OVERVIEW RESULTS 2016

- **€135,9 mln** total funds raised
- **273,000** individual donors
- **€26,4 mln** total individual donor contributions
- **8 mln** people with access to basic healthcare
- **110,000** children with access to education
- **150,000** loans to entrepreneurs (75% women)
- **2 mln** people received humanitarian aid
- **650,000** people became more resilient to disasters
- **353** projects funded in 56 countries
- **12 offices world wide with 382 personnel.**
- **1 office in the Netherlands with 230 personnel.**
- **€6,2 mln** spent on fundraising
- **€3,6 mln** management & administration expenses
- **€132,8 mln** spent on projects directly
- **264** funding & implementing partners
- **2 mln** funding & implementing partners
ABOUT CORDAID

MISSION

For more than 100 years and in accordance with the values of the gospel, Cordaid’s long-standing mission is to:

- **Provide emergency and refugee aid**
  In 2016, we provided 2 mln people with humanitarian aid in 10 countries.

- **Provide aid to specific groups, such as elderly people, disabled people and children**
  Through our programs in 2016, 110,000 children were able to attend school.

- **Provide medical aid**
  Through our Results-Based Finance (RBF) and other programs in 2016, 8 million people in 22 countries had access to healthcare.

Who we are

A founder member of Caritas Internationalis and the Catholic alliance of social justice organizations CIDSE, Cordaid has been providing emergency humanitarian relief and fighting poverty and exclusion in the world’s most fragile and conflict-affected situations for more than a century.

Our policies and priorities are in line with those of Pope Francis with a focus on fragile states, vulnerable people and refugees, care for the common good and interreligious collaboration. The recent Laudato Si encyclical, in which these priorities are again underlined, is a great source of inspiration and guidance for Cordaid.

Our values

Cordaid’s values are in accordance with Catholic social teachings. We focus on fragile states by helping local communities to strengthen their self-determination and ownership (subsidiarity). We work with vulnerable people and refugees to promote solidarity, inclusion and human dignity. We promote interreligious collaboration and what is known as Bonum Commune or common good of the community by inspiring and creating changes in essential service systems, such as healthcare. By doing this we promote equality.

We work in a very secularized society. Our appeal to a wider public is based on a profoundly human value framework, with emphasis on humanitarian aid, respect for local values and beliefs, inclusion of the local communities, respect for human rights, reconciliation in conflict and promoting peace and justice. That is why all our programs are community-based. We continually consult local people and partners about their needs. We co-design programs with them so that they can help themselves.

Cordaid strives to obtain funding internationally from a variety of public and private sources that respect the basic values underpinning our work, and we build alliances based on these same principles. All of our 631 staff around the world, share and respect these same values. New staff receive training on them and attend sessions on specific topics in a specially developed course entitled: ‘Core values and Core business’.

Cordaid in the Netherlands

Although Cordaid’s major focus is on humanitarian aid, creating good jobs and improving healthcare in fragile and conflict-affected states, we are also active in the Netherlands. The aim is to alleviate persistent poverty, inequality and social exclusion in our own backyard by promoting cooperatives for vulnerable people with a distance to the labour market.
In 2016 more women, men and children were uprooted from their homes by conflict, than in the past seven decades. 65.6 million persons were forcibly displaced. Once again, gloomy record numbers of global forced displacement were broken.

If this dismal figure shows one thing, it is the utter inability of the international community - meaning all of us - to sustainably address crises with political, diplomatic or military means. Therefore, more than ever, Cordaid felt committed to do its modest bit to address human suffering and pick up the pieces as they fall.

Even before the battle for Mosul started in November 2016, Cordaid intensified its efforts to provide life-saving assistance to the people of Northern Iraq. The Dutch Relief Alliance’s Joint Response in Northern Iraq – lead by Cordaid and financed by the Dutch Government – focused its efforts on the Mosul area to support fleeing families. We also joined forces with Caritas to reach out to those who escaped the madness of Mosul. Similar humanitarian operations took place in Afghanistan, Central African Republic, South Sudan, Syria and other highly volatile and fragile settings.

But working in and on fragility is about more than picking up the pieces as they fall. It’s about addressing root causes of fragility and providing longer term perspectives for the most vulnerable. National states in conflict-affected countries are not able, not equipped, or worse - not willing enough - to deliver on the basic needs of the population. To provide quality healthcare and at least the minimum level of security. To create an environment in which entrepreneurs can create job and income opportunities and in which civil society has the means and the liberty to act in defence of the voiceless. Millions suffer because of this. Millions seek safer grounds. Many die in the effort.

This is the fragility crisis. To effectively address it, we decided - in September 2016 - to further concentrate Cordaid’s full-fledged programmatic power in 8 highly fragile countries, among them Iraq, Afghanistan, South Sudan, DR Congo and the Central African Republic. Our interventions in these countries range from longer term healthcare and justice systems strengthening and private sector development to immediate emergency responses. This annual report shows some of the outcomes – and impact – of that choice.

In 2016 – yet again – we have lived the consequences of our choice to work in volatile settings. In July, our international staff in Juba (South Sudan) had to be evacuated to escape armed clashes between government and opposition forces. And the volatile situation in DRC led us to close our office and evacuate expatriate staff at the end of the year. Close Caritas colleagues were abducted in Kinshasa, during the elections crisis. In fact, not a day went by that staff in Kabul, Erbil, Bangui, Bukavu and other tough spots were not affected in one way or another by severe security situations. To assure the safety of our staff we have intensified Cordaid security measures and strengthened our security committee in 2016.

Despite, or maybe even because of these risks, we remain convinced that it is exactly in the tough spots in the world that we need to invest our efforts. If supporting the most vulnerable were an easy task, we’d be dispensable.

While facing global crises, Cordaid also had to deal with an internal crisis in 2016. After the Dutch Government phased out its international development aid co-financing program in 2015, Cordaid lost its cornerstone financier. From then onwards, Cordaid became fully dependent on (global) fundraising efforts, in a highly competitive market. This proved to be a steep challenge. To such an extent that we had to reorganise to reduce costs and say goodbye to some 70 highly valued staff members by the end of 2016. It was in the midst of this turbulent transition that I myself, then member of the Cordaid Supervisory Board, was asked to take over Simone Filippini’s position as Cordaid’s CEO. Which I humbly but also proudly accepted. I would like to take the opportunity to thank Simone for the passionate leadership she showed as CEO of Cordaid.

In the face of the massive challenges, as well as the high costs and risks of working in and on fragility, I have realized to the full that increased collaboration with like-minded organisations is a bare necessity. We need to join forces and generate economies of scale. Not so much for the survival of the organisation, but to more effectively and efficiently continue our mission of fighting poverty and providing humanitarian aid in the most fragile settings on earth.

Seeking strategic allies in this mission, is a quest both national, in the Netherlands, as international. It will be one of our main endeavours in the year to come.

I end on a sad note, in memory of Anne Lavelle. With an incredible amount of enthusiasm, professionalism and commitment, Anne wrote our annual report in recent years. As a driven journalist, she reviewed our work and gathered information through Skype and telephone calls with employees in our country offices, through personal interviews at the headquarters in The Hague. One felt Anne’s true interest in what Cordaid does and stands for. Just before the 2016 annual report was completed, Anne became seriously ill and died shortly after. We will miss her dearly, as a good writer and an endearing person.

Kees Zevenbergen
CEO Cordaid
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Cordaid helps people to pick up their lives and build flourishing communities in fragile, conflict and disaster areas.

**What We Do**

Cordaid is as a ‘double-mandate’ development organization. This means we work on humanitarian and disaster relief as well as actual development cooperation. At the same time, we also strive to bridge the gaps between emergency aid and structural development cooperation. This makes our work very complex as there are no easy, quick-fix solutions, especially in protracted conflict-situations and fragile settings.

Today, more than one quarter of the world’s population, or two billion people (World Bank, 2016), lives in countries affected by fragility, conflict, and violence. There appears to be almost no respite for many of these populations. In the past few years, terrorism attacks have doubled (World Bank, 2016). For the past 25 years, 95% of the world’s refugees and forcibly displaced people (>65 million in 2016, UNHCR, 2017) have originated from the same 10 conflicts. According to ACAPS’ 2016 Crisis Overview, the most fragile countries in the world are almost all Cordaid focus countries: Afghanistan, Burundi, Central African Republic, Democratic Republic of Congo, Iraq, South Sudan, Syria and Zimbabwe. We also have offices in Ethiopia and Sierra Leone. Often, given the volatile environment in our focus countries, we implement humanitarian relief in one region while working hard on development cooperation, such as healthcare systems and services, in other provinces. We also deploy activities in some of the other 168 Caritas countries, especially when there has been a disaster.

**There for the long haul**

Essentially, our dual mandate means Cordaid is there when disaster - either man-made or natural - strikes, providing humanitarian relief. This requires a specific organizational mind-set and immediate responses. However, we are also there for the longer haul once the initial emergency is over. We are great believers in the value and necessity of ‘resilient recovery’. In addition to the funds made available for humanitarian aid through, for example, government funding and national appeals at the time of the disaster, Cordaid also has access to funds raised through its own charity Cordaid Mensen in Nood (People in Need). More than a century old, it still inspires donors to give generously to finance our work. In 2016 Dutch people donated a total amount of 10,2 mln. euro to Cordaid Mensen in Nood. We use these funds to develop programs like our tried and tested ‘build back better’ approach. It involves the local community in rebuilding their lives and was pioneered in the Philippines following typhoon Haiyan. Following the massive earthquakes in 2015, it was rolled out in Nepal and our project there was nominated for the prestigious Ockenden Prize – see page 18. The aim of our resilient recovery approach is to help people create an infrastructure that is strong enough to prepare for, manage and overcome future setbacks. At the same time, we can also be found working on ‘regular development cooperation’, strengthening systems for basic services, such as healthcare, education and security & justice, and in stimulating economic environments to create jobs. The idea is to make it possible for people to help themselves.
**Sustainable Development Cooperation and civil society in fragile and conflict affected states**

The SDG agenda of universal sustainable development placed the sector and societies at large in front of the tall order to eradicate poverty and present lasting opportunities for all people by 2030. The effective development agenda is essential for our work, as it advances the effectiveness of development efforts by all actors, including civil society organisations. Space and enabling environment for civil society voice and action is imperative for long-lasting results, it is however severely under pressure globally. In 2016, Cordaid, as part of Dutch and international civil society platforms and networks, contributed to combating shrinking space for civil society - with a focus on organisations in fragile and conflict affected states. A few examples of our work in 2016:

1. **Brussels Conference on Afghanistan**

Cordaid’s Strategic Partnership on Lobby & Advocacy with the Dutch Ministry of Foreign Affairs, focuses on strengthening lobby & advocacy capacities of civil society organizations in 6 fragile and conflict affected states: Afghanistan, Burundi, CAR, DRC, South Sudan and Nigeria.

A concrete example of our work in 2016 was the policy influencing in the run-up and during the Brussels Conference on Afghanistan (BCA), held on 4-5 October. Cordaid published a policy brief and an op-ed, emphasizing the importance of peace for the Afghan people. We also dedicated two sessions of the Afghanistan Platform – a Dutch government and NGO dialogue on Afghanistan, chaired by Cordaid – to the BCA, and organized a meeting at the Dutch permanent representation in Brussels.

2. **2nd High Level Meeting of the Global Partnership for Effective Development Cooperation (GPEDC)**

The SDG conference of 2015 in New York was about the What of international cooperation. The 2nd High Level Meeting of the GPEDC, in November/December 2016 in Nairobi was about the How, and the importance of working in partnership to achieve sustainable development. The Conference took stock of the implementation of development effectiveness principles and commitments, provided a learning space on development effectiveness. For civil society organisations it was important to achieve support for combating shrinking space for civic voice, and provision of an enabling environment to maximise CSOs contribution to sustainable development. The Outcome Document included many gains for civil society space, reconfirmation of CSOs as independent actors in development, in their own right, and inclusion of government accountability related to addressing shrinking space for civil society in their countries.

Cordaid, in collaboration with CONCORD and as part of the Civil Society Platform for Development Effectiveness, contributed to this process in two ways: by (1) being the lead of a multi stakeholder group in 2016 with governments and other institutions that prepared the high level plenary “Our greatest Challenge: Leave No One Behind”. And by (2) feeding into recommendation to EU institutions in the process.
HOW WE WORK

Theory of change - 2016
In an ideal world, with adequate funding, we would continue to build on our original Theory of Change. During 2016 we stretched our financial resources where possible to pursue this comprehensive Theory of change-approach:

CORDAID - BUILDING FLOURISHING COMMUNITIES IN FRAGILE STATES

In flourishing communities, people are able to satisfy their fundamental human needs when social structures and institutions function inclusively and sustainably. In fragile contexts, this is a fundamental challenge.

Security and Justice
Security structures and institutions respond to vulnerable communities need for protection, justice, and improved resilience against natural or man-made disasters

Opportunity
The private and public sectors function in a manner whereby once excluded entrepreneurs can actively participate in the economy

Governance and Services
Governing institutions are responsive to the needs of all people living in fragile contexts, including access to social services

Cordaid’s initiatives contribute to peace and nation building in fragile contexts, leading to strengthened social contracts, resolved power imbalances and structural social change.

