Cordaid has provided shelter, food and water, sanitation and hygiene (WASH) to displaced households. We also enhanced the livelihoods of farmers through the construction and rehabilitation of water points; by supplying them with seeds, tools and training. In addition, we supported the livelihood opportunities of young adults through trainings in income generation activities and a cash for work approach.

CASE

LIFE-SAVING EMERGENCY RESPONSE IN TIGRAY, ETHIOPIA

2021 has been a year of conflict in Ethiopia. In November 2020, the Ethiopian government began military operations in the Tigray region in response to an attack by the Tigrayan People's Liberation Front. The fighting caused thousands of deaths, forced away more than two million people from their homes and pushed part of the country into famine.



With funding from the Dutch Ministry of Foreign Affairs, Cordaid and other partners in the Dutch Relief Alliance have been implementing a joint response in the areas of Tigray affected by the conflict. Cordaid is the lead in this programme. Together with local partners, we started to provide life-saving assistance to people facing acute needs. The interventions are aimed to improve direct access to food, shelter and non-food items. Implementation was difficult in the beginning, as it was hard to get resources into Tigray, but in the end Cordaid managed to implement all of its activities successfully.

Reaching people through church networks

In our humanitarian response we work with both catholic and protestant church networks. Which is an incredible advantage according to Akinyi Walender, Cordaid's country director in Ethiopia; "Local churches reach the deepest level of any community. People in these regions are very religious and if you want to reach the most disadvantaged, you need the church on your side."

The project initially ran for six months, from February until August 2021, but received an extension of two months from the Dutch government. In October, due to extremely high demand in the region, an additional budget was made available to continue the project for another six months.

Results achieved by Cordaid and our local partners in Tigray in 2021 included the following:

- Providing food assistance to 2,100 households (10,500 people) to meet their basic food needs.
- Improving access to basic, safe and dignified shelters to 220 households (1,100 people) through distribution of house repair materials (iron sheets, nails and tools).
- Providing 1,400 people with non-food items (blankets, bedsheets, clothing and cooking materials).

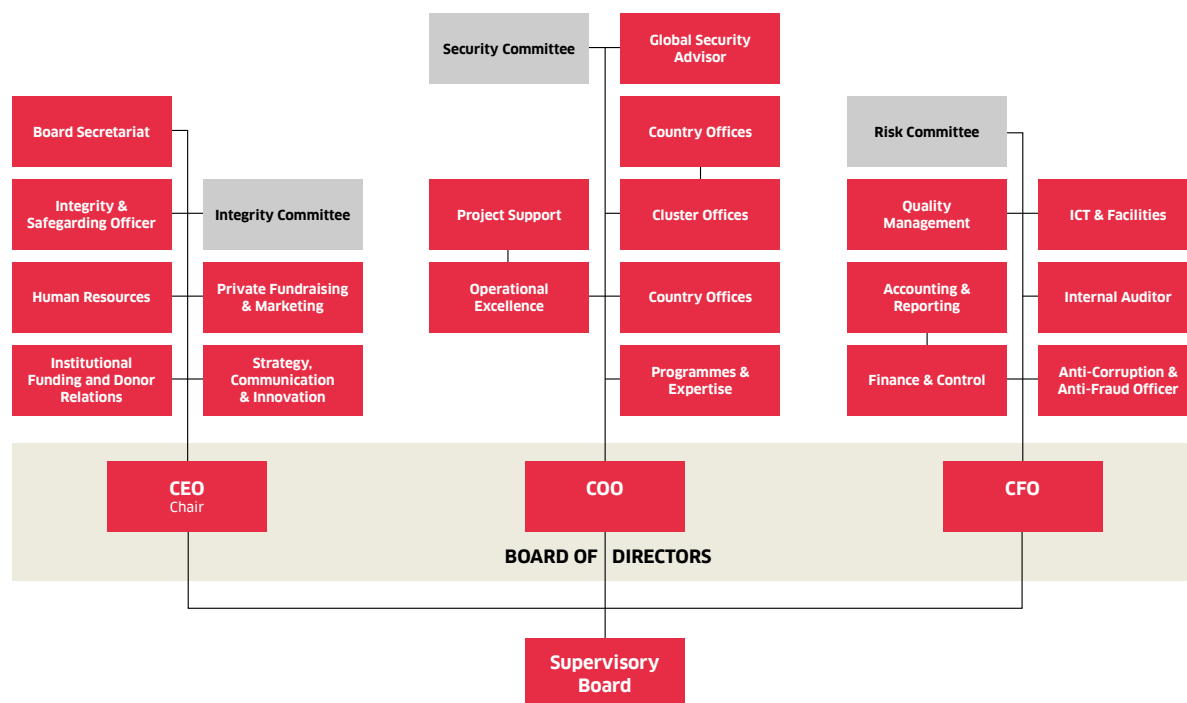
"There is a huge demand for emergency support, as the escalation of the Tigray conflict resulted in many material and physiological damages. In collaboration with Cordaid, we have been providing food and non-food items. Cordaid also trained our staff on technical issues, such as core humanitarian standards, feedback and complaint mechanisms and safety and security."

Dereje Elisa, programme officer at local partner ECC SDCO

OUR PEOPLE

Our work for people in fragile and conflict-affected areas could not be managed without our dedicated staff in Country and Cluster Offices, deep field locations and our Global Office. To ensure our professionals can perform their work effectively, we go to great lengths to help them deal with any risks and challenges they encounter in their day-to-day work. We have dedicated security plans in place in all our Country and Cluster Offices and offer training and support to cope with and prevent safety issues and crises.

ORGANOGRAM



Together one

Since 2015, Cordaid has transformed itself from a government-subsidised development organisation to an international, programme-based development cooperation and civil society organisation. Throughout this transition, the subsidiarity principle has been key, meaning we are decentralising activities and decision-making wherever suitable. For over 60% of our projects, leadership was transferred from the Global Office to the Country and Cluster Offices. As Cordaid and ICCO joined forces in 2021, our staff increased significantly. Worldwide, 419 ICCO staff members joined Cordaid, of which approximately 50 are in the Netherlands.

END OF YEAR 2021 (VS 2020)	COUNTRY AND CLUSTER OFFICES		GLOBAL OFFICE	
Number of FTEs	1,380	(780)	165	(137)
Number of employees	1,380	(780)	178	(148)
Number of (fundraising) volunteers	0	(0)	1	(0)
Gender balance total	28%	(24%)	66%	(67%)
Gender balance management	44%	(31%)	53%	(53%)
Expat/local balance	3% expats 97% local	(7%) (93%)	100% on local contract	(100%)

Due to us joining forces, unfortunately we had to say goodbye to several staff members. For those people whose employment contracts were not extended or terminated, we developed a redundancy plan in line with national labour laws and extra provisions in our Country Office HR Manual. We maintained Cordaid's organisational structure; ICCO colleagues were integrated in this structure based on their actual work. In six countries with both a Cordaid and an ICCO office (Burundi, Ethiopia, Kenya, Myanmar, South Sudan and Uganda), we started a process of integration and harmonisation.

To combine the two organisational cultures of Cordaid and ICCO, an organisation-wide programme was launched under the name Together One. Jointly, we decided on the new values for the organisation: accountability, sustainability, respect and diversity & inclusion. During the year, we harmonised the job descriptions and our human resource policies to have one set of applicable policies.

It is with profound sadness that we report on the death of several colleagues in 2021. For some this was caused by COVID-19 or other health related issues. Our dear colleague Clara Amono was killed in South Sudan while on the way to support a medical facility, when the convoy in which she was traveling came under fire. She was a highly motivated colleague and an excellent professional. Our thoughts go out to the families and friends of Clara and other deceased colleagues.



Clara Amono

Human resource staff

All our Country and Cluster Offices have an employee with human resource responsibilities. Through the HR Community of Practice and monthly meetings, human resource staff share their experiences and help each other find solutions to complex human resource issues. Our medium-sized and large Country and Cluster Offices each have a trained and experienced local human resource professional who advises and supports the management about the inflow, outflow and recruitment of staff. They receive coaching, training and sometimes hands-on support from a senior human resource and organisation expert at Global Office.

The safety of our people

The 2021 Aid Worker Security Report stated that aid worker casualties remained at an all-time high in 2020, with 484 aid workers affected by major violence in 283 separate attacks. At least 117 aid workers lost their lives, 242 were seriously injured and 125 were kidnapped. These incidents occurred in 41 countries, but most violence took place in Afghanistan, the Central African Republic (CAR), the Democratic Republic of the Congo (DRC) and South Sudan.

Our humanitarian and development programmes can only be implemented with a robust security management system in place, enabling safe access to people in need. Cordaid has a comprehensive security policy, in addition to a crisis management protocol. Furthermore, we have dedicated security plans and procedures for the countries in which Cordaid has an office. A Safety, Security and Crisis Committee, our global security advisors based in The Hague and the Regional Security Advisors for Africa and Asia develop policies and procedures, oversee their implementation, train and brief staff, and support the management of incidents and crises. Wherever possible, our security advisors also support the security risk management of our partner organisations.





The onboarding programme for new Cordaid employees includes a security briefing to inform them of the foreseeable risks related to their role and their place of work. In 2021, we provided 13 security training programmes to ensure that new employees understand the Cordaid security policy and procedures, including how to act in the event of an incident, and the availability of aftercare. The COVID-19 pandemic had a significant impact on our security risk management. Given the travel restrictions, almost all business trips for monitoring, assessments, and workshops/training were cancelled. We implemented several Standard Operational Procedures (SOPs) for dealing with COVID-19 with colleagues at all our offices. We continued to track the number of confirmed cases among staff members, particularly on our concern about the spread of COVID-19 to countries where health services have limited capacity to respond. With respect to safety during the pandemic, we paid special attention to the operational aspects of the COVID-19 pandemic and how we could continue to implement humanitarian programmes.

Integrity

We are committed to ensuring that Cordaid is a safe and welcoming workplace for everybody; that we treat everyone we meet and work with respect and with dignity; and that we use all powers, authorities, assets, resources and funds entrusted to us appropriately. Furthermore, we are committed to continuously fostering our integrity system, practices and culture to prevent

and respond to harm. We align our integrity efforts with best practices, and always provide a particular focus on survivors and trust. While our efforts were initially more focused on ensuring internal systems and capacity strengthening, the foundation was laid to streamline systematic integrity management and assurance of integrity standards in our projects and partnerships.

Cordaid's Integrity Framework and its related policies and procedures are available on our [website](#). The framework describes Cordaid's principles and responsibilities regarding misconduct prevention, safe and accessible reporting, appropriate and professional response to reports of misconduct, and continuous learning and improvement. In 2021, we developed a new Code of Conduct, which was approved by the Board of Directors, after endorsement by the Works Council. Previously, both Cordaid and ICCO each had a Code of Conduct. ICCO adopted the Code of Conduct of the ACT Alliance; Cordaid developed its own. Since Cordaid and ICCO are one organisation as of 1 January 2021, a new Code of Conduct was necessary.

Our Regional Integrity Focal Points support case management and investigation capacity and ensure relevance and ownership of our integrity system across the countries in which we operate. This is further described in our [Integrity Standard Operating Procedures](#). In 2021, we launched a professional incident reporting site through which anyone within or outside of Cordaid can now confidentially report integrity concerns – even anonymously, if desired.

In line with ongoing efforts in our sector, Cordaid established Safe Recruitment standards to prevent impunity and re-hiring of known perpetrators of misconduct. Accordingly, attention to integrity has been strengthened in our human resources procedures, with a particular focus on improved background checks.

Integrity is part of Cordaid's onboarding, which is mandatory for all new staff. In 2021, we rolled out a new mandatory integrity e-learning, which is also incorporated into the onboarding phase. It explains all policies and procedures with the use of cases and interactive examples.

We had regular meetings with our Confidential Advisors about how to offer support to those affected by misconduct. Our Integrity Focal Points received special training and we had regular meetings with them. Also, Cordaid's senior management at Global, Country and Cluster Offices received training on case management and investigation and had moral deliberation meetings. Additional initiatives included the continuation of Gender and Integrity assessments in several Country Offices, as well as integrity sessions with partner organisations. Due to improved standards and procedures, we expect the number of integrity cases to go up initially, before going down in the future.

In our programmes and partnerships, we reviewed project feedback and complaint mechanisms, and developed minimum integrity standards. This was to ensure that our programmes and partners uphold recognised sector standards, legal requirements and best practices regarding integrity and safeguarding, and that the communities we work for have access to safe reporting mechanisms.

Furthermore, Cordaid has actively engaged with relevant national and international networks to improve global prevention and response efforts to integrity and safeguarding concerns.

In summer 2021, we welcomed a new anti-fraud and anti-corruption officer. A new integrity and safeguarding officer is also being recruited.

Dealing with misconduct

Despite our commitment and efforts against any type of misconduct, we are aware that undesirable behaviour, misuse of power and financial violations can and do occur. Any such report received is taken very seriously and is followed up in line with our procedures. Where allegations are substantiated, disciplinary and other remedial measures are taken to ensure accountability and to prevent such cases from occurring in the future.

In 2021, 48 allegations of misconduct were reported, of which 47 were handled by Cordaid and one by a partner organisation. While the alleged perpetrator was not a Cordaid employee in nine cases, we exercised our duty of care and

ensured appropriate follow-up within our scope of influence. In 2021, Cordaid made a budgetary provision of €800,000 for potential losses related to these cases. Cordaid makes every effort to reclaim any amounts lost through appropriate legal action. Such amounts recovered are not included unless recovered in the same year as the loss is reported. As of 31 December 2021, 20 cases remained open. The closed cases led to disciplinary measures in 11 instances. In three cases involving partners and suppliers, mitigation measures were put in place to prevent recurrence, such as partners' vetting of contractors, and losses recovered. In instances of interpersonal misconduct, support was offered to those affected.

TYPES OF MISCONDUCT	NUMBER OF CASES CLOSED	SUBSTANTIATED	NOT SUBSTANTIATED
Financial	15	7	8
Sexual harassment, exploitation and abuse	10	5	5
Weapons and violence	-	-	-
Discrimination	1	1	-
Destruction and theft	1	1	-
Drugs and alcohol abuse	-	-	-
Conflict of interest	1	-	1
Open cases as of 31 December 2021	20		
Total	48		

In 2021, a comprehensive investigation provided evidence of violations of the Code of Conduct and professional standards in our CAR office. These proven violations took place between 2016 and the end of 2020. The investigations provided evidence of mismanagement and led to strong indications of corruption and fraud committed by certain staff members in our CAR office.

The misconduct implicated at least six Cordaid staff members in the CAR, whose contracts were terminated or were suspended from Cordaid service pending further investigation. A special taskforce was set up to investigate and handle the case.

We took measures to safeguard evidence, secure implementation of (financial) procedures and to mitigate the risk of further breaches. We reorganised the CAR office by adjusting staffing and segregation duties, implementing better monitoring, improving trust in integrity reporting procedures, and rebuilding a safe working environment. We are overseeing the operations in the CAR office from our Global Office and we have drawn lessons learned from this case to prevent similar situations in the future.

In the annual statements of 2020 the alleged irregularities in the Central African Republic were mentioned. After receiving the incident reports in 2021 donors were informed and we started various internal and external investigations. The investigation was closed in June 2022 and the known financial losses have been analysed. The provision for known losses currently amounts to €4.3 million. We are preparing the final investigation reports for the donors to discuss the way forward. Pending these discussions with the donors, we can not yet conclude on the final financial loss. These losses are the best estimate based on the outcome of the performed investigations taking into account the circumstances in the Central African Republic and the COVID restrictions. In 2020 a provision was taken for potential losses related to these incidents, no additional losses are recorded in 2021.

In October 2021, Global Office started an investigation for alleged irregularities at one of our partners in the DRC that may have a retrospective financial impact on 2021 and prior years. Following this investigation, action was taken in the beginning of 2022: individuals linked to the irregularities were removed from the organisation, the leadership of the Country Office has been replaced, we have worked on a set of comprehensive regulations and controls in the Country Office and between the Country Office and Global Office to reduce the risk of irregularities to happen in the future.

This part of the investigation has seen a financial loss of €800,000 for 2021. The investigation meanwhile has been expanded to different partners for which the financial loss cannot yet be determined because we are in the middle of the investigation. In this investigation, we are working in a close cooperation with the donor. No provision has been recognised for the matters that may result from ongoing investigations, as the amounts cannot be estimated reliably.

COVID-19 restrictions

In 2021, operations were still impacted by the COVID-19 pandemic. There were COVID-restrictions on working in the office and duty travel. For most of the year, staff worked from home and missed the face-to-face contact with co-workers. Cordaid provided office equipment and information on how to work from home in a healthy way. To plan for the long term, we have developed a new 'hybrid working' policy at our Global Office.

Health and absenteeism

To safeguard the health of our employees, we take preventative health measures. International employees at our Country and Cluster Offices and colleagues who travel regularly for work have medical checks specific to the regions in which we work. We also provide psychological support to our employees in the event of them experiencing a traumatic incident or as a result of long-term stress. Not surprisingly, due to the pandemic, colleagues travelled significantly less in 2021 than usual.

At our Global Office, our target is to stay below 3.5% for health-related absenteeism. The percentage for 2021 was 5.1%, significantly higher than the 4.2% in 2020. During 2021, there were 12 cases of long-term illness (longer than 42 days). They accounted for 11% of the total health-related absenteeism cases.

Professional development

At Cordaid, we value the professional development of our staff. Every year, we invest 2.75% of the gross salary amount in staff training. In 2021, the most important development trajectory was Together One, which is mentioned above. We organised leadership training on Cordaid values for 30 people, as well as three team sessions per team on values and team development.



In addition, we organised various internal e-learning and workshops. For example, workshops on project-based working.

Staff training and development needs are budgeted and planned for on a yearly basis. During onboarding, new staff members have a buddy for support and coaching. Further on-the-job training on financial project management is provided by more senior staff members and coaches.

Employee benefits

We have developed our own compensation plan to reward our employees for their contribution to helping fulfil Cordaid's mission. To ensure we offer primary and secondary benefits in line with other NGOs, we participate in a biannual benchmarking exercise across Dutch development organisations, conducted by the Human Capital Group. Per 1 December 2021, salaries at the Global Office were raised by 2.5%, in line with the Collective Labour Agreement (CLA) for Social Workers.

What our people say

Every year, Cordaid conducts an employee satisfaction survey among its Global Office and Country and Cluster Office staff. In the 2021 survey, the overall score on a 10-point scale was 7.6 (7.1 in the Global Office and 8.0 in the Country and Cluster Offices), which is a bit lower than the 7.8 score in 2020. Employees at our Global Office were most satisfied with their job, manager and labour conditions and employee benefits. Employees at our Country and Cluster Offices are very satisfied with their job, their manager, and were very proud of both the work they deliver and to work for Cordaid. Both our Global Office and Country and Cluster Office staff were least satisfied with the workload and training and development. Country and Cluster Office staff see also room for improvement in employee benefits. An action plan has been created to address these issues.



Working together

Cordaid has a Works Council that consists of seven employees. Their official role is to consult with the Board of Directors on behalf of employees about policies and employee interests. After Cordaid and ICCO joined forces, elections were held and a new, mixed, Works Council was formally established in May. During 2021, the council also welcomed a new secretary.

In the course of 2021, the Works Council responded to seven requests for advice or approval of the Board of Directors. Many issues were related to the integration, such as the harmonisation of the labour conditions and the Codes of Conduct of the two respective organisations. Another prominent issue on the agenda was the COVID-19 pandemic and its continued effect on the organisation, like working from home. All this also impacted the financial situation of Cordaid, hence ample time was invested to discuss the annual plan and budget for 2022.

"The Works Council looks back on an intense year, but we are proud of what we achieved together, contributing to processes that make Cordaid fit for the future."

Alinda Bosch, Chair of the Works Council

OUR PARTNERS

Partnerships with civil society, government, private sector and activists at the local, national and international levels, are at the core of Cordaid's way of working. We learn from each other to adapt to our working contexts and achieve the greatest impact together. This has allowed us to continue our joint work in the face of the continued COVID-19 pandemic and unfolding crises around the world.

Our localisation strategy aims for greater local leadership by the people we work with. The strategy was developed through an inclusive process with colleagues from across the world, as well as input from Cordaid partners. During this process, shifting the power and achieving equitable partnerships was highlighted as a key area for Cordaid to focus on. This strategy envisages that shifting power for equitable partnerships leads to more impactful, just and sustainable development and peacebuilding measures. Our localisation strategy recognises that Cordaid has a temporary presence while local actors are there to stay. Therefore, we work towards partnerships in which local partners lead. To contribute to this shift, we aim to:

- Be a global frontrunner in enabling and advocating for leadership of local and national actors in fragile countries.
- Ensure that localisation and power shifts are jointly understood, applied and assessed with partners in a contextual manner across Cordaid's work.
- Have the necessary organisational and financial capacities to support this shift of power, and for our partners to see Cordaid as a relevant and legitimate ally.

Local leadership for equitable partnerships

In 2021, Cordaid introduced the [Power Awareness Tool](#) in the [#JustFuture Alliance](#). The alliance is a partnership between six organisations from all over the world and has decision-making structures that involve 28 local organisations. The Power Awareness Tool is based on the assumption that if partners have a better understanding of the way power works in a partnership, they will be in a better position to work towards shifting power. The tool measures the level of (co)decision-making by local partners and has helped to identify steps for the #JustFuture Alliance to increase equity in the partnership. Due

to this positive experience, Cordaid envisages using this tool in the future in all multiple partner programmes.

Amplify the voices of civil society

Other features of our approach to partnerships are networking and complementarity. This is particularly evident in the role of the Civil Society Platform for Peacebuilding and Statebuilding (CSPPS). Cordaid has hosted and coordinated the CSPPS secretariat since 2012. CSPPS is a global network of civil society organisations supporting peacebuilding efforts in fragile and conflict affected settings. It brings together a diverse representation of international and local civil society organisations, both from countries affected by fragility as well as international organisations working on issues of peacebuilding and conflict prevention. CSPPS facilitates knowledge exchange and coordinates lobby and advocacy by its members. By joining forces, the network amplifies the voices of civil society in the International Dialogue on Peacebuilding and Statebuilding.



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funding and
implementing
partners



Working with and through networks

By working in national and international partnerships, we increase our positive impact. Cordaid is part of several networks, among them Caritas Internationalis, CIDSE, CONCORD and Partners for Resilience. We are also an active member of the Dutch Cooperating Aid Organisations (SHO) and the Dutch Relief Alliance (DRA). We work closely with other international NGOs, like CAFOD and Trocaire, and in the Netherlands with Kerk in Actie, among others. These networks and collaborations enable us to work in fragile contexts and respond to acute crises all over the world. Joining forces with ICCO has opened a whole new strand of partnerships and collaboration opportunities for a future with the ACT Alliance international members and others.