Empowerment: All people are able to speak out and influence in the decision-making processes that shape their society

PROBLEM ACTIVITY OUTPUT

Fragility: Weak governance structures; delegitimized social contracts, damaged social cohesion
Rebuild social contracts through performance based finance (PBF) to support effective justice and rule of law, health care and education
Justice expanded through a widened magistrate; access to timely, quality and efficient health care; girls and children stay in school

Globalization: global common goods unfairly distributed, neglected, oversized and abused.
Apply risk reduction techniques and action plans to empower citizens mitigate and manage challenges to productive land, clean water and safe shelter
Loss of life and property is reduced; community continuity is improved

Power imbalances: power is employed not for the good of an entire society, but in favor of elites and special interest groups
Convene and build the capacity of civil society to constructively participate in peace building platforms
Citizen engagement and social accountability is enhanced; unusual suspects are drawn together to support social processes and goals

Gender inequality: a cross-cutting fundamental power imbalance and root cause of fragility
Use PBF and convening power to ensure that women and girls needs in fragile contexts, are articulated and met
Women gain access and participate in peace processes; access to appropriate sexual and reproductive health; women are free to exercise economic rights

Global socio-economic changes: widening wealth gap lack of political will to combat poverty or find innovative solutions to structural problems
Invest in funds that deliver much needed capital and in conflict sensitive business development training
A thriving Small and Medium-Size Enterprise (SME) sector gives rise to inclusive jobs, skills and spring up industry

Strategy in 2016
Until the end of 2015, Cordaid had been organized and equipped as a donor agency because we were the recipients of the Dutch Government’s co-financing program (MFS). For many years, our focus had been more on program development than on generating income and donor diversification. From 2016, seeking grants became a high priority. The challenge proved too formidable to overcome in a single year and during 2016 our focus had to be further refined. Our mission remains the same: fighting poverty and providing humanitarian assistance in the most difficult area of development cooperation – fragile and conflict-affected regions. And we remain committed to our Theory of Change.
From 2016, Cordaid works in 8 focus countries. We have 12 offices, 8 in our focus countries and 4 others. Some of our offices are large, with significant numbers of personnel. One example is the Central African Republic where we have a team of around 180 people. In others, we have a very small but essential presence. In these 8 focus countries, we provide the full range of development cooperation, from humanitarian relief through resilience building to the creation and expansion of basic services, such as healthcare, education, safety and income generation, especially for women and young people. Apart from these 8 countries, Cordaid implements or supports projects or provides technical assistance in other countries across the globe.
Country file: Afghanistan, main Cordaid office: Kabul; 36 staff. 13 local partners.

What we do: humanitarian aid and development, specifically through RBF programs and dedicated projects in Health, Security & Justice, and income generation.

Projects in 2016: 12, of which 4 Health, 6 Security & Justice, one humanitarian aid (support for displaced persons) and income generation.

Total expenditure in 2016: €5.4 mln

Working environment: The security environment in Afghanistan can only be described as hostile. Working in fragile and conflict-affected areas is full of challenges. Our main issue is security and accessibility to the – predominantly rural – areas where we work. However, through our long-standing presence and strong relationships with local partners throughout the country, we were able to continue work during 2016 in high-risk security areas where other organizations cannot penetrate. The biggest issue is monitoring progress in ‘difficult’ areas on a regular basis. We often have to rely on community monitoring and third-party evaluations. Our work with women and youth remains a priority. We were gratified to learn that projects in highly insecure regions had been evaluated extremely well by the donor.

>400,000 people have access to basic health care at 34 clinics

1,500 families joined an income-generating program in cooperation with Caritas Germany in late 2016 – the goal is 120,000 families

In the year to October, more than half a million undocumented Afghan people were deported or spontaneously returned to Afghanistan from both Pakistan and Iran. In the period 9 to 16 October alone, around 20,000 crossed the borders. Most are destitute. Due to their long absence, they no longer have family networks. The challenge was to provide humanitarian relief to these people. Documented returnees receive US$400 from the UNHCR. But undocumented people receive no aid at all. With winter coming on, Cordaid used funds from its People in Need charity to start a unique project to help families get through the winter. Refugee families, especially the particularly vulnerable, received €1,000 in cash, allowing them to pay for decent housing, food and water, but also kitchen utensils, a stove and blankets. We believe this has a number of benefits:
- It makes use of local (housing) markets, boosting local economies;
- Families themselves decide how they spend their aid money, which strengthens their feeling of autonomy and dignity.

Experience in other countries shows that this works well. Families who are in dire need, know exactly what they need and spend their money well. Of course, spending is closely monitored so that we learn and improve our aid efforts wherever we can. In the longer-term, the aim is to help build semi-permanent or permanent homes, in collaboration with other aid and donor agencies.

UNIQUE AID TO DISPLACED AFGHANIS

Security in Afghanistan took a new turn for the worse in the fall of 2016. There are half a million internally displaced people in the country due to ongoing, increasing violence. However, there are a further 1.5 million Afghan refugees in Pakistan, some of them having lived there in camps for almost 30 years. In the second half of 2016, our humanitarian teams began to see an alarming increase in the number of families deported from neighbouring Pakistan. At the same time, a leaked memo indicated the EU was threatening to cut pledged aid to Afghanistan if the country did not accept the return of 80,000 asylum seekers currently resident in Europe.
Country file: Burundi, main Cordaid office: Bujumbura; 31 staff, 19 working in the main office and 12 in various provinces where we are implementing programs. 10 local partners.

What we do: development, specifically through Results Based Financing (RBF) programs and dedicated projects in Health and Security & Justice.

Projects in 2016: In addition to our regular programs, five specific projects: two in Health – sexual and reproductive health for young people and adolescents and improving healthcare for hypertension patients and diabetics; two in Security & Justice – reinforcing local security and lobby and advocacy specifically focused on empowering women and young people through employment; one in Education to improve the schooling system.

Total expenditure in 2016: €1.9 mln.

Working environment: Cordaid has been working in Burundi for 20 years, through civil war and unrest. This is one of the poorest countries in the world, slipping from 180 out of 187 to the 184th position in 2016. It is also one of the most densely populated – the current population is 10.5 million and Burundi has one of the highest birth rates in the world.

As reported last year, Burundi is currently in turmoil due to a major political crisis. In 2015, the incumbent president opted to run for an unconstitutional third term and won the election. This was followed by a failed coup. Around 350,000 people have since fled to neighbouring countries, such as Rwanda and Tanzania, creating humanitarian crises across the borders.

In Burundi itself, there are frequent reports of ‘disappearances’. Many European countries decided to stop direct support to government bodies, preferring to channel funding through UN agencies and international NGOs. This has led to great tension between the Burundian government and critical – European – donor governments. Resulting new legislation from 2017 will put additional pressure on international NGOs. In the meantime, the political crises and reduced donor support have strongly contributed to increased unemployment, especially among younger people, and poverty. Insecurity levels have risen alarmingly.

100 medical students trained in diabetic and hypertension care in 2016

174 schools in eight provinces joined the ‘Zero pregnancy campaign’

60,000 children have access to education

2016 MEMORABLE MOMENTS:
190 schools in eight provinces in Burundi started implementation of ‘The World Starts With Me’. This program on sexual education for young people gives teachers and educators tools to help youngsters take responsibility. Burundi has one of the highest teenage pregnancy rates in the world.

2016 CHALLENGES:
New legislation on NGOs in Burundi (from January 2017) will create huge challenges, also for Cordaid.

LEARNING RBF

In 2016, Cordaid was finalizing a very specific results-based financing (RBF) project to improve the quality of education in the Bubanza province. This program builds on the positive experiences of the past year and advocates the recognition of RBF as a national strategy in education. The project reaches about 1,200 (head) teachers in 81 schools, six government education services and 62,000 students of which 10% are from very poor families, are orphans or living with a disability.
Country file: Central African Republic (CAR), main Cordaid office: Bangui; 178 staff. 15 local partners.

What we do: humanitarian aid and development, specifically through RBF programs and dedicated projects in Health and Security & Justice, Education, Vocational training.

Projects in 2016: 16 active projects of which 70% are Health-related. Cordaid’s Health Program covers around 40% of the population in five of the country’s seven health regions (Région Santé, RS):

- Jeune S3 (Santé, Sécurité, Sexualité) an SRH program in Bangui, RS 1 and 7
- DFID Mentor Consortium Emergency Healthcare in Alindao
- CHF Emergency Healthcare Zangba Mingala
- World Bank PASS in RS 2, 3 and 6
- EU Fonds Békou
- Rehabilitation, repair and re-equipment and restocking of health facilities (Misereor)

Total expenditure in 2016: €5.1 mln.

Working environment: The year started on a hopeful and positive note as the newly elected president took office. The situation has been tense in late 2015 and we had been obliged to evacuate staff from our Bangui offices which were then looted. But a sense of optimism gripped the country in the new year and some degree of stability was restored. However, the final quarter of 2016 was marred by pockets of insecurity and conflict in the north-west and central regions.

This has a direct impact on our programs, especially the humanitarian relief needed in the north-west – see section on the Dutch Relief Alliance on page 20. The donor round in October (in Brussels) brought renewed international support. The guiding principle was that the country needed to emerge from a crisis phase into early recovery and development activities. Cordaid was especially active in humanitarian relief as with our Caritas network, we had set up programs, including support for displaced people. We are also the designated leader of the Dutch Relief Alliance efforts in CAR financed by the Dutch Ministry of Foreign Affairs. As such we play a frontline role in coordination of Dutch NGOs’ emergency responses. These activities aim to strengthen sectors such as food security, livelihood sustainability, water, sanitation and hygiene (WASH), nutrition and protection.

>1 mln
people have access to basic health care and education

>250,000
annual medical consultations at 135 clinics

>40,000
children in education at 121 schools; the education program had been stopped in 2015 due to the conflict and was more extensive. It has now been resumed.

30,000
mothers-to-be and partners tested for HIV

2016 MEMORABLE MOMENTS:
Signing a €9.2 million World Bank grant for Cordaid health programming in CAR – with the Central African Prime Minister present. This will enable us to further develop the RBF Healthcare programs we piloted initially in 2009.

2016 CHALLENGES:
It is very difficult to recruit professional staff for projects and programs in CAR. So recruitment remains one of our biggest challenges.
Country file: Democratic Republic of Congo (DRC), main Cordaid office: Kinshasa and regional office in Bukavu; 106 staff. 80 local partners.

What we do: humanitarian aid, resilience and development, specifically through RBF programs and dedicated projects in Health and Security & Justice, Education, and business development support.

Projects in 2016: Primary focus on Health, Security & Justice and Education, including RBF; Resilience; and humanitarian relief.

Total expenditure in 2016: €36.9 mln.

Working environment: DRC is a paradox. Although rich in natural resources, it is one of the poorest countries in the world. Civil war and cross-border conflicts, violence, disease, hunger and the mass displacement of people have been ravaging the country for the last 15 years. A prolonged lack of government investment means that basic services such as education and healthcare are sorely lacking. Most people living there have to endure chronic food insecurity and agricultural production is too low. A lack of security and poor infrastructure are limiting access to the market and farmers have very limited access to investments funds. Women are the driving force of the local economy. Yet they have practically no say in how their country is run. Domestic and sexual violence against women is rife. We have been working in DRC since the 1970s. Our strategies are: combating poverty (access to healthcare, education, food markets, financing for small businesses); tackling impunity (breaking through the culture of violence); and installing effective governance (being heard, the right to political participation, particularly for women).

Throughout 2016, the political context was very tense. Elections that – constitutionally – should have been held in this year were postponed, triggering an – often violent – opposition response. A lot of people lost their lives. For Cordaid, the volatile situation led us to close our office and evacuate expatriate staff at the end of the year. Yet, at the same time, we were also implementing eight programs. Seven were launched in 2016, some as follow or scaling up programs on already completed projects. Others are new concepts. Please see www.openr bf.org for more on security and justice and educational programs in DRC. Through our RBF programs, around one million people in DRC have access to basic healthcare. One of the biggest challenges for this country is prevalence of HIV/AIDS. Although great progress has been made in fighting HIV and the global number of people on antiretroviral therapy (ART) has gone to over 18 million, 22,000 people still die from AIDS every year in DRC (UNAIDS estimates for 2015). In DRC alone, the unrest, the displacement of people and movements of armies, the lack of access to testing and treatment in such conditions – all fuel the spread of HIV. We estimate that only around one quarter of the 370,000 people living with HIV receive medication. This makes our efforts to identify people who need treatment, even in the most remote and difficult to access rural areas, even more critical. Our teams supply and strengthen 175 health clinics in the remotest areas. Our goal in DRC is to have at least 150,000 people living with HIV on ART by the end of 2017. At year-end 2016, we had achieved over 73,000 people, including children.

Our other goals, also with the help of the Global Fund and in alliance with 13 partners, include:
- To reduce mother-to-child transmission from 34.4 to 8%;
- To reduce HIV mortality from 75/1000 in 2012 to 32/1000 in 2017; and
- To provide antiretroviral treatment to at least 95% of patients with co-morbidity of HIV and TBC.

1 min
people have access to basic healthcare and education

>2.5 mln
people have greater security/law enforcement

>60,000
children in education at 174 schools

>73,000
people living with HIV on ART medication
Country file: Ethiopia, main Cordaid office: Addis Ababa; 26 staff.

What we do: humanitarian aid, resilience and development, specifically through RBF programs and dedicated projects in Health and Security & Justice, Education, and business development support.

Projects in 2016: Primary focus on Health, including RBF and female cancer initiative; Resilience and resilient business support; and humanitarian response to drought.

Total expenditure in 2016: €1.8 mln.