CSPPS coordinated response to COVID-19

At the start of the pandemic, CSPPS quickly saw that COVID-19 would lead to restrictive measures for civil society, especially in fragile and conflict-affected settings. We began to report on the impact of the pandemic on peace and conflict in a series of interviews and articles, focused on first-hand observations and experiences of the CSPPS civil society member network. We compiled the reflections of our members in the [‘Fighting Covid-19, Building Peace’](#) report and the follow-up report [‘Persistent Impact: An Urgent Call for a Conflict-Sensitive Approach to the COVID-19 Pandemic’](#). The reports signalled early on that this pandemic not only affects global health but can also lead to an increase of human rights abuses and instances of violence, especially against women and youth. CSPPS thus called upon national governments to ensure that COVID-19 measures contribute to just and inclusive societies and do not hamper contributions from civil society.

Partner survey

A partner survey was conducted in 2021. The objective of the survey was to collect feedback from our partners on the success and impact of our approaches and strategies over the past three years.

Partner organisations considered the strategic approaches and themes from Cordaid and ICCO to be relevant and effective to generate meaningful results and indicated that these themes and approaches remained highly relevant for future collaboration. Good communication is found to be crucial as well. According to partners, both organisations achieved changes that helped empower people and increased the resilience of people and communities. This resilience against future hazards alongside climate change, are important focus areas for the future.

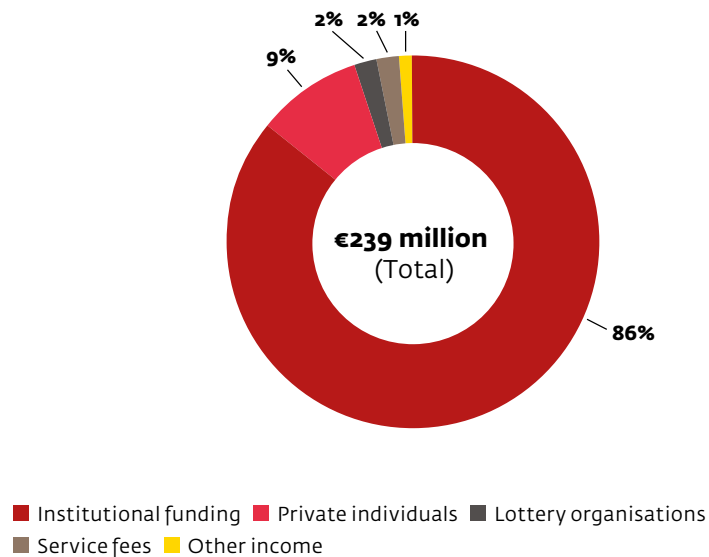
Partners indicated an appreciation to the partnerships and capacity building activities, but that these could still be strengthened through more participatory approaches, starting with the design. Besides, tailored and contextualised capacity building would further strengthen the quality of partnerships and project results. Both will enhance local ownership, which is a key factor of a strong exit strategy and for sustainability of project results.

OUR DONORS

We are very grateful for the support of both our institutional and private donors. Their support allows us to fulfil our mission to reduce fragility and the vulnerability of people where it is most needed and most difficult.

In 2021, we received a total of €239 million, compared to €171 million in 2020. This increase was mostly the result of the addition of ICCO to the consolidation group. The year 2021 was characterised by three distinct developments: the joining of forces by Cordaid and ICCO, changes in the funding landscape and crises in some of our focus countries.

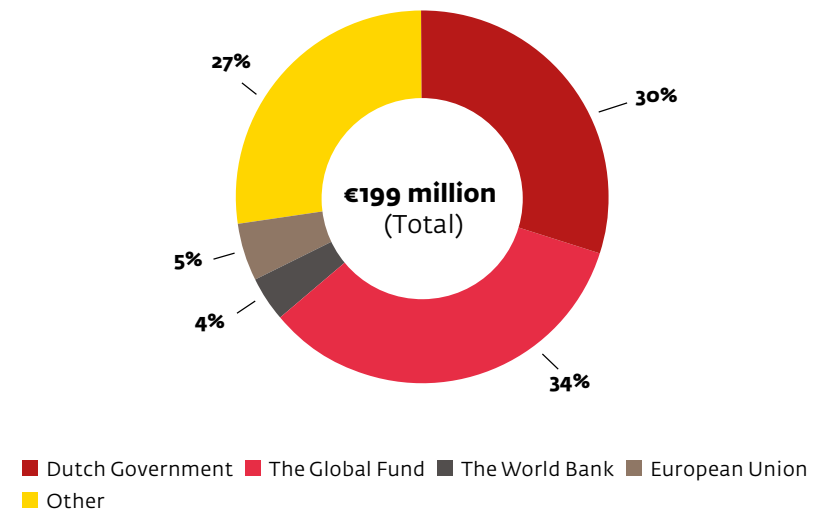
SOURCES OF INCOME



Mobilising institutional resources

2021 was the first year of the new Cordaid organisation, including ICCO. This means that we started 2021 with a combined €157 million institutional secured funding and ended the year with €199 million total contract value, including around €42 million new contract value. This is an increase in institutional donor funding income compared to 2020.

INCOME PER INSTITUTIONAL DONOR TYPE



Due to COVID-19, the funding landscape for development cooperation has changed. Like in 2020, multilateralism was on the rise in 2021. Because of the magnitude of the pandemic, much of the funding for health care was directed towards large international institutions, such as the UN and regional and other development banks. However, as time progressed, the international donor community realised the impact of the pandemic exceeded the impact on health systems, and more development resources were also allocated for restoring the social fabric, economic development and peace.

Furthermore, in 2021 some of the countries where Cordaid operates faced war/conflict and critical political crises which made institutional funders reconsider or stop their support temporarily. Examples of that are the internal war in Tigray, Ethiopia, and the fall of the regime in Afghanistan. Navigating the opportunities and limitations of these developments, we focused on the effective implementation of ongoing donor contracts, while scoping the changing and unpredictable market for additional funding for our mission and programmes.

Initiating new programmes

Cordaid received funding in 2021 from more than ten major institutional donors and philanthropic foundations. We have strong partnerships with major institutional donors, such as the Dutch Ministry of Foreign Affairs, the German development bank KfW, the Global Fund, the World Bank and the European Commission.

In 2021, we signed new strategic partnerships with the Dutch Ministry of Foreign Affairs for the JustFuture Alliance, under the Power of Voices framework. We also started implementing a new contract with the Global Fund programme for combating tuberculosis and HIV as a primary recipient in the Democratic Republic of the Congo (DRC) and as subrecipient of the UNDP in South Sudan.

We signed 121 new contracts with institutional donors during the year, with a total value close to €120 million.

Engaging with our private donors

Thanks to the support of 283,000 private donors in the Netherlands, millions of people in fragile contexts have been provided with access to health care, education, humanitarian aid, work and income, and security and justice. In 2021, we welcomed 34,000 new regular givers and a further 24,700 people contributed to our work with a one-off donation. The new regular givers are donors who are willing to support us with a certain amount every month. Strategies for donor recruitment include door-to-door canvassing and donor fundraising campaigns on social media and television.

During 2021, we also focused on donor retention and improving our customer service. To this end, we implemented the following activities:

- We conducted a donor satisfaction survey.
- People who received an email or our donor magazine were asked for feedback.
- Each complaint was investigated and dealt with individually.
- With our donor recruitment agencies, we discussed how to prevent future complaints.
- We kept track of the number of customer contacts, so that donors would not receive too much mail.

In 2021, we received over 46,000 contact requests. 452 of these were complaints, mostly related to door-to-door donor recruitment.

Another important source of income for Cordaid is legacies. In 2021, we received 167 legacies. This demonstrates the loyalty and trust that many of our donors have in our organisation.

Donor fundraising campaigns

We organised three major fundraising campaigns on Dutch television. They also helped to raise the brand awareness for Cordaid. In one of these campaigns, we linked up with the '100 Things challenge' in collaboration with KRO-NCRV television and asked two well-known families in the Netherlands to take up the challenge and live for a month with 100 items

only. We used this to draw attention to South Sudanese refugees living in a camp in Uganda lacking even the most basic needs such as drinking water.

Our seventh fundraising campaign with RTL Boulevard on Dutch national television had the theme of 'Be someone's bright spot: help one in need, far away and close by'. Our key message was that we must take care of each other, wherever in the world. The campaign benefitted from people's concerns due to the COVID-19 lockdown at that moment. We showed how we supported people who could use a helping hand in the Netherlands, as well as our efforts to further food security and sustainable livelihoods in the Global South. It motivated 24,300 viewers to a one-off donation. Experience shows that about 12% of them will become regular givers.

RTL Boulevard also supported the campaign 'Help 15,000 children reach their first birthday'. The campaign focused on primary health care for children and basic vaccinations against life-threatening diseases, such as measles and diphtheria.



"Birth and the first year are the most critical moments in a human life. Unfortunately, thousands of children die during their first year of life. I have seen with my own eyes that Cordaid does everything possible to give babies a healthy start. By making sure babies are delivered safely in clinics, giving them vaccinations and keeping an eye on their growth."
Do, singer and participant 'Help 15,000 children to reach their first birthday' campaign

Dutch Postcode Lottery

2021 was a jubilee year for Cordaid in its cooperation with the Dutch Postcode Lottery. We have been able to count on annual contributions from the Dutch Postcode Lottery since 1996. Besides the annual contributions, on a number of occasions we also received additional support for a special project, such as the [Birds, Bees and Business](#) programme. Over the years, we have received a total of €105 million. In 2021, a record amount of €4.05 million was donated to Cordaid. With these funds, the Dutch Postcode Lottery makes a valuable contribution to emergency relief, health care, education and other programmes in some of the world's most fragile and conflict-affected countries.



"We are very happy that the Postcode Lottery and Cordaid have been able to make an impact for over a quarter of a century. We can only do this thanks to our lottery players. We believe in collaboration and partnerships and see the integration of Cordaid and ICCO as a positive step. Both organisations are active in the field of humanitarian aid and complement each other both thematically and geographically. It is good to see that by joining forces they will have a greater impact."
Jonne Arnoldussen, Head of Charities of the Dutch Postcode Lottery

Giro555

In May 2021, the cooperating aid organisations in the Netherlands (Samenwerkende Hulp Organisaties, SHO, or Giro555 as it is known among the public) launched the national campaign 'Together against COVID-19'. The campaign raised €9.3 million for the SHO partnership. Part of these funds were used by Cordaid in Afghanistan and Nepal for the following activities:

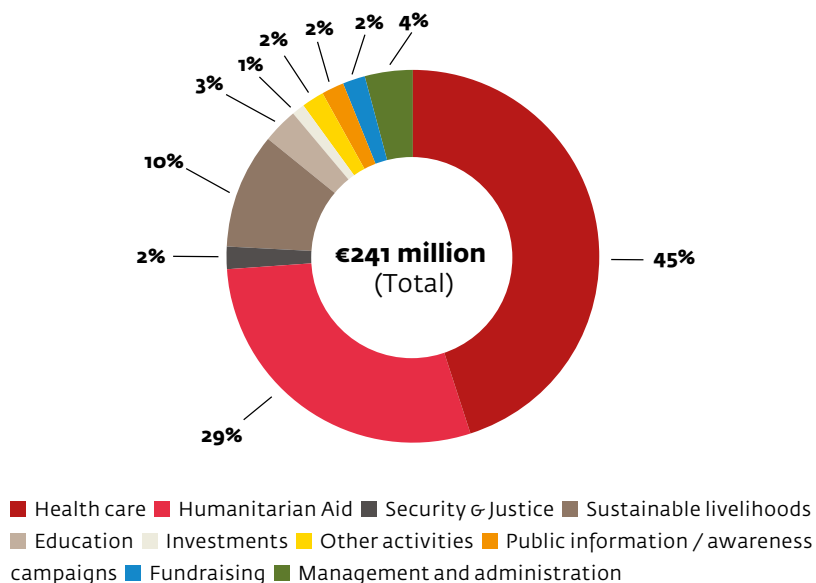
- 55 health workers learned how to vaccinate.
- 128,000 vaccinations were administered.
- Information materials and protective equipment have been distributed.

OUR ORGANISATION

Our financial health

In 2021, the balance of income and expenditures shows a positive amount of €3.8 million. This amount consists of an operational loss of €2.3 million and a financial gain of €6.1 million, due to significant currency exchange results and unrealised profits on shares and bonds of our investment portfolio. In 2021, our total income was €239 million compared to €171 million in 2020. This increase is mostly due to the addition of ICCO to the consolidation group. In total we spent €241 million, of which over 45% was spent on health care programmes.

BUDGET SPENT



The positive result has been added to our reserves and our funds. The total funds and reserves at the end of 2020 were €95 million. Due to the addition of ICCO to the group consolidation, the funds and reserves increased to €110.4 million. The €3.8 million result for 2021 has been added to funds and reserves in various categories. In addition, €1.2 million has been added to our ear-marked reserve. Our continuity reserve remained unchanged at a level of €11.5 million. The loans and guarantees fund added €5.3 million and €3.9 million was taken from the semi-restricted funds to fund the country offices and various projects. We were able to allocate an additional €1.2 million to the restricted funds. More details about our finances, including our investment returns, is available in the [2021 Annual Accounts](#) and in the [appendix](#).

The integration of Cordaid and ICCO will strengthen our ability to raise funds. The combined knowledge and expertise, as well as the complementary strengths of both organisations will yield synergies. But integration and harmonisation processes take time and we are aware of the potential pressure this places on our cost levels.

For 2022 and beyond, our objective is to further consolidate the integration, implement our strategy and strengthen our long-term financial health. It remains challenging to secure sufficient overhead coverage from donors to work in and on fragility. Mitigation of risks in fragile environments leads to higher costs for security and control frameworks. This requires strict monitoring of our operational costs.

Integration of Cordaid and ICCO

Cordaid and ICCO are both foundations, established under Dutch law, with a two-tier governance structure in which management and supervisory tasks are separated. Both organisations agreed upon a framework agreement, an assets-liabilities agreement and joint governance regulations. Pursuant to this documentation and with a legally and economic effective date of 1 January 2021, the following agreements and arrangements entered into force:

- Cordaid and ICCO formed a personal union of their Boards of Directors and their Supervisory Boards via an amendment of the Articles of Association of Stichting ICCO and Coöperatie ICCO U.A..

- ICCO sold (the greater part of) its assets and liabilities to Cordaid, and Cordaid purchased (the greater part of) ICCO's assets and liabilities. All sold and purchased assets and liabilities have been transferred and delivered to Cordaid with a legally and/or economic effective date of 1 January 2021, unless specified otherwise.
- Cordaid and ICCO combined their organisations and agreed to continue the joint organisation with one joint mission, one joint identity and under the name of Cordaid.

As of 1 January 2021, ICCO staff with a Dutch employment contract were employed at Cordaid. ICCO's head office also moved per this date from Utrecht to join Cordaid's office in The Hague.

We see 2021 and 2022 as a transition period in which ICCO's programmes, in agreement with donors, are transferred to Cordaid or, in the case of select short term ICCO contracts, will be phased out. We use the ICCO house style in current programmes as "ICCO, part of Cordaid". Any new funding requests and activities fall under the flag of Cordaid. During this transition period, we will also formalise the integration between Cordaid and ICCO in countries where both organisations are active (Burundi, Ethiopia, Myanmar, South Sudan and Uganda). In countries where Cordaid (until the integration) had no presence, staff will be formally employed by Cordaid as soon as Cordaid's NGO registration is completed.

Accountability and governance

Accountability is a cornerstone of everything we do. As the recipient of public funds and the trust of hundreds of thousands of individuals, Cordaid is accountable to the people we work with, to our donors, and to our partners. Accountability is assured through good governance. It is ingrained in how we operate and are supervised, how we work with various stakeholders and the way in which the interests of different stakeholders are considered.

Cordaid's Supervisory Board oversees the Board of Directors. As of 1 January 2021, the new Board of Directors of both Cordaid and ICCO consisted of Kees Zevenbergen as Chief Executive Officer (CEO), Sybren Attema as Chief

Operating Officer (COO) and Lorena Paz Quintero as Chief Financial Officer (CFO). As of 1 August 2021, Sybren Attema stepped down as COO. The Supervisory Board appointed Ylse van der Schoot as of 1 October 2021 as the new COO. Information on the background and other roles of the members of our Board of Directors is available in the appendix and on our [website](#).

Further information about our governance is available in the [articles of association and the governance regulations](#). Cordaid complies with Dutch law for operations in The Netherlands and local law for operations in other countries in which we operate.

Monitoring

Budgets are monitored throughout the year at three different levels. Project budgets are managed by the project leaders, supported by a project controller. Budgets for organisational units (such as our Country and Cluster Offices and departments at Global Office) are managed by the country directors and unit managers. Project and organisational unit level budgets are discussed versus actuals on a four-monthly basis. On a consolidated level, the budget is monitored by the Board of Directors, supported by the corporate controller. The Supervisory Board is informed about the progress every four months.

To ensure accountability to the people we support, our donors and other stakeholders, we have several robust monitoring and evaluation mechanisms in place. This enables us to track and monitor our performance, and to adjust our work as necessary. To ensure the quality of our work, we have a quality management system in place, which is based on ISO standards, the CHS and Partos guidelines, and the CHS and ECHO FPA certifications. In 2021, Cordaid and ICCO (as part of Cordaid) were assessed and we received the certificate of ISO 9001:2015 standard and Partos 9001. Furthermore, we comply with the International Aid Transparency Initiative (IATI). Cordaid and ICCO are certified ('erkenning') by the CBF (Central Bureau Fundraising) in the Netherlands for which we comply to the standards of the Regulation for Recognition of Charities ('Erkenningsregeling'). We are committed to meeting these standards to enable our organisation to continue to perform efficiently and transparently.

In response to the challenges posed by the COVID-19 pandemic, we had to adjust our way of working in 2021. Monitoring and evaluation activities largely continued using remote monitoring methods, such as digital data collection, telephone interviews, and using cross-reference to assess the validity of the data. Cordaid developed and socialised remote monitoring guidelines to support project teams, ensuring ongoing and quality monitoring.

Corporate responsibility

Corporate responsibility is core to our business and manifests through the organisation's conduct of our work. Our core values guide us to limit the negative impacts of our interventions, to do no harm, and to respect human rights. For more detail, please see our [Corporate Responsibility Policy](#). Many of the topics from our Corporate Responsibility Policy are covered in this report. These include social topics such as the safety of our staff, the socially responsible way in which we invest, and our governance structure.

Carbon emissions usually represent our largest environmental impact, with air travel accounting for the vast majority of our carbon emissions. Our emissions increased in 2021 as a result of the integration between Cordaid and ICCO. We stimulate our staff members to use of public transport and minimise air travel. In 2021, just like in 2020, due to COVID-19 international travel was restricted. As in previous years, we compensated all our carbon emissions generated by flights through Trees for All.

CO ₂ EQUIVALENT EMISSIONS (IN TONNES)				
2017	2018	2019	2020	2021
1,381	1,844	2,468	493	1,086

Our core values also guide how we invest our financial reserves. More detail on our investment policy is available in the appendix and in the Investment Policy on our [website](#). In 2021, the return on these investments was €4.3 million which includes incidental losses and unrealised exchange rate differences.

Risk Management

Like every organisation, Cordaid is exposed to a variety of general external and internal risks. There are also particular risks related to our mission and presence in fragile states and conflict-affected areas. To deal with these risks adequately, we have our Cordaid Risk Management Policy and Framework.

Cordaid recognises five different levels of risk management:

- Strategic risks, managed at Global Office level by the Board of Directors.
- Organisation wide risks, managed by designated Committees and or the Corporate Controller.
- (Country and Cluster) Office risks, managed by the office director and managers.
- Project risks, managed by the project owner and project leader.
- Partner risks (donors and implementing partners), managed by the account manager for the partnership.

Cordaid's Board of Directors defined the risk appetite, which has been approved by the Supervisory Board. The current risk appetite is defined as follows:

- The risk appetite to staff or anyone involved in Cordaid activities of security incidents with loss of life or bodily harm, kidnapping or assault is low.
- The risk appetite for staff or anyone involved in Cordaid activities of experiencing (sexual) undesirable behaviours is low.
- The risk appetite of incurring financial losses is low.
- The risk appetite of a donor terminating a project due to non-performance is low.
- The risk appetite for fraud, corruption materialising as part of Cordaid activities is low.

A Risk Committee is in place to monitor the compliance with and effectiveness of our Cordaid Risk Management Framework. The committee also reports on the risk assessments, mitigation measures and follow-up to the Board of Directors.



Our most critical strategic and operational risks are:

- Security-related incidents, extensive social unrest, health and/or natural disasters in the fragile working contexts impacting our staff and the progress of programmes.
- Ethical risks in relation to operating in a sector and geographical environment that is associated with increased risk of ethical matters, including corruption, fraud and non-compliance with local and international laws and regulations. Where local business practices may not be of similar standards as we know in Western Europe and/or may be disrupted or otherwise not effective because of local circumstances.
- Cancellation or postponement of contracts from major donors.
- Insufficient financial and operational control leading to ineligible costs.
- The impact of COVID-19 on our operations and investments.

The integration of risk management in operational performance management is achieved by including risk assessments when reporting progress or results. Our planning and control cycle, project control, monthly closings and four-monthly integral reporting are in place to monitor financial and operational risks. Risks are managed by introducing, adhering to or improving internal controls. Each Country and Cluster Office maintains internal control standards. The internal audit function carries out assessments of the effectiveness of internal controls.

To absorb the financial impact of risks, Cordaid maintains a continuity reserve. More information on our reserves and funds is available in the [2021 Annual Accounts](#).

Protecting privacy

Cordaid handles data of donors, employees and other relationships with utmost care. The General Data Protection Regulation (GDPR) requires that organisations treat personal data fairly and responsibly, with organisational and technical measures in place to protect the privacy of those involved. Therefore, we have policies, a data register, privacy statement and other data protection processes already in place. These documents and processes are continuously updated, which is ongoing work. In 2021, a new Cordaid Working Group GDPR with several disciplines and expertise has been established. In this Working Group, Cordaid affiliated entities like CIM BV and Country and Cluster Offices are also present.

Use of digital tools

A survey was conducted in 2021 to better understand Cordaid's needs, interests and track record in digitalisation. Priorities mainly concerned software programmes that were used and promoted in the past years, while other technologies are probably still less familiar and therefore less used, like blockchain, e-vouchers or smart paper. However, respondents showed great interest in using these in future. Priorities for further development include banking services, accessibility and linkages of data (health), geo-data related to spatial analysis and the development of dashboards or techniques for producing online surveys. Finally, some important limitations were listed regarding digitalisation development, such as access to internet, followed by lack of digital skills emphasised by a lack of support, and financial factors (high costs).

SUPERVISORY BOARD REPORT

The decision of Cordaid and ICCO to join forces led to a personal union between the Supervisory Boards of both organisations as of 1 January 2021. By combining the infrastructure, networks and knowledge, the new organisation will increase its scope and scale to respond better to the increasing challenges around the world. Together with the Board of Directors, the Supervisory Board is responsible for the corporate governance of the new Cordaid organisation.