Working environment: Ethiopia has been badly affected by the drought of 2015/2016 with more than 11 million people affected, also as displaced persons. The influx of refugees from other countries, such as neighbouring Somalia, only exacerbated an already dire situation. As a result, and in addition to our regular development and resilience activities, we also implemented Drought Emergency Response projects in the Afar region in the north-east of the country. This was made possible by funding from the Dutch government through the Dutch Relief Alliance. By year-end, however, it proved that the drought had worsened and has now devastated the whole horn of Africa into Somalia, South Sudan and into northern Kenya. This requires ongoing emergency relief as far East as Yemen.

Besides our work on humanitarian relief, our team in Ethiopia is very much oriented to building resilience and Community Managed Disaster Risk Reduction (CMDRR). Cordaid uses the CMDRR process to help communities become resilient. Disasters occur when communities cannot cope with the effects of hazards using their own resources. Resilient communities can cope with hazard events: they bounce back, return to normal functioning and improve their conditions towards being empowered communities. For example, in the Liben zone of the Somali region the climate is naturally dry with frequent longer periods without rain. A long-term project aims to build community resilience to deal with drought. Communities are trained in CMDRR, including practical, concrete measures such as the construction of reserve water tanks. We were gratified with two fortunate occasions in 2016. One was continued funding of these projects in Liben from the EU. The other was a Certificate of Appreciation from the regional government for our humanitarian support.

2016 MEMORABLE MOMENTS:
Winning the EU-funded RESET resilience-building project against stiff competition. This program will improve food security and nutrition, access to basic services, livelihoods and Disaster Risk Management capacities in areas prone to violent conflict, natural disasters and land disputes. All can cause massive forced displacement. Once implemented, the aim is to create conditions that are conducive to the effective return and reintegration of Ethiopians currently in other countries.

2016 CHALLENGES:
One World Bank-funded DRR project fell behind schedule in Ethiopia. This situation is now resolved and the project is back on schedule.

Did you know?
In 2016, Cordaid distributed almost 3 million liters of water and over 350,000 kilos of corn to 90,000 people in Ethiopia. More than 4,300 children received food supplements to reduce the effects of malnutrition and we supplied 1,342 people with live-saving medication.
CERVICAL CANCER – PROGRESS REPORT

In 2015, we launched a pioneering project in Ethiopia where breast and cervical cancer are the biggest and usually silent killers of women. Unlike many cancers, cervical cancer can be detected and treated quite easily. A woman can be screened and treated at minimal cost and maximum impact on a single visit on a single day. The project uses the See, Treat & Tell process – as is also clear from our project updates on the Cordaid website (www.cordaid.org/en/projects/ethiopia-female-cancer-initiative/) where we publish the survival stories of former patients. This is how See, Treat & Tell works:

Using this methodology, we reached around **1.2 million people** – women, men and young people – and improved awareness of female cancers. We used a whole range of media, including edu-tainment events. Now, **27** healthcare providers are working from **10** health centers, with one hospital to manage advanced cases. A total of almost **5,000** women have been screened for cancer lesions. In around **10%** of cases, lesions were found to be cancerous and the vast majority of patients have already received Cryotherapy. The remainder, **10** women, are being cared for in hospital.

Next steps in the project are:
- To train **30** more healthcare providers; and
- extend services to a further **13** health centers, bringing the total to **23**.
We are still working in southern Aleppo where the Cordaid-supported soup kitchen is now preparing 56,000 hot meals every week. We also distributed 4,050 food parcels and >20,000 items of clothing. Syrian refugees sheltering in host country Lebanon also received our help – 6,720 people were given winter help packages containing blankets, bedding, mattresses and hygiene packs. A further 12,000 received vouchers so they could buy essential supplies themselves.

850,000 refugees and migrants arrived in mainland Greece and the Aegean islands in 2015. A year later and with less publicity to raise funds, Caritas Greece needed additional support. Cordaid responded with €50,000 from Cordaid Mensen in Nood.

The poorest are always the hardest hit by disasters. And the poorest in fragile and conflict-affected areas are hit even harder. They often live in the most dangerous locations and are most susceptible to natural disasters, such as floods and droughts. These are the people who are forced to leave their homes, jobs and farmland - time and time again. Or when the soldiers and militias come with their weapons and terror. Unsurprisingly, as Cordaid works in the world’s most fragile and conflict-affected regions, we have a long history of offering humanitarian relief to the people who need it most. Our Cordaid Mensen in Nood charity was set up over a century ago.

Throughout 2016, we were engaged in providing humanitarian aid in both our focus countries and in a number of others – wherever disaster strikes. In addition to the Dutch government-funded DRA, our relationship with the Caritas network in 168 countries means we usually have a ready-made distribution channel to reach victims, even in the most remote areas. We are part of the SHO (Association of relief organizations in the Netherlands, often known simply as Giro 555) that raises funds for major disasters – over €30 million for the drought in the Horn of Africa over the 2016/2017 winter. This year we also supported victims of natural disasters such as Hurricane Matthew in Haiti. In a special flash appeal in October, Cordaid Mensen in Nood was able to help the estimated 750,000 victims with repair of homes and water purification installations.

‘We have ended up in a situation in the Netherlands, but also in other countries in the Western world, where we have become increasingly inward looking. We hear often understandable complaints that we spend too much on the needy far away and forget about the needy at home. It is not either-or, it is both! Cordaid’s role is to work on more understanding, respectful support and necessary protection for the downtrodden by intensifying our outreach to those people in the southern hemisphere who are utterly disenfranchised.’

‘In the long run, it is irresponsible to indulge in winning votes on a narrow program that addresses only fears at home whilst ignoring predictions such as the climatological situation with potential impact on huge populations, e.g. in Bangladesh and in the Nile Delta. These populations will be forced to move. The next wave of refugees will be climate refugees. The Geneva Convention on Refugees makes no mention of people in this dire situation. So we are hearing a lot of politicians in the West saying there needs to be a review of the Convention. I agree. In reviewing, we have to match the obligation to protect refugees when they arrive with the responsibility of states and government to create a situation in which they don’t have to move over the globe before finding a place where they can settle and realize their life projects with their children.

Ernst Hirsch Ballin, Chairman Cordaid’s Supervisory Board

2 mln
people benefitted from Cordaid humanitarian aid/disaster relief

21
projects

10
countries

25
partners
An emergency food aid project in Guatemala, again with Caritas, is helping combat a drought that has destroyed the harvest in the Zacapa district. Over 9,000 families have lost at least half of all their maize and beans. We were able to provide hundreds of families with food and perhaps just as importantly inputs for drought-resistant crops. The majority of these families are very vulnerable, with children under five, lactating mothers, elderly relatives, people with disabilities and female-headed households.

**Ongoing humanitarian relief**

However, in the period when Cordaid was more a grant-giver than a hands-on humanitarian partner, our country offices were more focused on development cooperation, such as healthcare and education programs. That has changed as we have shifted mind-set throughout our organization. Providing humanitarian relief is very different from regular development cooperation. It is all about rapid decision-making, urgency, practical solutions in very difficult situations. Development cooperation requires more patience, more dialogue, more long-haul presence. In 2016, Cordaid offered humanitarian relief in Afghanistan, Burundi, the CAR, DR Congo, South Sudan, Ethiopia, Iraq, Syria, Nepal and the Ukraine. We are also continuing humanitarian support to Caritas organizations in Europe, including Greece and the Ukraine. Our humanitarian work in the Middle East – Syria, Iraq, Lebanon – continues. In addition to our leadership role in the Dutch Relief Alliance (see page 20) in North Iraq, we work closely with the Caritas network in the region to support both refugees and the host countries that are sheltering them. With Caritas Iraq, and funded by our own Cordaid Mensen in Nood, we provided financial support to displaced families during the winter. They spent this on shelter, food, household and medical or psycho-social services. As the conflict continues and Iraq faces increased economic, political and social instability, it is unlikely that the need for humanitarian aid will subside in the coming year. However, we remain ready to transition to a recovery phase when and if it becomes appropriate.

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**A NEW START AND A NEW CHARTER**

In November 2016, Cordaid joined the Start Network. This is an organization of 42 leading humanitarian relief providers working with 7,000 partners in 200 countries and territories worldwide. Start's premise is that the way humanitarian aid has operated in the past 70 year needs review. The aim is to challenge the existing system and to help bring about change. In 2015 (no later figures available), around €25 billion was spent on humanitarian aid. For 2016, the UN appealed for help for 95 million people in 40 countries, the highest ever number requiring relief in a single year. At present, six of the UN's agencies channels two-thirds of all international funding, with only 2% going directly to local and national NGOs in the affected country. And getting the money where it is needed takes time. Many experts agree that €1 spent early in a crisis is as effective as €4 or €5 spent later. And the Charter for Change agrees. At the World Humanitarian Summit in May 2016, Cordaid was one of the signatories, along with 150 national and local organizations from 43 countries. One of the Charter's aims is to increase the percentage of monies channelled to local NGOs to 25% by 2020.

"The world spends almost as much on chewing gum as it spends on humanitarian aid..."

Start Network for a 'new humanitarian economy' that would give more control to communities and individuals on the front line of every crisis - https://startnetwork.org

**Prize-winning approach to resilience in Nepal**

Two devastating earthquakes hit Nepal in April and May 2015. Humanitarian aid got off the ground very quickly and much was done to relieve immediate needs. However, in this earthquake prone region, giving people tools to withstand and recover more quickly from disasters is a real challenge. Cordaid brought in a team that had been working on the Build-Back-Better resilience program in the Philippines following Typhoon Haiyan to tackle the issue in Nepal. One result is new homes and new futures for a lot of displaced families. Another achievement is our runner-up award for the prestigious Ockenden prize and a cheque for US$25,000.
Cordaid is currently helping displaced families build 380 new homes with partner Lumanti in an early recovery program in two severely affected communities in Rasuwa. In September 2016, we received the green light from the Nepalese Reconstruction Authority and families immediately started building their own earthquake-proof houses. But that is not what we received the Ockenden nomination for. It recognizes the hard work and tireless efforts by the displaced families, our partner Parivartan Patra and our own people in Nepal. The 500 mountain families saw entire villages destroyed. Their sources of income vanished in the debris. They were displaced to the lower belt of Rasuwa. The weather here is hot and humid, demanding completely different forms of agriculture. Cordaid, Parivartan Patra and local people got together to come up with a plan. First, a simple training center was set up to teach the displaced people new skills needed by the host community. Drinking water was a potential source of disagreement between the two communities so water management became a priority, including processes to help people use waste water for vegetable farming and kitchen gardening in the camps. And we offer business skills training and cash for work to restore income. But it is the families themselves who have shown incredible resilience. They have improved their own livelihood inside the camps and made huge efforts to interact positively with the host community, share their knowledge and skills and keep on sending their kids to schools. According to our people in Rasuwa, they are not passively depending on emergency aid but are making a life for themselves. Today, reconstruction work is going more quickly due to IDPs’ involvement with the host community.

‘Of the thousands of IDP families, many are coping relatively well, in camps as well as in host communities. But most of them still cannot return to their destroyed villages. Reallocation or resettlement plans are unclear. Elderly IDPs are among the most vulnerable as they have no ways to generate income. This means more humanitarian support, but the reality is that our budgets are not sufficient to prolong our work in Rasuwa very much longer. So the Ockenden prize money is very welcome.’

Cordaid’s Milan Mukhia

Did you know?

Cordaid won the award for ‘Best Short Film on DRR for Development’ at the Asia Ministerial Conference on Disaster Risk Reduction (AMCDRR) 2016 last November. The short film (just over five minutes) shows just how disaster risk reduction, climate change adaptation, and environment restoration and management helped local communities in Indonesia achieve a more sustainable livelihood. View the film at https://www.cordaid.org/en/news/cordaid-movie-wins-award-drr/
**ABOUT THE DUTCH RELIEF ALLIANCE (DRA)**

The DRA comprises 14 Dutch NGOs with specific expertise in humanitarian relief. Set up in 2015 and funded by the Dutch Ministry of Foreign Affairs, the driving force behind the decision to create the Alliance was the significant increase in the need for humanitarian aid and in the complexity of the crises, usually due to armed conflict. By combining members’ expertise, the Alliance acts on major humanitarian crises through joint responses. This enables the DRA to provide timely and effective support in many of the world’s most fragile regions and countries. This is a key area of expertise at Cordaid. When a crisis occurs, one NGO is selected to lead specific actions in crisis regions. For example, in 2016 Cordaid had the lead position in both the Central African Republic (CAR) and Northern Iraq. We carry out this role in addition to our other activities as part of the Alliance and our regular programs, also in, for example, CAR. This is an overview of what the Alliance is achieving through joint response actions (see country reviews for our other activities):

**JOINT RESPONSES DUTCH RELIEF ALLIANCE**

**CENTRAL AFRICAN REPUBLIC (CAR)**


**Action:** 2 joint responses by 10 DRA organizations and their partners.

**Beneficiaries:** 476,787 people benefited from support on protection, sanitation and food security, including nutrition.

**Amount spent:** €12 mln made available by the Dutch Ministry of Foreign Affairs (Cordaid DRA lead).
NORTH IRAQ

Where: North Iraq: Diyala, Dohuk, Erbil, Kirkuk, Ninewa and Sulaymanya provinces.

Action: 2 joint responses by 12 DRA organizations and their partners.

Time scale: 22 months, ending October 2016.

Beneficiaries: 413,194 people benefitted from support on health, water and sanitation, protection, shelter and food security.

Amount spent: €16 million funded by the Dutch Ministry of Foreign Affairs for the whole Joint Response North Iraq (of which Cordaid is the lead).

ETHIOPIA AND ZIMBABWE

Where: Emergency aid to drought affected Somalia (Somaliland and Puntland), Ethiopia and Zimbabwe (Midlands, Masvingo and Matabeleland North):

Action: Joint responses with local partners on health, water and sanitation, protection, shelter and food security.