Focus on the long term

The role of the Supervisory Board is to ensure a long-term horizon, and to monitor the activities and financial health of the organisation. The board's supervision takes place ex ante and ex post. Ex ante, the plans (mission, strategy, policy plan and budget) are presented to the Supervisory Board for approval. Then ex post, the Supervisory Board critically appraises management and the organisation and approves the Annual Report. Supervision is therefore ongoing and comprehensive, rather than limited to a small number of specific occasions during the year.

Supervision in practice

In 2021, the Supervisory Board was composed of nine members, and by June 2021 eleven. Jolanda van Bussel and Wim Oosterom stayed in the Audit Committee until the end of 2021, to secure a careful handover to the newly appointed members of the Audit Committee namely, Justina Alders-Sheya and Deborah Cheng. The Supervisory Board consists of a mixture of the former Cordaid and ICCO board members and with diversity in terms of background, knowledge and gender. Information on the composition of the current Supervisory Board is available in the appendix and on our [website](#).

During the year, the Supervisory Board met on seven occasions, with the majority of the meetings taking place online. Attendance at the pre-scheduled meetings was 95%. The chair of the Supervisory Board and the CEO had calls on at least a monthly basis. Between meetings, there also was significant informal communication between members of the Supervisory Board and the Board of Directors.

"2021 has been a challenging year. The integrity case in the CAR led to intensive and constructive discussions between the Supervisory Board and the Board of Directors. We are pleased with the decisive steps that the Board of Directors has taken to retain full and effective control over the situation. 2021 was also the first year after Cordaid and ICCO joined forces. This process is not yet finished, but in a short period of time we have made a lot of progress in terms of the organisational structure but also in terms of culture, the values we share. Now, we are finalising the development of our new strategy in combination with a review of our business model. This should lead to a long-term balance between our revenues and expenditures."

Johan de Leeuw, vice-chairman of the Supervisory Board

In 2021, key topics included the integration between Cordaid and ICCO, strategy development, measuring the impact of our programmes and finances, in addition to the annual evaluation of the Board of Directors and the self-evaluation of the Supervisory Board. A priority issue was the integrity case in the Central African Republic (CAR). The Board of Directors provided full information on all issues to the Supervisory Board so that it could fulfil its supervisory responsibilities. This enabled the board members to remain up to date with developments.

Supervisory committees

The Supervisory Board has two permanent committees: the Audit Committee and the Remuneration Committee.

- The Audit Committee reviewed the annual and four-monthly financial and audit statements, internal audit and incident reports (including fraud cases), and performance against the annual budget. These were then discussed and evaluated by the full Supervisory Board. The Audit Committee consists of two board members, and by June 2021 of four. In 2021, they met twelve times, including eleven meetings with the external auditor.
- The Remuneration Committee reviewed policy and advised the Supervisory Board on executive compensation, remuneration policy social plans, expat policies and related topics, including appointments. It consists of two board members, and they met twice in 2021.



An important task of the Supervisory Board is the recruitment of new members for the Board of Directors. In 2021, Cordaid welcomed two new members: Lorena Paz Quintero as Chief Financial Officer (CFO) and Ylse van der Schoot as Chief Operating Officer (COO).

Executive remuneration

Remuneration of the Board of Directors is in line with the guidelines of the association of Dutch charities (*Goede Doelen Nederland*). Cordaid's executive remuneration policy is evaluated and reviewed periodically by the Supervisory Board. The policy adheres to the Code of Good Governance (*Code Goed Bestuur*) of the Cooperating Sector Organisation Philanthropy (SBF) and the regulation on the remuneration of charities by the Central Bureau of Fundraising (CBF).

Per December 1, 2021, compensation for the Board of Directors was increased by 2.5%. Compensation amounted to €164,934 for the CEO, €145,102 for the CFO and €142,904 for the COOs. These amounts include gross salary, holiday allowance, social security contributions and pension fund contributions.

Members of the Supervisory Board are not remunerated for their contribution to Cordaid. Out of pocket-costs for travel and meeting attendance are reimbursed if requested. Supervisory Board members often do not request this reimbursement. In 2021, total costs made on behalf of the Supervisory Board amounted to €5,300.

OUTLOOK TOWARDS THE FUTURE

At the time of writing our 2021 Annual Report, we witnessed the tragic events unfolding in Ukraine. Russia's full-scale invasion of Ukraine marked a dramatic escalation of the eight-year conflict and a historic turning point for European security. In 2021, there was also major upheaval and bloodshed in Afghanistan, Ethiopia and Myanmar. There was the internal crisis in the Central African Republic (CAR). Adding to that the COVID-19 pandemic that forces us to rethink our modus operandi quite fundamentally.

With all those external and internal challenges, we have remained afloat. We have been able to provide for humanitarian aid at scale to those in need. We have spoken out against injustice and abuse, sometimes openly, sometimes more covertly. We have continued our efforts in health and education.

In 2021, we also organised a highly interactive process with colleagues all over the world, as well as external stakeholders. This resulted in an ambitious strategic compass for the organisation for the coming years. A compass that will provide us with guidance and direction in an ever changing and increasingly volatile world.



In preparation of the new strategy, we have taken stock of accomplishments and challenges of the past period of both Cordaid and ICCO. The review showed positive outcomes on most projects, generating meaningful changes in the lives of disadvantaged communities. The review also showed that Cordaid and ICCO have strong, complementary track records to implement the new strategy: ICCO's positioning in economic empowerment and sustainable livelihoods and Cordaid's experience with system strengthening, among others.

Working in and on fragility will remain our overall focus, with four big areas of interest and intervention: humanitarian aid, access to health, education and justice, inclusive peace and reconciliation processes, and sustainable livelihoods. In 2022, we will phase out in Indonesia, Cambodia and Sierra Leone. In Latin America, Cordaid supports the transformation of the ICCO Office towards a new, independent international non-governmental organisation, called Conexión. We will further localise our operations and expand the benefits of increased digitalisation into our work. And, as a precondition to all this, we will keep investing in creating safe, inspiring workplaces where people of all origins, beliefs and inclinations can flourish and be and become their very best selves.

Achieving these goals and sticking to our mission in 2022 and beyond will continue to be a balancing act. Because working in and on fragility comes with constant and significant risks and responsibilities. With constant insecurity, and with serious additional costs. This is part of the reason why Cordaid faced a financial loss in 2021, despite the increase in the size of our portfolio. A loss that we must prevent in 2022.

In 2022, we will invest substantial time on an operational review of our organisation. This endeavour will result in a revised business and revenue model, and an adapted operating model including a redesign of our Cordaid wide structure. The aim of this exercise is to find a modus operandi for Cordaid to be able to adapt to the ever-changing world and fulfil our mission in a sustainable way.

APPENDIX: ABOUT THIS REPORT

Through its annual reports, Cordaid is accountable to its many stakeholders. In line with the previous year's report, our 2021 Annual Report has been prepared in accordance with the core option of the Global Reporting Initiative's standards. The GRI content index is included as appendix 2. This report covers the full calendar year 2021 and is also in accordance with the Dutch Guideline 650 for charitable organisations.

The integration between Cordaid and ICCO leads to a broader scope for this Annual Report. As of 2021, our reporting consolidates not only the results of Cordaid, Cordaid Investment Management (CIM) BV and Corpav, but also ICCO and the ICCO Group BV including subsidiaries. In July 2021, Coöperatie ICCO U.A. merged with Stichting ICCO in Stichting ICCO as receiving entity, with economic effect per 1 January 2021. Therefore, we do not have to separately consolidate Coöperatie ICCO U.A.

The content selected for our 2021 Annual Report is based on an analysis conducted for the 2017 Annual Report. This analysis was based on our 2018-2020 strategy and was expanded to reflect the information needs and expectations of our key stakeholders: the people we support, partners, donors and our staff around the world.

More detailed information about how we engage in a dialogue with each of these stakeholder groups can be found on page 35 of our [2017 Annual Report](#).

The list of material topics included in this Annual Report are consistent with those selected for our 2017-2020 Annual Reports. Exception is the list of topics for Sustainable Livelihoods, as this is a new theme in this Annual Report. This list has been approved by the Board of Directors.

MATERIAL TOPICS RELATED TO HOW WE WORK

Social	Economic	Environmental
Proportion of senior management hired from the local community	Socially responsible investment	Initiatives to reduce CO ₂ emissions
Occupational health & safety	Funds raised by type of donor	CO ₂ offsetting
Employee training & development	Distribution of funds by thematic area	
Diversity of governance bodies and employees	Partners screened	
Executive remuneration		

MATERIAL TOPICS RELATED TO OUR THEMATIC AREAS OF EXPERTISE

Health Care	Education	Security & Justice	Sustainable Livelihoods	Humanitarian Aid
Increased access to quality health services	Increased access to quality education	Strengthened responsiveness and quality of security and justice services	Improved climate resilient food systems	Lifesaving basic services provided
Increased access to sexual and reproductive health services	Strengthened education services	Improved responsiveness of peace-building and security processes, governance and policies	Strengthened SMEs and microfinance institutions	Assets and basic services rehabilitated
Strengthened health services			Increased employment and financial inclusion	Resilience strengthened to future hazards
			More profitable and inclusive value chains	

APPENDIX: ABOUT THIS REPORT

The material topics outlined on the previous page are included in this report. Wherever possible, we have used GRI indicators. For some topics, we have defined our own indicators. In the GRI Content Index, these Cordaid-specific indicators all start with 'CI' for Cordaid Indicator. The topics and indicators are closely connected to the Cordaid Results Framework, which was finalised in 2017. For further information about the Cordaid Results Framework, please see the strategy paper on our website.

Cordaid's consolidated and individual financial statements are prepared according to the Dutch Generally Accepted Accounting Principles and, more specifically, according to the Dutch Accounting Guidelines 650 for Charitable fundraising organisations.

On the overview page and the opening pages of the thematic chapters, the figures of people reached refer to all the people who have access to the results of our activities. These figures include people who directly and indirectly benefitted from our projects. The total number of people reached with health care is an exception: only the people directly supported are included as some of the interventions may potentially benefit the entire population of the region in which they are implemented. As a result of the merger of ICCO and Cordaid, results include the available data, at the moment of writing, from both organizations' databases. Most figures in this report are rounded (downwards).

We encourage openness and transparency both internally and externally. Cordaid publishes data on IAITI for almost all its projects. In addition to our annual reports, our website provides continuous updates from the countries in which we operate, as well as information on our projects, goals, financial flows, results and partner organisations. Should you have any questions or feedback regarding our work, this report or our online reporting, please contact us via info@cordaid.org.

SOURCE OF THE FIGURES IN THIS REPORT

SOURCE	PAGE
Annual Accounts 2021*	Overview of results, our donors, our organisation, supervisory board report
CIM BVs asset management system	Overview of results, Cordaid Investment Management
Cordaid's donor database	Overview of results, our donors
Cordaid's HR administration system	Overview of results, where we work, case pages, our people, our organisation
Cordaid's project administration system (DevResults) ICCO's project database (PROMEVA)	Overview of results, where we work, health care, education, security & justice, sustainable livelihoods, humanitarian aid, our partners
Dutch Postcode Lottery website	Our donors

* Figures from the Annual Accounts have been externally assured by EY.

APPENDIX: ABOUT OUR BOARD OF DIRECTORS AND SUPERVISORY BOARD

Board of directors

KEES ZEVENBERGEN	CEO	Since 2016	<ul style="list-style-type: none"> ■ Member of the Advisory Board of MDF (Management for Development Foundation) ■ Member of the Board of Directors of VKMO (Association of Catholic Social Organizations) ■ Member of the Board of Directors of <i>Goede Doelen Nederland</i> ■ Member of the Board of Directors Achmea Foundation ■ Member of the Board of Directors of the National Disaster Fund ■ Member of the Supervisory Board of the Christian Social Congress ■ Member of the Supervisory Board of <i>Stichting Beheer Subsidiegelden DRA</i> (Dutch Relief Association)
LORENA PAZ QUINTERO	CFO	Since 2021	
YLSE VAN DER SCHOOT	COO	Since 2021	<ul style="list-style-type: none"> ■ Member of the Supervisory Board of Hivos-Triodos Fund

Supervisory board

A.J.M. HEERTS	Chair	Mayor of Apeldoorn	<ul style="list-style-type: none"> ■ Member of the Human Rights Commission (Ministry of Foreign Affairs) ■ Chairman of the Social Advisory Council of Socires ■ Committee of Recommendation Foundation Inca Educa Apeldoorn ■ President of the Labor Affairs Board of VNG ■ Chairman Employers' Association Cooperating Municipal Organizations ■ Member of the board of VNG ■ Member Curatorium SBI Doorn ■ Treasurer Schuldenlab, an organisation committed to making the Netherlands debt-free ■ Committee of Recommendation Foundation Present ■ Honorary member Apeldoorns Christian Men's Choir ■ Member of the Advisory Board of the Hoge Veluwe National Park Foundation ■ Administrative connector for the functioning of the mobility teams in the 35 labour market regions
J.F. DE LEEUW	Vice-chair Remuneration committee		<ul style="list-style-type: none"> ■ Chairman of the Board for the Admission of Plant Protection Products and Biocides (CTGB) ■ Independent Chairman of the Board of the IZZ Foundation ■ Member of the Board of the Abraham Kuyper Fund ■ Member of the Board of the National Green Fund ■ Chairman of the Independent Board of the Veal Calf Sector Quality Assurance Foundation (SKV) ■ Member of the Board of the Dutch Emissions Authority (NEa) ■ Chairman of COVA, the Netherlands Petroleum Stockpiling Agency
J.J.A. DE BOER	Member	Pastor of the parish Roman Catholic Church of Our Savior in The Hague	<ul style="list-style-type: none"> ■ Chairman Auxilia-Brasili-Ja Foundation ■ Chairman Board Roman Catholic Church of Our Savior, The Hague ■ Member of Anglophone Roman Catholic Parishes in European Capitals ■ Commissioner for Honorary Members and Reciprocity of N.L. Sociëteit De Witte, The Hague

APPENDIX: ABOUT OUR BOARD OF DIRECTORS AND SUPERVISORY BOARD

M. VAN BEEK	Member Remuneration committee	HR Director and Board Member ING The Netherlands, Belgium & Luxembourg	<ul style="list-style-type: none"> ■ Member of the Supervisory Board of NPO, Dutch Public Television ■ Member of the Advisory Board of BASF (digital) ■ Member of the Advisory Board of JINC ■ Member of the Advisory Board of the Dutch Association of Personnel Management (NVP) ■ Member of the Supervisory Board of the Kessler Foundation ■ Chair of the Supervisory Board of UAF, the foundation for refugee students
M.W.J.A. LANDHEER-REGOUW	Member	Director of Risk Dutch Development Bank (FMO)	
G.R. PEETOOM	Member	Chair of GGZ, national organisation for mental health care	<ul style="list-style-type: none"> ■ Member of the Supervisory Board SIC ■ Chair of the Supervisory Board ARQ National Psycho Trauma Centre ■ Chair of the Christian Social Congress
J.N. ALDERS - SHEYA	Member Audit committee	Fund Manager Triodos Investment Management	<ul style="list-style-type: none"> ■ Board member Women in Financial Services
D.C. CHENG	Member Audit committee	Financial consultant De Zee Consulting	<ul style="list-style-type: none"> ■ Member of the Supervisory Board of ARKIN (GGZ) Amsterdam ■ Member of the Supervisory Board of the ROM Utrecht region ■ Member of the Supervisory Board of Groene Hart Hospital ■ Director KHMW (Royal Dutch Society of Sciences) ■ Member of the Supervisory Board of DICA (Dutch Institute of Clinical Audits) ■ Member of the Board of Foundation for Natural Leadership (FNL)

APPENDIX: DETAILS ON OUR INVESTMENT POLICY AND 2022 BUDGET

- **Objective:** The management of the assets must focus on maintaining, over several years, the spendable capital, considering inflation over the reference period. This minimum objective should be realized following strict sustainability criteria for the investments involved.
- **Investment horizon:** 5 to 10 years.
- **Risk profile:** Moderate conservative
- **Distribution of assets in our portfolio:** The table below provides the bandwidths for the weights of the various asset classes in our portfolio under normal circumstances of risk and return.

ASSET ALLOCATION	MINIMUM	STRATEGIC	MAXIMUM
Government Bonds	20%	35%	50%
Corporate Bonds	20%	35%	50%
Shares	10%	25%	40%
Alternatives	0%	5%	25%
Liquid assets	0%	0%	50%

- **Sustainability criteria:** The portfolio should be sustainable, i.e. the investments cannot be related in any way to activities or organizations that harm people or the environment. Investments in funds or companies that have a stake above 5% in the following industries are excluded from the investment portfolio under all circumstances: weapons, alcohol, tobacco, gambling, adult entertainment, fur trade.
- **Portfolio management:** The operational and strategic management of the invested assets is outsourced to professional asset managers. The selection of asset managers is done by a separate selection committee composed of at least three persons of Cordaid, including the CFO. The selection criteria and the final decision on appointment of the asset manager(s) require approval of the Supervisory Board. Evaluation of the selected asset managers is an ongoing process. A formal evaluation by the Board of Directors and the Controller is done at least every three years. The Chief Financial Officer (CFO) and the Controller form the Asset Investment Committee (AIC). The AIC reviews the performance of the portfolio on a quarterly basis based on reports from the asset managers. In case of underperformance, the AIC can decide to a new selection process for (one of) the asset manager(s).

More detail is available in the full [investment policy](#) on our website.

BUDGET 2022 IN €	2022	
Income		
Income from private individuals	24.742.086	
Income from companies	1.857.129	
Benefits of lottery organisations	4.000.000	
Government grants	133.775.573	
Income from related (international) organisations	984.947	
Income from other non-profit organisations	49.196.623	
Other income	470.000	
Sum of income		215.026.358
Expenditures		
- Program costs		
Health care	117.514.527	
Humanitarian Aid	9.447.127	
Security & Justice	12.662.745	
Private sector development	4.128.993	
Sustainable livelihoods	8.714.395	
Economic empowerment	13.794.984	
Other	15.033.213	
Resilience	10.547.686	
Total program costs	191.843.670	
- Public information / awareness campaigns	6.800.900	
Expenditure on the objectives		198.644.570
Expenditure on fundraising		6.009.100
Corporate budgets		
Management and administration		13.300.000
Total expenditures		217.953.670
Financial income and expenses		280.000
Balance of income and expenditures		-2.647.312

APPENDIX: GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI STANDARD	INDICATOR	DESCRIPTION	INFORMATION	PAGE
GRI 102: GENERAL DISCLOSURES (2016)	ORGANIZATIONAL PROFILE			
	102-1	Name of the organization		5
	102-2	Activities, brands, products, and services		5
	102-3	Location of headquarters		7
	102-4	Location of operations		7
	102-5	Ownership and legal form		46
	102-6	Markets served		7
	102-7	Scale of the organization		3
	102-8	Information on employees and other workers	<ul style="list-style-type: none"> ■ "Cordaid does not track employee information inline with the detailed breakouts suggested for this indicator. ■ Much of our work is performed in close collaboration with partner organizations and their staff. Data on these staff are excluded from this report. ■ We do not have seasonal variations in our workforce, nor do we outsource significant amounts of work to non-employees outside of the abovementioned partnerships." 	35
	102-9	Supply chain		41-42
	102-10	Significant changes to the organization and its supply chain		4, 7-8, 35-36, 42, 43, 46, 47
	102-11	Precautionary Principle or approach		48
	102-12	External initiatives		5, 6
	102-13	Membership of associations	ACT Alliance, Caritas, CIDSE, Concord, Civil Society Platform for Peacebuilding and Statebuilding, Samenwerkende Hulporganisaties, Dutch Relief Alliance, Partos, UHC2030, UHC2030 Civil Society Engagement Mechanism, Medicus Mundi International, g2-h2, Start	
	STRATEGY			
	102-14	Statement from senior decision maker		4
	Ethics and integrity			
	102-16	Values, principles, standards and norms of behavior		5
	Governance			
	102-18	Governance structure		46, 50-51
	102-35	Remuneration policies		51

APPENDIX: GRI CONTENT INDEX

GRI STANDARD	INDICATOR	DESCRIPTION	INFORMATION	PAGE
GRI 102: GENERAL DISCLOSURES (2016)	STAKEHOLDER ENGAGEMENT			
	102-40	List of stakeholder groups		53
	102-41	Collective bargaining agreements		0%
	102-42	Identifying and selecting stakeholders		53
	102-43	Approach to stakeholder engagement		53
	102-44	Key topics and concerns raised		53
	REPORTING PRACTICE			
	102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> ■ Stichting Cordaid, The Hague ■ Stichting Cordaid Expats, The Hague ■ Stichting Cordaid Participaties, The Hague ■ Corpav BV, The Hague ■ Cordaid Investment Management BV, The Hague ■ Cordaid SA NPC, Cape Town (South Africa) ■ Stichting ICCO, The Hague ■ ICCO Group BV, The Hague ■ Fair Climate Fund BV, Utrecht ■ Fair & Sustainable Consulting BV, Utrecht ■ ICCO Development Solutions PTE. LTD., Singapore ■ Fair & Sustainable Participations, Brazil ■ Fair & Sustainable Business Development Services Ethiopia, Ethiopia 	
	102-46	Defining report content and topic boundaries		54
	102-47	List of material topics		53
	102-48	Restatement of information	There were no restatements of information. The comparable figures of the annual accounts 2021 have been adjusted compared to the 2020 annual accounts, due to the extension of the consolidation group with ICCO entities.	
	102-49	Changes in reporting	This is the first annual report after the full integration of Cordaid and ICCO. The chapter Sustainable Livelihoods replaces the chapters on Resilience, Private Sector Development and Cordaid Investment Management.	
	102-50	Reporting period		53
	102-51	Date of most recent report	March 2022	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report		54
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards core option.	
	102-55	GRI content index		58-61
	102-56	External assurance	The financial data in this report have been externally assured by EY.	54

APPENDIX: GRI CONTENT INDEX

MATERIAL TOPICS

GRI STANDARD	INDICATOR	DESCRIPTION	PAGE
THEMATIC TOPICS			
GRI 103: MANAGEMENT APPROACH (2016)	HEALTH CARE		
	103-1	Explanation of the material topic and its boundary	9
	103-2	The management approach and its components	10-11
	103-3	Evaluation of the management approach	10
	CI HC1	Increased access to quality health services	10
	CI HC2	Increased access to sexual and reproductive health services	10
	CI HC3	Strengthened health services	10
GRI 103: MANAGEMENT APPROACH (2016)	EDUCATION		
	103-1	Explanation of the material topic and its boundary	15
	103-2	The management approach and its components	16
	103-3	Evaluation of the management approach	16
	CI E1	Increased access to quality education	16
	CI E2	Strengthened education services	16
GRI 103: MANAGEMENT APPROACH (2016)	SECURITY AND JUSTICE		
	103-1	Explanation of the material topic and its boundary	18
	103-2	The management approach and its components	19-20
	103-3	Evaluation of the management approach	19
	CI SJ1	Improved responsiveness of peacebuilding and security processes, governance and policies	19
	CI SJ2	Strengthened responsiveness and quality of security and justice services	19

GRI STANDARD	INDICATOR	DESCRIPTION	PAGE
GRI 103: MANAGEMENT APPROACH (2016)	SUSTAINABLE LIVELIHOODS		
	103-1	Explanation of the material topic and its boundary	24
	103-2	The management approach and its components	25-26
	103-3	Evaluation of the management approach	25
	CISL1	Improved climate resilient food systems	25
	CISL2	Strengthened SMEs and microfinance institutions	25
	CISL3	Increased employment and financial inclusion	25
GRI 103: MANAGEMENT APPROACH (2016)	CISL4	More profitable and inclusive value chains	25
	HUMANITARIAN AID		
	103-1	Explanation of the material topic and its boundary	32
	103-2	The management approach and its components	33-34
	103-3	Evaluation of the management approach	33
	CI HA1	Life saving basic services provided	33
	CI HA2	Resilience strengthened to future hazards	33

GRI STANDARD	INDICATOR	DESCRIPTION	PAGE
ORGANISATIONAL TOPICS			
GRI 103: MANAGEMENT APPROACH (2016)	OUR PEOPLE		
	103-1	Explanation of the material topic and its boundary	35
	103-2	The management approach and its components	35-40
	103-3	Evaluation of the management approach	35-40
GRI 202: MARKET PRESENCE (2016)	202-2	Proportion of senior management hired from the local community	35
GRI 403: OCCUPATIONAL HEALTH & SAFETY (2018)	403	Occupational health & safety	36-37
GRI 404: TRAINING AND EDUCATION (2016)	404-1	Employee training and development	39
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)	405-1	Diversity of governance bodies and employees	35, 55-56
GRI 103: MANAGEMENT APPROACH (2016)	ECONOMIC VALUE GENERATED AND DISTRIBUTED		
	103-1	Explanation of the material topic and its boundary	43, 46
	103-2	The management approach and its components	43-45, 46
	103-3	Evaluation of the management approach	43, 46
	CI EV1	Amount of funds raised in the year, by donor type	43
	CI EV2	Distribution of funds across themes/strategic areas	46
GRI 201: ECONOMIC PERFORMANCE (2016)	201-4	Financial assistance received from government	43
GRI 103: MANAGEMENT APPROACH (2016)	OUR PARTNERS		
	103-1	Explanation of the material topic and its boundary	41
	103-2	The management approach and its components	41-42
	103-3	Evaluation of the management approach	42
	CI PS1	Screening of suppliers and partners	38

GRI STANDARD	INDICATOR	DESCRIPTION	PAGE
ORGANISATIONAL TOPICS			
GRI 103: MANAGEMENT APPROACH (2016)	CO2 EMISSIONS		
	103-1	Explanation of the material topic and its boundary	48
	103-2	The management approach and its components	48
	103-3	Evaluation of the management approach	48
GRI 305: EMISSIONS (2016)	305-3	Other indirect (Scope 3) GHG emissions	48
	305-5	Reduction of GHG emissions	48

CORDAID

ANNUAL REPORT 2021

FINANCIAL STATEMENTS

THE HAGUE

CORDAID’S 2021 FINANCIAL STATEMENTS

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Annual Accounts 2021

Statement by the Board of Directors

Per 1st of January 2021 Cordaid has joined forces with ICCO which led to the integration of respective programmes and offices worldwide under the Cordaid flag, and where we refer to Cordaid in this document, we refer to all activities of Cordaid and ICCO. These financial statements reflect a detailed accounting of Cordaid's activities and ICCO in 2021, described in the annual report. The annual accounts are an integrated part of Cordaid's annual report.

Financial Result 2021

The financial year of 2021 was closed with a positive result of €3,8m. The operational result of Cordaid was a €2,3m loss. The result on financial income and expenses was €6,2m positive. The 2021 result is allocated towards various funds and reserves. Total result of €5,3m on the investments, both in connection with the objective and the bonds and shares, is allocated towards the Loans and Guarantees fund. Included in the operational loss is an amount of €3,9m that relates to the results on country office level and ineligible costs on projects, and is deducted from the semi-restricted fund. The earmarked reserve and restricted funds have both increased by circa €1,2m. The continuity reserve has remained the same as previous years.

Income

The income of Cordaid grew rapidly in 2021 with €19,8m from €219m to €239m. The growth in income can be explained by various aspects:

- Income from donors for projects which are implemented grew by €27m. Main contributors to the growth are (1) the 'Just Future' project, funded by Ministry of Foreign Affairs from The Netherlands, with a value of €50m for 3 years, and (2) extension of the Global Fund health care project in Democratic Republic of Congo, with a significant increase in the budget.
- Private fundraising income has decreased by €3,8m, which can be explained by an adjustment in the valuation of the receivable position of inheritances. Because of this adjustment in the valuation method a correction on the 2020 balance of €1.4m is made. Next to this, the new receivable position of 2021 is also lower than previous years, as inheritances are only recognised as income and receivable when they are near finalisation.
- Income from Lotteries has decreased by €2,3m as there were no additional contributions received from the 'Nationale Postcode Loterij' in 2021. The general contribution has remained the same.

Expenses

Expenses on objectives increased in 2021 to €226m, of which €206m were financed by the income from government grants and the rest were financed from other income sources, such as income from private fundraising. Similar to previous years, the expenses on objectives were not aligned with the income during the year which has led to withdrawals from our funds and reserves in line with accounting principles. These withdrawals were partly planned as they relate to earmarked income received in previous financial periods. Management and Administration expenses and fundraising costs are lower than the previous year.

Relevant events during 2021 and continuity for FY 2022 and further

In the annual accounts of 2020 the alleged irregularities in the Central African Republic were mentioned. After receiving the incident reports in 2021, we started various internal and external investigations. The necessary steps were taken to preserve the evidence and mitigate the risk of further misconduct. No new cases were found in the course of our investigations. Donors of affected projects will be approached in the second half of 2022 with the final overview of the losses incurred due to integrity breaches and misconduct of a number of staff members. These losses are the best estimate based on the outcome of the performed investigations taking into account the circumstances in the Central African Republic and the COVID restrictions. In 2020 a provision was taken for potential losses related to these incidents, no additional losses are recorded in 2021.

Next to this, signals of fraud at a partner organisation in the DRC were received in 2021 and triggered various internal and external investigation on our implementing partners of the same program. Based on the first investigation focused on fiscal year 2021, the initial ineligible expenses are calculated at € 800.000, which is provided in 2021. While investigations are ongoing Cordaid took steps to put initial extra control measures in place to reduce the risks that were identified in the investigations. These events have brought to light the need to strengthen

further our compliance and control processes and to continue investing on integrity and risk awareness. At the date of this report, we have made concrete improvements in these areas, which are visible in the results of Annual Accounts audit and in the continuation of the support of our key partners and donors. Further improvements are needed.

Further, there were several external and internal events that influenced our activities in 2021. The assets-liability transaction between Cordaid and ICCO was executed per January 1st, 2021, resulting in the merger of the Global Office activities of both organisations; and the development of a phased approach to the merging of Country Offices in order to cater for restrictions in local regulations. Per January 1st, 2022, eight of our former ICCO country offices have been fully integrated into Cordaid. These country offices now have an NGO registration as Cordaid and contracts and employees have been transferred to Cordaid. Three country offices are planned for finalisation on the integration in 2022. Additionally, ICCO Indonesia has been phased out in 2021. The transition plan to phasing out of the ICCO Latin American activities has been approved, and the handover of activities to a Regional NGO has been planned for 2022.

While we were working hard on the integration of ICCO and Cordaid and delivery on our programmatic goals, we were still affected by the consequences of the COVID pandemic. Restrictions imposed by several governments to stop the spread of the virus and backlogs on the supply chain of goods led to delays in some of our programs, and it required an adjusted approach to program delivery. Despite the continuation of the COVID pandemic, and the crisis in Afghanistan and Ethiopia, we were able to deliver on the majority of our programs, reaching a level of expenditure on our goals of €226m.

Furthermore, during 2021 we developed our strategic compass up to 2030, and in 2022 we will continue with the second phase of this strategic trajectory where we will focus on reviewing our Business and Operating model with the aim to have a healthy and financial sustainable organisation that enables us to deliver on our strategic ambitions for the future.

Consolidated balance sheet as at 31 December 2021
(after proposed appropriation of funds)

x € 1,000	NOTE	31 DEC 2021	31 DEC 2020
Assets			
Fixed assets			
- Intangible fixed assets	6	69	151
- Tangible fixed assets	7	873	1.178
Financial fixed assets			
- Issued in connection with the objectives	8	65.940	57.530
- Investments	9	<u>26.655</u>	<u>24.464</u>
		92.595	81.994
Receivables	10		
- Receivable from grants		43.158	32.221
- Inventories		1.460	1.761
- Work advances partner organisations		7.370	9.283
- Receivable from inheritances		739	6.830
- Interest receivable		1.854	1.735
- Derivatives		832	-
- Other receivables		<u>2.805</u>	<u>2.135</u>
		58.218	53.965
Cash and Bank	11	75.570	67.777
Total assets		<u>227.324</u>	<u>205.065</u>

x € 1,000	NOTE	31 DEC 2021	31 DEC 2020
Liabilities			
Reserves and funds	12		
- Reserves			
▪ Continuity reserve		11.500	11.500
▪ Earmarked reserves		<u>12.049</u>	<u>10.824</u>
		23.549	22.324
- Funds	13		
▪ Restricted funds		3.282	2.107
▪ Semi-restricted funds		8.141	12.012
▪ Loans & guarantees fund		<u>79.342</u>	<u>74.030</u>
		90.766	88.149
Total Reserves and Funds		114.314	110.473
Provisions	14	5.343	5.221
Current liabilities	15		
- Project commitments		35.001	21.837
- Other current liabilities		<u>72.666</u>	<u>67.534</u>
		107.667	89.371
Total liabilities		<u>227.324</u>	<u>205.065</u>

Consolidated statement of income and expenditure for the year ended 31 December 2021

x € 1,000	NOTE	2021	BUDGET 2021	2020
Income				
Income from private individuals	16	21.934	20.900	25.699
Income from companies	17	5.502	-	6.394
Benefits of lottery organisations	18	4.050	4.000	6.351
Government grants	19	198.529	214.962	173.743
Income from related (international) organisations	20	853	750	1.365
Income from other non-profit organisations	21	1.256	688	1.800
Total acquired income		232.124	241.300	215.352
Income from sale of goods and or rendering of services	22	3.892	-	2.614
Other income	23	3.188	5.365	1.455
Sum of income		239.204	246.665	219.421
Expenditure				
- Program costs	24			
▪ Healthcare		108.342	133.923	112.649
▪ Humanitarian Aid		68.948	17.613	27.663
▪ Security & Justice		4.502	16.348	13.958
▪ Resilience		1.435	6.005	8.898
▪ Private sector development		2.312	3.751	4.322
▪ Sustainable livelihoods		21.945	43.145	26.752
▪ Education		6.439	-	206
▪ Investments		2.386	2.805	2.902
▪ Other activities		5.368	3.143	1.498
Total program costs		221.677	226.733	198.848
- Public information / awareness campaigns	25	4.376	6.850	4.160
Expenditure on the objectives		226.053	233.583	203.008
Expenditure on fundraising	25	5.464	2.925	9.078
Management and administration	25	9.949	8.577	17.278
Total expenditure		241.465	245.085	229.364
Sum of income and expenditure before financial income and expenses				
Financial income and expenses	29	6.209	-710	-7.006
Corporate income tax		-107	-	-5
Balance of income and expenditure		3.841	870	-16.954

Appropriation of funds

The funds were appropriated as follows:

x € 1,000	NOTE	2021	2020
Reserves			
- Continuity reserve		-	-
- Earmarked reserves	1.225		-5.085
		1.225	-5.085
Funds			
- Restricted funds	1.175		1.285
- Semi-restricted funds	-3.871		-7.228
- Loans & guarantees fund	5.312		-5.926
		2.617	-11.869
Balance of income and expenditures		3.841	-16.954

In the table below the result per segment is shown. Next to the projects which are implemented with the funds received from Private and Institutional donors, Cordaid is also using part of its funds and reserves for investments with a social impact. These investments are managed by Cordaid Investment Management BV.

x € 1,000	2021			2020		
	Projects	(Social) Invest- ments	Total	Projects	(Social) Invest- ments	Total
Income						
Income from private individuals and companies	27.436	0	27.436	34.744	0	34.744
Income from (institutional) donors	200.638	0	200.638	176.908	0	176.908
Income from social investments	0	1.954	1.954	0	2.463	2.463
Other income	9.175		9.175	5.306	0	5.306
Total Income	237.250	1.954	239.204	216.958	2.463	219.421
Expenditure						
On objective	-223.332	-2.721	-226.053	-200.008	-3.000	-203.008
Fundraising, management & administration	-15.412	0	-15.412	-26.356	0	-26.356
Total Expenditure	-238.744	-2.721	-241.465	-226.364	-3.000	-229.364
Financial income and expenses	1.124	5.085	6.209	-2.011	-5.000	-7.011
Corporate income tax	-107	0	-107	0	0	0
Result	-478	4.318	3.841	-11.417	-5.538	-16.954
Adjustments in Reserves and Funds	994	-994	0	0	0	0
Result Allocation	-1.472	5.312	3.841	-11.417	-5.538	-16.954

Performance indicators

In 2021 the following performance indicators were derived from the statement of income and expenditure, these are offset against the indicators of previous year and based on the budget:

PERFORMANCE INDICATORS	2021	BUDGET 2021	2020
Ability to spend income on charitable activities			
- Income-to-spending ratio (% charitable activities vs. total incoming resources)	94,4%	94,7%	92,5%
Overall efficiency of the organisation			
- Total program-to-spending ratio (% charitable activities vs. total resources expended)	93,6%	95,3%	88,5%
- Program-management-to-spending ratio (% of program management costs vs total resources expended)	2,0%		2,2%
- Fundraising-to-spending ratio (% of fundraising costs vs. total resources expended)	2,3%	1,2%	4,0%
- Management and administration ratio (% vs. total resources expended)	4,1%	3,5%	7,5%
Efficiency of fundraising			
- Fundraising ratio (% cost of generating funds vs. total acquired income)	2,4%	1,2%	4,2%

- Income-to-spending ratio: 94.4%. Income and expenditure on objectives follow the same trend compared to the previous year.
- Program-to-spending ratio: 93.6%. A small increase compared to the previous year. Program expenditure follows the same pattern as overall expenditure.
- Program-management-to-spending ratio: 2.0%. Program management costs are relatively low compared to overall expenditure.
- Fundraising-to-spending ratio: 2.3%. 2021 is lower than the previous year. Reason for this is the addition of ICCO entities to the group consolidation. ICCO entities do not have separate private fundraising activities.
- Management & administration ratio: 4.1%. Management & administration costs have decreased compared to 2020. Main reason for this is the once-off costs in 2020 for the alleged irregularities in the Central African Republic (CAR) (€ 5,1m).

Consolidated statement of cash flows for the year ended 31 December 2021

The movement of cash and cash equivalents is as following:

x € 1,000	NOTE	2021	2020
Cash flows from operating activities			
Incoming resources	15-22	239.204	219.421
Resources expended	23-24	<u>241.465</u>	<u>229.363</u>
Operating Result		-2.261	-9.942
<i>Adjustments for:</i>			
- Depreciation intangible fixed assets	5	82	105
- Depreciation tangible fixed assets	6	307	422
- Result on disposal of tangible fixed assets	6	73	
- Accrued interest	9	119	787
- Movement in provisions	12	<u>122</u>	<u>1.805</u>
		703	3.119
<i>Movements in working capital:</i>			
- Receivables	9	-4.372	-1.525
- Financial fixed assets (connected to the objectives)	7	-1.837	291
- Project commitments	13	13.164	-667
- Other current liabilities	13	<u>5.132</u>	<u>-4.343</u>
		12.087	-6.244
<i>Cash generated from operations</i>			
- Corporate Income Tax		-107	
- Received interest	28	<u>200</u>	<u>300</u>
		93	300
Cash flows from operating activities		10.622	-12.767
Cash flows from investing activities			
Investments in tangible fixed assets	5	-74	-97
Investments not related to objective	8,28	<u>-2.306</u>	<u>-3.337</u>
Cash flows from investing activities		-2.380	-3.434
Cash flows from financing activities			
Repayment of loan		-	-1.160
Cash flows from financing activities		-	-1.160
Net Cash flow		8.242	-17.361
Exchange gains and losses	29	-449	-1.523
Change in cash and cash equivalents		<u>7.793</u>	<u>-18.884</u>
x € 1,000		2021	2020
Cash and cash equivalents as at 1 January		67.777	86.661
Change in cash and cash equivalents		<u>7.793</u>	<u>-18.884</u>
Cash and cash equivalents as at 31 December		<u>75.570</u>	<u>67.777</u>

Notes on the consolidated financial statements

1. General notes

1.1 Activities

Rooted in the tradition of the Catholic Social Teachings, Cordaid's mission is to reduce fragility and people's vulnerability there where it is most needed and most difficult: in fragile and conflict-affected settings. Cordaid does this by promoting equality and social inclusion, by offering humanitarian aid and by increasing the health, security & justice and resilience of people and their communities as well as by strengthening the relationships between citizens, civil society, private sector and governments. Cordaid focuses aid efforts in some of the world's most conflict-torn and volatile countries like South Sudan, Afghanistan, the Central African Republic and the Democratic Republic of Congo. In the Netherlands, Cordaid encourages cooperative entrepreneurship for people with a low income and poor job prospects.

Cordaid is a foundation. Its objectives as described in its Articles of Association are as follows (translated from Dutch):

'In accordance with the evangelical message and inspired by the Catholic community in the Netherlands, the purpose of the foundation is to carry out activities focused on:

- a. providing emergency and refugee aid;*
- b. providing aid to specific groups, such as the elderly, the disabled and children;*
- c. providing medical aid; and*
- d. all aspects related to structural poverty relief of subordinated groups, especially in developing countries, and in Central and Eastern Europe and the Netherlands.'*

The financial statements are prepared on the going concern basis. The book years 2020 and 2021 were both closed with an operational loss. The funds and reserves were sufficient to absorb these losses, however this is not a sustainable situation. For this reason Cordaid has decided to review and improve their operational expending and income model. This will result in a structure review of the whole of Cordaid with the result of a renewed Business model, Operating Model and Income strategy of Cordaid.

The consolidated annual accounts comprise the figures of the following entities:

- Stichting Cordaid, The Hague
- Stichting Cordaid Expats, The Hague
- Stichting Cordaid Participaties, The Hague
- Corpav BV, The Hague
- Cordaid Investment Management BV, The Hague
- Cordaid SA NPC, Cape Town (South Africa)
- Stichting ICCO, The Hague
- ICCO Group BV, The Hague
- Fair Climate Fund BV, Utrecht *
- Fair & Sustainable Consulting BV, Utrecht *
- ICCO Development Solutions PTE. LTD., Singapore *
- Fair & Sustainable Participations, Brazil *
- Fair & Sustainable Business Development Services Ethiopia, Ethiopia *

The objective of Stichting Cordaid Expats is to employ expatriates working for Stichting Cordaid. All income and costs for expats are administrated by Stichting Cordaid. Stichting Cordaid Participaties' objective is to invest in social enterprises worldwide via loans or through participation. Both foundations have the same Board of Directors as Stichting Cordaid.

Corpav BV made direct and indirect investments in social enterprises all over the world with Stichting Cordaid Participaties as its only shareholder. Corpav is no longer active in 2021.

Cordaid Investment Management BV has the objective to act as asset manager for one or more investment institutions. Currently Cordaid Investment Management BV manages the social impact investment portfolio of Stichting Cordaid, which holds 100% of the shares of Cordaid Investment Management BV.

Stichting Cordaid holds 100% of the shares of Cordaid SA NPC. The nature of business and principal activities of this subsidiary is relief and development aid in line with the objectives of Stichting Cordaid.

ICCO Group holds, directly and indirectly, all or the majority shares in all the entities mentioned above, marked with a star (*).

The address of all foundations and companies is:
Grote Marktstraat 45
2511 BH
The Hague
The Netherlands
Dutch Chamber of Commerce: 41160054

The Board of Directors of Stichting Cordaid bears the ultimate responsibility for the general course of affairs at Stichting Cordaid. The Board of Directors is tasked with the management of the foundation, including running its day-to-day business and implementing its programs and activities. The Board is responsible for Cordaid's corporate governance structure and its compliance with good governance rules.

The budget, the annual report and the annual accounts which are all prepared by the Board of Directors, are subject to adoption by the Supervisory Board after advice from the Audit Committee.

The composition of the Supervisory Board is such that its members can act critically and independent from one another, from the Board and of any particular interests. The Supervisory Board is responsible for supervising the Board and the general course of affairs at Cordaid. The Supervisory Board also adopts the multi-annual strategic policy plan drafted by the Board of Directors and approves the annual plan.

The members of the Board of Directors of Stichting Cordaid in 2021 were:

- L.C. Zevenbergen, CEO
- L. Paz Quintero, CFO
- S. Attema, COO (until 31-7-2021)
- Y. van der Schoot, COO (from 1-10-2021)

During 2021, the Supervisory Board members of Stichting Cordaid were:

- A.J.M. Heerts, Chair
- J.F. de Leeuw, vice chair, member Remuneration Committee
- J.H.M. van Bussel, member Audit Committee
- M. van Beek, member Remuneration Committee
- M.W.J.A. Landheer-Regouw
- J.J.A. de Boer, priest
- R. Peetoom
- A. Knigge
- W. Oosterom, member Audit Committee
- J. Alders-Sheya, member Audit Committee
- D. Cheng, member Audit Committee

The Board members of Stichting ICCO, Stichting Cordaid Participations, Corpav BV, Stichting Cordaid Expats and the ICCO Group are the same as for Stichting Cordaid at 31 December 2021.

On 31 December 2021, the Board of Directors of Cordaid Investment Management BV is comprised of J.M.F. Verheijen. Stichting Cordaid is the only shareholder.

On 31 December 2021, R.C. van der Geest is the director of Fair Climate Fund BV, W.J.J. Schasfoort is the director of Fair & Sustainable Consulting BV, L.L.A. Braam-Hol, C. de Ruiter and D. Chee Chern Ern are the directors of ICCO Development Solutions PTE in Singapore. We don't have any directors in F&S Participacoes Empreendimentos Sustentaveis do Brasil. ICCO Group BV is the only shareholder of these companies.

The Board members of Cordaid SA NPC are under the governance of Stichting Cordaid at 31 December 2021. Stichting Cordaid is the sole shareholder. Cordaid SA NPC's registration number at the South African Chamber of Commerce is 2012/039835/08. The Board members of ICCO SA NPC are: H.M. van der Roest and P. Walton.