Amount spent: €10.4 million funded by the Dutch Ministry of Foreign Affairs (Cordaid DRA partner).

SOUTH SUDAN

Where: South Sudan – more on this troubled country on page 25

Action: Joint responses with local partners.

Time scale: 24 months

Beneficiaries: 400,000 people benefitted from support on seed, tools, fishing nets, water pumps, hygiene kits and latrines (WASH), protection, especially for women and girls. There is short documentary about the situation in South Sudan: www.youtube.com/watch?v=s8M61MTo_Y.

Amount spent: €1 million funded by the Dutch Ministry of Foreign Affairs to Cordaid as DRA partner.

SYRIA

Where: Syria

Action: Joint responses with local partners.

Time scale: 22 months

Beneficiaries: 10,000 people benefitted from support on shelter, food security, healthcare, water, hygiene, protection and education.

Amount spent: €1.5 million funded by the Dutch Ministry of Foreign Affairs (Cordaid DRA partner).

CORDAID AND DRA RESPOND TO CARITAS UKRAINE

In late 2015, the aid workers of Caritas Ukraine made a desperate appeal: please help the more than 1.6 million people displaced by the conflict with Russia and the 3.8 million people in need of humanitarian assistance. It is estimated that 70% are elderly, female or children. Said one aid worker, Hrihoriiy Seleshchuk: ‘The hardest thing is when you have to decide who you can and who you can’t help, because of the lack of resources and staff. I met an 83-year old lady working in the fields. No heating at home and she was caring for her mother who’s over 100 years old.’ Cordaid and the DRA responded quickly and from December 2015 until the end of May 2016, the coldest winter months, aid focused on food, health care and housing:

- More than 20,000 displaced persons received clothing, bed linen, fire wood and other (financial) support to get through the winter and help with renovating houses damaged by war (especially windows and roofs);
- Over 5,000 displaced persons received food aid;
- 2,450 displaced persons received essential medication, access to doctors and were able to visit mobile medical centers for psychological support.

‘Open all the windows at -10 Celsius, shut off your heating, empty your fridge, wait a few days and you know what life is like in the buffer zone.’

Valentyn Bebik, a Caritas Ukraine aid worker displaced by the war.

There is a short documentary on our website outlining the conflict between Russia and the Ukraine: https://www.cordaid.org/en/news/europe-stand-up/
Natural disasters are hard to prevent. However, their impact can be seriously reduced if stricken areas are better prepared and have developed greater resilience. The Asia-Pacific region is one of the most affected by natural disasters. But as climate change creates unpredictable events around the world, other regions are fast becoming more and more vulnerable. Obviously, when a disaster strikes, humanitarian relief is the first responder. But once humanitarian aid has done its work, then that is where our resilience expertise comes in. Cordaid works on resilience primarily through Community Managed Disaster Risk Reduction (CMDRR) – a program we have been delivering to communities for almost 15 years.

CMDRR contributes to resilient communities in all phases of the disaster cycle: emergency response, recovery, mitigation & prevention, preparedness, and also includes risk awareness and resilience strengthening into development programming. We tend to focus on a (combination of) specific themes:
- Food security / Agriculture / Livestock
- Water resources management
- Livelihoods and economic recovery
- Ecosystem management and climate change adaptation
- Governance, Lobby and Advocacy

**Did you know?**
- Since 1980, low income countries have suffered only 9% of the world’s disaster events, but 48% of the fatalities.
- It is projected that more than 50% of people living in developing countries will be vulnerable to weather hazards by 2050.
- $1 invested in reducing disasters in developing countries is estimated to save up to $7 in losses.

**Resilience:** the ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and bounce back from the effects of a hazard in a timely and efficient manner.
Cordaid’s dual mandate role means that we need to be versatile and flexible. We are there when humanitarian disaster strikes and in the aftermath to help rebuild. But we are also always there to support the structural development of basic services that help stabilize fragile and conflict-affected regions. Our focus is on developing healthcare, security & justice, education and ways for people to make a living. One of our primary goals is Universal Health Care (UHC). Although no one size fits all, we have discovered that Results-Based Financing (RBF – see page 28) can be used as a template. In each country, we start with what is there, assess what works and what does not, identify improvements and upscale potential. Besides basic health services, we have a long track-record in women’s and young people’s health, often through our Sexual and Reproductive Health Services (SRHS). One of the main goals is to reduce the alarming number of unwanted teenage pregnancies, unsafe abortions and maternal deaths. Another area where often small projects can achieve big impacts is creating opportunities for people with a disability. In Kenya, there are an estimated 700,000 people living with epilepsy. Sufferers do not take anti-epileptic drugs, as the illness is often confused with witchcraft and a punishment from God. As a result, they are often excluded from society, denied an education and find it difficult to get work. With our (local) partner Youth on the Move, 24 young people are being trained annually to reach out to their community members. They help raise awareness in schools, churches and social institutions, reaching an estimated 40,000 people per year. In Manikganj, Bangladesh, partners Niketan and the Disabled Rehabilitation and Research Organization (DRRA) are establishing the latest special school for mentally challenged toddlers, children and youngsters. A lot of work has already been done to provide education for some 7,000 disabled children in Bangladesh. By developing special education materials and strengthening the capacity of teachers, they hope to improve and expand schooling for disabled children and create awareness with the government. Cordaid pioneered Results Based Financing (RBF) in sub-Saharan Africa 15 years ago. The idea is simple. Traditionally, funding flowed into general financing systems where it can get lost in bureaucracy and ‘one-size-fits-all’ approaches. Instead, funds are used as direct incentives. And it is local people who use the services who decide what is needed in their communities. This is where our community-based approach comes from. Using RBF, we can discover what a community needs and then channel the funding to incentivize the provision of services to meet those needs. Service providers receive payments only after

# LEARNING IMPACT IN SOUTH KIVU

In 2016, we joined the World Bank and the Stockholm Institute of Transition Economics to evaluate the impact of RBF on education in the South Kivu region of DRC. The study has two aims. One is to evaluate whether RBF in primary schools yields better educational outcomes. Researchers will compare student results based on 6th grade test scores in RBF and non-RBF schools. A second topic is studying whether a stronger emphasis on parent involvement in and feedback to schools improves student achievement and overall school performance. The study will take just over two years and we will be able to report on impacts in 2018.
To date, using RBF often funded by our partner the World Bank, we have stimulated more efficient and better quality healthcare and other services, such as education and security. But RBF is more than just a change in the way healthcare and other service providers are paid for. It is also a reform strategy that is built on many years of experience in strengthening initially healthcare and now other systems. It introduces checks and balances, accountability, motivates staff, promotes entrepreneurship and involves private not-for-profit, private for profit and public sector parties, as well as the communities themselves. In fact, ‘customer satisfaction’ is a key quality indicator in most of our RBF programs. More than 10 countries where we introduced RBF have now adopted it as national policy for the provision of healthcare and, often, education. Examples are Cameroon, where in 2015 we handed over RBF healthcare administration to the Ministry of Health. In Zimbabwe, the Ministry of Health will take over RBF healthcare at the end of 2017. The most recent addition to the list is the Central African Republic where RBF will be further expanded in cooperation with the government. The impact of RBF is monitored independently, usually quarterly. Results can be found at www.openrbf.org.

**RBF at a glance**
- Helps more people
- Gets funds where they are needed and do most good
- Stimulates better service
- Cost efficient
- Stimulates social entrepreneurship

CORDAID STEPS IN WITH EMERGENCY HEALTHCARE IN CAR

An international NGO that had been supporting emergency healthcare in Basse Kotto, CAR, was obliged to reduce its program. Cordaid stepped in, launching RBF at the facility and attracting funding from the EU to finance the program for a six-month period in 2016. In the region a consortium of NGOs funded by the UK’s international development fund, has been implementing programs relating to emergency health and nutrition needs, including services/referrals to survivors of Gender-Based Violence (GBV). The region is adjacent to the area where Cordaid is implementing its RBF healthcare program in Békou.
Jeune S3

Cordaid is leading a consortium of specialized agencies to further develop and expand the sexual reproductive health program known as Jeune S3 (Santé, Sexualité, Sécurité). Funded by the Dutch Ministry of Foreign Affairs, a total of €30 million has been allocated to the consortium for five years, starting from 1 January 2016. This means that we can continue to support young people, living in fragile contexts in African countries, to make informed choices about their sexual and reproductive health and rights (SRHR). The current SRH Next Generation program in the Great Lakes Region (Rwanda, South-Kivu in Congo DRC and Burundi) formed an important part of the track record. This new funding will enable Cordaid to continue, to scale-up and to extend the program to other fragile countries, including the Central African Republic where the program has now been introduced. The idea behind the program is to reduce teenage girls’ vulnerability and prevent unwanted pregnancies. It offers young women a chance of a better future. If they finish school, gain more knowledge and stay healthy, they have a better chance of finding a job. So far, the program in the Great Lakes Region has reached over two million young people. More than before, they are in a position to make informed choices about their sexuality. The continuation of this program will have a profound impact on society for the next generation of young people. Cordaid and the partners within the consortium will expand the program to other African countries over the next five years.

Comprehensive sexuality education

More informed choices

Young people are better informed and thus equipped to make the right choices about their sexuality.

Comprehensive sexual education in schools is one of the key interventions in a decreasing number of unwanted pregnancies of adolescents.
Security focus
According to the World Bank, around 1.5 billion people have no access to justice and face insecurity. Most of them live in countries that lack an enforceable legal framework, leaving people in a fragile, weak and volatile humanitarian environment. This is why security and justice for all but especially for women is such a priority at Cordaid. In some countries people lack even the most basic security. Security services and judicial systems offer them little or no protection. Even in regions where there are peace-keeping missions and formal judiciary structures, these tend to be top-down and often fail to take local sensitivities and requirements into account. Our community-based approach is ideal for these environments. We always work from the bottom up and always include women’s participation, especially in peace-building, in everything we do. A good example is the four-year program we have just rounded off in neighbours Burundi and DR Congo. Both countries have a long history of violent conflict and war. There is food insecurity, lack of basic services and providers of security and justice are not able to function successfully. Many women experience domestic or sexual violence and the culture of mistrust translates to polarization within civil society. More recently, a process of democratization has started in these countries, but with huge imperfections as governmental institutions still fail to deliver basic services. Women are recognized as the binding force in the community, but are underrepresented in decision making processes. The police in DRC and Burundi is incapable of ensuring security and the justice system is weak, making access to legal services difficult. All these factors make the social contract between the population and the state weak or non-existent. Our program aimed to improve performance by public administration, police and justice systems through RBF. This in turn improved human security and rule of law. Today, more women are able to influence security and justice in both countries, more women are employed by security institutions and, as a result, more women have access to services.

Community Security Architects
At first sight, it may seem as if Afghanistan and the DRC and South Sudan are worlds apart. But all three are fragile and conflict-affected regions. All three are poor and have a history of foreign occupation, distrust of the state, a complex ethnic composition, powerful local strongmen, persistent violent conflict and weak state institutions. Would what worked in DRC and South Sudan also work in Afghanistan? Our Community Security Architects (CSAs) approach involves the local community in assessing the local security and justice situations and enables them to prioritize the main problems based on a local action plan. Basically, communities themselves both develop local-led initiatives for security and justice and engage with stakeholders that are relevant in providing...
security and justice, such as (local) government, police and judiciary actors. What we do is provide technical support on how to tackle issues. Implementation of the Community Security Architects concept is based upon a standardized process, which includes a toolbox with a variety of options for services. During 2015 and 2016, we were engaged in a second research project in Afghanistan with partners The Liaison Office and funded by the Dutch Ministry of Foreign Affairs based on the premise that more contextual knowledge is required for successful support in complex situations. The project will provide knowledge for future program development in this volatile region.

**Women’s safety**

It is estimated that up to 70% of women and girls who seek protection in displaced people's camps in South Sudan say they have been raped. These are the findings of UN investigators. Many of the alleged perpetrators are soldiers and police officers; few are ever brought to justice. South Sudanese women's organizations are working round the clock to help but they are underfunded, understaffed and overwhelmed by the scale of the abuse and resulting suffering. There are around 1.7 million displaced women and men in the country, all seeking to survive the war, extreme poverty and sexual abuse. Cordaid is working closely with one of them, STEWARDWOMEN, as part of a strategic partnership with the Dutch Ministry of Foreign Affairs. According to this local NGO working on women's welfare, there are 10 key ways to stop the abuse. These are described in detail at [https://www.cordaid.org/en/news/stop-sexual-violence-idp-camps/](https://www.cordaid.org/en/news/stop-sexual-violence-idp-camps/).

> ‘Inside the camps, up to dozens of families live together in un-partitioned houses. Men, women, boys and girls sleep together, without any privacy. Bathing shelters are for both men and women, latrines cannot be locked or lit. Often the camp borders are not guarded. Sick women and girls often remain in the camp unattended during the day, when the others go out to fend for the family. By the time they return, the patient has been raped. This happens all the time. Only two months ago a 45-year old man, not a camp resident, entered a camp and raped a three-year old girl, who died as a result. ‘This too happens.’

Josephine Chandiru Drama, program director STEWARDWOMEN.