1.2 *Changes in accounting policies*

Compared to 2020 the valuation of the receivable position of Inheritances has changed. Cordaid is following the possible valuation method of the receivable position of the 'RJ-Uiting 2021-3 RJ640'. In previous years, receivables were determined on the basis of all files open at the end of the year, including a provision based on the uncertainty of various aspects of the inheritance. From 2021 onwards the receivable position is based only on the files which are in the final stage of settlement or finalisation (Rekening & Verantwoording).

The adjusted guideline gives the option to apply this valuation method prospectively. Cordaid has chosen for this option and the comparable figures of 2020 have not be adjusted.

1.3 *Estimates*

In applying accounting policies and standards for preparing annual accounts, the Board of Cordaid is required to make estimates and judgments that might significantly influence the amounts disclosed in the annual accounts. If necessary for the purposes of providing the view required under Section 362(1), Book 2 of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, are disclosed in the notes to the relevant items.

1.4 *Consolidation*

The consolidation includes the financial information of Stichting Cordaid and the entities over which it exercises control, or whose central management it conducts. All entities over which Cordaid exercises control or whose central management it conducts are consolidated in full.

Intercompany transactions, profits and balances among consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are eliminated as well, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities were changed where necessary in order to align them to the prevailing group accounting policies.

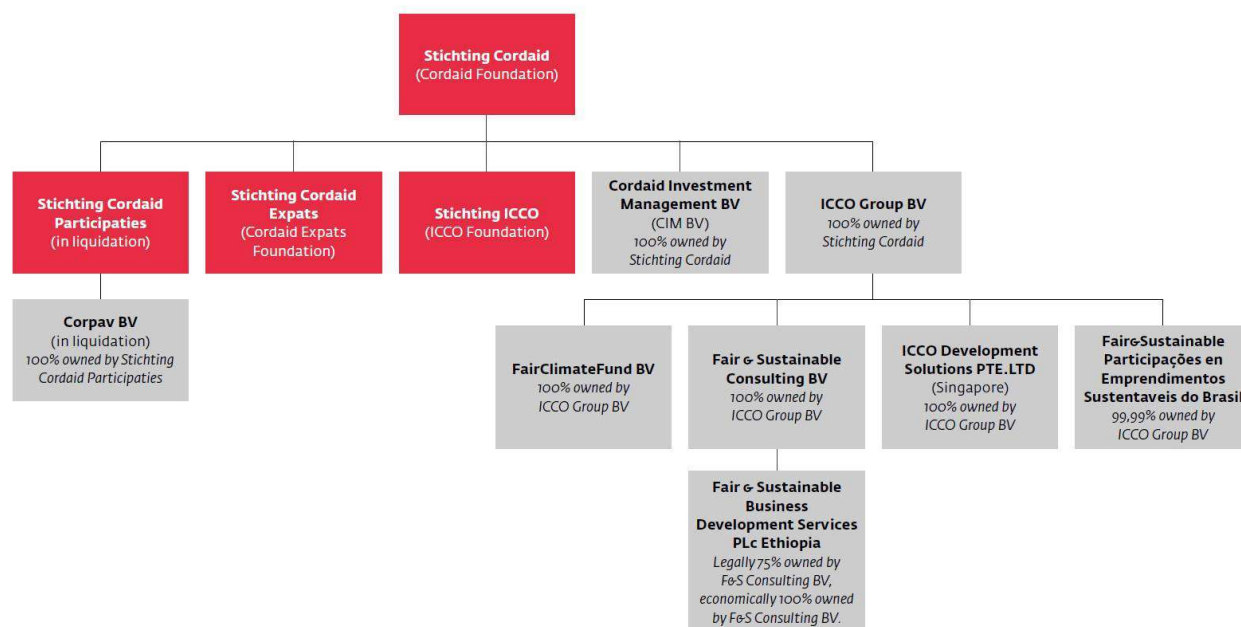
The consolidated entities are listed below:

- Stichting Cordaid Expats, The Hague
- Stichting Cordaid Participaties, The Hague
- Corpav BV, The Hague
- Cordaid Investment Management BV, The Hague
- Cordaid SA NPC, Cape Town (South Africa)
- Stichting ICCO, The Hague
- ICCO Group BV, The Hague
- Fair Climate Fund BV, Utrecht
- Fair & Sustainable Consulting BV, Utrecht
- ICCO Development Solutions PTE. LTD., Singapore
- Fair & Sustainable Participations, Brazil
- Fair & Sustainable Business Development Services Ethiopia, Ethiopia

Stg. Cordaid directly or indirectly holds 100% interest in the BVs and LTDs mentioned above, except for Fair & Sustainable Business Development Services Ethiopia of which Cordaid owns 75%.

1.5 Legal Structure

The legal structure of Cordaid per 31-12-2021 is:



2. Accounting principles

2.1 General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. More specifically, the financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 640/650). Balances and results in 2021 are compared to the budget as approved by the Supervisory Board and 2021 results and balances. Assets and liabilities are generally valued at acquisition cost, production cost or at current value. If no specific valuation method is indicated, the valuation is done at the acquisition price. References are included in the balance sheet and statement of income and expenses.

The financial information of the Company is fully incorporated in the consolidated annual accounts. Using article 2:402 of the Dutch Civil Code, a condensed profit and loss account in the individual financial statements is sufficient.

2.2 Recognition of merger of Cordaid and ICCO

The comparable figures presented in these consolidated annual accounts have been adjusted to reflect the inclusion of ICCO in the group. Due to pooling of interest the audited consolidated figures of Coöperatie ICCO U.A. of 2020 were added to the consolidated Cordaid figures of 2020. In the tables below the 2020 balances and results of ICCO and Cordaid are shown, and the how these amounts are reflected in the annual accounts of 2021.

Balance Sheet

	Cordaid Annual Accounts 2020	ICCO Annual Accounts 2020	ICCO & Cordaid Annuals Accounts 2021
x € 1,000	31 DEC 2020	31 DEC 2020	31 DEC 2020
Assets			
Fixed assets			
Intangible fixed assets	0	151	151
Tangible fixed assets	1.071	107	1.178
Financial Fixed Assets			
- Issued in connection with the objectives	46.142	11.388	57.530
- Investments	24.464		24.464
	70.606	11.388	81.994
Receivables			
- Receivable from grants	19.230	12.991	32.221
- Inventories	-	1.761	1.761
- Work advances partner organisations	9.283		9.283
- Receivable from inheritances	6.830		6.830
- Interest receivable	1.666	69	1.735
- Other receivables	985	(*) 1.150	2.135
	37.994	15.971	53.965
Cash and Bank	46.538	21.239	67.777
Total assets	156.209	48.856	205.065
x € 1,000	31 DEC 2020	31 DEC 2020	31 DEC 2020
Liabilities			
Reserves and funds			
- Reserves			
▪ Continuity reserve	11.000	500	11.500
▪ Earmarked reserves	1.734	(*) 9.090	10.824
	12.734	9.590	22.324
- Funds			
▪ Restricted funds	2.107		2.107
▪ Semi-restricted funds	12.012		12.012
▪ Loans & guarantees fund	68.100	5.930	74.030
	82.219	5.930	88.149
Total Reserves and Funds	94.953	15.520	110.473
Provisions	4.058	1.163	5.588
Current liabilities			
- Project commitments	10.597	11.240	21.837
- Other current liabilities	46.601	20.933	67.167
	57.198	32.173	89.004
Total liabilities	156.209	48.856	205.065

(*) The Earmarked Reserves and Other Receivable position of ICCO at the end of 2020 were adjusted to align with the accounting principles of Cordaid. The Receivable position ICCO had on the Postcode Loterij for the regular

contribution of €1.350.000 has been removed. This also effected the funds and reserves, as the income of this contribution was recognised in the past. The contribution will be accounted for in the year it is actually received, as it is done for Cordaid.

Statement of Income and Expenses

	Cordaid Annual Accounts 2020	ICCO Annual Accounts 2020	ICCO & Cordaid Annuals Accounts 2021
x € 1,000	2020	2020	2020
Income			
Income from private individuals	25.640	59	25.699
Income from companies	2	6.392	6.394
Benefits of lottery organisations	3.700	2.651	6.351
Government grants	138.786	34.957	173.743
Income from related (international) organisations	1.365	-	1.365
Income from other non-profit organisations	1.800	-	1.800
Total acquired income	171.293	44.059	215.352
Income from sale of goods and or rendering of services	53	2.561	2.614
Other income	192	1.263	1.455
Sum of income	171.538	47.883	219.421
Expenditures			
- Program costs			
▪ Healthcare	112.649	-	112.649
▪ Humanitarian Aid	20.095	7.568	27.663
▪ Security & Justice	13.958	-	13.958
▪ Resilience	8.898	-	8.898
▪ Private sector development	-	4.322	4.322
▪ Sustainable livelihoods	-	26.752	26.752
▪ Education	206	-	206
▪ Investments	2.902	-	2.902
▪ Other activities	1.498	-	1.498
Total program costs	160.206	38.642	198.848
- Public information / awareness campaigns	4.160	-	4.160
Expenditure on the objectives	164.366	38.642	203.008
Expenditure on fundraising	4.776	4.302	9.078
Management and administration	10.808	6.470	17.278
Total expenditures	179.950	49.414	229.364
Sum of income and expenditures before financial income and expenses	-8.412	-1.531	-9.943
Financial income and expenses	-4.803	-2.203	-7.006
Corporate income tax	-5		-5
Balance of income and expenditures	-13.220	-3.734	-16.954

2.3 *Foreign currency*

Functional currency

The financial statements are presented in Euros, which is the functional and presentation currency of Cordaid.

Transactions, receivables and payables

Transactions in foreign currencies during the period are included in the financial statements at the exchange rate as per the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate. The exchange differences arising from the settlement and translation are credited or charged to the statement of income and expenditure.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions. Translation differences on non-monetary assets such as equities held at fair value through income or expenditure are recognised through income or expenditure as part of the fair value gain or loss.

2.4 *Intangible fixed assets*

IT systems and other intangible assets are all valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line amortisation over their estimated useful lives.

2.5 *Tangible fixed assets*

Buildings, IT equipment, furniture and fittings, vehicles and other assets are all valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses. Grants are deducted from the acquisition or manufacturing cost of the assets to which they relate.

2.6 *Financial fixed assets*

Issued in connection with the objectives:

Loans, guarantees and participations

Loans and guarantees disclosed under financial assets are recognised initially at fair value of the amount owed and subsequently measured at amortized cost.

Participations are valued at acquisition cost adjusted for impairments at reporting date. These participations do not involve a structural commitment for the purposes of Cordaid's own operations.

Derivatives

Derivatives are valued at fair value. Derivatives with a negative value are presented under current liabilities. Changes in the value of derivatives and transactions costs are recognised directly in the statement of income and expenditure.

Investments:

Bonds and shares

Bonds and shares are measured at fair value. Changes in value and transaction costs are recognised through income or expenditure. Transaction costs are charged directly to the statement of income and expenditure.

2.7 *Non-current asset impairment*

Cordaid assesses at each reporting date whether there is any evidence of assets being subject to impairment. If any such evidence exists, the recoverable amount of the relevant asset is determined. An asset is subject to impairment if its carrying amount is higher than its recoverable amount; the recoverable amount is the higher of net realisable value and value in use. If it is established that a previously recognised impairment loss no longer applies or has decreased, the increased carrying amount of the asset in question is not set higher than the carrying amount that would have been determined had no impairment loss been recognised.

Cordaid assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortized cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

2.8 *Receivables*

General

Receivables are initially recognised at fair value and subsequently carried at amortized cost. Allowances for doubtful debts are deducted from the carrying amount of receivables.

Receivable from inheritances

Inheritances on which third parties have a right of usufruct are recognised in the annual accounts. Recognition is based on the best practices as prescribed by the Dutch branch organisation 'Goede Doelen Nederland'. The valuation method used by Cordaid is based on the adjusted RJ-uiting, which gives the option to recognise the income at the moment a dossier is at the final stage ('Rekening en Verantwoording' or 'Akte van Verdeling'). Receivables are only recognised and included in the balance sheet for dossiers which are in the final stage of settlement. Income is however recognised through the statement of income and expenditure, after which the benefits are included in a designated fund until the moment of release.

2.9 *Cash and cash equivalents*

Cash and cash equivalents comprise cash and bank balances and demand deposits falling due in less than 12 months. Cash and cash equivalents are stated at face value.

2.10 *Reserves and funds*

The equity of Cordaid is divided into the following reserves and funds:

- The continuity reserve is created to ensure that Cordaid can meet its legal and moral obligations in case of a significant fall in income in the future. The reserve is determined by the possible risks Cordaid might face in the future. This reserve can be used to cover the negative results related to these risks, in the situation that the negative result cannot be covered by any other reserves. The continuity reserve has remained below the maximum size (1.5 times the work organisation's annual cost), as stated in the Association of Fundraising

organisations 'Reserves of Charities' code (Goede Doelen Nederland). The maximum continuity reserve according to the code is €102,6 million.

- Earmarked reserves are earmarked for future spending on the objectives of Cordaid. The Board of Directors decides on the actual purpose of the reserves, based on internally agreed criteria.
- The restricted funds are earmarked for a specific project as agreed upon with third-party donors.
- Semi-restricted funds are earmarked for activities related to a certain topic, but not limited to specific projects.
- The loans and guarantees fund is committed for loans, guarantees and equities connected to the objectives of Cordaid. The result on these financial assets and the costs of managing this portfolio reflect the changes in the fund in a year.

2.11 Provisions

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which will probably require an outflow of resources whose extent can be reliably estimated.

Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations at the balance sheet date. Unless indicated otherwise, provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

2.12 Liabilities

General

Liabilities are initially recognised at fair value. Transaction costs directly attributable to the incurrence of the liabilities are included in the measurement on initial recognition. Liabilities are subsequently measured at amortized cost; this is the amount received plus or minus any premium or discount and net of transaction costs.

Operating lease

Liabilities under operating leases (such as the lease of premises) are accounted for in the statement of income and expenditure equally over the term of the contract, taking into account reimbursements received from the lessor.

Project commitments

Contracts with partners which are managed by the Country Offices are recognised as expenses based on their expense reports. The cash advances given to the partner, are considered as pre-payments and are booked under the debit side of the balance sheet. All other partner commitments are recognised as soon as a contract is issued and are stated at the fair value stated in the contract, net of any payments.

3. Accounting principles for the consolidated statement of income and expenditure

3.1 General

Income and expenses are recognised in the statement of income and expenditure in the year to which they relate. The allocation is made consistently with previous years. The balance of funds is defined as the difference between income and expenses. Income is accounted for in the year it was realised, and losses are accounted for as soon as they are identified.

3.2 Income recognition

Income from private individuals and companies

Income from private individuals and companies comprises gifts and donations, mailings, collections, legacies and the sale of materials. Income from gifts and donations, contributions, collections and mailings are accounted for in the year in which they are received. Exceptions to these are written undertakings that have been received before year-end as these can be accounted for in the current year.

Legacies which were accounted for in previous book years are recognised based on a statement received from the executor in the year in which the amount can be determined reliably. The valuation of legacies with property is done based on the most recent correspondence and receipts are included up to the preparation of financial statements. In

the case that an estimation of the value is given by the executor which is still uncertain a correction on the income is made, until the exact amount is known. The valuation is done prudently.

New Legacies in 2021 are recognised based on a statement of 'Rekening en Verantwoording' or 'Akte van Verdeling' received from the executor in the year of the statement or when an advance on a legacy is received in the year of reception. The value of the legacies which reach the final stage of settlement after ending the book year, but before signing of the Annual Accounts, will be reflected in the off-balance sheet commitments.

Income from lottery organisations

The income from lottery organisations is recognised in the year in which the income is received.

Income from other non-profit organisations

Income from non-profit organisations is accounted as such when Cordaid has no role and/or involvement in the fundraising campaign. The income from non-profit organisations is recognised in the year in which the income is received or pledged. However, grants and subsidies from other non-profit organisations are recognised in the statement of income and expenditure in the year in which the subsidized costs are incurred. The grants are recognised when it is likely that they will be received and Cordaid will comply with all attached conditions.

Income from government grants

Grants and subsidies are recognised in the statement of income and expenditure in the year in which the subsidised costs are incurred. The income is recognised based on the expenses made related to the grant. Under this category income is included which is received directly from government organisations, like ministries and embassies, and donors which get their funding from government organisations, for example similar INGOs as Cordaid, World Bank and Global Fund.

Gifts in kind

Gifts in kind are stated at their fair market value in the Netherlands. Where items involving gifts in kind are sent directly to emergency areas, their value is recognised as a gift and as an expended resource. Cordaid accounts for gifts in kind if the discount/gift has a connection with the nature of Cordaid's activities and objectives and Cordaid would have purchased the services or goods if the gift/discount had not been received.

Result of loans, guarantees and participations

The result of loans, guarantees and participations is made up of interest received on loans and guarantees under the Loan and Guarantee Program, realised and unrealised changes in the valuation of loans and participations, dividends and fees for restructuring loans.

Income from sale of goods and/ or rendering of services

Income from sale of goods and/or rendering of services are accounted for in the year in which the materials are sold or services are provided.

3.3 *Exchange rate differences*

Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange at the reporting date. Any resulting exchange differences are recognised through income or expenditure. Non-monetary assets and liabilities stated at cost and denominated in foreign currencies are translated at the rate of exchange at the transaction date (or the approximate rate of exchange).

3.4 *Depreciation on (in)tangible fixed assets*

(In)tangible fixed assets are carried at cost less straight-line depreciation over their estimated useful lives. (In)tangible assets are depreciated from the time they are taken into use over their estimated useful lives. Future depreciation is adjusted if the estimate of future useful life changes. Gains and losses on the sale of (In)tangible fixed assets are booked in the Statement of Income and Expenses as a loss or profit.

3.5 *Employee benefits*

Short-term employee benefits

Salaries, wages and social security contributions are recognised in the statement of income and expenditure based on the pay and benefits package to the extent that they are payable to employees.

Pensions

Cordaid's pension plan is administered by the Zorg en Welzijn Pension Fund (PFZW), a pension fund for the health and welfare sector. Employees' retirement and partner pensions are based on their pensionable salary for full-time employment, net of the state-pension offset. The pension fund endeavours to index-link any accrued pension entitlements and pensions in payment based on general salary trends in the collective bargaining agreements that govern its affiliated employers in a particular year. The pension fund decides every year whether index-linking would be appropriate and, if so, what index to use given the financial situation and expected developments in that situation. In doing so, the pension fund uses nominal and realistic coverage ratios as benchmarks. Although the pension fund may decide to apply catch-up index linking, such a decision will not have a retroactive effect and will not trigger subsequent payments. Index linking is funded partially from contributions and partially from the return on plan assets. The actual coverage ratio was 106.6% on the 31st of December 2021 (31st of July 2022: 111.0%).

Contributions are recognised as employee benefit expenses as soon as they are payable. Prepaid contributions are recognised within prepayments and accrued income if they entail a refund or a reduction in future payments. Contributions payable are disclosed as liabilities in the balance sheet.

3.6 *Financial income and expenses*

Interest paid and received

Interest paid and received is recognised on a time-weighted basis, taking into account the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Interest income and income from investments

The line-item interest income and income from investments contains the (gross) interest, dividends and realised and unrealised capital gains. Interest income and expense are recognised time proportionally.

Interest income is recognised as investment income exclusive of interest received on loans and guarantees issued in the context of the Loans & Guarantees Program, which is recognised entirely as gains on financial assets issued in connection with the objectives.

Changes in financial instruments at fair value

Financial instruments are initially valued at fair value. Changes in the value of the following financial instruments are recognised directly in the statement of income and expenditure:

- purchased loans, bonds (unless held to maturity) and equity instruments that are quoted in an active market;
- changes in derivative financial instruments to hedge its foreign currency risks and interest rate risks.

4. Financial instruments and risk management

4.1 *Market risk*

Currency risk

Cordaid operates in the wide variety of countries. The currency risk for Cordaid largely concerns positions and future transactions in US dollars and currencies that are closely related to the US dollar. Management has determined that the cost of structurally hedging these currency risks does not outweigh the benefits. Based on management risk assessment, one incidental hedge contract is in place to cover currency risks on loan(s) denominated in Myanmar Kyat (MMK). A swap contract, MMK to USD, has been used for this purpose. This swap contract does hold a risk, because the USD inflow is dependent on the 6 month LIBOR. Natural hedges exist because receivables and liabilities are often related. For 2022 the extension of a structural hedging policy will be investigated.

Price risk

Cordaid invests its temporary cash balances according to a defensive to neutral strategy. As a consequence, Cordaid faces a limited market risk related to its portfolio of bonds and shares that is valued at market value.

Interest rate and cash flow risk

Cordaid incurs interest rate risk on interest-bearing receivables (in particular those included in financial assets and cash).

Credit risk

Cordaid does not have any significant concentrations of credit risk. Receivables mainly relate to grants from solid governments or multilateral institutions.

Liquidity risk

Cordaid uses several banks to avail itself of a range of overdraft facilities. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

4.2 *Ethical risk*

Cordaid operates in a sector and geographical environment that is associated with increased risk of ethical matters, including corruption, fraud and non-compliance with local and international laws and regulations. These risks may materialise in performing operations and doing business with third parties, but it cannot be excluded that these may also originate from inappropriate conduct by own employees and partner organisations. It is furthermore noted that local business practices may not be of similar standards as we know in Western Europe and/or may be disrupted or otherwise not effective because of local circumstances. For instance, in some of the countries of operation the banking system is immature, requiring transactions to be settled in cash. In case of malpractices, witnesses may not benefit from the same protection as in other parts of the world, which may be a reason not to report or address the matter.

Cordaid is aware of the inherently higher ethical and compliance risk factors and has put mitigating controls in place including - but not limited to - a code of conduct, zero-tolerance policies and whistle-blower policies. Also, the company strives to rotate key employees on a regular basis, seconds staff on an expat basis and exercises direct supervision from the Global Office, either remotely or by visiting the local offices on a regular basis. In performing oversight, it is noted that safety and other travel restrictions may apply, which may limit the effectiveness of that oversight. The COVID pandemic has been an additional challenge in this respect.

Although efforts are made to avoid unethical practices and to act in compliance with all relevant local and international laws and regulations, a complete elimination of ethical and compliance risk cannot be fully guaranteed. Any violation of any relevant law or regulation could have an adverse effect on our operational performance, earnings, cash flows and financial condition. Since 1st of January 2022 ICCO and Cordaid have joined forces, compared to 2020 Cordaid is present in more countries, especially in Latin America, West Africa and Asia (see the Country Office overview under the chapter Other Information). In general the project portfolio of the ICCO Countries is smaller than the ones of Cordaid. The general risk profile has not changed.

In this context we make specific reference to note 13 setting out the financial effects and uncertainties in relation to allegations of integrity breaches in our country office in the Democratic Republic Congo (hereafter: DRC); and the follow up on the financial effects and uncertainties connected to integrity breaches and misconduct of staff members in Central African Republic (CAR) country office reported in FY 2020.

5. Notes to the Cash Flow Statement

The cash flow statement is prepared by using the indirect method. The funds in the cash flow statement comprise cash and cash equivalents. Cash flows in foreign currencies are translated at an average rate.

6. Intangible fixed assets

Movements of the intangible fixed assets are as follows:

x € 1,000	IT SYSTEM
Balance as at 1 January 2021	
Cost	420
Accumulated amortisation	-269
Carrying value as at 1 January 2021	151
Changes	
Purchases	
Disposals	-30
Amortisation	-82
Amortisation on disposals	30
Total changes	-82
Balance at 31 December 2021	
Cost	390
Accumulated amortisation	-321
Carrying value as at 31 December 2021	69
Amortisation percentages	20%/33%

The total investments mainly concern the development of the IT system which ICCO has been developing. During the phase-out period of ICCO until 2023, the IT system will still be used. All assets are held for business operations.

7. Tangible fixed assets

Movements of the tangible fixed assets are as follows:

x € 1,000	BUILDINGS	IT EQUIPMENT	FURNITURE AND FITTINGS	VEHICLES	OTHER ASSETS	TOTAL
Balance as at 1 January 2021						
Cost	1.147	4.895	1.908	286	283	8.518
Accumulated depreciation	-281	-4.831	-1.715	-231	-283	-7.340
Carrying value as at 1 January 2021	866	64	193	56	-	1.178
Changes						
Purchases	72				2	74
Disposals		-244		-48		-292
Depreciation	-214	-5	-52	-35	-2	-307
Depreciation on disposals		179		41		219
Total changes	-142	-70	-52	-43	0	-306
Balance at 31 December 2021						
Cost	1.219	4.651	1.908	238	285	8.301
Accumulated depreciation	-495	-4.656	-1.767	-225	-285	-7.428
Carrying value as at 31 December 2021	724	-6	140	13	0	873
Depreciation percentages	10%	33%	20%	33%	33%	

The total investments mainly concern the completion of the office in The Hague, as well as furniture and fittings. All assets are held for business operations.

8. Financial fixed assets issued in connection with the objectives

Outstanding loans and participations are recognised as financial assets issued in connection with the objectives. This relates to loans issued to SMEs for the purposes of funding small-scale economic activities (e.g. through microfinance institutions) and for organisations for which it is difficult or impossible to secure finance from commercial banks. Interest rates on these loans are determined by country and by customer. Movements in financial assets were as follows in 2021:

x € 1,000	Loans	Participations	Total
Balance 1 January 2021			
Value of portfolio at 1 January 2021	45.769	20.564	66.333
Provision at 1 January 2021	-8.803		-8.803
Carrying amount 1 January 2021	36.966	20.564	57.530
<u>Changes in portfolio</u>			
Loans and guarantees issued	18.507		18.507
Loans and guarantees repaid	-11.601		-11.601
Participations acquired/committed		1.461	1.461
Participations sold/commitments withdrawn		-466	-466
Impaired loans and guarantees/withdraw from provision	-1.955		-1.955
Revaluation of participations	14	-859	-845
Currency gains and losses	1.605	112	1.717
Change in value of portfolio at 31 December	6.570	248	6.818
<u>Changes in the provision</u>			
Impaired loans and guarantees/withdraw from provision	1.955		1.955
Allocated to provision for loans and guarantees	-363		-363
Provision at 31 December	1.592	0	1.592
Value of portfolio at 31 December	52.339	20.812	73.151
Provision at 31 December	-7.211		-7.211
Carrying amount 31 December	45.128	20.812	65.940

Loans

The provision on loans and guarantees decreased by €1.6m in 2021 (2020: +€3.2m). The total provisions as a percentage of the outstanding portfolio is 14.2%. In 2020 the provision has increased significantly due to uncertainties around the COVID-19 pandemic and its impact on the parties which received the loans, in 2021 we were able to release a part of this provision.

The outstanding loans are the amounts actually transferred to partner organisations. At balance sheet date an amount of €2.1m was signed as loan but not yet disbursed (2020: €3,0m).

To secure the loans and guarantees portfolio, the following types of collateral have been pledged on a portion of the loans: loan portfolio pledges, debentures, corporate and/or personal guarantees, mortgages and subordinating loans to our loans and guarantees. The average interest rate on the loans and guarantees is 11%.

Loans and guarantees will fall due in the following periods:

x € 1,000	LOANS
< 1 year	8.228
1-5 years	42.515
> 5 year	1.596
	52.339

Participations

Cordaid takes a prudent approach to the valuation of its participations. They are carried at acquisition cost adjusted for impairment. Previously recognised impairments can be (partially) reversed if the original reasons for impairment

are no longer valid. The reversal shall not result in a carrying amount that exceeds what the amortized cost would have been had the impairment never been recognised. Payments in foreign currencies are recorded at the payment date. Cordaid has the policy of selling all foreign currencies, besides US dollars, directly upon receipt.

Cordaid operates in fragile countries where there is no active market for these equity stakes. Accurate and timely information on valuation is often limited. As a result of these factors, Cordaid adopts a conservative approach towards valuation of participations. Their fair value is however determined considering suitable valuation methods such as book value principle, price earnings ratios and recent sale prices of similar investments. The fair value of the participations is equal to or greater than the valuation in the balance sheet according to the valuation at acquisition price adjusted for impairment.

List of participations (in €1,000):

Name of organisation	Country	Opening balance 2021	Purchased /committed	Currency gains and losses	(Reversal of) Impairment	Sold	Closing balance 2021
AAVISHKAR	India	350					350
AFRI-OILS	Malawi						0
AGRICROWD BV	The Netherlands	50			-50		0
CAPITAL 4 DEVELOPMENT ASIA FUND COOPERATIEF - A	The Netherlands	1.761	233		-50		1944
CAPITAL 4 DEVELOPMENT ASIA FUND COOPERATIEF - B	The Netherlands	6.296	994				7290
DIA VIKAS	India	2.893					2893
FACTS EAST AFRICA BV	The Netherlands	84					84
FPM SA	DRC	3.506					3506
HANDS-ON BV	The Netherlands	300			-195		105
HEKIMA Micro Finance SA	DRC	405					405
LIBERATION	United Kingdom	80		16	175		271
PEAK II LP	Tanzania						0
PROGRESSION CAPITAL AFRICA LTD	Mauritius	1.530		22	-452	-465	635
PROTHEM-USINE SA	Burundi						0
PYME CAPITAL	Panama	1					1
SAVANNA FARMERS MARKETING CO. LTD *	Ghana						0
SCOPEINSIGHT BV *	The Netherlands	100	50		-50		100
SICSA	Panama	454					454
SME Impact Fund CV	The Netherlands	238			-238		0
WAAR NEDERLAND BV *	The Netherlands	1.562	100				1662
OISL Ghana *	Ghana	40					40
BANCO Fie Bolivia *	Bolivia	705	66	53			824
BANCO ECOFUTURO *	Bolivia	148	17	21			186

CAJA RURAL LOS ANDES *	Peru	61				61
Manq'a Sociedad *	Bolivia		1			1
WAVF	Mauritius					0
		20.564	1.461	112	-860,209	20.812

Given the nature and purpose of the investment, Cordaid will only make new investments if a short to medium term exit strategy can be formulated. The number of participations is 26, the total value of the portfolio of participations increased with €250.000 to €21,8m by 31 December 2021.

The participation indicated with a * have been added to the to the social investment portfolio due to the inclusion ICCO in the group consolidation.

9. Investments

Cordaid selected ING and Van Lanschot in 2015 as their asset managers. Both asset managers were instructed to invest following a defensive to neutral green sustainable profile. The investment strategy has a horizon of 5 to 10 years. Both asset managers receive a fee based on the invested amount only and not a performance-based fee. ING Bank and Van Lanschot Bankiers invest in businesses that have sound staff policies in place, that protect the environment and that respect human rights. Cordaid applies its own investments policy, based on the UN Global Compact and the Standard for Financial Management of Fundraising Institutions of Goede Doelen Nederland. The current portfolio investments can be specified as follows:

x € 1,000	31 DEC 2021	31 DEC 2020
Bonds		
Government bonds	4.949	4.440
Corporate bonds	9.703	9.792
Other bonds	1.319	1.298
Total bonds	15.971	15.530
Shares	9.775	8.352
Other funds	909	582
	26.655	24.464

x € 1,000	SHARES	BONDS	OTHER FUNDS	TOTAL
Opening balance 1 January 2021	8.352	15.530	582	24.464
Purchases	927	1.943	90	2.960
Sales	-1.054	-1.916	-	-2.970
(Un)realized gains and losses	1.550	414	237	2.201
Closing balance 31 December 2021	9.775	15.971	909	26.655

The portfolio is carried at fair value based on the known market prices for the specific bonds, shares and funds in the portfolio. The fair value of the portfolio increased by €2.2m to €26.7m. The decrease in interest rate and increase in stock market values is the main driver for the increase of the fair value of the investment portfolio. The amount originally invested in the current portfolio in 2015 was €20m.

10. Receivables

All receivables have a remaining maturity of less than one year.

x € 1,000	31 DEC 2021	31 DEC 2020
Receivables		
Receivable from grants	44.916	33.479
Provision uncollectable receivables from grants	-1.758	-1.258
Work advances partner organisations	7.430	9.368
Doubtful debts	-60	-85
Receivable from inheritances	739	6.830
Inventories	1.460	1.761
Interest receivables	1.854	1.735
Derivatives - Receivable	832	-
Other receivables	2.805	2.135
	58.218	53.965

Contracts with donors lead to a receivable if costs incurred are higher than advances received from the donor. The related receivables from grants increased to €44,9m (2020: €33,5m). €13,5m of the increase relates to a new project started in 2021, Just Future, of which the expenses were recorded ahead of the receipt from donor due to accounting principles.

In 2021 a provision was created on the receivables from grants for projects which might have been affected by the alleged irregularities in CAR. In 2021 no settlement has yet been made with donors.

Compared to 2020, advance payments to implementing partners decreased by €2.0m to €7,4m in 2021. During implementation and execution of projects, Cordaid Country Offices provide advance payments to its implementing parties. These advances are subsequently justified by the partners after implementation of the activities.

The receivable from inheritances in 2021 decreased by €6.1m to €0.7m. The reason for this is the different way of valuating the receivable position of unfinalized cases. From 2021 onwards the receivable position is based only on the files which are in the final stage of settlement or finalisation (Rekening & Verantwoording). In accordance with the adjusted guidelines, the valuation method will be applied prospectively. The comparable figures of 2020 have not been adjusted.

Inventories relate to the emission rights owned by Fair Climate Fund BV.

Interest receivables relate to the bonds in the investment portfolio, outstanding deposits, savings deposits and outstanding loans and guarantees relating to Cordaid's objectives. The interest to be received on loans & guarantees are in line with previous year.

x € 1,000	31 DEC 2021	31 DEC 2020
Interest Receivables		
Bank & Deposits	6	6
Bonds	3	42
Loans & guarantees issued in connection to the objective	1.845	1.687
	1.854	1.735

11. Cash and bank

Cash and bank comprise the cash and bank balances of the Cordaid office in The Hague, of the Country Offices abroad, consolidated entities as well as deposits falling due in less than one year. Cash and cash equivalents increased from €67,7m to €75,5m during 2021. The factors in the movements in cash and bank are explained in section 5 - Notes on the cash flow statement.

x € 1,000	31 DEC 2021	31 DEC 2020
Cash and cash equivalents		
Deposit	1.571	3.181
Bank accounts	73.761	63.882
Cash at hand	218	309
Cross accounts	20	405
	75.570	67.777

Cordaid has a bank guarantee facility up to a maximum of €2.5m. Bank guarantees have been issued for a total amount of €0.2m (2020: €0.3m): one guarantee for the rent agreement of €0.2m (office). Usage of Cordaid bank balances is limited by €0.4m following pension liabilities towards local South Sudan staff (2020: €0.4m). Bank and other guarantees, as well as South Sudanese restrictions on bank balances are not at Cordaid's free disposal (€0.6m). All remaining cash (€75,0m) is at Cordaid's free disposal.

12. Reserves and funds

x € 1,000	CONTINUITY RESERVE	EARMARKED RESERVES	RESTRICTED FUNDS	SEMI- RESTRICTED FUNDS	RESTRICTED FUND LOANS & GUARANTEES	TOTAL RESERVES AND FUNDS
Balance as at 1 January 2021	11.500	10.824	2.107	12.012	74.030	110.473
Changes						
Dotation	-	2.355	2.625	23.226	4.318	32.524
Extraction	-	-136	-1.449	-27.097	-	-28.682
Other	-	-994	-	-	994	-
Balance at 31 December 2021	11.500	12.049	3.282	8.141	79.342	114.314

Continuity reserve

The continuity reserve is designed to create a sufficiently large buffer to enable Cordaid to complete ongoing programs appropriately, with due observance of existing legal and moral obligations and staffing them with our own people, if one or more key sources of funding were to dry up unexpectedly or if an unforeseen outflow of cash occurs. At year-end 2018 the continuity reserve was set on €11.0m based on a risk analysis of future events that might lead to unforeseen outflow of funds. Due to the Asset Liability transaction between Cordaid and ICCO an addition was made to the continuity reserve of €0.5m. Neither additions to nor withdrawals from the continuity reserve were made in 2021.

On 31 December 2021, the continuity reserve amounted to €11.5m. This is below the maximum of 1.5 times total costs for the work organisation, formulated by Goede Doelen Nederland. The costs for the work organisation are €68.4 million in 2021, see note 24 for more information. According to the guidelines from Goede Doelen Nederland the maximum of the continuity reserve is €102.1 million and the continuity reserve for 2021 complies with the guidelines. The costs for management & administration and fundraising in 2021 were €15,4m.

Earmarked reserves

Earmarked reserves comprise interest income, exchange results, income from investments of temporary surpluses of semi-restricted and restricted funds and income not earmarked for specific topics. The reserves are earmarked for

spending on objectives and coverage of operational losses. The allocation of these reserves to different themes, programs and objectives is subject to decision by the Board of Directors. Decision-making is based on internally agreed upon criteria.

The total amount of earmarked reserves per 31 December 2021 is €12.0m. In past years, operational gains and losses and exchange results on regular operations were charged against the earmarked reserves. The earmarked reserve includes an amount of €7.8m which is committed towards and invested in the C4D Asia Fund. The remaining balance of €4.2m is the result of surpluses in the past. These reserves do not have a specific purpose and will be used to offset organisational losses in the future.

Restricted funds

Restricted funds are funds received for an earmarked purpose, such as incoming resources for project specific campaigns or other funds specifically allocated to one or more projects.

x € 1,000	BALANCE AS AT 1 JANUARY 2021	INCOMING RESOURCES	OVERHEAD FEE	PROJECT RESOURCES EXPENDED	BALANCE AS AT 31 DECEMBER 2021
Adoptions, specified donations	1.392	1.675	-32	-380	2.655
SHO Acties	626	950	-	-1.027	549
Fondsen op naam	89	-	-	-11	78
Total restricted funds	2.107	2.625	-32	-1.418	3.282

Restricted funds increased by €1.2m to €3.2m as per 31 December 2021 (2020: €2.1m). The increase is mainly due to a gift of €1m specifically for 'The African Bright Future Fund' which will start in 2022. No expenses were made in 2021 which relate to this donation. In 2021 there were expenses of two fundraisers of Samenwerkende Hulporganisaties (SHO). The table below comprises movements of the two SHO restricted funds during the financial year 2021. A full report of expenditure and activities in the reconstruction phase can be found on the website of the SHO.

SHO - Samen in Actie voor Beiroet

x € 1,000	2021	Total (until current book year)
Income		
Incoming resources from third party campaigns	0	1.800
Interest	0	0
Total incoming resources	0	1.800
Costs for Preparation and coordination (AKV)		
Preparation and coordination	12	95
Total available for charitable activities	-12	1.705

Resources expended

Breakdown of resources expended locally		
- support offered through local relief providers	140	640
- support offered through international umbrella organisation	382	1.066
- support offered through participant	0	0
Total resources expended	521	1.705

SHO - Samen in Actie tegen Corona

x € 1,000	2021	Total (until current book year)
Income		
Incoming resources from third party campaigns	950	950
Interest	0	0
Total incoming resources	950	950
Costs for Preparation and coordination (AKV)		
Preparation and coordination	44	44
Total available for charitable activities	906	906
Resources expended		
Breakdown of resources expended locally		
- support offered through local relief providers	0	0
- support offered through international umbrella organisation	385	385
- support offered through participant	123	123
Total resources expended	508	508

SHO allocation key

The key for allocating the income from fundraising activities by the SHO is based on the 3-year average of the volume of emergency aid and reconstruction activities and the income from own fundraising of the participants of SHO.

In the table below the relevant figures for Cordaid in the period 2019-2021 are provided.

x € 1,000	2021	2020	2019
1. Volume of emergency aid and reconstruction activities	39,462	36,320	25,145
2. Income from own fundraising	26,291	25,695	28,281

The volume of delivered emergency aid and reconstruction activities is excluding SHO funds and excluding funds transferred to other organisations in the role of administrative lead agency/horizontal lead agency (for example in the role of lead agency in the Dutch Relief Alliance).

The income from own fundraising for 2019 up to 2021 is calculated by the sum of:

- Income from private individuals
- Income from companies
- Income from other non-profit organisations minus income from SHO
- Income from sale of goods and or rendering of services

Semi-restricted funds

Semi-restricted funds are accruals of income from own fundraising that is not earmarked for one specific project, but only earmarked for a broadly defined purpose. The decrease in semi-restricted funds by €4,4m is a result of spending on projects and fundraising costs minus the contributions from private fundraising in 2021.

Due to an adjustment in the valuation method of inheritances and the receivable position on outstanding cases, the income from inheritances, part of the private fundraising, has decreased compared to 2020. See also note 15 for more information.

Loans & Guarantees Fund

The Loans & Guarantees Fund comprises the resources that have been accrued within the scope of the Loans & Guarantees Program. The resources of the Loans & Guarantees Fund stem from the co-financing program and from own resources. As no new funds are being added to the fund by Cordaid, the portfolio can only grow through a positive result from the social impact investments itself. Grant approvals for projects supporting the social impact investments are deducted from the fund Loans & Guarantees. The operating costs consist of the cost of Cordaid Investment Management BV (CIM BV), including overhead charged from Stichting Cordaid to CIM BV based on the service-level-agreement between these parties. Also, social impact investments outside the scope of the funds managed by CIM BV are financed through this fund up to a cumulative of €5m.

x € 1,000	31 DEC 2021	31 DEC 2020
Balance as at 1 January 2021 after adjustment	74.029	80.429
Income from financial assets issued for objectives	2.007	3.723
Investment income (assets not issued for objectives)	252	841
Unrealised change in value of derivatives	5.085	-4.421
Operating costs	-2.664	-2.700
Mutation in provision for Loans & Guarantees	-305	-3.154
Grant approvals	-57	-511
Financial result assets connect to objectives	4.318	-6.223
Other mutation - movement between funds/reserves	994	-177
Closing balance 31 December	79.342	74.029

13. Provisions

The composition of, and movements in, the provisions were as follows:

x € 1,000	REDUNDANCY PROVISION	BACKDONOR PROJECTS	GURANTEE OBLIGATION	OTHER PROVISION	TOTAL
Balance as at 1 January 2021	1.159	3.467	567	28	5.221
Short term liabilities	1.625	-	-	-	1.625
Balance as at 1 January 2021 incl. short term liabilities	2.784	3.467	567	28	6.846
<i>Changes</i>					
- Addition	419	977	37	14	1.447
- Withdrawn	-1.862	-	-43	-	-1.905
- Released	-149	-145	-	-28	-322
	1.192	4.299	561	14	6.066
Short term liabilities	-444	-265	-	-14	-723
Balance as at 31 December 2021	748	4.034	561	-	5.343

Provisions decreased in 2021 by €1.5m to €5.3m. The redundancy provision consists of 3 main parts: a provision taken at Global Office for redundant staff of previous reorganisations; a reorganisation provision related to the merger between ICCO and Cordaid; and provisions taken at Country Office level (mainly South Sudan) due to local legislation. In 2021 no reorganisation took place or was scheduled. The addition towards the redundancy provision was related to individual cases.

Cordaid provides guarantees to (bank) institutions who use this to provide loans to third parties. A provision was recognised for the guarantees provided by ICCO, based on an assessment of project risk and global economy risk. In calculating the provision, the payment behaviour 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 2021 an amount of €43k was removed from this provision and paid towards the (bank) institution. The total guarantee Cordaid has given is €1,2m and only individual guarantees with a risk above 50% are provided for.

(Alleged) irregularities

In the context of our controls in place to manage ethical risks as set out in note 4.2, we receive, investigate and follow up on cases reported through our internal processes. If necessary we account for any potential losses further to the (alleged) matters. The total back donor provision of €4.3m includes a provision for possible ineligible costs related to projects. The provision has originated for different reasons and includes an amount of €4,0m for the (alleged) irregularities in DRC and CAR.

CAR

In 2020 Cordaid received allegations of integrity breaches and misconduct of staff members in our country office in the CAR. These allegations resulted in internal and external investigations, focused on irregularities in procurement and conflict of interest. In the annual accounts of 2020, the total loss of €5,1m was reflected as follows:

- Addition to provisions €3,2m
- Addition to provision for uncollectable receivables from grants €1,0m
- Addition to current liabilities €0,9m

The provision for investigation costs is since fully utilised. The remaining provision at the end of 2021 is €4,2m, of which €1,0m is included in the doubtful debts provision and €3,2m in the back donor provision.

Cordaid GO launched an investigation in 2021 based on the financial and safeguarding allegations that were received regarding the Cordaid CAR Office. To provide fast and effective fact-findings, Cordaid hired an international independent business intelligence consultant. Cordaid performed the necessary steps to obtain and preserve the evidence and mitigate the risk of further misconduct. Next to this Cordaid started the pre-audit of project outcomes and expenses.

No new allegations in the CAR were found for the years 2021 and 2022 to date. Donors of affected projects will be approached in the second half of 2022 with the final overview of the losses incurred due to integrity breaches and misconduct of staff members. These losses are the best estimate based on the outcome of the performed investigations, taking into account the circumstances in the CAR and the COVID restrictions. Given that no other cases were found we maintained the provision set in 2020 pending final settlements with donors. This implies that the final financial impact of the allegations in the CAR still contains an uncertainty and also the presentation on the line items in the consolidated statement of income and expenses and balance sheet, as well as the attribution to prior years remains uncertain.