**SOUTH SUDAN IN CRISIS**

Cordaid is closely involved in humanitarian relief to this troubled country. However, our teams there also continue working on regular development cooperation. We are collaborating with 35 local partner organizations on approximately 65 projects there. These projects are focused on the establishment of a judicial system, the prevention of humanitarian and natural disasters, food security, better healthcare, the sustainable and fair exploitation of natural resources, and the fundamental equality of women in society. The projects vary in both size and relevant target groups. Throughout the country there are initiatives for making local communities aware of their rights when it comes to oil production, and ensuring that these rights are observed. Meanwhile, in the state of Upper Nile groundwork is being done to set up Results Based Financing of basic healthcare, and in the Catholic Health Training Institute in Wau midwives are being trained. Wau made headlines in the summer of 2016 as 20,000 of the people fleeing the latest conflict took refuge in the Caritas and other NGO compounds. The expatriates in our Wau team were also evacuated during the summer, although they have since returned. In spite of all this turbulence, loss of life, fear and volatility, Cordaid is one of the few international organizations still supporting microfinance institutions in South Sudan. We are convinced that extending such microcredit loans will help to boost the local economy and put people in a position where they can earn a living. Microcredit loans will make it possible for small-scale farmers to provide food for the people of South Sudan.

**COMMUNITY SECURITY ARCHITECTS**

1. Community Security Architects are people from within communities
2. Community Security Architecture is customized by the community, who know the context best
3. Designing security & justice action plans is a group process preferably including police and judiciary actors
4. All stakeholders are engaged in implementing Security & Justice Action Plans
5. We provide powerful insights to improve the effectiveness of (inter-)national policies and programs, based on best practices in communities worldwide.
CordaID Investment Management (CIM) is the asset management arm of Cordaid which has been a frontrunner in opening markets to impact investment since 1997. CIM manages thematic investment funds that foster Cordaid’s multidisciplinary approach to development and that catalyse grant-based activities in the field of agriculture and entrepreneurship. All our funds offer access to finance using a mix of instruments: patient capital (equity and subordinated debt) and senior debt including loans with longer maturities. CIM is currently active in 21 developing countries in Africa, Asia and Latin America, including some of the most fragile, and we focus specifically on women and young people.

**The rural and agriculture fund (RURAF)**

Over one billion people worldwide live in extreme poverty and livelihood insecurity. More than 75% are small agricultural producers in rural areas. CIM established RURAF to provide agricultural subsectors with access to inclusive finance to boost local rural economies. RURAF’s investees are mainly microfinance institutions (MFIs) and local SME funds serving farmers and rural micro-enterprises. RURAF provides senior and subordinated debt; equity, and guarantees. Grants are provided for capacity building and the development of innovative financial products, services, and methods.

**Myanmar: Innovative solution to invest in local currency**

We make our investments in local currency whenever possible because we think we are in a better position to manage the currency risk than our investees. In that sense, Myanmar represented a big challenge for us. Not only the expected devaluation of the Myanmar Kyat was high but also the government imposed a cap on the interest rate that foreign investors could charge. Hedging was not an option because it would have outpriced us.

**Since 1998:**

- > 248 partners financed
- > 458 investments made totalling €203 mln

**RURAF PORTFOLIO IN 2016**

- Total Portfolio as of 31 Dec 2016: €55.2 M
- New Commitments in 2016: €19.9 M
- Undisbursed portfolio: €9.3 M
- Write offs in 2016: €0 M
- Number of portfolio companies: 40 investees
- Clients reached by our MFIs: 55,000
- MFIs clients reached with Cordaid support: 85,000 (75% female, 62% rural)

We wanted to keep supporting the microfinance sector in Myanmar but incurring losses was not sustainable. After looking for different options and long discussions, we partnered with LIFT, a donor consortium that aims to improve the lives of rural people in Myanmar, and TCX, that started to provide hedging against the Myanmar Kyat volatility. This innovative blending solution took a lot of creativity and collaboration from the three parties involved. LIFT contributed with grants to cover not only the currency risk but also to provide capacity building to the MFIs. TCX provided the expertise for the hedge. As a result, CIMBV could commit further funding to support MFIs and therefore help to develop the microfinance sector in Myanmar. Most importantly, after this unique partnership, TCX and LIFT reached a second agreement to provide a hedging facility for other impact investors. This will help to develop the unserved microfinance market in Myanmar. For the full case study, follow this link: [http://www3.weforum.org/docs/WEF_Cordaid_Investments_in_Myanmar.pdf](http://www3.weforum.org/docs/WEF_Cordaid_Investments_in_Myanmar.pdf)

**The Stability Impact Fund (SIF)**

The Stability Impact Fund (SIF) contributes to economic development in local communities. It creates scalable and
sustainable social impact in fragile and conflict-affected countries. Economic development is urgently needed but requires a healthy and inclusive financial sector. Young entrepreneurs who are eager for change lack access to finance as well as the skills to grow their businesses. Since its inception in 2014, SIF has been an impact fund serving all segments of micro, small and medium-sized enterprises (MSMEs). Particular focus is placed on small companies at the lower end of the segment; the unserved ‘missing middle’ that has the potential of becoming a powerful contributor to economic growth. SIF provides its investees with access to loans and patient capital. It is directly linked to Cordaid’s grant-funded Business Development Services (BDS) to make the MSMEs investment ready and better equipped to achieve their social and business goals.

SIF PORTFOLIO IN 2016

- Total Portfolio as of 31 Dec 2016: €16.8 M
- New Commitments in 2016: €6.4 M
- Undisbursed portfolio: €1.5 M
- Write offs in 2016: €0 M
- Number of portfolio companies: 21 investees
- Clients reached by our MFIs: 1.2 mln
- Cordaid’s clients: 57,000

TOURISM AND TRAVEL IN SIERRA LEONE

This sector was hit particularly hard by the Ebola crisis. However, tourism and travel services company VSL (Visit Sierra Leone) in Freetown survived and business is gradually picking up. VSL offers a full package of services to foreign visitors, from airport transfers, vehicle rentals and hotel bookings, to visa processing, excursions and guided tours. In 2015, VSL participated in Cordaid’s BDS program at a time when tourism was only a nascent sector in Sierra Leone. The company now manages the two most successful travel websites in the country: visitSierraleone.org and VSLtravel.com. SIFA recognized VSL’s potential and provided a five-year debt finance in local currency in June 2016. The capital will be used to upgrade the company’s fleet with new vehicles as well as for local and international marketing activities. The company’s turnover in 2016 is expected to be at least 25% higher than in 2015. Through job creation for drivers and tour guides, the investment also has a social impact. VSL has already hired three new people, the target for the investment period is eight. In five years, at least a third of VSL’s staff should be women and two-thirds youth. Micro-entrepreneurs selling handicrafts as well as community-owned tourism projects will indirectly benefit from the promotion of tourism in Sierra Leone.
The Stability Impact Fund Africa (SIFA)
The Stability Impact Fund Africa (SIFA) will be a carve-out of SIF specifically focusing on Africa. It provides SMEs with access to inclusive finance as well as BDS. The Fund will be the first one opened to impact investors who share our strong belief in the potential of MSMEs to create jobs and spearhead inclusive economic growth. So that they can fulfil their potential and help bring an end to the vicious circle of conflict and poverty.

SIFA facts and figures achieved to date (since inception in 2014):
- €7.3 mln approved investments
- €6 mln outstanding commitments to investees
- 45,000 microfinance clients in the informal sector reached through investment in MFIs (65% women)
- 60 very small companies in Ethiopia and Sierra Leone received BDS
- 7 very small companies received investments in Sierra Leone (4 of these graduated from BDS)

Business Development Services (BDS)
Cordaid has been providing BDS in fragile and post-conflict contexts for more than a decade. Since 2015, it provided tailored and company-specific BDS program to carefully selected small enterprises and SMEs in the SIFA focus countries Ethiopia and Sierra Leone. The six-months’ program is designed to improve financial, social and environmental business performance and geared towards making the enterprises ‘Investment ready’. The BDS program supports the creation of a potential pipeline for direct investments by SIFA in the ‘missing middle’ segment.

Cumulative Impact Investment 1998-2016

1 All these investments are also part of SIF
It is estimated that around 123 million people in Europe live in poverty. Although the Netherlands is generally considered to be one of the region’s most prosperous countries, a considerable number of poor people live here. The Netherlands’ Central Bureau for Statistics estimated in 2015 that more than a million people in a total population of 16.8 million live below the Dutch poverty line, the majority of them in the larger cities. At the time of writing, the 2016 figures had not been published, but estimates are that this number has further decreased. There has been a systematic decline from a peak in 2008. However, the biggest challenge for many is longer-term poverty. And in spite of seemingly good progress, the number of food banks again increased in 2016 to 167, from 163 in 2015.

Now, there is a food bank in 95% of Dutch municipalities. In 2016, the Caritas European network – a group that includes Cordaid and does huge amounts of work in developing countries – published its End Poverty in Europe report. It is freely downloadable from our website: https://www.cordaid.org/en/news/aid-organizations-ring-alarm-bells-about-poverty-europe/.

Helping at home
Over more than 100 years, Cordaid has built up considerable expertise in helping communities help themselves, often co-funded by individual donations from people in the Netherlands. Since the 1930s we have also been involved in helping at home. Experience shows what people can do will a little support. During 2016, we were obliged to further focus what we can do with the (human) resources we have. That is why Cordaid in the Netherlands has opted to focus on encouraging cooperative entrepreneurship in people on low incomes. Cooperative entrepreneurship offers people perspective on work and income and promotes social cohesion. By developing small enterprises they can leave poverty behind, participate in society and contribute to the quality of life in their own neighbourhood or town/city. With partners from industry and the (local) community, Cordaid supports initiatives for cooperative entrepreneurship with knowledge and coaching, and access to expertise, networks and, if necessary, funding.

At the end of 2016, we were supporting 20 cooperatives in 12 municipalities. Some have been up and running for a number of years, others are still in the process of establishment. Coops come in all kinds and sizes. AfriPan is a catering coop in The Hague, set up and run by women from all over Africa. Working for the cooperative has a lot of advantages. Many of the women arrived in the Netherlands as refugees. It was difficult to find work as they did not speak the language and lacked the kind of work experience that is needed for the Dutch labour market. After a period with the coop, they have marketable skills. At Leeuwarden Unlimited, in the far north of the country, eight members have set up a creative coop, offering music and singing lessons, children’s books, camera work and film editing, urban gardening, developing teaching materials and producing handmade greetings cards. One of coop’s first assignments was the creation of 2,000 Christmas packages for refugees. At Cooperative De Vrije Uitloop in the southern city of Breda, 15 members have been exploring and using their talents since 2013. All have set up their own business under the coop’s umbrella and the opportunity – and the time - to test whether their products can be marketed, while - temporarily - retaining social security benefits. It is a win-win situation for all concerned. The coop members are able to do (payed) work and, if profitable, to repay benefits back to the municipalities.

Bracelets made from life vests left behind by refugees.

The Social AdVenture Award is fast becoming a regular feature in the Dutch creative calendar and is increasing attracting entries from around the world. The challenge is to come up with bright, smart and viable ideas that can help fight poverty in the most fragile and conflict-affected countries. Traditionally, we announce the winners to mark World Poverty Day. 2016 was no exception. There were around 300 entries for the national and international prizes. The social-cooperative Dream Factory won the national competition (€10,000) for its design and manufacture of luxury bracelets made from life vests left behind by Syrian refugees. These can be purchased online for €25 at https://www.cordaid.org/nl/nieuws/bestel-omarmbandje/

SweepSmart, a Dutch-Indian private initiative focused on waste disposal in the sub-continent. SweepSmart helps people who make their living from scavenging rubbish tips to make more money and local municipalities to battle their waste problems.
Cordaid has four key stakeholder groups: beneficiaries, (implementing and funding) partners, institutional and individual donors and our own personnel around the world. What the graphic shows is that it is all about people, how they interact and join forces to support our mission: building flourishing communities.

We work on the premise that the communities concerned know best what they need. That is why our programming and projects will almost always start with the local communities concerned. They are involved at every stage of our programming and projects. Our standard procedure in designing programs is to consult with beneficiaries through focus groups, surveys and through a number of tools we have developed specifically for this purpose. For example, for resilience projects in Ethiopia we work with communities to map the hazards they are exposed to, their existing capabilities to deal with them and their vulnerabilities. For our team in the Central African Republic, beneficiaries are central to the whole program process as well.

One of our most successful tools to gather and evaluate community input is the Barometer for Local Women's Security. The Cordaid Barometer is a monitoring instrument that reflects how women themselves describe the impact of insecurity on their daily lives. Women define themselves what their priorities are, and what they can do to improve their situation. Women interview - and collect stories from - each other. These are then interpreted and analysed by them. This information is valuable for policy makers, governments and donors as it provides additional insight supporting existing indexes and statistics by directly adding the voice of women. Women are thereby empowered to participate at all levels of policy development and shape public and government agendas on gender, peace and security issues. The Barometer approach has been successfully piloted in India, Colombia, DRC, South Sudan and Palestine. In 2016, the approach formed the basis of our joint peace and security projects. Our standard procedure in designing and measuring and funding projects. Our standard procedure in designing and measuring and funding projects.

The Barometer features:

- **Data collection:** By using tablets, smart phones as well as personal interviews communities articulate what matters most to them through storytelling, complemented with questions for signification. This provides a unique combination of independent and authentic qualitative and quantitative information that can be aggregated and analysed.
- **Community-owned information:** The primary beneficiaries are communities themselves. Information is fed back to them and communities use this information to prioritize the development activities they need most.
- **Multi-use applications:** The analysed information can also be used by service providers, local and national governments, social enterprises and (I)NGOs.
- **Scalable:** The methodology can be used on a large scale in or easily adapted to local communities in different countries.