DRC

Signals of fraud at a partner organisation in the DRC were received in 2021 and triggered a first internal investigation. While this investigation was concluded with findings the board decided to conduct further investigations on other partners in the DRC, as implementers of the same program. The donor joined in the investigations with Cordaid. Based on the first investigation focused on fiscal year 2021, the initial ineligible expenses are calculated at €800K, which is provided in 2021. Because of the nature of the situation and the ongoing investigations with regard to other partners, this loss is the best estimate to date and inherently impacted by significant estimation uncertainty. This implies that the final financial impact of the allegations in the DRC are still uncertain. Furthermore, when the losses are confirmed, this may have an impact (including presentation) on the line items in the consolidated statement of income and expenses and balance sheet, as well as the possibly attribution to prior years (if applicable). However this is also depending on the recoverability of the losses on our partner organisations.

Cordaid recruited new management, and several new staff members on key positions have been appointed to continue with the DRC projects as well as setting up comprehensive plans for controls.

14. Current liabilities

The composition of, and movements in the current liabilities were as follows:

x € 1,000	31 DEC 2021	31 DEC 2020
Current liabilities		
Project commitments	35.001	21.837
Deferred grants	48.572	40.938
Accounts payable	4.644	6.676
Taxes and social security contributions	1.509	1.458
Reservation for leave days and holiday allowance	1.681	1.736
Redundancy provision (short term)	723	1.625
Participations payable	256	297
Derivatives - Liability	391	500
Other accruals and deferred income	14.890	14.304
	107.667	89.371

Current liabilities increased significantly from €89,0m in 2020 towards €107,7m in 2021. The main driver is found in the project commitments and deferred income. For the 'Just Future' project, a 3-year project started in 2021, all the partner contracts are registered (in line with accounting principles) as commitment for the whole project period. Not all funds are transferred towards the partners yet. This created a liability of €19,1m. Next to that a project funded by the Ministry of Foreign Affairs from the Netherlands in Ethiopia which transferred 85% of a €16,0m grant, while the expenses are divided over multiple years. This creates a deferred income balance of €5,9m. The derivatives balance has moved to a receivable position in 2021. The other accruals and deferred income also includes €1.7m which was received from an external party to participate in the social investments, managed by Cordaid Investment Management BV, this funds were not yet invested in 2021.

15. Off-balance sheet commitments and contingencies

Off-balance sheet rights

Financing contracts with donors

Due to the integration between Cordaid and ICCO in the year 2021, there was an increase in projects with end dates in 2022 and beyond. Amongst the new projects gained in 2021 from the merger are two economic empowerment projects in Mali that focus on improving the value chain of both onion and fish farming.

Cordaid recognises the incoming resources from the financing of donor contracts and grant decisions in accordance with the Dutch Accounting Standard 274. This means that incoming resources are recognised at the time resources are spent. The difference between the income recognised and the actual amount received in the form of contributions from donors is recorded on the balance sheet. This results in a receivable position if more resources have been spent than received or in a deferred grant if incoming resources are greater than those spent. Therefore, the full amount of the contract is not disclosed in the financial statements.

Below is an overview of contracts with a spendable amount in future years. Contracts with a spendable amount above €5 million are individually presented.

Funding Organisation	Project Description	Duration	Donor Contract Value	Cumulative Income	Balance to be spent
Global Fund to Fight AIDS, Tuberculosis and Malaria	Investment in fighting AIDS, Tuberculosis and Malaria	2021-2023	163.413.681	64.091.708	99.321.973
Ministry of Foreign Affairs	Advocating for peaceful, secure & inclusive societies	2021-2025	49.562.878	28.054.211	21.508.667
World Bank	Financing for health sector development in Zimbabwe	2020-2023	21.311.056	4.572.805	16.738.251
Dutch Ministry of Foreign Affairs	Improving the onion and fish value chain in Mali	2020-2026	17.076.119	1.280.342	15.795.777
KfW Development Bank	Improvement access to sexual reproductive health in Burundi	2020-2023	18.000.000	7.382.096	10.617.904
Netherlands Embassy Ethiopia	Strengthening the health system in Jimma & Borana zone through performance-based financing	2019-2023	22.049.347	7.732.351	14.316.996
Dutch Ministry of Foreign Affairs	Improving the onion and fish value chain in Mali	2020-2024	10.982.757	3.322.654	7.660.103
VNG International	Consortium for security & peace in Eastern Democratic Republic of Congo	2020-2024	8.283.999	2.355.038	5.928.961
UNDP South Sudan CSS	Integrating services for maximum impact	2021-2023	6.724.558	1.436.679	5.287.879
Government of Zimbabwe	Financing performance-based payments and field operational costs in health facilities	2020-2023	5.351.682	111.933	5.239.749

Off-balance sheet commitments pertaining to lease obligations.

All commitments (including project commitments) are recognised on the balance sheet. For organisational costs, Cordaid's policy, wherever possible, is to avoid long-term contracts with suppliers that include fixed commitments. All contracts can either be terminated within 1 year or amounts payable are based on actual usage. Contracts for office rent are the only exceptions.

Cordaid is renting its office building at Grote Marktstraat 45, The Hague. The rental period began on the 1st of July 2019 and expires on the 30th of June 2024. As of December 2021, off- balance sheet liabilities pertaining to the office lease are as follows:

Payable:	Office lease at the Hague in Euro
Within 1 year	363.501
Between 2 to 3 years	731.712
Total	1.095.213

Lease payments amounting to €469 thousand are included in the statement of income and expenditure of the current reporting period. Based on the consumer price index of Statistics Netherlands, an index rate of 1.043 has been used to calculate the rental increment for amounts payable between two to three years.

Legal case Brazil

There are several labour lawsuits filed in Brazil, in relation to an investment done by ICCO. The maximum amount of all the listed processes together is EUR 1.795.912; however, this amount is being charged in solidarity of all executed individuals and companies (8 in total) without exclusively targeting a particular debtor. There is a high uncertainty as no estimate is possible if and when an amount of this sum can be claimed of 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 and it is not possible to make a proper estimate of the potential 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 defence of these claims, amounting to a total of approximately EUR 20,000 on a yearly basis.

Other off-balance sheet rights

In previous years, the amount receivable for inheritances as per year end on the balance sheet was based on the likelihood of the receipt of the funds. As of January 2021, a new method for the valuation of inheritances was used in accordance with the RJ-Uiting 2021-3 for the valuation of inheritances.

With this new method, only inheritances for which a “Rekening van Verantwoording” has been drawn up are recorded as an amount receivable at year end. By adapting this new method, the recognised amount as per year end provides a more accurate picture of the receivable amount. As a result of using this new method, the amount receivable at year end is lower than in previous years. A total amount of €590.000 has therefore been considered as an off-balance sheet receivable and has not been included in the annual accounts.

Alleged irregularities in the Central African Republic (CAR) and DRC

We make reference to note 13 setting out the financial effects and uncertainties in relation to allegations of integrity breaches and misconduct of staff members in our country office in the CAR and allegations of integrity breaches in our country office in DRC.

16. Income from private individuals

x € 1,000	CONTRIBUTIONS, DONATIONS AND GIFTS	LEGACIES	OTHER	TOTAL 2021	BUDGET 2021	TOTAL 2020
Cordaid General	19.373	2.561	-	21.934	20.900	25.699
	19.373	2.561	-	21.934	20.900	25.699

Income from private individuals amounted to €21,9m. The amount is lower than the 2020 result. This difference can be explained by of the adjustment in the valuation of the receivable position of inheritances. From 2021 onwards the amount receivable for open cases will only by determined by cases which are almost finalised (Rekening & Verantwoording).

The number of supporters and income from individuals remained relatively stable over the years, despite the very competitive market for private fundraising.

17. Income from companies

x € 1,000	CONTRIBUTIONS, DONATIONS AND GIFTS	GRANTS	OTHER	TOTAL 2021	BUDGET 2021	TOTAL 2020
Cordaid General	-	5.502	-	5.502	-	6.394
	-	5.502	-	5.502	-	6.394

The income in 2021 is €900.000 lower than in 2020, this is because of a lower income from RVO.

18. Benefits from lottery organisations

x € 1,000	2021	BUDGET 2021	2020
Nationale Postcode Loterij	4.050	4.000	4.050
Nationale Postcode Loterij - additional amount	-	-	2.301
	4.050	4.000	6.351

The general benefits from lottery organisations 2021 are on budget and equals the previous year. The income from lottery organisations consist of the annual and regular contribution from the Dutch National Postcode Lottery (NPL). In 2021 Cordaid did not receive any additional contribution from the Dutch National Postcode Lottery (NPL) as was the case in 2020.

19. Government grants

x € 1,000	2021	BUDGET 2021	2020
Dutch Government	58.890	50.448	35.414
Global Fund	67.798	65.453	55.378
World bank	8.778	21.949	8.710
European Union	9.501	19.962	15.262
Other	53.563	57.150	58.979
	198.529	214.962	173.743

Government grants comprise project funding provided by bodies such as the European Union, the Dutch government, the Global Fund, the World Bank and various United Nations organisations. Income is recognised based on the project expenditure made within the framework of the financing contract with the donor. In 2021 income from government grants increased to €198,5m (2020: €173.7m).

Incoming resources from Global Fund, related to the project grant agreement to fight HIV/AIDS, tuberculosis and malaria in Democratic Republic Congo over the period 1 January 2018 to 31 December 2020, totalled €55.4m in 2020. In 2021 a new phase of this project started, lasting until 31 December 2023. This new phase has a total volume of circa €200,0m, which resulted in income of €67,8m for 2021.

Incoming resources from the World Bank, related to Performance Based Financing (PBF) programs and health projects, totalled €8.8m in 2021 and in 2020. The activities of this project are mainly concentrated in Zimbabwe.

Compared to 2020, income from the European Union decreased from €15,3m to €9.5m in 2021.

Cordaid signed several large financing contracts with donors to carry out specific projects with end dates in 2021 and beyond. Income from these grants is only recognised if subsidised costs are incurred or if a legal payment obligation towards partner organisations exists. An overview of the amount to be spent per contract with a total value above €5.0m can be found under note 14.

20. Income from related (international) organisations

x € 1,000	2021	BUDGET 2021	2020
Caritas Internationalis (members)	853	750	1.365

Incoming resources from related (international) organisations in 2021 decreased by €0.5m compared to 2020. Apart from being a source of income, Caritas provides us with an important network through which we can execute our activities, especially in humanitarian aid.

21. Income from other non-profit organisations

x € 1,000	2021	BUDGET 2021	2020
Samenwerkende Hulp Organisaties	950	688	1.800
Other organisations	306	0	0
	1.256	688	1.800

Income from other non-profit organisations was €1.8m in 2020. This amount was received from the SHO Campaign for 'Nederland helpt Beirut', which was started after the explosion in the harbour of Beirut, Lebanon. In 2021 an SHO Campaign was launched with the title 'Samen in Actie tegen Corona'. Cordaid's share of this campaign was €1,0m and focused on activities in Nepal and Afghanistan. Under note 11. Funds & Reserves is shown what portion of these funds were spent by year end.

22. Income from sale of goods and or rendering of services

x € 1,000	MATERIALS SOLD	RENDERING OF SERVICES	TOTAL 2021	BUDGET 2021	TOTAL 2020
Cordaid General	0	3.892	3.892	-	2.614
TOTAL 2021	0	3.892	3.892	-	2.614

Income presented under the rendered services is related to Fair Climate Fund BV and Fair & Sustainable Consulting BV. Fair & Sustainable Consulting BV is an international consultancy company and gives advice on how to create sustainable economic opportunities for people in developing countries. The income in 2021 is €1.5m. Fair Climate Fund BV is selling emission rights which they gain by executing projects CO₂-reducing projects in developing countries. The income in 2021 is €1.6m.

23. Other income

x € 1,000	2021	BUDGET 2021	2020
Result on financial assets	2.625	4.185	1.148
Mutation provision doubtful debts			-85
Other	563	1.180	392
	3.188	5.365	1.455

Results on financial assets comprises operating gains and losses on the loans, guarantees and participations program.

x € 1,000	2021	BUDGET 2021	2020
Interest received on loans and guarantees	4.417	4.060	5.402
Income from dividends/provision guarantees	12	200	4
Revaluation of participations	-514	-75	-893
Unrealised change in value of derivatives	-	-	-335
(Un)realised currency gains and losses	-215	-	-21
Allocated to/withdrawn from provision for loans and guarantees	-1.074	-	-3.009
Total result on financial assets	2.625	4.185	1.148

The result on financial assets increased with €1.5m compared to 2020. The main driver of this increase a smaller mutation on the provision in 2021, while in 2020 this was still €3,0m

24. Spent on objectives

Comparison of 2021 program costs and program management costs with the budget and the previous year:

x € 1,000	2021				2020
	DIRECT PROGRAM COSTS	PROGRAM MANAGEMENT COSTS	TOTAL 2021	TOTAL BUDGET 2021	TOTAL 2020
Healthcare	107.632	710	108.342	133.923	112.649
Humanitarian Aid	67.578	1.370	68.948	17.613	27.663
Security & Justice	4.265	237	4.502	16.348	13.958
Private sector development	2.312	-	2.312	3.751	4.322
Sustainable livelihoods	21.924	21	21.945	43.145	26.752
Resilience	1.376	59	1.435	6.005	8.898
Education	6.436	3	6.439	-	206
Investments	139	2.247	2.386	2.805	2.902
Other	5.146	222	5.368	3.143	1.498
Total costs of programs	216.808	4.869	221.677	226.733	198.848

Program costs in 2021 amounted to €221,7; €23m higher than the previous year. The higher expenditure compared to 2020 is directly related to the higher acquired income (note 18) thus leaving more space for direct program expenditure.

For the Humanitarian aid department the higher-than-budgeted expenditure was predominantly caused by the increase of new projects compared to 2020 of which the top five new projects led to an increase of €35.4m. For Sustainable livelihoods a growth was expected in 2021, as is reflected in the budget. However the actual expenses in 2021 are €20.0m below the budget of 2020.

Direct program costs on Investments is very low compared to the program management costs. New investments are done with returned funds from settled investments and are therefore not expressed in the statement of income and expenditure.

25. Cost allocation to the different activities

Cordaid uses different allocation keys to allocate costs, making allowance where possible for the recommendations of Goede Doelen Nederland. Costs are allocated in two stages:

1. Costs relating directly to programs, fundraising and management & administration are directly allocated to these activities. This involves the costs of the thematic program units (programs), private fundraising & communication (public information/awareness campaigns and fundraising), the board of directors (management & administration) and finance & control (management & administration). Costs of the department for institutional account management are fully labelled as expenditure on fundraising.
2. Other costs allocated to programs, fundraising and management & administration include the costs of departments such as human resource management, IT and facility management and quality assurance. FTE's of departments that can be directly allocated are used as a key to allocate the costs of the mentioned departments to programs, fundraising, or management & administration.

For the 2021 budget the public information and fundraising costs were categorised, and a list was prepared for each category outlining the specifics of the percentage of costs that should be allocated to fundraising (FR) and to public information (PI). The list of key activities/costs was used to decide on the 2021 budget for both fundraising costs and public information. The relative division between the two activities was:

1. Fundraising: 50.0% (2020: 50.0%);
2. Public Information/Awareness campaigns: 50.0% (2020: 50.0%)

These percentages were used to allocate the total 2021 marketing & funding budgets over the two activities. In the fundraising costs is also included the fundraising for funds from institutional donors.

Costs incurred per activity and per cost category:

x € 1,000	EXPENDITURE ON THE OBJECTIVES		EXPENDITURE ON FUNDRAISING	MANAGEMENT AND ADMINISTRATION	TOTAL EXPENDITURES		
	PUBLIC INFORMATION / AWARENESS CAMPAIGNS	PROGRAM COSTS			TOTAL 2021	TOTAL BUDGET 2021	TOTAL 2020
Grants and contributions	0	73.155	0	0	73.155	73.824	69.035
Own Implementation	-	92.206	38	250	92.494	67.154	62.798
Publicity and communication	3.543	618	3.569	28	7.759	9.819	9.182
Staff	735	31.698	1.650	5.498	39.581	39.538	36.973
Travel and accommodation	3	4.128	7	116	4.254	4.824	4.511
Housing	35	2.584	36	586	3.241	4.273	3.996
Office & General	60	17.287	163	3.472	20.982	45.653	42.869
TOTAL 2021	4.376	221.677	5.464	9.949	241.465	245.085	229.364

The overall costs in 2021 are in line with the total budget and €11m higher compared to the previous year. The largest deviations compared to budget and actuals 2020 were:

- In Grants and contributions the increase relates to the start of a new project funded by the Dutch government.
- Staff costs increased from €37.0m in 2020 to €39.6m in 2021. This is because of the difference in project portfolio in 2021 and phase of the projects in its complete cycle. More staff was hired to execute the projects, while in 2020 there were more projects implemented by partners.
- Within the Management & Administration costs are costs included which relate to the alleged irregularities in DRC, totalling to €0,8 million. These are partly provisions against project receivables from donors, costs which Cordaid is still expected to incur and investigation costs. We refer to note 13 for further details.

- In 2021 the Office and General total costs decreased from €42,7 to €21.3. Compared to 2020 no additional provision for irregularities was formed, the costs for hardware decreased with € 2.0m and the direct general costs decreased as well

Total audit fees charged by Ernst & Young Accountants LLP stood at €1.0m in 2021 (2020: €0.8m). The audit fee for the annual accounts of 2021 of Stichting Cordaid and Cordaid Management Investments BV amounts to €0.4m (2020: €0.3m). The other amounts are fees for specific project audits and special investigations.

The above mentioned fees relate to all the work performed at Stichting Cordaid and entities included in the consolidated accounts by the audit firms and auditors mentioned in article 1, section 1 Wta (Wet toezicht accountantsorganisaties) and the fees charged by the audit firm's network. The fees relate to the 2021 fiscal year, although the related work can be executed in other years. The remaining amount paid to EY (€0.5m) was paid for audits on projects due to donor requirements.

An additional €0.3m (2020: €0.1m) was spent on local audits and audits of partner organisations. These audits were carried out by audit firms other than the Dutch offices of Ernst & Young Accountants LLP.

For the purpose of the calculation of the maximum continuity reserve the costs for the work organisation has to be determined. The costs for the work organisation consist of the costs for staff, travel & accommodation, housing and office & general. This totals to €68.1 million. The maximum of the continuity reserve is 1.5 times the work organisation's annual cost, which is €102.1 million.

26. Cost of staff

The total number of staff within Cordaid with a Dutch labour contract is as follows.

	2021	BUGDET 2021	2020
Average head count in The Hague	176,0		192,0
Average head count expats at field offices	45,0		53,0
Average head count	221,0		245,0
Average number FTEs with a Dutch labour contract	208.7	197,3	229,1
Program staff	133.2	117,6	147,3
Fundraising/Awareness staff	24.9	26,5	24,3
Other departments	50.6	53,2	57,5
	208.7	197,3	229,1

At year-end 2021, Cordaid had a headcount of 226 (2020: 245). This decrease is the result of various reorganisation exercises at CIM and at ICCO related to the asset-liability transaction.

x € 1,000	2021	BUGDET 2021	2020
- Salaries and wages	23.171	26.127	24.432
- Addition redundancy provision	154	1.636	1.530
- Social security contributions	3.676	3.768	3.524
- Pension costs	1.804	1.793	1.677
- Temporary staff	1.515	3.578	3.346
- Cost of training and education	270	288	269
- Other personnel expenses	8.990	2.347	2.195
	39.581	39.538	36.973

Cordaid's pension plan is administered by the Zorg en Welzijn Pension Fund, a pension fund for the health and welfare sector. Employees' retirement and partner pensions are based on their pensionable salary for full-time employment, net of the state pension offset. The pension fund endeavours to index-link any accrued pension entitlements and pensions in payment, based on general salary trends in the collective bargaining agreements that govern its affiliated employers in a particular year. The pension fund decides every year whether index-linking would be appropriate and, if so, what index to use given the financial situation and expected developments in that situation. In doing so, the pension fund uses nominal and realistic coverage ratios as benchmarks. Although the pension fund may decide to apply catch-up index linking, such a decision will not have retroactive effect and will not trigger subsequent payments. Index linking is funded partially from contributions and partially from the return on plan assets. The actual coverage ratio was 106.6% on the 31st of December 2021 (31st of July 2022: 111.0%).

27. Related parties

Introduction

As part of Cordaid's transition to a more social entrepreneurial approach, Cordaid wants to help develop new ideas for start-ups aimed at social impact. In addition, Cordaid wants to professionalise the management of its social impact investments further and aims to increase its impact by finding external investors. To facilitate these changes Cordaid established two foundations and two private limited companies (BV's). Stichting Cordaid has full control of all these entities, and they are therefore classified as related parties. In addition, on 31st December 2014, Cordaid established a foundation for the payment of salaries to expats working for Stichting Cordaid.

Cordaid identified the following related parties:

- Stichting Cordaid Expats, The Hague
- Stichting Cordaid Participaties, The Hague
- Cordaid Investment Management BV, The Hague
- Corpav BV, The Hague
- Cordaid SA NPC, Cape Town, South Africa
- Stichting ICCO, The Hague (per 1-1-2021)
- ICCO Group BV, The Hague (per 1-1-2021)
- Fair Climate Fund BV, Utrecht (per 1-1-2021)
- Fair & Sustainable Consulting BV, Utrecht (per 1-1-2021)
- ICCO Development Solutions PTE. LTD., Singapore (per 1-1-2021)
- Fair & Sustainable Participations, Brazil (per 1-1-2021)
- Fair & Sustainable Business Development Services Ethiopia, Ethiopia (per 1-1-2021)
- Stichting Beheer Subsidiegelden Dutch Relief Alliance, The Hague

The Stichting Beheer Subsidiegelden Dutch Relief Alliance was founded in 2018 with the objective to channel grants from the Dutch Ministry of Foreign Affairs for acute crises and innovation funds to participating organisations of the Dutch Relief Alliance (DRA). The DRA is not included in the consolidation of the Cordaid accounts. A Cordaid employee has been appointed as member of the Board of the foundation and Cordaid is the secretary of the foundation. However, Cordaid does not exercise control over the foundation.

Related party transactions:

During 2021 all transactions between Stichting Cordaid and the mentioned related parties are in principle priced at arm's length basis. The nature of the transactions was predominantly the funding of the activities of the different entities by Stichting Cordaid. In return Cordaid Investment Management BV managed Stichting Cordaid's Loans & Guarantees fund and Stichting Participations held the shares of Corpav BV. Corpav BV holds shares in one local investment in South Sudan (Finance South Sudan), which is part of the financial fixed assets on Cordaid's consolidated balance sheet.

28. Executive remuneration

The Supervisory Board has adopted an executive remuneration policy including the level of executive remuneration as well as other pay and benefits. The policy is updated periodically and was evaluated most recently in 2016. In determining the remuneration policy and adopting the level of the remuneration, Cordaid follows the regulation for executive remuneration of Goede Doelen Nederland.

The regulation uses weighting criteria to set a maximum for an executive's annual compensation. The most recent Goede Doelen Nederland standard of 1 January 2018 was used to determine these weighting criteria. This has resulted in a so-called BSD score of 580 points for the CEO and 504 points for the CFO and COO, with a maximum annual compensation for all the positions of €168.983.