**Our partners**

Although Cordaid has shifted from a grant-giver to a grant-seeker, the basic approach to the work in development cooperation has remained unchanged. We actually need our partners more than ever, even though we may now be in a rather different role. From 2016, we are focusing on 50 strategic partnerships that are most relevant for our fragility and conflict-affected regional focus. Our most strategic partners, Caritas Internationalis and the Caritas network in 168 countries and CIDSE, remain crucial for our future. Not only by offering us access to some of the world’s most remote and ravaged regions, but also by allowing us to be part of a global family of Catholic organizations, who share beliefs and join forces to reach out to the poor, the vulnerable and the excluded. Moreover, increasingly the scale of, especially humanitarian and emergency, crises means that the creation of consortia is the most effective response. No stranger to working in consortia, most recently Cordaid joined the Dutch Relief Alliance (DRA) that is active in 14 countries (some of them Cordaid focus countries), bringing aid to millions suffering in the worst crises – see our Humanitarian activities on page 17.

**What our partners say**

Humanitarian disasters require a very specific and immediate response. However, development cooperation is a longer-term enterprise that requires different skills and expertise, also from our partners. As in most of the countries where we work, our team in Burundi involves partners at the very earliest stages of program design and planning. Cordaid has significant track record on implementation, especially in health, security & justice, education and women & youth. We regularly formally assess how our partners see us using surveys and project monitoring. On an informal level, often in conversation with partners and beneficiaries, we are also able to gain insights into how Cordaid is perceived. Some partners still have difficulty making the change in mindset from working with Cordaid as a ‘donor’ to partnership with a ‘co-actor’. This perception should change over time as we further build capacity in our country offices.

**Institutional donors**

At any given time, Cordaid is working with more than 100 institutional donors and philanthropic foundations around the world. These range from international organizations such as the World Bank and Global Fund to the Dutch government ministries and bodies like the Dutch National Postcode Lottery (see sidebar). In today’s competitive environment, it is crucial that we maintain strong relationships with these and other funding partners. Those relationships can prove vital in winning funding for essential programs. Funding for fragile and conflict-affected regions is not always easily available. In
Every year, 273,000 Dutch people, old and young, give generously to Cordaid. However, the way people give has been changing for the last five to 10 years. The older donor often set up a direct debit and gave that way for decades to a number of household-name Cordaid charities, such as humanitarian aid charity Mensen in Nood and our healthcare charity Cordaid Memisa. Attracting regular donations from younger generations is tougher. People are less willing to commit to long-term gifts. Basically, they want the freedom to decide in their own time if and what they want to donate. They want to help people help themselves. And they want to know where the money is going. This shift in how our individual donors give means a bigger challenge for us. We attract funds in a number of ways. Door-to-door campaigns, often backed by regular, annual Dutch television appeals fronted by celebrities – see www.cordaid.org/nl/nieuws/caroline-tensen-ethiopie/ (in Dutch). We also used television to highlight one of our major healthcare themes – maternal and infant mortality. A television appeal in late 2015 raised €210,000. These additional funds secured the safe birth of more than 20,000 babies in countries such as Uganda, DC Congo, the Central African Republic, Burundi and Zimbabwe. A similar campaign in late 2016 also raised over €200,000 for health centers in the same countries.

What our individual donors say

We constantly invite our individual donors to share their opinions, on social media, in online surveys, by telephone calls to our Donor Contact Center and in much appreciated and live (and lively) meetings in person. We are eager to hear individual donors’ opinions about Cordaid and our work and to learn from them how we can improve ourselves. Every year, we organize donor events that give us the chance to meet in person. In 2016, we organized eight events in different regions and two bigger meetings in major cities, The Hague and Den Bosch. Our donors are straight talkers. Here’s a selection of frequent comments and questions: ‘Does nothing ever go wrong? All you give us are ‘good news’ stories with happy endings...’ ‘More clarity on fund-raising costs, please – how much do you spend on this?’ ‘Please don’t send me a lot of mail. Don’t worry, I will find you and you’ll save money on postage...’ ‘I think it is very important for all donors that the people themselves work to improve their situation – and think it would be good to follow up on projects many years after they are finished...’ ‘What is Cordaid’s role in convincing governments to honour their development commitments...?’ ‘Creating chances and opportunities for people far away should also come with some advantages for people here in Holland. This is something Cordaid should be more aware of. It would attract more donors and less migrants...’ We individually answer these and other questions on social media, in Donor Contact Center calls, personal meetings and in our Cordaid magazine Zin Geven. And of course we have a FAQ webpage answering recurring questions.

Transparency – what is material?

All our stakeholder groups have different needs when it comes to information about Cordaid. And what is of major importance in understanding one organization can be immaterial for another. If the goal is transparency, and it is our goal, then there is no point overloading people/stakeholders with masses of – more or less irrelevant - information. This does not help stakeholders understand an organization’s solidity, sustainability or transparency. It is more useful to determine what is significant or material for Cordaid’s continuity and provide information to stakeholders on those points. Over time, a number of internationally recognized tools have been used by Cordaid in our annual reports and other key communications.
developed to help organizations and corporations do just that. One such tool is the Global Reporting Initiative (GRI). In 2015, Cordaid’s Board of Directors committed to the gradual implementation of GRI reporting based on the materiality principle. From 2015, we have aimed to write our annual report according to the GRI standard for Non-Governmental Organizations (NGOs) and to focus on the ‘material’ aspects in our reporting. This is a very basic first step and much still needs to be done before we will be able to take the next step.

Identifying materiality
What do our stakeholders – beneficiaries, (institutional/individual) donors, (funding/implementing) partners and staff - consider to be the fundamental aspects of our work, that ensure the continuity and sustainability of our activities? To answer that question, in 2014, we began gathering materiality input and feedback through discussions with stakeholders at events and in questionnaires, especially individual donors; feedback from implementing partners in project evaluations and informal meetings; discussions with institutional donors; Employee Satisfaction Surveys and regular staff meetings in The Hague. In 2016, we further expanded materiality topics in questionnaires and surveys and discussed these at evaluations with partners and donors. Based on the input and feedback from stakeholders, Cordaid’s material topics are:

- Sustainability and Continuity, especially financial through fundraising
- Expertise in translating community requirements into the creation of viable programs and projects
- How we execute programs and projects
- What – sustainable – impact we have
- How we manage risk
- How we are governed and held accountable

Reporting progress
Our activities on the first three ‘material’ topics and how we did on these in the reporting year can be found throughout this annual report. Sustainability and continuity (financial) are reported in the section on Funding. Program development and our community-based approach are described in How we work. Implementation is also covered in that section, but can also be found in reporting on work with our partners. For a complete overview of all the programs and projects we are executing or have executed in the last few years, please see www.cordaid.org/en/projects/, or create a personalized Open Data Dashboard on our website.

Challenges in reporting
Although Cordaid pioneered Open Data according to IATI standards and Results-Based Finance (RBF) to be found on www.openrfb.org, we have a real challenge when it comes to measuring the fourth material topic: our – sustainable – impact. It is this realization that has driven us to pursue the best transparency we can achieve. Our challenge is that we work primarily in fragile and conflict-affected areas and regions. These are the world’s toughest and most volatile places. The conflict that erupted in the Central African Republic in 2016, or the famine that is affecting South-Sudan, North-east Nigeria, Somalia and Yemen - all require us to shift our focus, energy and resources to humanitarian relief for the vulnerable and displaced, often away from, for example, further development of more structured basic healthcare services or security...
Working With Stakeholders

into the future. But it is difficult to measure their sustainable impact.

Managing complaints

Cordaid has 273,000 individual donors and thousands of partners, both funding and implementing, around the world. However well we manage our relationships with all of them, we still run the risk of receiving complaints. Cordaid has a comprehensive framework in place to deal with complaints that may arise in the execution of our fund-raising, programs and other activities. Fast and transparent responses to complaints are crucial both for retaining good relationships and for our reputation. There is a clear process on managing complaints. We set time limits on responses: confirmation of receipt within two days, a maximum of four weeks for assessment of the complaint, followed by response to the complainant. If no satisfactory solution can be found, the issue can be forwarded to the Complaints Committee comprising the CEO, the Q&C Compliance Officer and the Manager of the Donor Contact Center. In 2016, we received a total of 330 (or less than 0.001%) complaints from individual donors. Around 30 people complained of receiving too much mail (requests for donations) while a further 11 donors reported strange conversations with door-to-door recruiters. In the case of too much post, we have introduced two new blocking codes that donors can apply. This allows donors to choose when and how much mail they receive

and protection. In Burundi, where the political situation is extremely tense and some donors have refused to allow their funding to be disbursed through government agencies, we are attempting to maintain the basic healthcare, education and security services we have built up over many years. However, essentially, we are back to square one – basically providing humanitarian relief.

Outcomes vs impacts

Given this reality, how can we resolve the sustainable impact issue? All our programs and projects are designed to achieve specific, defined goals. Outcomes at the end of programs are fairly easy to identify. For example, in the first quarter of 2016, Cordaid worked with a number of partners to provide a mobile hospital for Aleppo in Syria. The ongoing war has destroyed much of the city’s infrastructure and seven out of 10 hospitals are no longer functioning. The need is clear – medical facilities. The goal is clear: equip a mobile hospital and get it to the outskirts of Aleppo. We achieved both aims. In terms of sustainability, it could be argued that this is purely an emergency aid project and, therefore, has no long-term sustainable aims. However, by carefully designing this project, we were able to offer a range of vocational training, including midwifery for nurses and refresher courses for midwives; specific combat-related surgical training for physicians; and technical training on equipment for medical staff. These skills will be used well
from us. In case door-to-door recruiters convey wrong messages – which does happen, though rarely – such as the idea that Cordaid offers the opportunity to volunteer for charity work in Syria, we act immediately by contacting the responsible agency and fix mistakes. This enables them to nip such stories in the bud and ensure it does not become a structural problem.

International donors
Cordaid executes a large number of major programs on basic services, such as health and security & justice, in many countries. For example, the implementation of our HIV/AIDS/ TB programs in the Democratic Republic of Congo was both a highlight and a disappointment in 2016. We are acting as the primary actor in this extensive program funded by the Global Fund (GF). While we were ultimately able to recruit 30 new staff, the program has become increasingly complex due to the integration of Tuberculosis-related activities into existing HIV/AIDS programs; this also means increased cooperation with other national (government) programs and departments is obligatory. Moreover, the program had to be extended significantly to cover 170 health zones. Every six months, the GF rates its primary partners. Unfortunately, on this project we lost our top ranking in 2016. The GF remarked that we had been slow to include additional health zones due to delays in staff training. Another issue was the low performance on TB-related and other indicators. Based on the GF’s comments, our colleagues in Kinshasa organized a workshop for implementing partners in October 2016. The aim was to identify the underlying problems and formulate an action plan to tackle any issues. In addition, the Kinshasa team evaluated its own performance and has come up with action plans. These plans will be monitored closely on a monthly basis to ensure we get our top rating back in 2017. On a brighter note, the World Bank complimented us on the implementation of a sustainable RBF health program in Cameroon. RBF has become the policy of choice for the Cameroon government and following some years of introduction and implementation, we have now handed it off to the Ministry of Health.

Partner complaints
We received only one formal partner complaint in 2016. The Cenddow Foundation in Nigeria had applied to Cordaid for funding for a project. The complaint, which was more an objection to our rejection of the proposal, was lodged at the end of May. However, from 2016 Cordaid is only engaged in Lobby and Advocacy activities in Nigeria and we were obliged to inform Cenddow of this in June. Obviously, we meet partners informally frequently. In discussions over a coffee or tea, we note that partners often still see us as donors and are having some difficulty making the adjustment to the ‘new’ Cordaid. Our partners would like us to be faster in taking decisions, especially on finances. And there is some anecdotal evidence that partners welcome our increasingly hands-on role in implementation.

SHOWING AND SHARING WHAT WE DO
At any given time, Cordaid is developing, implementing and executing hundreds of programs and projects in over 20 countries. We want our stakeholders to be able to see, understand and evaluate what we do. This is why Cordaid pioneered Open Data reporting according to the International Aid Transparency Initiative (IATI - www.iatistandard.org) in the Netherlands. In practical terms, this means everyone – beneficiaries, partners, donors – can follow each and every Cordaid program and project (www.cordaid.org/en/vision-open-data/).

We work on the basis that all project information should be published and regularly updated so that progress can be reviewed during rather than at the end of activities. And because data in itself is not knowledge, our open-data project files further provide narrative information and background about the vast majority of projects. Interactive visual tools that help users to produce insightful graphs, maps and charts based on open data information are available. At present, the data and information generated must be considered as outcomes rather than verified sustainable impacts. We are still working on this next step.
COMMUNICATING WITH STAKEHOLDERS

At Cordaid, we believe it is imperative to be in close contact with stakeholders. In addition to ‘regular’ communication tools, such as mail campaigns, we use all kinds of media to inform, raise awareness and engage support bases. Our website is popular in both Dutch and English. In 2016, we did not see the massive increases in visitor numbers generated by our 2007 Small Change, Big Difference campaign going viral in 2015. It is estimated that over 50 million people have now seen the advertisements. Viewers can see an interview with the ‘model’ made in 2016 on YouTube (www.youtube.com/watch?v=GGtouMLOC9E). However, our visitor numbers showed steady increases and we registered more than 500,000 visitors on both sites. Visitors come from all over the world. Of our charities, the Cordaid Memisa site again attracted most visitors (52,000 compared to >100,000 in 2015). Projects received 82,000 (2015: 137,000) hits and 7,000 unique downloads (2015: 7,400) were made of information posted on our site. We use social media such as Twitter, Facebook, Instagram, YouTube and LinkedIn every day. We have close to 13,000 followers (2015: 10,000) on Twitter, >40,000 likes on Facebook, 7,200 followers on LinkedIn and more than 1,100 on Instagram that we launched in January 2016. YouTube remains important, especially for visualizing the sense of urgency that is essential in raising awareness. For example, we used YouTube to publicize ‘The Walk’, a five-hour, real-time walk by mother-to-be Chanceline in the Democratic Republic of Congo. During each of her three pregnancies, Chanceline made this walk five times, or a total of 50 hours, to her closest health clinic. The Walk, that we launched in late 2015, has now been viewed almost 10,000 times on YouTube. https://www.cordaid.org/en/campaigns/health-for-all/who-is-chanceline/
Cordaid is engaged in a wide range of international development cooperation, everything from emergency humanitarian relief through resilience-building, to the design and implementation of actual development programs. Until recently, the organization was structured according to its main activities – the provision of funding for the implementation – often by partners – of programs. Today, Cordaid itself is more and more involved in developing, funding, implementing and executing programs in our focus countries. For this reason and in line with strategy, our human resources have been reconfigured. Now, the way our people are allocated reflects the role of head office in The Hague as a center for (administrative and practical) support and expertise and the country offices as centers for identifying needs through our unique community-based approach to programs, attracting funding and implementing programs in partnership with like-minded (international) development organizations.

The situation
It is almost a platitude to note that the world of development cooperation is changing rapidly. However, it is the reality that the majority of INGOs are dealing with on a daily basis. The end of the Millennium Development Goals (MDG) and the end of the co-financing program from the Dutch government that had facilitated the work Cordaid did to contribute to many of the MDGs, was also the end of an era of relatively easy access to finance for programs. Although this transition was known well in advance and moves were made to make the requisite changes within the organization, its real impacts were not fully understood. The change from an organization that provided funding to implementing partners into an organization that was obliged to raise funds to achieve its goals, has proved exceptionally difficult. There are a number of factors. One is mind-set. Competing in a highly competitive world requires particular abilities, such as tender proposal writing. Although we systematically achieved our ‘tenders won’ percentages, our ‘wins’ were usually small, short-term projects rather than the major programs we aspire to. With less funding coming in and in spite of a number of drastic cost-cutting measures in 2015, during 2016 it proved that Cordaid had been unable to transition into a cost-effective, competitive player in an increasingly challenging sector.

Strategy for continuity
The challenge required Cordaid to take prompt action. In the second half of 2016, extensive measures were identified and implemented to substantially and immediately reduce organizational costs. This led to a 35% staff reduction in the Netherlands (in 2015 the organization had already made a 30% reduction in staff in The Hague). Cordaid’s Works’ Council was fully informed and provided advice on the restructuring plan. In parallel to the decisions on where reductions could be made while at the same time repositioning the organization to meet future continuity, we continued our training program. Priority was given to topics such as bid and proposal design and negotiation skills. Cordaid may be slow to transform into a more assertive, funding-focused organization, but we certainly have the capacities to execute and implement major complex programs. Gaining expertise in presenting our capacities is seen as critical at this stage in our history. Training continues into 2017, also in, for example, French as many of our focus countries are Francophone.

Country focus
A second focus in our strategy was to reinforce the country organization. For some time now, Cordaid has pursued a de-centralization policy that devolves greater decision-making to our country offices and requires a greater level of innovation, proactivity and resourcefulness from them. To this end, the director of programming developed a capacity strengthening process that is currently being rolled out in all our focus countries. The results of this ongoing devolution and redeployment of resources is clear from the numbers.

Growing country presence
As the numbers show, we have significantly increased our presence, not least because we are implementing quite some new projects, for example in the DRC. However, although we were able to attract 30 new staff in the DRC in 2016, recruitment remains an ongoing challenge. Once again, we are in a
our People

highly competitive ‘market’ when it comes to finding new colleagues. That is why our reputation is so important. Achieving the kind of gender diversity now expected in donor countries is also a real challenge as well. At Cordaid’s head office, it is not uncommon for women to be in the majority. However, in our focus countries the split is likely to be heavily weighted to males, particularly in cultures where women are less represented in public life, such as Afghanistan. Only around 15% of personnel are female there.

Health & Safety

Most security incidents involve locally hired staff in the countries where we are implementing programs. We use two strategies in frequently challenging situations: hibernation (waiting until shooting ceases) and relocation (moving to a safer place). In 2016, we had cases of both in Afghanistan, CAR, DRC and South Sudan. Expatriate staff are also at risk and were evacuated from, for example, South Sudan in July 2016. The risk to Cordaid staff and local partners in the program countries is, at times, considerable. A conscious choice has to be made in each case whereby we weigh both the program opportunities and the residual risks to staff when all possible measures have been taken. In fragile states, humanitarian and development programs can only be implemented when there is solid security management in place. In 2016, this became a more prominent feature of Cordaid’s work; to obtain safer access to populations in need and work to build resilient communities. We have a comprehensive safety policy in place and dedicated security plans and procedures for each program country. A Safety, Security and Crisis Committee and a Security Advisor develop policies and procedures, oversee their implementation and manage crises. Security training is always provided ahead of international deployment and travel to medium- to high risk zones; refresher courses are arranged every two years for head-office staff travelling to our countries. This includes security training for very experienced field workers and for female travellers. Locally hired staff in the program countries is also trained in personal security, Cordaid security management and procedures. Crisis management simulations are held annually in The Hague and increasingly in the Country Offices. International staff at our country offices and colleagues who travel regularly for work have frequent medical checks designed specifically for the particular regions where they work. Health of locally hired staff is covered either through insurance or through direct cost reimbursement depending on availability in the country.

Health at head office

In the Netherlands, Cordaid meets all regulatory requirements on health and safety relating to the workplace. The Human Resources (HR) team is responsible for developing and monitoring policy on working conditions. The results and plans for the current year are reported annually to the Board of Directors. Every two weeks, the Cordaid company physician visits us to
give advice to both employees who are absent due to illness and to managers on how to monitor this process. Such dialogues are part of the established process of helping staff return to work, usually involving a so-called reintegration process. Our goal is to keep absenteeism due to illness below 3.5%. Sadly, and not unexpected due to the uncertainty around many people’s future with Cordaid, 4.6%, absenteeism due to illness was higher than our target of 3.5%.

2016 CHALLENGES:
Large staff turnover in CAR at the beginning of the year. This is a real problem in the Central African Republic and elsewhere in sub-Saharan Africa as human resources are limited. Back on track now.

2016 MEMORABLE MOMENTS:
Starting seven new projects in Health, and integrating 30 new colleagues in the Democratic Republic of Congo (DRC).

GOAL:
Achieve a shift in allocation of human resources from head office in the Netherlands to country offices around the world.

Intercultural communication
Communication is a key factor in all our activities. Cordaid has its own intranet, ‘Coconut’, that is accessible for all personnel, both in the Netherlands and around the world. ‘Policy weeks’ are usually organized annually for colleagues from Country Offices and management so that they can meet and discuss developments and issues with personnel in the Netherlands. ‘Cordaid Mornings’ are meetings for all staff and are well attended. They are used to provide feedback on topical issues and to inform staff on important issues. During these meetings, standard practice is to tackle minor issues emerging from surveys immediately. Larger points can take more time to resolve. Action to be taken is also posted by the Board of Directors on the intranet. As noted, all personnel in The Hague are also represented by an active and committed Works’ Council. It usually meets at least twice a year with the Chairman and a member of the Supervisory Board and has regular meetings with the CEO. Cordaid’s Works’ Council provides major input on a variety of topics and has been closely involved in the planning and implementation phases of our ongoing transition. During 2016, the Supervisory Board was in regular contact with the Works’ Council throughout the reorganization process.

South Sudan: Friday July 8: ‘The messages became more alarming. We sent our local colleagues home early that day. We are left with around ten expats – a few Ugandans and Zimbabweans, a Kenyan, an Indian, a Scotsman, a German and two Dutch people. We were in the office when we suddenly heard rattling noises in the compound. It sounded like hail, but it wasn’t. RPGs and those 12.7 barrels that take ammunition as big as a can of Red Bull. Heavy artillery. Stuff that could easily blow away an entire wall. Bang, bang, bang, you heard. And the softer tack, tack, of AK47s. Fifteen minutes long they roared, very near...’

Piet Spaarman, Cordaid

What our people say
Normally, Cordaid carries out regular randomly-sampled staff surveys. However, the ongoing and intense dialogue with staff during 2015 meant that no formal survey was undertaken. In early 2016, an Employee Satisfaction Survey (ESS) was carried out and the aim was to repeat the exercise later in the year. The outcome, following a significant reduction in staff in 2015, was comparatively positive. Over 60% responded anonymously. Overall, people scored ‘working at Cordaid’ with a 6.7 and ‘pride in the job’ rated at 7.4; the goal for overall employee satisfaction is an average 7.5. Clear areas of concern for staff were also identified and scored less well: workload, entrepreneurship, cost awareness and professional development. A new ESS will be carried out in 2017 rather than the originally planned late 2016. It was thought that no survey could be objective if around one-third of the workforce was expecting a redundancy notice.
The reporting year, 2016, would prove another year of profound change for Cordaid, a process that is still ongoing in 2017.

The year under review
For many years, Cordaid has occupied a significant position in the world of international development cooperation. It counts as a forerunner in the development of ideas and the creation of development programs. In health, for example, Cordaid is not only engaged in programs that help treat and cure the sick. It has also achieved significant results and lasting improvements to health systems, especially, but not only in sub-Saharan Africa. More than 6 million people there have access to health care thanks to Cordaid. And it is getting better and better. The number of women who die shortly after having given birth to children has decreased enormously. And a next step is the cervical cancer screening we are introducing in countries like Ethiopia where this disease is a major killer. These are real improvements. Unsurprisingly, Cordaid’s Health expertise is widely acknowledged by international peers. Disaster relief is similarly admired. Cordaid has put great effort into security & justice issues. It is staffed by people with abilities that are appreciated everywhere. Unfortunately, and against previous expectations, during 2016, it proved impossible for the organization to attract the high levels of institutional funding from international donors essential to pursuing Cordaid’s ambitions.

Third reorganization
For the Supervisory Board, the key element in this realization was continuity and safeguarding of the highly valuable expertise, reputation and skills present in the organization. This led to the painful decision that a third round of organizational restructuring and redeployment of personnel was crucial. The goal into 2017 was to prepare for a very much more narrowly defined task/vocation in which Cordaid nevertheless maintains its core strengths of being a powerhouse of experience and insights in health projects which make a lasting difference, in disaster relief, and in security & justice, also in terms of prevention of situations which are threatening to people in fragile and conflict-affected countries. But indirectly also for a stabilized future for the European continent.

Redundancies
The Supervisory Board (SB) worked closely with the Board of Directors (BoD) and Works’ Council on this third reorganization. Engagement with the Works’ Council was an intense interaction. The way the Works’ Council managed this difficult situation was much appreciated by the SB. It was precise in its questioning of both the SB and the BoD, especially on the consequences for those it represents. But it also kept its eye firmly on the future. The Works’ Council was attentive and critical but also acted as a valued partner in formulating and accepting plans that were needed in these difficult circumstances.

The necessary actions led to the loss of a substantial number of jobs at Cordaid’s head office in The Hague, including involuntary redundancies. Between the end of 2015 and the end of 2016 Cordaid reduced its staff from 246 FTE to 230 FTE, meaning a painful loss of about 16 jobs. Moreover, CEO Simone Filippini, who led Cordaid since 2013, stepped down as of 22 September 2016, although she remained available as advisor until 1 February 2017. In view of the urgency of the situation, the SB delegated its vice-chairman, Kees Zevenbergen to take on, following Works’ Council approval, management of the change process.

Quality of supervision
In order to achieve proper supervision of financial, organizational and social changes at Cordaid, the SB takes the view that its involvement should not be limited to monitoring financials and organizational issues at given times of the year. Its role is to monitor activities and the longer-term horizon. So supervision should take the form of ongoing and comprehensive monitoring of Cordaid’s continuity. Especially during 2016, when far-reaching decisions were needed for Cordaid’s continuity, the SB and board has been proactive in pursuing a relevant and appropriate supervisory model that is more a continuous process than a periodic snapshot at key times of the year.

Composition of the Supervisory Board
Throughout much of 2016, the Supervisory Board (SB) comprised seven members until late September when vice-chairman Kees Zevenbergen took on the role of CEO. The SB’s full profile is published on the Cordaid website. In line with this profile, all members have specific experience relevant to our activities. The SB’s composition is diverse in terms of gender. Two of the six members are women (for full biographies of all SB members, please visit our website: https://www.cordaid.org/en/about-us/organization/). From 2013, SB members are appointed for a maximum of two four-year terms.

Practical supervision
The SB comes together at least six times a year at prescheduled meetings and additional formal meetings can be convened if deemed necessary. Between meetings, there is significant informal communication between SB members and the BoD; the SB Chair and the CEO have regular monthly contact. This enables SB members to remain up to speed on developments as they occur and gives them the thorough information they need to give approvals for action where needed. In 2016, the SB met seven times and attendance at prescheduled meetings was 100% (2015: 80%). The BoD is tasked with providing full information to the SB so that it can carry out its supervisory responsibilities. During 2016 the SB requested regular updates on particular topics at each prescheduled meeting. Specific focus throughout the year was given to the ongoing reorganization, the new strategy and actions to attract major institutional funding.
Supervisory Committees
The SB is supported by two permanent committees: the audit and remuneration committees. If deemed appropriate and useful, the SB also appoints temporary ad hoc committees for specific purposes. The Audit Committee consists of three SB members, two of whom have specific financial expertise – for membership, see the table. The Audit Committee’s task is to review annual and quarterly financial and audit statements and performance against annual budgets. Subsequently these are discussed and evaluated by the full SB. Recurring topics for this committee include:

- audit plans and budgets;
- internal audit reports;
- continuity reserve policies and plans;
- guarantees and participations; and
- quarterly and full-year financial performance against budgets.