The total annual compensation in 2021 stood at €164,934 (2020: €158,020) per year for the CEO, Kees Zevenbergen, and at €145,102 for the CFO, Lorena Paz Quintero. In 2021 there were two COOs. Until 31st of July this was Sybren Attema, with a compensation of €101,955 and from 1st of October onwards, Ylse van der Schoot, with a compensation of €39.199. In other words, their total annual income is within the maximum remuneration limits of the regulation of Goede Doelen Nederland.

Executive remuneration comprises gross salary costs including holiday allowance, social security contributions, pension costs, expense allowances and year-end allowance. As a rule, all employees receive a year-end allowance.

During 2021, the employed members of the Board were:

x € 1	L.C. Zevenbergen	L. Paz Quintero	S. Attema	Y. van der Schoot
	CEO	CFO	COO	COO
Employment contract				
Duration	31/03/2023	31-12-2024	31-07-2021	30-09-2025
Number of hours	36	36	36	36
Part-time percentage	100	100	100	100
Period in 2021	1/1-31/12	1/1-31/12	1/1-31/7	1/10-31/12
Gross salary	114.628	101.139	74.179	27.772
Holiday allowance	9.058	8.920	4.716	2.632
Year-end bonus	10.146	8.951	6.574	2.458
Variable pay			1.750	
Total annual income	133.832	119.010	87.220	32.862
Social security contributions (employer's share)	12.925	12.925	7.874	3.031
Taxable allowances (Public transport abonnement)	4.932			
Pension costs (employer's share)	13.245	13.167	8.611	3.306
Other benefits on long term				
End of contract benefits				
	31.102	26.092	16.485	6.337
Total remuneration for 2021	164.934	145.102	103.705	39.199
Total remuneration for 2020	158,020	0	158,320	0

The members of the Board of Directors did not have any outstanding loans, advances or guarantees at year-end or during 2021.

Supervisory Board

The cost of the Supervisory Board consists of an annual remuneration which is paid to members and the hiring of

expertise and advisors on request of the Supervisory Board. As per Cordaid's policy for good governance, Supervisory Board members are entitled to a remuneration. They have the opportunity to cover their out of pocket expenses through a fixed expense allowance. Amounts paid for individual members of the Supervisory Board in 2021 were as follows:

x € 1	A.J.M. Heerts	J.F. De Leeuw	J.H.M. van Bussel	W. Oosterom
Function	Chair	Vice chair and member Remuneration Committee	member Audit Committee	member Audit Committee
Duration of function in 2021 (days)	365	365	365	365
Remuneration	-	-	-	750
Provisions for future payments	-	-	-	-
Total remuneration 2021	-	-	-	750
Total remuneration 2020	-	3.000	-	1.500

x € 1	G.R. Peetoom	M. van Beek	J.J.A. de Boer	A. Knigge
Function	Member	member Remuneration Committee	Member	Member
Duration of function in 2021 (days)	365	365	365	365
Remuneration	-	-	1.500	1.500
Provisions for future payments	-	-	-	-
Total remuneration 2021	-	-	1.500	1.500
Total remuneration 2020	-	-	3.500	1.500

x € 1	M.W.J.A. Landheer-Regouw	J.N. Alders-Sheya	D.C. Cheng
Function	Member	member Audit Committee	member Audit Committee
Duration of function in 2021 (days)	365	199	199
Remuneration	-	813	813
Provisions for future payments	-	-	-
Total remuneration 2021	-	813	813
Total remuneration 2020	-	-	-

29. Financial income and expenses

Financial income and expenses includes interest and other income from bonds, capital gains on shares, interest earned on the bank account and currency gains and losses that are not related to the social impact investments. The following is a five-year summary of this item:

x € 1,000	2021	BUDGET 2021	2020	2019	2018	2017
Interest received on bonds	210	270	124	498	286	193
Interest received on cash and cash equivalents	-10	-	-4	3	14	57
Realised exchange gains and losses	-450		-1.740	597	106	1.232
Unrealised exchange gains and losses	6.573	-870	-5.285	2.823	-191	-1.885
Gross investment income	6.323	-600	-6.905	3.921	215	-403
Investment costs	-114	-110	-101	-101	-76	-148
Net investment income	6.209	-710	-7.006	3.820	139	-551

The net investment result has increased significantly in 2021. The main factor was the unrealised exchange rate gains. This is mostly caused by the majority of the outstanding loans and participations which are denominated in USD and other local currencies. The exchange rate towards EURO has been favourable in 2021, this resulted in an unrealised gain of €3,2m and a realised loss of €1,8m, a nett result of €1,4m. The positive unrealised result of the bonds and shares was €2,1m in 2021.

29. Subsequent event

Subsequent events have been evaluated through 21st of October 2022, the date the financial statements were issued. Cordaid identified the following subsequent events:

In December 2019 Cordaid and ICCO Cooperation U.A. signed a letter of intent for a possible merger. Emerged from protestant and catholic traditions with longstanding experiences on fighting poverty and social injustice, they share the same set of values based on the Christian social teachings. The advantages for merging are potentially more impact and cost synergies. The proposed business plan, including thematic and fragile country focus and financial consequences, was finalised in June 2020. Due diligences on both organisations were carried out. At the end of 2020 the asset liability transaction was approved by the Supervisory Boards of both organisations and there was a positive advice from the workers councils. The asset liability transaction is effective from the 1st January 2021 and both organisations are combined into one. As from the date of the transaction Cordaid guarantees for potential losses of Stichting ICCO. From January 1st, 2021, the Global Office activities of ICCO and Cordaid have merged, which resulted in staff from ICCO moving to Cordaid. For the countries that fall within the scope of Cordaid. activities are from ICCO towards Cordaid from January 1st, 2022. Local licenses to operate under the name of Cordaid have been requested. The regional offices of East Africa and Asia move to Cordaid from January 1st, 2022, and the regional office of West Africa will move later in 2022. In 2022 preparations are being made to phase out and handover activities in various countries and regions.

For the years 2022-2025 a structural annual financial gap per year was identified. After extensive analysis of Cordaid's cost structure it has become clear that the organisation's fixed overhead costs are too high, which limits our ability to invest in development of the organisation's need to stay relevant and up to date with the sector and organisational trends. This gap also limits our ability to strengthen our reserves to be able to cope with unforeseen events. The understanding on the lack of flexibility of our cost structure paired with the increasing need to strengthen our control and compliance practices are some of the key drivers behind the Renewing Cordaid trajectory. This trajectory focusses on renewing the Business model, Operating Model and Income strategy. Intensive research was done between January and April 2022. The outcomes have been worked out and the Board of Directors chose a plan of action. This plan for the future was presented to and approved by the Supervisory Board in July 2022. The Board's proposal is currently with the Workers Council for advice. Details on the restructuring investment required during the transitional period will be worked out during the implementation plan and included in Budgeting cycle of 2023 to take place in the period September- December of 2022.

2022 started in many aspects different to how 2021 ended for Cordaid. Positively, the restrictions which the Covid 19 pandemic brought are decreasing, both on project implementation and on international travels for support. Negatively however, the invasion in Ukraine by Russia affected the whole world and there is a big need for humanitarian aid for the refugees from Ukraine. Cordaid launched a fundraising campaign as part of 'Stichting Samenwerkende Hulporganisaties' and a total of €160m was raised for aid to Ukraine. Cordaid will implement circa €16m of the raised funds together with local partners. The war in Ukraine also affected the world economy and rates of shares have

decreased. Cordaid's shares and bonds portfolio was valued at €26,7m on December 31st, 2021. Up to September 2022 the portfolio decreased by €2,9m.

As set out in note 13, allegations of irregularities have been reported until the date of this report. For some allegations the investigations have not been completed. The outcome may have financial impact on 2022 and prior years.

Individual financial statements of Stichting Cordaid

Individual balance sheet of Stichting Cordaid as at 31 December 2021

x € 1,000	NOTE	31 DEC 2021	31 DEC 2020
Assets			
Fixed assets			
Intangible fixed assets	31	69	151
Tangible fixed assets	32	816	1.074
Financial fixed assets			
- Issued in connection with the objectives	33	65.285	57.142
- Investments	33	26.655	24.464
- Participations in group companies		949	1.381
		92.889	82.987
Current assets			
Receivables	34		
- Receivable from group entities		8.193	6.526
- Subsidies governments / organisations		32.545	19.225
- Work advances partner organisations		7.037	9.283
- Receivable from inheritances		739	6.830
- Derivatives		832	
- Other receivables		2.183	2.749
- Interest receivable		1.854	1.666
		53.383	46.279
Cash and Bank	35	53.033	45.793
Total assets		200.190	176.284
x € 1,000	NOTE	31 DEC 2021	31 DEC 2020
Liabilities			
Reserves and funds			
- Reserves	36		
▪ Continuity reserve		11.500	11.500
▪ Earmarked reserves		11.926	11.719
		23.426	23.219
- Funds			
▪ Restricted funds		3.282	2.107
▪ Semi-restricted funds		8.141	12.012
▪ Loans & guarantees fund		78.428	73.116
		89.852	87.235
Total reserves and funds		113.278	110.454
Provisions	37	5.342	5.611
Current liabilities	38		
- Liabilities to group entities		886	490
- Project commitments		26.721	11.364
- Other current liabilities		53.962	48.365
		81.569	60.219
Total liabilities		200.190	176.284

Individual statement of income and expenditure for the year ended 31 December 2021

x € 1,000	Note	2021	2020
Result of subsidiaries	39	1.017	14
Individual balance of income and expenditures		2.824	-13.234
Balance of funds		3.841	-13.220

Notes on the foundation's individual financial statements

30. Accounting principles

30.1 General

The Company financial statements are part of the 2020 financial statements of Stichting Cordaid. The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650).

30.2 Principles for the measurement of assets and liabilities and the determination of the result

The principles for the recognition and measurement of assets and liabilities and determination of the result (herein after referred to as principles for recognition and measurement) of the Company financial statements of Stichting Cordaid are the same as those applied for the consolidated financial statements. Consolidated participating interests, over which significant influence is exercised, are stated based on net asset value.

The share in the result of participating interests consists of the share of Stichting Cordaid in the result of these participating interests. Results on transactions are not incorporated insofar as they can be deemed to be unrealised, if the transfer of assets and liabilities between Stichting Cordaid and its participating interests and mutually between participating interests themselves.

The financial information of the Company is fully incorporated in the consolidated annual accounts. Using article 2:402 of the Dutch Civil Code, a condensed profit and loss account in the individual financial statements is sufficient.

31. Intangible fixed assets

Movements of the intangible fixed assets are as follows:

x € 1,000	ITSYSTEM
Balance as at 1 January 2021	
Cost	420
Accumulated amortisation	-269
Carrying value as at 1 January 2021	151
Changes	
Purchases	
Disposals	-30
Amortisation	-82
Amortisation on disposals	30
Total changes	-82
Balance at 31 December 2021	
Cost	390
Accumulated depreciation	-321
Carrying value as at 31 December 2021	69
Amortisation percentages	33%

The total investments mainly concern the development of the IT system which ICCO has been developing, during the phaseout period of ICCO until 2023, the IT system will still be used. All assets are held for business operations.

32. Tangible fixed assets

Movements of the tangible fixed assets are as follows:

x € 1,000	BUILDINGS	IT EQUIPMENT	FURNITURE AND FITTINGS	VEHICLES	OTHER ASSETS	TOTAL
Balance as at 1 January 2021						
Cost	1.199	4.607	1.838	33	283	7.960
Accumulated depreciation	-329	-4.600	-1.654	-20	-283	-6.886
Carrying value as at 1 January 2021	870	7	184	13	-	1.074
Changes						
Purchases	29	-	-	-	-	29
Disposals	-	-	-	-	-	-
Depreciation	-224	-5	-47	-11	-	-287
Depreciation on disposals	-	-	-	-	-	-
Total changes	-195	-5	-47	-11	-	-258
Balance at 31 December 2021						
Cost	1.228	4.607	1.838	33	283	7.989
Accumulated depreciation	-553	-4.605	-1.701	-31	-283	-7.173
Carrying value as at 31 December 2021	675	2	137	2	-	816
Depreciation percentages	10%	33%	20%	33%	33%	

The difference between the tangible fixed assets in the consolidated balance sheet and the individual balance sheet can be explained by the investments CIM BV made upon moving into the new office building and assets which Stichting ICCO has at their Regional Offices. All assets are held for business operations.

Refer to note 6 to the consolidated financial statements for more information.

33. Financial fixed assets

Stichting Cordaid holds two types of financial assets.

Outstanding loans, participations and guarantees are recognised as financial assets issued in connection with the objectives. This relates to loans issued to and a number of participations in partner organisations for the purposes of funding usually small-scale economic activities (e.g. through microfinance institutions), for which partner organisations find it difficult or impossible to secure finance from commercial banks. Interest rates on these loans are determined by country and by customer.

x € 1,000	Loans	Participations	Total
Balance 1 January 2021			
Value of portfolio at 1 January 2021	46.498	19.511	66.009
Provision at 1 January 2021	-8.867		-8.867
Carrying amount 1 January 2021	37.631	19.511	57.142
<u>Changes in portfolio</u>			
Loans and guarantees issued	18.619		18.619
Loans and guarantees repaid	-11.929		-11.929
Participations acquired/committed		1.121	1.121
Participations sold/commitments withdrawn		-467	-467
Impaired loans and guarantees/withdraw from provision	-1.955		-1.955
Revaluation of participations		-552	-552
Currency gains and losses	1.619	38	1.657
Change in value of portfolio at 31 December	6.354	140	6.494
<u>Changes in the provision</u>			
Impaired loans and guarantees/withdraw from provision	1.955		1.955
Allocated to provision for loans and guarantees	-306		-306
Provision at 31 December	1.649	0	1.649
Value of portfolio at 31 December	52.852	19.651	72.503
Provision at 31 December	-7.218	0	-7.218
Carrying amount 31 December	45.634	19.651	65.285

Loans

The loans will fall due in the following periods:

x € 1,000	LOANS
< 1 year	8,421
1-5 years	42,234
> 5 year	2,197
	52,852

Temporary cash surpluses are kept in deposit- and savings accounts. The earmarked reserves and uninvested cash from the Fund Loans & Guarantees are, up to an amount of €26.7m, invested by ING and Van Lanschot Bankiers on behalf of Stichting Cordaid. Refer to note 8 to the consolidated financial statements for more information.

Details and movement related to the investments not linked to the objective can be found in note 9.

34. Receivables

The receivables in the individual balance sheet of Stichting Cordaid are specified as follows:

x € 1,000	31 DEC 2021	31 DEC 2020
Receivables		
Receivable from group entities	8.193	6.526
Receivable from grants	33.803	20.483
Provision uncollectable receivables from grants	-1.258	-1.258
Work advances partner organisations	7.097	9.368
Doubtful debts	-60	-85
Receivable from inheritances	739	6.830
Interest receivables	1.854	1.666
Derivatives - Receivable	832	-
Other receivables	2.183	2.749
	53.383	46.279

The receivable balance from group entities consists of a receivable position of €7,2m from Stichting ICCO. These are movements of balance positions between ICCO and Cordaid, resulting from the asset-liability transaction between the two entities and various transactions during 2021, which have not yet been settled.

Explanations on the (mutation of) other receivables in the individual balance sheet can be found in note 9 of the consolidated financial statements.

35. Cash and bank

Cash and bank comprises the cash and bank balances of the Cordaid office in The Hague, the Country Offices abroad and deposits falling due in less than one year.

x € 1,000	31 DEC 2021	31 DEC 2020
Cash and cash equivalents		
Deposit	1.440	3.181
Bank accounts	51.385	41.919
Cash at hand	196	288
Cross accounts	12	405
	53.033	45.793

The most important explanations for the change in cash and cash equivalents can be found in the consolidated cash flow statement. We refer to note 10 to the consolidated financial statements for disclosures on other items.

36. Reserves and funds

The reserves and funds in the individual balance sheet of Stichting Cordaid are specified as follows:

x € 1,000	CONTINUITY RESERVE	EARMARKED RESERVES	RESTRICTED FUNDS	SEMI- RESTRICTED FUNDS	RESTRICTED FUND LOANS & GUARANTEES	TOTAL RESERVES AND FUNDS
Balance as at 1 January 2021	11.500	11.719	2.107	12.012	73.116	110.454
Changes						
Dotation	-	1.201	2.739	23.747	4.376	32.063
Extraction	-	-	-1.564	-27.618	-57	-29.239
Other	-	-994	-	-	994	-
Balance at 31 December 2021	11.500	11.926	3.282	8.141	78.428	113.278

More information about the reserves and funds can be found in note 12.

37. Provisions

The provisions in the individual balance sheet of Stichting Cordaid are specified as follows:

x € 1,000	REDUNDANCY PROVISION	BACKDONOR PROJECTS	GURANTEE OBLIGATION	OTHER PROVISION	TOTAL
Balance as at 1 January 2021	1.160	3.921	530	-	5.611
Short term liabilities	-1.261	-	-37	-	-1.298
Correction on Scope Insight Provision	-	454	-	-	454
Balance as at 1 January 2021 incl. short term liabilities	2.421	3.467	567	-	6.455
Changes					
- Addition	399	977	37	14	1.427
- Withdrawn	-1.510	-	-43	-	-1.553
- Released	-120	-177	-	-	-297
	1.190	4.267	561	14	6.032
Short term liabilities	-411	-265	-	-14	-690
Balance as at 31 December 2021	779	4.002	561	-	5.342

We refer to note 13 to the consolidated financial statements for disclosures on the provisions.

38. Current liabilities

The composition of the current liabilities in the individual balance sheet of Stichting Cordaid is as follows:

x € 1,000	31 DEC 2021	31 DEC 2020
Liability to group entities	886	490
Project commitments	26.721	11.364
Deferred grants from governments	34.539	27.232
Accounts payable	3.842	6.675
Taxes and social security contributions	815	950
Reservation for leave days and holiday allowance	1.359	1.437
Redundancy provision (short term)	690	1.298
Derivatives - Liability	391	500
Participations payable	256	299
Other accruals and deferred income	12.071	9.974
	81.569	60.219

The liabilities to group entities are related to intercompany balance between CIM BV. and Stichting Cordaid. Explanations on the (mutation of) other receivables in the individual balance sheet can be found in note 13 of the consolidated financial statements.

39. Result of subsidiaries

The financial position as at 31 December 2021 and the 2021 results of subsidiaries can be specified as follows:

x € 1,000	CORDAID SA NPC	CIM BV	CORPAV	SCP	Stg. ICCO	ICCO Group BV	TOTAL
Assets							
Tangible fixed assets	0	29	0	0	12	0	41
Social impact investments	0	0	0	0	1.353	840	2.193
Other receivables	0	2.988	0	0	62.335	1	65.324
Cash and banks	355	356	0	0	20.029	315	21.055
Total assets	355	3.374	0	0	83.728	1.156	88.613
Liabilities							
Equity / Reserves and funds	-208	745	-653	-12	636	467	974
Provisions	0	33	0	0	0	0	33
Liability to Stichting Cordaid		1.965	652	12	7.180	178	9.987
Current liabilities	563	631	1	0	76.530	512	78.238
Total liabilities	355	3.374	0	-0	84.347	1.157	89.232

x € 1,000	CORDAID SA NPC	CIM BV	CORPAV	SCP	Stg. ICCO	ICCO Group BV	TOTAL
Net revenues	-53	2.749	0	0	32.190	153	35.039
Personnel expenses	0	1.367	0	0	7.786	0	9.153
General and administrative expenses	0	1.274	1	0	23.297	153	24.725
Operating expenses	0	2.641	1	0	31.084	153	33.878
Financial income and expenses	0	-1	0	0	35	0	35
Result from ordinary activities before tax	-53	109	-1	0	1.071	0	1.126
Corporate income tax	0	109	0	0	0	0	109
Net result	-53	0	-1	0	1.071	0	1.017

Stichting Cordaid has a 100% interest in Cordaid SA NPC, Cape Town (South Africa). The nature of business and principal activities of Cordaid SA is relief and development aid in line with the objectives of Stichting Cordaid.

Cordaid has no activities in South Africa anymore. The result of 2021 related to exchange rate losses on remaining cash and bank balances in South Africa.

Cordaid Investment Management BV (CIM BV) acts as asset manager for the Stichting Cordaid social impact investment portfolio. Current liabilities relate to personnel accruals such as holiday allowances, wage taxes and social security premiums. Net revenue consist predominantly of the asset management fee 2021 charged to Stichting Cordaid. Average FTE during 2021 was 18.6 and head count 20 employees. General and administrative expenses are mainly driven by the cost of service level agreement between Stichting Cordaid and CIM BV (€0.2m) and automation expenses (€0.4m including licenses, software maintenance and development, as well as consultants). The portfolio CIM is managing increased due to the addition of ICCO participations. This, next to the lower costs compared to 2020, caused a positive result of €437k in 2021.

On behalf of Stichting Cordaid, Corpav BV makes direct and indirect investments in social enterprises all over the world. Stichting Cordaid Participaties (SCP) is the only shareholder of Corpav BV and had no activities in 2021. Corpav has a social impact portfolio consisting of €0.7m in loans to innovative social enterprises. These loans were all provided for in the prior financial year.

After the asset-liability transaction all the Global Office activities of Stichting ICCO have moved to Stichting Cordaid. However, there are still projects being implemented in countries where ICCO has been working in previous years. The project implementation has not been shifted to Cordaid yet. ICCO closed 2021 with a positive financial result of € 1.071.000.

Stichting Cordaid has a 100% interest in ICCO Group BV, who holds various participations on consolidated entities. The financial result of these entities was moved towards Stichting Cordaid as a mutation on the value of the participation. The total participation value of ICCO Group BV reduced by €609.000 to €466.000.

Other information

Provision in the constitution governing the appropriation of balances

According to article 11.4 of the constitution of Cordaid, the Supervisory Board adopts the annual accounts as drawn up by the Board of Directors. Included in the annual account is a proposal for the appropriation of positive or negative financial balances in the fiscal year concerned. The appropriation of the balance takes into account the imposed restrictions on spending by third parties.

Country offices

Cordaid and ICCO are present in the following countries:

	CORDAID	ICCO
Country Offices		
Afghanistan	X	
Central African Republic	X	
Democratic Republic of Congo	X	
South Sudan	X	X
Ethiopia	X	X
Burundi	X	X
Iraq & Syria	X	
Sierra Leone & Liberia	X	
Yemen	X	
Regional Office - East Africa		
Uganda	X	X
Rwanda		X
Zimbabwe	X	
Kenya	X	X
South Africa		X
Regional Office - West Africa		
Mali		X
Burkina Faso		X
Senegal		X
Benin		X
Niger		X
Regional Office - Asia		
Indonesia		X
Myanmar	X	X
Nepal		X
Bangladesh		X
Cambodia		X
Regional Office - Latin America		
Bolivia		X
Colombia		X
Nicaragua		X
Global Office		
The Netherlands	X	

Independent auditor's opinion



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