The Audit Committee (consists of 2 SB members) met 2 times in 2016 according to a prearranged schedule, including one meeting with the external auditors. The Remuneration Committee reviews policy and advises the full SB on executive compensation and related issues, including appointments. This committee met once in 2016.

Remuneration of the Supervisory Board
All SB members donate their time and expertise. They receive no remuneration for their work for Cordaid. Out-of-pocket costs for travel and meeting attendance are being covered through the possibility to claim a fixed expense allowance with a maximum of €1,500 per year. However, most Supervisory Board members do not make use of this facility. In 2016, to further improve transparency, the SB decided these costs should be specified and published. In 2016, €6,286 was reimbursed to SB members.

Cordaid Remuneration Policy
Cordaid’s executive remuneration policy is evaluated and reviewed periodically by the SB, most recently in 2013. Current policy adheres to and is in line with the recommendations of the Association of NGOs and Charitable Organizations (Goede Doelen Nederland) and well in line with the Wijffels Code. Remuneration of executive directors (BoD) is fully compatible with VFI and Wijffels Code recommendations and is based on a point-based weighting system that sets a maximum for each director. According to policy, remuneration consists of a gross salary, holiday allowance, social security contributions and pension-cost expenses. In 2016, salaries paid to executive directors amounted to €313,481 (including employer’s share for social and pension costs). Remuneration for personnel is governed by the Cordaid Legal Status Regulation that also stipulates labour conditions. This Regulation includes salary scales for specific roles and responsibilities within the organization. The Eprom format is used for job descriptions; these are weighed by external experts and allocated to a salary scale. Cordaid is competitive in terms of working conditions and compensation compared to the overall NGO sector; we apply VFI guidelines to remuneration policy for the entire staff.
Cordaid is one of the Netherlands’ largest and most reputable NGOs. Funding comes from government grants, institutional funding and donations from private individuals. As the recipient of public funds and the trust of hundreds of thousands of individual donors, we have a clear duty of care. Cordaid has to be accountable. Good governance is one of the key factors in all our community-based projects so it is imperative that we ‘practice what we preach’. That is why governance is so important for Cordaid.

Good Governance

Good Governance covers how we are managed, how we are supervised, how we work with stakeholders and how their interests are taken into account. Cordaid’s governance is based on a two-tier system, with a Supervisory Board (SB) overseeing the Board of Directors (BoD). Our governance is described in full in Cordaid’s Articles of Association and in the Good Governance Code (both can be found in Dutch and English on our website: www.cordaid.org/governance). Cordaid has also received the Dutch Central Bureau of Fundraising seal of approval that monitors fundraising organizations and incorporates the so-called Wijffels Code of Governance for NGOs and charitable organizations – our current certification is valid through 2017.

Codes of Conduct & Quality Standards

Our staff adheres to a number of Codes of Conduct (please see www.cordaid.org/codesofconduct) that set clear guidelines for how we behave and interact with other stakeholders and our working environment. The Code of Conduct was evaluated and revised most recently in July 2013 and is applicable to everyone who works at Cordaid. We also have in place policies and codes on anti-corruption and sexual abuse. In terms of quality standards, every year Cordaid carries out an ISO 26000 self-assessment. In 2016, our rating on Corporate Social Responsibility was marked by ISO as a deviation as we had removed the policy from the Cordaid website. We are in the process of fully revising and updating this policy, not least as we are gradually shifting our CSR accountability to the Global Reporting Initiative’s version 4 for NGOs (G4).

Whistleblower Code

Cordaid adheres to the Whistleblowers’ Code. We encourage and value any reports of suspected irregularities and there is a clear and confidential reporting line. Employees who make reports in good faith are guaranteed confidentiality and their position shall not be disadvantaged as a result. We have a counselor structure in place and both the Chief Executive Officer and Chair of the Supervisory Board can be approached directly with reports. Employees receive written feedback on any report within eight weeks. Furthermore, Cordaid has a well-established Code of Behavior. Three colleagues have been designated as counselors who can be approached if employees feel they have treated unfairly. The counselors act as confidential intermediaries.

Accountability

In line with our adherence to Central Bureau for Fundraising (CBF) best practice and requirements, we report annually on ‘accountability’. In fact, this whole annual report is about our accountability: what are we doing, where, why, with whom, and how are we trying to get the best results and continuously improve our outcomes and impacts. That is why we think that the following quick-reference guide to the three guiding principles of the CBF accountability report will be most useful to readers:

- Governance: see this page.
- Effectiveness of our programs: see page 23.
- Stakeholders and our communication with them: throughout the report, but especially see page 31, including our pioneering ‘open data’.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility refers to the impact an organization has on the so-called three Ps: people, planet and profit (or prosperity). It is about how we interact with and impact society as a whole, about how we consider the environment and how we work with the people and groups that are affected by what we do - our stakeholders. CSR is a result-oriented process that enables organizations to take responsibility for (the effects of) their activities and to ensure other partners in the chain do the same. This is how we manage CSR at Cordaid.

It is now generally accepted that social responsibility as a way of working is a big contributor to sustainable development. That is because it can ultimately help deliver social, economic and environmental benefits for all stakeholders. For an organization like Cordaid, these CSR principles are essentially a way of life. Our mission is to help – often displaced and vulnerable - people in the most fragile and conflict-affected regions of the world to transform their situations into flourishing communities. Our very reason for being is to support them by providing emergency and refugee aid; structural medical help; relief and support to specific groups like the elderly, the impaired and children; and all efforts required to tackle structural poverty.

Where we are with CSR

In recent years, the need for transparency in the world of development, has increased dramatically. Our stakeholders want to be able to measure and evaluate the solidity, sustainability and transparency of activities according to recognized benchmarks. And we want to know the same about the organizations and partners we work with further up and down
the chain. Cordaid uses the ISO 26000 guidelines to determine key CSR themes: these are organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, and community involvement and development. A comprehensive CSR policy document can be found on our website. We follow the CSR guidelines of quality bodies, such as the International Standardization Organization (ISO) and PARTOS, in that we regularly inventory policies, actions taken and our ambitions for the future. Our CSR inventory was fully updated in 2016 and also includes other insights into how we view CSR and the tools we use to improve our transparency and sustainability. Please visit: www.cordaid.org/en/CSR.
Like every organization, Cordaid is exposed to a variety of general external and internal risks. In addition, there are particular risks related to our mission and presence in fragile states and conflict-affected areas. To deal with risks in an optimal way, Cordaid implements an Enterprise Risk Management policy.

Cordaid monitors its risk at different levels and regularly reports on risk assessment, risk mitigation measures and follow-up on these measures. This is done through a dynamic risk register that is updated at least annually. Reports on the follow-up of risk mitigation must be done at least quarterly for the top strategic risks. The Enterprise Risk Management Policy is monitored by a specific Risk Committee that reports to the Board of Directors and the Supervisory Board annually or whenever needed.

In the most recent risk register (updated in 2017) the following risks are identified as the most important strategic risks:

- Security related incidents in the fragile working contexts impacting Cordaid staff and the progress of programs
- Internal process and system risks related to the shift of responsibilities from Head Office to Country Offices and the more programmatic way of working that is required
- Loss of competitiveness in the increasingly competitive market for project grants due to too little scale of the organisation and rapidly changing donor priorities that might not fit within Cordaid’s strategy

All the (strategic) risks are managed by a risk owner. In practice, this is usually the responsible line manager. Changes in strategic or operational risks are communicated through the quarterly reviews.
OUTLOOK 2017 AND MULTI ANNUAL STRATEGY
2018 – 2020

Strategy
More than 2 billion people live in countries where development is affected by fragility, armed conflict and recurrent natural disasters. And by 2030 the share of global poor living fragile and conflict-affected situations is projected to reach 46% (source: World Bank). Currently 65 million people have left their homes, seeking refuge elsewhere. Many of them die in the attempt.

The 2030 Agenda, with its 17 Sustainable Development Goals (SDGs), transcends geopolitical interests and sets such a framework for global sustainable development and public policy. For fragile and conflict-affected states, this agenda is particularly relevant in the coming years. SDG ambitions – with their imperative to ‘leave no one behind’ – ask for new thinking on the nature of fragility. They ask for a shift from a one-dimensional understanding towards a more holistic approach, recognizing degrees of fragility, each with a spectrum of dimensions and risks. It asks for collaborative, regional and global solutions to tackle root causes and consequences of transnational fragility and risk.

Meanwhile aid agencies have other challenges. Traditional donors – cash-strapped and pressured to redirect funding toward domestic programs – cut their aid budgets and expect more return on their investments. Space for civil society organisations (national and community based) is shrinking, with restrictive access to politics, policy dialogue, but also related to restricted funding and restricting regulations/governments. Increasing scarcity of resources leads to more competition, with new players entering the market of tenders and calls. More and more, seeking consortia and multi-stakeholder partnerships are the future way of performing in the business of development cooperation. In view of the current global trends towards socio-economic interdependencies and globalisation, we increasingly recognize that fragility undermines regional stability and impacts negatively on global peace and sustainable and inclusive development. Therefore, Cordaid will further focus its activities on working IN (proximity) and ON (peace, security) fragility.

Cordaid will maintain its focus on fragile and conflict-affected areas and will secure its full-fledged presence to 10 countries. The countries are: Afghanistan, Burundi, Central African Republic, Democratic Republic Congo, Ethiopia, Iraq, Myanmar, Sierra Leone, South Sudan and Uganda.

Cordaid’s country selection is based on the following criteria:

- Level of fragility and vulnerability (based on OECD / DAC classification and EU INFORM scorings)
- Value added and comparative advantage of our interventions, in relation to the national / local priorities and actors
- Potential for (integrated) program implementation
- Cordaid implementation capacity
- Cordaid track record
- Potential for funding

Besides the 10 focus countries, Cordaid can also decide – on a case to case basis - to offer services in other countries. Cordaid’s ambition in these countries is limited to single thematic programming or to Technical Assistance.

Cordaid continues to work on the themes Health, Humanitarian Aid, Private Sector Development, Resilience and Security & Justice.

Cordaid is in the process of implementing a new Cordaid Result Framework that better fits within the strategy for 2018-2020. As part of the process Cordaid is redefining its indicators. Future results will be determined following these new definitions in 2018.

Organization
The financial loss in 2016 was at the basis of the decision of the Board of Directors in September 2016 to start a new reorganization. The main purpose if the reorganization was to decrease the organizational costs and balance income and expenditure. As a consequence, as of 2017, the workforce in The Hague was reduced with another 30%, to approximately 130 FTE, including the staff of Cordaid Investment Management BV.

As Cordaid continues to be committed to the subsidiarity principle – organise locally what can be done locally – full responsibilities for project implementation will be transferred from Head office to the Country Offices, in addition to responsibility for (in-country) institutional fundraising and communication. In the coming years, the transfer of tasks and responsibilities will be executed in a phased and step-by-step approach as part of implementing the multi annual strategy 2018-2020.

Corporate control and treasury, coordination of multi-country programs, strategy development, strategic account management and strategy development will remain as core tasks at Head Office. In addition, the Head Office will provide and coordinate technical assistance and expertise to projects and programs. To accommodate improvement and development of knowledge and expertise, Cordaid will set up Communities of Experts on the themes of Health, Security & Justice, Disaster Risk Reduction, Resilient Business Development Services, Humanitarian Aid, Fragility, as well as one on the Planning, Monitoring, Evaluation and Learning cycle.
Finance
After 2 consecutive years with considerable losses due to the ending of the MFS subsidy from the Dutch Government, the main financial target for 2017 is to come to a balanced budget. To come to a balanced budget, a new reorganisation was announced in September 2016, mainly reducing support staff and communication staff. Staff on the core processes of programming and fundraising staff were affected to a much lesser extent in order to safeguard and grow (future) income.

The cost reductions led to a balanced budget in 2017. The savings in organizational costs amount to approximately €4.0m, mainly staff costs. The total expected total income amounts to €128.5m.

For 2018 and further, the objective is to remain working with a balanced operational budget and gradually growing income. Scale is important, both in relation to the impact of our projects and depth of expertise as well as in terms of competitiveness in obtaining new funding.

The increasing effort on institutional and private fundraising should ensure the projected increase in income, growing to approximately €150m in 2018 and to €180m in 2020. The projected increase in income will mainly come from institutional fundraising. Income from private fundraising is expected to remain stable in the upcoming years. Given the current competitive landscape for private fundraising and the ageing donor base of Cordaid, keeping the income stable will be a good achievement.

Income coming from social impact investments is expected to grow, but depends on the possibility to find external investors in the current funds. Because of our focus on fragile states and corresponding high management costs, this will take time. Income projections are therefore modest in terms of growth. The low interest rates temper the income from regular investments. Given the origin of its reserves, Cordaid maintains a prudent investment strategy.

Direct program costs will increase in line with the income in the coming years, while organizational costs will only increase slightly if the volume of activities will grow considerably. Non-operational costs to finance the costs related to the transfer responsibilities and tasks to the Country Office will be covered from earmarked reserves in 2018 and 2019. In 2020 the total level of costs must be equal or below the current level once again, assuming the same volume of project activities.